

Vesteda offers tenants comfortable a

Vesteda offers property investors acco

and luxurious homes.

access to the Dutch housing market.

Druk op het wiel om aan te geven
Hoeveel keer u wilt terugkeren

- 145 Meyden, F. van der
- 145 Meyden-Beulen, J.
- 147 Winter-Boender, M.J.
- 149 Korving-Fehling, S.
- 151 Mud, B.B.

X I R S

Vesteda Group 2005 Annual Report

Contents

Key figures | 5

Profile | 6

Board members | 9

Legal structure | 10

Classification of the portfolio | 13

Report of the Supervisory Board | 14

Corporate Governance | 17

REPORT OF THE MANAGING BOARD | 21

Introduction | 21

Housing market developments | 21

The property investment market | 39

Vesteda Group's strategy | 40

Implementation of strategy during the year | 47

Movements in the property portfolio | 50

Letting and management expenses | 55

Refinancing | 55

Results | 58

Distribution to investors | 59

Investor relations | 59

Participating interests | 60

Staff and organisation | 60

Outlook | 64

Annex 1: Vesteda's history | 69

Annex 2: IVBN transparency guidelines | 70

Annex 3: Definitions | 71

Notes | 72

VESTEDA GROUP 2005 FINANCIAL STATEMENTS | 75

Introduction | 75

Accounting policies | 76

Combined balance sheet as at 31 December 2005 | 80

Combined profit and loss account for 2005 | 81

Combined cash flow statement for 2005 | 82

Notes to the combined financial statements | 83

Proposed distribution to investors | 87

Auditors' report | 88

VESTEDA GROEP BV 2005 FINANCIAL STATEMENTS | 91

Introduction | 91

Accounting policies | 92

Consolidated balance sheet as at 31 December 2005 | 94

Consolidated profit and loss account for 2005 | 95

Consolidated cash flow statement for 2005 | 96

Notes to the consolidated financial statements | 97

Company balance sheet as at 31 December 2005 | 99

Company profit and loss account for 2005 | 100

Notes to the company financial statements | 101

VESTEDA GROEP BV OTHER INFORMATION 2005 | 105

Articles of association provisions governing the appropriation of profit | 105

Proposed appropriation of result | 105

Auditors' report | 106

VESTEDA WONINGEN 2005 FINANCIAL STATEMENTS | 109

Introduction | 109

Accounting policies | 110

Balance sheet as at 31 December 2005 | 113

Profit and loss account for 2005 | 114

Cash flow statement for 2005 | 115

Notes | 116

Proposed distribution to investors | 119

Auditors' report | 120

Projects Let | 123

VESTEDA PROJECT BV 2005 REPORT (annex)

The Vesteda Project BV 2005 Report has been added to the Vesteda Group 2005 Annual Report.

It gives information on the company's objectives, strategy and activities during the financial year.

Profile | 4

Structure | 7

Objectives | 8

Strategy | 9

Management and letting by Vesteda Group | 12

Report of market developments | 13

Completed projects | 14

Projects under construction | 18

Projects in preparation | 25

Projects under development | 30

Area developments | 34

Staff and organisation | 37

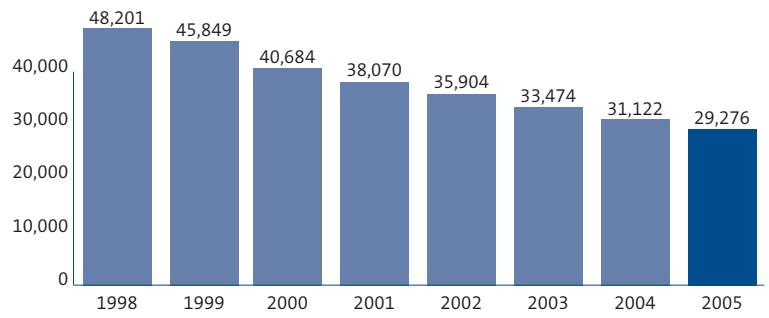
Results | 38

Outlook | 39

Vigorous towns | 40

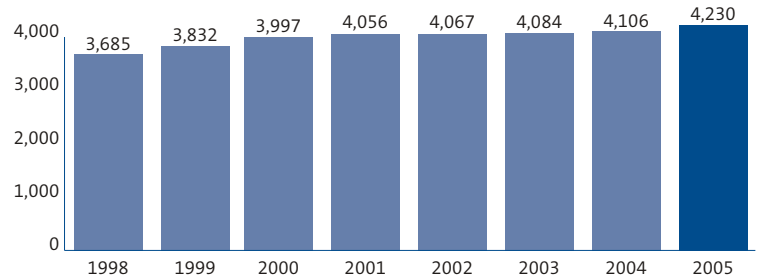
Residential properties

units, year end



Property portfolio

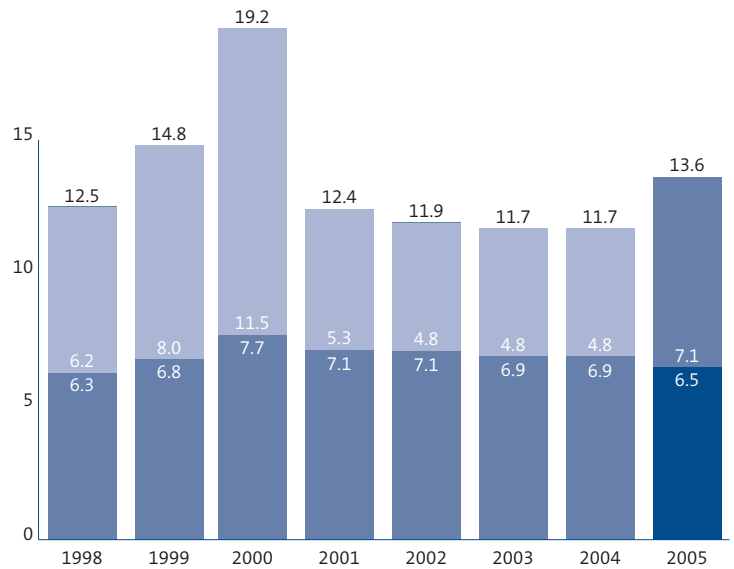
amounts in millions of euros, year end



Result on shareholders' equity

as % of shareholders' equity at beginning of year

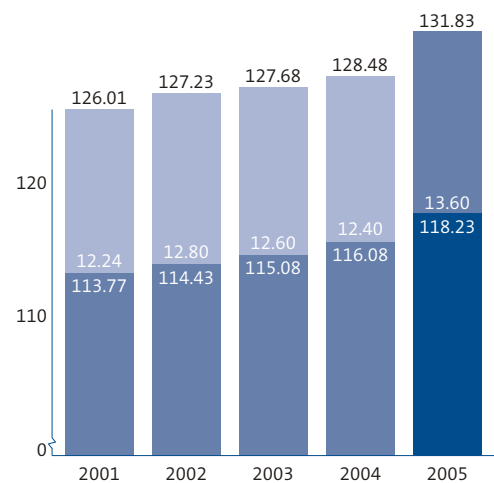
- Unrealised result
- Realised result



Net asset value

per share/unit, €

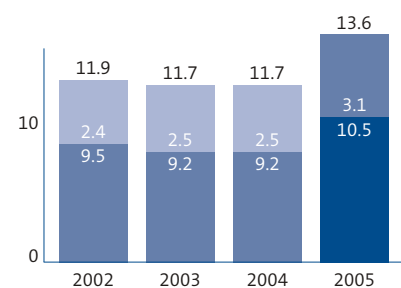
- Distribution to investors
- After distribution to investors (year end)



Effect of financing on result

See page 57 for notes

- Effect of leverage on result
- Total result without leverage



Key figures

	2005	2004	2003	2002	2001	2000	1999	1998
Units								
year-end letting portfolio								
residential properties	29,276	31,122	33,474	35,904	38,070	40,684	45,849	48,201
commercial m ²	36,098	40,791	36,960	37,266	34,594	35,630	35,587	35,394

Balance sheet

year end, amounts in millions	€	€	€	€	€	€	€	€
property portfolio	4,230	4,106	4,084	4,067	4,056	3,997	3,832	3,685
shareholders' equity	2,956	2,902	2,892	2,861	2,845	4,006	3,849	4,021
balance sheet total	4,356	4,323	4,288	4,250	4,204	4,110	3,966	4,126

Occupancy rate

year end, calculated on the number of								
residential properties	%	%	%	%	%	%	%	%
core letting portfolio	97.8	99.0	99.1	99.2	99.3	99.4	99.2	98.2
total portfolio	96.4	97.4	98.4	98.7	98.7	99.0	98.6	97.3

Result

amounts in millions	€	€	€	€	€	€	€	€
realised result	188	197	196	201	199	297	274	235
unrealised result	206	138	137	136	149	441	321	231
total result	394	335	333	337	348	738	595	466

Result on shareholders' equity*

as % of shareholders' equity								
at beginning of year	%	%	%	%	%	%	%	%
realised result	6.5	6.9	6.9	7.1	7.1	7.7	6.8	6.3
unrealised result	7.1	4.8	4.8	4.8	5.3	11.5	8.0	6.2
total result	13.6	11.7	11.7	11.9	12.4	19.2	14.8	12.5

Result per share

per share/unit	€	€	€	€	€
realised result	7.50	7.88	7.84	8.05	7.96
unrealised result	8.24	5.52	5.48	5.42	5.96
total result	15.74	13.40	13.32	13.47	13.92

Net asset value

per share/unit	€	€	€	€	€
at beginning of year	116.08	115.08	114.43	113.77	112.09
end of year					
(before distribution to investors)	131.83	128.48	127.68	127.23	126.01
distribution to investors	-13.60	-12.40	-12.60	-12.80	-12.24
end of year					
(after distribution to investors)	118.23	116.08	115.08	114.43	113.77

These key figures relate to Vesteda Group. There was a restructuring at the end of 2001 with retroactive effect to the beginning of 2001. The key figures for Vesteda Group to 2000 are the combination of Holding Vesteda bv and the portfolio it managed. From 2001, Vesteda Group has been Vesteda Groep bv, the portfolio it manages and Vesteda Project bv.

* Results on shareholders' equity 2005 can not be compared to results on shareholders' equity until 2004 in connection with a change in the IVBN calculation method.

Profile

Vesteda offers tenants comfortable and luxurious homes.

Vesteda offers property investors access to the Dutch housing market.

With more than 29,000 residential properties, with a combined value of over €4 billion, Vesteda is the largest residential property investment fund in the Netherlands. Vesteda Group develops, finances, lets, manages and sells residential properties. Vesteda is thus continuously raising the quality of its residential portfolio, which is held by its own residential property investment fund.

Largest residential property fund in the Netherlands

Vesteda operates in the higher-rent sector which starts at rents of €600 per month. Vesteda focuses mainly on small households: people over 50 and younger, single-person and dual-income households. Vesteda offers them comfortable, carefree housing with an eye for detail and design. To this end, Vesteda develops modern, sustainable apartments and houses in and around Dutch towns.

Higher-rent sector

A distinctive feature of Vesteda as an organisation is that it has project development under its own management. These activities are performed by Vesteda Project bv, Vesteda Group's project development company. Vesteda Project bv carries out both area developments and projects. By participating in area developments, Vesteda exercises influence on the quality of public spaces and urban development. As a developer, Vesteda controls the functionality, profitability and design of projects. This allows Vesteda Project bv to ensure ongoing construction of high-quality homes and residential concepts, largely for the property portfolio of Vesteda Group and to a limited extent for the owner-occupied market.

Own area and project development

Another distinctive feature of Vesteda is that it performs its own property management. Vesteda is the only property fund of its size in Europe with its own organisation for property letting and management. Vesteda's six offices in central locations in major urban areas, known as Woongalleries, handle letting, personal customer contacts during the tenancy and brand promotion.

Own property management

Vesteda is not listed on the stock exchange. Vesteda's shareholders are institutional investors: banks, insurance companies and pension funds. They invest in Vesteda's residential property fund and are proportionate owners of Vesteda Groep bv and Vesteda Project bv. Vesteda offers them an attractive annual cash yield and total return at low risk.

From institutional investors

Vesteda Group employs more than 300 people in a young and dynamic organisation. Surveys and market research underlie the investment, sale and purchase policies. The organisation is results-driven, focusing on returns and customer satisfaction.

Dynamic, results-driven organisation





Board members

Supervisory Board

F.H.J. (Frans) Boons RA (65), Chairman

Dutch nationality. Former President of the Managing Board of Vado Beheer. Appointed in 1998

P.S. (Pieter) van den Berg (59)

Dutch nationality. Consultant to the Board of PGGM. Appointed in 2002

W.F.Th. (Frans) Corpeleijn (57)

Dutch nationality. Lawyer with law firm Stibbe. Appointed in 2001

J.D. (Jan) Doets (61)

Dutch nationality. Former CEO of ING Real Estate. Appointed in 2001

Managing Board

H.C.F. (Huub) Smeets (58), Chairman

Dutch nationality. Member of the Managing Board since January 2000. Chairman since November 2003. Focusing on strategy, project and urban development, personnel and organisation, corporate communications, investor relations and foreign orientation

F.H. (Frits) van der Togt (53)

Dutch nationality. Member of the Managing Board since February 2000. Focusing on finance, ICT, legal affairs, property management and investor relations

O. (Onno) Breur (55)

Dutch nationality. Member of the Managing Board since July 2004. Focusing on asset management, disposals, product development, customer relations, facilities and foreign orientation

Legal structure

Vesteda Groep BV, which is responsible for managing Vesteda, has a central position in Vesteda Group. Investors participate directly in Vesteda Groep BV, where control is consolidated. Vesteda Groep BV has a three-member Managing Board and a Supervisory Board.

Vesteda Groep BV

Vesteda Project BV carries out the Vesteda Group's project development activities. These are activities that fiscal investment institutions pursuant to tax law are not permitted to perform under Section 28 of the Corporation Tax Act 1969. Vesteda Groep BV is a director of Vesteda Project BV.

Vesteda Project BV

Part of Vesteda Groep BV is an investment institution pursuant to tax law. Holding DRF BV (Dutch Residential Fund) and its four subsidiaries, DRF I BV, DRF II BV, DRF III BV and DRF IV BV form a tax group for corporation tax purposes and have been regarded as a fiscal investment institution pursuant to Section 28 of the Corporation Tax Act 1969 since 1 January 2002. Such institutions are subject to a zero rate of corporation tax. The Managing Boards of Holding DRF BV and Vesteda Groep BV comprise the same individuals, responsible for the same tasks.

Investment institutions

The let property and associated rights and obligations are held by Vesteda Woningen, a common fund that is not independently liable for corporation tax. A common fund is not a legal entity but a vehicle in which property is brought together for collective investment in order for the unit holders to share in the proceeds. A common fund has one or more custodians and a manager. Vesteda Groep BV is manager of Vesteda Woningen. DRF I BV, DRF II BV and DRF III BV are the custodians and entitled to manage the assets of Vesteda Woningen for the unit holders. Consequently, in their capacity as custodians, they are legally entitled to all assets belonging to Vesteda Woningen on behalf of the unit holders. Holding DRF BV and DRF IV BV are, along with the unit holders themselves, owners of Vesteda Woningen and have beneficial entitlement to those assets.

Vesteda Woningen

Investors are offered two different ways of participating in Vesteda Woningen: as 'unit-holder' or as 'shareholder'. In the first case, investors acquire a direct interest in the fund, in the second case they have a shareholding in Holding DRF BV which then acts as a unit-holder in the fund. In both variants, investors own a proportionate number of shares in Vesteda Groep BV and Vesteda Project BV.

Unit-holders and shareholders

Vesteda Group raised finance by issuing bonds on the capital market in 2002 and 2004. A private limited liability company, Vesteda Residential Funding I BV, was incorporated to issue the bonds. There was a complete refinancing during 2005. Vesteda Residential Funding II BV was incorporated for this. Vesteda Residential Funding I BV will be wound up in 2006.

Loan capital

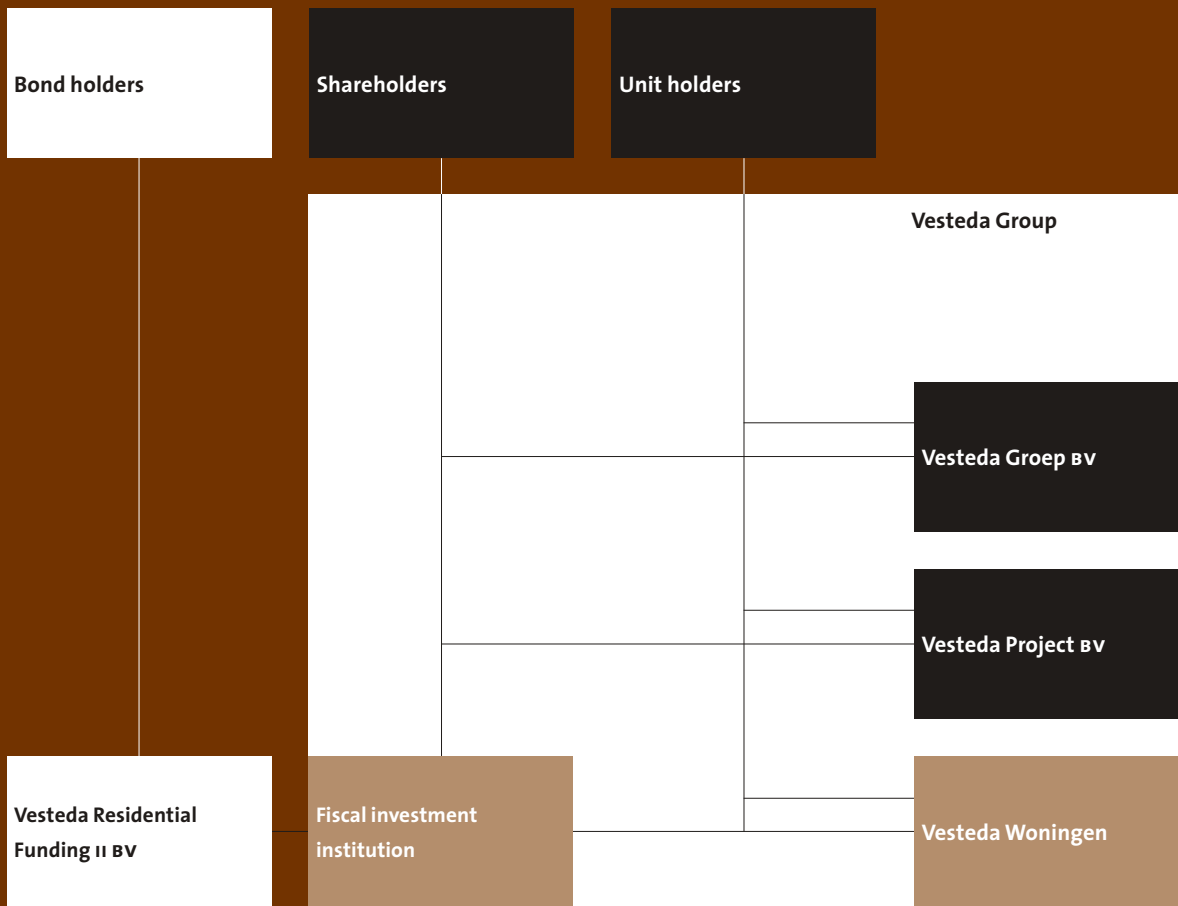


Diagram of the legal structure of Vesteda Group



Diagram of the classification of the property portfolio

- 1 acquisition contract
- 2 investment decision taken
- 3 start of construction
- 4 ready for letting and handed over
- 5 decision to dispose
- 6 disposals realised

Classification of the portfolio

All properties, property developments and acquisitions are referred jointly to as the total portfolio. The total portfolio is subdivided into the acquisitions portfolio, the development portfolio and the letting portfolio.

Acquisitions portfolio The acquisitions portfolio comprises projects involving joint-venture agreements or contracts for area or other developments or other forms of co-operation or acquisition and where Vesteda is or will be preparing an investment decision.

Development portfolio As soon as an investment decision has been taken on a project, it is transferred to the development portfolio. A distinction is drawn between projects in the preparatory phase and those in the development phase. Transfer to the development phase takes place when construction starts. As soon as a project is both ready for letting and handed over, it is transferred to the letting portfolio at the beginning of the following year.

Letting portfolio The letting portfolio comprises the core letting portfolio and the disposals portfolio. The core letting portfolio distinguishes between projects in the letting phase and projects in the letting-sale phase. A project is in the Letting portfolio when in the letting phase. As soon as a decision is taken to dispose of a project, it becomes part of the letting-sale phase. No residential properties are being added to the disposals portfolio, created in the restructuring of Vesteda in 2001, which is being run down over the next few years. The projects in the letting portfolio are listed on page 123-127.

Disposals There are regular disposals of individual residential properties and projects from the core letting portfolio and the disposals portfolio.

Transfer from Vesteda Project bv to Vesteda Woningen Under the long-term plan, based on analyses of the ideal and actual portfolios, Vesteda Groep bv determines its need for new projects, which is then passed on to Vesteda Project bv. Suitable projects are placed in the acquisitions portfolio with the aim of including them in Vesteda Woningen, a common fund for collective investment. As soon as an investment decision has been taken and projects have been developed, they can be transferred to Vesteda Woningen. The date when these conditions are met and the transfer can be made depends on the type of project and can range from before the start of construction to the hand-over date.

Report of the Supervisory Board

TO THE GENERAL MEETING OF SHAREHOLDERS OF VESTEDA GROEP BV

We hereby present the 2005 financial statements, incorporating the proposed dividend distribution, as drawn up by the Managing Board and discussed by this Board, for adoption by the General Meeting. Pursuant to the Articles of Association, adoption of the financial statements will serve to ratify the actions of the Managing Board in respect of its management and those of the Supervisory Board in respect of its supervision in the past year.

The financial statements of Vesteda Groep bv have been audited by Ernst & Young Accountants who issued an unqualified report which is included in the financial statements in 'Other information' on page 106. Ernst & Young Accountants also issued auditors' reports on the financial statements of Vesteda Group and Vesteda Woningen, which can be found on pages 88 and 120.

The Supervisory Board met seven times last year, including one meeting to evaluate its own operation when the Managing Board was not present. As usual, some meetings were held on location to increase the Supervisory Board's involvement with Vesteda's projects and operating units. The chairman of the Supervisory Board had one meeting with all members of the Works Council. There was a wide-ranging discussion on all facets of the business strategy.

The principal subjects discussed by the Supervisory Board in 2005 were:

Governance

- the way in which Vesteda implements risk management as meant by the Tabaksblat Code;
- a detailed description of the mandate within which the Managing Board can depart, without prior agreement of the Supervisory Board, from the yield criteria and returns and investment volumes adopted when development and investment proposals were submitted;
- the way in which the vacancy on the Supervisory Board could be filled, with due regard for the Tabaksblat Code. In relation to this vacancy, the Supervisory Board drew up a profile of its members and chairman;
- the way in which the Managing Board managed and handled the publicity of a breach of the standards for legionella bacteria in one of the complexes. In this context, it was also agreed that the Managing Board will report to the Supervisory Board on maintenance, checks and combating incidental events.

Investor relations

- the intention of the majority shareholder Stichting Pensioenfonds ABP, to go ahead with the policy set out in the memorandum of information in 2001 to move to the largest possible minority holding.

Strategy

- evaluation of property management, which was brought in house in previous years;
- the effects of the Vesteda branding policy and the way the profile has been raised;
- the market vision and the outline of the new business plan drawn up for the period to 2008;
- the acquisition of the entire share capital of IRS Holding BV, IRS Systems BV and IRS Services BV (previously 53%) by Vesteda Project BV and that company's policy;
- the start of developments by Vesteda Project BV for the owner-occupied market.

Financial

- during the first meeting of 2005, setting the required yield for the year;
- phasing in the disposal plans, partly in connection with building up the portfolio, forecast distributions in line with the memorandum of information and long-term financing requirements;
- the manner of the repayment and €1.3 billion refinancing of Vesteda's entire loan capital in the spring. This included discussion of the financing structure, the new longer maturities, the new interest rate vision and progress on risk management;
- the 2006 budget was, as usual, discussed and adopted during the autumn meeting. Particular attention was given to cost control, building the organisation and the way in which the new business plan affects this.

Market and portfolio developments

- an evaluation of development and investment proposals approved by the Supervisory Board, after properties have been let for a full year;
- progress on dealing with rent arrears;
- discussion and approval of investment proposals and purchases by Vesteda Project BV and transfers from Vesteda Project BV to Vesteda Groep BV;
- progress on large projects, including the risk analysis used;
- the valuation of the portfolio, in relation to the market developments.

Organisation

- the way in which management observed the internal compliance rules and management style, following an earlier study;
- the consequences of the new business plan for the further expansion of the organisation;
- the collective bargaining agreement reached with the representatives of the trade unions for 2006 and 2007;
- the programme, continued in 2005, for embedding customer orientation in the corporate culture and competences.

Remuneration

- the remuneration of the Managing Board, based on the previous year's results;
- the proposal to the General Meeting of Shareholders to revise the fixed remuneration of the Supervisory Board;
- the revision of the variable remuneration of the Managing Board. Both the annual variable remuneration and the Long-term Incentive were changed with effect from the start of 2005.

Foreign orientation

- investing abroad. It was decided to exercise restraint with respect to opportunities for investment abroad for the time being. The Managing Board will not consider further preparatory research again until 2006.

The Supervisory Board fully supports the view of the Managing Board on the modernisation of the letting policy and regards the new affordability levy, which is over 3,5% of rental income on the affected property, as unacceptable.

In conclusion, the Supervisory Board would like to express its appreciation of the efforts and commitment of the Managing Board and employees during the year.

Maastricht, 9 February 2006

Supervisory Board of Vesteda Groep bv

F.H.J. Boons, *chairman*

P.S. van den Berg

W.F.Th. Corpeleijn

J.D. Doets

Corporate Governance

Overall responsibility The Supervisory Board and Managing Board of Vesteda Groep bv have overall responsibility for weighing up the interests, generally with a view to ensuring the continuity of the enterprise. Stakeholders are the groups and individuals who directly or indirectly influence (or are influenced by) the achievement of the aims of the company: employees, shareholders, unit holders and other providers of capital, suppliers and customers, but also the government and society at large. The Supervisory Board and the Managing Board take account of the interests of the various stakeholders, endeavouring to create long-term shareholder value.

Shareholders and unit-holders The Supervisory Board and the Managing Board of Vesteda Groep bv regard the current legal structure as a way of continuing the good relationship with all Vesteda's shareholders and unit holders. Vesteda Groep bv has a central position in the organisation. The Management Board of Vesteda Groep bv holds regular formal and informal meetings with the Supervisory Board on the policy of the Vesteda organisation as a whole. Vesteda Groep bv is a director of Vesteda Project bv and manager of Vesteda Woningen. The Managing Board and Supervisory Board are accountable to Vesteda Group's shareholders and unit holders and other stakeholders. Decisions are taken on the basis of the Participation Agreement signed by all shareholders and unit holders. The Participation Agreement can be compared to the articles of association of a legal entity.

Code of best practice The Corporate Governance Committee, chaired by Mr M. Tabaksblat, published a revised 'code of best practice' on corporate governance on 9 December 2003. The code has been mandatory for listed companies since 2004. Although the code does not apply to Vesteda Group, which has a closed nature in the sense that only institutions can become shareholders or unit holders, the Supervisory Board and Managing Board of Vesteda Groep bv subscribe to the value of the best-practice provisions to the company. As the code has been written for companies listed on the stock exchange, certain of its provisions do not directly apply to Vesteda Groep bv. The 2004 Annual Report set out the parts of the Code which can be complied with and those for which there will be a statement of departure. Overall application is evaluated regularly. This evaluation did not give rise to changes in 2005. Similarly, the initial findings of the Monitoring Committee did not prompt further change. For these reasons, the notes below on possible departures from the code are very similar to last year's.

APPLICATION OF THE CODE

Supervisory Board Under the Articles of Association of Vesteda Groep bv, the supervisory directors' period of office is four years, with one reappointment of four years, and so the code is being followed. The retirement schedule is in line with this. In a departure from the code, in 2005 the shareholders agreed to extend Mr Boons' chairmanship until mid-2006. The Supervisory Board, Managing Board and shareholders were unanimous in their belief that this best served the interests of the company, partly because the vacancy caused by the death of Mr Simons has not yet been filled. The vacancy is covered by the right of nomination by Stichting Pensioenfonds ABP. The vacancy will not be filled until the proposed reduction in Stichting Pensioenfonds ABP's holding to 49.99% has been carried out in the spring of 2006. The Supervisory Board, the Managing Board and the shareholders believe that this action is closest to the intention of the code, as – once the Board has returned to full strength – the majority of its members will then be independent. Regulations have been drawn up on other principles in the code on the composition of the board, decision-making and appointment of supervisory directors. These specify that the Supervisory Board discusses its own functioning at least once a year. Strategy, risks and internal risk management are also discussed at least once a year. The Supervisory Board has no separate committees as it has decided that the full Board

should make recommendations and take decisions. The requirement in the code on the availability of sound financial knowledge is, of course, being followed. The annual report does not list other supervisory directorships and other positions. This information is exchanged between supervisory directors and is also known by shareholders and unit holders and by the company. The total remuneration of the supervisory directors is reported on page 102. Shareholders and unit holders are not aware of any conflicts of interest between the company and the members of the Supervisory Board.

The company has a code of conduct and, during the year, the Supervisory Board monitored that staff were complying with its principles. As required by the code, reports are made to the management and the chairman of the Supervisory Board.

