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Acquisition of Student Accommodation Property in Illinois, USA

1 November 2021

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Expanding Footprint in Student Accommodation with 4th Investment

New high-rise property in Illinois, USA

Seven07

Location	707 South Fourth Street, Champaign, Illinois, USA
Purchase consideration¹	US\$83.25 million (S\$112.4 million)
Land tenure	Freehold
Net rentable area	202,162 square feet (sq ft)
Building height / units / beds	15-storey student accommodation with 218 units / 548 beds
Key educational institution	University of Illinois Urbana-Champaign (UIUC)
EBITDA² yield	Entry EBITDA yield of c.4.5%; EBITDA yield expected to rise to c.4.8% on strong rental growth for Academic Year (AY) 2022
DPS³ accretion	c.1.2%
Completion of transaction	Mid-November 2021

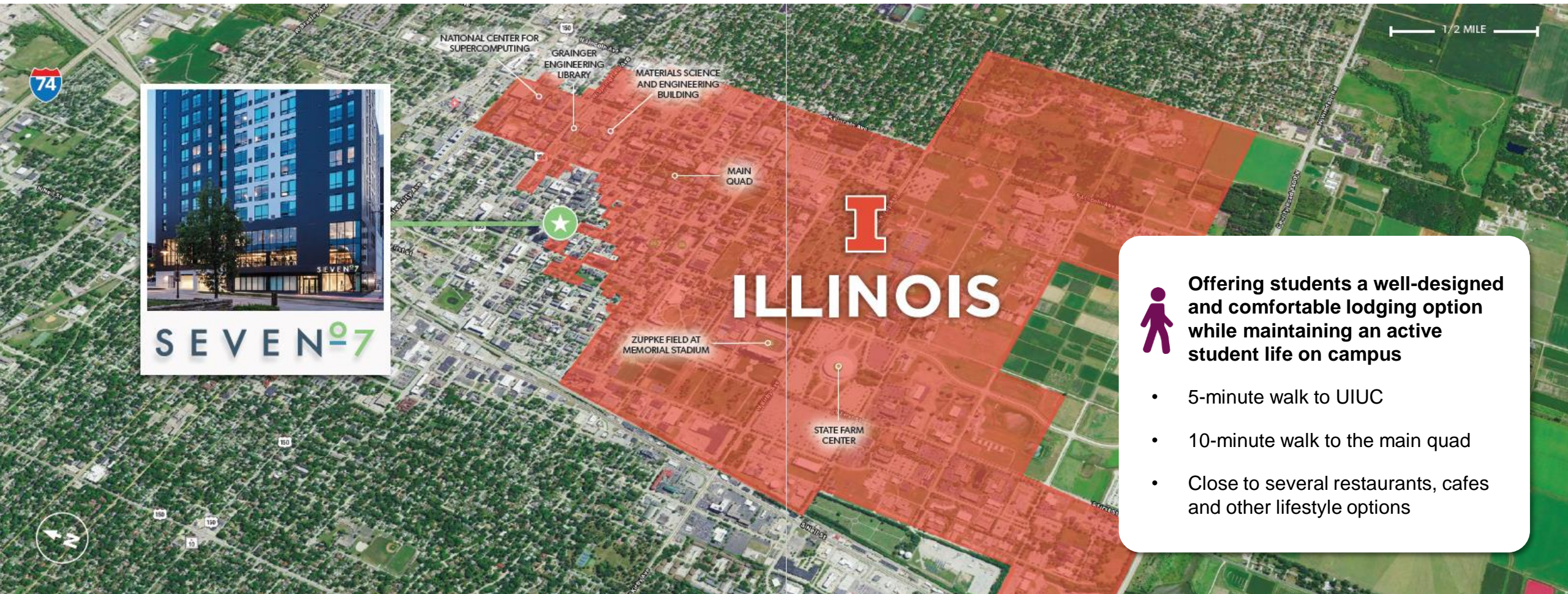
Notes: Based on exchange rate of US\$1 = S\$1.35

