

# Addendum to the “Recommendations for annual reporting, IVBN, January 2005”

The provisions in this addendum must be applied to the 2007 reporting year onwards. The IVBN would appreciate the points stated being also applied to the 2006 reporting year.

## Additions:

### **a.10 shared ownership**

In cases where ownership within a centre / complex is shared, we recommend specifying the total m2 of the centre / complex in addition to the amount of m2 owned. We also suggest placing a symbol, for example a "\*" to denote that the property is part of a larger entity.

### **Segmentation**

If a sector within a country forms more than 10% of the total, measured according to invoiced rents, then a more detailed segmentation for this sector must be given. We recommend the following breakdown for the segmentation in the individual portfolios. At least ONE segmentation should be chosen that is considered the most useful to the users of the annual reports, the following segmentation criteria are preferred:

#### Housing:

- type (single-family / multiple occupancy )
- rent price range
- exploitation / disposition
- age

#### Offices:

- geographic (a region must be precisely defined)
- type of location
- age

#### Shops:

- type of location (hierarchy; A, B, C classification)
- retail split (shopping centre, high street shop, etc.)

#### Industrial objects:

- types (industrial versus logistics objects)

#### Other sectors: choose useful segmentation

Within this breakdown into segments, the (minimum) requirements are “**book value**”, “**gross return on investment**” (in other words *theoretical rent / end of year book value* and not the return on investment according to the Real Estate Council of the Netherlands - ROZ and Property and Investment Projects - VGI) and the “**end of year occupancy rate**”.

### **Valuation exploitation portfolio**

An indication must be given as to which part of the portfolio has been valued externally, and which part internally.

### **Pipeline portfolio**

For the pipeline portfolio, a distinction can be made between the part of the pipeline that is disclosed on the balance sheet and the part that is not disclosed. For the recommendations, the object details (a.) and letting situation (b.) for the whole pipeline are relevant (including the part that is not disclosed on the balance sheet). For investment property (d.) only the pipeline disclosed on the balance sheet is relevant. The exception here being the estimated value of the pipeline (d.7); where the total value of the pipeline is relevant, whether or not it is shown on the balance sheet.

If the pipeline also contains an unspecified category for the remainder (a sub-portfolio “other”), then this value should be expressed as an estimated all-in development cost of the objects concerned.

## Clarifications / adjustments:

Chapter 1. Introduction:	The figures must match those shown in the annual accounts.
a.1 (sector)	The sectors must be expressed in <u>book value</u> .
a.2 (segmentation)	From the 2006 reporting year onwards the pipeline portfolio no longer has to be shown per segment.
a.5 (geographic spread)	From the 2006 reporting year onwards the geographic spread no longer has to be given for individual objects.
b.2 (rate of tenant turnover – housing)	The explanatory notes in these recommendations no longer apply, from the 2006 reporting year onwards.
b.3 (Contract expiry - commercial property )	As from the 2006 reporting year, the definition in these recommendations is: % of the theoretical gross rental income from expiring contracts / total gross rental income.
b.9 (Classification - commercial property)	This refers to the classification of the lessee for the various sub-portfolios.
e. (property investment return)	For countries for which no IPD property investment return is known, a widely accepted definition should be used.
e.1 (Direct + indirect = total ROI)	From the 2006 reporting year will become: Direct, indirect, total ROI.
e.2 (Direct + indirect = total ROI standing)	From the 2006 reporting year will become 2006: Direct, indirect, total ROI standing.