Code of conduct

Appointments to the Managing Board do not follow the time limits required by the code. It has been decided not to implement such a restriction as this is not logical given the company's nature as a long-term investor. The company attaches importance to the long-term involvement of the management. The members of the Managing Board meet the other requirements in the code on other supervisory directorships, shareholdings, personal loans and guarantees. Remuneration has a fixed component and a variable element. In a departure from the code, the amount of dismissal pay depends in part on the variable element of the salary. The total remuneration is set out on page 102 of the report. The Supervisory Board is not aware of any conflicts of interest between the company and the members of the Managing Board.

Managing Board

A comprehensive list of risks was drawn up during the year under review based on interviews and company-wide analyses. The various risks were documented in a standard way and prioritised. A structured risk management system is being set up and maintained according to the priorities.

Structural risk management system

The quality of reporting to shareholders was further improved during the year. More information is being provided and it is being reported in such a way that interim alterations are clearer.

Reporting improved

Shareholders, unit holders and bond holders have access to a restricted part of the Vesteda website where they are kept up to date through publication of quarterly and other reports.

Vesteda website

The Association of Institutional Property Investors in the Netherlands, the IVBN, has drawn up a large number of practical recommendations which will considerably enhance the transparency of annual reports³. IVBN members, including Vesteda, have incorporated the recommendations in their annual reports. Further information is given in annex 2.

Transparency IVBN



INTRODUCTION

Vesteda performed well financially in 2005. Vesteda's total return on shareholders' equity at 13.6% was the best for five years. The portfolio increased substantially in value during the year and this led to a relatively high indirect result.

The favourable financing terms, based on a *triple-A rating*, were renewed in 2005. The credit rating agencies have indicated that the percentage of loan capital could increase further in the future, without loss of the best, triple-A, risk rating.

The combination of a good result and a risk assessed as minimal confirmed the success of the strategic choices made in recent years to Vesteda and its shareholders and bond holders.

Organisationally, a feature of 2005 was the further expansion of Vesteda Group's commercial effectiveness on the Dutch housing market, which displayed little dynamism. Newly-completed projects in the higher and top rental sectors came to market at a time of poor economic conditions.

HOUSING MARKET DEVELOPMENTS

This section discusses developments in the Dutch housing market. It is affected by economic trends and these are discussed first, followed by an explanation of how the housing market operates, introducing certain concepts. Population and household size trends are then addressed with specific attention to the higher-rent sector. Certain developments which affect the housing market – the new letting policy and future role of housing associations – are then considered. Finally, we report on housing price trends and developments in the property investment market.

Economic trends and forecasts

Economic growth

The Dutch economy is climbing out of a dip. There has recently been a structural improvement. By the end of 2005, there was less long-term unemployment and more older people were participating in the labour market. The recovery has also been supported recently by consumer spending as well as exports.

Higher inflation

Average inflation during 2005, measured by the consumer price index (CPI), came out at 1.7%, which was higher than the 1.2% in 2004⁴. All of the increase came from higher energy prices which contributed 1.0 percentage point to the index in 2005, leaving 0.7 percentage points from the effect of other price rises. In 2004, only 0.4 percentage points of the 1.2% inflation was attributable to energy and 0.8 percentage points to other goods and services.

Measured by the European harmonised method (HICP), Dutch inflation was 1.6% in 2005⁵. The figure for the eurozone as a whole in October was 2.5% putting the Netherlands among the countries with the lowest inflation in the European Union. Only Sweden and Finland are lower.

Unemployment falls further

The Netherlands had an average of 447,000 unemployed in the fourth quarter of 2005 (471,000 seasonally adjusted) and so 6.0% of the working population was unemployed in the final quarter of the year. This figure was 6.4% in the final quarter of 2004.

Annual average unemployment in 2005 was almost the same as in 2004. It was 483,000 in 2005 and 479,000 a year earlier, bringing an end to the rise in annual averages that started in 2001 when

◀ Housing consultant Olga van der Linden and director Gideon Spermon of the Vesteda Woongalerie Rotterdam at the Montevideo project developed by ING in Rotterdam, where Vesteda has acquired 68 apartments

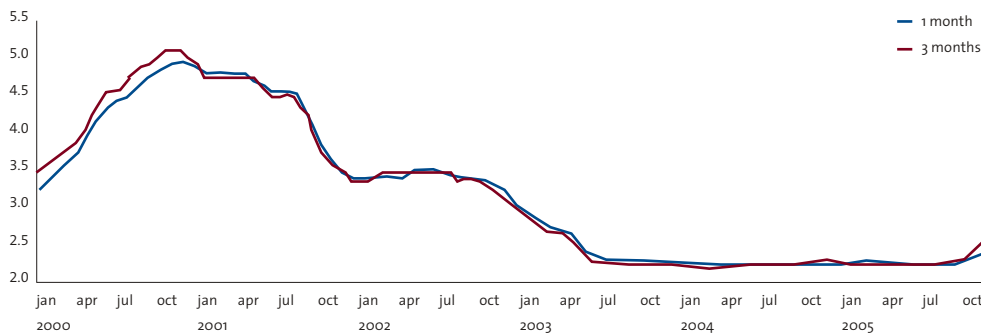
there had been 252,000 unemployed. This turnaround at last looks as if it will bring about the long-awaited change in the labour market in the near future: employment is expected to grow by 0.8% in 2006 and 1.4% in 2007.

Long-term eurozone interest rates fell during 2005. The 10-year yields fell steadily, fluctuating between 3.16% and 3.76%. The bottom appeared to have been reached when rates rose in October. In September 2005, capital market interest rates hit the historical low level of the 1960s.

Interest rates bottom out

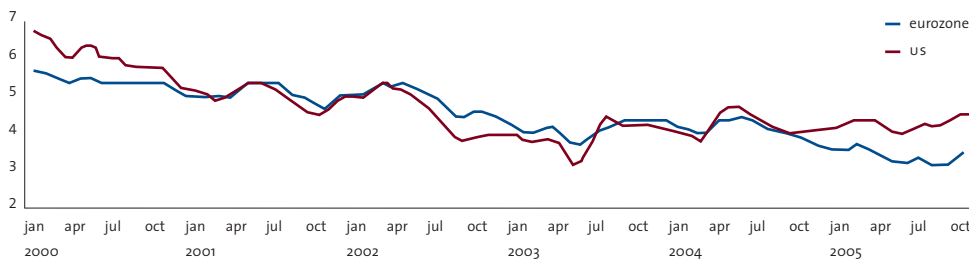
Money market interest rate (euribor)

Three-month Euribor, 2000 to 2005



Capital market interest rate

10-year yield on government bonds, eurozone and us



Forecasts of economic trends are moderate to positive. To a significant extent, low pay rises are supporting the recovery in growth expected in the next few years. Wage restraint, combined with a fall in the value of the euro against the dollar, is creating better exploitation of growth in world trade, which remains strong, through a more competitive climate. Wage restraint is also leading to improved company profitability, promoting investment and growth in employment. Lower interest rates are also encouraging capital expenditure. Higher employment is also creating greater confidence, which is a boost to consumption. The features of a weak economy, therefore, seem to be a thing of the past. 2006 is currently forecast to be a year of recovery.

2006 will be a year of recovery

Little dynamism and trading up in the Dutch housing market

The housing market is a stock market. The Dutch housing stock changes from year to year as a result of new building work and demolition.

Current supply

Trading up in the housing market is a very important element in providing sufficient supply each year, along with the properties coming on to the market as a result of new construction. On average, families move several times in their lives, to bring their accommodation in line with their stage of life and related changed requirements. When they move, the homes they leave are available on the market for families who are looking for such a property. This is known as *trading up*.

Building

The extent to which new homes are built depends largely on the investment climate in the housing market. Whether this can then be converted into actual house building depends on regulation.

Demand

On the demand side, population growth and declining household size are creating a rise in the number of households and so

there is a quantitative demand for homes and pressure on the housing stock. As well as this numerical demand, there is also qualitative demand, i.e. for a certain type and quality of home. There is demand for a different composition of the stock as earnings increase and because of the changed household and age structure of the population.

Dynamism

Dynamism, with concepts such as excess demand, moving chains and trading up, plays a significant role in the Dutch housing market. The dynamism and the developments listed above are strongly influenced by the letting policy and the role allocated to associations in the housing market.

This section on the housing market addresses each of these determinants individually, showing that there will be growing demand in the next few decades for more expensive rental homes and that the government is preparing measures to restore dynamism and market forces to the housing market. For the time being, the housing market is operating poorly. Trading up and dynamism are very low as a result of inadequate new building and insufficient market forces in the rental market. This is explained in the following sections.

Households and residential properties in 2005

The number of rental residential properties has fallen and the number of owner-occupied properties has increased in recent years. The Dutch housing stock was 6.9 million units at the beginning of 2005, of which 3.8 million were owner-occupied and 3.1 million were rented.

Dutch housing stock

At beginning of year

Source: ABF Socrates/Statistics Netherlands, Vesteda's calculations

	2005	%
	millions	
owner-occupied	3.8	55
rental	3.1	45
	6.9	100

Growing demand for residential property means the housing stock will have to increase in the coming years. About 60% of the annual growth of about 40,000 in the number of households is generated by single people and the remainder by two-person households: cohabitantes and single-parent families. The number of households with more than two persons has barely changed and so smaller households are increasing in number as shown in the table below.

More households, higher demand for homes

Dutch households by size

Year end, thousands, 2005 is a forecast

Source: Statistics Netherlands

	2005	%	2004	%	increase	%
1-person	2,449	34	2,424	34	25	+1.03
2-persons	2,318	33	2,302	33	16	+0.70
families (3 or more people)	2,324	33	2,323	33	1	+0.04
	7,091	100	7,049	100	42	+0.60

New building in 2005

At about 65,000 units, new house building was not much higher in 2004 than the historic low of 60,000 units in 2003. A further increase was expected for 2005, but it is not possible to conclude from the figures to October that this will be met. Even if the forecast were to be achieved, it would still be too low to accommodate growth in households, make up for demolition and provide qualitative change in the housing stock.

New building too low

New house building in the Netherlands

Units, 2005

Source: Statistics Netherlands

	2005	%	2004	%	increase	%
	thousands	thousands	thousands	thousands	thousands	thousands
owner-occupied	50.1	75	51.2	78	-1.1	-2
rental	16.9	25	14.1	22	2.8	20
	67.0	100	65.3	100	1.7	3

Trading up in the housing market

The Dutch housing market has been fairly static in recent years. New building is lagging behind demand, owner-occupied homes are relatively expensive and few rental homes are becoming available. Trading up must be encouraged again; medium-sized and large towns in particular need homes for their own inhabitants. There are housing shortages among first-time residents, especially cheaper rental homes for one and two-person households. Although there are enough of these homes in the Netherlands, one-third of this housing stock is lived in by households with incomes that are too high for the type of property. This is also known as 'skewed' housing. Building more of these cheaper homes is not the solution, however; the key is to encourage trading up. It is not always sensible, however, to build more of this type of property, as the key is to encourage trad-

Increase in housing stock needs to be in mid-segment

ing up. Homes should be built in the medium and higher segments, depending on the structure of the regional housing stock.

Trading up has never been so low

Trading up in the housing market is measured regularly by the Housing Demand Survey⁶, carried out every four years by the Ministry of Spatial Planning, Housing and the Environment (VROM). The most recent results are from 2002 and new results will become available in mid-2006. Consequently, the information is not up to date, but clearly illustrates declining dynamism. Vesteda does not think that there has been an improvement between 2002 and 2005. The conclusion in 2002 was that trading up in the rental sector had never been so low. The results are set out in the table below which shows that the average stay has increased from 9.3 to 12 years in the rental sector and from 13.1 to 16 years in the owner-occupied sector.

Trade up declines

Source: VROM/WBO, at beginning of year

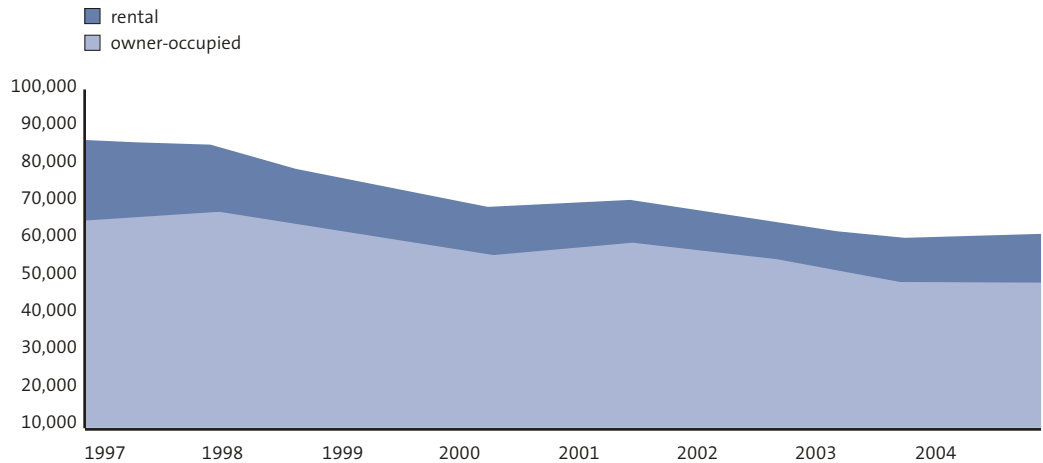
	2002	1998
Rental, percentage moving	8.4%	10.7%
Rental, average stay	12.0 years	9.3 years
Owner-occupied, percentage moving	6.2%	7.6%
Owner-occupied, average stay	16.0 years	13.1 years

Modest increase in new housing construction

Building of new rental homes has declined sharply in recent decades but there has been a slight improvement since 2003. The number of properties completed for letting in 2004 rose by 1,200 over 14,000⁷. The majority were and are being built by housing associations, which built over 9,000 rental properties in 2004. Institutional investors and (to a limited extent) private landlords are active in the market for new residential properties, together building about 5,000 units in 2004.

Decline in construction of new owner-occupied and rental housing

1985–2004. Source: Statistics Netherlands



Population trends in coming decades⁸

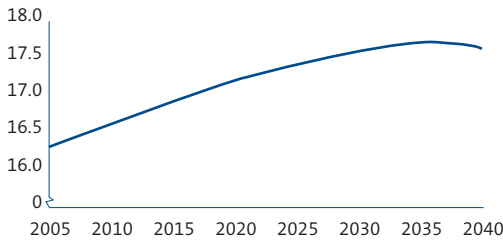
The absolute size of the population is an important factor in the demand for housing. The population of the Netherlands will increase from 16.3 million in 2005 to 17.6 million in 2030. Consequently, while the population is growing in size, the rate of growth is slowing down and current forecasts are for a stable population thereafter.

Population growth until 2030

Population size 2005–2040

(millions)

Source: Primos Prognose, 2005



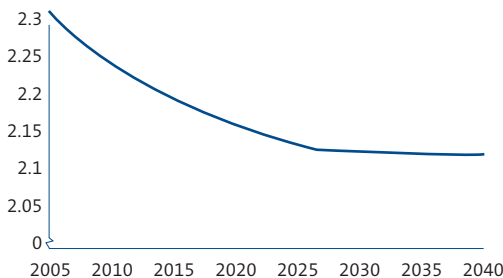
Fewer and fewer people are sharing a home. Older people are increasingly living alone or in couples. Families are having fewer children; this too is leading to smaller households. In 1970, the average household was 3.4 people⁹, but is now 2.3 people. The decline will continue until a level of 2.13 people per household is reached in around 2030.

Households continue to get smaller

Decline in average household size

People per home, forecast

Source: Primos Prognose, 2005



Smaller household size is having a major effect on demand for homes. The population of the Netherlands was 16.3 million at the end of 2005, requiring 7.1 million homes at 2.3 people per household. 7.65 million homes would be needed at 2.13 people per household. Demand for homes will rise by over 500,000 units by 2030 even with no change in population size, simply because of the decline in average house occupation.

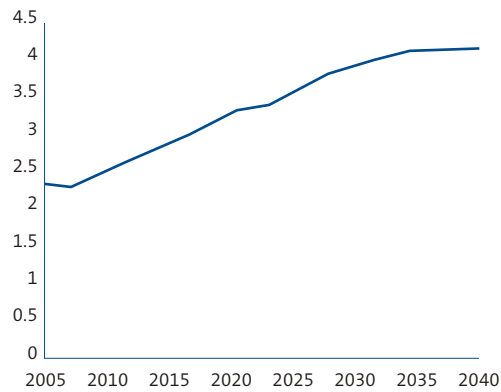
The Netherlands has more and more old and fewer young people. The average age is rising. The main reason for this is that people born in the post-war baby-boom are growing older. Life expectancy is also rising. In addition, the number of children per family is falling, and so the number of young people is declining. Forecasts assume a near doubling of the number of people over 65 during the coming forty years. There were 2.3 million people over 65 in 2005, while there will be 4.1 million in 2040¹⁰. As well as the increase in the group over 65, the number of people over 75 will also grow during the next few decades. The number of very old people will increase sharply after

Ageing, doubling of people over 65 in the next 35 years

2020. There were 1.0 million people over 75 in 2005, while there will be 2.0 million in 2041¹¹. The difference between people over 65 and those over 75 is important for investors as very old people have different residential requirements and often also need services or care.

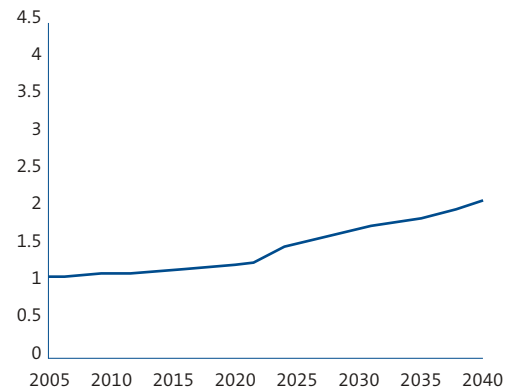
Sharp increase in number of people over 65
(millions)

Source: Primos Prognose, 2005



Also a sharp increase in number of people over 75
(millions)

Source: Primos Prognose, 2005



Regional differences in ageing

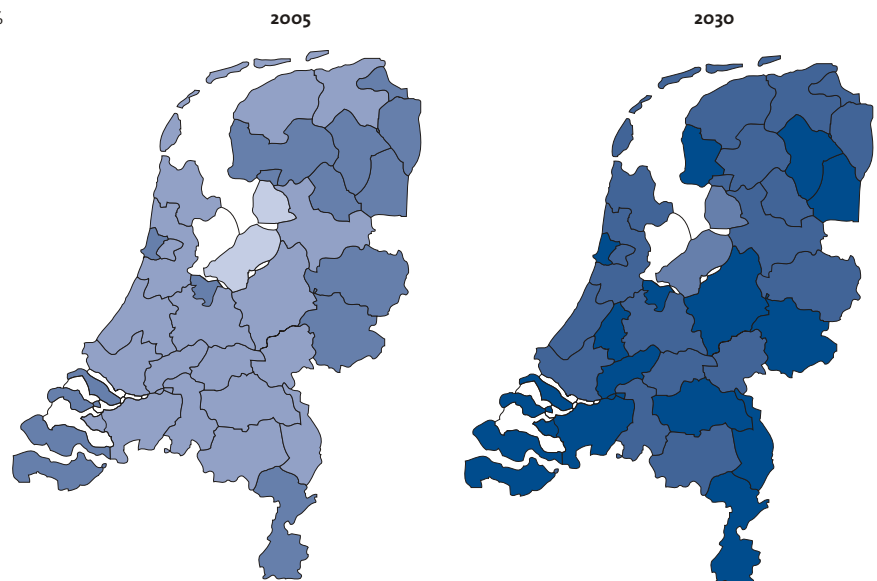
The population is not ageing equally throughout the Netherlands; there are clear regional differences. The proportion of people over 65 is relatively high in Zeeland, south Limburg and the north and east of the Netherlands. In 2040, all areas will have older populations, with sharp rises in parts of north and central Limburg, parts of Noord-Brabant and Zuid-Holland and the Veluwe.

Proportion of people over 65

%

Source: Primos Prognose, calculations Stec Groep

- 25-30%
- 20-25%
- 15-20%
- 10-15%
- >10%

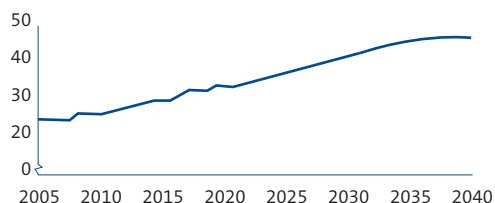


The ageing population will reduce growth in the supply of labour and the proportion of working and retired people. The latter point is called *grey pressure*, defined as the number of people over 65 compared with the potential working population, which will be rising from 23% to 43% in the period to 2040.

Proportion of workers in population declines

Grey pressure in the Netherlands, people over 65 as a percentage of those aged 20–64

%
Source: Primos Prognose, 2005



The higher-rent sector¹²

Residential properties with a monthly rent over about €600 are classified as the higher-rent sector. In total there are more than 150,000 such properties in the Netherlands, representing about 2.25% of the overall housing stock.

The Residential Tenancies (Rent) Act (*Huurprijzenwet Woonruimte*) stipulates that the maximum rent for a home in the Netherlands depends on a points score. The Housing Evaluation System sets the way the score is calculated. The better the quality of the home, the more points it gets. And the higher the number of points, the higher the maximum rent. Points are allocated on various criteria, such as floor space, facilities, type of accommodation and equipment. If the rent under the Housing Evaluation System is higher than the deregulation threshold, the lease is deregulated. The deregulation threshold since 1 July 2005 has been a monthly rent, excluding service charges, of €604.72. If a lease is deregulated, it is in the free or deregulated sector. Rental homes below the deregulation threshold are known as *Huurprijswet* (HPW) homes.

Residential Tenancies (Rent) Act sets maximum rent for 90% of Dutch homes

Higher-rent homes owned by investors as a proportion of the Dutch housing stock

At beginning of 2005, units

Source: ABF Socrates/Statistics Netherlands, Vesteda's calculations	thousands	% thousands	%
owner-occupied	3,810	56	
rental	3,060	44	
low and medium rents (HPW sector)			2,905 95
higher rents (deregulated sector)			155 5
	6,870	100	3,060 100

The 155,000 homes that make up the higher-rent sector are almost all owned by institutional investors and housing associations which serve this segment of the market. For the more than 500 housing associations, they are a marginal part of their property portfolio; roughly 1% of their properties: about 25,000 homes out of a total of some 2.3 million. The situation is completely different for institutional investors as about one-third of the capital they invest in homes is in the deregulated sector. Institutional investors and, increasingly, housing associations are focusing on the higher-rent sector.

Higher-rental sector mainly owned by institutional investors

Demand for higher-rent residential properties is more than twice the annual supply. The annual demand for family homes is 28,000 units, while only 11,000 are available and so the excess demand

Higher-rent properties are scarce

factor is 2.55. Demand for multiple-residency properties is also 28,000 units but only 12,000 are available and so the demand factor is 2.33. Consequently, the highest demand factor in the Dutch housing market is for higher-rent homes.

Annual demand and supply by housing type and price

units

Source: Housing Demand Survey (WBO) 2002, ABF Research, 2004

	supply	demand	shortfall	stock*	shortfall	excess demand
Single unit higher-rent	11,000	28,000	17,000	80,600	21%	2.55
Multiple-residency units higher-rent	12,000	28,000	16,000	70,900	23%	2.33
Total higher-rent	23,000	56,000	33,000	151,500	22%	2.43

* These figures differ from those published earlier as the model has been revised to exclude the 'serviced properties' category

Luxury rental segment is 'buyers' market'

The luxury rental sector is an excellent example of a 'buyers' market'. Housing consumers have made a deliberate decision to rent, have a range of options and are critical about price, product (including extra services) and quality. Consumers in the higher-rent sector demand a personal approach.

Quality of location, rent levels and interest rates dictate sensitivity of projects to the economy

Higher-rent homes are sensitive to the state of the economy. There are parallels with the top end of the owner-occupied sector. Compared with luxury owner occupation, the luxury rental sector lags behind recessions by eighteen months to two years. On the other hand, it also lags behind economic recovery. The urban setting and the quality of the location affect sensitivity to the economy. Less good locations see the effects of a poor economy first. Another influence is whether owner-occupied properties are for sale in the same location. At current interest rates and with the tax advantages, an owner occupied home is the first choice of many consumers on the housing market.

Socio-cultural and economic aspects of high-rent leasing determine market sentiment

Depending on the region where a property is available for let, landlords face different degrees of acceptance of rent levels. Landlords, including Vesteda, are setting new standards with their high-quality products, which in many cases are above what is customary in the current market. The relationship between product, price and quality, in comparison with the owner-occupied market, is good. Nevertheless, there is a barrier above a certain rent level. In the Randstad conurbation, the figure is about €1,500 and in the provinces just below €1,000. Households whose monthly housing costs are above these levels have a definite preference for purchasing although other factors, such as wealth, may affect the decision. Purchasing a home is often more logical above these levels.

Rent trends

Most rents are adjusted annually. Since 1978, the adjustments have been made in July. In many leases, the rise is linked to the inflation rate published by Statistics Netherlands and so rent rises move in line with inflation but the relationship is not fixed.

1970s and 1980s: sharp rent rises

Rents rose sharply at the end of the 1970s and in the early 1980s, when inflation also increased strongly. In 1982, rents rose by no less than 8.4%. Inflation in those years was between 0% and 4% lower.

Mid-1980s: low rent rises

From 1984 to 1991, annual rent rises were around 3%. Inflation was also low in this period.

1991: new letting policy

Rents rose by almost 6% in 1991 as a result of the new letting policy of the Lubbers government. As part of its 'mid-term review', the government decided to make the trend rate of rent rises 5.5%. At the same time, it stopped granting maintenance

subsidies for post-war properties. From then on, these costs had to be borne by the landlords themselves. Until 1991, rent rises followed inflation, although they were on average about 1% to 3% higher. After 1991, and especially after 1993, rent rises grew closer to the rate of inflation.

From 2000: rent rises below inflation

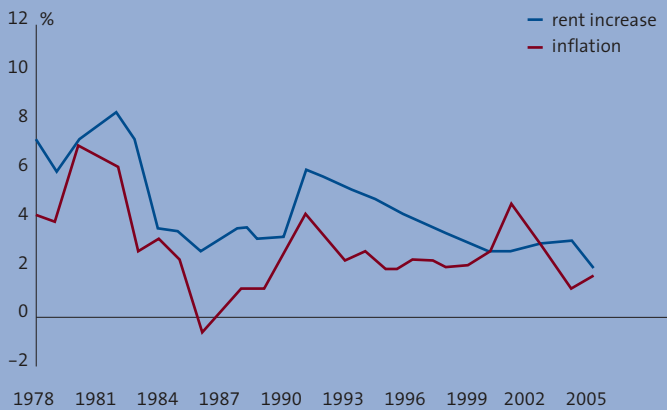
Rent rises were below inflation for the first time in 2000. The same happened in 2001 and 2002. This was because rent rises in those years were linked to the average inflation rate in the previous five years. As inflation was low in those years, rent rises were below inflation for that year.

2005: lowest rent rise in almost fifty years

In 2005, the maximum rent rise was linked directly to the inflation rate in 2004. Rents could be up to 1.5% higher than inflation. At 2.1%, rent rises in July 2005 were higher than inflation that month, which was 1.6%, but were nevertheless the lowest in almost fifty years.

Rents and inflation in July

Source: Statistics Netherlands Rent rise Inflation



Letting policy

Almost the entire Dutch housing market is regulated by the Rent Act (*Huurprijswet*). Only 4% of rental homes, 1.8% of the total housing stock, are currently at or above the deregulation threshold.

Rental properties, by rent band

At beginning of 2005. Source: Statistics Netherlands rent survey, Vesteda's calculations

Rent	range percentage of rental properties
up to €508.92	89%
from €508.92 to €604.72	7%
from €604.72	4%

Need for a new policy

Government regulation of the housing market must be improved. The Minister of *vrom*, Sybilla Dekker, has acknowledged this and is modernising the Residential Tenancies (Rent) Act and the Housing Evaluation System. Currently, under the old-fashioned points system, a home on a canal in the centre of Amsterdam can command barely more rent than a similar property in any rural village. It is clear that tenants have other ideas, as shown by the subletting. Homes owned by individuals and investors are sublet for much higher amounts, frequently hundreds of euros more: there is a secondary market where realistic rents are charged. The extra income disappears, however, and does not benefit investment in the existing market or new construction. This means that there is not always a good relationship between the price and quality of the property.

Innovation started, but additional scope immediately taken away

The Minister wants to make the housing market more dynamic by promoting trading up and reducing the housing shortage. Firstly, by building more homes. There must be a wide range of rental and owner-occupied homes in all price ranges. This will create more choice and trading up will be easier. Secondly, she wants to keep average earners in towns by offering a greater range of homes. Run-down neighbourhoods will be renovated. Finally, Ms Dekker wants to gradually allow landlords more scope in the letting policy, making it more attractive for landlords such as Vesteda to build additional new homes, as they receive greater rental income.

Vesteda recognises the need to modernise letting policy. After a long political debate and detail work by *vrom*, the outlines of the new letting policy are beginning to emerge. In practical terms, however, the originally announced flexibility is proving to be a disappointment, even working against the policy objectives. The Minister is also introducing an 'affordability levy' including for commercial landlords.

More scope for landlords needed for market forces

Ms Dekker wants to offer landlords more scope by expanding the size of the deregulated sector. The government will, therefore, continue to regulate but in a smaller part of the rented housing market. The government also wants to expand opportunities for rent rises in the regulated sector.

