



## CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

19 DECEMBER 2024

### CDL HOSPITALITY TRUSTS MAKES ITS FIRST FORAY INTO THE PURPOSE-BUILT STUDENT ACCOMMODATION (“PBSA”) SECTOR IN LIVERPOOL, UK

- First investment into the PBSA asset class and expansion of the UK footprint to Liverpool
- Best-in-Class PBSA in heart of a university city with a full-time student population of over 55,000
- Acquisition supports portfolio’s stable long-term growth and income resilience due to different demand drivers from hospitality
- Acquisition is expected to be accretive on a pro forma basis



**Benson Yard, Liverpool, UK**

**Singapore, 19 December 2024** – CDL Hospitality Trusts<sup>1</sup> (“CDLHT”) is pleased to announce that its indirect wholly-owned subsidiaries, CDL HREIT Investments (IV) Property Limited and CDL HBT Investments (IV) Property Limited, have entered into an asset purchase agreement and completed the acquisition of freehold land comprising an operational PBSA asset (“**Benson Yard**”) and a vacant land site adjacent to Benson Yard (collectively known as the “**Property**”, and the acquisition of the Property, the “**Acquisition**”) from NR Crux Ltd and NR Lyra Ltd (collectively, the “**Vendor**”) at a purchase price of £37.3 million (approximately S\$63.9 million)<sup>2</sup>.

#### ABOUT THE NEW PROPERTY

The freehold Property is situated in a prime central location within the Liverpool city centre and is in close proximity to many higher education institutions, major transport nodes with local, regional and national connections and a wide range of amenities, such as diverse entertainment, retail and dining options.

<sup>1</sup> A stapled group comprising CDL Hospitality Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust, and CDL Hospitality Business Trust (“**HBT**”), a business trust.

<sup>2</sup> Unless otherwise stated in this press release, all conversions between £ and S\$ are based on an assumed exchange rate of £1.00 = S\$1.7128.



## CDL HOSPITALITY TRUSTS

Benson Yard was recently opened in February 2023 and offers 404 beds, comprising 47 studios and 357 ensembles in 5-bed, 7-bed and 8-bed clusters. It will continue to be managed by the existing operator, Fresh Property Group Limited (“**Fresh**”), after the Acquisition. Fresh is a reputable third party manager of residential-for-rent assets (mainly PBSAs) with 14 years of experience. Their portfolio consists of circa 19,000 units managed across 58 operational properties in the UK and Ireland.

The vacant freehold land, adjacent to Benson Yard, has planning consent for a 144-key hotel. Feasibility studies will need to be conducted to determine the best use of the land. Options include development of another PBSA block (subject to planning consent) in lieu of the hotel, which could serve to complement the existing Benson Yard.

The estimated total cost of the Acquisition is approximately £40.6 million (the “**Total Acquisition Cost**”), which comprises the purchase consideration of £37.3 million and estimated transaction costs (stamp duty, Managers’ fees, professional fees and other expenses) related to the Acquisition that amount to around £3.3 million. The Acquisition will be funded through debt financing. Post-acquisition, CDLHT’s pro forma gearing as of 30 September 2024 will increase from 38.8% to 40.2%.

Knight Frank LLP, the independent valuer, has valued the Property at £39.4 million as at 29 November 2024. The purchase price is 5.4% below the valuation.

### **RATIONALE AND INVESTMENT HIGHLIGHTS**

Following the revised principal investment strategy in 2021 to diversify into adjacent living assets, this is CDLHT’s second investment into the living asset class and maiden investment into the PBSA sector. Benson Yard will contribute to a more diversified and balanced income profile, aligning with CDLHT’s broader strategic objectives for stable long-term growth and income resilience.

UK PBSAs stand to benefit from the country’s favourable demographical trends. UK’s 18-year-old population is projected to reach nearly 900,000 by 2030, growing from close to 700,000 in 2020<sup>3</sup>. Education participation rate is also expected to be driven in tandem, with a million undergraduate applicants forecasted by 2030<sup>3</sup>, double that of 2006, and 33% more than 2024<sup>4</sup>.

The Acquisition will lend diversification benefits to the portfolio, as PBSAs operate on different demand drivers compared to traditional hospitality assets. A typical student lease term is for 44 or 51 weeks, therefore income stability for the portfolio will be enhanced through longer duration rental income.

Benson Yard was newly opened in February 2023 and stands out from the competition as a best-in-class PBSA. Around 80% of Liverpool’s PBSA beds opened before 2019<sup>5</sup>, hence being a new building puts Benson Yard in a competitively advantageous position compared to older PBSA buildings. Further, Benson Yard offers very generous amenity provision at 2.7 sqm per bed. It houses top-notch amenities and thoughtfully designed spaces, with dedicated areas for gaming and lounging, as well as private and group study areas. Students also have access to a 58-sqm multi-purpose room that serves as a yoga/dance studio and cinema, an 87-sqm gym, a sheltered outdoor courtyard for relaxation and a sky lounge with expansive views of the city.

