

Vesteda

Project bv

2004

Report

vesteda 

Vesteda Project's mission is to develop and acquire higher-rent homes Vesteda Project ensures the qualitative growth of the Vesteda Group portfolio Rising to a target of 1,500 residential properties handed over per year Production from area and project developments and acquisitions Long-term involvement Organisation expanded further Pipeline substantially increased in 2004 468 residential properties handed over Production target of €200 million achieved

Vesteda Project BV 2004 Report

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Profile

To develop and acquire higher-rent residential properties that meet quality and yield requirements to provide new projects for the Vesteda Group investment portfolio. This is the mission of Vesteda Project bv.

Vesteda Project bv is part of Vesteda Group. Vesteda Group is a property fund focusing exclusively on residential property. With over 30,000 residential properties with a total value of over €4 billion, Vesteda is the largest residential property fund in the Netherlands. Vesteda concentrates on the higher-rent segment, with rents from €550 per month. Vesteda Group has a strategy that requires a regular flow of residential properties through the portfolio. This flow is achieved by selling a limited number of properties from the portfolio each year and adding a similar number. Vesteda Project bv handles the addition of higher-rent homes to the portfolio within Vesteda Group, which lets the residential properties. Vesteda Project bv has the role of commissioning authority in acquiring and developing residential projects which are built by third parties.

Vesteda Project bv has rapidly built up a leading position as a developer. It specialises in sustainable, well-designed rental housing. Only projects where the location offers added value and where that location fits in with the urban infrastructure are selected and built.

Ensuring quality is paramount because of Vesteda Group's long-term involvement as owner and its direct involvement through the presence of its local offices for letting and management. In this way, Vesteda Group offers its tenants' quality of life, and generate above-average capital gains over time.

Vesteda Project bv's developments are aimed mainly at people over 50 and younger, single-person and dual-income households. These people choose urban locations, with apartments of above-average size and quality, as the basis for a comfortable lifestyle. The core areas that Vesteda Group and, therefore, Vesteda Project bv focus on is the Randstad conurbation, central and southern regions of the Netherlands and the larger towns and cities in the north of the country, especially town-centre locations in large and medium-sized municipalities.

Vesteda Project bv participates in area developments. The company also has its own projects and acquires existing projects which, possibly after being redesigned, are made into an end-product: luxury rental properties with high standards for location, public spaces, architecture and town planning, layout, finish, facilities and return.

Vesteda Project bv employs over 20 specialists, based in Maastricht and Amsterdam.

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**AREA & PROJECT
DEVELOPMENT**

**PROJECT PREPARATION
& REALISATION**

Structure

Vesteda Project BV is part of Vesteda Group. Vesteda Project BV's responsibilities within Vesteda Group are area and project developments which it manages as commissioning authority. The legal structure of Vesteda Group is set out on page 11 of the Vesteda Group 2004 Annual Report. The organisation structure of Vesteda Project BV is set out in the diagram on the left.

Operational Management

Vesteda Project BV is managed by Mr N. (Nico) Mol, Director of Vesteda Project BV.

Objectives

Based on internal and external studies, a model property portfolio has been drawn up which sets a framework for the investment policy until 2015. In Vesteda's view, the rapid rise in the proportion of one and two-person households, especially in the over-50 category, means a fundamental change in demand in the higher-rent segments. In due course, a large proportion of Vesteda Group's capital will be invested in the residential property category with rents from about €600 to €1,200. Vesteda is also looking to expand in the higher price categories over €1,200 where there is a structural shortage of supply and where there will also be a sharp increase in demand. A key element of Vesteda's investment strategy is the annual sale of about 5% 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 contributes to achieving and maintaining the desired geographical and qualitative composition of the portfolio, and on consolidating capital gains. Vesteda Project bv's objective, therefore, is to achieve this ongoing rejuvenation, developing about 1,500 residential properties per year.

Inflow for the Vesteda Group portfolio

Inner-city development projects are often complicated. It can be some years after development starts before the first homes are handed over. It is, therefore, important that Vesteda Project bv builds up a stock of 'projects in progress'. Given the completion times, the pipeline must contain 10,000 to 15,000 residential properties to ensure 1,500 are built per year on average. This pipeline is now filling up and about 1,500 properties will be handed over each year from 2007.

Pipeline almost filled

Strategy

Vesteda Project bv achieves its housing production in different ways. By jointly initiating urban and town centre development projects, residential properties are developed in new areas. This approach to developing new residential properties is preferred, as the new design of the area can contribute to the quality of the immediate surroundings. Projects are also developed independently. The quality of the location and surroundings is, therefore, a basic requirement. Finally, projects are purchased in the development or construction stages. Vesteda Project bv manages their further development and acts as commissioning agent for the completion.

Urban area developments

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

Prompt layout of the public spaces

Avenue Céramique, Maastricht. Main infrastructure and planting in place before commencement of construction (1992)



Area developments

As Vesteda Project bv is in a position to become involved in projects and redevelopments at an early stage, objectives can be set jointly. Different municipalities' experience shows that Vesteda's specific knowledge of tenants and their wishes can contribute to the municipal policy frameworks. For this, Vesteda has databases to quantify future demand for mid-segment 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 criteria for the new development. Early participation of a private party is helpful to the municipality as it can work with the same party during the area and development planning, construction and letting. By offering an exclusive residential environment, Vesteda Project is fulfilling a part of municipal policy. Higher-income residents, therefore, remain in the town, which is important for urban development and trading up in the housing market.

Co-operation with the Municipality of Amsterdam

In 2002, Vesteda reached a unique agreement with the Municipality of Amsterdam to build market rental homes. Vesteda will build an average of 250 mid-segment 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 €530 million.

Partly as a result of its know-how and strengths, along with the considerable resources of Vesteda Group, Vesteda Project bv is able to take an early and risk-bearing participating interest in area redevelopments.

Project development

By participating in area developments, project development or by acquiring and redeveloping and/or adapting projects, residential properties are created that meet Vesteda's criteria for the inflow.

Co-operation Vesteda Project bv develops its own properties but also works with other developers. In these cases too, Vesteda Project bv clearly has a commissioning authority's role during the preparation and development phase and bears the associated risks.

Increasingly, projects involve more than just residential properties, having mixed use with shops and offices. The details of such environmental factors are important since location strongly influences tenants' quality of life. In town centres, in particular, it is important that a building should have a base of commercial and cultural facilities to create a lively area. Vesteda Project bv often takes the initiative, along with municipalities and other parties, to invest in such facilities.

The creation of a lively urban area

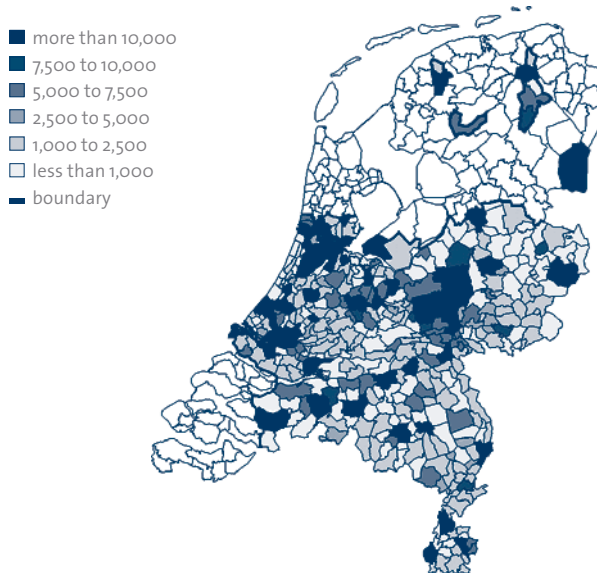
Buying a project under development is a way of making an acquisition. The same criteria are used as for the company's own developments. Projects are often redesigned after purchase to the specific wishes of the future tenants. Management considerations also often determine that they are finished in more durable materials. The stagnating owner-occupation market means that Vesteda Project bv is currently being offered many projects. All are assessed against the strict criteria that Vesteda places on location, layout, building quality and facilities, and yield. Vesteda Project bv's own project managers and cost-quality experts supervise the preparation and construction phases.