The maximum rents and rent rises set by the Rent Act are very important to the attractiveness of investment in the housing market. However, almost all the new residential properties that Vesteda is developing are in the liberalised sector and not covered by the Rent Act. This is not the case for the existing portfolio, two-thirds of which was covered by the Rent Act at the end of 2005. The developments discussed in this section on letting policy in 2005 and later years, therefore, apply to this category.

Letting policy in 2005

An element of the policy changes for 2005 was a transition to a modernised letting policy for the period 2006 to 2010. The Lower House of Parliament has not yet approved the policy for this period and so the comments below refer to the Minister's policy proposals.

The link with inflation was changed again on 1 July 2005. In past years, rent rises depended on the average inflation rate in the previous five years, calculated for the period before the increase. In 2005, the letting policy was altered and the five-year average has been replaced by the annual inflation rate in the immediately preceding year. Consequently, inflation for 2004, which was 1.2%, determined the rent rises in 2005.

Link with inflation revised

Until 2005, the letting policy had several graduations which determined how far rent rises could exceed the inflation-based percentage. These graduations were abandoned in 2005 and replaced by a single, fixed maximum percentage supplement that rises over time. This supplement was 1.5% for rent rises in 2005, and so the total maximum rent rise at 1 July 2005 was inflation plus the maximum supplement: in total 2.7%.

Supplement determines maximum rent rise

Vesteda is part of the private sector. The average institutional rent rise in the social rental sector, which makes up the largest part of the Dutch rental market, could not be more than 0.4% above inflation in the previous year and so the rent rise for housing associations in 2005 was a maximum of inflation plus 0.4%: in total 1.6%.

Associations further restricted

The average rent rise in the Netherlands at 1 July 2005, excluding harmonisation, was 1.8%: the lowest figure since 1959. The harmonisation effect at 0.3% on 1 July 2005 was slightly higher than in 2004. The national average rent rise including harmonisation was 2.1%¹⁴. The map below shows that the average rent rises differed substantially between regions. In Limburg, Drenthe and Groningen rises were less than 1.8% but were over 2.2% in Noord-Holland and Zuid-Holland, Zeeland and Friesland.

Rent rises differ by region in 2005

Average percentage rent rise in 2005, by rent band.

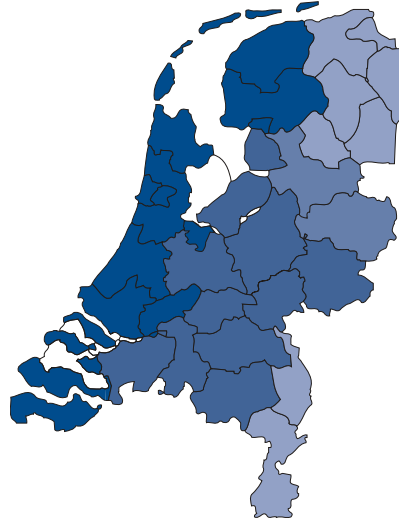
Including harmonisation Source: Statistics Netherlands rent survey
Companen and Vesteda's calculations

rent band	rent rise at 1 July 2005
up to €508.92	2.0%
from €508.92 to €604.72	2.4%
from €604.72	2.6%

Average rent rise by province in 2005 Including harmonisation

Source: Statistics Netherlands rent survey
Companen's calculations

- 1.6-1.8
- 1.8-2.0
- 2.0-2.2
- 2.2-2.5



Rent rises by IVBN members the same for regulated and liberalised sectors

The members of the Association of Institutional Property Investors in the Netherlands, the IVBN, increased rents by an average of 2.5% from 1 July 2005. The average increase was the same for the 106,000 regulated residential properties and 45,000 deregulated residential properties.

Letting policy 2006–2010

At the end of December 2005, Ms Dekker gave the Lower House of Parliament details of her proposals to modernise the letting policy.

Phased introduction of new policy

The modernisation of the new letting policy will be phased in. The maximum percentage rent rise and maximum rent from 1 July 2006 will be based on the woz value of a property (its value under the Valuation of Immovable Property Act) and the Housing Evaluation System will change. Until the end of December 2006, the deregulation of rental properties after reletting will be on the basis of the rent deregulation threshold, currently €604.72 per month, which will be adjusted in line with inflation and will probably be €613.69 from 1 July 2006.

From 1 January 2007, the woz value will determine the deregulation threshold for new rental properties and the market will be divided into three segments: regulated, transitional and liberalised.

Two things will happen in 2008 if the housing shortage is reduced or the new construction is achieved in 2008: higher rent rise percentages and certain policy restrictions will disappear. The rent ceiling in the transitional segment may disappear along with restrictions after reletting. The transitional sector will, however, remain in place until 2010.

Link to woz value

Consequently, the woz value will be introduced into the Housing Evaluation System from 1 July 2006. The woz value is the value applicable under chapter IV of the Valuation of Immovable Property Act in the calendar year immediately preceding the year in which the calculation applies. Consequently, the woz value for 2005, which was set in 2003, will apply for rent rises from 1 July 2006.

The woz value has three effects. Firstly, it directly determines the deregulation of a property. Above a given value, which differs from region to region, the property is deregulated and the letting policy does not apply. Secondly, the woz value will be introduced into the Housing Evaluation System that sets the maximum rent. Finally, the woz value will be used to determine whether the maximum rent and maximum rent rises may rise slightly further as there is a sector which is still regulated, but where landlords have greater scope.

Three effects of woz value on maximum rent

These three effects are discussed below and then the effect of the new policy on Vesteda will be outlined.

The woz value bands are not the same throughout the Netherlands. The map below shows how the country is divided into four areas. To determine the value, the value of a home in a given municipality is compared with the woz value band applicable in the region containing the municipality. The lower limit for the deregulated sector in regions with the lowest woz values is €230,000. In the dearest area, the northern edge of the Randstad conurbation, the limit is €295,000.

woz value bands differ between regions

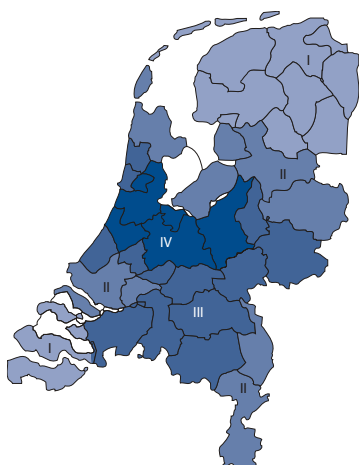
As well as a value above which leases are deregulated, each geographical area also has a lower limit below which residential properties are regulated and covered by the future letting policy. The upper and lower limits differ by €100,000 in each region. The area between them is the transitional sector. This is regulated for the time being, but the Minister also wants to deregulate these residential properties in a few years, depending on market developments. Greater scope is already available in the transitional area, however, for the maximum rent and maximum rent rises.

Introduction of woz value bands to the Housing Evaluation System

Excluding currently deregulated residential properties

Source: VROM

Area	rental properties Transitional sector: woz value from	rental properties Deregulated: woz value from	rental properties remaining regulated	in new transitional	to be deregulated area
I	130,000	230,000	79%	17%	4%
II	150,000	250,000	72%	24%	4%
III	175,000	275,000	74%	21%	5%
IV	195,000	295,000	71%	23%	6%



WOZ value sets maximum rent in Housing Evaluation System

The Housing Evaluation System is being revised. There will be no change to the points given in the current system for floor area, heating, insulation, kitchen, sanitary fittings and private exterior space and for service flats. The points for type of property, surroundings and the deduction for unpleasant situations lapse and are replaced by points calculated using a percentage of the woz value of a property, which is multiplied by 0.00017 (0.17‰): i.e. 0.17 points are allocated for each thousand euros of woz value.

Maximum rent supplement and maximum rent rise in transitional sector

The maximum rent and the maximum rent rises may be increased if a home is in the transitional sector and the tenant receives no rent allowance. The maximum rent rise for rent allowance recipients is inflation plus the supplement percentage, irrespective of the woz value of their home. For rent rises from 1 July 2006 for example, it is important that they are receiving a rent allowance for the month of June 2006, and that their entitlement to rent allowance continues. In practice, landlords will not always know whether a tenant received a rent allowance for the month of June 2006 and so it is important that tenants notify their landlords of this on time.

If both conditions are met, the maximum rent calculated using the Housing Evaluation System can be raised by 10%. In addition, the supplement can be 0.5% higher, which means the rent can be increased by 0.5% more.

Commercial landlords also to pay affordability levy

The Minister has proposed legislation under which all landlords with 25 or more residential properties in the regulated or transitional sectors have to pay an affordability levy on those properties, even if they are currently deregulated. This is to fund the rent allowance. A percentage of the woz value has to be paid. In 2006, it is expected to be 96 cents per €1,000 of woz value. In future years an average levy of €1.20 per €1,000 of woz value is being suggested, thus permitting the affordability levy to raise over €300 million. The associations and commercial landlords are thus paying the government's extra costs for the rent allowance and the implementation costs. The example below shows the effect of this levy: a new tax of 3% on rental income.

Calculation of the affordability levy

Source: IBVN

The example below shows the effect of the affordability levy on a property with a rent of €580 on 1 July 2004 and a woz value of €180,000 (on 1 January 2004). Assumptions:
 2005 rent rise: average achieved by investors, 2006 to 2009: assuming a favourable scenario for the scope for rent rises in the regulations (partly dependent on new building) and the scope for market rent.
 2006 levy: €0.96 per €1,000 of woz value, 2006–2009: average €1.20 per €1,000 of woz value
 new woz value from 1 January 2008 rises 4% per year compared with 2003 woz value. woz value 2008 to 2009 is then €210,000

year	rent rise /1 July	rent woz value €/1 July€ thousands	levy /€1,000	levy /yr	levy /mth	levy % rent
2004		580.00				
2005	2.70%	595.66				
2006	2.75%	612.04	180	0.96	172.80	14.40
2007	3.90%	635.91	180	1.12	201.60	16.80
2008	4.40%	663.89	210	1.28	268.80	22.40
2009	4.90%	696.42	210	1.44	302.40	25.20
average 2006 to 2009		652.07	195	1.20	236.40	19.70

It is unacceptable to Vesteda that the new affordability levy, which rises to more than 3.5% of the annual rental income on the residential properties concerned, means that tenants in the mid-sector will be subsidising rents in the cheaper sector. Vesteda objects to this proposed levy on principle and along with IVBN is investigating the possibilities of not applying it.

Affordability levy unacceptable

Vesteda agrees that the letting policy needs to be modernised, but sees almost no effect from the measures in the near future. The long-term effects are very limited. In any event, implementation of the rent rises, which considerably increase the administrative burden, will not be simplified. For the time being, the actual effects of the new letting policy, as assessed by Vesteda, will not make a substantial contribution to solving the problems for which the proposed changes were started: promoting market forces in the housing market and offering adequate choice of housing to all groups in the population.

Vesteda's conclusion: new policy's principles are good but implementation fails in some areas

The future role of housing associations in the letting sector

The functioning of the social sector is under discussion. Housing associations have a significant role in the housing market and provide a large part of the population with housing. The Minister of vrom, Sybilla Dekker has a 'broad mission' in mind for the associations. The main objectives are better securing the corporations' performance and their capital investment for housing, and more room for social enterprise by associations¹⁵.

Future role of housing associations changes

The housing associations can regain trust by being more open to outside influences. Transparency in policy and operation and social responsibility are the key to this. It also needs a clear framework from the government. The tasks, the way financial resources are to be used and how social responsibility is reported need to be clear¹⁶. Since 2004, the association sector has been dominated by 'the great movement': an umbrella term for the various agreements that Aedes, the housing associations' umbrella organisation, wants to reach, in particular with vrom on the associations' social enterprise. The Minister's policy covers five subjects, which are discussed below.

The new arrangement between the government and associations must lead to better performance by associations and at the same time offer them the greatest scope for social enterprise. This requires agreements with municipalities, tenants and other stakeholders. The mission of associations is broad attention to housing: good accommodation and tackling neighbourhoods.

More performance and scope for social enterprise

The associations will be held accountable for two targets within the 'broad mission'. Firstly, regulated rental homes must be allocated primarily to the target group: households with an income up to about €33,000, which is the income limit in the letting policy. The Minister does not, however, want to force associations to allocate regulated residential properties exclusively to the target group. Secondly, associations must make adequate investments in housing construction and restructuring. 445,000 residential properties must be built to achieve an acceptable housing shortage of 1.5% in 2010. Ms Dekker expects associations, which will have to undertake much of this themselves, to make more effort and spend their social capital. According to Ms Dekker, the mission of associations currently set out in the *Subsidised Rented Sector (Management) Decree* (BBSH), is too much of a list of performance fields and different activities. The Minister wants to redefine the mission of associations in the regulations.

Concentration on target group and build sufficient housing

To ensure investment by the associations in house building and restructuring, the Minister is setting up a system of incentives to more quickly achieve performance contracts on the objective and

Co-operation between association and municipality must be clearer

approach between associations and municipalities. Municipalities must have a housing strategy and investment plan in which they set their priorities.

Distinction between social and commercial duties, partly as a result of European regulation

Ms Dekker wants to create a 'level playing field' for associations, commercial landlords and investors. Partly because of European regulation on state aid, all associations have to separate social activities supported by state aid from market activities financed without state aid. The essence of this is that state aid may only be used for activities relating to the stock of regulated rental residential property and social real estate. From 2006, corporation tax must be paid on commercial activities. It is still not entirely clear how the 'level playing field' will be achieved. Vesteda believes it is important that the standards for returns for associations should, in the end, be those applying in the commercial market.

Leemhuis Committee strengthens role of tenants

Tenants have a leading role, alongside the municipality, as stakeholders with whom associations achieve their mission and objectives. Further to the recommendations of the Leemhuis Committee on consultation and the position of tenants, the Minister wants to strengthen the tenants' stakeholder role in the regulations. The Tenant Landlord Consultation Act will be revised.

The Minister will submit the changes needed in the Housing Act and the *WvS* to the Lower House later. She is aiming to implement the first policy changes with effect from 1 January 2007.

Conclusion for Vesteda

The Minister wants to expand market forces in the housing market. The deregulation proposed in the new letting policy will, however, take several years and eventually only affect a limited part of the housing market. On the other hand, the area of operation of the social sector will be strongly expanded by including everyone with an income under €33,000 in the associations' target group. Vesteda believes that, on balance, market forces will only decline as a result and thinks that the housing market will not benefit in the end.

Vesteda believes there is too little consideration of primary social objectives in the districts for restructuring. The market parties are prepared to play their part in this. Vesteda, along with *NEPROM*, believes that associations should let rental residential properties above the deregulation threshold on commercial terms. They should monitor their portfolio result using the *ROZ/IPD* calculation method. Both *VROM* and the *Centraal Fonds* should check the commercial terms. Vesteda, along with the industry body *IVBN*, will review the details of the policy carefully for competitiveness and against the European regulations on state aid and competition.

Changing social sector offers opportunities for market parties such as Vesteda

These developments will cause major changes in the rental sector. Associations will have to reconsider their duties and structure. This may lead to new forms of co-operation between associations, but also between associations and commercial businesses. Associations' portfolios may also become available for acquisition. In short, these regulations will lead to great movement in the ownership and management structure of a substantial portion of the Dutch housing stock. These developments offer Vesteda opportunities for expanding its portfolio or working with third parties.

Price trends in the housing market¹⁷

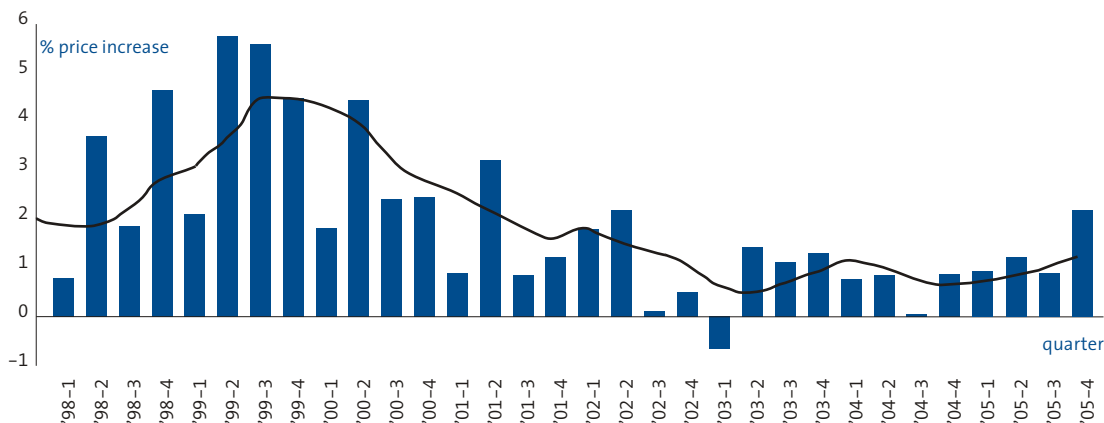
Housing market: average increase in value of over 5%

Owner-occupied properties in the Netherlands rose in price by an average of 5.4% in 2005 compared with 2004. The average price of an owner-occupied residential property at the end of 2005 was about €230,000. In general, there was no difference in price trends between expensive and cheaper residential properties. Prices rose most in the Randstad conurbation and in the north of the country¹⁸.

According to the NVM, whose estate agent members handle about 70% of sales in the Netherlands, the price increase was higher than forecast at the start of 2005. The fourth quarter of 2005 saw particularly high rises. The improved state of the economy, structural shortage of residential properties, continuing low mortgage interest rates and rising consumer confidence explain this. More and more households are opting to spend a larger proportion of their income on housing.

Bigger increases in the second half of the year

House prices per quarter
1999 to 2005
Source: NVM



In recent quarters, the value attributed to investment properties has increasingly been influenced by the prices achieved through tenders. The question is whether this trend is temporary and so whether it is justifiable for market prices in tenders to count so heavily towards the value of residential portfolios.

Price trends in investment properties raised by tender prices

The NVM, whose membership includes most estate agents who appraise investment portfolios, use the concept of selling price by private treaty. This is defined as the price that would be paid by the highest bidder for the property with sitting tenants and in the most suitable way for the property, in a private transaction, after the best preparation.

The highest bidder in a sale by tender is often not acquiring the project itself, but buying on behalf of a limited partnership construction. Such constructions often use risk financing for up to 80% of the price paid for the property. Purchases are also often financed at a variable interest rate. In this way, the purchaser of the project can hold out the prospect of yields of say 8% or 10% for the eventual purchaser of the units. The associated risk is, however, very high. The unit holders run both interest rate risk and property risk. The tender price clearly includes a premium paid by those who set up the construction and do not themselves run a risk. In Vesteda's view, the weight of the tender price achieved on individual complexes in relation to the valuation of an investment portfolio deserves further study. If interest rates rise or market sentiment changes, as a result of partnerships in difficulty, this type of investment could rapidly lose popularity. Another uncertain factor is the size of the market. It is still not clear whether it is sufficiently large to take the tender price of a project fully into account in the value of an investment portfolio of several billion euros.

Question-marks on the major influence of tender prices on the valuation of the total portfolio

Vesteda is, therefore, calling for a review of the sustainability and amount of pricing in tenders and, along with ROZ/IPD, will examine the way in which the tender price affects the valuation in 2006.

Further study of relationship between tender price and portfolio value needed

THE PROPERTY INVESTMENT MARKET

The residential property investment market in 2005

Transaction volume of residential investment sharply increased

At €5.6 billion in 2005, the volume of direct property investment transactions in the Netherlands was more than 40% above that in 2004. Both institutional and private investors were more active, for several reasons.

Property attractive

Property was again an attractive alternative to variable-yield and fixed-income securities in 2005. It offered a relatively high return and the price trend was also excellent. As a result, the risk in the direct return is low, almost zero in fact for residential portfolios, and volatility of the indirect return is historically clearly below that of other variable-yield securities.

Housing shortages underlie value changes

The structural scarcity of housing, which is closely aligned with consumer demand, continues to be a solid basis for the price trend. Despite good initiatives by vrom, new building is insufficient to clear the qualitative and quantitative shortfalls within the foreseeable future. Low interest rates contributed to keeping residential properties affordable, despite absolutely high prices. Nevertheless, there are large groups of consumers, especially starters, who face increasing difficulties. The rise in forced sales is a sign that affordability is under pressure and will increase further if interest rates rise.

Private investors more active as a result of lower interest rates

The residential property investment market was again governed by private investors in the past year. The total number of transactions with a value of €5 million or more doubled in 2005 compared with 2004, while the related investment volume tripled. An historic peak of over €900 million was reached. Low interest rates also had a positive effect for these purchasers, increasing the ability to purchase complexes with less capital or to acquire larger tranches. On the other hand sales of individual properties went well because they could be easily financed by private purchasers.

Sellers were mainly institutional investors releasing funds mainly for reallocation to indirect, often international property, or with the aim of rejuvenating the portfolio. As part of its portfolio strategy, Vesteda sold over 2,500 residential properties to individual purchasers or partnerships in 2005. Most of the sales were through tenders, which involved a few institutional investors but many high-net worth individuals and partnerships as purchasers. Prices achieved have risen in recent years to a level that in fact rarely makes letting on possible. The price level is justified mainly as a result of the increase in house prices in 2005 and the expectation that this will continue in the next few years. Achieving a profit by sale to the end user, using considerable external financing at low interest rates and tax advantages together provide the desired return.

Call for self-regulation of partnerships

The combination of a limited supply of good investment opportunities and high liquidity increases the probability of a mishap. There are relatively few barriers to entry into this market, even for initiators with only limited experience of the property market. It will take only a few failed initiatives for property investment by private individuals to be viewed in a bad light. This would severely reduce liquidity in the market and force price levels down. The risks of a collapse in the housing market are relatively limited, as a result of the excellent spread, but matters are clearly different for the commercial market, especially offices. In 2005, calls for order and self-regulation in the explosively growing partnership market were, therefore, louder. One of the parties pressing for this was the ivbn, the institutional investors' association. But the government is also aware of the potential dangers of unchecked growth. The Minister of Finance, Gerrit Zalm, has given the industry until

mid-2006 to come up with voluntary self-regulation in the form of a code of conduct for partnerships, before he takes action. The Netherlands Authority for the Financial Markets (AFM) has also taken its role of supervisory authority seriously, but mainly in procedural rather than substantive investment matters. The Vereniging Vastgoed Participanten was set up in 2006 to lobby for private capital providers and there was also a move to revive the Vereniging van Aanbieders van Besloten Vastgoedbeleggingen (VAB) as a result of the public debate.

Outlook

Since June 2004, the American Federal Reserve has increased interbank interest rates in thirteen steps to the current level of 4.25%. Economic recovery in the eurozone is clear but fragile and so the ECB had only increased interest rates by 0.25% at the end of 2005 to 2.25%. Allowance should be made for the possibility of an increase in short-term interest rates in Europe.

Possible rise in short-term interest rates, housing less easily financed

House prices could increase in the coming year, as a result of scarcity, a reviving economy and associated increasing consumer confidence.

Nevertheless, from the investor's viewpoint, prospects for the Dutch property market are not entirely positive. Stock markets are expected to perform well in 2006 thanks to the economic recovery, and so the relative position of property will deteriorate.

Increasing interest rates make it more difficult for investors and consumers to finance property purchases. For the consumer market, there is also the fact that banks are applying stricter criteria for granting finance. Indirectly that is not positive for the partnership market.

After a long discussion, the outlines of the new letting policy are becoming clearer, but what originally looked like a relaxation of policy is proving in practice to be disappointing. The private sector will surrender almost the entire additional and so necessary rental income through a mandatory contribution to finance the rent subsidy. Rental income will, therefore, only increase slightly on balance.

Rental income under pressure as a result of new letting policy

The discussion on limiting or phasing out mortgage interest tax relief will no doubt continue in 2006. A limitation of relief and thus of the subsidy to owner-occupation, is in itself positive for the rental market. A long period of uncertainty will, however, have an adverse effect on the house price trend: in the end, affordability will be less. It is, therefore, very important that this discussion is concluded quickly and results in concrete proposals.

Discussion of mortgage interest deduction continues

VESTEDA GROUP'S STRATEGY

Investment strategy

Vesteda's investment strategy focuses on performing better than the market average over the long term. Vesteda compares its performance against a benchmark that expresses the participants' average return on all Dutch residential property investments. The benchmark is computed by ROZ/IPD and is known as the ROZ/IPD All Residentials index. It is important in achieving Vesteda's investment strategy that its specific nature, distinguishing direct property from other investment categories, is maintained.

Aim is to beat ROZ/IPD benchmark

Large and luxurious homes for one and two-person households

Vesteda focuses on the higher-rent sector, which has the highest level of demand and it is expected to increase further in the next few years. Vesteda meets the wishes of its target groups for spacious and luxurious homes for one and two-person households, mainly apartments but also houses.

Target group: people over 50 and young people in and around towns

Vesteda's target groups include people over 50 and younger, single-person and dual-income households with above-average incomes. As these target groups want to live mainly in and around large and medium-sized towns, these are also the locations of Vesteda's portfolio of residential properties and concepts.

Model portfolio: optimum spread in liberalised segment

A model property portfolio has been drawn up based on internal and external studies which sets a framework for the investment policy until 2015. In due course, the greatest proportion of the capital invested will be in housing in the rent band from about €600 to €1,200. Vesteda is also looking to expand in the higher price categories, where there is a structural shortage of supply and where there will also be a sharp increase in demand. Vesteda is opting for a portfolio in the deregulated sector above €600, where government influence is limited and where market forces work best. Vesteda currently has a large number of residential properties below the deregulation threshold, but it is not being expanded. This sector will be run down further in the future through disposals.

Regional markets

All purchases and sales will be measured against the model portfolio framework. The assumptions in the model portfolio are also the basis for product development. The model portfolio is based on an explicit selection of specific target groups and regional market areas. The parameters are evaluated and, if necessary, adjusted each year. The criteria for the ideal composition of the portfolio in due course are the structure of the market and the selection of sectors expected to perform better than average, set against the relative strength of the Vesteda organisation in its regional presence, innovation and acquisitive strength.

Model portfolio
price sector

	current portfolio year end 2005 value percentage	model portfolio range by value percentage
to €800	87	25-40
from €800 to €1,200	9	30-40
more than €1,200	4	30-40
total	100	100

Some regions more attractive than others

The map below shows the share that Vesteda is aiming for in future years in the higher-rent sector for each COROP region. The market share has been set by analysis of the economic growth indicators in the period 1987 to 2002, the volatility in growth, the distribution of the Vesteda target groups across the regions, the expected availability of acquisition opportunities and trends in the housing stock. The results of this analysis show that it is not possible to refer to a single national housing market, but that regional differences clearly affect the functioning of the market. The investment potential of some regions is more attractive than others. There are also considerable differences within regions. Overall, the area stretching from the western edge of the Randstad conurbation to the southeast of the country offers the best prospects; on the other hand, the potential is flattening off to a greater or lesser extent.

Voluntary cap on annual increase in liberalised segment

Vesteda offers its tenants contractual protection and has voluntarily moderated its rents in the deregulated sector. For some years, leases have stipulated that the annual rent rises will be no more than 2% above inflation. Vesteda can compare rents against market rents once every five

years. If market rents are at least 10% higher, Vesteda may increase the annual rent rises to 4% in real terms. Vesteda applies this voluntary rent restraint to all residential leases, irrespective of whether the rent protection is included in the contract.

A key element of Vesteda's investment strategy is the annual sale of about 3% to 4% of the portfolio in order to emulate the model portfolio as closely as possible. Sales are linked to a similar number of residential properties being added to the portfolio each year. This ongoing rejuvenation of some 1,000 residential properties per year contributes to achieving and maintaining the desired geographical and qualitative composition of the portfolio, and consolidating capital gains.

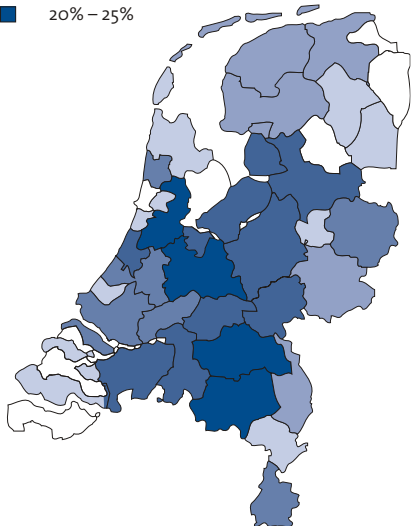
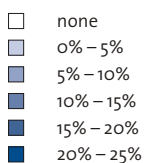
Roll-over strategy leads to limited sales

Vesteda has identified about two-thirds of the Netherlands as core areas and is aiming for the best possible distribution within the urban environments in these areas. Acquisitions of new projects take account of local market features and the market share that Vesteda already has in the area. A careful balance is always drawn between the risk of adding projects to the market stock and the benefits of concentration in terms of efficient and effective management. Based on long-term market forecasts and the considerations referred to above, Vesteda has designated a number of housing market areas as core areas: the Randstad conurbation, the whole of the central and southern regions of the Netherlands, with the exception of Zeeland, and a number of towns and cities in the north (Groningen, Assen, Leeuwarden, Emmen and Heerenveen). Most of the development in the core areas will be in and around the centres of medium-sized and larger towns and cities.