1. The purchase consideration, arrived at on a willing-buyer and willing-seller basis, is based on the agreed value of the property and the independent valuation dated 29 October 2021 by Colliers International Valuation and Advisory Services LLC of US\$86.4 million (equivalent to approximately S\$116.6 million)
2. Earnings before interest, tax, depreciation and amortisation
3. Based on FY 2020 pro forma Distribution per Stapled Security. The pro forma is based on the audited financial statements of ART for the financial year ended 31 December 2020, assuming that (1) the acquisition was completed on 1 January 2020 and ART held and operated the property through to 31 December 2020 and (2) the acquisition will be funded approximately 45% by debt and 55% by equity



Student Accommodation with Superior Location

Pedestrian to University of Illinois Urbana-Champaign at less than 200 metres from campus



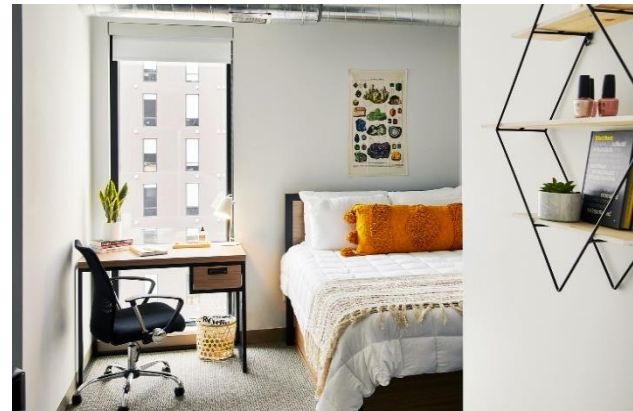
Offering students a well-designed and comfortable lodging option while maintaining an active student life on campus

- 5-minute walk to UIUC
- 10-minute walk to the main quad
- Close to several restaurants, cafes and other lifestyle options

Modern, Fully-furnished Apartments

100% occupied for AY 2021; strong pre-leasing momentum for AY 2022

Year of opening	2019
Occupancy rate	100% occupied for AY 2021
Ave. length of stay	c.1 year
Pre-leasing for AY 2022	Currently c.50% pre-leased with strong rental growth of c.8% over AY 2021
Unit mix	<p>Studio: 33 / (422 - 539 sq ft) 1-Bedroom: 32 / (492 sq ft) 2-Bedroom: 64 / (696 - 887 sq ft) 3-Bedroom: 1 / (1,148 sq ft) 4-Bedroom: 88 / (1,229 - 1,447 sq ft)</p> <p>92% of bedrooms come with ensuite bathrooms</p>
Property operator	To be managed by an unrelated third-party operator



Best-in-class, Student-focused Amenities

Commands a premium and compares favourably against student accommodation in the area



Common Area Amenities

- Outdoor amenities deck with pool
- State-of-the-art fitness centre
- Outdoor lounge with grill stations
- Indoor basketball court
- Spa with tanning services and sauna
- Study rooms
- Club room
- Bike storage
- Lounge café
- Covered parking lots and garages

About University of Illinois Urbana-Champaign

One of the top public schools in the USA with “Public Ivy” status

“Public Ivy”, flagship university of Illinois

“Public Ivy” refers to public schools with a reputation for academic excellence which provide a college experience similar to an Ivy League school

UIUC is consistently ranked as one of the top schools in the USA for its accounting, computer science and undergraduate engineering programmes¹

Elite college athletics status

UIUC participates in the Big Ten Conference, one of the five “Power 5” athletics conferences in the US National Collegiate Athletics Association (NCAA). It also has 19 NCAA Division I teams.

Large, growing student population²

c.56,000³

undergraduate and graduate students

2.0%

10-year enrolment CAGR (vs national average of 1.0%)

2.0%

growth in enrolment in AY 2020 despite Covid-19

87%

of student population from USA

Notes:

1. 2021 U.S. News & World Report
2. Data based on AY 2020 unless otherwise stated
3. Based on AY 2021

Photo credits: UIUC and Forbes



Focused Strategy & Strong Execution

Enhancing returns with accretive acquisition, augmenting income stability of portfolio

✓ Successfully deploying funds from private placement in Sep 2021 into yield-accretive acquisition