Core areas

Vesteda has identified about two-thirds of the Netherlands as core areas and is aiming for a best possible distribution within 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 from 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. These are 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.

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



Boundary

In the role of commissioning agent, Vesteda not only follows the development of the projects themselves. The quality and prompt layout of public spaces also receive full attention so that Vesteda can ensure that both the project and the surroundings are ready for use on hand-over.

After hand-over: management and letting by Vesteda Group

Vesteda's involvement does not stop when a project is handed over by Vesteda Project BV. Vesteda is the only property fund of its size in Europe that performs its own property management for the administrative, technical and commercial management of residential properties.

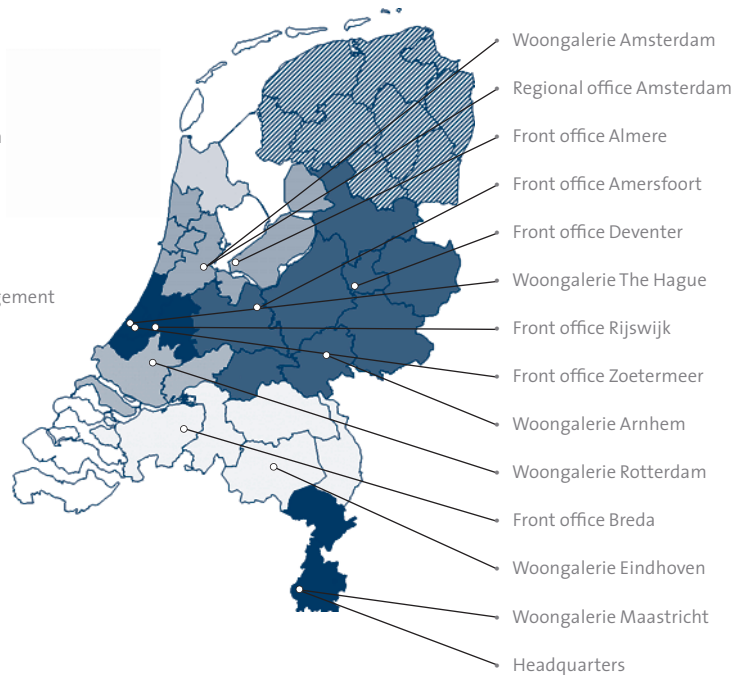
The *Woongaleries* and front-offices in various locations handle letting and personal contacts with customers during the tenancy. The centralised call centre and back-office support the local offices. Tenants contact the call centre with maintenance requests. The call centre sends the maintenance contractor and the tenant is notified of the time it will take to deal with the problem. The call centre is, therefore, actively involved in monitoring this period.

The chosen market segment and associated growing demand for service mean that only an in-house property management organisation can safeguard customer orientation and high levels of service. The main arguments for this are improved control of the result and customer satisfaction. In addition, in-house offices offer greater manageability and improved control. Finally, direct customer contact provides market and project knowledge that is incorporated directly into the list of requirements that Vesteda Project BV applies to area and project developments.

Woongaleries

and their operating areas
Year-end 2004

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



Report of market developments

Completed projects

During 2004, 468 residential properties* in 11 projects throughout the Netherlands were handed over.

Assen The Kloosterhoven district in Assen has mainly low-rise residential properties. Vesteda Project BV has built 42 homes in an attractive parkland structure. These properties surround two courtyards, partly along the water and surrounded by park and play areas. The architect is Hans Tupker.

Hengelo Thiemsland is a new district in Hengelo, close to the town centre. Particular attention has been given to the urban planning to create an attractive, contemporary neighbourhood. There are two residential buildings designed by Rudy Uytenga with a total of 34 spacious and well-appointed apartments with parking spaces.

Almere 26 rental and 44 owner-occupied homes have been built in the new expansion area of Noorderplassen. Architect Jo Crepain of Antwerp designed this project.

Amersfoort The Gildenkwartier is close to the historic centre of Amersfoort on the river Eem, which can be used to reach the Randmeren. Architects Krier und Kohl of Berlin drew up the urban plan and residential designs. *De Zeven Provinciën* is the largest building in the Gildenkwartier where 58 large apartments are being built for Vesteda.

Amsterdam Pieter Calandlaan is on the edge of the western garden suburbs and connects to the new district of Nieuw Sloten. A considerable number of homes in the south-west quadrant, where these residential properties are situated, are being demolished and replaced by owner-occupied homes. This project of 84 residential properties is the start of the restructuring of this part of the western garden suburbs and was designed by architects OD 205.

Den Bosch The new *Paleiskwartier* district is being developed behind the station, a short walk from the centre. Following its transformation, this neighbourhood has become a popular residential and working neighbourhood. Vesteda has developed one of the five *long-houses*, with 27 spacious apartments in a very unusual design by British architects BDP.

* The number of homes handed over within Vesteda Project BV differs from the number handed over within Vesteda Group because of a timing difference between delivery to Vesteda Project BV and delivery from Vesteda Project BV to Vesteda Group.



Assen. Kloosterhoven (Hans Tupker)



Hengelo. Thiemsland (Architectenbureau Rudy Uytenga)



Almere. Noorderplassen (Jo Crepain)



Amersfoort. De Zeven Provinciën (Krier und Kohl) canal and garden



Amsterdam. Calandtoren (od 205)



Den Bosch. Paleiskwartier (BDP)





Bergen op Zoom. Landmark (Atelier Dutch) view from a distance and close-up



Eindhoven. Granida (Toon Kandelaars Architecten)



Tegelen. Moubis (Roggeveen en Piso Architecten)



Heerlen. Klein Vaticaan (Bureau Boosten Rats)

Leeuwarden. Zuiderburen (Perik Architectuur)



Leiderdorp. Boulevard de As (svp Architectuur- Stedenbouw)



Bergen op Zoom An attractive 14-storey block of 36 apartments and two guest rooms has been built on the edge of town, on an exclusive site and with a view over the water, the attractive, green surroundings and the Binnenschelde.

Eindhoven The former area health authority building has been redeveloped to a plan by architect Toon Kandelaars into a high quality residential building of 30 luxury apartments with parking space, whilst retaining its characteristic concrete structure.

Tegelen The Moubis plan was developed on a former monastery site in Steyl, near Venlo. Roggeveen en Piso Architecten designed the building with 16 apartments with a timelessness appropriate to the atmosphere of a monastery garden and its surroundings.

Heerlen An attractive project has been developed close to the centre on the site of the former *Klein Vaticaan* monastery with over 100 residential properties, some town houses and some apartments. Vesteda has built two blocks with 36 luxury rental apartments.

Projects under construction

Some 1,800 residential properties are under construction, to be handed over in the period to 2007.

Leeuwarden The spacious new Zuiderburen neighbourhood is laid out along many water courses, with moorings for residents' boats. This gives the area a lively feel. Four small-scale blocks, each with nine apartments, are being built on the van Harinxmakanaal; the first was handed over at the end of 2004.

