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NEWS RELEASE

**CapitaLand forms US\$300 million joint venture to scale multifamily asset portfolio in the USA**  
***Acquires freehold land to develop multifamily property in the high growth city of Austin, Texas***

**Singapore, 7 December 2020** – CapitaLand has formed a programmatic joint venture to scale its multifamily asset portfolio in the United States of America (USA). Through the joint venture, CapitaLand will have a strategic arrangement with its joint venture partner to acquire and develop multifamily assets totalling US\$300 million (S\$416.1 million<sup>1</sup>) in gross asset value. The joint venture partner is an Austin-headquartered real estate investment, development and property management firm. The joint venture will invest in multifamily assets in the Southeast and Southwest markets of the USA, with an initial focus on Austin, Texas.

CapitaLand and its partner have acquired a freehold land parcel in the high growth, technology-driven city of Austin to develop the joint venture's first multifamily project. CapitaLand holds an 80% stake in the project while its partner holds the remaining 20%. The 4.71-acre land parcel will be developed into a modern, mid-rise and green 341-unit suburban multifamily property, expected to be completed in 2023. CapitaLand's partner has developed over 25,000 multifamily units across high growth and resilient markets in the USA since its inception 25 years ago.

Mr Jason Leow, President, Singapore & International, CapitaLand Group, said: "Development is one of CapitaLand's key strategic growth pillars, along with lodging and fund management. CapitaLand's acquisition of this prime site to develop our first multifamily property in Austin and having a potential pipeline of projects in the Southeast and Southwest markets of the USA will accelerate CapitaLand's growth in the resilient multifamily sector. It adds to our current portfolio of 16 freehold suburban multifamily properties which we acquired in 2018, strengthening CapitaLand's presence and track record in the market. We will continue to seek attractive investment opportunities to build upon our diversified and well-balanced portfolio to deliver long-term value for our stakeholders."

Mr Dang Phan, Managing Director for USA, CapitaLand International said: "Since the acquisition of our suburban multifamily portfolio in 2018, we have value-added to the assets through progressive refurbishment to enhance returns. Our multifamily properties have remained resilient and achieved a current committed occupancy rate of about 95%. Across the USA, multifamily rents have recovered faster than other asset types during the past recessions<sup>2</sup>. Prior to COVID-19, allocation of investment capital towards the multifamily sector

<sup>1</sup> Based on the exchange rate of US\$1 to S\$1.38713

<sup>2</sup> CBRE, Global Real Estate Market Outlook 2020 – Midyear Review <https://www.cbre.com/research-and-reports/Global-Real-Estate-Market-Outlook-2020-Multifamily>

has exceeded that of other property types and the pandemic has accelerated this preference<sup>3</sup>. Growing our investment in the resilient, liquid and stable-yielding multifamily portfolio will provide income stability.”

“Despite COVID-19, Austin continues to be an attractive technology, business, government and investment hub with a steady outlook, an ideal base for CapitaLand to scale our multifamily portfolio in the USA. Austin’s business-friendly policies, high quality of life and skilled workforce have attracted major technology and Internet companies such as Amazon, Apple, Google, IBM, Oracle and Tesla to set up substantial operations in the city. The city’s focus on technology has also fuelled its population and job growth, consistently outpacing the national average. The demand for quality housing has risen correspondingly, with rents increasing 50% over the past decade,” added Mr Phan.

The upcoming 341-unit multifamily property in Austin is well-situated in a bustling locale close to commercial, residential and leisure activities. The development is a five-minute drive from The Domain, a node for live, work and play, and commonly referred to as “Austin’s second downtown”. The Domain comprises over 1.8 million square feet of retail amenities and over 3.4 million square feet of office space as well as 3,700 apartments and 900 hotel rooms.

The property is also immediately adjacent to the McKalla Place Major League Soccer Stadium, home to the Austin Football Club Soccer team. Slated to open in Spring 2021, the stadium will have a seating capacity for over 20,000 attendees and will host music performances, concerts, soccer matches and other community events.

The property is well-poised to meet the demands of technology and other professionals working nearby, seeking a convenient, well-designed and safe residential option in close proximity to the commercial developments. Designed to cater to residents in a post COVID-19 landscape, the property will implement features such as keyless entry to the apartments as well as smart home features within the apartment. Hand sanitising stations and anti-microbial surfaces will be installed throughout the shared spaces in the development while community bathrooms will provide hand-free amenities such as contactless faucets and soap dispensers. The property will feature about 1.4 acres of expansive outdoor recreational spaces to accommodate the needs of a burgeoning population of professionals working from home. The property will offer a mix of studios, one- and two-bedroom apartments with separate work and living areas for residents to work from home efficiently.

#### CapitaLand’s presence in the USA

With this new investment, CapitaLand will have S\$4.7 billion of assets under management in the USA. CapitaLand first entered the USA in 2015. Its current 16 multifamily properties with over 3,700 apartment units are located in well-connected suburban communities of the metropolitan areas of Seattle, Portland, Greater Los Angeles and Denver.

Through CapitaLand’s wholly owned lodging business unit, The Ascott Limited (Ascott) and its hospitality trust, Ascott Residence Trust (ART), the Group has five hotels with over 1,200 units in the USA. Ascott also owns a majority stake in Synergy Global Housing (Synergy), a leading accommodation provider in the market, which offers apartments for corporate lease.

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<sup>3</sup> Newmark Knight Frank, Real Insight, October 2020 – [“Capital Sources Continue to Target Multifamily Product”](#)

Synergy has over 1,700 units in the USA, with a strong presence in the West Coast, including Los Angeles, Orange County, San Diego, Seattle as well as New York.

Through Ascendas Real Estate Investment Trust (Ascendas Reit), the Group has 28 freehold office properties located across six business parks in three tech cities – San Diego, Raleigh and Portland. In November 2020, Ascendas Reit acquired two office properties in the South of Market district of San Francisco for S\$768.0 million.

### **About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth about S\$133.3 billion as at 30 September 2020. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 220 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages six listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. CapitaLand launched Singapore's first REIT in 2002 and today, its stable of REITs and business trusts comprises CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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