- Funding structure of approximately 45% debt, 55% equity
- Equity portion funded by c.43% of proceeds from private placement; c.38% was used to acquire Wildwood Lubbock in Sep 2021
- Post-acquisition gearing of 35.8%¹

✓ Stabilised, 100% occupied asset that will contribute immediately to ART's earnings

✓ In line with ART's investment criteria

- Serves university with strong academic reputation and elite college athletics status
- Serves university with large, growing student population
- Favourable demand-supply dynamics as there is minimal new private student accommodation supply in the vicinity of Seven07 in the medium term

Note:

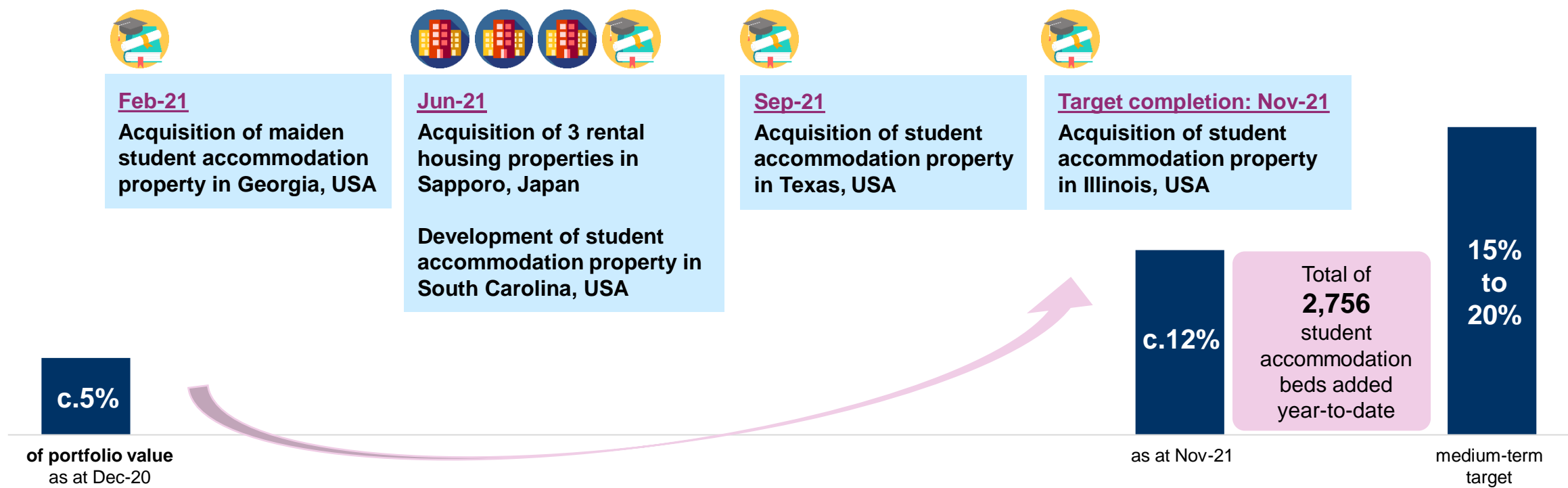
1. Based on the unaudited financial statements of ART as at 30 September 2021 and assuming that the acquisition was completed on 30 September 2021



Expanding Longer-stay Asset Allocation and Successfully Replacing Distributable Income of Divested Assets at Higher Yields

Divesting at average exit yield of c.2% and investing at average EBITDA yield of c.5%¹

c.S\$501 mil² in assets divested in FY 2020 and year-to-date
c.S\$491 mil³ in total investment in rental housing and student accommodation year-to-date



Notes:
 1. For the student accommodation development in South Carolina, USA, the EBITDA yield is a target yield on a stabilised basis
 2. Excludes the divestment of partial gross floor area of Somerset Liang Court Singapore; the property is currently undergoing redevelopment
 3. Refers to the total purchase consideration for Paloma West Midtown, Wildwood Lubbock, Seven07 and the 3 rental housing properties in Japan, as well as ART's investment in the student accommodation development in South Carolina, USA (comprising ART's investment in the initial 45% stake, estimated cost of the additional 5% stake which ART will acquire at fair market valuation, and other deal-related expenses)

Thank You




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