Leiderdorp The project of four blocks above existing apartment buildings is on the north side of *De Houtkamp* park on the promenade and between the Winkelhof and Santhorst shopping centres. Each 13-storey block has 24 spacious apartments. There is 150 m² of commercial space on the ground floor of each block.

Amsterdam Demand for higher-rent homes in Amsterdam is considerable. Short-stay apartments, a format that Vesteda specifically wants to be involved with, are also very popular.

On the south bank of the IJ, which is being redeveloped, is the Oostelijke Handelskade where the Nieuw Amerika plan is being built. There has been a real transformation from dockland activities to a very popular residential area. The popularity comes in part from the site on the IJ, the short distance from the city centre and the good connections to the Amsterdam ring road. The Detroit project, designed by AWG, has 82 apartments with commercial space on the ground floor and part of the first floor where there are also leisure facilities such as a swimming pool and fitness-centre for tenants. These residential properties can be laid out flexibly, and tenants can choose between a number of layouts which are supported by a carefully thought out electric system so that tenants can arrange the fittings as they wish. The apartments will be handed over in the course of 2005. Next to the Detroit project is the Boston project, designed by architects DKV. This building is noteworthy as it too allows tenants to choose the layout, supported by a raised floor system which assists flexibility. This building's tenants can also use the leisure facilities in Detroit. The 90 apartments will be let in 2005.

A well-designed district is being built in IJburg, a reclaimed area of the IJsselmeer, combining careful urban planning and high-quality architecture. Close to links with the city and along the water, Vesteda is building 41 apartments and commercial space to a plan by architects Diederer, Dirrix van Wylick.

The *De Uitkijk* project of 42 luxury apartments was started in IJburg at the end of 2004. The architect of this development is van Sambeek en van Veen Architecten.

The *De drie bouwmeesters* project of 36 apartments and 44 houses is being built in Geuzenveld, a district to the west of the city. This project, designed by Ton Verhoeven, is the first one to arise specifically from the agreement between Vesteda and the Municipality of Amsterdam to build at least 2,500 residential properties in the mid-segment over 10 years.



Amsterdam. Detroit (AWG Architecten)



Amsterdam. Boston (DKV Architecten)



Amsterdam. IJburg Blok 2 (Diederer, Dirrix van Wylick)



Amsterdam. De Uitkijk (Sambeek en van Veen Architecten)

Amsterdam. De drie bouwmeesters (Ton Verhoeven)





Amsterdam. Wolbrantskerkweg



Amsterdam. Mahler 4 (de Architecten Cie.)



Leidschendam-Voorburg. Nieuw Park Leeuwensteijn (Hagenbeek Architecten)



The Hague. La Fenêtre (Architectenbureau Rudy Uytenhaak)

Almere. Side by Side (de Architecten Cie.)



Six 9-storey apartment blocks are being built on the Wolbrantskerkweg in the south-west quadrant of the western garden suburbs where Vesteda is building 108 apartments with a mid-range rent. 70 have now been handed over.

The Zuidas is the commercial centre of the Netherlands and thus very popular. This development is being managed at a national level and made into a high-quality project. One of the first residential buildings on the Zuidas is Mahler 4 designed by Architecten Cie with architects Branimir Medic & Pero Puljiz. The block has 24 storeys above a multi-storey car park. Vesteda is building 174 apartments in Mahler 4, while the other residential properties, spacious penthouses on the top floors, are being sold individually. As well as normal residential properties, there are short-stay residential properties and apartments with office space. A service manager will be available for the residents, who can also use leisure-facilities such as a swimming pool, sauna and fitness centre. 2,800 m² of commercial space is being built on the lower floors.

Leidschendam-Voorburg The Sijtwende project is being built in Voorburg on the new northern access road to The Hague. It consists of 4 urban villas each with 28 apartments, four per storey.

The Hague The Hague station will be transformed into a high-quality transport hub, with a fast shuttle to the High Speed Rail Line. The La Fenêtre project is under construction in this area, with 115 apartments and 280 m² of commercial space. The design by Rudy Uytenhaak offers great flexibility of layout in the apartments.

Almere The Side by Side project is on the Weerwater near the new town centre with the town hall and the existing shopping centre. Rem Koolhaas developed the town plan for this development. As well as a considerable expansion of the retail area, the town centre will also have a multiplex cinema, entertainment centre, library and a theatre. The project was designed by Frits van Dongen of the Architecten Cie. It consists of two blocks with 154 apartments. The basement contains leisure facilities for the residents such as a lounge and a swimming pool, sauna and fitness centre. There is also a satellite office of the Vesteda Woongalerie Amsterdam.

Hilversum Jan Duiker was the architect of the Zonnestraal sanatorium built in 1930. The buildings have been restored and proposed for inclusion on the World Heritage List. In this unique area, Vesteda is building 42 apartments with parking space to a design by Hubert Jan Henket. A number of care services will be offered to residents.

Rotterdam The Montevideo block is under construction on the far end of the Wilhelminapier, the Kop van Zuid. The apartments will have a wonderful view of the Maas and the Rijnhaven. The block is about 150 metres tall and has 192 apartments; there will be 6,000 m² of offices and 2,000 m² of commercial space in the base. Vesteda will build between 50 and 85 apartments for letting. The design is by Mecanoo Architecten.

Tilburg Close to the centre and along the Hart van Brabantlaan, a former factory site known as the Hollandterrein is being redeveloped into a residential site. The architecture is by Bo.2 Architectuur en Stedenbouw of Tilburg. The base of the building that Vesteda is developing will have 700 m² of commercial space. The residential block above this and the corner tower will have 100 spacious apartments, including six with additional work or studio space.

Breda In the central Chassé Park, Prof. Hans Kollhoff has designed a distinctive residential building with particular attention to the architecture and finish. The 86 apartments will be let (52) or sold (34) in 2005.

Eindhoven There is a real landmark, the Vesteda Toren, in the Smalle Haven district, in the heart of the centre. This gem, like the urban plan, was designed by Jo Coenen & Co Architecten. Above four storeys of offices, there is a slim tower with 46 apartments, two per floor, which offer a panorama over the town through their glass facades. The residential properties have a flexible layout that residents can specify. Domotics (household electronics) are another innovative feature in this building.

Maastricht One of the final pieces in the Céramique district, a Vesteda initiative, is a project of 104 apartments. The design is by architects Jo Janssen and Luijten-Verheij. A number of apartments with office space are being built according to a formula developed by Vesteda in co-operation with Michele de Lucchi of Milan.



