



CAPITALAND LIMITED

Acquisition of Prime Freehold Arlington Business Park in UK
26 February 2020

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Transaction Overview



1

Acquisition of Arlington Business Park in Reading, UK for £129.3 million (\$\$226.9 million)

2

Quality Freehold Business Park Consisting 11 Grade A Office Buildings (367,000 sq ft NLA)

3

Deepens CapitaLand's Presence in Developed Markets

4

Expands CapitaLand's Real Estate Assets Under Management (RE AUM) in Europe to \$\$4.8 billion

Acquisition of Arlington Business Park in the UK



Property Factsheet

Location	Theale, Reading, RG7 4SA
Description	<p>11 Grade A freehold office buildings totaling about 367,000 sq ft NLA under single ownership</p> <p>Good onsite amenities including café, gymnasium and ample green spaces for placemaking and community activities</p>
Land Tenure	Freehold
Land Area	15 acres / 6 hectares
NLA	~ 367,000 sq ft
Car Park	> 1,600 lots providing a good car park ratio of 1:210 sq ft
Occupancy	77%
No of Tenants	> 25 with strong presence in Technology, Media and Telecommunication sector
Key Tenants	NTT Group, Amazon, Clearswift, Regus, Veritas, Willis Towers Watson and Honda
WALE	> 5 years
Agreed Property Value	£129.3 million (\$226.9 million)



Note: Based on exchange rate of £ 1 : S\$ 1.755

Well Connected to Key Transportation Nodes

30 min by Car to Heathrow Airport; 40 min by Train to London

Close Proximity to London and Airport

By Foot:

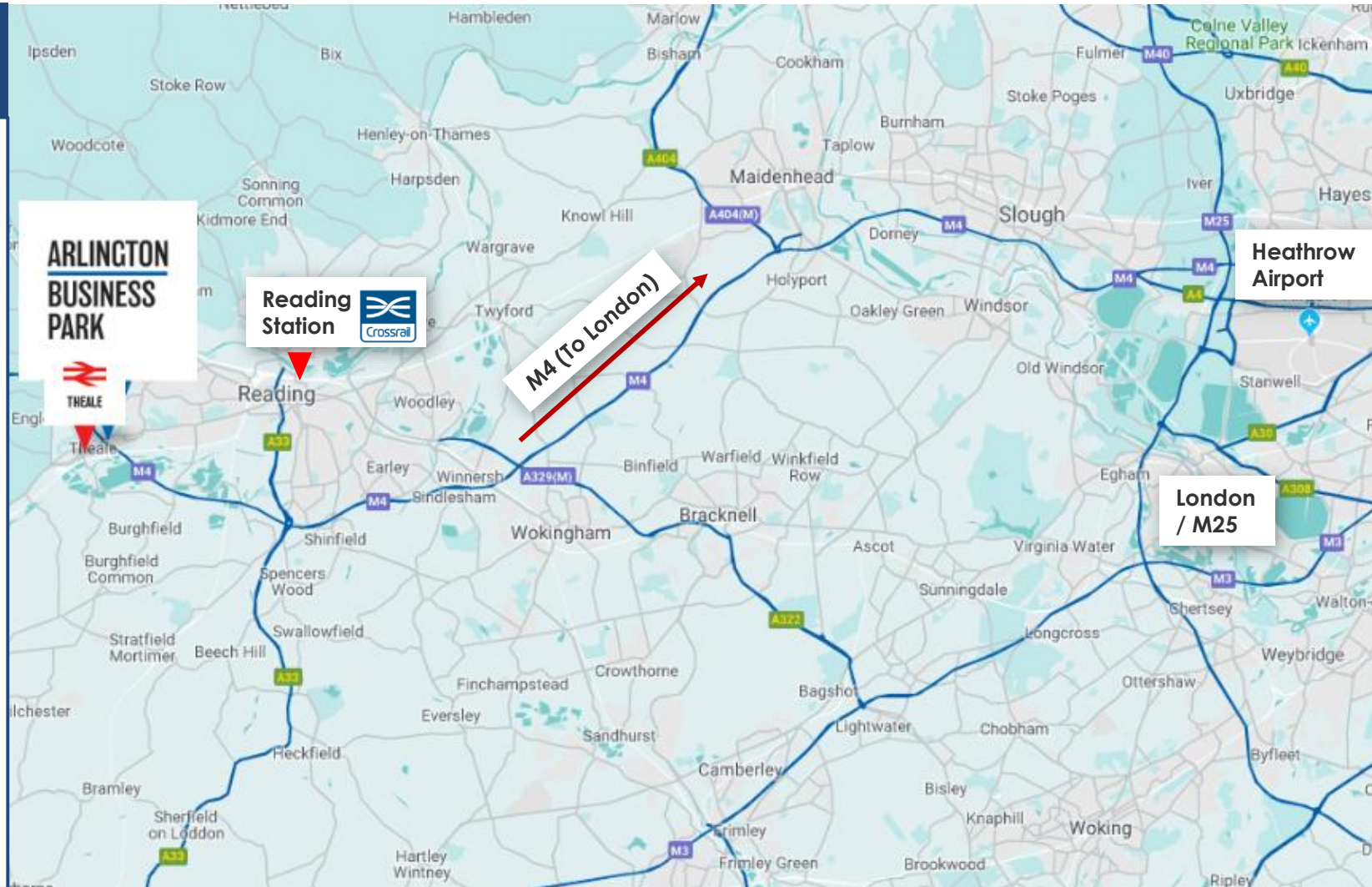
- 5-min walk to Theale Station

By Train From Theale Station:

- 8 min to Reading Station
- 40 min to London
- Travelling time to be reduced with opening of Crossrail train line in 2021

By Car:

- 30 min to Heathrow Airport via M4 motorway
- 60 min to Central London



Tenant-Friendly Amenities and Events

Arlington Business Park is more than just a place to work...



Connecting tenants through outstanding on-site **amenities** and extensive **community events**, centred around its unique lakeside setting

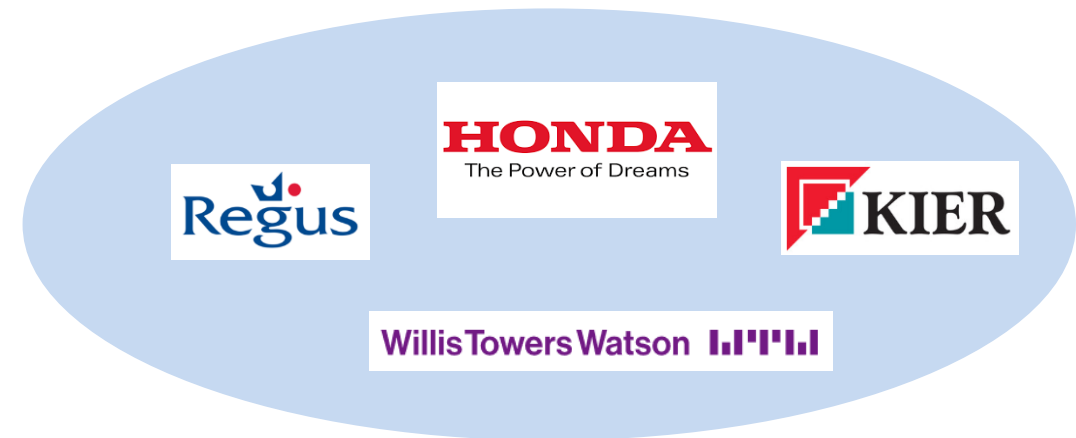
Predominantly Tenants from Technology, Media & Telecommunication (TMT)

Diversified tenant mix with majority of tenants from **Technology, Media & Telecommunication (TMT)** sector

TMT Tenants



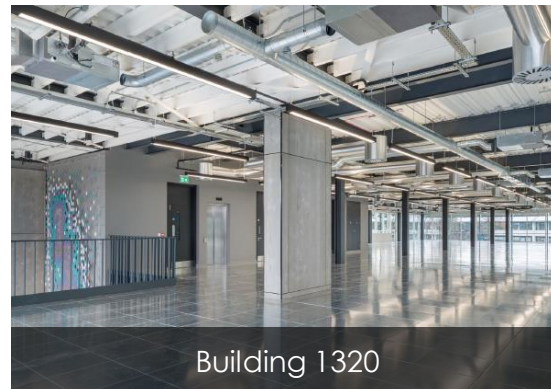
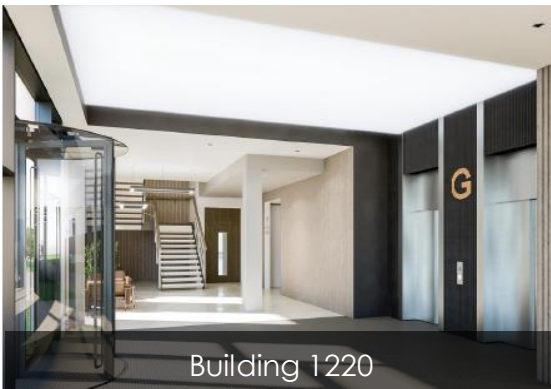
Other Diversified Tenants



