

NEWS RELEASE

**CapitaLand Investment acquires 22-storey office tower in Melbourne's CBD**

***Acquisition marks CLI's fifth investment in Australia within six months***

**Singapore, 7 June 2022** – CapitaLand Investment Limited (CLI) has acquired a freehold office tower in the Western Core of Melbourne's Central Business District for its flagship regional core-plus fund, CapitaLand Open End Real Estate Fund (COREF). The acquisition marks CLI's fifth investment in Australia within six months. This is COREF's first acquisition in Australia, and its fourth in Asia Pacific with total investment amounting to approximately US\$900 million since the fund's establishment in August 2021.

The 22-storey office building, 120 Spencer Street, has a net lettable area of 32,000 square metres (sqm). The property is strategically located opposite the Southern Cross Station, a major public transport hub that connects to the wider Melbourne region, with intra-city tram lines at its doorstep. It also benefits from the recent revitalisation of the Western Core, led by the development of the Docklands precinct, the addition of new premium grade office towers, refurbishment of existing assets and migration of tenants, including many prominent occupiers, to the precinct.

Mr Paul Toussaint, Managing Director for Australia, CLI, said: "Australia is one of CLI's focus markets where we see significant potential for growth. CLI has invested about A\$1.5 billion in five quality assets in the country held through its private and listed funds in the past six months. 120 Spencer Street is CLI's latest deal in Australia, sourced and executed by our experienced local team. In view of the post-COVID recovery and companies' steady return to work, we believe that the Australian office market is showing signs of growth that will overcome the near-term challenges of vacancy and tenant incentive levels. 120 Spencer Street is well-positioned to capitalise on this given its strong WALE, vibrant location benefiting from the area's rejuvenation, and potential for enhancements."

Mr Simon Treacy, CEO of Private Equity Real Estate, Real Assets, CLI, said: "Leveraging CLI's deep expertise and extensive network in the Asia Pacific, we continue to build up COREF's portfolio with high quality assets across gateway cities in Japan, Singapore and now Australia. The Australian office sector presents relative value, and our highly experienced local team has been able to capitalise on the window ahead of the post-COVID recovery to capture this opportunity. CLI adopts a disciplined approach in pursuing assets that offer value to investors. With ESG principles central to our investment process, we will continue to actively enhance our portfolio of assets to generate quality returns for our stakeholders."

### Building a diversified portfolio of quality assets for COREF

Mr Kevin Chee, Managing Director, Private Funds, CLI, said: “COREF’s acquisitions are aligned with its focus on key investment themes of regionalisation/decentralisation, emerging locations, evolving workspace solutions, digital economy and sustainability. COREF’s entry into Australia is in line with its strategy of building geographic exposure to institutional grade, income-producing assets across developed markets in Asia Pacific early on before diversifying into other sectors.”

120 Spencer Street has a strong committed office occupancy of 97.5% and long weighted average lease expiry (WALE) of 6.7 years. Its tenant base includes WeWork and prominent local educational institutions such as Central Queensland University and Redhill Education. Over the longer-term, the property has strong embedded value given its prime island site with triple street frontages and a potential 22,000 sqm of unutilised gross floor area. Over the past five years, the property has undergone A\$30 million of upgrading including the recent installation of energy-efficient mechanical and engineering equipment. Since 1 November 2021, 120 Spencer Street has operated fully on green electricity and has contracted to do so for the next 10 years. It has also received the NABERS (National Australian Built Environment Rating System)<sup>1</sup> Energy 4-Star and NABERS Water 5.5-Star certifications.

### CLI’s strong presence across multiple asset classes in Australia

CLI has a diversified portfolio of approximately S\$6.9 billion of assets under management in Australia<sup>2</sup>, comprising office, business space, logistics and lodging assets across eight cities. CLI Australia currently manages 36 logistics properties and business parks, and two Grade A office buildings. Following completion of the acquisitions of the 120 Spencer Street office tower and the integrated development at 101-103 Miller Street, North Sydney which comprises an office tower and the Greenwood Plaza retail component<sup>3</sup>, CLI Australia will add another two offices and a retail centre to its assets under management.

CLI’s wholly owned lodging business unit, The Ascott Limited (Ascott) and its hospitality trust, Ascott Residence Trust, have about 150 serviced residences, coliving properties and hotels with about 13,000 units in Australia. On 2 June 2022, Ascott announced the acquisition of its first lyf-branded coliving property in Sydney, lyf Bondi Junction Sydney, via the Ascott Serviced Residence Global Fund<sup>4</sup>. Concurrently, Ascott opened its first lyf property in Australia, lyf Collingwood Melbourne.

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

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 31 March 2022, CLI had about S\$124 billion of real estate assets under management, and about S\$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 29 private funds across Asia-Pacific, Europe and USA. Its

---

<sup>1</sup> NABERS is a national rating system that measures the environmental performance of Australian buildings and tenancies, initiated by the New South Wales Department of Planning, Industry and Environment on behalf of the Federal, State and Territory governments of Australia.

<sup>2</sup> As at 31 March 2022. Excludes CapitaLand Integrated Commercial Trust’s (CICT) 50% interest in an integrated development, which is pending legal completion.

<sup>3</sup> Acquisition announced by CICT on 23 December 2021.

<sup>4</sup> Ascott set up the US\$600 million Ascott Serviced Residence Global Fund in July 2015 through a 50:50 joint venture with Qatar Investment Authority.

diversified real estate asset classes cover integrated developments, retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

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

### **[Follow @CapitaLand on social media](#)**

**Facebook:** @capitaland / [facebook.com/capitaland](https://facebook.com/capitaland)

**Instagram:** @capitaland / [instagram.com/capitaland](https://instagram.com/capitaland)

**Twitter:** @capitaLand / [twitter.com/capitaland](https://twitter.com/capitaland)

**LinkedIn:** [linkedin.com/company/capitaland-limited](https://linkedin.com/company/capitaland-limited)

**YouTube:** [youtube.com/capitaland](https://youtube.com/capitaland)

---

**Issued by: CapitaLand Investment Limited (Co. Regn.: 200308451M)**

For queries, please contact:

### **CapitaLand Investment Limited**

#### Analyst contact

Grace Chen

Head, Investor Relations

Tel: +65 6713 2883

Email: [grace.chen@capitaland.com](mailto:grace.chen@capitaland.com)

#### Media contact

Michele Ng

Head, Group Communications

Tel: +65 6713 2881

Email: [michele.ng@capitaland.com](mailto:michele.ng@capitaland.com)

### **Important Notice**

The admission and listing of CapitaLand Investment Limited on the Singapore Exchange Securities Trading Limited was sponsored by J.P. Morgan (S.E.A.) Limited. J.P. Morgan (S.E.A.) Limited assumes no responsibility for the contents of this announcement.