Hilversum. Park Zonnestraal (Hubert Jan Henket Architecten)



Rotterdam. Montevideo (Mecanoo)



Tilburg. Hollandterrein (Bo.2 Architectuur en Stedenbouw)



Breda. Het Paleis (Hans Kollhoff und Timmermann)



Eindhoven. Vesteda Toren (Jo Coenen & Co)



Maastricht. Céramique. Blok 22 (Jo Jansen en Luijten en Verheij)



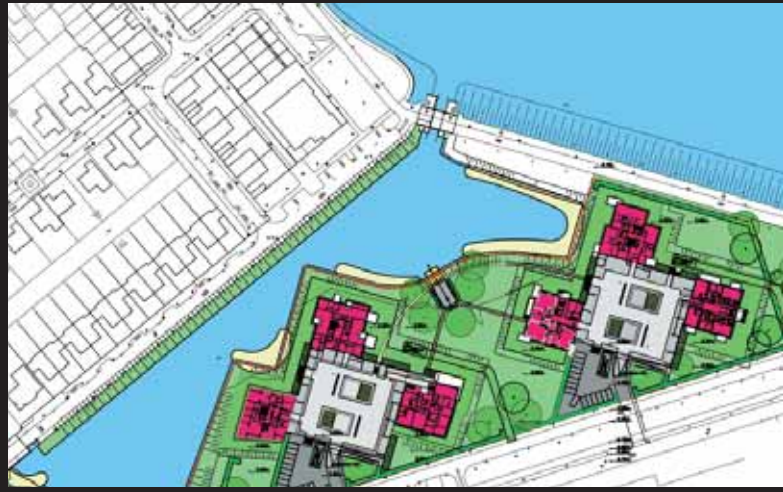
Zutphen. Ravel (Roggeveen en Piso Architecten)



Rotterdam. New Orleans (Alvaro Siza)



Maarsse. Bocht van Maarsse (Mulleners en Mulleners Architecten, Atelier Zeinstra van der Pol bv, Arcas Groep, Bruno Albert Architecte et Associés sc)



Bergen op Zoom. Laguna (Marx en Steketee, Kieckens en Jo Janssen)

Bergen op Zoom. De Parade (AWG Architecten)



Projects in preparation

Just under 1,000 residential properties are in preparation and expected to be handed over.

Zutphen Two apartment blocks will be started in 2005 in the Ravel plan, close to the historic town centre and along its moat. The 34 residential properties will supplement the top end of the local and regional rental market.

Maarssen A project of some 665 residential properties is being built on the banks of the Vecht, close to Oud Zuilen on the former DSM site, with 196 apartments for Vesteda. A beautiful plan has been prepared, establishing an authentic atmosphere for the development. This expresses a high level of ambition, in which a high-quality residential environment is being achieved. The Vesteda apartments will be in the *Vechtse Dorp* area.

Rotterdam The New Orleans project is being built on the Wilhelminapier. A 150-metre high block designed by architect Alvaro Siza will hold 150 rental homes and 75 owner-occupied homes. The Art House, a cultural centre, will be in the base of the building.

Bergen op Zoom Six urban villas are being built on the water on the *Bergse Plaat*; Vesteda is developing three of them working with three different architects: Marx en Steketee, Kieckens and Jo Janssen. The villas are sited in park-like surroundings laid out like a private garden.

The new Parade shopping centre is being built as part of the attractive retail heart of the historic town centre. The 58 apartments over the shops are being built by Vesteda.

Breda In 2001, Vesteda acquired the existing 50-year old Vredenberg care home complex, with the aim of redeveloping it. A plan was drawn up by the Architectenwerkgroep Tilburg for 162 serviced apartments, 48 care units and about 3,700 m² of additional care facilities such as a restaurant. 124 apartments will be let normally to people who want to live in luxurious apartments in an attractive building with tailored service facilities and care services. The other homes, elsewhere on the site, are for tenants with care needs.

Roermond Huize Ernst Casimir is a fine, listed building dating from 1908, in a prominent location. The villa will contain three apartments and one town house and there will be new space with 60 spacious and well-appointed apartments.

Valkenburg The former Paters der Heilige Harten monastery at the foot of the Cauberg is being redeveloped into a residential project offering private care and nursing services. The 44 apartments are to the high Vesteda standard and intended for tenants who want high quality living and care, together with an exclusive ambience. The 4-hectare site, on the edge of Valkenburg's historic town centre, is being transformed into a fine park according to a design by landscape designer van Heukelom.

Maastricht Vesteda has bought the Wiebengahal, on the southern edge of Céramique, from the Province. This industrial monument will retain its characteristic exterior and be adapted according to a plan by architect H.J. Henket for a branch of the Netherlands Architecture Institute and Stichting Restauratie Atelier Limburg. Vesteda's Maastricht *Woongalerie*, the call centre and the back-office will be located on the ground floor and first floor.

Hilversum The old kro studio is being transformed into Estate of the Art, a complex of high-quality apartments in small-scale units, to a range of designs with art as the linking theme. The listed entrance building will be retained and act as the heart of the complex. As well as the entrance building, there will be 20 apartments in the portfolio.



Breda. Vredenberg (Architectenwerkgroep)



Roermond. Huize Ernst Casimir (Engelman Architecten)



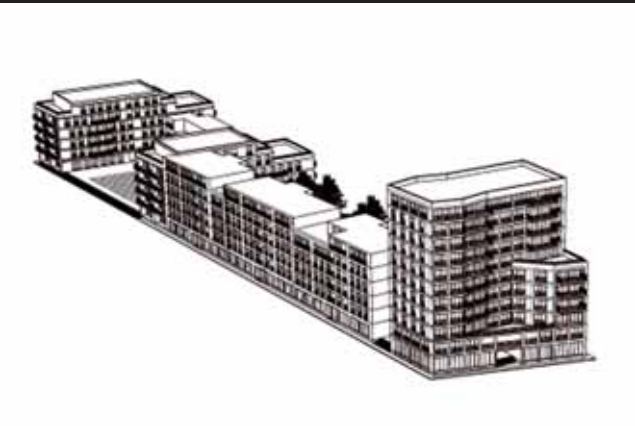
Valkenburg. Caubergklooster (Satijn Plus)

Maastricht. Wiebengahal (reconstruction: Hubert Jan Henket Architecten)



Hilversum. KRO-studio (original building: Maas, new building: Bečka en van Wilsum)





Amsterdam. IJburg Blok 8 (bOb van Reeth, AWG Architecten)



Apeldoorn. Koning Stadhouderslaan (Rijnbouts van der Vossen)



Den Bosch. HAS-terrein (Atelier Zeinstra van der Pol)

Eindhoven. Cassandraplein (Arno Meijs Architecten)



Rotterdam. Havana (Cruz & Ortiz)

Projects under development

Just under 3,000 residential properties are being built as stand-alone developments or as part of area developments, for hand-over from 2006.

Amsterdam Some 66 apartments in the medium-rent segment are being built in the block 8 plan on IJburg Haveneiland West. This block is being designed by Antwerp architects Bob van Reeth, AWG, with Christine de Ruijter as project architect

Also in IJburg, 43 apartments will be developed in a block along the IJburglaan; a design by Dana Ponec of the firm Soeters, van Eldonk, Ponec.

Apeldoorn A project of about 90 apartments in three buildings is being developed on the Koning Stadhouderslaan, the *Zuidwestpoort* of Apeldoorn, close to the town centre.

Den Bosch About 110 residential properties are being developed on the site of the former Hogere Agrarische School to a design by Liesbeth van der Pol of Atelier Zeinstra van der Pol. About 75 of them are for letting. The public space around the site is undergoing a complete transformation.

Rotterdam The Havana project will be built on the Wilhelminapier. This block, 150 metres tall, is next to the Luxor-theater at the entrance to the pier. The design is by Cruz & Ortiz. There will be a medical centre in the base of the building. Hand-over is planned for 2011.

A 100-metre tall apartment block is being developed on the Oostplein. It is a design by architect H.J. Henket and is the link between the town centre and the Kralingen district.

Eindhoven A redevelopment with 30 residential properties is being prepared for the out-dated Cassandraplein, shopping centre. Vesteda will participate with 30 apartments and a health centre to be built next to a completely renovated service centre.

Maastricht In the southern part of the Céramique district, architect Charles Vandenhove et Associés are working on the design of a block on the Avenue Céramique, opposite the Wiebengahal. It will have an unusual commercial content in the base and 32 apartments above.