Over 25 tenants with WALE > 5 years

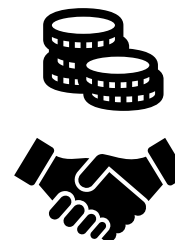
Rental Upside from Vacancies and Reversions

Majority of the current vacancies are in newly refurbished buildings



Opportune Timing With Improving Business Confidence in UK

The decisive December 2019 elections results and official Brexit in January 2020 have generated positive economic sentiments amongst UK businesses and consumers



Knight Frank Research estimates around £48.4 billion worth of capital targeting London commercial assets in 2020, 21% higher than in 2019

Source: Knight Frank

Lasalle Investment Management plans to spend £1 billion on UK property in 2020

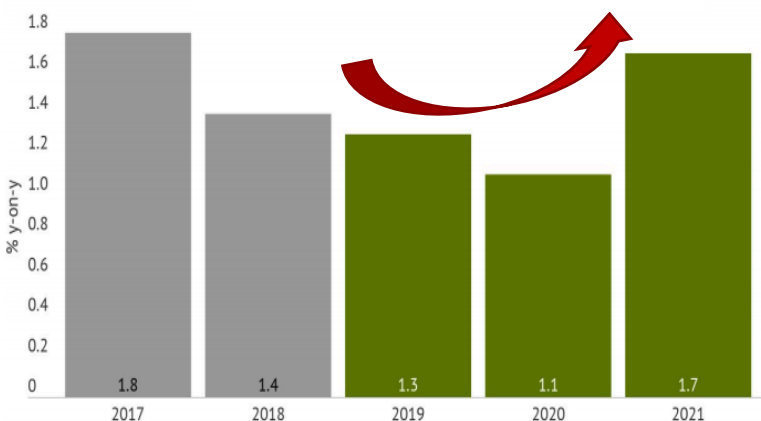
Source: Reuters

GDP growth forecasts have been revised upwards from 0.6% to 1.1% for 2020. Further recovery forecasted for 2021

Property stocks in UK have rallied 7.5% post elections

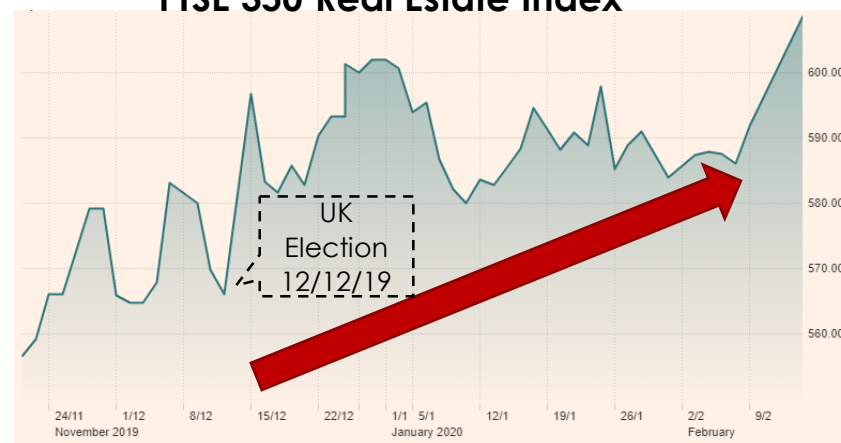
UK Composite PMI reached 53.3 in Jan 2020, the fastest pace of expansion in the private sector since Sep 2018

