



**CITY  
DEVELOPMENTS  
LIMITED**

## **News Release**

1 March 2019

### **CDL EXPANDS INTO RAPIDLY-GROWING UK PRIVATE RENTED SECTOR — ACQUIRES PRIME FREEHOLD SITE IN LEEDS**

- **Strong potential due to rising demand for rental accommodation in the UK**
- **Build-to-rent development will enhance CDL's recurring income**
- **CDL will create a vibrant and stylish estate akin to New York's High Line landmark**

City Developments Limited (CDL) has expanded into the rapidly-growing United Kingdom (UK) Private Rented Sector (PRS) with the acquisition of a £15.4 million (approximately S\$27.5 million) freehold site from Alpha Real Trust. This translates to about £80 (approximately S\$142) per square foot for the 193,752 square feet (sq ft) site.

Full planning permission has been obtained for the site which has a residential and commercial Net Lettable Area of around 386,000 sq ft and 16,000 sq ft respectively. CDL plans to develop a 664-unit build-to-rent residential project with retail space located within the site's attractive heritage arches beneath a viaduct. The project is expected to be completed in 2023 at an estimated total development cost of £140 million (approximately S\$250 million). Net yield is expected to be 5.0% annually.

Strategically located at Monk Bridge in Leeds, the site is about a 10-minute walk to the Leeds Train Station and two kilometres to the Leeds City Centre which comprises the financial, civic, shopping and cultural quarters. Leeds, the UK's fastest growing and third largest city, is about two hours by train from London. Currently the busiest in Northern UK, the Leeds Train Station serves about 31 million passengers a year. This number is expected to more than double upon the completion of the High Speed 2 (HS2) railway in 2033 which will connect Leeds directly to other prime regional cities in the UK.

CDL will create a vibrant and stylish estate akin to New York's High Line landmark. A public park will be developed on the viaduct, providing spaces for public functions, outdoor film screenings, pop-up restaurants and a pedestrian walkway leading to the Leeds Train Station and Leeds City Centre. Residents will enjoy private gardens, a sports area within the estate, leisure and retail facilities at their doorstep, and a wide range of services including concierge, parcel collection and a car sharing rental scheme.

**Mr Sherman Kwek, CDL Group Chief Executive Officer**, said, "Expanding into the UK PRS is in line with our strategy to grow CDL's recurring income. Due to increased labour mobility and the growing popularity of renting, we see strong growth potential for this sector. Moreover, the PRS is a key part of the government's agenda to solve the UK's housing supply-demand imbalance. Brexit is expected to have limited impact on this sector as demand is mainly driven by locals."

"We are excited to introduce our first PRS project in Leeds whose economy has continued to grow strongly. PRS demand there is fuelled by a wide spectrum of tenants including young professionals and students. With the increased appetite for purpose-built accommodation that is professionally managed, we are leveraging our core expertise as a residential developer and landlord to expand into this sector for long-term rental growth. CDL will create an iconic estate in Leeds and seek further opportunities to build a portfolio of quality PRS projects."

To enhance recurring income, CDL also acquired two prime Grade A London commercial properties in 2018 for £568 million (approximately S\$1.02 billion), capitalising on attractive pricing and yields. The two freehold buildings, 125 Old Broad Street (the former Stock Exchange Tower) and Aldgate House, are poised to benefit from the tightening of London's existing office stock and limited new supply which will drive rental growth.

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