10 residential properties/apartments and a doctor's practice are being built in the Sint Pieter neighbourhood.

Heerlen A tall apartment block is being developed on the van Grunsvenplein, with architecture by Mecanoo. 112 apartments will be built, 56 of which are for letting.

Area developments

Amsterdam CZAN There is an area development, where Vesteda will build about 250 residential properties, in Amsterdam Noord, along the Nieuw Leeuwarderweg at the end of the Noord-Zuidlijn. The urban plan by Soeters, van Eldonk en Ponc was approved in 2004. The first section is currently under development.

Amsterdam, Steigereiland Noordbuurt An island for some 450 residential properties in the Noordbuurt is being developed at the entrance to IJburg by the A10. This development is part of the framework agreement between the municipality and Vesteda. Vesteda Project bv will build about 165 rental homes here.

Amsterdam, Amstel station Plans are being made for a total volume of some 70,000 m² in a residential, commercial and facilities mix around the east of this station. Vesteda is one of four participants. The aim is to develop about 150 apartments for the higher-rent sector. The urban planning requirements will be determined in early 2005. Building work will start in 2007.



Maastricht. Blok 30A (Charles Vandenhove et Associés)

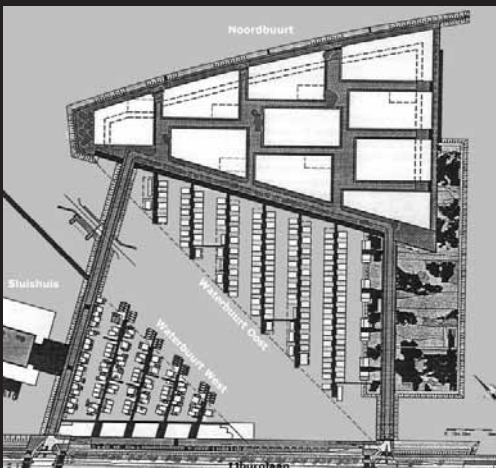


Heerlen. Woontoren Van Grunsvenplein (Mecanoo)



Amsterdam. CZAN (Soeters, van Eldonk en Poneč)

Amsterdam. Steigereiland



Amsterdam. Amstelstation (urban designer Andries Geerse)

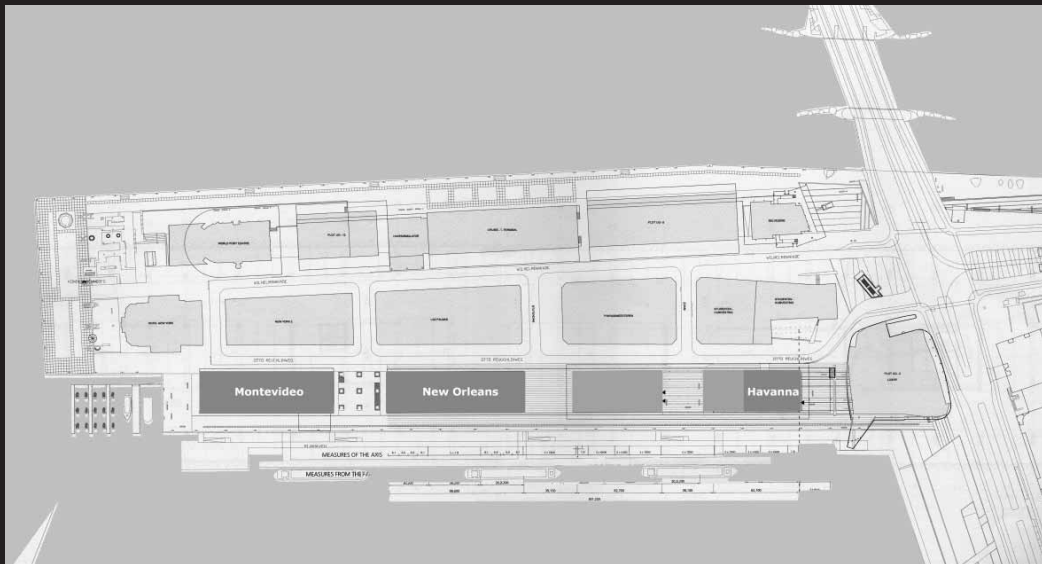




Amsterdam. Shell-terrein (Alvaro Siza)

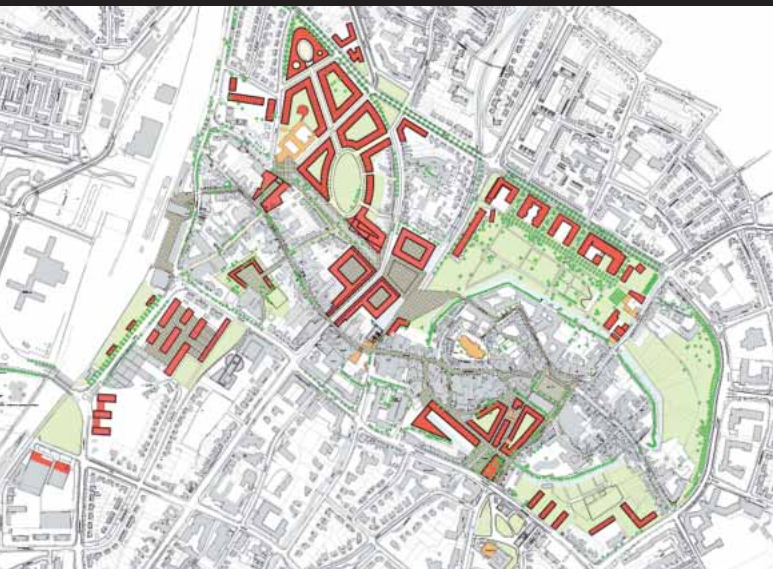


Arnhem. Rijnboog (Manuel de Sola Morales)



Rotterdam. Wilhelminapier (Mecanoo, Alvaro Siza, Cruz y Ortiz)

Sittard. Zitterd Revisited (Jo Coenen & Co)



Zandvoort. Middenboulevard (AWG Architecten)



Amsterdam, Shell site There is an area development of an urban environment with residential, work, commercial and cultural facilities on the former Shell site on the IJ opposite Centraal Station. Vesteda will build about 350 residential properties in this development. The development is currently at an initial stage and Alvaro Siza is designing some 120 residential properties for Vesteda.

Arnhem The Rijnboog district is on the town side of the river between the two bridges and the historic town centre. A large-scale development is being prepared to a concept by architect and town planner Manuel de Sola Morales that was approved in 2004 to restore the link between the town centre and river. A new element is a marina at the centre of the new district. Several partners and the municipality are co-operating on getting all the functions, including high quality urban homes, built.

Rotterdam The details of the public areas on the Wilhelminapier, part of the Kop van Zuid, are being developed with the municipality and the other private parties operating on the pier. Bolles en Wilson have been engaged to make a design for this area. The New Orleans and Havana buildings are at the development stage.

Sittard Vesteda is a partner with other private parties in the development of *Zitterd Revisited*. Architect Jo Coenen is designer and supervisor of the development. The initial subplans within this master-plan have been developed into a provisional design. For Vesteda, this is being done in co-operation with the architects firms Souto de Moura of Portugal and Cruz y Ortiz of Spain.

Zandvoort There was work in 2004 on the Middenboulevard Functional Zoning Plan (RFPM in Dutch) along with the municipality of Zandvoort. AWG of Antwerp is the urban planner for the development. The RFPM was discussed and a number of additional questions raised at the end of 2004.