UK GDP Growth Forecast



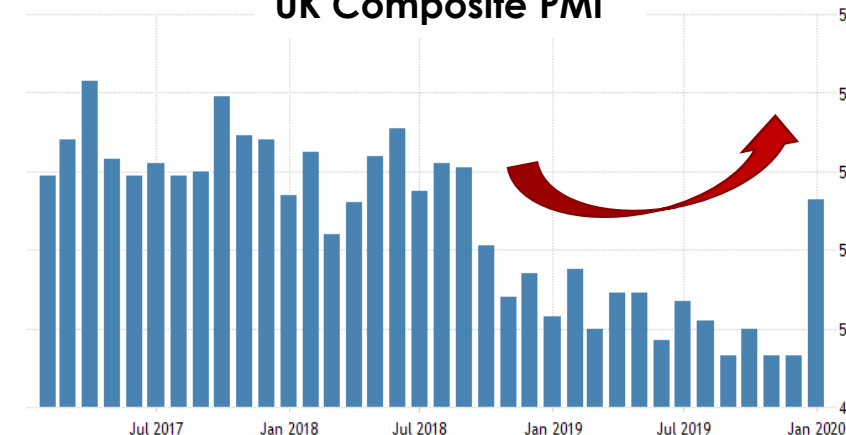
Source: BNPPRE Research

FTSE 350 Real Estate Index



Source: FT, data from 12 Dec 2019 to 14 Feb 2020

UK Composite PMI



Source: IHS Markit/CIPS, Trading Economics

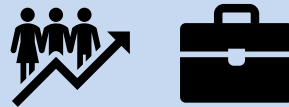
Located Within the Largest Office Centre in the South East



South East – A Growing Economic Powerhouse

South East – Largest Regional Economy in the UK outside London

- Forecast to grow in Gross Value Added (GVA) terms by 7.8% over the next 5 years – adding £26.2 billion to a total GVA of £291 billion by the end of 2023
- Expected to generate more than 105,000 jobs over the next 5 years, leading to increase in occupational demand
- South East economy mainly powered by 4 industries
 - Pharmaceutical and life sciences
 - Media
 - Computing and information services
 - Professional services



Source: Knight Frank Research

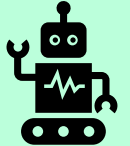
An Appealing Proposition for Tenants

- Proximity to London
- Excellent rail and road connectivity
- Significantly lower rental (£25-40 psf pa) compared to London (£70 psf pa in City, £110 psf pa in West End)
- Typically offer large floorplates and generous levels of parking and on-site amenities



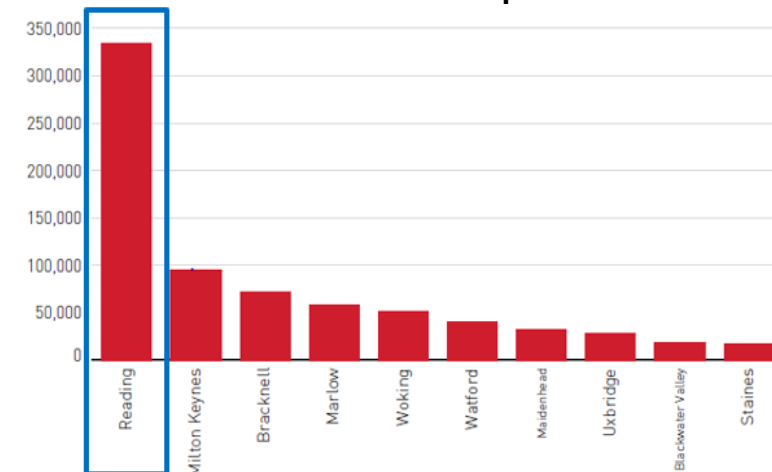
Reading – Highest Occupier Demand in the South East

- Drew the largest inward investment and accounted for 334,559 sq ft of occupier transactions in 2018 (represented 42% of total inward investments across South East)
- UK's third largest digital technology city – there are over 11,000 technology companies based in Reading



Source: Savills, Lambert Smith Hampton

Inward Investment – Top 10 Locations 2018



Source: Lambert Smith Hampton

Investment Rationale



1

Deepens CapitaLand's Presence in Developed Markets

2

UK, a Resilient Economy. Ride on Improving Business Confidence and Sentiments Post Dec 2019 Elections

3

Build Scale in the UK's Business Park and Regional Office Sector

4

Opportunity to Acquire a Prime Freehold Business Park, with Excellent Connectivity

5

Rental Upside from Vacancies and Reversions Amid Strong Occupier Demand



Thank You

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