Core areas mainly in the Randstad conurbation, central and southern regions of the Netherlands

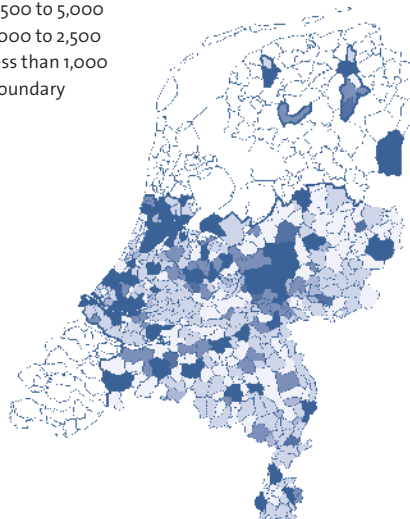
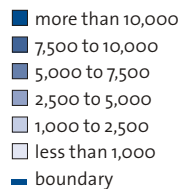
Model portfolio

Target market share by corop area



Vesteda's core areas

Number of one and two-person households with disposable income > €16,800 per year, by municipality in Vesteda's core areas



Development strategy

In-house project developer creates constant and high-quality inflow

Vesteda carries out its own area and project development through Vesteda Project bv, which was incorporated in 2001, ensuring an ongoing high-quality inflow of residential projects. Vesteda Project bv has the role of commissioning authority in acquiring and developing residential construction projects which are built by third parties. As well as the demand for high-quality rental homes for Vesteda Group, Vesteda Project bv will start developments for the owner-occupied market in the next few years.

Pipeline filling up

2007 will be the first year in which more than 1,000 residential properties are handed over. Vesteda Group's annual inflow of residential properties will then be equal to the outflow. For this, Vesteda Project bv is building up a pipeline of 10,000 to 15,000 homes.

Long-term involvement

A feature of Vesteda Group is its long-term involvement in its own projects. This makes it attractive for municipalities to work with Vesteda Project bv. Town-planning proposals aimed at sustainability, urban quality and high-quality architecture, offer long-term solutions for housing issues and meet the relevant yield criteria. In this, Vesteda looks beyond just the homes: the public spaces, infrastructure and location with respect to the town centre and facilities also determine the quality of life of future tenants.

Co-operation with municipalities

Objectives can be set jointly, as Vesteda Project bv is in a position to become involved in projects and redevelopments at an early stage. Different municipalities' experience shows that Vesteda's specific knowledge of tenants and their wishes can contribute to municipal policy frameworks. For this, Vesteda has databases to quantify future demand for mid-sector and higher-rental residential properties and the effects of local municipal objectives. Construction plans are input for housing market simulations. Early participation is important for Vesteda as it can then jointly determine the new development. Early participation is also helpful to the municipality as it can work with the same party during the area and development planning, development and letting, and can transfer some of its tasks to a market player. By offering an exclusive residential environment, Vesteda is fulfilling a part of municipal policy.

Co-operation with the Municipality of Amsterdam

In 2002, Vesteda reached a unique long-term agreement with the Municipality of Amsterdam to build rental market homes. Vesteda will build an average of 250 mid-sector residential properties per year over a period of 10 years. They will be in the rent range of about €550 to €1,150. The total investment under this alliance will be about €600 million.

Vesteda Project bv: project development, purchase and redevelopment

Partly because of its considerable resources, Vesteda Project bv is able to take an early and risk-bearing participating interest in area redevelopments. Through project development or acquisitions, sometimes followed by redevelopment/modification, residential properties are built and finished to the high quality criteria set by Vesteda Group.

Vesteda believes that living is much more than just a good building with good living space. Vesteda's starting point is from the view of the tenant. According to Vesteda there are five elements central to residential enjoyment: location, surroundings, architecture, interior and added value. These elements are integrated into every new project so that Vesteda's tenants can have attractive and exclusive homes without devoting energy to maintenance or other concerns. The five central elements are:

Vesteda's view of living: tenants as the starting point

Vesteda finds the best site in the town; locations which are or could become attractive. The projects are often on the water, an urban planning axis or another prominent site where a view and spaciousness can be combined with the quality of urban life.

The best site in the town

Urban development is strongly represented in Vesteda's professional background. The criterion: you don't just live in your home. Vesteda goes a very long way to optimising the surroundings. Vesteda Project bv is involved very early, via area development, and does everything to optimise the quality of the surroundings. Cultural and leisure facilities are among the features combined with projects.

Surroundings determine quality of life

Vesteda manages projects and buildings that boost the town; buildings with character, with special architecture, buildings that mean something to tenants and local people. The best architects are selected from the Netherlands and abroad. Vesteda buildings have an identity that residents can identify with and make a good impression.

Architecture reinforces identity

Vesteda also offers tenants special interior and exterior designs. With an eye for detail. The unassuming, quality style of life of Vesteda's target group is reflected in the use of the materials and the design of the common spaces and homes. This creates a difference in quality compared with owner-occupied homes.

Attention to interior design

Vesteda offers added value in its projects and services. Luxury, quality, comfort, convenience and care are key.

Added value

Vesteda Health Clubs offer residents of Detroit in Amsterdam, Céramique in Maastricht and Hoge Heren and Montevideo in Rotterdam a swimming pool, sauna and fitness centre in the building. Many projects have guest accommodation for residents' visitors. Tenants can use the digital Woonbode, installed in thousands of Vesteda residential properties, to order shopping, laundry services, odd-jobs, taxis and other services.

Services also outside the home

Some products are aimed at specific target groups, offering them added value.

Specific target groups

The residents of Vesteda Serviced Apartments are mainly expats and managers based in a town for a few months or a few years. These apartments are decorated and furnished and offer every convenience.

Vesteda Serviced Apartments

Vesteda Office Apartments, under development in Amsterdam and Maastricht, offer an apartment with an office/work space accessible by an internal door, and which also have a separate entrance and pantry.

Vesteda Office Apartments



Guest rooms, Hoge Heren project, Rotterdam



Delivery boxes in the hall, Hoge Heren project, Rotterdam



Stand-alone and built-in Woonbode models

Health Club with swimming pool, fitness centre and sauna in the Cortile project, Céramique Maastricht.



High quality equipment in kitchens



Health Club with swimming pool, fitness centre and sauna in the Cortile project, Céramique Maastricht.



Property management

Vesteda has its own in-house property management for the administrative, technical and commercial management of residential properties. The Woongaleries in eleven locations around the country, and their supporting front offices handle letting, personal contacts with tenants and possible sales of projects. They are supported in this by a centralised call centre, where tenants make maintenance enquiries and which co-ordinates and gives feedback on maintenance. The centralised back-office manages the financial flows.

In-house property management

It is usual in the property sector to work with external property management organisations. In Vesteda's view, its chosen market sector and the associated growing demand for service mean that this will not be the most effective way of safeguarding customer orientation and high levels of service in the future. Consequently, Vesteda has phased property management into its organisation over a period of three years. The biggest step in this long-term organisational growth was taken in 2003. As an investor, Vesteda is able to perform its own property management as a result of a combination of its size and the geographical concentration of the portfolio in and around towns. Vesteda is the only property fund of this size in Europe that performs its own property management.

Unique in Europe

In-house property management offers great added value. More manageability leads to improved control of costs and the result, and high levels of service to improve customer satisfaction and offer a pleasanter quality of life. In addition, the Woongaleries provide good support to the Vesteda brand as a quality name in local housing markets. Direct customer contacts also ensure market and project knowledge, which is used strategically in asset management and project development.

High added value

Central to communication with potential tenants is the website www.vesteda.com. It contains the entire range of properties with photographs and plans to present the home, project and surroundings. The registration module can be used by people wishing to register an interest. The customer information goes automatically to the letting planner, a method developed by Vesteda to record potential tenants, so that vacant residential properties can quickly be relet.

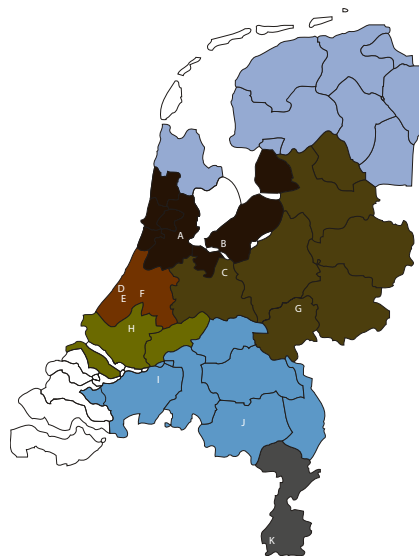
Website has central role in letting communication

Vesteda Woongaleries

and their areas of operation

- Woongalerie Amsterdam
- Woongalerie The Hague
- Woongalerie Rotterdam
- Woongalerie Arnhem
- Woongalerie Eindhoven
- Woongalerie Maastricht
- external property management

- A Woongalerie/regional office Amsterdam
- B front office Almere
- C front office Amersfoort
- D Woongalerie The Hague
- E front office Rijswijk
- F front office Zoetermeer
- G Woongalerie Arnhem
- H Woongalerie Rotterdam
- I front office Breda
- J Woongalerie Eindhoven
- K Woongalerie Maastricht/head office



IMPLEMENTATION OF STRATEGY DURING THE YEAR

With its focus on the higher-rent sector Vesteda is, to some extent, entering uncharted territory. Demand for homes in this sector is structural and greater than supply, but also susceptible to the state of the economy. The proper functioning of the housing market as a whole – owner-occupied and rental – has a major effect on the higher-rent sector. There are also considerable regional differences. Aligning a product's quality and price requires a careful touch.

Examination of the higher-rent sector was deepened and broadened further during the year. Practical experience is translated into the approach to development, marketing and letting. Knowledge of specific, local or regional conditions and of susceptibility to the state of the economy is much improved. This increased knowledge has been translated into a further segmentation of the asset mix which underlies the model portfolio. The main lines of the investment strategy are unchanged; the emphasis and ranges have been revised.

Good progress was made in 2005 on integrating the approaches to project development, research, asset management and management.

Entire portfolio appraised externally

With effect from 2003, the entire portfolio has been appraised by external valuers. At least 50% of the portfolio is appraised by external valuers each year and the valuation of the remaining portfolio is updated by an external valuer. Using this approach, almost the entire portfolio was appraised by external valuers in 2005.

Customer contact in house

Marketing, letting and customer service in the higher-rent sector require comprehensive and labour-intensive effort and put high demands on the professionalism of the organisation. The associated costs are considerable, but seen as an investment in the future. These additional costs will be returned, directly or indirectly, in the form of additional rental income, capital gains or better control of the letting expenses. The decision to bring management in house was certainly correct. The quality of marketing, letting and service needed in the higher-rent sectors can only be guaranteed if managed in-house and by direct contact with customers.

Ten projects were handed over and let in 2005. Vesteda had 558 residential properties in the initial letting phase (less than one year since hand-over) at the end of 2005 and expects to have some 600 residential properties in the initial letting phase at the end of 2006.

Internet: 10,000 applications

The www.vesteda.com website was renewed again during the year. The site is linked to the interest registration module, where people can register for a Vesteda home on-line. Prospective tenants can simply indicate their preferences from the portfolio. All registrations go to the letting planner used by the housing consultants. The software allows easy contact with prospective tenants and identifies the demand for each project. During 2005, Vesteda recorded more than 30,000 applications from over 10,000 households and 1,170 of them became tenants.

Marketing higher-rent properties demands much attention

Although higher-rent properties currently represent only a limited portion of the portfolio, they do demand a great deal of attention. The year showed that there could be tension between the attention to the new, more expensive projects and the existing portfolio, which is different in terms of price level and service. In November 2005, the Nederlandse Woonbond (a tenant's organisation) announced that its award for the 'worst landlord' in 2005 went to the Vesteda Woongalerie Amsterdam. The jury consisted of representatives of the Woonbond itself, a few tenants and their

advisers. Vesteda Amsterdam manages some 7,000 residential properties with about 20 tenants' associations, but the award was made on the basis of submissions by four tenants' associations. Vesteda Amsterdam does not recognise itself in the jury's report. Surveys of hundreds of tenants in 2005 gave Vesteda Amsterdam a rating of 7.1. The individual tenants in the four projects concerned gave Vesteda an average rating of 6.8 and so the jury's conclusion cannot be supported. Vesteda Amsterdam does acknowledge some of the complaints, however, and they are being worked on vigorously.

Vesteda again put a lot of energy into addressing tenants' payment behaviour this year. Economic developments unquestionably lie behind the poorer payment behaviour. At the end of 2005, Vesteda had put over 1,300 claims against tenants and ex-tenants in the hands of bailiffs. There had been about 1,100 at the end of 2004. Forty percent of the outstanding claims at the year end were in the Amsterdam region. In 2005, Vesteda used a range of communication campaigns to promote the use of direct debits and the number of customers using them grew sharply in 2005 to over 23,000.

Rent arrears reduced

The acquisition target of adding about 1,300 rental properties in 2005 and 1,500 in 2006 proved not to be possible. Long-term targets, a structural addition of about 1,500 rental properties per year, are also under pressure. Slow government decision-making procedures, supply-side competition and, in particular, poor operation of the higher-rent housing market underlie this. Low mortgage interest rates are beneficial to the owner-occupied market – and indirectly also, therefore, to the value of the portfolio – but adverse for the rental market.

Inflow target under pressure

A large annual injection of in-house new building is and remains a part of the strategy. But quality may never be at the cost of quantity. Economic trends have positive or negative effects on the owner-occupied and rental markets in turn. The development of a limited number of residential properties, specifically for sale, has been included in the acquisition target to strengthen the acquisition position and respond better to economic trends. After a start-up period, about 1,000 rental properties and 500 owner-occupied properties will be built per year on average.

1,000 rental homes, 500 owner occupied homes per year

Part of the strategy is the regular sale of residential properties. The aim of this is to rejuvenate and align the portfolio with the model portfolio and consolidate capital gains. About 2,500 properties were sold in this context in 2005.

2,500 properties sold

Sales of residential properties are in the form of individual sales to tenants or third-parties if there is a vacancy or sales of complete complexes. The emphasis is increasingly on individual sales of residential properties by Vesteda to tenants. Complexes are generally only sold by tender. The advantages of this type of sale are maximum transparency and high proceeds. Residential and other property as an investment was again in high demand by private investors in 2005. The parties invited to tender are carefully screened. Potential purchasers' track records as good administrators weighs heavily in the selection and one of the conditions for the sale is the sales code drawn up by the IVBN.

High level of interest

The Woongalleries hold formal meetings with tenants' associations twice a year. There are usually informal contacts between the spring and autumn meetings. These contacts will be strengthened and deepened, where necessary, in 2006. The subjects discussed are proposed maintenance, settlement of service costs, the annual rent rises, reletting and in some cases the possible sale of a project. There are some 100 tenants' associations, and most of them are members of the Vesteda Platform, the umbrella organisation for Vesteda's tenants.

Regular consultations with tenants' associations

Vesteda Platform for national issues

The Vesteda Platform was set up over five years ago to consult tenants on national subjects. Tenants' associations may join the Platform. Subjects discussed include the service costs policy, the wording of Vesteda's leases and the sales policy. Vesteda regards the co-operation with the Vesteda Platform as extremely constructive. Various meetings were held in 2005, during which decisions were taken and explained in a friendly but businesslike way. One matter discussed was the development of a website where the committees of the individual tenants' associations can check service costs. All invoices underlying the charge are available electronically and can be checked at any time. The archiving instructions wanted by the board of the Platform for the various tenants' associations were prepared during the year. An IVBN tenants' platform is being formed, partly on the initiative of the chairman of the Vesteda Platform, with representatives of the boards of the platforms of ING, Delta Lloyd, Amvest and Stienstra.

Customer survey

Vesteda has had an ongoing survey, the Vesteda Tenants' Monitor, since 1997. This survey, which is growing in size and structure annually, sent out about 4,000 questionnaires in 2005. The response rate of some 42% is a good score for such a comprehensive written survey. There are three types of questionnaire. After a few weeks, every new tenant is asked in the intake module about why they are renting, the orientation and decision-making process and their findings as a new customer. The stay module asks a sample of sitting tenants about matters such as the satisfaction with the home, surroundings and the service from the offices, and measures interest for new services. Exit surveys ask every departing tenant why they are moving and for suggestions for improvement of products and services.

Satisfaction with homes stable at 7.3

Satisfaction with the homes is fairly stable at 7.4. The assessment of the surroundings is also fairly constant at 7.3. Vesteda saw a slight improvement in the rating for security, which is an important aspect in assessing satisfaction. A point of attention continues to be the way the Woongalleries deal with complaints. Since the start of the ongoing survey in 2003, Vesteda has seen increasing interest in the internet as a way of learning about Vesteda.

Decision to rent: older people specific, younger people pragmatic

The attractiveness and rapid availability of the home are key arguments. Different age groups have very different reasons for choosing a Vesteda home. Older people select mainly on the attractiveness of the home, the sale of the previous home and the wish to rent and, therefore, they appear to be making an explicit choice for renting a home from Vesteda. Young people seem to be more pragmatic in their choice and rapid availability or taking a new job are significant reasons for them. They choose less deliberately for a Vesteda home.

New tenants most satisfied

The Woongalleries are paying a lot of attention to services during the intake of new tenants. Generally, therefore, new tenants are the most satisfied. The overall rating is 7.5. Complying with agreements is rated 7.4. The hand-over of the home is still an area for attention. Almost one in five tenants were dissatisfied with the way the home was handed over although the rating is just over 7 for the sector above €800.

80% satisfied with tenancy

A growing number, now 80%, of departing tenants said they were fully satisfied with the way they lived in the home. The overall score for home surroundings and service is fairly constant at 7.3.

The call centre recorded about 54,000 maintenance calls in 2005 which is 7% lower than in 2004. Vesteda attaches great significance to dealing with these calls satisfactorily, precisely because of their nature: to report a request for maintenance. This is also covered by the Vesteda Tenants Monitor. The overall score for the call centre is constant to slightly rising, averaging 7.4. Customer-friendliness, information provision and accessibility were rated favourably. An area for improvement is response time to requests for repair work. As soon as a maintenance request is received, the call centre instructs a contractor to carry out the work. The service by external companies was rated at 7.3 in the past period. The call centre continues to monitor progress and makes telephone spot checks. Contractors are assessed from the management information this process provides. As well as their normal payment, contractors are paid according to customer satisfaction.

Call-centre rated well at 7.4

MOVEMENTS IN THE PROPERTY PORTFOLIO

This section describes the movements in the portfolio during 2005. Please see page 71 for definitions of the terms used.

Total portfolio

The movements in the total portfolio are shown in the table below.

Total portfolio

Value at year end
(millions of euros)

	2005	2004	2003	2002	2001
	4,230	4,106	4,084	4,067	4,056

The value of the total portfolio rose by 3% in 2005. Page 123-127 lists all the projects in the total portfolio generating rental income at 31 December 2005. At year end 2005, these properties were worth €5,181 million with vacant possession and the market rent is €245 million annually.

Portfolio value up by 3%

Acquisitions portfolio and development portfolio

Vesteda Project BV did not achieve its acquisition and project development targets in 2005. Longer preparation processes for projects and spatial planning procedures meant that the start of construction work on several projects was moved from 2005 to 2006. A total of €184 million including VAT was invested in properties meeting the quality, location and yield criteria, against a target of €230 million. Vesteda Project BV and its activities are described in a separate annex.

Acquisition target not fully realised partly because of building procedures

Acquisition and Project development

(investment in millions of euros, incl. VAT)

	2005	2004	2003	2002	2001
Target	230	200	140	114	
Actual	184	206	153	117	95

Letting portfolio

The movements in the letting portfolio are shown in the table below.

Letting portfolio, units

Units at year end

	2005	2004	2003	2002	2001
Single-unit residential properties	12,244	13,624	15,775	17,628	18,710
Multiple-residency properties	17,032	17,498	17,699	18,276	19,360
Total residential properties	29,276	31,122	33,474	35,904	38,070
Parking spaces	7,203	7,146	6,928	7,420	7,318
commercial space m ²	36,098	40,791	36,960	37,266	34,594
of which office	23,470				
retail	12,628				

Number of homes in portfolio slightly down

The portfolio fell in size during 2005 to just over 29,000 units, while its value rose slightly. This was in line with the strategy of reducing the size of the portfolio while maintaining its value and moving towards a higher segment, continuing the trend of recent years. Overall, 2,515 residential properties were sold and 669 added; a net reduction of 1,846. As well as some 29,000 residential properties, Vesteda owned some 36,000 m² of commercial space and over 7,000 parking spaces at the year end.

Letting portfolio, annual rents

value (millions of euros.)	2005	2004	2003	2002	2001
Gross annual rent	219	230	238	245	248
Net annual rent	162	173	178	190	191
Net/gross annual rent	74%	75%	75%	78%	77%

The portfolio fell by 6% in units. Total gross annual rent fell by 5% in the year under review to €219 million, 96.6% of which comes from residential properties. Net annual rent fell marginally as a percentage of the gross annual rent in 2005.

Average value per home up by 7%

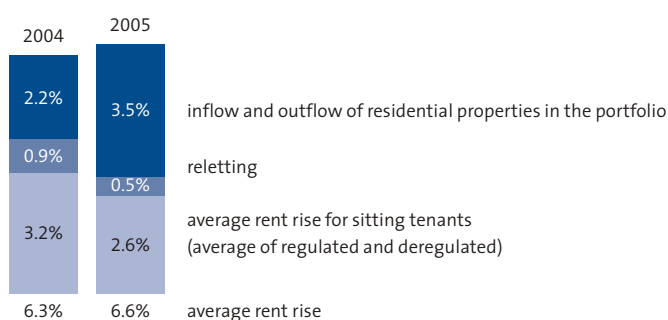
At the end of 2005, the average value of the residential units was about €136,000, compared with about €127,000 a year earlier.

Average rental income also up by 7%

The average monthly rent per residential unit at the end of 2005 was €628, compared with €589 in 2004. This represents an increase of 6.6% which came from three sources. The first is the inflow and outflow of residential properties in the portfolio, which contributed 3.5%, because of the outflow of cheaper properties to make way for more expensive ones. The second source is reletting. Residential properties are let at market rents after being vacated. Reletting, when the rent is raised marginally, contributed 0.5%. The final source is rent rises for sitting tenants which accounted for a rise of 2.6% in the average rent.

Average rent rise

Letting portfolio, by source



Disposals, or the sale of residential properties, are by separate sales to tenants or individual purchasers at the price with vacant possession, or through sales of complexes – disposal of all or part of a complex to a professional party. Although the highest prices come from separate sales of homes, it may be decided to sell a complex for reasons of risk, management, volume or liquidity. Complexes are almost always sold by tender. Two tenders were carried out with the involvement of an external property agent during 2005. This promoted access to new parties to the fullest extent and best met the interest in the market. The results were highly satisfactory.

Almost all disposals sold by tender

Even more than in the previous year, high prices on the housing market generated good results. A book profit of €76 million was realised on the sale of 2,515 residential properties in 2005¹⁹. The relative increase in the book profit can be explained partly by the proportion of individual sales, where the profit per property was more than twice as high on average as for the sale of complete complexes. In total 1,145 residential properties were sold individually and 1,370 as complete complexes.

Higher results on sale per home, book profit €76 million

Core letting portfolio

The table below shows the movements in the core letting portfolio.

Core letting portfolio, units

Units, at year end

	2005	2004	2003	2002	2001
Single-unit residential properties	10,410	10,732	11,212	11,455	11,426
Multiple-residency properties	15,728	16,654	16,631	17,029	17,960
Total residential properties	26,138	27,386	27,843	28,481	29,386
Parking spaces	6,161	6,285	6,053	6,331	6,190
Commercial space m ²	33,737	34,531	30,702	32,343	30,105
of which office	22,865				
retail	10,872				

Core letting portfolio, value

Value at year end

(millions of euros)

	2005	2004	2003	2002	2001
Single-unit residential properties *	1,490	1,454	1,428	1,383	1,295
Multiple-residency properties *	2,003	2,107	1,750	1,690	1,656
Total	3,493	3,561	3,178	3,073	2,951

* including parking spaces and commercial areas within projects

Most of the additions to the core letting portfolio were multiple-residency properties. On balance, disposals created a slight fall in the value of the multiple-residency properties, despite the price rises during the year and the addition of new residential properties to the portfolio. For single-unit residential properties, the effect of the price rises was greater than the disposals, and so the value of the portfolio rose modestly. On balance, the total core letting portfolio fell marginally in value.

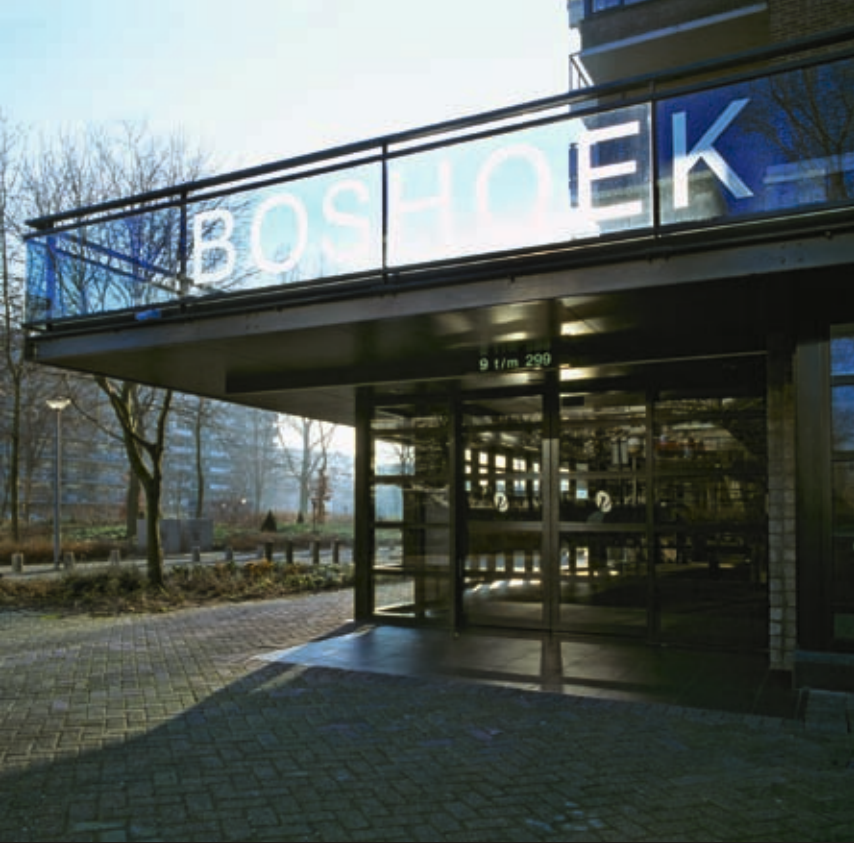
Size of core letting portfolio falls marginally

The core letting portfolio is relatively young. By value, 57% of residential properties are 20 years old or less.

Portfolio by age and rent

The increasing specialisation on the higher-rent sector becomes clearer when the portfolio is broken down by rent (net rental per month). At the beginning of 2005 Vesteda was getting 45% of its theoretical rental income in the sector above €600 per month. By the year end 2005, at 55% this share was more than half of the portfolio.

Clear further specialisation in rental sector



Rijswijk, Beatrixlaan, new entrance hall including IRS system



Den Bosch, Pisataete, new entrance hall including IRS system



Amsterdam, Nellestein, new entrance hall and lifts



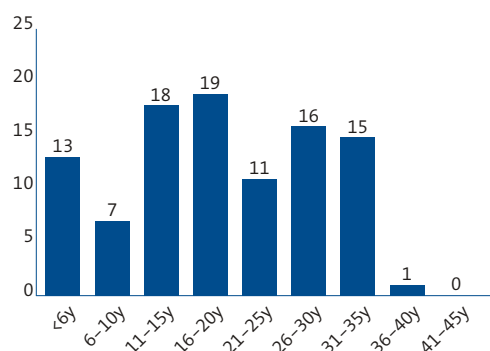
Rijswijk, Clavecimbellaan, new entrance hall including IRS system

Rotterdam, Dosiatoren, new entrance hall including IRS system

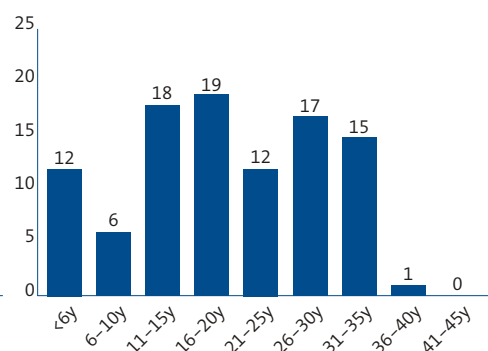


Core letting portfolio, by age

Percentage by value, year end 2005

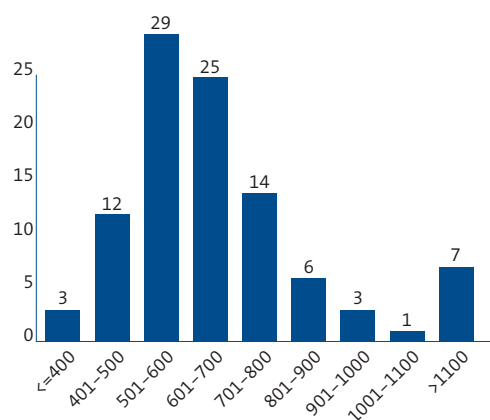


Percentage of theoretical gross rent, year end 2005

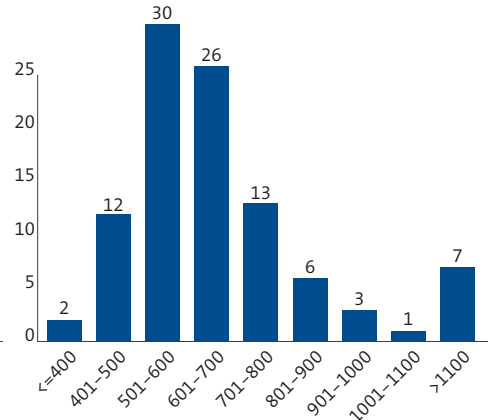


Core letting portfolio, by net rent

Percentage by value, year end 2005



Percentage of theoretical gross rent, year end 2005



Occupancy rate falls 1.2% as a result of increased effect of roll-over strategy

There was a fall in the occupancy rate of the Core letting portfolio during the year. It was down by 1.2 percentage points as a result of regular sales of a limited portion of the portfolio and additions of new projects. New projects are not immediately let in full. It takes a certain time to put projects on the market while retaining reputation and exclusivity. As the proportion of individual sales in the disposals is increasing, residential properties are deliberately being left vacant as they command higher prices with vacant possession. Overall, this resulted in an occupancy rate of 97.8% for the year.

