vesteda

Vesteda Update Q3 2015

Vesteda bought two residential towers (The Guardians) consisting of 75 apartments in Breda from housing association AlleeWonen in Q3 2015. The towers are still under construction and completion is expected in 2016.

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Introduction Managing Board

TOTAL RETURN MORE THAN DOUBLED

The recovery in the Dutch housing market continued unabated in the third quarter of 2015 and is clearly visible in our results. Lifted by the positive market conditions and a constant focus on fund optimisation, the total return for the first nine months of the year - excluding revaluation of derivatives - came in at 8.7%. This was more than double the return realised in the first nine months of 2014 (3.2%). The total return was boosted by both the unrealised return and the realised return, largely due to the improved occupancy rate and reduced interest expenses.

CONSIDERABLE INCREASE IN OCCUPANCY RATE AND OPTIMISATION FINANCING STRUCTURE

The occupancy rate at the end of the third quarter had risen to 97.8%, a sizeable increase of 1.4% compared to the occupancy rate at the end of the same period of last year. Interest expenses declined considerably as a result of Vesteda's continued optimisation of its financing structure. Early Q4 2015, Vesteda issued a second bond in the market, which further optimised our financing structure, decreased our future interest expenses and considerably extended the average life of our borrowed capital. The upward revaluation of the portfolio was 2.7% in the first nine months of 2015.

FIERCE COMPETITION IN THE RESIDENTIAL INVESTMENT MARKET

Initial yields are under pressure due to low interest rates and competition on the residential investment market. As a result, the speed at which Vesteda can grow its portfolio is also under pressure. The acquisition pipeline increased by €20 million to more than €250 million in the third quarter.

The market outlook for the rest of the year remains positive. We have every confidence that we will conclude 2015 with an excellent result.

Amsterdam, 1 December 2015

Gertjan van der Baan
CEO

Hélène Pragt
CFO

NUMBER OF RESIDENTIAL UNITS

22,703

PHYSICAL OCCUPANCY RATE

97.8%

GROSS RENTAL INCOME

€177.1 mln

COMMITTED PIPELINE INVESTMENT PORTFOLIO (IN UNITS)

977

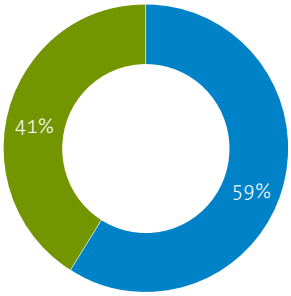
REVALUATION INVESTMENT PORTFOLIO (IN THE QUARTER)

1.6%

PORTFOLIO VALUE

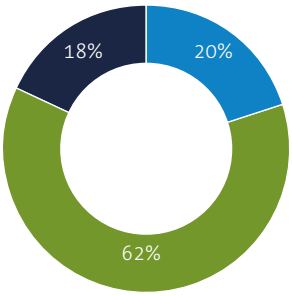
€3.7 bln

Portfolio by type of residential unit
(IN UNITS)



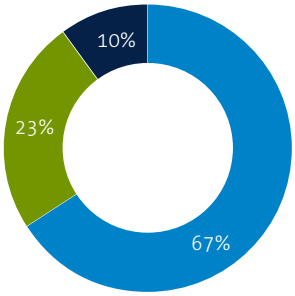
- Apartment
- Family house

Portfolio by rental segment
(IN VALUE)



- Regulated segment
- Mid-segment
- Higher segment

Portfolio by region
(IN VALUE)



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

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

Investment Portfolio

Investment portfolio, changes in value

(in € million)

Value at start of year	3,592
Capex	11
Inflow	23
Outflow	(58)
Revaluation	96
Value of investment portfolio at the end of Q3 0215	**3,664**

Investment portfolio, changes in units

Number of units beginning of year	22,990
Inflow	105
Outflow	(392)
Number of units at the end of Q3 2015	**22,703**

In the first nine months of this year, the value of the investment portfolio increased by €72 million, mainly due to a positive revaluation of €96 million (2.7%).

