



News Release

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CDL EXPANDS ITS UK LIVING SECTOR PORTFOLIO WITH THE ACQUISITION OF 1NQ, A FORWARD-FUNDING PRS PROJECT IN MANCHESTER FOR £75.6 MILLION

- The 261-unit freehold project is located in the Northern Quarter, named by Time Out magazine as one of the coolest neighbourhoods on earth in 2022
- Forward-funding deal with project completion expected in 2026
- The Group's UK living sector portfolio now comprises 1,648 operational and pipeline PRS units in Leeds, Birmingham and Manchester, as well as close to 2,400 beds in the PBSA sector

City Developments Limited (CDL) has expanded its United Kingdom (UK) Private Rented Sector (PRS) portfolio with the acquisition of 1NQ, a 261-unit freehold project in Manchester for £75.6 million (approximately S\$125.7 million¹). CDL will forward-fund the PRS project, which will commence construction this month.

The site is located near Piccadilly Station, along Tariff Street and Port Street in the Northern Quarter, within the Piccadilly Basin neighbourhood of Manchester. Full planning permission was obtained in October 2023. CDL plans to develop the site into two new-build 10 and 12-storey apartment blocks housing a mix of 1-, 2- and 3-bedroom apartments and two commercial units on the ground floor. The project is expected to be completed in 2026.

1NQ is the Group's fourth PRS project in the UK since 2019. The first was CDL's acquisition of the development site for a 665-unit project in Leeds called The Junction. This was followed by another two acquisitions in 2021 – one by CDL Hospitality Trusts (CDLHT), the Group's REIT associate, a 352-unit forward-funded project in Manchester named The Castings, and the other project by CDL called The Octagon in Birmingham, with 370 units. The Junction has obtained Practical Completion for three out of five blocks (comprising 307 units) and has achieved above 90% committed occupancy as at October 2023. The remaining two blocks with 358 units are on track for completion by Q4 2023.

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, "Despite an uncertain macroeconomic environment, our PRS assets have shown resilience and strong growth potential. We have continued to scale up our global living sector portfolio to drive growth in our recurring income. This year, our Group's global PRS portfolio has grown by almost 70% to 4,489 operational and pipeline units in the UK, Japan, Australia and the US, up from 2,640 units last year. 1NQ marks CDL's first UK PRS acquisition under a forward-funding arrangement, which enables us to secure our investment at a fixed cost, manage our cash flows over the development period and benefit from potential capital appreciation."

The 1NQ site is near numerous amenities such as cafes, bars, restaurants, gyms and independent retailers. It is an 8-minute walk to Piccadilly Station and a 14-minute walk to Victoria Station. The site is one of the last few residential sites available for development in the Northern Quarter, ranked

¹ Based on an exchange rate of £1 = S\$1.6624

by Time Out magazine as “one of the coolest neighbourhoods on earth” in 2022. The Northern Quarter is one of Manchester's liveliest neighbourhoods and is popular with young professionals. A bustling place for startups, creatives and digital companies by day, the neighbourhood transforms into a leisure scene at night with restaurants, bars, pop-up events and live music.

As the second largest city in the UK outside of London, Manchester has a relatively young population. Greater Manchester is also home to five major universities and has the best graduate retention rate of 51% amongst all the UK regional cities.

Focus on Growing the Living Sector Portfolio

CDL continues to expand its UK living sector portfolio in key regional UK cities and leverage the rising demand for rental accommodation in the country. With this acquisition, the Group's PRS portfolio now comprises 1,648 operational and pipeline units in Leeds, Birmingham and Manchester. In addition to its PRS projects, the Group has close to 2,400 beds in the Purpose-Built Student Accommodation (PBSA) sector.

The UK living sector has demonstrated strong demand and resilient rental growth. The Group maintains a positive outlook on the sector and continues to look for further expansion opportunities.

In addition to the UK, CDL's living sector portfolio comprises PRS assets in Japan and Australia. Last month, CDL announced its [JPY 35 billion investment in a Tokyo residential rental portfolio comprising 25 operational freehold assets with 836 units](#), bringing its Japan PRS portfolio to 38 projects with more than 2,100 units in Tokyo, Osaka and Yokohama. In Australia, CDL is developing two PRS developments in Melbourne and Brisbane with around 490 units in total.

Refer to **Annex A** for more details on 1NQ.

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ANNEX A

1NQ



Location	Tariff Street, Northern Quarter, Manchester
Description	261 PRS units and two ground floor commercial units
Land Tenure	Freehold
Gross Floor Area (GFA)	231,127 sq ft
Consideration	£75.6 million (approximately S\$125.7 million) (Based on an exchange rate of £1 = S\$1.6624)
Effective Group Interest	100%