Core letting portfolio, occupancy rate

Calculated on the number of residential properties percentages

	2005	2004	2003	2002	2001
Occupancy rate	97.8	99.0	99.1	99.2	99.3

LETTING AND MANAGEMENT EXPENSES

Letting expenses consist of maintenance costs, reletting, property management, brokers' fees and fixed costs (including taxes). These amounted to 26.0% of gross letting revenue in 2005.

Low management expenses in relation to market

Vesteda Woningen's management expenses amounted to 37 basis points of the portfolio value. This is a low level given that the level of costs in the market ranges between 50 and 70 basis points.

Letting expenses of Vesteda Woningen

As a percentage of gross letting revenue

	2005	2004	2003	2002	2001
	%	%	%	%	%
Letting	26.0	24.9	25.4	23.8	22.8

Management expenses of Vesteda Woningen

In basis points of the portfolio value at the beginning of the year

	2005	2004	2003	2002	2001
	bp	bp	bp	bp	bp
Management*	37	38	36	32	33

* See page 71 for definition

REFINANCING

During the year, Vesteda completely refinanced its loan capital. All existing bond loans, with a combined value of €1.25 billion, were repaid on 20 July 2005. On the same date, €1.3 billion was refinanced, again by capital market bonds. Like the financing that was repaid, the new loans were also given a *triple-A rating* by Moody's, Standard & Poor's and Fitch Ratings rating agencies.

Major refinancing gets triple-A rating

The new financing is divided into four series of bonds of different sizes and with different maturities. The bonds have a nominal value of €500,000 each and are listed on the Euronext Amsterdam stock exchange. They were considerably oversubscribed. The bonds were issued by Vesteda Residential Funding II BV, a company incorporated during the year.

There was considerable international interest in the new financing, again through Secured Floating Rate Notes. Partly because of this, an extremely favourable spread of only 19 basis points was achieved; this had been 27 basis points before the refinancing. As a result of the refinancing, the average maturity increased from 2.7 years to 6.5. At the end of the year, the remaining average maturity was about six years.

Attractive financing conditions, average spread of only 19 bp

The interest rate on the new financing is, like that before repayment, based on the three-month Euribor rate.

Vesteda's interest-rate risk limited

The old loan was fully hedged by interest rate caps to limit the risk from sharp interest rate rises. The agreed ceiling of 4.5% ensured that Vesteda would not pay higher interest rate charges even if the Euribor rate rose. The old cap arrangements remain in place for the new loans and so for the original terms the new financing charges for Vesteda are dependent on Euribor, up to a maximum of 4.5%. Forward-swap contracts have been concluded for the remainder of the terms. The pure interest rate costs, excluding spreads and transaction costs, are on average 3.4%.

There are very limited risks attaching to the above financing. This is confirmed by Moody's, Standard & Poor's and Fitch Ratings, who agreed during the year to a higher maximum acceptable leverage, while retaining the *triple-A rating*. The credit rating agencies agreed that the share of loan capital could rise from 40% to 45%.

Leverage may increase without losing high credit rating

Bonds

Amounts in millions of euros

	start year	original value €	matures year	value at y/e 2005 €	value at y/e 2004 €	value at y/e 2003 €	value at y/e 2002 €
Revolving Credit	2002	200	2004	-	-	200	50
A1	2002	300	2005	-	-	137	263
A2	2002	300	2007	-	300	300	300
A3	2002	600	2009	-	600	600	600
A4	2004	400	2007	-	400	-	-
A1	2005	200	2008	200	-	-	-
A2	2005	400	2010	400	-	-	-
A3	2005	400	2012	400	-	-	-
A4	2005	300	2015	300	-	-	-
Total				1,300	1,300	1,237	1,213
Property portfolio (Vesteda Woningen)				4,113	4,013	3,918	3,960
Leverage				32%	32%	32%	31%

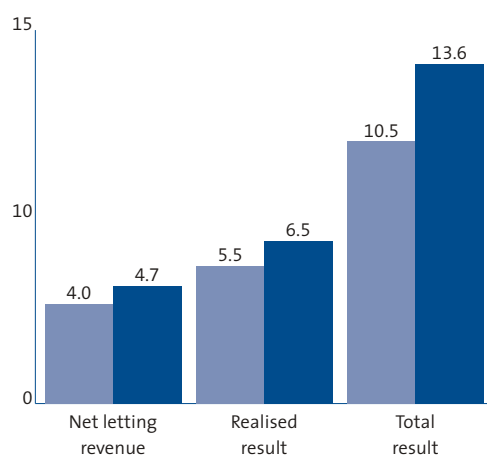
The ratios which have to be met for the triple-A rating have been more than met since the introduction of the bonds in July 2002.

Financing improves the result by 3 percentage points

The diagram below shows the effect of leverage on yield. In 2005, financing contributed 3 percentage points to the net result, raising the yield by more than 30%.

Effect of fund strategy on result

The bar charts show how the fund strategy works.



1 Net letting revenue (€162 m)

Without leverage: €162 m/value of portfolio at beginning of year (€4,106 m) = 4.0%

With leverage: (€162 m – proportionate net interest (€162 m/(€162 m + other income (€5 m) – management expenses (€18 m) + profit on disposals (€76 m)) x net interest (€37 m)))/shareholders' equity (€2,902 m) = 4.7%

2 Realised result = net letting revenue (€162 m) + other income (€5 m) – management expenses (€18 m) + profit on disposals (€76 m) – net interest (€37 m) = €188 m

Without leverage: (€188 m + net interest (€37 m))/value of portfolio at beginning of year (€4,106 m) = 5.5%

With leverage: €188 m/shareholders' equity (€2,902 m) = 6.5%

3 Total result = realised result (€188 m) + capital gain (€206 m) = €394 million

Without leverage: (€394 m + net interest (€37 m))/value of portfolio at beginning of year (€4,106 m) = 10.5%

With leverage: €394 m/shareholders' equity (€2,902 m) = 13.6%

RESULTS

The total result comprises the realised result (net rental income and book profits realised on disposals) and the unrealised result (revaluations).

The realised result for the year was €188 million, or 6.5% of opening shareholders' equity. The unrealised result was €206 million, or 7.1% of shareholders' equity. The unrealised result thus rose about 50% in absolute terms compared with 2004. The total result for the year was 13.6%, which was Vesteda's highest figure in the past five years. The average result in that period was 12.3%.

At 13.6% best result in past five years

Its eighth year of existence was, therefore, the eighth occasion when Vesteda achieved a return on shareholders' equity and a ROZ/IPD benchmark yield of over 10%.

Portfolio result

In millions of euros	2005	2004	2003	2002	2001
Realised result	188	197	196	201	199
Unrealised result	206	138	137	136	149
Total result	394	335	333	337	348

Portfolio result

Percentage of opening shareholders' equity	2005	2004	2003	2002	2001
Realised result	6.5	6.9	6.9	7.1	7.1
Unrealised result	7.1	4.8	4.8	4.8	5.3
Total result	13.6	11.7	11.7	11.9	12.4

Most of the forecasts were met during the year. Rent rises, letting and management expenses, sales and the increases in gross and net income were at or above forecast.

Most forecasts achieved

The realised result was as forecast while the unrealised result was in fact well above forecast and so the total result was considerably better than forecast.

The occupancy rates for the total portfolio and the core letting portfolio were marginally below forecast.

Result: forecast against actual

in respect of	indicator	2005 forecast	2005 actual
realised result	rent rises	stable at least 6.5%	6.5%
	occupancy rate:	between 2.5 and 3.0%	2.6%
	total portfolio	about 97.5%	96.4%
	core letting portfolio	about 98.7%	97.8%
	gross revenue per property	limited increase	increase of 4.3%
	letting expenses	about 26%	26.0%
	management expenses	below 40 basis points	37 basis points
	net revenue per property	limited increase	increase of 2.9%
unrealised result	disposals	about 2,500 properties	2,515 properties
unrealised result		above inflation	7.1%
total result		above 10%	13.6%
distribution to investors		€333 million	€340 million
inflow of properties	investment level incl. VAT	at least €230 million	€184 million
	hand-overs	circa 650 properties	669 properties

Benchmark expected to be beaten again

The benchmark used by Vesteda, the ROZ/IPD All Residential, which indicates the market average for results achieved on residential property investments, has been beaten consistently in recent years. The benchmark for the year under review is not yet known but given market conditions and the half-year results, Vesteda expects that it will be beaten again in 2005.

Benchmark yield*

ROZ/IPD, All Residential	2005	2004	2003	2002	2001
ROZ/IPD benchmark ²	**	7.9	7.2	8.8	11.5
Vesteda Group	12.6***	10.4	10.5	10.3	14.6

* as computed by the roz/ipd methodology. Figures differ from those published earlier as a result of a change during the year by roz/ipd to Time Weighted Results.

** not available at the date of publication

*** estimated by Vesteda, not yet computed by ROZ/IPD

DISTRIBUTION TO INVESTORS

Under the participation agreement, articles of association and fund rules, there has to be an annual distribution to investors. This meets the distribution requirements for a fiscal investment institution. During the year, a total of €340 million was distributed. This was €13.60 per share/unit or 11.7% of the net asset value per share/unit at the beginning of the year.

Distributions and net asset value*

Amounts per share/unit, in euros	2005	2004	2003	2002	2001
Distribution to investors	13.60	12.40	12.60	12.80	12.24
Net asset value at beginning of year	116.08	115.08	114.43	113.77	112.09
Distribution to investors	11.7%	10.8%	11.0%	11.3%	10.9%

* With effect from 2001. There was a restructuring at the end of 2001 with retroactive effect from the beginning of 2001.

ABP moves to maximum minority interest

INVESTOR RELATIONS

A memorandum of information was published on the restructuring of Vesteda in 2001 with the aim of providing information to possible new investors in the context of participating in Vesteda. The memorandum of information stated the intention of majority shareholder, Stichting Pensioenfondsen ABP, to move in due course from a majority holding to the largest possible minority interest. During the General Meeting of Shareholders on 23 November 2005, Stichting Pensioenfondsen ABP announced it wished to undertake this transaction in the first quarter of 2006. The holding for sale will first be offered to the other investors in Vesteda.

Investors in Vesteda Group

At the end of 2005, the following investors held shares/units in Vesteda (in alphabetical order):

- Bedrijfstakpensioenfondsen voor de Media PNO
- Delta Lloyd Levensverzekeringen
- Delta Lloyd Munthof
- Delta Lloyd Vastgoed
- ING Real Estate
- Pensioenfondsen voor de Grafische Bedrijven
- PGGM
- Stichting Pensioenfondsen ABP
- Stichting TKP Pensioen Real Estate Fonds

PARTICIPATING INTERESTS

During the year, Vesteda Group acquired the remaining minority holding in IRS Holding BV and its operating companies, IRS Systems BV and IRS Services BV, via Vesteda Project BV. IRS develops and supplies domotics applications for security, comfort and care and also provides services related to its products.

Vesteda had previously been a 53% majority shareholder in IRS. As IRS's activities are not regarded as a core activity of Vesteda Group, it was decided to dispose of all or part of the holding after a transitional period, but within a reasonable time. Consequently, these companies have not been consolidated in Vesteda Project BV's figures.

STAFF AND ORGANISATION

As in 2004, a feature of the year under review was organisational consolidation and further professionalisation. A key accent in this was on letting newly-completed projects. The heart of the personnel policy was strengthening the commercial culture.

At the end of 2004, Vesteda Group employed 313 people (286 FTEs) and during 2005 this number grew to 327 (298 FTEs). The increase of 12 FTEs in the year under review was spread across various departments. The Woongalerie Amsterdam saw the greatest rise as a result of the major increase in the new property portfolio.

Slight increase in staff numbers

Vesteda Group staff numbers

FTEs	2004 year end	net movement in the year	2005 year end
Total Vesteda Group	286	12	298

Personnel of Vesteda Group

year end 2005	FTEs	number of staff
Head office	100	106
Property management	175	198
Vesteda Groep BV	275	304
Vesteda Project BV	23	23
Total Vesteda Group	298	327

At 4.0%, absenteeism through sickness was at its lowest level for the past five years. If the figure is adjusted to exclude long-term sick leave (employees ill for more than one year), the figures fall to the very low level of 3.2%.

Historically low absenteeism at 4.0%

The legislative changes introduced by the government during 2005 for 2006 meant that employees had to make choices on a number of employment conditions. In particular, the introduction of the life-course savings scheme, the end of early retirement and changes in the health insurance system required the company's attention. Negotiations started with the trade unions in November 2005 on a new, two-year collective bargaining agreement and an outcome was reached in early December to the satisfaction of both parties.

New 2-year collective bargaining agreement

For the first time in years, recruitment activities had to be intensified to fill vacancies. Regionally, labour markets differ in tightness. Various activities were undertaken in 2005 to improve commu-

Labour market tighter

nications with the labour market. In total, 71 vacancies, including 54 long-term ones, were filled. There were still 6 vacancies at the end of the year. Vesteda was not able to find the right people for every vacancy partly because of its high quality standards.

Performance management improves further

A new system was introduced in 2005 to manage, appraise and reward employees accordingly. A competence profile has been drawn up for every job to serve as the basis for employee development and appraisal. In a cycle of three or four interviews per year, the manager and employee discuss the targets which are set out on a specially developed chart. This forms a clear relationship between setting targets, measuring results and establishing the related pay level. A training course was organised for managers which addressed appraisal interviews. The introduction of this policy has boosted the quality of the evaluation and appraisal cycle.

Customer-orientation central

Customer orientation is a company-wide competence at Vesteda. The heart of this is anticipating and acting according to the wishes and needs of customers. The success of Vesteda's commercial activities is determined by the skill and attitude of the employees who perform them. An internal communications programme started in 2005 to work on a company-wide customer-oriented culture. For example, there were various letting days, when technical and commercial employees looked at Vesteda's products, processes and results from the customer's viewpoint.

Commercial skills training

The development of the commercial skills of all employees involved in the letting process was a key point alongside investing in the development of know-how and skills for individual employees. Almost 100 employees participated in the commercial training courses, which will be repeated in 2006.

New Works Council takes office

As in previous years, discussions with the Works Council were constructive. The entire business policy was discussed. New terms and conditions were set and existing regulations revised. 2005 was the first year of operation of the new Works Council which had been elected in the final quarter of 2004. Its membership was increased from seven to ten, once again properly reflecting the localised Vesteda organisation. The Works Council's report is on the next page.

Works Council

2005 was the first full year of operation for the new Works Council which had been elected in October 2004. All the sitting members were re-elected and three new members were elected. The larger Works Council restored the relationship between the number of staff and Works Council members.

Works Council members' consultative days

In March 2005, the Works Council devoted two days to getting to know each other, discussing various subjects and setting a course. A central theme in the discussions was the new Employee Consultation Act which was to replace the current Works Councils Act. The discussion of the proposed new legislation was led by a trainer. The belief that the change was more of a step backwards than forwards was in fact acknowledged thereafter by the Minister who withdrew it during the autumn. There was also discussion of how the Works Council wanted to operate and communicate with the other staff. The personnel policy was discussed and there was a debate on the objectives the Works Council would set itself. These are aimed at promoting the interests of the staff and influencing company policy. The continuity of the company is key to this. A comprehensive report of the findings from the consultative days was made including a summary of sixteen action points. This report and the course the Works Council wishes to take were discussed during a meeting with the Managing Board.

Most action points implemented

The Works Council is proud that, by the end of 2005, it was working in the spirit of the consultative days and many action points had been implemented. The points include: site meetings to talk with employees and promote the work of the Works Council, an even more pro-active and assertive attitude towards the Managing Board and preparations for setting up a website to keep

employees better informed and for consulting them. The site will be operational in 2006. During 2005, employees were kept up to date on consultations between the Managing Board and Works Council via bulletins on the internal network.

New business plan

In the spring, there was extensive discussion with the Managing Board on the assumptions for the 2006–2008 business plan. There was a constructive, 'feet on table' brainstorming session on Vesteda's strategy and the route to be taken to achieve the objectives. The key question was 'what company does Vesteda want to be?' It was agreed that Vesteda would have to change direction and grow from being a management organisation into a commercial company. In the discussion, both the Works Council and the Managing Board agreed that Vesteda should retain the best of what it already has. Vesteda is good at management processes and that should remain so. With respect to commercial matters, more attention should be given to letting new residential properties in the mid and higher sections of the higher-rent sector and the commercial skills needed for this. Ideas were exchanged on the business plan itself in a regular consultative meeting in September. The Works Council concurred with the strategy for the next few years.

The main lines and the details

All in all, the Works Council can look back on a year in which it succeeded in working on matters at a company level. There were urgent discussions with the Managing Board on this, usually in an open atmosphere. This did not stop the Works Council also looking at a wide range of secondary employment conditions. Although views on this sometimes differed more than on Vesteda's general policy line, the discussions eventually led to agreement.

Formal opinion and right of consent

The Works Council in 2005 used its rights of formal opinion and consent on several occasions. One opinion related to the acquisition of the entire share capital of IRS. Other opinions issued covered the company's emergency plans, expense reimbursement system, refinancing and drawing more loan capital, changes to the study facilities scheme and remuneration of first-aiders.

Meeting with the chairman of the Supervisory Board

The annual meeting with the chairman of the Supervisory Board was held on 24 February. There was a wide-ranging discussion with Mr Boons on all facets of the business strategy. The meeting took place in a good atmosphere and was very open.

Discussions with the Managing Board

There were six meetings with the Managing Board during 2005. Three were on site in the Woongalleries in Maastricht, Rotterdam and The Hague. Two meetings were at the head office and one at the new Detroit project in Amsterdam. The opinions to be issued were discussed with the Managing Board during the consultative meetings. There was also discussion of the car lease scheme, the work experience surveys, the health and safety policy, absenteeism, the target-pay appraisal, acquisition of the entire interest in IRS BV, the 2005 budget and the 2004 annual report and the plans for the Wiebengahal.

Works Council meetings

The Works Council also met five times in 2005. Three meetings were on site in the Woongalleries in Rotterdam, Eindhoven and Arnhem during which regular items on the agenda were the action points from the consultative days. Subjects discussed

were the Works Council website, the formation of a sounding board group, the introduction of a Works Council Platform, regulations on display screen spectacles, the accessibility facilities, the target pay, the new business plan, the asset mix, expense reimbursement scheme, the car lease scheme, the checklist for appraisal interviews, work experience surveys, the 2005 budget and the 2004 annual report, preparation for the visits to the Woongalleries, the risk identification and evaluation (RIE), the smoking policy, the bicycle plan and the regular medical check-up.

2006–2007 collective bargaining agreement concluded

At his request, the Works Council met the new chairman of the АВВАКАВО trade union. He, also on behalf of other unions, negotiated with the Managing Board on the 2006 and 2007 collective bargaining agreement. The parties reached agreement by the end of the year.

Platform of Works Councils in the property industry

One of the action points arising from the consultative days in the spring was to set up a platform for Works Councils of all parties in the residential property industry. Invitations were sent in mid-December for a meeting in February 2006. It is not yet known how this Vesteda initiative will be received; initial responses are favourable.

OUTLOOK

Conditions for sustainable economic growth are expected to continue in the European Union in 2006. Outside the eurozone, the continuing strength of global demand will support exports from the European Union. Within the eurozone, capital expenditure is expected to benefit from the continuing very favourable financing conditions, robust corporate profits and efficiency improvements at companies. Growth in consumption is expected to rise gradually, generally in line with disposable income. Economic growth in the Netherlands is expected to be 2.5% in 2005²⁰.

Growth picks up

The risks to the outlook for economic growth are associated with the high and volatile price of oil, concern about global imbalances and the level of consumer confidence in the eurozone, although this latter point is currently clearly improving.

Dependence on energy prices increases

As a result of sharp increases in value in recent years there has been a gradual shift from direct to indirect returns on residential property investment. This can also be seen in retail investments, which have also enjoyed good results in recent years as well. Fierce competition among investors is depressing the direct return.

Market for property investment: shift to indirect

Unlike the office sector, the residential investment risk is low. The risk to the direct return is minimal thanks to the better spread, and the risk to the indirect return is being moderated by the alternative sales opportunities that the private owner-occupied market offers investors.

Low risk in residential investment

The Dutch housing market continues to be tight. New construction is still well below demand. It currently looks as if new construction will be inadequate for the time being to relieve this shortage. A slight increase in interest rates is expected next year. In combination with the increase in value, this will lead to less affordability of owner-occupied properties.

Housing market continues to be tight

It is generally assumed that house prices will rise again in real terms in 2006. Forecasts by various banks, research institutions and industry associations range between rises of 2% to 6%. The structural scarcity on the housing market is and will remain a solid foundation for the value trend for the foreseeable future. Only an unexpected and strong increase in long-term interest rates could disrupt this. The chance of this is, however, small.

House prices rise

Demand for rental homes is structurally high. Fundamental factors such as household and income trends and an ageing population ensure demand for quality.

Considerable demand for rental homes

Letting in the higher rent segments will be affected by economic conditions and the recovery of the higher end of the owner-occupied market in recent years.

There will continue to be strong demand for residential properties as an investment in 2006. A very large amount of private money is available, partly for tax reasons. Alternatives in the equity investment category have a higher risk profile and alternatives in fixed-income securities have a lower return.

Residential investment popular

Developments at Vesteda Group

Vesteda has undergone major organisational growth in recent years. Staff numbers have quadrupled since incorporation as a result of bringing property management in house and the incorporation and expansion of Vesteda Project BV. A feature of 2006, like 2005, will be organisational consolidation and further expansion of the customer and market orientation in the existing organisation.

Project development growing

Vesteda Project BV's project development activities will expand. The investment level to be achieved in 2006 is expected to be in the range of €220 million to €250 million. Vesteda Project BV will start developments for the owner-occupied market. The organisation will develop in line with the objectives.

Property management: customer focus gives the lead

Customer orientation is one of the leading themes in property management for 2006. Where necessary, Vesteda will make limited increases in staff numbers in the Woongalleries to meet growing demand for high-quality service.

The relocation of the Woongalleries in Eindhoven and Maastricht and of the front office in Almere will further raise the profile for current and future customers. More frequent communication with all customers will be shaped through a broader communication programme, at both regional and national levels.

As the internet is becoming more important as a medium for letting residential properties, Vesteda will place up-to-date information on the Vesteda website in mid-2006. This will be both new and existing residential properties.

ABP minority holding

It is expected that Stichting Pensioenfonds ABP will reduce its shareholding in Vesteda in the first quarter of 2006 to the largest possible minority interest. Vesteda's residential portfolio will be appraised during the first quarter of 2006 in connection with this proposed transaction.

Changes in management

Mr Boons will stand down as chairman of the Supervisory Board in mid-2006.

Forecasts

The forecasts for 2006 are strongly affected by the portfolio's increase in value. This rose sharply in the fourth quarter of 2005 as a result of the greater weight that valuers have given to the market results of sales by tender when valuing the projects.

The new national letting policy also has a significant role in computing the results for 2006, partly because of the limited expansion of market forces, but mainly because of the proposed introduction of the new affordability levy for commercial parties.

A third factor of importance to the forecast is the state of the economy. This affects the rate at which newly completed projects can be let, and thus the occupancy rate of the portfolio.

All in all, Vesteda expects the following results in 2006:

Vesteda Project BV's investment level will rise further in 2006. It is expected that the acquisition volume will be €220 million to €250 million. About 750 residential properties will be handed over.

Rents for the total portfolio are expected to rise by between 2.5% and 3.0%.

The occupancy rate in the core letting portfolio will fall marginally again as a result of the changing proportion of new and existing projects in the portfolio. The total size of the portfolio is falling. The number of residential properties in new projects is increasing. In the current market, these projects sometimes have an occupancy rate below the long-term rate for more than a year. Vesteda, therefore, expects that the occupancy rate of the core letting portfolio at year end 2006 will be around 97.5%. The occupancy rate of the total portfolio is expected to be around 97.0%.

As a result of the smaller portfolio and an expected, above-inflation rise in costs, letting expenses as a percentage of gross rental income will rise slightly to about 27%. Management expenses are expected to remain below 40 basis points.

Vesteda expects to sell about 2,000 residential properties in 2006.

Based on the above forecasts, the 2006 realised result is expected to be about 5.5%.

The value trend is expected to be well above inflation, assuming a continuing low to slightly higher mortgage interest rate.

In summary, it is expected that the total result will again be well over 10%. The related distribution to investors will then be about 8%.

Outlook for Vesteda for 2006

in respect of:	indicator:	2006 forecast:
realised result	rent rises	stable, about 5.5%
	occupancy rate:	between 2.5 and 3.0%
	total portfolio	about 97.0%
	core letting portfolio	about 97.5%
	gross revenue per property	limited increase
	letting expenses	about 27%*
	management expenses	below 40 basis points
	net revenue per property	limited increase
	disposals	about 2,000 residential properties
unrealised result		well above inflation
total result		above 10%
distribution		about 8%
inflow of properties	investment level (incl. VAT)	€220 – €250 million
	hand-overs	about 750 properties

* excluding effect of the new affordability levy

Finally

At € 394 million, the financial result for 2005 was above average. Rising prices made a major contribution to this increase. The Total return for 2005 was 13.6% and the highest in the past five years when the average return has been 12.3%, varying between 11.7% and 13.6%. With a combination of such a stable and high result and a risk assessed for financing as minimal, Vesteda is confirming to its shareholders and bond holders that the quality of the portfolio and organisation are a good foundation for the results for the coming years.

In the next few years, the inflow of new projects, and thus the efforts required for marketing and letting, will increase. The new residential properties must be put on the market in an economy which is expected to pick up only gradually. A slight fall in customer satisfaction, however modest, means that tenants and their associations in the existing projects with no new initial letting should get specific attention.

As a result of the increase in value over time, we see a clear move from direct to indirect return in the next few years. The trends in rental income and operational costs will, therefore, be under greater pressure. The impending letting policy, which has the affordability levy as a key element, appears to be a substantial restriction on the ability to increase net rental income.

Consequently, the work for 2006 is clear: creating and maintaining customer satisfaction in all sectors. Effective letting and efficient management. Offering tenants comfortable and luxurious living and leisure spaces. Giving property investors access to the Dutch housing market. And that is exactly our mission, which is where this annual report started.

We conclude by thanking our employees for their efforts and involvement.

Maastricht, 9 February 2006,
Managing Board

H.C.F. Smeets, *chairman*

O. Breur

F.H. van der Togt

Annex 1: Vesteda's History

Vesteda was created as a result of the reorganisation of ABP's property portfolio. For several years, Stichting Pensioenfonds ABP had been pursuing a strategy designed to spread its property investments more widely and increase the liquidity of its property portfolio. ABP consequently decided to convert its direct investments in property into minority interests in property funds investing in specific sectors. The hiving-off of ABP's residential property portfolio resulted in the establishment of Vesteda in 1998. The years before 2005 are summarised below.

1998 Vesteda was created as a result of the reorganisation of ABP's property portfolio in 1998.

1999 Vesteda refocused its strategy in 1999. The decision to specialise in the higher-rent sector marked the start of the changes in product development and organisation.

2000 In 2000, customer information in combination with social and demographic projections resulted in the portfolio being divided into a core portfolio and a disposals portfolio. The disposals portfolio contained about 30% of the properties. A steering group was also formed in 2000, in which the Vesteda Managing Board and the shareholder, ABP, shaped the strategy which led to the reduction of ABP's full interest to a participating interest. It was ultimately decided to place non-listed shares with institutional investors.

2001 2001 was dominated by preparations for a series of transactions. A memorandum of information was issued to enable a group of large institu-

tional investors to acquire an interest in Vesteda. There were also legal and fiscal restructurings to allow new investors to participate. Approximately 30% of shareholders' equity was converted into loan capital before ultimately being financed externally. An internal restructuring was implemented in line with the strategy.

2002 ING Real Estate acquired an interest of 25% during 2002. Soon afterwards, agreements were signed with six other institutional investors who acquired a total interest of 13%. ABP's interest was then 62%. The loan capital was refinanced by three bonds of three to seven years. Vesteda raised €1.4 billion on the capital market. Vesteda was granted triple-A rating by the three main credit rating agencies.

2003 Delta Lloyd acquired an interest of about 2% from ABP in 2003. Vesteda Group took a major step in its long-term organisational growth, with property management—which was previously subcontracted—being brought into the company's own management. In 2003, about 100 people joined the company and so the workforce increased significantly. At the end of 2003, over 90% of Vesteda's portfolio was served by in-house property management.

2004 2004 was a year of further organisational consolidation, after years of growth. Vesteda Project BV started property hand-overs, meaning that substantially more homes were let for the first time. A partial refinancing of €400 million was carried out in April.