Benson Yard’s location offers prime city centre living experience for students. It is within a 11- and 7-minute walk to the two main universities in Liverpool - University of Liverpool and Liverpool John Moores University respectively. It is also near the city’s main rail terminals, namely Liverpool Lime Street and Liverpool Central, and is a 4-minute walk to Bold Street, renowned for its eclectic mix of independent

<sup>3</sup> Source: Universities and Colleges Admissions Service (UCAS), “What is the journey to a million?”, (<<https://www.ucas.com/about-us/journey-million/what-journey-million>> last accessed 18 December 2024)

<sup>4</sup> Source: UCAS, Undergraduate End of Cycle Data Resources 2024, (<<https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/ucas-undergraduate-end-cycle-data-resources-2024>> last accessed 18 December 2024)

<sup>5</sup> Source: Knight Frank Valuation Report dated 18 December 2024



## CDL HOSPITALITY TRUSTS

shops, restaurants, cafes, and boutiques. Benson Yard is also a 30-minute bus ride to Anfield Stadium, the home stadium of Liverpool Football Club. The asset's location, being extremely attractive to students, alongside its market leading amenity space provision, will support the asset's defensiveness and occupancy.

The Liverpool PBSA market is home to well-regarded higher education institutions, with a deep market of over 55,000 full-time students. The student population at its five higher education institutions had a compound annual growth rate of 2.3%<sup>6</sup> from Academic Year ("AY") 16/17 to AY 22/23. In particular, the city's top university, University of Liverpool, a member of the Russell Group<sup>7</sup> and a key source of Benson Yard's tenants, continues to see strong interest and received over 43,000 admission applications in 2023<sup>8</sup>. The Liverpool PBSA market rents are relatively affordable compared to other Russell Group markets, ensuring appeal across local and international student demographics and headroom for continued rental growth.

Based on the Total Acquisition Cost of £40.6 million (approximately S\$69.5 million), the Acquisition is expected, on a pro forma basis, to achieve a DPS accretion of 1.3%<sup>9</sup>. Based on AY 24/25 rents for the signed leases which has not included any additional leases to be signed and summer income during the rest of this academic year, the pro forma net property income yield is approximately 5.6%. As Benson Yard has not fully stabilised, there is upside potential in future academic years as it solidifies its reputation and garners more brand awareness.

Mr Vincent Yeo, CEO of the Managers, commented on the Acquisition, "For our first venture into the PBSA space, we are pleased to be able to secure a high-quality, brand new asset in an excellent location. The Benson Yard acquisition is the perpetuation of our revised principal investment strategy to invest into longer stay living assets so as to support long-term growth through diversification and enhanced income resilience.

The Acquisition also marks our maiden entry into Liverpool. The PBSA market in Liverpool is supported by key drivers – a growing student population, its status as a Russell Group university city and a vibrant football culture. Along with Benson Yard's exceptional location and facilities, the asset is underpinned by strong fundamentals.

Importantly, we were able to secure this Acquisition from administrators at a meaningful discount relative to current replacement cost and independent valuation, positioning the asset for capital appreciation in the future, amid elevated institutional investment interest."

– ENDS –

<sup>6</sup> Source: Higher Education Statistics Agency (HESA)

<sup>7</sup> An elite group of 24 world-class, research-intensive UK universities. They are characterised by their excellent research, outstanding teaching and learning experience and unrivalled links with local and national business and the public sector.

<sup>8</sup> Source: UCAS Undergraduate End of Cycle Data Resources 2023, (<<https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/ucas-undergraduate-end-cycle-data-resources-2023>> last accessed 18 December 2024)

<sup>9</sup> Based on Benson Yard's net property income of £2.1 million (S\$3.6 million). This calculation uses revenue derived from the actual leases signed for AY 24/25 as at 10 December 2024 (which has not included summer income and any additional leases to be signed for the rest of this academic year). Operating expenses are based on adjusted historical operating expenses in AY 23/24, inflated at 3.0%. Accretion is computed over the base portfolio distribution per Stapled Security ("DPS") of CDLHT for 1H2024 annualised.



## CDL HOSPITALITY TRUSTS

### For media and investor queries, please contact:

Mandy Koo  
Head, Investments & Investor Relations  
Tel: +65 6664 8887  
Email: [mandykoo@cdlht.com](mailto:mandykoo@cdlht.com)

Tan Jo Lynn  
AVP, Investor Relations  
Tel: +65 6664 8890  
Email: [tanjolynn@cdlht.com](mailto:tanjolynn@cdlht.com)

### About CDL Hospitality Trusts

CDL Hospitality Trusts (“**CDLHT**”) is one of Asia’s leading hospitality trusts with assets under management of about S\$3.3 billion as at 30 September 2024. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust, and CDL Hospitality Business Trust (“**HBT**”), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT’s principal investment strategy is to invest in a diversified portfolio of real estate which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally. As at the date of this announcement, CDLHT’s portfolio comprises 21 properties (total of 4,924 hotel rooms, 352 Build-to-Rent apartment units and a retail mall). The properties under the portfolio include:

- (i) six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Studio M Hotel and W Singapore – Sentosa Cove, as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) one hotel in New Zealand’s gateway city of Auckland, namely Grand Millennium Auckland;
- (iii) two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth;
- (iv) two hotels in Japan’s gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata;
- (v) two resorts in Maldives, comprising Angsana Velavaru and Raffles Maldives Meradhoo;
- (vi) four hotels and a residential Build-to-Rent property in the United Kingdom comprising Hotel Indigo Exeter in Exeter<sup>10</sup>; Hilton Cambridge City Centre in Cambridge; The Lowry Hotel, voco Manchester – City Centre, and The Castings in Manchester;
- (vii) one hotel in Germany’s gateway of Munich, namely Pullman Hotel Munich; and
- (viii) one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze – MGallery.

---

<sup>10</sup> Hotel Indigo Exeter was acquired on 6 November 2024.