



Ascott Residence Trust

Acquisition of Student Accommodation Property in Lubbock, Texas, USA

9 September 2021

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Building Income Resilience with Third Student Accommodation Investment

1,005-bed cottage-style property in Texas, USA

Wildwood Lubbock

Location	1701 N Quaker Avenue, Lubbock, Texas, USA
Purchase consideration¹	US\$70.0 million (S\$93.8 million)
Land tenure	Freehold
Net rentable area	470,700 square feet (sq ft)
Building height / units / beds	2- / 3- storey cottage-style student accommodation with 294 units / 1,005 beds
Key educational institution	Texas Tech University
EBITDA² yield	c.5.1%
DPS³ accretion	c.1.5%
Completion of transaction	21 September 2021, in USA



Notes: Based on exchange rate of 1 USD = 1.34 SGD

- The purchase consideration takes into account the agreed property value, which was arrived at on a willing-buyer and willing-seller basis and derived based on the independent valuation dated 7 September 2021 by Colliers International Valuation and Advisory Services LLC of US\$72.0 million (equivalent to approximately S\$96.5 million)
- Earnings before net interest expense, tax, depreciation and amortisation
- 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 40% by debt and 60% by equity

One of Lubbock's Newest Student Accommodation with Top-of-the-market On-site Amenities

100% leased for the Academic Year 2021



Year of opening	2017
Proximity to Texas Tech University	2.7 km north-west from boundary of the campus
Ave. occupancy rate	c.96% for Academic Year (AY) 2020 100% leased for AY 2021 since May 2021
Rental growth	5% increase for AY 2021 over AY 2020
Ave. length of stay	c.1 year
Property operator	To be managed by an unrelated third-party operator

Unit mix	2-Bedroom: 48 / (1,230 – 1,234 sq ft) 3-Bedroom: 75 / (1,454 – 1,465 sq ft) 4-Bedroom: 171 / (1,760 – 1,783 sq ft) All rooms come with ensuite bathrooms
On-site amenities	Largest-in-Lubbock swimming pool with jetted hot tubs, swim-up bar, outdoor cabanas with gas grills and firepits, gymnasium, study rooms, clubhouse with game-day theatre room, pet park, basketball and volleyball courts

About Texas Tech University

Tier 1 Research, Power 5 institution with strong enrolment growth



Large growing university with resilient demand

Over **40,000**

undergraduate and graduate students

2.5%

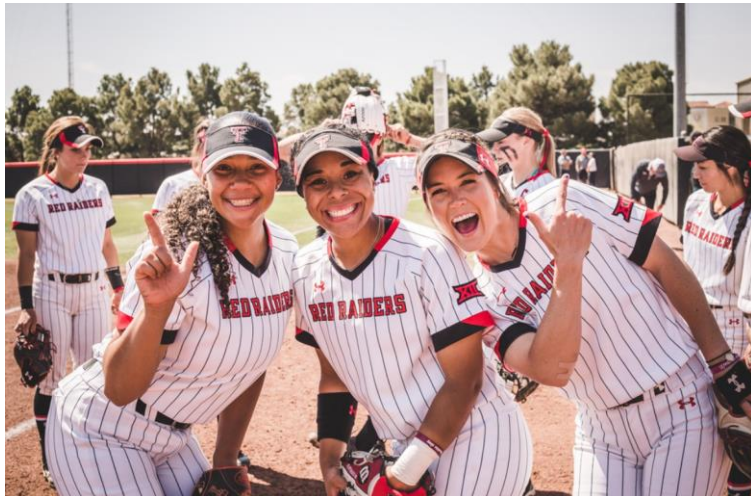
10-year enrolment CAGR (vs national average of 1.0%)

Over **43,000**

students projected by Fall 2024¹

4.0%

growth in enrolment in AY 2020 despite Covid-19



One of the top public research universities with elite college athletics status

R1

“Very High Research Activity (R1)” designation by the Carnegie Commission on Higher Education²

Power 5

Competes in the Big 12 Conference, one of the “Power 5” athletics conferences in the National Collegiate Athletic Association

Predominantly domestic student base

98% of student population from USA

Notes:

Photos from Texas Tech University

1. Based on Texas Tech University’s master plan

2. Source: “Texas Tech Achieves Top Rank in Carnegie Research Classification”

In line with Strategy to Expand Asset Allocation in Longer-stay Accommodation

- **Focused strategy** in expanding asset allocation in rental housing and student accommodation for **income stability**
- Post-acquisition, rental housing and student accommodation properties will comprise **c.11% of ART's portfolio value**, up from 5% as at 31 Dec 2020
- **Medium term target of 15% - 20% of portfolio value**

c.\$379 mil in total investment¹ year-to-date, at average EBITDA yield of c.5%²



February 2021

Acquisition of maiden student accommodation property in Atlanta, USA

US\$95.0 mil (\$126.3 mil)



June 2021

Acquisition of 3 rental housing properties in Sapporo, Japan

JPY6.8 bil (\$85.2 mil)



June 2021

Development of student accommodation property in South Carolina, USA

US\$55.2 mil³ (c.\$73.4 mil)



September 2021

Acquisition of student accommodation property in Texas, USA

US\$70.0 mil (c.\$93.8 mil)

Notes:

1. Refers to the total purchase consideration for Paloma West Midtown, Wildwood Lubbock and the 3 rental housing properties in Japan, as well as ART's investment in the student accommodation development in South Carolina, USA
2. For the student accommodation development in South Carolina, USA, the EBITDA yield is a target yield on a stabilised basis
3. Comprises 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

Enhancing Returns with Accretive Acquisition

Stabilised asset that will contribute immediately to ART's earnings



- **Long average lease of 1 year and high occupancy**
 - Supported by strong enrolment growth at Texas Tech University even through Covid-19
- **Resilient demand due to predominantly local student population and full return to in-person classes**
 - Not dependent on issuance of student visas and minimal impact from international travel restrictions
- **Minimal new supply**
 - No new student accommodation supply in Lubbock since 2018 and no new construction near the property

c.1.5%¹
DPS accretion

**40% debt,
60% equity**
funding structure

35.9%²
gearing unchanged
post-acquisition

Notes:

1. 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 40% by debt and 60% by equity
2. Based on the unaudited financial statements of ART as at 30 June 2021 and assuming the acquisition was completed on 30 June 2021



Thank you



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