



News Release

28 September 2023

CDL INVESTS IN A TOKYO RESIDENTIAL RENTAL PORTFOLIO COMPRISING 25 FREEHOLD ASSETS WITH 836 UNITS FOR JPY 35 BILLION – MARKS ITS LARGEST PRIVATE RENTED SECTOR TRANSACTION IN JAPAN

- **The 25 residential assets are located in Tokyo’s 23 wards, the world’s most populous metropolitan area**
- **Strong investment potential due to the recovery of economic activities and rising demand for rental accommodation in Tokyo**
- **The Group’s Japan PRS portfolio now consists of 38 projects comprising more than 2,100 units with a total asset value of greater than JPY 70 billion**

City Developments Limited (CDL) has enlarged its Private Rented Sector (PRS) portfolio in Japan by investing in 25 high-quality freehold residential assets for JPY 35 billion (approximately S\$321.9 million¹). These properties comprise a total of 836 units (including four retail units) and mark CDL’s largest PRS transaction in Japan. The interests in the properties were purchased from affiliates of BGO, a leading global real estate investment manager.

With an average age of less than two years, the portfolio of 25 assets in Tokyo’s 23 wards is conveniently located within a 10-minute walk from a train station. Three of the assets are in ultra-prime residential areas within Tokyo’s central 5 wards. Given their strong locational attributes, the portfolio enjoys an average committed occupancy rate of around 97% and stable rental income.

CDL has been strategically expanding its foothold in Japan’s PRS market. This investment marks the Group’s first foray into Tokyo’s rental housing sector, following its successful PRS ventures in Osaka and Yokohama. The Group’s first PRS project in Japan, Horie Lux in Osaka, was acquired in 2019.

With its enlarged PRS portfolio in Japan, CDL is well-positioned to benefit from a recovering economy, rising wages and a post-pandemic resurgence in net migration into Tokyo, all of which are fuelling demand for rental accommodation. Amidst the current global uncertainty, Japan has become an attractive destination for global institutional investors, securing the portfolio’s potential to benefit from both steady rental growth and sustainable capital appreciation.

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, “Japan’s favourable interest rate environment presents a timely and strategic opportunity for the Group to expand our residential rental portfolio through a rare off-market transaction for well-performing assets. Despite economic volatility over the past few years, our Japan residential portfolio has remained resilient, with stable rental growth and strong occupancy of above 95%. This investment marks the Group’s entry into Tokyo’s rental housing market, enabling us to further scale up in this asset class while leveraging on the sector’s strong growth potential. This move is aligned with our strategy of expanding in the global living sector to enhance our recurring income.”

¹ Based on the exchange rate of JPY 100 = S\$0.9198

Following the completion of the transaction, the Group's Japan PRS portfolio located across Tokyo, Osaka and Yokohama has tripled to 38 assets² totalling more than 2,100 units and with an asset value of greater than JPY 70 billion (approximately S\$644 million¹).

Refer to **Annex A** for more details on the 25 assets.

Issued by City Developments Limited (Co. Regn. No. 196300316Z)

For media enquiries, please contact CDL Corporate Communications:

Belinda Lee	<i>Head, Investor Relations & Corporate Communications</i> +65 6877 8315 / +65 9751 1004	belindalee@cdl.com.sg
Eunice Yang	+65 6877 8338 / +65 9690 8224	eunicey@cdl.com.sg
Jill Tan	+65 6877 8484 / +65 9155 1362	jilltan@cdl.com.sg
Karyn Chew	+65 6877 8369 / +65 9386 7681	karyn.chew@cdl.com.sg

Follow CDL on social media:

Instagram: @citydevelopments / [instagram.com/citydevelopments](https://www.instagram.com/citydevelopments)

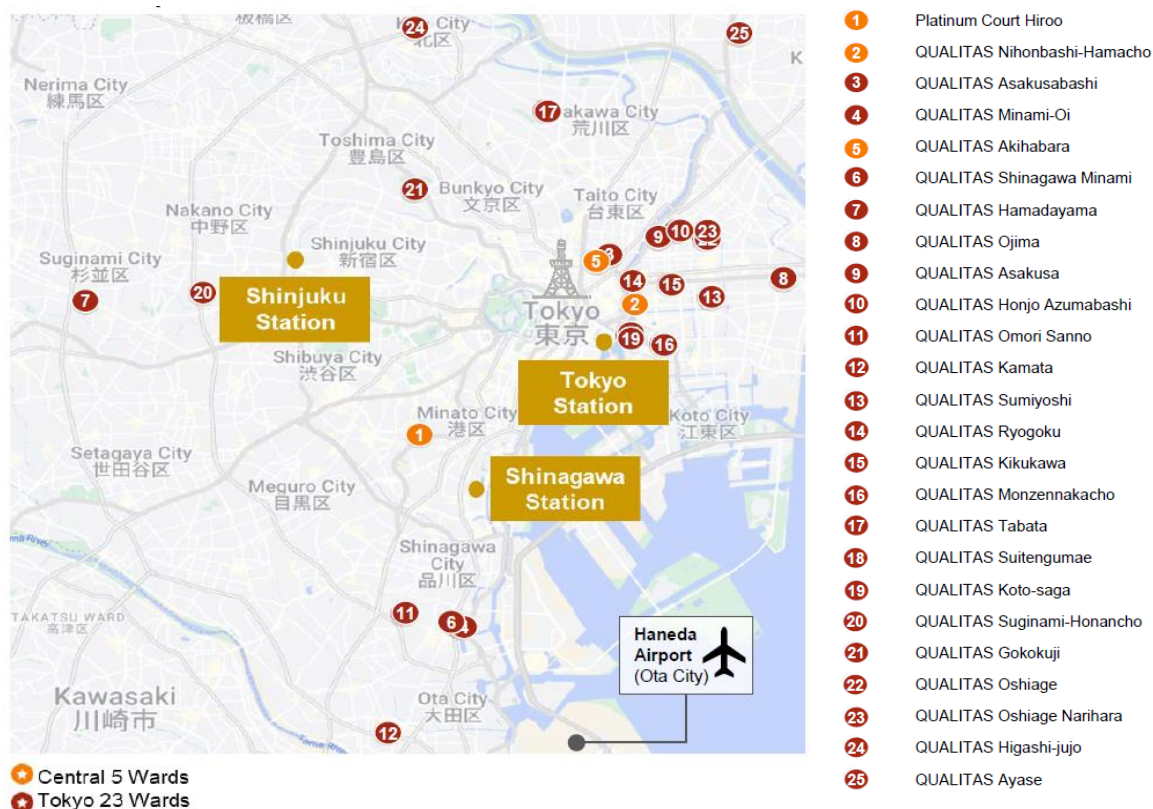
LinkedIn: [linkedin.com/company/citydevelopments](https://www.linkedin.com/company/citydevelopments)

Twitter: @CityDevLtd / twitter.com/citydevltd

² Includes three pipeline assets in Yokohama and Osaka with deal completions in 2024

ANNEX A

Portfolio Overview: 25 Assets in Tokyo



Location	All 25 assets are in Tokyo's 23 wards (Three assets are in the central 5 wards)
Land Tenure	Freehold
Number of Units	832 residential apartments and four retail units
Transport Connectivity	All assets are approximately within a 10-minute walk from a train station
Consideration	JPY 35 billion (approximately S\$321.9 million) (Based on the exchange rate of JPY 100 = S\$0.9198)
Portfolio Occupancy	97%
Effective Group Interest	100%