Staff and organisation

Vesteda Project bv is a specialised organisation that puts high demands on its employees. Buyers, developers and project leaders have to be entrepreneurs and speak the language of municipalities, architects/town planners and investors.

Two people joined Vesteda Project bv in 2004, bringing the overall workforce at the end of the year to 22. Some recruitment procedures have not yet been completed as a result of shortages on the labour market.

Vesteda Project bv operates from its Randstad office in Amsterdam, where six people are based, as well as from the head office of Vesteda Group in Maastricht. The workforce at the Randstad office will be increased further, in line with the growing production targets to be achieved in the conurbation.

Vesteda Project bv uses the services of Vesteda Group for market research, income analysis, product development, communication, control, administration, personnel and legal and tax affairs.

Project Detroit

The development on the Oostelijke Handelskade in Amsterdam, where Vesteda Project bv's Randstad office will be located in the course of 2005.



Result

Vesteda Project BV considerably exceeded its target for the financial year. The target investment level was achieved, but the pipeline was also substantially expanded. There are also a growing number of opportunities to fill the pipeline further.

The budgeted investment level was €200 million. The actual investment level was €206 million for 2004 and so the target for 2004 was achieved and the upward trend of the past five years continued.

Investment level

Acquisition and Project development*

(millions of euros, Investment level, incl. VAT)

	2004	2003	2002	2001	2000
Target	200	140	114		
Actual	206	153	117	95	70

* These figures relate to the activities of Vesteda Project BV. The figures before Vesteda Project BV's incorporation, 28 December 2001, refer to the Acquisitions and Project Development Department of Vesteda Management BV

468 residential properties were handed over to Vesteda Project BV in 2004.

Deliveries

The hard stock in projects under development, in preparation and under construction grew considerably in 2004. The table below shows the size of the pipeline at the end of 2004. Including soft stocks, projects in acquisition, the total pipeline is approaching 10,000 residential properties.

Pipeline

Pipeline

Year-end 2004, hard stocks, in units of residential properties

Projects under construction	1,800
Projects in preparation	1,000
Projects under development	3,000

Outlook

Vesteda Project bv's target is to add some 1,500 residential properties a year to the Vesteda Group portfolio from 2007. Given the inflow of new projects, Vesteda Project bv expects to achieve this target. The growth in investment level, as seen in recent years, will continue in the next few years. The target for 2005 is €230 million (incl. VAT).

The further expansion of the Acquisitions portfolio will continue to be an important task for the coming years, with participation in area developments and the autonomous acquisition of positions for in-house project development activities having priority. As sales of mid-segment and expensive owner-occupied properties are falling, Vesteda Project bv expects more opportunities in projects developed for sale, which are converted into rental property after being bought by Vesteda Project bv. Given the completion time, the working stock in progress will be raised to over 10,000 residential properties. The current hard stock of 6,000 residential properties will have to grow to 10,000 over the next few years, even to 15,000 including the soft stocks, to achieve an annual addition to the portfolio of 1,500 residential properties.

More projects will be started which incorporate residential concepts already developed, in order to meet current and future tenants' requirements in the higher-rent segment. Examples are the flexible concept already in place in a number of projects, homes with office space, the application of domotics, and care provision already incorporated in various projects. Sauna and fitness centres, often with a swimming pool, will be incorporated in projects where the size, quality and location can justify them.

Vesteda Project bv has rapidly become a significant player in the development and construction of residential properties, specialising in the mid-segment and higher-rent segment and in town-centre area developments. The coming years will see further expansion of this position.

Maastricht, 4 February 2005,

Managing Board of Vesteda Project bv
Vesteda Groep bv
H.C.F. Smeets, *chairman*
F.H. van der Togt
O. Breur

Partner
in area
developments

Focus on towns

Vesteda focuses on one and two-person households, where the added value of living in luxurious, comfortable rental homes is greatest. As well as young dual-income couples, the main and largest group is the over 50s who (once again) make up two-person households. There will be great demand in the higher-rent sector from the 'grey wave' in future decades. They particularly want to live in large and medium-sized towns, close to shops and cultural facilities, with urban leisure opportunities, with the comfort and quality of a modern home. The expansion areas in the countryside around towns, where housing can still be built, do not meet these criteria. This means areas have to be found for redevelopment in town. Such sites are available in many towns. Former factory sites, schools, offices, and residential districts are possibilities. To respond best to market demand and have adequate influence on the quality of product to be built and the surroundings, Vesteda wants to be involved at the start of the development project, as a partner of the municipality.

Added value

Vesteda Project bv is the partner in area developments on behalf of Vesteda Group. Town-planning proposals aimed at sustainability, urban quality and high-quality architecture are jointly developed and evaluated. Vesteda's project developers, concept developers and market researchers have ample know-how for this.

The public spaces, infrastructure and location with respect to the town centre and (cultural) facilities also determine the quality of life and value creation in the portfolio. Residents' wishes are specifically incorporated in the design. This information is available from Vesteda's ongoing tenants' satisfaction survey.

Vesteda Project bv is prepared to invest in the preliminary stages of the plan development even buying existing buildings for redevelopment or demolition. Projects under development are built without advance letting criteria. Good commercial or cultural base facilities that add value to the building and area have a high priority and here too there is willingness to invest. The end-result is a residential environment with enduring appeal.

Product differentiation within the projects to be developed also offers added value for the area. As well as differentiation in size and price, examples are short-stay apartments and apartments with office space. Additions such as a service centre for the commercial space and swimming pool, sauna and fitness centre are, of course, part of this, enriching the quality of life.

Public and private interest

Municipalities have an interest in higher and medium earners remaining in town, creating a basis for urban facilities, so that the town can play a role for its own residents and the region. The medium and higher-rent residential product is a vital element of this. There is a growing demand for rental homes, in particular from groups who want to live in town. Co-operation with private parties in redeveloping areas ensures support and a phased approach to attainment. Different municipalities' experience shows that Vesteda's specific knowledge of tenants and their wishes can contribute to the municipal policy frameworks.

Long-term involvement

As an investor, Vesteda Group opts for long-term involvement with an area and its residents. This is the main difference from developers who operate on a different time horizon. As Vesteda Group has chosen a strategy in the higher-rent sector, where a certain degree of customer satisfaction is an absolute precondition, it makes major studies of what determines tenants' contentment. These show that the surroundings determine about 70% of residential satisfaction. The recently published results of the vROM survey* show unequivocally that the immediate surroundings, with matters such as the physical environment, neighbourhood safety and the social environment are high on the agenda of people in the Netherlands. It is, therefore, not surprising that Vesteda Group wants influence over the surroundings when investing in projects. Early involvement in the plan area makes it possible to influence various factors that positively affect satisfaction and value. **In short: area development is more than just building something on a plot of land.**

* vROM, Nationale vROM-enquete, initial results, 14 January 2005

Zandvoort

area development: Middenboulevard

surface: 12 ha.

urban designer: AWG Architecten

buildings to be constructed: approximately 500 to 600
dwellings, tourism orientated, cafes, restaurants, hotels