On balance, the investment portfolio reduced by 287 rental units. In the first quarter, a total of 72 apartments were added to the portfolio, of which 30 apartments following the acquisition of the existing complex De Ooievaar (built in 2008) in Purmerend (primary region). Vesteda acquired the complex from housing association Wooncompagnie and the rents are in the mid-rental segment. The remaining 42 apartments are part of the project development project De Amazones in Den Bosch (primary region) and have rents in the mid-rental to higher segments.

In the second quarter a total of 29 family houses have been added from the Helioshof project in Arnhem (primary region) and have rents in the mid-rental segment. All three projects that were added to the investment portfolio in 2015 were fully let at the end of Q3.

In the third quarter, no new projects have been added to the investment portfolio.

Additions to the investment portfolio Q1-Q3 2015

Complex building, location	Total number of units	Additions to investment portfolio	Apartment / Family house	Region	Rental segment
De Amazones, Den Bosch	42	42	Apartment	Primary	Mid/Higher
De Ooievaar, Purmerend	30	30	Apartment	Primary	Mid
Helioshof, Arnhem	29	29	Family house	Primary	Mid
Total	**101**	**101**			

PIPELINE END-Q3 2015

Acquisitions and development

In the first nine months of 2015, a total of 6 projects were added to the pipeline, of which one project in the third quarter, four projects in the second quarter and one project in the first quarter.

In the third quarter, Vesteda bought two residential towers, which are still under construction, at the center side of the new station 'Public Transport Terminal' in Breda from housing association AlleeWonen. The proposed sale is subject to approval by the Ministry of the Interior and Kingdom Relations. The towers called the Guardians consist of 75 apartments in the mid-rental segment. The apartments are a good fit for Vesteda's portfolio in terms of region, rental range and energy label.

In the second quarter, Vesteda successfully completed a number of exclusive negotiations. We have added four projects to the pipeline through the signing of turnkey agreements. This includes the acquisition of 64 apartments in the CZAN De Hagen complex in Amsterdam, 25 family houses in the Nieuw Princenhof project in Leusden, 98 apartments in the De Diemer project in Diemen and 56 apartments in the De Generaal project in Amsterdam. All of these projects are fully in line with our ambition to expand our portfolio with rental properties in the mid-rental segment in economically strong regions.

In the first quarter, Vesteda signed a turnkey agreement covering all 192 apartments in the 100-metre high Amstel Tower building adjacent to the Amsterdam Amstel Dutch Rail station. This project is also fully in line with our ambition to expand our portfolio by adding rental houses in the mid-segment in economically strong regions, such as Amsterdam.