Annex 2: IVBN Transparency Guidelines

The Association of Institutional Property Investors in the Netherlands, the IVBN, has drawn up a large number of practical recommendations for annual reporting, which were published in January 2005 in the 'Recommendations for Annual Reporting' report (Aanbevelingen voor de Jaarverslaglegging). The recommendations apply from the 2005 Annual Report and to IVBN members which are responsible for at least one specific, independent property fund with more than one shareholder and/or which publish an annual report on a property fund. The list below explains how Vesteda applies the guidelines.

Application of IVBN guidelines

Recommendations for annual reporting, January 2005

IVBN definition portfolio	Vesteda level	definition
Letting portfolio	portfolio sub-portfolio	Letting portfolio Core letting portfolio & disposals portfolio
Pipeline portfolio	portfolio sub-portfolio	Development portfolio Preparatory phase & development phase

Vesteda's definitions are explained in more detail on page 71. If it is decided to follow the IVBN recommendations and they are referred to, the annual report has to note any departures from them. Vesteda follows the recommendations and departs from the following points:

- occupancy rate: the occupancy rate of the core letting portfolio is calculated across all projects in the portfolio which have been let for 12 months or longer;
- disposals: the results are presented at portfolio level not at sub-portfolio level.

Annex 3: Definitions

Acquisitions portfolio Projects based on joint-venture agreements or other contracts for area developments or other forms of alliances or acquisitions where Vesteda is or will be preparing an investment decision.

Asset management Management of assets, with responsibility for the risk/return profile of the investments in the medium term as well as for annual performance.

Core letting portfolio occupancy rate The number of residential properties in the core letting portfolio actually generating rental income compared with the number that could generate rental income. Residential properties which have been able to generate rental income for less than 12 months are not included in the core letting portfolio occupancy rate.

Total portfolio occupancy rate The number of residential properties in the total portfolio actually generating rental income compared with the number that could generate rental income.

Core portfolio The core letting portfolio and the development portfolio. See also the Classification of the portfolio on page 13.

Core letting portfolio All property complexes owned by the entities owned by Vesteda fully completed and let before 1 January, except for the projects in the disposals portfolio. See also the Classification of the portfolio on page 13.

Core letting portfolio in letting phase All property complexes owned by the entities owned by Vesteda fully completed and let before 1 January and on which no decision to dispose has been taken. See also the Classification of the portfolio on page 13.

Core letting portfolio in selling/letting phase All property complexes owned by the entities owned by Vesteda fully completed and let before 1 January and on which a decision to dispose has been taken since 1 January 2001. See also the Classification of the portfolio on page 13.

Disposals portfolio All properties owned by entities belonging to Vesteda which are not included in the core portfolio and for which Vesteda decided before 1 January 2001 (the date of Vesteda's restructuring) to seek a buyer by 2006. See also the Classification of the portfolio on page 13.

HBV Tenants' Association.

More expensive/higher-rent sector Residential property market for rental properties with a net monthly rent of over €600, excluding service charges. Different sources use figures between €478 and €600.

Memorandum of information The memorandum of information dated 6 November 2001, intended to provide information on Vesteda in the context of professional investors' possible participation in Vesteda.

Investment level The unit in which Vesteda Project BV's new construction targets and achievements are measured, consisting of investing on a cash basis and actual new construction where cash expenditure occurs at the end of the work.

Core areas Housing market areas on which Vesteda has chosen to focus. These comprise various towns and cities in the north of the Netherlands, the Randstad conurbation and the whole of the central and southern regions, with the exception of Zeeland.

Vesteda Woningen management expenses Expenses which are incurred by the management organisation for the management of Vesteda Woningen. As a result of the change in presentation in 2004, the management expenses of Vesteda Woningen have to be netted off against the net result of Vesteda Groep BV.

Development portfolio All properties in which Vesteda has decided to invest, but which are not fully available for letting.

Participation Agreement Decisions are taken on the basis of an agreement (the Participation Agreement) between shareholders and unit holders. The Participation Agreement can be compared to the articles of association of a legal entity.

Property management Commercial, administrative and technical management of properties.

Roll-over strategy Vesteda's fund strategy, which results in optimum asset management of its residential property investments. The strategy involves annual disposals of a limited number of properties in order to maintain the high quality of the portfolio and consolidate capital gains on a regular basis, and it also involves the group's own area and project development activities, which are designed to ensure the required portfolio growth.

Total portfolio The acquisitions portfolio, the development portfolio and the letting portfolio. See also the Classification of the portfolio on page 13.

Vesteda Group See the legal structure on page 10.

Vesteda Groep BV See the legal structure on page 10.

Vesteda Project BV See the legal structure on page 10.

Vesteda Woningen See the legal structure on page 10.

Notes

- 1 See page 59 for a list of shareholders and unit-holders
- 2 See page 57 for further information on the bonds
- 3 'Recommendations for Annual Reporting' report, IVBN, January 2005
- 4 Statistics Netherlands, 12 January 2006
- 5 Eurostat, January 2006
- 6 The Housing Demand Survey (Woningbehoefte Onderzoek – WBO) is a four-yearly survey of public opinion on housing. In 2002, 90,000 people were interviewed about their accommodation and housing wishes. The conclusion at the time was that trading up has never been so low. 2002: 254,000 households compared with 1998: 335,000 households. Trading up from rental to owner-occupied is back at the level of the early 1990s: 2002: 63,000 households compared with 1998: 98,000 households. Source: WBO 2002, VROM
- 7 Monitor Nieuwe Woningen Jaarboek 2004, OTB Delft, commissioned by VROM, NEPROM, Bouwend Nederland and Aedes, 1 November 2005
- 8 Derived from 'Vastgoedmarkt en vergrijzing', survey by Stec-groep commissioned by IVBN, November 2005
- 9 Sociaal en Cultureel rapport 2004, Netherlands Bureau for Economic Policy Analysis, October 2004
- 10 PRIMOS forecast VROM, OTB Delft
- 11 PRIMOS forecast VROM, OTB Delft
- 12 Derived from 'Nieuwbouw huurwoningen in vrije sector moet omhoog', IVBN, October 2004
- 13 Rent rises in July were historically low. cbs Magazine, 21 November 2005 (Vesteda's calculations)
- 14 Feiten en achtergronden van het huurbeleid 2005, 21 September 2005, Companen
- 15 Minister's letter to the Lower House of Parliament on the future of the association sector, December 2005.
- 16 This is the theme of the recommendation 'Voorbij of vooruit? Woningcorporaties aan zet'. The VROM council presented these recommendations to the Minister of VROM and the VROM parliamentary standing committee on 24 October 2005.
- 17 Derived from 'Gemiddelde prijs koopwoning stijgt in 2005 met 5,4%', NVM, press release 12 January 2006
- 18 NVM, value trend 4th quarter 2005
- 19 From 2005, the result on sale is computed using the IVBN guidelines
- 20 DNB in agreement with CPB, 26 January 2006



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Introduction

The Vesteda Group is divided into three organisationally-associated units: one responsible for ownership, one for property management and one for property development. The legal owners of the property are Dutch Residential Fund I bv, Dutch Residential Fund II bv and Dutch Residential Fund III bv. Dutch Residential Fund IV bv has embodied the beneficial ownership of the property portfolio in units in Vesteda Woningen, a common fund. Vesteda Woningen is a closed-end common fund, pursuant to the Corporation Tax Act 1969.

A common fund is not a legal entity but a vehicle in which property is brought together for collective investment in order for the unit-holders to share in the proceeds. A common fund has one or more custodians and a manager. The custodians have title to manage the property of Vesteda Woningen on behalf of the unit-holders.

In their capacity as custodians, Dutch Residential Fund I bv, Dutch Residential Fund II bv and Dutch Residential Fund III bv are legally entitled to all the property belonging to Vesteda Woningen on behalf of the unit-holders. The unit-holders have the beneficial entitlement to these assets.

Participation in Vesteda Woningen may be either direct (units) or through Holding Dutch Residential Fund bv, but participation also involves an obligation to invest to an equal percentage in Vesteda Groep bv (management) and Vesteda Project bv. Vesteda Groep bv has the mandate to enter into rights and obligations with respect to the properties.

The rights and obligations of the holders of units in Vesteda Woningen are set out in the Participation Agreement. Vesteda Groep bv has been appointed as manager of the fund.

Please see the 2005 Annual Report of Vesteda Group for a diagram of the structure as at 31 December 2005.

Participation Agreement

A participation agreement has been drawn up to record the arrangements and it is also binding on new unit-holders. The agreement governs a wide range of matters relating to the operation of the Vesteda Group, including:

- the powers of the Managing Board and Supervisory Board;
- strategy;
- information provision;
- policy on distributing profits.

The agreement has been entered into for an indefinite period. It may be amended with the agreement of the unit-holders subject to there being a certain quorum depending on the nature of the change.

Accounting policies

REPORTING

The structure of Vesteda Group means that it does not have the legal status of an investment fund and is therefore not subject to the Investment Institutions (Supervision) Act. However, since its activities (management of and investment in residential property) are similar in nature to those of an investment institution, an effort has been made to present the financial statements in accordance with the reporting standards applicable to investment institutions.

Vesteda Group is not a legal entity but a combination of Vesteda Groep bv, Holding Dutch Residential Fund bv and Vesteda Project bv. As Vesteda Group has similarities to a company, the financial statements below use terminology customarily used in financial statements.

BASIS FOR COMBINING FINANCIAL INFORMATION

The combined balance sheet and profit and loss account of Vesteda Group include the financial information of the following companies (including Vesteda Woningen):

Vesteda Groep bv

- Vesteda Heerlen bv
- Vesteda Maastricht bv
- vGA Nederland bv

Holding Dutch Residential Fund bv

- Dutch Residential Fund I bv
- Dutch Residential Fund II bv
- Dutch Residential Fund III bv
- Dutch Residential Fund IV bv

Vesteda Project bv

- HOG Heerlen Onroerend Goed bv
- Gordiaan Vastgoed bv

ACCOUNTING POLICIES FOR VALUING ASSETS AND LIABILITIES

Property

Projects in the development phase are stated at the lower of cost and market value. On completion of a project, the complex is included in the core letting portfolio.

The property in the core letting portfolio and the disposals portfolio is included at current value. Pursuant to Guideline 213 'Investment properties', the complexes in these portfolios are stated at fair value, being the higher of market value with sitting tenants and net realisable value on disposal of complete complexes to organisations specialising in the selling of individual units. A condition when establishing the current value is that if the market value with sitting tenants is higher, the current value will be no more than 110% of the net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units. New properties are valued at the lower of cost and market value for the first two years after completion. At the end of 2005, complexes which were fully available for letting before 2004 were stated at current value. The market value with sitting tenants and the appraised net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units are determined

by the discounted cash flow method. At least 50% of the portfolio is appraised during the year by external valuers and the valuation of the remaining portfolio is updated by a valuer. Conveyancing charges and other selling costs are taken into account in determining both the net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units and the market value with sitting tenants.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation based on the expected useful economic lives of the assets concerned.

Financial fixed assets

If controlling or significant influence is exercised on the commercial and financial policy of participating interests, those interests are accounted for using the equity method based on net asset value. Other participating interests are stated at historical cost.

Loans receivable are stated at face value. Where necessary there is a write-down for doubtful debts. The deferred tax asset relating to corporation tax on the possible offset of losses for tax purposes is stated at current tax rates.

The interest-rate caps are stated at historical cost less amortisation based on the period for which they have been concluded, in relation to the outstanding principal sums of the loans.

Stocks

Work in progress is stated at the cost incurred less instalments billed. Losses are recognised as soon as they become foreseeable. Cost incurred consists of costs directly attributable to the work plus a mark-up for general expenses. No interest is allocated to work in progress. Profit is taken when the project is delivered. Acquisition projects are stated at the cost incurred.

Receivables

Receivables are shown at face value less individual provisions for doubtful debts where necessary.

Other long-term liabilities

This is the ДКРН grant equalisation account. Grants received in connection with the grossing-up operation not already taken into account in the value of the investments as at 1 January 1998 are included in this equalisation account and are being released to income over a period of ten years. Grants are taken directly to the profit and loss account upon the sale of property for which grants have been received.

Other

Unless otherwise mentioned, valuation is according to the historical cost convention. Amounts are shown at face value.

ACCOUNTING POLICIES FOR THE DETERMINATION OF RESULTS

General

Operating expenses are stated at historical cost. Income is recognised when realised, expenses are recognised as soon as they become known. Income and expenses are allocated to the year to which they relate.

Rental income

Rental income is the total rents invoiced to tenants in respect of the financial year. The amount shown, therefore, takes account of rent lost due to vacancies and discounts. Rental income does not include service charges paid in advance by tenants.

Letting expenses

Letting expenses comprise costs directly attributable to a specific complex. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants. There is no equalisation provision for major maintenance.

Grants and other income

This includes releases from the DKPH grant.

Property management expenses

Any operating expenses that cannot be allocated directly to the various properties are treated as property management expenses.

Interest income and expense

Interest income and expense are stated at face value. Interest expense includes the amortisation of the interest-rate caps.

Realised result

The realised result is the sum of the net letting income and other income less property management expenses and net interest charges, plus the results realised on property disposals. The result on disposals is the proceeds from sales (less any facilitation costs) less the most recent value of the properties sold, established each quarter.

Unrealised result

The unrealised indirect result is made up of the total of unrealised revaluations as a consequence of external and internal appraisals.

Tax

Tax on the result is calculated by applying the standard rate of tax to the taxable amount.

Tax status

Holding Dutch Residential Fund bv, Dutch Residential Fund I bv, Dutch Residential Fund II bv, Dutch Residential Fund III bv and Dutch Residential Fund IV bv form a tax group for corporation tax purposes. The Holding Dutch Residential Fund bv tax group has been regarded as a Fiscal Investment Institution since 2002. On this basis, providing a number of conditions are met, a tax rate of 0% will apply. The most important condition to be met is that the profit, calculated in accordance with fiscal principles, is distributed in the form of dividend within a specified period. The 'Vesteda Woningen' common fund is transparent for corporation tax purposes. Vesteda Groep bv, Vesteda Project bv and Vesteda Woningen form a tax group for VAT purposes and so no VAT is levied on supplies between these entities.

Combined balance sheet as at 31 December 2005

(after appropriation of result)

Amounts in millions of euros	31-12-2005	31-12-2004
ASSETS		
Fixed assets		
Property (1)	4,113	4,013
Tangible fixed assets (2)	4	6
Financial fixed assets (3)	67	95
	4,184	4,114
Current Assets		
Stocks (4)	120	98
Receivables	17	27
Cash (5)	35	84
	172	209
Total Assets	4,356	4,323
EQUITY AND LIABILITIES		
Group equity (6)	2,956	2,902
Long-term Liabilities		
Loans from credit institutions (7)	1,300	1,300
Accruals and deferred income	9	15
	1,309	1,315
Current Liabilities		
Loans from credit institutions	-	39
Tax and social security charges	24	29
Other current liabilities	14	13
Accruals and deferred income	53	25
	91	106
Total Equity and Liabilities	4,356	4,323

Combined profit and loss account for 2005

Amounts in millions of euros	2005	2004
Income		
Rental income	219	230
Less: Letting expenses	57	57
Net letting income	162	173
Grants and other income	4	13
Total operating income	166	186
Expenses		
Property management expenses	18	20
Interest income	5	4
Interest expense	42	44
Operating result	111	126
Result on disposals	76*	71
Realised result	187	197
Taxation	1	-
Realised result after taxation	188	197
Unrealised result	206*	138
Net result	394	335

* I/VBN guidelines apply from 2005.

Combined cash flow statement for 2005

Amounts in millions of euros	2005	2004
Realised direct result after tax	188	197
Released from provisions	-	2-
Release of ДКРН grant	6-	8-
Deferred tax	2-	-
Depreciation of tangible fixed assets	3	2
Amortisation of financial fixed assets	9	10
Movement in working capital	27-	44
Cash flow from operating activities	165	243
Investments in property	179-	247-
Investments/disposals of financial fixed assets	1-	3-
Movement in loans	23	1-
Investments/disposals of participating interests	1-	1
Investments/disposals of tangible fixed assets	1-	5
Disposals of property (excluding result on sale)	285	291
Cash flow from investment activities	126	46
Movements in class A notes 2002-2004	1,300-	263
Movements in class A notes 2005	1,300	-
Movements in Revolving Credit	-	200-
Dividend paid to shareholders/unit-holder	340-	325-
Cash flow from financing activities	340-	262-
Total cash flow	49-	27
Cash at end of year	35	84
Cash at beginning of year	84	57
	49-	27

NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist exclusively of cash and cash equivalents. Receipts and expenditure in connection with interest and tax on profit are included in the cash flow from operating activities. Dividends paid are included in the cash flow from financing activities..

Notes to the combined financial statements

MOVEMENTS IN PROPERTY INVESTMENTS (1)

Amounts in millions of euros	development	core letting	disposals	Total
	portfolio	portfolio	portfolio	
Value as at 1 January 2005	261	3,300	452	4,013
Additions	147	30	2	179
Disposals	-	114-	171-	285-
Internal transfers	80-	80	-	-
Subtotal	328	3,296	283	3,907
Revaluations during financial year	3-	197	12	206
Value as at 31 December 2005	325	3,493	295	4,113

MOVEMENTS IN TANGIBLE FIXED ASSETS (2)

Amounts in millions of euros	01-01-2005	additions/		31-12-2005
		disposals	depreciation	
Fixtures and fittings	3	-	1	2
Other fixed assets	3	1	2	2
Total	6	1	3	4

Accumulated depreciation of tangible fixed assets as at 31 December 2005 was €7.3 million.

MOVEMENTS IN FINANCIAL FIXED ASSETS (3)

Amounts in millions of euros	01-01-05	additions	disposals	31-12-05
Participating interests	1	1	-	2
Loans receivable	64	8	31	41
Deferred tax	-	2	-	2
Interest-rate caps	28	-	8	20
Financing charges	2	1	1	2
	95	12	40	67

In April 2005, Vesteda Project BV acquired the remaining minority interest in IRS (IRS Holding BV, IRS Systems BV and IRS Services BV) with retroactive effect to 1 January. As IRS's activities are not regarded as a core activity of Vesteda Group, it was decided to dispose of all or part of the holding after a transitional period, but within a reasonable time. Consequently, these companies have not been consolidated in Vesteda Project BV's figures. Partly in connection with the transitional process, IRS was recapitalised in December.

Vesteda has entered into four interest-rate cap agreements with a finance institution with the intention of hedging interest-rate risks. This limits the risks of rising interest rates on the external financing. Swap agreements were concluded in July 2005 which will take effect on the expiry of the interest-rate cap agreements. The terms of the agreements are in line with the remaining terms of the bond loans concluded in 2005. These agreements fully hedge the risk of fluctuations in interest rates.

The current value of the interest-rate cap was €0.8 million (2004: €2.9 million) and of the swap agreements -€7.0 million at year-end 2005.

MOVEMENTS IN STOCKS (4)

Amounts in millions of euros	01-01-05	increase	decrease	31-12-05
Housing convenience systems/raw materials and consumables	1	-	1	-
Work in progress	93	32	7	118
Acquisition projects	4	1	3	2
	98	33	11	120

CASH (5)

The cash is at the free disposal of the company.

MOVEMENTS IN GROUP EQUITY (6)

Amounts in millions of euros	2005	2004
Group equity as at 1 January	2,902	2,877
Realised result	188	197
Unrealised result	206	138
Distribution to unit-holders/shareholders	340-	310-
Group equity as at 31 December	2,956	2,902

The group equity at year-end 2005 of €2,956 million (2004: €2,902 million) includes accumulated unrealised results of €600 million (2004: €408 million).

MOVEMENTS IN LOANS FROM CREDIT INSTITUTIONS (7)

Amounts in millions of euros	01-01-05	additions	repayments	31-12-05
Vesteda Residential Funding I BV for:				
A2 notes	300	-	300	-
A3 notes	600	-	600	-
A4 notes	400	-	400	-
	1,300	-	1,300	-
Vesteda Residential Funding II BV for:				
A1 notes	-	200	-	200
A2 notes	-	400	-	400
A3 notes	-	400	-	400
A4 notes	-	300	-	300
	-	1,300	-	1,300

The bonds issued by Vesteda Residential Funding I BV originally in 2002 and partly in 2004 were repaid in full in July 2005; the facility amounted to €1,255 million at the date of repayment.

At the same time, Vesteda Residential Funding II issued a total of €1,300 million new variable rate bonds consisting of

- €200 million class A1 secured floating rate notes;
- €400 million class A2 secured floating rate notes;
- €400 million class A3 secured floating rate notes;
- €300 million class A4 secured floating rate notes.

Vesteda Residential Funding II BV is a company specially incorporated to manage the financing for Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV under agreements between these parties, Vesteda Groep BV and the Security Trustee. Vesteda Residential Funding II BV also has the duty of providing security in connection with the financing. All the shares in Vesteda Residential Funding II BV are owned by the Stichting Vesteda Residential Funding II. The manager of the Stichting is ATC Management BV.

The proceeds of the issue by Vesteda Residential Funding II BV have been lent to Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV. As a result of the above activities, the Vesteda Group had the following facilities as at the balance sheet date:

- Term A1 Facility of €200 million with an intended remaining term of 2.55 years;
- Term A2 Facility of €400 million with an intended remaining term of 4.55 years;
- Term A3 Facility of €400 million with an intended remaining term of 6.55 years;
- Term A4 Facility of €300 million with an intended remaining term of 9.55 years.

The borrowers are Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV in their capacity as custodians of Vesteda Woningen. The borrowers have made the funds available to Vesteda Woningen. Interest is due quarterly and is based on the 3-month Euribor rate plus an increment which is different for each type. The increments for the Term A1, Term A2, Term A3 and Term A4 are 0.12%, 0.15%, 0.20% and 0.28% respectively. The Term A notes are listed on the Euronext Amsterdam stock exchange. The legal term of the loans at the time of issue was twelve years. If, however, the intended term is exceeded there are sanctions relating in particular to distributions to those entitled to the results of the Vesteda Group. Early repayment is permitted, with limited penalty clauses applying to the A2, A3 and A4 bond loans.

The loans carry considerable reporting and information obligations. The following consequences are incurred if interest is not paid on time or other obligations are not met:

- payment of dividends and similar distributions are no longer permitted;
- a pledge is established on the bank accounts which receive the rents;
- the voting rights on the shares of Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV are transferred to the Security Trustee;
- a mortgage right is established in favour of the Security Trustee on the property up to an amount of 150% of the outstanding amount of the loans;
- liabilities may only be met out of the residential portfolio. Creditors have no right of recovery against the other assets (other than Vesteda Woningen) of the unit-holders.

If certain financial conditions (ratios) are not met, further sanctions are applicable. In addition to the above measures, the management's power to dispose of property is considerably restricted.

Number of employees

On average, the group employed 323 people (2004: 301) during the year; this was an average of 294.4 FTEs (2004: 276.4).

Liabilities not shown in the balance sheet

The total liabilities for obligations entered into for building contracts, rental and lease instalments are some €267 million. The company has not provided security for these liabilities. The liabilities are made up as follows:

Amounts in millions of euros	building contracts	property leases	car leases
due:			
within 1 year	106	1	1
between 1 and 5 years	157	1	1
	263	2	2

Proposed distribution to investors

The various companies in the Vesteda Group distributed the following amounts to shareholders and unit-holders for the financial year 2005:

Amounts in millions of euros	total
direct result	188
distribution as a result of disposals of property	152
total distributed for the financial year 2005	340

In view of the distributions already made, it is not proposed to make a final distribution.

Maastricht, 9 February 2006

The Management Board of Vesteda Groep bv:

H.C.F. Smeets, *chairman*

F.H. van der Togt

O. Breur

Auditors' report

Introduction We have audited the 'Financial statements Vesteda Group' for the year 2005, as set out on pages 75 to 87 of the Annual accounts of Vesteda Groep bv, Maastricht. These 'Financial statements Vesteda Group' are the responsibility of the management of Vesteda Groep bv. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 'Financial statements Vesteda Group' are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 'Financial statements Vesteda Group'. An audit also includes assessing the accounting principles used and significant estimates made by the management of Vesteda Groep bv, as well as evaluating the overall presentation of the 'Financial statements Vesteda Group'. We believe that our audit provides a reasonable basis for our opinion.

Opinion In our opinion, the 'Financial statements Vesteda Group' give a true and fair view of the financial position as at 31 December 2005 and of the result for the year then ended as required in the given circumstances in accordance with the accounting principles as set out on pages 76 to 79.

Furthermore we have established to the extent of our competence that the report of the managing board is consistent with the 'Financial statements Vesteda Group'.

Maastricht, 9 February 2006

for Ernst & Young Accountants

J.M. Heijster

J.G.K. van der Zanden



Introduction

The Vesteda Group is divided into three organisationally-associated units: one responsible for ownership, one for property management and one for property development. Management and control are exercised by Vesteda Groep BV.

Accounting policies

GENERAL

These accounting policies apply to both the company financial statements and the consolidated financial statements of Vesteda Groep BV.

BASIS OF CONSOLIDATION

Vesteda Groep BV is the head of a group of companies. The consolidated statements include the financial information of the following companies:

	Established in	Interest
Vesteda Groep BV	Maastricht	–
Vesteda Heerlen BV	Heerlen	100%
Vesteda Maastricht BV	Maastricht	100%
VGA Nederland BV	Maastricht	100%

Consolidation has been performed by the integral method, under which assets and liabilities are included in full in the consolidated balance sheet. Income and expenditure are also accounted for in full.

As permitted by Section 402 of Book 2 of the Netherlands Civil Code, the company financial statements include a profit and loss account in abridged form.

ACCOUNTING POLICIES FOR VALUING ASSETS AND LIABILITIES

General

Unless otherwise mentioned, valuation is according to the historical cost convention. Amounts are shown at face value.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation based on the expected useful economic lives of the assets concerned.

Financial fixed assets

If controlling or significant influence is exercised on the commercial and financial policy of participating interests, those interests are accounted for using the equity method based on net asset value.

Receivables

Receivables are shown at face value less individual provisions for doubtful debts where necessary.

Provisions

Provisions are stated at face value.

ACCOUNTING POLICIES FOR THE DETERMINATION OF RESULTS

General

Operating expenses are stated at historical cost. Income is recognised when realised, expenses are recognised as soon as they become known. Income and expenses are allocated to the year to which they relate.

Management fee

The management fee relates to the amounts invoiced to companies in the Vesteda Group with respect to work performed. The cost-plus arrangements at Vesteda Groep bv are grossed up and, like the management expenses, included in full in the management fee.

Depreciation of tangible fixed assets

Depreciation is calculated using the straight-line method over the estimated useful economic lives of the assets concerned.

Share in results of participating interests

The share in the results is calculated in accordance with the accounting policies applied in these financial statements in proportion to the interest held.

Tax status

Vesteda Groep bv, Vesteda Heerlen bv and Vesteda Maastricht bv are members of a tax group for corporate income tax purposes. The accounting policies for tax purposes do not differ from those for reporting purposes.

Consolidated balance sheet as at 31 December 2005

(after appropriation of result)

Amounts in thousands of euros	31-12-2005	31-12-2004
ASSETS		
Fixed assets		
Tangible fixed assets (1)	4,030	5,518
Current assets		
Receivables	915	475
Amounts receivable from group companies	3,483	175
Tax and social security charges	162	-
Cash (2)	442	1,630
	5,002	2,280
Total Assets	9,032	7,798
EQUITY AND LIABILITIES		
Group equity (3)	3,476	1,856
Current liabilities		
Creditors	326	103
Tax and social security charges	-	148
Accruals and deferred income	5,230	5,691
	5,556	5,942
Total Equity and Liabilities	9,032	7,798

Consolidated profit and loss account for 2005

Amounts in thousands of euros	2005	2004
Total operating income	17,189	17,375
Expenses		
Subcontracted work	3,842	2,752
Salaries	4,767	4,969
Social security charges	437	392
Pension charges	1,176	647
Depreciation of tangible fixed assets	2,383	2,557
Other operating expenses	2,262	3,583
	14,867	14,900
Result before tax	2,322	2,475
Tax	702	869
Result after tax	1,620	1,606

Consolidated cash flow statement for 2005

Amounts in thousands of euros	2005	2004
Realised result	1,620	1,606
Released from provisions	-	2,388-
Depreciation	2,384	2,557
Movement in working capital	4,296-	1,797
Cash flow from operating activities	292-	3,572
Investments in tangible fixed assets	896-	143-
Cash flow from investment activities	896-	143-
Total cash flow	1,188-	3,429
Cash at end of year	442	1,630
Cash at beginning of year	1,630	1,799-
	1,188-	3,429

NOTES TO THE CASH FLOW STATEMENT

The cash flow statement is prepared using the direct method. The funds in the cash flow statement consist exclusively of cash and cash equivalents.

Notes to the consolidated statements

MOVEMENTS IN TANGIBLE FIXED ASSETS (1)

Amounts in thousands of euros	book value 01-01-2005	additions/ disposals	depreciation	book value 31-12-2005
Fixtures and fittings	3,098	253	758	2,593
Other fixed assets	2,420	643	1,626	1,437
Total	5,518	896	2,384	4,030

Accumulated depreciation of tangible fixed assets as at 31 December 2005 was €7.3 million.

CASH (2)

The cash is at the free disposal of the company.

GROUP EQUITY (3)

Please see the notes to the company financial statements for further information on group equity.

TRANSACTIONS WITH RELATED PARTIES

As the members of the Managing Boards of Vesteda Groep BV, Vesteda Project BV and Holding DRF BV are the same natural persons, these companies are regarded as related parties.

