



NEWS RELEASE

For immediate release

**CapitaLand Ascendas REIT to expand its US logistics portfolio with first sale and leaseback acquisition from DHL USA for S\$150.3 million**  
***Property is fully occupied by the blue-chip tenant with a long lease term and annual rent escalations which provide income stability***

**Singapore, 17 December 2024** – CapitaLand Ascendas REIT Management Limited, as the manager (the “**Manager**”) of CapitaLand Ascendas REIT (“**CLAR**”), is pleased to announce the proposed acquisition of DHL Indianapolis Logistics Center, a modern Class A logistics property (the “**Property**”), from Exel Inc. d/b/a DHL Supply Chain (USA) (“**DHL USA**” or the “**Vendor**”) (the “**Proposed Acquisition**”) for S\$150.3 million<sup>1</sup> (US\$115.8 million) (the “**Purchase Consideration**”). The Property is located in Whiteland, a submarket in southeast Indianapolis, Indiana, in the United States (“**US**”).

Mr William Tay, Executive Director and Chief Executive Officer of the Manager said, “This is another opportunity to further strengthen our logistics presence in the US, following our recent announcement on the development of our first logistics distribution property in South Carolina<sup>2</sup>. DHL Indianapolis Logistics Center is a strategic fit with our existing portfolio and will increase CLAR’s US logistics portfolio value by 35.3% to S\$587.5 million with a total gross floor area of 5.1 million square feet. This is CLAR’s first sale and leaseback acquisition in the US and including this Class A logistics property, modern logistics assets will account for 42.3% of our US logistics assets under management. With the long lease in place, this property will further enhance CLAR’s resilient income stream, and we expect the two new properties to contribute positively to our long-term returns.”

**Rationale and Merits of the Proposed Acquisition**

**1. Expands CLAR’s existing logistics portfolio in the US**

The Proposed Acquisition aligns with CLAR’s strategy to grow its logistics portfolio. The Property will increase the value of CLAR’s logistics assets under management (“**AUM**”) in the US by 35.3% to approximately S\$587.5 million. With this acquisition, CLAR’s logistics footprint in the US will expand to 20 properties across four cities with a total gross floor area (“**GFA**”) of approximately 5.1 million square feet (“**sq ft**”)³.

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<sup>1</sup> An illustrative exchange rate of US\$1.00 : S\$1.2976 is used for all conversions from US Dollar amounts into Singapore Dollar amounts in this news release.

<sup>2</sup> Please refer to the news release “[CapitaLand Ascendas REIT develops its first green-certified logistics distribution property in the United States for S\\$94.8 million](#)” dated 15 November 2024 for more information.

<sup>3</sup> On a *pro forma* basis as at 30 June 2024 and including Summerville Logistics Center which was announced on 15 November 2024.

## **2. Fully occupied by a blue-chip tenant with a long term lease which provide income stability**

Upon completion of the Proposed Acquisition, DHL USA, a global leader in the logistics industry, will enter into a long term leaseback till December 2035 of the Property's entire GFA with options to renew for two additional five-year terms.

The long lease term of approximately 11 years with built-in rent escalation of 3.5% per annum will provide income stability and strengthen the resilience of CLAR's portfolio.

The fully occupied Property with its long weighted average lease to expiry ("**WALE**") of approximately 11 years will increase CLAR's US portfolio WALE from 4.2 years to 4.7 years on a *pro forma* basis<sup>4</sup>.

## **3. Modern Class A logistics property enhances quality of CLAR's portfolio**

The quality of CLAR's portfolio will be enhanced by this modern Class A logistics property which was completed in 2022. This acquisition will increase the proportion of CLAR's modern logistics assets in the US to 42.3% of CLAR's US logistics by AUM<sup>3</sup>.

The Property is a fully air-conditioned, single-storey logistics building with a GFA of 979,649 sq ft and features market-leading specifications such as a high ceiling with a clear height of 12.2 metres (40 feet), state-of-the-art dock equipment, cross-dock configuration, wide truck court depth of 59.4 metres (195 feet) and LED lighting. These modern features are expected to enable the Property to meet and accommodate the needs of current and future occupiers.

## **4. Indianapolis's logistics sector underpinned by its geographically central location and superior transportation networks**

The Property is well-positioned to serve as a regional distribution hub for Indianapolis and the Midwest markets given its geographically central location between key cities such as Chicago, Detroit, St. Louis and Nashville, along with its excellent connectivity to road, air and rail transportation networks. Over 43 million people live within a 250-mile radius of Indianapolis<sup>5</sup>.

Located less than 45 kilometres away from Downtown Indianapolis and Indianapolis International Airport, the Property is situated along the Interstate 65 corridor, a major north-south highway that runs from Chicago in Illinois to the Gulf of Mexico in Alabama. It also has easy access to three other interstate highways, namely Interstate 69, Interstate 70 and Interstate 74. Interstate 70 is a major east-west artery stretching across 10 states, connecting Indianapolis to major cities such as Baltimore, Pittsburgh, Columbus, St. Louis, Kansas City and Denver.

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<sup>4</sup> As at 30 September 2024.

<sup>5</sup> Source: CBRE Research, 2024 North America Industrial Big Box Review & Outlook.