Pipeline in Q3 2015

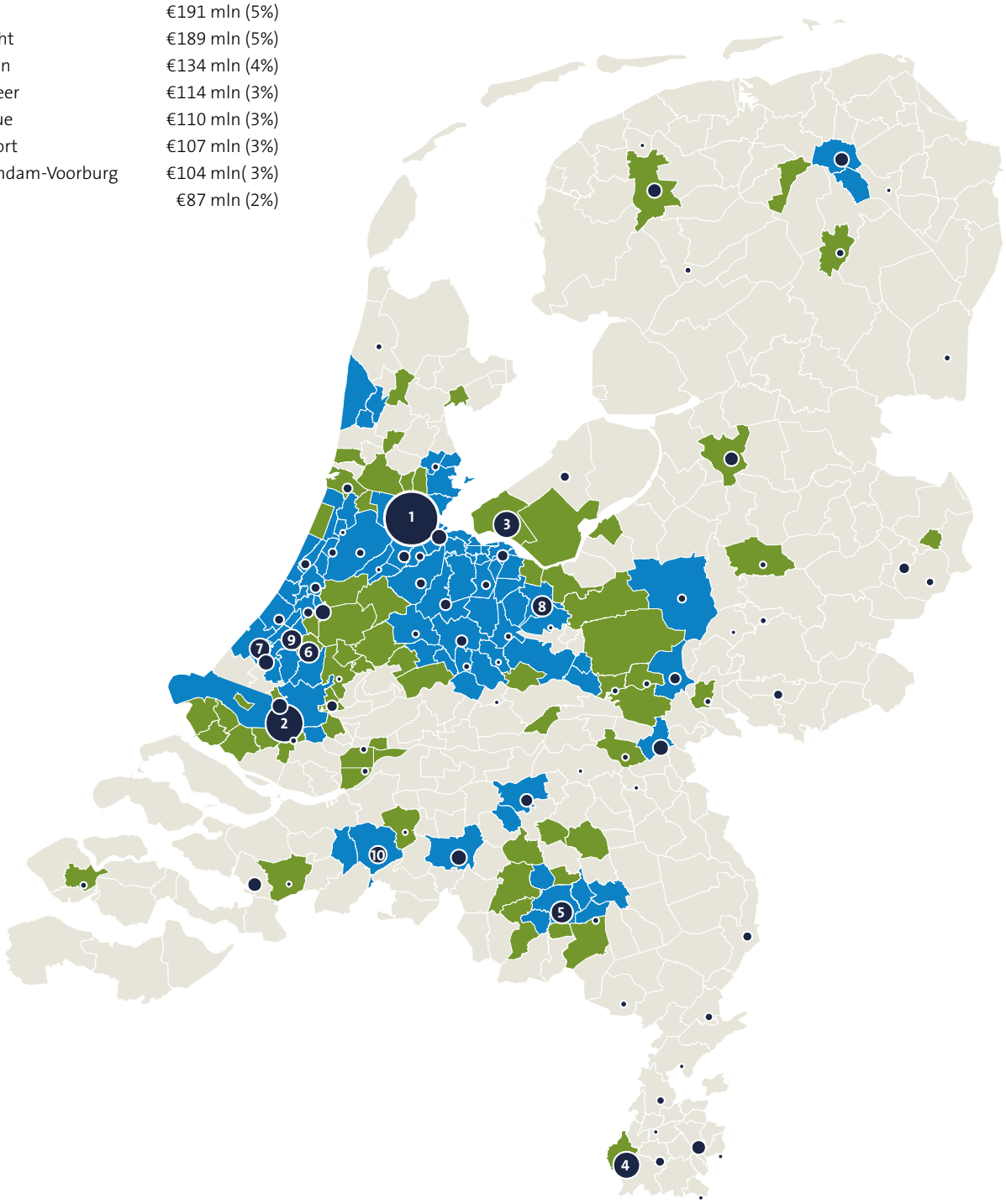
Complex building, location	Total number of units	Additions to investment portfolio	Apartment / Family house	Region	Rental segment	Expected completion/ into operation
De Boel, Amsterdam	154	154	Apartment	Primary	Mid	2016
CZAN 14noord, Amsterdam	14	14	Apartment	Primary	Mid	2016
CZAN De Hagen, Amsterdam	64	64	Apartment	Primary	Mid	2016
Nieuw Princenhof, Leusden	25	25	Family house	Primary	Mid	2016
De Wachters, Breda	75	75	Apartment	Primary	Mid	2016
De Diemer, Diemen	98	98	Apartment	Primary	Mid	2017
De Generaal, Amsterdam	56	56	Apartment	Primary	Mid	2017
Seattle Boston, Rotterdam	48	48	Apartment	Primary	Mid	2017
Leidsche Rijn Centrumplan, Utrecht	466	251	Apartment	Primary	Mid	2017
Amsteltower, Amsterdam	192	192	Apartment	Primary	Mid	2018
Total	**1,192**	**977**				

Portfolio distribution (year-end 2014)

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

€750 mln
€400 mln
€75 mln

1	Amsterdam	€635 mln (18%)
2	Rotterdam	€355 mln (10%)
3	Almere	€191 mln (5%)
4	Maastricht	€189 mln (5%)
5	Eindhoven	€134 mln (4%)
6	Zoetermeer	€114 mln (3%)
7	The Hague	€110 mln (3%)
8	Amersfoort	€107 mln (3%)
9	Leidschendam-Voorburg	€104 mln(3%)
10	Breda	€87 mln (2%)



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About Vesteda

Vesteda is an investor with a clear focus on the Dutch residential real estate market. Vesteda invests funds for institutional investors, including pension funds and insurers. Vesteda has total capital of approx. €3.7 billion invested in real estate. The company's rental portfolio stands at a total of around 23,000 units. Vesteda's key investment regions are the Randstad urban conurbation and the Noord Brabant province. In 2014 Vesteda generated a net result of €136 million, with more than 200 employees.

FOR ADDITIONAL INFORMATION

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