In 2005, there were transactions between Vesteda Groep BV and Vesteda Project BV for management fees recharged by Vesteda Groep BV to Vesteda Project BV amounting to €2.4 million.

There were transactions between Vesteda Groep BV and Holding DRF BV (in this case, Vesteda Woningen) for management fees (including corporation tax and grossing up of corporation tax) recharged by Vesteda Groep BV to Holding DRF BV amounting to €17.2 million.

The recharges are at full absorption cost.

NUMBER OF EMPLOYEES

On average, the group employed 300 people (2004: 280) during the year; this was an average of 272.3 FTEs (2004: 255.7).

PENSIONS

Vesteda's pension scheme is classified as a defined-benefit scheme. There is insufficient information available from the pension fund to make the required calculations. Vesteda has no obligation to make additional payments in the event of a shortfall in the industry-wide pension fund other than higher future contributions. Vesteda is, therefore, treating the defined-benefit scheme as if it were a defined-contribution scheme.

LIABILITIES NOT SHOWN IN THE BALANCE SHEET

The total liabilities for obligations entered into for rental and lease instalments are some €3.8 million.

The company has not provided security for these liabilities. The liabilities are made up as follows:

Amounts in thousands of euros	property rental	car leases
due:		
within one year	664	1,067
between 1 and 5 years	1,150	937
	1,814	2,004

Company balance sheet as at 31 December 2005

(after appropriation of result)

Amounts in thousands of euros	31-12-2005	31-12-2004
ASSETS		
Fixed Assets		
Tangible fixed assets (1)	4,030	5,518
Financial fixed assets (2)	58	62
	<hr/> 4,088	<hr/> 5,580
Current Assets		
Receivables	915	475
Amounts receivable from group companies	3,483	175
Tax and social security charges	162	-
Cash	381	1,565
	<hr/> 4,941	<hr/> 2,215
Total Assets	9,029	7,795
EQUITY AND LIABILITIES		
Shareholders' equity (3)	3,476	1,856
Current Liabilities		
Creditors	326	103
Tax and social security charges	-	148
Accrued liabilities	5,227	5,688
	<hr/> 5,553	<hr/> 5,939
Total Equity and Liabilities	9,029	7,795

Company profit and loss account for 2005

Amounts in thousands of euros	2005	2004
Company result after tax	1,624	1,609
Result of participating interests after tax	4-	3-
Result after tax	1,620	1,606

Notes to the company statements

TANGIBLE FIXED ASSETS (1)

Amounts in thousands of euros	book value 01-01-2005	additions/ disposals	depreciation	book value 31-12-2005
Fixtures and fittings	3,098	253	758	2,593
Other fixed assets	2,420	643	1,626	1,437
Total	5,518	896	2,384	4,030

Accumulated depreciation of tangible fixed assets as at 31 December 2005 was €7.3 million.

FINANCIAL FIXED ASSETS (2)

Amounts in thousands of euros	book value 01-01-2005	increase	result	book value 31-12-2005
Participating interests	62	-	4-	58
Total	62	-	4-	58

SHAREHOLDERS' EQUITY (3)

The company's authorised share capital is €1,250,000 divided into 125,000,000 shares of €0.01 nominal value each. The issued and paid up capital was €250,000.

Amounts in thousands of euros	Issued share capital	Other reserves	Total
Group equity as at 1 January 2005	250	1,606	1,856
Result for 2005	-	1,620	1,620
Group equity as at 31 December 2005	250	3,226	3,476

NUMBER OF EMPLOYEES

On average, the group employed 297 people (2004: 280) during the year; this was an average of 269.6 FTEs (2004: 255.7).

DIRECTORS' REMUNERATION

The amount charged to the company for the remuneration of directors and former directors was €1,412,000 (2004: €1,332,000). This excluded social security charges and pension contributions of €425,000 (2004: €357,000).

The four (2004: five) supervisory directors' remuneration was €133,000 (2004: €140,000).

Maastricht, 9 February 2006

Managing Board:

H.C.F. Smeets, *chairman*

F.H. van der Togt

O. Breur

Supervisory Board:

F.H.J. Boons, *chairman*

P.S. van den Berg

W.F.T. Corpeleijn

J.D. Doets



Appropriation of profit and result

PROVISIONS OF THE ARTICLES OF ASSOCIATION GOVERNING THE APPROPRIATION OF PROFIT

Article 37 of the Articles of Association of Vesteda Groep BV reads:

- 37.1 No distribution of profits pursuant to the provisions of this article shall be made until financial statements showing that such distribution is permissible have been adopted.
- 37.2 The profit shall be at the disposal of the general meeting of shareholders.
- 37.3 The company may only make distributions to shareholders and to others entitled to receive a share of the profits insofar as its shareholders' equity exceeds the amount of the issued capital plus the reserves required to be held by law.
- 37.4 Deficits may only be offset against the statutory reserves to the extent permitted by law.

PROPOSED APPROPRIATION OF RESULT

The Managing Board proposes that the profit for the year of €1,619,638 be added to the reserves. This proposal has been incorporated in the financial statements.

Auditors' report

Introduction We have audited the financial statements of Vesteda Groep bv, Maastricht, for the year 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Furthermore we have established to the extent of our competence that the report of the managing board is consistent with the financial statements.

Maastricht, 9 February 2006

for Ernst & Young Accountants

J.M. Heijster

J.G.K. van der Zanden



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Introduction

The Vesteda Group is divided into three organisationally-associated units: one responsible for ownership, one for property management and one for property development. The legal owners of the property are Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV. Dutch Residential Fund IV BV has embodied the beneficial ownership of the property portfolio in units in Vesteda Woningen, a common fund. Vesteda Woningen is a closed-end common fund, pursuant to the Corporation Tax Act 1969.

A common fund is not a legal entity but a vehicle in which property is brought together for collective investment in order for the unit-holders to share in the proceeds. A common fund has one or more custodians and a manager. The custodians have title to manage the property of Vesteda Woningen on behalf of the unit-holders.

In their capacity as custodians, Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV are legally entitled to all the property belonging to Vesteda Woningen on behalf of the unit-holders. The unit-holders have the beneficial entitlement to these assets.

Participation in Vesteda Woningen may be either direct (units) or through Holding Dutch Residential Fund BV, but participation also involves an obligation to invest to an equal percentage in Vesteda Groep BV (management) and Vesteda Project BV. Vesteda Groep BV has the mandate to enter into rights and obligations with respect to the properties.

The rights and obligations of the holders of units in Vesteda Woningen are set out in the Participation Agreement. Vesteda Groep BV has been appointed as manager of the fund.

Accounting policies

Vesteda Woningen is not a legal entity. It is the summation of all the rights and obligations associated with the properties. The rights and obligations are shared among the unit-holders. A unit reflects the rights and obligations as applicable to a unit-holder and set out in the conditions for management and custody.

As Vesteda Woningen has similarities to a company, the financial statements below use terminology customarily used in financial statements.

ACCOUNTING POLICIES FOR VALUING ASSETS AND LIABILITIES

Property

Projects in the development phase are stated at the lower of cost and market value. On completion of a project, the complex is included in the core letting portfolio.

The property in the core letting portfolio and the disposals portfolio is included at current value. Pursuant to Guideline 213 'Investment properties', the complexes in these portfolios are stated at fair value, being the higher of market value with sitting tenants and net realisable value on disposal of complete complexes to organisations specialising in the selling of individual units. A condition when establishing the current value is that if the market value with sitting tenants is higher, the current value will be no more than 110% of the net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units. New properties are valued at the lower of cost or market value for the first two years after completion. At the end of 2005, all complexes which were fully available for letting before 2004 were stated at current value. The market value with sitting tenants and the appraised net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units are determined by the discounted cash flow method. At least 50% of the portfolio is appraised during the year by external valuers and the valuation of the remaining portfolio is updated by a valuer. Conveyancing charges and other selling costs are taken into account in determining both the net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units and the market value with sitting tenants.

Financial fixed assets

The interest-rate caps are stated at historical cost less amortisation based on the period for which they have been concluded, in relation to the outstanding principal sums of the loans.

Loans receivable are stated at face value. Where necessary there is a write-down for doubtful debts.

Receivables

Receivables are shown at face value less individual provisions for doubtful debts where necessary.

Other long-term liabilities

This is the DCPH grant equalisation account. Grants received in connection with the grossing-up operation not already taken into account in the value of the investments as at 1 January 1998 are included in this equalisation account and are being released to income over a period of ten years. Grants are taken directly to the profit and loss account upon the sale of property for which grants have been received.

Other

Unless otherwise mentioned, valuation is according to the historical cost convention. Amounts are shown at face value.

ACCOUNTING POLICIES FOR THE DETERMINATION OF RESULTS

General

Operating expenses are stated at historical cost. Income is recognised when realised, expenses are recognised as soon as they become known. Income and expenses are allocated to the year to which they relate.

Rental income

This item includes the total rents invoiced to tenants in respect of the financial year. The amount shown, therefore, takes account of rent lost due to vacancies and discounts. Rental income does not include service charges paid in advance by tenants.

Letting expenses

Letting expenses comprise costs directly attributable to a specific complex. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants. There is no equalisation provision for major maintenance.

Grants and other income

This includes releases from the DCPH grant.

Property management expenses

Any operating expenses that cannot be allocated directly to the various properties are regarded as property management expenses. Property management expenses relate mainly to expenses recharged by Vesteda Groep bv. In addition, the Participation Agreement specifies that Holding Dutch Residential Fund bv and subsidiaries attribute expenses and liabilities to Vesteda Woningen. The cost-plus arrangements at Vesteda Groep bv is grossed up and, like the management expenses, recharged in full to Vesteda Woningen.

Interest income and expense

Interest income and expense are stated at face value. Interest expense includes the amortisation of the interest-rate caps.

Realised result

The realised result is the sum of the net letting income and other income less property management expenses and net interest charges, plus the results realised on property disposals. The result on disposals is the proceeds from sales (less any facilitation costs) less the most recent value of the properties sold, established each quarter.

Unrealised result

The unrealised indirect result is made up of the total of unrealised revaluations as a consequence of external and internal appraisals.

Tax status

Vesteda Woningen is a closed-end common fund, meaning that it is transparent for corporation tax and capital tax purposes. For tax purposes, the assets and liabilities and income and expenses of Vesteda Woningen are attributed directly to the investors holding units in Vesteda Woningen.

Balance sheet as at 31 December 2005

(after appropriation of result)

Amounts in millions of euros	31-12-2005	31-12-2004
ASSETS		
Fixed assets		
Property (1)	4,113	4,013
Financial fixed assets (2)	49	82
	<hr/> 4,162	<hr/> 4,095
Current Assets		
Receivables	15	26
Cash (3)	1	11
	<hr/> 16	<hr/> 37
Total Assets	4,178	4,132
EQUITY AND LIABILITIES		
Fund capital (4)	2,806	2,751
Long-term Liabilities		
Amounts owed to group companies (5)	1,300	1,300
Other long-term liabilities	9	15
	<hr/> 1,309	<hr/> 1,315
Current Liabilities		
Amounts owed to group companies	3	39
Tax and social security charges	6	3
Other current liabilities	9	8
Accruals and deferred income	45	16
	<hr/> 63	<hr/> 66
Total Equity and Liabilities	4,178	4,132

Profit and loss account for 2005

Amounts in millions of euros	2005	2004
Income		
Rental income	219	230
Less: Letting expenses	57	57
Net letting income	162	173
Grants and other income	6	10
Total operating income	168	183
Expenses		
Property management expenses	17	18
Interest income	4	6
Interest expense	42	44
Operating result	113	127
Result on disposals	76	71
Realised result	189	198
Unrealised result	206	138
Result	395	336

* From 2005, I/VBN policies have been applied.

Cash flow statement for 2005

Amounts in millions of euros	2005	2004
Realised result	189	198
Release of DKPH grant	6-	8-
Amortisation of financial fixed assets	9	10
Movement in working capital	8	25-
Cash flow from operating activities	200	175
Investments in property	179-	247-
Disposals/investments in financial fixed assets	24	36
Disposals of tangible fixed assets	-	2
Disposals of property	285	290
Cash flow from investment activities	130	81
Movements in A-notes 2002-2004	1,300-	263
Movements in A-notes 2005	1,300	-
Movements in Revolving Credit	-	200-
Distributions to unit-holders	340-	325-
Cash flow from financing activities	340-	262-
Total cash flow	10-	6-
Cash at end of year	1	11
Cash at beginning of year	11	17
	10-	6-

NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist exclusively of cash and cash equivalents. Receipts and expenditure in connection with interest and tax on profit are included in the cash flow from operating activities. Dividends paid are included in the cash flow from financing activities.

Notes

MOVEMENTS IN PROPERTY INVESTMENTS (1)

Amounts in millions of euros	Development portfolio	Core letting portfolio	Disposals portfolio	Total
Value as at 1 January 2005	261	3,300	452	4,013
Additions	147	30	2	179
Disposals	-	114-	171-	285-
Internal transfers	80-	80	-	-
Subtotal	328	3,296	283	3,907
Revaluations during financial year	3-	197	12	206
Value as at 31 December 2005	325	3,493	295	4,113

MOVEMENTS IN FINANCIAL FIXED ASSETS (2)

Amounts in millions of euros	01-01-05	additions	repayments	31-12-05
Interest-rate caps	28	-	8	20
Financing charges	2	1	1	2
Loans receivable Dutch Residential Fund I bv	18	-	10	8
Loans receivable Dutch Residential Fund II bv	17	-	9	8
Loans receivable Dutch Residential Fund III bv	17	-	10	7
Other loans receivable	-	4	-	4
	82	5	38	49

Vesteda has entered into four interest-rate cap agreements with a finance institution with the intention of hedging interest-rate risks. This limits the risks of rising interest rates on external financing. Swap agreements were concluded in July 2005 which will take effect on the expiry of the interest-rate-cap agreements. The terms of the agreements are in line with the remaining terms of the bond loans concluded in 2005. These agreements fully hedge the risk of fluctuations in interest rates.

The current value of the interest-rate cap was €0.8 million (2004: €2.9 million) and of the swap agreements -€7.0 million at year-end 2005.

Interest is charged on the loans to the custodians based on 3-month Euribor. No security has been provided.

CASH (3)

The cash is at the free disposal of the company.

MOVEMENTS IN FUND CAPITAL (4)

Amounts in millions of euros	2005	2004
Fund capital as at 1 January	2,751	2,725
Realised result	189	198
Unrealised result	206	138
Distribution to unit-holders	340-	310-
Fund capital as at 31 December	2,806	2,751

The fund capital at year-end 2005 of €2,806 million (2004: €2,751 million) includes accumulated unrealised results of €600 million (2004: €408 million).

AMOUNTS OWED TO GROUP COMPANIES (5)

Amounts in millions of euros	01-01-05	additions	repayments	31-12-05
Vesteda Residential Funding I BV for:				
A2 notes	300	-	300	-
A3 notes	600	-	600	-
A4 notes	400	-	400	-
	1,300	-	1,300	-
Vesteda Residential Funding II BV for:				
A1 notes	-	200	-	200
A2 notes	-	400	-	400
A3 notes	-	400	-	400
A4 notes	-	300	-	300
	-	1,300	-	1,300

The bonds issued by Vesteda Residential Funding I BV originally in 2002 and partly in 2004 were repaid in full in July 2005; the facility amounted to €1,255 million at the date of repayment.

At the same time, Vesteda Residential Funding II issued a total of €1,300 million new variable rate bonds consisting of

- €200 million class A1 secured floating rate notes;
- €400 million class A2 secured floating rate notes;
- €400 million class A3 secured floating rate notes;
- €300 million class A4 secured floating rate notes.

Vesteda Residential Funding II BV is a company specially incorporated to manage the financing for Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV under agreements between these parties, Vesteda Groep BV and the Security Trustee. Vesteda Residential Funding II BV also has the duty of providing security in connection with the financing. All the shares in Vesteda Residential Funding II BV are owned by the Stichting Vesteda Residential Funding II. The manager of the Stichting is ATC Management BV.

The proceeds of the issue by Vesteda Residential Funding II BV have been lent to Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV. As a result of the above activities, the Vesteda Group had the following facilities as at the balance sheet date:

- Term A1 Facility of €200 million with an intended remaining term of 2.55 years;
- Term A2 Facility of €400 million with an intended remaining term of 4.55 years;
- Term A3 Facility of €400 million with an intended remaining term of 6.55 years;
- Term A4 Facility of €300 million with an intended remaining term of 9.55 years.

The borrowers are Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV in their capacity as custodians of Vesteda Woningen. The borrowers have made the funds available to Vesteda Woningen. Interest is due quarterly and is based on the 3-month Euribor rate plus an increment which is different for each type. The increments for the Term A1, Term A2, Term A3 and Term A4 are 0.12%, 0.15%, 0.20% and 0.28% respectively. The Term A notes are listed on the Euronext Amsterdam stock exchange. The legal term of the loans at the time of issue was twelve years. If, however, the intended term is exceeded there are sanctions relating in particular to distributions to those entitled to the results of the Vesteda Group. Early repayment is permitted, with limited penalty clauses applying to the A2, A3 and A4 bond loans.

The loans carry considerable reporting and information obligations. The following consequences are incurred if interest is not paid on time or other obligations are not met:

- payment of dividends and similar distributions are no longer permitted;
- a pledge is established on the bank accounts which receive the rents;
- the voting rights on the shares of Dutch Residential Fund I BV, Dutch Residential Fund II BV and Dutch Residential Fund III BV are transferred to the Security Trustee;
- a mortgage right is established in favour of the Security Trustee on the property up to an amount of 150% of the outstanding amount of the loans;
- liabilities may only be met out of the residential portfolio. Creditors have no right of recovery against the other assets (other than Vesteda Woningen) of the unit-holders.

If certain financial conditions (ratios) are not met, further sanctions are applicable. In addition to the above measures, the management's power to dispose of property is considerably restricted.

Liabilities not shown in the balance sheet

At the end of 2005 Vesteda Woningen had liabilities of some €17 million that are not shown in the balance sheet. They relate to obligations for building contracts which are largely of a short-term nature.

Unit-holders

At the end of 2005, the unit-holders in Fonds Vesteda Woningen were:

- ING Vastgoed
- Delta Lloyd Vastgoed
- Dutch Residential Fund IV BV
- Holding Dutch Residential Fund BV

Proposed distribution to investors

Vesteda Woningen distributed a total of €340 million to unit-holders in 2005.

	€	%
Net asset value as at the beginning of 2005	110.03	100.0
Realised result	7.58	6.9
Unrealised result	8.24	7.5
Distribution to unit-holders for 2005	13.60-	-12.4
Net asset value as at the end of 2005	112.25	102.0

In view of the distributions already made, it is not proposed to make a final distribution.

Maastricht, 9 February 2006

The manager:
Vesteda Groep bv

The custodians:
Dutch Residential Fund I bv, Dutch Residential Fund II bv and Dutch Residential Fund III bv.

For the above:
H.C.F. Smeets, *chairman*
F.H. van der Togt
O. Breur

Auditors' report

Introduction We have audited the 'Financial statements Vesteda Woningen' for the year 2005, as set out on pages 109 to 119 of the Annual accounts of Vesteda Groep BV, Maastricht. These 'Financial statements Vesteda Woningen' are the responsibility of the management of Vesteda Groep BV. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 'Financial statements Vesteda Woningen' are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 'Financial statements Vesteda Woningen'. An audit also includes assessing the accounting principles used and significant estimates made by the management of Vesteda Groep BV, as well as evaluating the overall presentation of the 'Financial statements Vesteda Woningen'. We believe that our audit provides a reasonable basis for our opinion.

Opinion In our opinion, the 'Financial statements Vesteda Woningen' give a true and fair view of the financial position as at 31 December 2005 and of the result for the year then ended as required in the given circumstances in accordance with the accounting principles as set out on pages 110 to 112.

Furthermore we have established to the extent of our competence that the report of the managing board is consistent with the 'Financial statements Vesteda Woningen'.

Maastricht, 9 February 2006

for Ernst & Young Accountants

J.M. Heijster

J.G.K. van der Zanden

Projects Let

The list below sets out the projects in the total portfolio generating rental income at 31 December 2005. It is the complete letting portfolio and fully or partially let projects in the portfolio under development. In accordance with the ROZ/IPD definition, all projects are part of the Residential properties sector.* The units and values given for projects are fully owned.

* the share of the residential properties in the gross market rental value is greater than 50%

Key:

- Town** municipality and province
- Address** street name or name of first street (in alphabetical order)
- Project** name of investment property
- Year** year of construction (the year before the first year of full letting)
- Land** percentage owned (versus leased="Erf")
 - U** number of residential properties (units)
 - FH** number of single unit residential properties (units)
 - MO** number of multiple residency properties (units)
 - UA** useable area of the residential properties (m² x 1000)
- Office** office space (m²)
- Retail** retail space (m²)
- Park** parking and garage spaces (units)
- Rent** theoretical gross annual rent (as at 31 December 2005, € thousands)

Town	Address	Project	Year	Land	U	FH	MO	UA	Office	Retail	Park	Rent
Aalsmeer (NH)	Edisonstraat	Proosdij	1983	100%	62	62	0	6.6	0	0	0	508*
Abcoude (UT)	Fluitekruid	Fluitekruid	1989	100%	54	31	23	5.2	0	0	0	389
Abcoude (UT)	Ereprijs	Fluitekruid	1989	100%	75	50	25	6.8	0	0	0	552
Alkmaar (NH)	Lekerwaard	Huiswaard	1976	100%	24	24	0	2.3	0	0	0	157
Alkmaar (NH)	Louise Henriëttestraat	Louise Henriëttestraat	2000	100%	31	31	0	2.5	0	0	0	148
Almere (FL)	Lotusbloemweg	Bloemenbuurt	1990	100%	59	59	0	6.7	0	0	0	448
Almere (FL)	Harderwijkoever	Boulevardflat	1984	100%	450	0	450	37.4	0	0	0	2,978
Almere (FL)	Jarenweg	Seizoenenbuurt	1999	100%	40	40	0	5.4	0	0	0	271*
Almere (FL)	Marktmeesterstraat	Centrum	1988	100%	240	0	240	21.5	0	0	83	1,554
Almere (FL)	Nova Zemblastraat	Eilandenbuurt	2003	100%	43	43	0	4.9	0	0	0	347
Almere (FL)	Jacques Tatilaan	Filmwijk	1998	100%	132	90	42	11.4	0	0	0	1,052
Almere (FL)	Simon Vestdijkstraat	Literatuurwijk	1998	100%	38	38	0	4.7	0	0	0	280
Almere (FL)	Dijkmeent	De Meenten	1981	100%	193	0	193	16.3	0	0	0	1,170
Almere (FL)	Havenhoofd	Havenhoofd	1986	100%	66	0	66	6.4	0	0	0	528
Almere (FL)	Raaigrasstraat	Kruidenwijk	1988	100%	110	110	0	12.8	0	0	0	790
Almere (FL)	Messiaenplantsoen	Muziekwijk	1990	100%	132	0	132	10.7	0	0	0	997*
Almere (FL)	Rondostraat	Muziekwijk	1992	100%	48	48	0	6.3	140	0	0	414
Almere (FL)	Preludeweg	Muziekwijk	1994	100%	115	115	0	14.5	0	0	0	905
Almere (FL)	Vrije Zeestraat	Oostvaardersbuurt	2001	100%	42	42	0	5.5	0	0	0	298
Almere (FL)	Gleditsiastraat	Parkwijk	1995	100%	62	62	0	8.5	0	0	0	467
Almere (FL)	Slagbaai	Waterwijk	1983	100%	49	49	0	5.2	0	0	0	318
Almere (NH)	Dek	Noorderplassen	2004	100%	32	32	0	3.7	0	0	0	314
Almere-Stad (FL)	Quickstepstraat	Danswijk	1999	100%	54	54	0	6.0	0	0	0	368
Amersfoort (UT)	Bruggensingel-Zuid	Kattenbroek	1991	100%	134	79	55	15.0	0	0	0	1,086*
Amersfoort (UT)	Groote Kreek	Kattenbroek Eiland	1993	100%	101	101	0	13.8	0	0	0	969
Amersfoort (UT)	Parelvisserspad	Schuilenburg	1969	100%	116	116	0	14.2	0	0	50	951
Amersfoort (UT)	Blekerssingel	Willem III	1988	100%	36	0	36	3.1	0	0	0	264
Amersfoort (UT)	Grote Koppel	Zeven Provinciën	2004	100%	58	0	58	6.6	0	0	0	829*
Amersfoort (UT)	Bombardonstraat	Zielhorst N	1990	100%	36	0	36	2.9	0	0	0	253
Amersfoort (UT)	Bombardonstraat	Zielhorst M	1990	100%	42	42	0	4.2	0	0	0	310
Amstelveen (NH)	Westelijk Halfrond	Groenelaan	1974	100%	308	0	308	25.2	1,009	0	66	2,118
Amstelveen (NH)	Groenhof	Groenhof	1972	100%	220	0	220	18.4	0	0	31	1,442
Amstelveen (NH)	Doctor Willem Dreesweg	Middenhove	1989	100%	24	24	0	2.6	0	0	0	213
Amsterdam (NH)	Veemkade	Detroit	2004	Erf	82	0	82	10.9	0	0	0	2,486
Amsterdam (NH)	Wethouder Driessenstraat	Wethouderbuurt	1987	Erf	155	155	0	18.6	0	0	0	1,251*
Amsterdam (NH)	Wethouder Abrahamspad	Wethouderbuurt	1986	Erf	178	178	0	19.1	60	0	0	1,360
Amsterdam (NH)	Mijndenhof	Mijndenhof	1984	Erf	109	109	0	10.2	0	0	0	860
Amsterdam (NH)	Iburglaan	Blok 4	2003	Erf	40	0	40	6.4	0	0	40	708
Amsterdam (NH)	Joris Ivensstraat	De Waterlinie	2004	100%	41	0	41	4.4	400	0	55	566*
Amsterdam (NH)	Diopter	Jeugdland	1998	Erf	53	53	0	6.6	0	0	0	483
Amsterdam (NH)	Jan Puntstraat	Huizingalaan	1990	Erf	167	0	167	14.9	0	0	128	1,614
Amsterdam (NH)	Schagerlaan	Julianapark	1991	Erf	226	40	186	19.4	0	0	16	2,148*