Vesteda dwellings: approximately 200 to 300











Zandvoort, 1936



Zandvoort, 1952

◀ Model of urban plan Middenboulevard



New situation: dune, cross-section

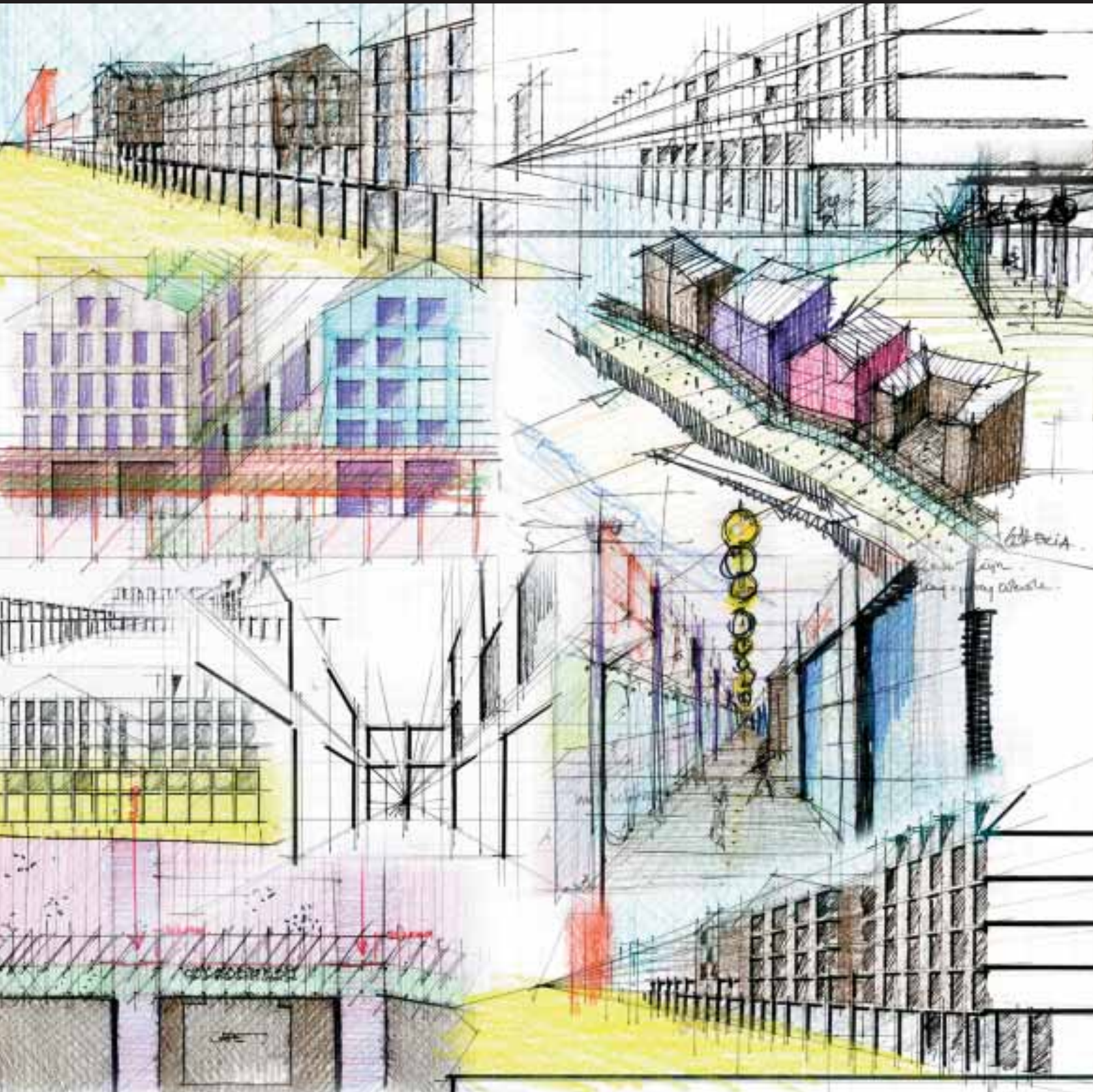


Sketch urban plan Middenboulevard



Middenboulevard, cluster of buildings

Impression new situation





Reference quality of public space



Zandvoort aan Zee

Arnhem

area development: Rijnboog

urban designer: Solá de Moralès in corporation with
Urhahn Urban Design

buildings to be constructed: approximately 1200
dwellings, offices, services, hotels, restaurants, cafes,
leisure

Vesteda dwellings: to be announced









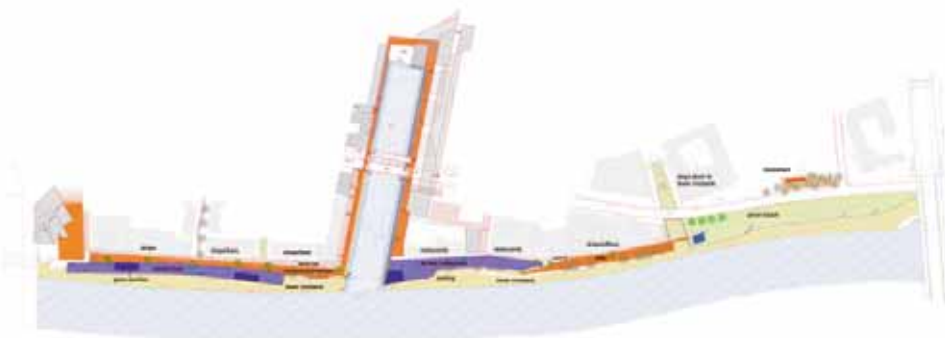
Arnhem, 1936



Arnhem, 1945. War damage



Public space



From city towards water and from water towards city. Renewal of waterfront



Relationship between river bank and streets



Model

Plan area



Weerdjesstraat, current situation



Weerdjesstraat, impression showing how street can change by zoning

Sittard

area development: Zitterd Revisited (fase 1)

surface: 11 ha.

urban designer: Jo Coenen & Co

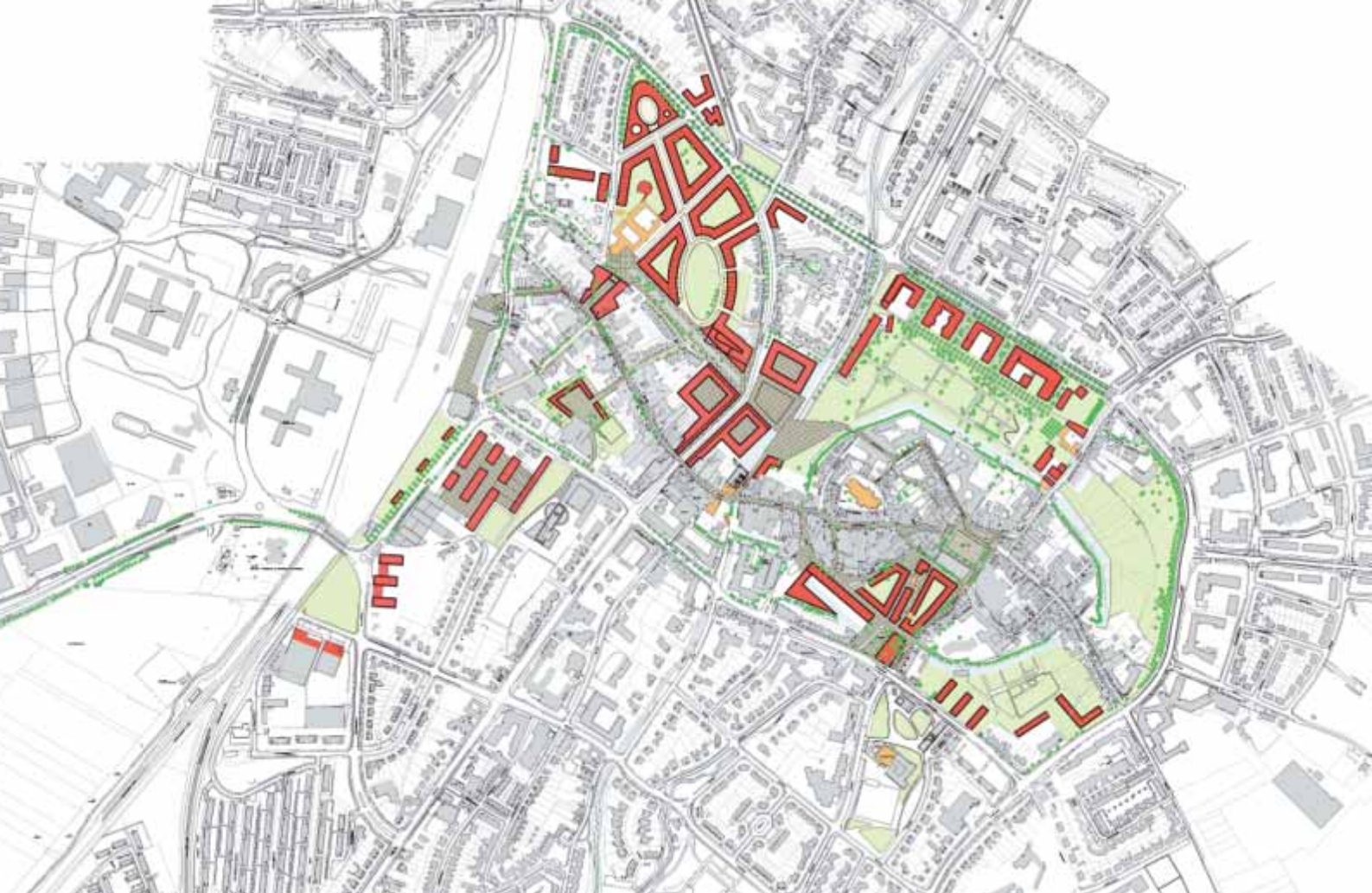
buildings to be constructed: approximately 450 dwellings

