

NEWS RELEASE

**CapitaLand Investment establishes CapitaLand Ascott Residence Asia Fund II to invest in lodging properties amidst growing demand**  
***Secures first close and will acquire two lyf-branded properties in Singapore and Japan as seed assets***

**Singapore, 14 February 2024** – CapitaLand Investment Limited (CLI) has established its new lodging private fund, CapitaLand Ascott Residence Asia Fund II (CLARA II). With a target equity size of US\$600 million (S\$800 million<sup>1</sup>), CLARA II will invest in serviced residences and coliving properties in gateway cities in key developed Asia Pacific markets.

CLARA II is CLI's second private fund that focuses on serviced residence and coliving assets. It is the follow-on fund to the US\$600 million (S\$800 million) Ascott Serviced Residence Global Fund (ASRGF). CLI will hold a 20% sponsor stake in CLARA II in line with its asset-light strategy to grow its funds under management while keeping strong alignment with its investors and partners. The remaining 80% will be held by third-party institutional investors. CLARA II leverages the global operating expertise of The Ascott Limited (Ascott), a lodging business unit wholly owned by CLI, to manage its quality portfolio of resilient and green-certified lodging assets, further creating value for its investors.

CLARA II has secured its first close with equity commitment by global institutional investors from Europe and Asia, and the fund will acquire two seed assets. The assets are a 50% stake in the 308-unit lyf Bugis Singapore<sup>2</sup> and a 100% stake in the 200-unit lyf Shibuya Tokyo in Japan from Ascott. The two freehold properties are strategically located within their respective city centres and are well-positioned to capture the strong demand from business and leisure travellers. Both properties are also set to be green-certified. lyf Bugis Singapore will be unveiled in mid-2024 while lyf Shibuya Tokyo will open in 4Q 2024. For more information on both properties, please see the Annex.

Mr Kevin Goh, Chief Executive Officer for CLI Lodging and Ascott, said: "Combining CLI's investment management capabilities and Ascott's expertise in operating lodging properties worldwide under our award-winning brands, we are well-positioned to support the growth of our private funds. We are in a strong financial position to seize good investment opportunities and inject quality assets into our private funds. Tapping on travellers' preference for trusted brands, CLARA II will leverage Ascott's global operational expertise, and sales and marketing network. This enables us to enhance the value of the assets and deliver sustainable returns to investors. Investors will further benefit from the strong demand for lodging as international travel continues its upward trajectory. Besides Asia Pacific, we see the potential to establish more lodging private funds in other regions such as Europe."

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<sup>1</sup> Based on exchange rate of US\$1 to S\$1.333.

<sup>2</sup> The remaining 50% of lyf Bugis Singapore is held under CLI's CapitaLand Wellness Fund.

Mr Mak Hoe Kit, Managing Director, Lodging Private Equity Funds, CLI, said: “Investors’ interest in serviced residences and coliving properties have increased as these assets have proven to be resilient even during the COVID-19 pandemic. These properties generate stable income from long-stay guests and have the flexibility to take in guests on short stay to maximise revenue. With trends such as increased global mobility, coliving becoming mainstream and travellers spending more time overseas, the sector is strategically positioned to offer attractive returns<sup>3</sup>. CLARA II will target markets that have strong economic fundamentals and transparent regulations. We see good investment and value-add opportunities in these key developed Asia Pacific markets.”

“Through our first fund, ASRGF, we have demonstrated how we create value for our investors. Over 90% of ASRGF’s portfolio were sourced off-market or originated in-house, a testament to our strong global investment teams. After a successful rebrand and asset enhancement initiative, the divestment of our first property under ASRGF surpassed expected returns. ASRGF’s latest property, Iyf Ginza Tokyo, opened in November 2023 and has since exceeded its average target rent. We remain committed as a trusted partner to deliver quality returns for our investors,” added Mr Mak.

**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 30 September 2023, CLI had S\$133 billion of real estate assets under management, and S\$90 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand’s development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for scope 1 and 2 by 2050. 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.

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<sup>3</sup> CLI - Serviced Residences (& Co-Living) Becoming a Mainstream Investment Asset Class, September 2022.

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## **Annex – About lyf Bugis Singapore and lyf Shibuya Tokyo**

Targeting next-generation travellers, both lyf-branded properties will offer an experience-led social living concept for guests on long- or short-stays.

### **lyf Bugis Singapore (Unveiling mid-2024)**

Situated at the heart of the city in Bugis, a part of the Downtown Core district in Singapore, lyf Bugis Singapore is within walking distance to both Bugis and Bencoolen MRT train stations. The 308-unit property sits close to local shopping areas such as Bugis Street and offers guests easy access to the arts and heritage district of Bugis where local bars and dining outlets are located along Arab Street and Haji Lane.

The property will offer a wide range of amenities that support both social and active wellness. Shared spaces like coworking lounge '*Connect*', social kitchen '*Bond*' and laundrette '*Wash & Hang*' will allow guests to decide on their preferred stay requirements, while providing opportunities for guests to interact with one another. '*Burn*' the gymnasium further enables guests to keep active while on the go. A suite of programmes curated by the property's Ambassador of Buzz will not only encourage meaningful engagement amongst guests, but also seek to drive mindfulness for individuals.

### **lyf Shibuya Tokyo (Opening 4Q 2024)**

lyf Shibuya Tokyo is located in the world-famous Shibuya district, a dynamic intersection of Tokyo's entertainment, retail, culture, art and technology sectors. Guests can enjoy a plethora of shopping and entertainment options at their doorstep including the popular department store, PARCO and retail chain Tokyu Hands just opposite the property. lyf Shibuya Tokyo is a five-minute walk from Shibuya Station, enabling guests to easily access the rest of Tokyo and its neighbouring regions as well as the airport via the nine different train lines connected to the station.

The 200-unit lyf Shibuya Tokyo will offer a range of well-designed apartment units and guests can enjoy lyf's signature social spaces such as coworking lounge '*Connect*', social kitchen '*Bond*', laundrette '*Wash & Hang*' and gymnasium '*Burn*'.