Town	Address	Project	Year	Land	U	FH	MO	UA	OfficeRetail	Park	Rent	
Amsterdam (NH)	Bonhoeffersingel	Mid. Akerveldsepolder	1989	Erf	208	160	48	18.4	0	0	0	1,858
Amsterdam (NH)	Willy la Croihstraat	Mid. Akerveldsepolder	1990	Erf	230	182	48	27.9	0	0	0	1,922*
Amsterdam (NH)	Zuidelijke Wandelweg	Mirandalaan	1998	100%	90	0	90	9.0	4,162	0	92	1,176*
Amsterdam (NH)	Leusdenhof	Nellestein	1980	Erf	415	0	415	38.2	2	0	4	2,644
Amsterdam (NH)	Pieter Calandlaan	Calandtoren	2004	Erf	84	0	84	7.8	1,569	0	0	1,062
Amsterdam (NH)	Snelleveldstraat	Reigersbos	1984	Erf	153	153	0	14.4	0	48	0	1,199
Amsterdam (NH)	Wolbrantskerkweg	Wolbrantskerkweg	2005	Erf	108	0	108	9.2	0	0	60	635*
Arnhem (GE)	Zeelandsingel	De Laar	1982	100%	15	15	0	1.4	0	0	0	94*
Arnhem (GE)	Zeelandsingel	De Laar	1982	100%	12	12	0	1.1	0	0	0	74*
Arnhem (GE)	Hoogvliethof	Elderveld 231	1976	100%	112	112	0	12.9	0	0	31	732
Arnhem (GE)	Ginnekenstraat	Kroonse Wal	1988	100%	30	0	30	2.6	0	0	0	201
Arnhem (GE)	Hooghalensingel	Vredenburg	1974	100%	199	199	0	25.1	0	0	12	1,458
Assen (DR)	Aardbeihof	Kloosterhoven	2004	100%	42	42	0	6.2	0	0	0	435
Assen (DR)	Roegoorn	Marsdijk	1990	100%	51	51	0	5.1	0	0	0	373
Assen (DR)	Groenkampen	Peelo	1986	100%	73	73	0	8.9	0	0	0	447
Assen (DR)	Zuidhaege	Zuidhaege	1997	100%	60	0	60	5.7	0	0	15	515
Beek (LI)	Kastanjelaan	Beatrixlaan	1983	100%	30	30	0	3.5	0	0	0	202*
Bergen (NH)	Rougemont-Nes. De	De Nessen	1968	100%	17	17	0	2.0	0	0	12	186
Bergen (NH)	Hallstein-Nes	De Nessen	1968	100%	10	10	0	1.2	0	0	1	108
Bergen Op Zoom (NB)	Duvenee	Bergse Plaaf Fa I	1991	100%	92	92	0	11.9	0	0	0	680*
Bergen Op Zoom (NB)	Agger	Bergse Plaaf Fa II	1993	100%	58	58	0	7.0	0	0	0	480*
Bergen Op Zoom (NB)	Ansjovislaan	De Weer	1994	100%	130	0	130	16.8	0	0	54	1,180*
Bergen Op Zoom (NB)	Agger	Bergse Plaaf Fa IV	1995	100%	30	30	0	4.1	0	0	0	262
Bergen op Zoom (NB)	Statietjalk	Landmark	1999	100%	36	0	36	4.0	2	0	36	451
Bergen Op Zoom (NB)	Zandstraat	Leemberg	1975	100%	43	43	0	3.8	0	0	0	258
Bergen Op Zoom (NB)	Bloemendaal	Residentie Meilust	1978	100%	166	27	139	12.9	0	0	32	1,143*
Bergh (GE)	Rodingsveen	Chamaven	1987	100%	19	19	0	2.0	0	0	0	118*
Blaricum (NH)	Dam	De Byvanck	1975	100%	102	102	0	10.8	0	0	0	832
Born (LI)	Hondsbroek	Hondsbroek	1987	100%	34	34	0	3.9	0	0	0	234
Breda (NB)	Lachappellestraat	Lachappellestraat	1961	100%	72	0	72	4.7	0	0	18	442
Breda (NB)	Lovensdijkstraat	Vredenberg	2001	100%	0	0	0	16.0	1	0	0	304*
Breda (NB)	Blauwtjes	Waterjuffer	1999	100%	36	0	36	3.2	0	0	5	298
Breda (NB)	Argusvlinder	Argusvlinder	1999	100%	64	0	64	4.2	0	0	0	317
Brummen (GE)	Buizerdstraat	De Enk	1974	100%	66	66	0	7.9	0	0	7	463
Bunnik (UT)	Esdoorn	Dalenoord VII	1989	100%	46	30	16	4.1	0	0	0	327
Capelle A/D IJssel (ZH)	Sint Helenabaai	IJsselzicht	1978	100%	217	0	217	13.3	0	0	0	1,351*
Capelle A/D IJssel (ZH)	Rigoletto	Louvre/Rigoletto	1983	100%	119	0	119	8.9	0	0	0	725
Capelle A/D IJssel (ZH)	Slotplein	Slotplein	1997	100%	80	0	80	8.6	0	0	0	689
Culemborg (GE)	Zaanweg	Dijkzicht	1990	100%	24	24	0	2.9	0	0	0	186
Culemborg (GE)	Akelei	Voorkoop	1985	100%	56	56	0	6.8	0	0	0	427
De Bilt (UT)	Hugo van der Goeslaan	De Leyen	1989	100%	48	0	48	3.3	0	0	0	342*
Den Bosch (NB)	Bordeslaan	Paleiskwartier	2004	100%	27	0	27	3.0	0	0	34	404*
Den Bosch (NB)	Kruiskampsingel	Meanderflat	1968	100%	195	0	195	16.8	0	0	57	1,324
Den Bosch (NB)	Natewischstede	Maaspoort	1987	100%	55	55	0	5.2	0	0	0	392
Den Bosch (NB)	Statenkwartier	Kwartierstaete	1983	100%	63	0	63	4.6	0	0	0	377
Den Bosch (NB)	Pisastraat	Pisastaete	1989	100%	72	0	72	3.1	0	0	0	578
Den Haag (ZH)	Prins Willem Alexanderweg	La Fenêtre	2005	Erf	115	0	115	12.2	200	0	121	2,082*
Den Haag (ZH)	Laakweg	Piazza	1998	Erf	73	0	73	6.8	0	0	58	528
Den Haag (ZH)	Domburglaan	Deltaplein	1972	100%	156	0	156	11.5	0	0	37	1,144
Den Haag (ZH)	De Brink	Kraayenstein I	1975	100%	212	24	188	17.3	1	0	185	1,444
Den Haag (ZH)	Noorderbrink	Kraayenstein II	1975	100%	224	224	0	27.0	0	0	0	2,261
Den Haag (ZH)	Nieuwendamlaan	Uitgeeststraat	1969	100%	70	0	70	6.6	0	0	22	484*
Deurne (NB)	Appeldijk	Den Heiakker	1983	100%	18	18	0	2.1	0	0	0	120
Deventer (OV)	Bitterzoet	Colmschate	1984	100%	100	100	0	11.5	0	0	0	652
Deventer (OV)	Van Hetenstraat	Van Hetenstraat	1977	100%	18	0	18	1.0	0	0	0	82
Diemen (NH)	Biesbosch	Biesbosch	1978	100%	148	148	0	19.2	0	0	0	1,362
Diemen (NH)	Polderland	Diemen Zuid	1986	100%	169	169	0	18.3	0	0	0	1,338
Doetinchem (GE)	Lorentzlaan	Boerhaavelaan	1973	100%	209	209	0	27.0	0	0	0	1,370
Doetinchem (GE)	Boekweidreef	De Huet	1983	100%	115	115	0	12.8	0	0	0	717
Dordrecht (ZH)	Van Ravesteyn-erf	Groene Oever	1995	100%	84	0	84	7.7	0	0	0	713
Dordrecht (ZH)	Cannenburg	Sterrenburg III	1981	100%	94	94	0	9.0	0	0	0	627*
Dordrecht (ZH)	Kinkelenburg	Sterrenburg III	1981	100%	22	22	0	2.2	0	0	0	149*
Dordrecht (ZH)	De jagerweg	Sterrenburg III	1981	100%	15	15	0	1.5	0	0	0	103*
Duiven (GE)	Thuvinestraat	Eltingerhof	1975	100%	126	126	0	14.2	0	0	0	763

Town	Address	Project	Year	Land	U	FH	MO	UA	OfficeRetail	Park	Rent	
Eindhoven (NB)	Tesselschadelaan	Granida	2004	100%	30	0	30	3.5	0	0	30	521
Eindhoven (NB)	Tongelresestraat	Picushof	2001	100%	58	22	36	6.0	0	0	0	547
Eindhoven (NB)	Generaal van Merlenstraat	Rapenland	1984	100%	144	45	99	11.5	0	0	9	978
Eindhoven (NB)	Opwettensemolen	Opwettensemolen	1986	100%	178	0	178	12.8	7	0	110	1,273*
Eindhoven (NB)	Bisschopsmolen	Woenselse Watermolen	1988	100%	220	202	18	28.0	0	0	0	1,755*
Eindhoven (NB)	Venbergsemolen	Venbergsemolen	1989	100%	134	0	134	10.9	0	0	0	971*
Emmen (DR)	Eidereend	Eendenveld	1990	100%	33	33	0	3.2	0	0	0	238
Emmen (DR)	Klepel	Ermerstede	1990	100%	40	0	40	3.6	0	0	45	339
Enschede (OV)	Bontweverij	Carre	1990	100%	76	0	76	5.5	0	0	0	502
Enschede (OV)	Walkottelanden	Stroinkslanden	1982	100%	80	80	0	8.7	0	0	0	561
Enschede (OV)	Boulevard 1945	T Marquant	1989	100%	71	0	71	5.3	0	0	71	503
Enschede (OV)	Mooienhof	Mooienhof	2003	100%	87	0	87	8.6	0	930	0	838
Geldrop (NB)	Herdersveld	Grote Bos	1978	100%	95	95	0	9.7	0	0	0	690
Geleen (LI)	Schrynwerkersd	Dassenkuil I	1987	100%	24	24	0	2.5	0	0	0	168
Geleen (LI)	Dassenkuillaan	Dassenkuil II	1988	100%	25	25	0	2.7	0	0	0	173
Gorinchem (ZH)	Kalkhaven	Dalempoort	1978	100%	29	0	29	2.0	0	580	1	269
Gorinchem (ZH)	Dokter Bauerstraat	Stalkaarsen	1975	100%	50	50	0	5.7	0	0	0	367*
Grave (NB)	Estersveldlaan	Estersveld	1972	100%	71	71	0	8.5	0	0	30	470
Groningen (GR)	Zuiderweg	Hoogkerk	1976	100%	153	153	0	15.8	0	0	42	923
Groningen (GR)	Bloemersmaborg	Klein Martijn	1997	100%	28	0	28	2.9	0	0	0	274
Groningen (GR)	Amethisstraat	Vinkhuizen	1969	100%	69	69	0	8.6	0	0	0	433
Groningen (GR)	Brijlantstraat	Vinkhuizen I	1969	100%	63	63	0	7.9	0	0	33	398
Groningen (GR)	Goudlaan	Vinkhuizen II	1972	100%	32	32	0	4.0	0	0	0	207
Groningen (GR)	Van Goghstraat	Waterrand	1994	100%	72	0	72	5.9	18	0	73	571
Groningen (GR)	Steenhouwerskade	Zuiderhavenring	1982	100%	53	0	53	4.7	1	0	92	469
Groningen (GR)	Steenhouwerskade	Zuiderhavenring	1983	100%	70	0	70	5.6	0	0	0	483
Haarlemmermeer (NH)	Jacob Boekestraat	Warande	1969	100%	93	93	0	10.6	0	0	66	823
Heemskerk (NH)	Mozartstraat	Mozartstraat	1969	100%	167	167	0	18.7	0	0	169	1,297
Heemstede (NH)	Floradreef	Prinseneiland	1990	100%	38	38	0	4.3	0	0	0	300
Heerenveen (FR)	Poststraat	Poststraat	1995	100%	52	0	52	4.9	0	0	0	410
Heerenveen (FR)	Barten	Nye Haske	1987	100%	69	69	0	8.0	0	0	0	461
Heerenveen (FR)	Valerielaan	Valeriaan	1973	100%	53	53	0	6.4	0	0	2	318
Heerlen (LI)	Dillegaard	Douve Weien	1983	100%	137	0	137	9.8	0	0	24	758
Heerlen (LI)	Marjoleingaard	Douve Weien	1982	100%	60	60	0	6.5	0	0	0	407
Heerlen (LI)	Poelmanstraat	Douve Weien 1	1978	100%	161	161	0	17.4	0	0	0	1,166
Heerlen (LI)	Drieoortspuut parkeerplaats	Douve Weien 2	1979	100%	91	0	91	5.5	0	0	27	430
Heerlen (LI)	Vrusschemigerweg	Douve Weien 3	1978	100%	31	0	31	2.2	0	0	0	167
Heerlen (LI)	Peschstraat	Douve Weien 3	1978	100%	14	0	14	1.0	0	0	0	75
Heerlen (LI)	Palestinastraat	Giesen-Bautsch	1980	100%	73	73	0	7.8	0	0	0	495
Heerlen (LI)	Sint Pietershof	Klein Vaticaan	2004	100%	36	0	36	4.2	0	0	40	439
Heerlen (LI)	Putgraaf	Putgraaf Residentie	1982	100%	93	0	93	7.1	0	0	175	710
Heerlen (LI)	Putgraaf	Putgraaf Residentie	1989	100%	66	0	66	5.9	75	0	48	586
Helmond (NB)	Diamantstraat	Ashorst	1989	100%	32	32	0	3.4	0	0	0	233
Hengelo (OV)	Jan van Galenstraat	Gerarduspark	1995	100%	44	0	44	3.4	0	0	0	345*
Hengelo (OV)	't Swafert	't Swafert	2000	100%	417	0	417	23.3	1	0	0	1,813*
Hengelo (OV)	Algonquin	Thiemsland	2004	100%	34	0	34	4.0	0	0	0	404
Heumen (GE)	Dravik	Maldensveld	1985	100%	23	23	0	2.4	0	0	0	170
Hilversum (NH)	Loosdrechtse Bos	Resort Zonnestraal	2004	100%	42	0	42	6.2	3	0	0	1,045*
Hoogeveen (GR)	Gerbrandyhof	Drevenborg	1991	100%	44	0	44	3.6	0	0	0	304*
Huis ter Heide (UT)	Onbekend	De Horst	2003	100%	51	0	51	2.6	0	0	0	751*
Huizen (NH)	Herik	Huizermaat-West	1976	100%	199	199	0	18.6	0	0	29	1,606
Kerkrade (LI)	Mynweg	Straterweg	1987	100%	61	61	0	6.3	0	0	0	417
Leek (GR)	t Emmerrick	Sintmaheerd	1983	100%	12	12	0	1.4	0	0	0	71
Leeuwarden (FR)	Stizenflora	Aldlan Oost	1977	100%	160	160	0	16.5	0	0	11	1,009
Leeuwarden (FR)	Frittemastate	Camminghaburen	1989	100%	46	46	0	4.6	0	0	0	346
Leeuwarden (FR)	Frittemastate	Groene Hart	1986	100%	134	134	0	15.5	0	0	4	849
Leeuwarden (FR)	Ubbemastins	Parkflat	1987	100%	62	0	62	5.4	0	0	0	399
Leeuwarden (FR)	Krommezijl	Zuiderburen	2005	100%	36	0	36	4.4	0	0	0	435
Leiden (ZH)	Parkzicht	Merenwijk	1979	100%	262	0	262	19.4	0	0	3	1,722
Leiden (ZH)	Zuster Meijboomstraat	Stevenshof	1991	Erf	99	0	99	8.1	0	0	0	823*
Leiderdorp (ZH)	Laan van Berendrecht	Parkprom. Berendrecht	2004	100%	24	0	24	2.2	0	150	0	395*
Leiderdorp (ZH)	Lokhorst	De Horsten	1970	100%	155	0	155	15.1	0	0	44	1,110
Leiderdorp (ZH)	Roodborststraat	Vogelwijk	1972	100%	246	0	246	21.0	0	0	71	1,704
Leiderdorp (ZH)	Waterleliekreek	Voorhof	1978	100%	240	120	120	24.5	0	0	9	1,821

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Leidschendam (ZH)	Schadeken	't Lien	1985	100%	127	127	0	13.5	0	0	0	1,219
Lelystad (FL)	Tjalk	Gebied 243	1981	100%	206	206	0	22.2	0	0	0	1,172*
Leusden (UT)	Hertenhoeve	Centrum	1979	100%	40	40	0	3.7	0	0	14	306
Maastricht (LI)	Heugemerweg	Cortile	1999	100%	30	0	30	2.9	0	0	0	893
Maastricht (LI)	Heugemerweg	Cortile Health Club	1999	100%	0	0	0	0.0	0	6	0	
Maastricht (LI)	Akerstraat	Ceramique	1993	100%	182	0	182	16.8	180	0	147	1,503
Maastricht (LI)	Plein 1992	Residence	2000	100%	33	0	33	3.6	0	0	8	367
Maastricht (LI)	Plein 1992	Ceramique нк	#N/B	100%	0	0	0	0.0	0	0	0	556
Maastricht (LI)	Sphinxlunet	Cortile	2002	100%	120	0	120	12.6	0	0	0	1,225
Maastricht (LI)	Ellecuyngaard	Eyldergaard	1982	100%	47	47	0	5.5	0	0	0	362
Maastricht (LI)	Sphinxlunet	Cortile	1999	100%	39	0	39	4.2	205	0	0	423
Maastricht (LI)	Heerderweg	Heerderweg	1985	100%	202	0	202	14.5	0	0	107	1,247
Maastricht (LI)	Kasteel Caestertstraat	Nazareth	1987	100%	38	13	25	1.4	0	0	30	225
Maastricht (LI)	Sphinxlunet	Cortile Parking	1999	100%	0	0	0	0.0	0	0	222	183
Maastricht (LI)	Erasmusdomein	Randwijck	1986	100%	109	0	109	8.5	0	0	20	743
Maastricht (LI)	Bellefroidlunet	Stoa	2002	100%	66	0	66	10.0	95	0	88	1,484
Maastricht (LI)	Avenue Ceramique	Toren van Siza	2001	100%	40	0	40	4.7	799	0	0	1,050
Maastricht (LI)	Via Regia	Via Regia	1977	100%	93	0	93	6.0	0	0	40	516
Maastricht (LI)	Savelsbosch	Vroendaal	2003	100%	15	15	0	2.6	0	0	0	203
Middelburg (ZE)	Stationsstraat	Blauwe Dijk	1987	100%	27	0	27	1.6	0	838	0	226
Middelburg (ZE)	Touwbaan	Maisbaai Fase 1	1990	100%	70	0	70	7.1	0	0	67	580
Nieuwegein (UT)	Hermesburg	Batau Noordrand	1988	100%	56	56	0	5.7	0	0	0	426
Nieuw-Vennep (ZH)	Bladmos	Zuidplaspolder	1979	100%	88	88	0	9.2	0	0	0	646*
Nieuw-Vennep (ZH)	Haendelplein	Getsewoud	2002	100%	76	0	76	5.7	0	0	0	515
Nijmegen (GE)	Nw marktstraat	Kronenburger	1991	100%	148	0	148	14.1	358	0	7	1,344
Nijmegen (GE)	Lankforst	Lankforst	1969	100%	106	106	0	13.5	0	0	34	767
Nijmegen (GE)	Rode kruislaan	Park Heyendaal	1996	100%	92	0	92	9.5	0	0	0	918*
Nijmegen (GE)	Weezenhof	Weezenhof	1972	100%	145	145	0	35.7	0	0	43	1,124
Oosterhout (NB)	Verdistraat	Oosterheide 1	1969	100%	47	47	0	6.0	0	0	26	335
Oosterhout (NB)	Beethovenlaan	Oosterheide 2	1971	100%	44	44	0	6.2	0	0	21	335
Oss (NB)	Kerkstraat	Boschpoort	1982	100%	51	0	51	3.5	0	860	62	350
Ouder-Amstel (NH)	Clarissenhof	Clarissenhof	1977	100%	101	101	0	10.1	0	0	8	869
Pontonrecht (ZH)	Pontonniersweg	Buitenwaard	1991	100%	68	0	68	7.6	0	0	27	670
Purmerend (NH)	Fonteinkruid	De Gors	1977	100%	37	37	0	5.1	0	0	0	270*
Purmerend (NH)	Cocqgracht	De Purmer	1983	Erf	138	138	0	12.3	0	0	0	896
Renkum (GE)	Graaf van Rechterenweg	Rechterenborg	1993	100%	62	0	62	5.9	0	0	42	558*
Rijswijk (ZH)	Clavecimbellaan	Clavecimbellaan	1974	100%	160	0	160	17.2	0	0	57	1,341
Rijswijk (ZH)	Hilvoordestraat	Over De Boogaard	1979	100%	122	0	122	6.3	0	0	0	702
Rijswijk (ZH)	Prinses Beatrixlaan	Prinses Beatrixlaan	1975	100%	405	0	405	33.8	0	2,519	365	2,792
Rijswijk (ZH)	Churchillaan	Churchillaan	1969	100%	215	0	215	24.1	157	0	19	1,811
Roermond (LI)	Ambachtsingel	Hoogvonderen	1981	100%	88	88	0	10.2	0	0	0	543
Roermond (LI)	Dionisiusstr	Ursula	1986	100%	290	0	290	21.7	6,047	0	341	2,261
Roosendaal (NB)	Dolomietdijk	Kortendijk Oost 1	1981	100%	34	34	0	3.9	0	0	0	229
Roosendaal (NB)	Pastoor van Akenstraat	Molenbeekstraat	1970	100%	36	36	0	4.7	0	0	14	254
Rotterdam (ZH)	De Boompjes	De Boompjes II	2001	Erf	0	0	0	0.0	1,032	0	0	397
Rotterdam (ZH)	Stekelbrem	Brembuurt	1973	100%	211	211	0	27.4	0	0	51	2,094
Rotterdam (ZH)	Cromme Meth	Cromme Meth	1987	Erf	36	36	0	3.6	0	0	0	253
Rotterdam (ZH)	Boompjes	De Boompjes I	1988	Erf	336	0	336	23.0	5,357	1,565	284	3,728
Rotterdam (ZH)	Den Uylsingel	Dosiotoren	1989	Erf	92	0	92	7.2	0	0	0	592
Rotterdam (ZH)	Watertorenweg	Watertorenweg	1990	Erf	122	0	122	11.2	0	0	0	853
Rotterdam (ZH)	Buitenbassinweg	Buitenbassinweg	1991	Erf	124	0	124	10.3	0	0	0	874
Rotterdam (ZH)	Burg. van Walsumweg	Burg. van Walsumweg	1989	Erf	270	0	270	21.2	0	1,751	206	2,350*
Rotterdam (ZH)	Hamelpad	Sneevlietstraat	1984	Erf	52	52	0	4.9	0	0	0	360
Rotterdam (ZH)	Bottelroos	Heydnahof	1983	Erf	161	161	0	17.5	0	0	0	1,376
Rotterdam (ZH)	Admiraal de Ruyterweg	Linker Rottekade	1985	Erf	246	0	246	14.9	0	265	159	1,468
Rotterdam (ZH)	Clazina Kouwenbergzoom	Loreleiflat	1992	Erf	69	0	69	6.0	0	0	0	600
Rotterdam (ZH)	Landverhuizersplein	Montevideo	2005	Erf	68	0	68	8.4	0	0	68	1,309
Rotterdam (ZH)	Nansenplaats	Nansen/Söderblomplaats	1972	100%	352	0	352	28.1	0	0	0	2,243
Rotterdam (ZH)	Admiraliteitskade	Oostmolenwerf	1994	Erf	86	0	86	7.6	0	340	68	909*
Rotterdam (ZH)	Nieuwehaven	Nieuwehaven	1991	Erf	89	0	89	7.9	0	612	40	861*
Rotterdam (ZH)	Strevelsweg	Poort Van Zuid	1994	Erf	128	0	128	11.4	210	0	105	1,079
Rotterdam (ZH)	Govert Terlouwstraat	Ringvaartplasbuurt	1991	Erf	42	42	0	4.7	0	0	0	380
Rotterdam (ZH)	Govert Terlouwstraat	Ringvaartplasbuurt	1990	Erf	64	64	0	6.9	0	0	0	552
Rotterdam (ZH)	Gedempte Zalmhaven	De Hoge Heren	2000	Erf	160	0	160	19.1	481	0	330	2,425

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Rotterdam (ZH)	Gedempte Zalmhaven	De Hoge Heren SA	2001	erf	50	0	50	6.0	0	0	0	1,376
Rotterdam (ZH)	Ton Wijkampstraat	Zevenkamp	1988	Erf	49	49	0	7.9	0	0	0	401
Schiedam (ZH)	Chopinplein	Groenoord	1971	100%	592	0	592	52.5	105	0	58	3,731
Schiedam (ZH)	Huis Te Merwestraat	Woudhoek	1984	Erf	184	184	0	19.5	0	0	0	1,516
Sittard (LI)	Blijdestein garage	Kollenbergerhof 1	1986	100%	78	0	78	5.6	0	0	28	494
Sittard (LI)	F. Ruttenlaan buitenparkeren	Kollenbergerhof 2	1987	100%	52	0	52	3.8	0	0	30	321
Sittard (LI)	Kollenberg	Kollenbergerhof 3	1988	100%	63	63	0	7.0	0	0	0	447
Sittard (LI)	Kleine Steeg	Wilhelminastraat	1993	100%	63	0	63	6.6	313	0	21	560
Steenwijk (OV)	Oostercluft	Oostermeenthe	1984	100%	94	0	94	5.4	0	0	20	552
Stiens (FR)	St. Vitusplein	Sint Vitusplein	1999	100%	30	0	30	2.2	0	0	0	154*
Susteren (LI)	Raadhuispln	Middelveld	1983	100%	20	20	0	1.0	0	0	0	128
Tegelen (LI)	Waterloostraat	Domein Moubis	2004	100%	16	0	16	2.1	0	0	0	206
Tilburg (NB)	Friezenlaan	Friezenlaan	1982	100%	54	0	54	5.0	0	0	38	526
Tilburg (NB)	Anna Paulownahof	Anna Paulownahof	1989	100%	231	0	231	16.2	0	0	54	1,410
Tilburg (NB)	Hillegomlaan	Reeshof	1990	100%	56	56	0	7.3	0	0	0	404
Tilburg (NB)	Schoolstraat	Elegance	1989	100%	174	0	174	14.0	0	0	45	1,316
Vaals (LI)	Bloemendalstraat	Bloemendal	1998	100%	52	0	52	4.7	0	0	12	435
Valkenburg Ad Geul (LI)	Spoorlaan	De Valk/Spoorlaan	1994	100%	34	0	34	3.4	0	0	28	260
Valkenburg Ad Geul (LI)	Oranje Nassau	Nassauflat	1982	100%	88	0	88	5.9	0	0	110	529
Veendam (GR)	Gelrelaan	Sorghvliet	1977	100%	54	54	0	6.8	0	0	0	312*
Velsen (NH)	Maanbastion	Maanbastion	1990	100%	128	0	128	9.6	0	0	44	1,023*
Velsen (ZH)	Sterbastion	Sterbastion	2001	100%	71	0	71	6.7	0	0	0	524*
Venlo (LI)	Gruttostraat	Centrum-Zuid	1997	100%	31	0	31	3.2	0	0	43	201
Venlo (LI)	Gruttostraat	Centrum-Zuid	1995	100%	32	32	0	4.3	0	0	0	260
Venlo (LI)	Morion	Centrum-Zuid	2000	100%	31	31	0	3.6	0	0	0	223
Venlo (LI)	Ginkelstraat	De Lunet	2003	100%	11	0	11	1.3	330	0	11	139
Venlo (LI)	Harry Hollastraat	Groeneveld	1989	100%	53	53	0	6.4	0	0	0	395
Venlo (LI)	Harry Hollastraat	Groeneveld iv	1993	100%	52	52	0	6.3	0	0	0	425
Venlo (LI)	Gebroeders Daelstraat	Groeneveld II	1991	100%	97	21	76	9.4	0	0	0	630
Venlo (LI)	Klingerbergsingel	Klingerberg	1984	100%	71	71	0	8.1	0	0	0	520
Venlo (LI)	Framboosstraat	Klingerberg	1987	100%	18	18	0	1.8	0	0	0	119
Venlo (LI)	Akker. Op den	Klingerberg	1984	100%	52	0	52	3.7	0	768	18	345
Venlo (LI)	Seinestraat	Maaswaardstaete	1998	100%	32	0	32	3.6	0	0	4	343
Vleuten (UT)	Molenpolder	Meiborg	2003	100%	28	0	28	4.3	0	0	14	498
Vleuten (UT)	Molenpolder	Weideborg	2003	100%	32	0	32	3.3	150	0	0	433
Vleuten-De Meern (UT)	Ridderhoflaan	Secr. Versteeglaan	1969	100%	236	236	0	28.2	0	0	14	2,019
Vlissingen (ZE)	Schutterijstraat	Lange Zelke	1994	100%	16	0	16	1.5	0	0	0	111
Voorburg (ZH)	Distelweide	Distelweide	1974	100%	40	40	0	4.5	0	0	14	459
Voorburg (ZH)	Kersengarde	Kersengarde	1976	100%	256	256	0	30.9	0	0	0	2,744
Voorburg (ZH)	Populierendreef	Populierendreef	1975	100%	272	0	272	20.5	0	0	130	2,046
Voorburg (ZH)	Populierendreef	Populierendreef	1975	100%	160	0	160	11.3	0	0	82	983
Voorburg (ZH)	Rodelaan	Rodelaan	1976	100%	160	0	160	11.5	0	0	82	1,047
Wassenaar (ZH)	Dirk De Raetlaan	Dirk De Raetlaan	1974	100%	126	0	126	8.6	0	0	9	764
Wassenaar (ZH)	Van Polanenpark	Zijlwatering	1972	100%	105	105	0	14.7	0	0	77	1,157
Wassenaar (ZH)	Professor Molenaarlaan	Zijlwatering	1972	100%	124	124	0	16.5	0	0	0	1,276
Wassenaar (ZH)	van Wassenaar Obdamlaan	Zijlwatering	1992	100%	32	32	0	4.3	0	0	0	442
Weert (LI)	Houtduif	Graswinkel 2	1988	100%	25	25	0	2.4	0	0	0	151
Westervoort (GE)	Het gilde	Hoogeind	1986	100%	34	34	0	3.2	0	0	0	204
Wijchen (GE)	Abersland	Abersland	1987	100%	98	98	0	10.0	0	0	0	686
Wijchen (GE)	Abersland	Abersland	1988	100%	36	36	0	4.0	0	0	0	246
Winschoten (GR)	Dennenweg	Acacialaan	1984	100%	20	20	0	2.3	0	0	0	114*
Zoetermeer (ZH)	Dunantstraat	Blankaard	1973	100%	160	0	160	10.4	0	465	0	846
Zoetermeer (ZH)	Bunuelstrook	Buytenweg De Leyens	1979	100%	386	347	39	44.7	0	125	11	3,089
Zoetermeer (ZH)	Heijermanshove	Buytenweg De Leyens	1979	100%	205	70	135	18.2	0	0	0	1,372
Zoetermeer (ZH)	Bordeauxstraat	Frankrijklaan	1987	100%	67	67	0	6.9	0	0	0	584
Zoetermeer (ZH)	Reimsstraat	Reimsstraat	1987	100%	108	0	108	8.2	0	0	108	854
Zoetermeer (ZH)	Zilverberg	Meerzicht	1975	100%	124	124	0	14.7	0	0	175	1,083
Zoetermeer (ZH)	Dunantstraat	Molenwijk	1973	100%	260	0	260	22.0	0	806	0	1,708
Zoetermeer (ZH)	Gaardedreef	Seghwaert	1978	100%	132	72	60	13.9	0	0	0	1,000
Zwolle (OV)	Schie	AA Landen	1969	100%	210	210	0	25.6	0	0	122	1,635
Zwolle (OV)	Van bosseware	Ittersumerlanden	1984	100%	239	239	0	28.4	0	0	0	1,609
Zwolle (OV)	Tak van poortvlietware	Ittersumerlanden	1987	100%	39	39	0	4.0	0	0	5	267
Zwolle (OV)	Monteverdilaan	Monteverdilaan	1969	100%	122	0	122	10.1	0	0	56	734
Zwolle (OV)	Stadhouderlaan	Oldenelerlanden	1988	100%	134	134	0	15.4	0	0	0	961

Vesteda Groep BV
Plein 1992 1
6221 JP Maastricht
P.O. Box 1211
6201 BE Maastricht
T +31 43 329 66 66
F +31 43 329 66 00

info@vesteda.com
www.vesteda.com