Vesteda dwellings: approximately 100









Urban design



Urban designer Jo Coenen and architects with model



Paardenstraat. Six building variants





Impression urban development



3D-visualisation



Rotterdam

area development: Wilhelminapier

surface: 12 ha.

urban designer: Riek Bakker

buildings to be constructed: approximately 630
dwellings, culture, offices and medical facilities

Vesteda dwellings: approximately 310 to 400





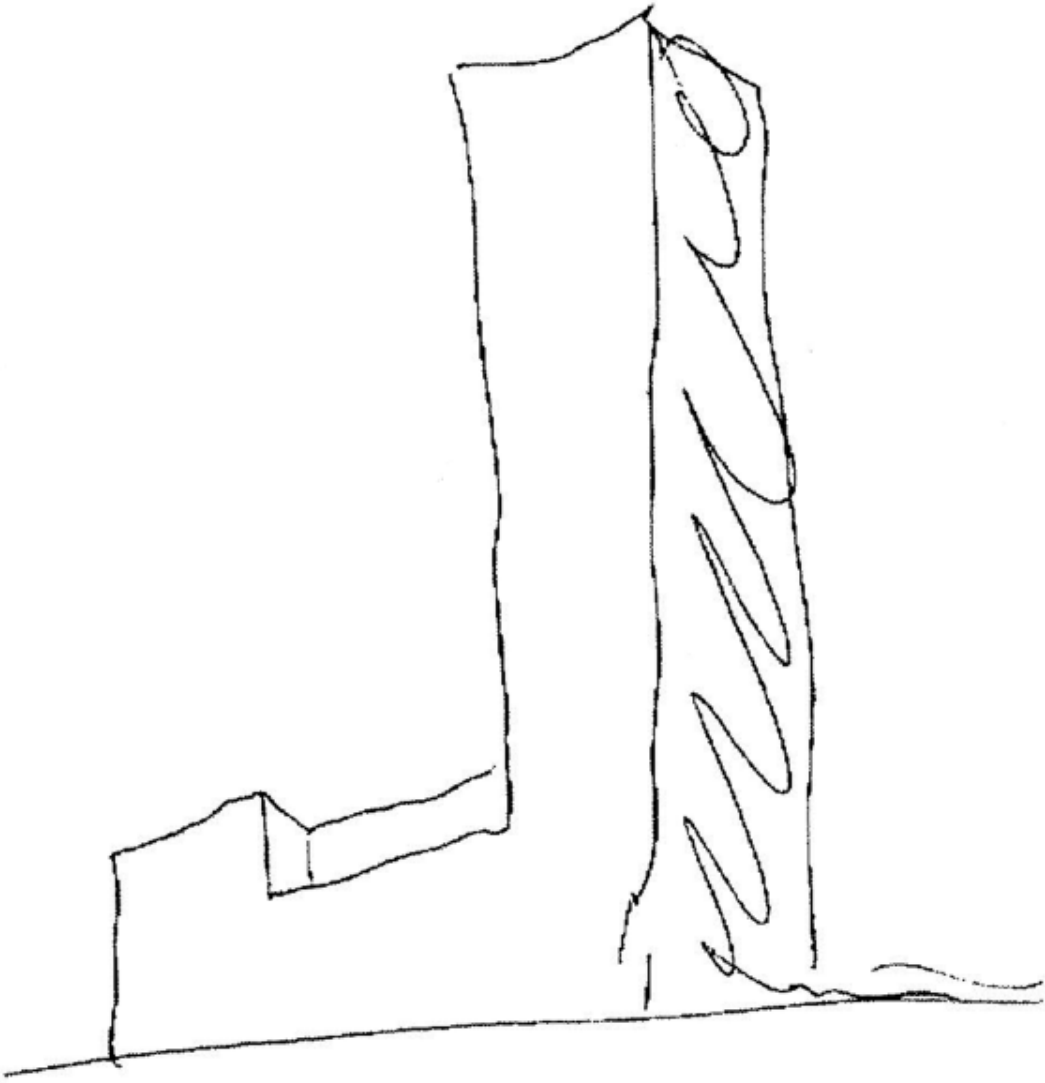




Impressie of Montevideo, behind Hotel New York and next to Newport Center



View from show apartment



New Orleans. One of the first drawings of architect Siza



Wilhelminapier, south



New Orleans, impression of cultural function

Maastricht

area development: Céramique

surface: 24 ha.

urban designer: Jo Coenen & Co

buildings constructed: dwellings, offices, stores, culture,
hotels, restaurants and cafes

Vesteda dwellings: approximately 700





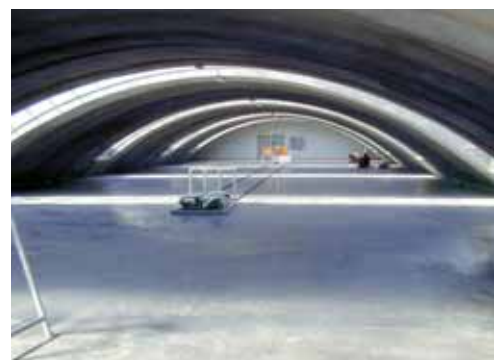




The Céramique district, connected to the city by the new pedestrian bridge



Wiebengahal, next to Bonnefantenmuseum



Wiebengahal, first concrete shell roof in the Netherlands



Stoa, view of Charles Eyckpark, next to Maas river





Public space. Plein 1992, at north side of the Céramique district. Left: Centre Céramique



Hoge Brug, pedestrian bridge between the Céramique district and the historical city centre





Cortile. Public garden above parking level

Colophon

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