Indiana occupies a strategic position in the logistics and supply chain landscape of the Midwest region. The state boasts the most national highway intersections in the US and is investing US\$10 billion over 10 years to add approximately over 600 kilometres (400 miles) of new highways. In addition, Indianapolis International Airport is consistently ranked among the top five cargo airports in the US, supported by the presence of the world's second-largest FedEx air hub in the city. Indiana also ranks third for total railroad miles in the country. These major infrastructure attributes are considered important drivers of Indianapolis' competitive positioning as an essential hub for warehousing and fulfilment operations on a global and national scale<sup>5</sup>. Total warehouse and storage labour employment in Indianapolis is expected to grow by 6.1% by 2034<sup>5</sup>.

Indiana's road, air and rail transportation systems are bolstered by three international ports, providing businesses with access to domestic and international markets via Lake Michigan and the Ohio River<sup>6</sup>. The Northern Indiana District port is a US top 20 port by total cargo tonnage<sup>7</sup>.

## **5. Sound logistics market fundamentals in Indianapolis**

Indianapolis is one of the top 15 logistics markets in the US based on its market size of approximately 350.2 million sq ft<sup>8</sup>.

New supply delivered over the past two years has resulted in rising vacancy rates, however it has levelled off at 10.6% in 3Q 2024 due to slowing construction completions and stable leasing activity<sup>9</sup>. Despite the vacancy, asking rents rose 1.4% quarter-on-quarter to US\$5.94 per sq ft in 3Q 2024<sup>9</sup>.

Vacancy is expected to improve in 2025 amid a thinning construction pipeline and expectations of re-accelerating tenant demand<sup>10</sup>.

## **6. CLAR's logistics portfolio is strategically well-positioned in the US**

Besides this latest property in Indianapolis, CLAR's logistics assets in the US are located in Kansas City, Chicago and Charleston. These cities are major logistics hubs in the US due to their strategic locations which provide easy access to a large proportion of the US population, as well as their excellent ground, water and air transportation networks<sup>5, 11</sup>. Their robust economies are supported by a diverse mix of industries such as manufacturing, wholesale & retail trade, transportation & warehousing, real estate, finance, insurance and professional & business services<sup>12</sup>.

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<sup>6</sup> Source: Ports of Indiana.

<sup>7</sup> Source: U.S. Department of Transportation, Bureau of Transportation Statistics, 2024 Port Performance Freight Statistics.

<sup>8</sup> Source: Cushman & Wakefield, Marketbeat United States Industrial Q3 2024.

<sup>9</sup> Source: CBRE Research, Figures Indianapolis Industrial Q3 2024.

<sup>10</sup> Source: Cushman & Wakefield, Marketbeat Indianapolis Industrial Q3 2024.

<sup>11</sup> Source: CBRE Research, Southeast United States Industrial Overview – Midyear 2024.

<sup>12</sup> Source: US Bureau of Economic Analysis.

Indianapolis is the largest city and state capital of Indiana. It is also the third largest logistics market in the Midwest<sup>13</sup>. The Property is a strategic fit with CLAR's existing logistics assets and strengthens CLAR's presence in the Midwest, one of the major industrial markets in the US.

## 7. Distribution per Unit ("DPU") accretive acquisition

The first year net property income ("NPI") yield<sup>14</sup> of the Proposed Acquisition is approximately 7.6% pre-transaction costs and 7.4% post-transaction costs.

The *pro forma* impact on the DPU for the financial year ended 31 December 2023 is expected to be an improvement of approximately 0.019 Singapore cents or a DPU accretion of 0.1%, assuming the Proposed Acquisition was completed on 1 January 2023<sup>15</sup>.

### **Details of the Proposed Acquisition**

CLAR, through its indirect wholly owned subsidiary, Ascendas Reit Indiana 1 LLC, has entered into a sale and purchase agreement with the Vendor today to acquire the Property.

The Purchase Consideration for the Proposed Acquisition is S\$150.3 million (US\$115.8 million). It was negotiated on a willing-buyer and willing-seller basis and is at a 4.1% discount to the independent market valuation<sup>16</sup> of the Property of S\$156.8 million (US\$120.8 million) as at 1 January 2025.

The Total Acquisition Cost of S\$153.4 million (US\$118.2 million) (the "**Total Acquisition Cost**") comprises the Purchase Consideration of S\$150.3 million (US\$115.8 million<sup>17</sup>), the acquisition fee payable to the Manager of approximately S\$1.5 million (US\$1.2 million) (being 1% of the Purchase Consideration) and other transaction-related fees and expenses of approximately S\$1.7 million (US\$1.3 million).

The Manager intends to finance the Total Acquisition Cost of approximately S\$153.4 million (US\$118.2 million) through a combination of internal resources, divestment proceeds and/or existing debt facilities.

The completion of the Proposed Acquisition is subject to closing conditions and is expected to be in the first quarter of 2025.

Please refer to the Annex for more details on the Property.

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<sup>13</sup> By total rentable area. Source: CBRE Research, Figures Midwest U.S. Industrial Q3 2024.

<sup>14</sup> The NPI yield is derived using the estimated NPI expected in the first year after the Proposed Acquisition.

<sup>15</sup> The estimated pro forma impact is calculated based on the following assumptions: (i) CLAR had completed the Proposed Acquisition on 1 January 2023 and held the Property through 31 December 2023; (ii) the Proposed Acquisition was funded based on a funding structure of 40% debt and 60% equity; and (iii) the Manager elects to receive its base fee 80% in cash and 20% in units of CLAR.

<sup>16</sup> The valuation (as at 1 January 2025) was commissioned by the Manager and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CLAR, and was carried out by CBRE Valuation & Advisory Services using the direct capitalisation and discounted cash flow approaches.

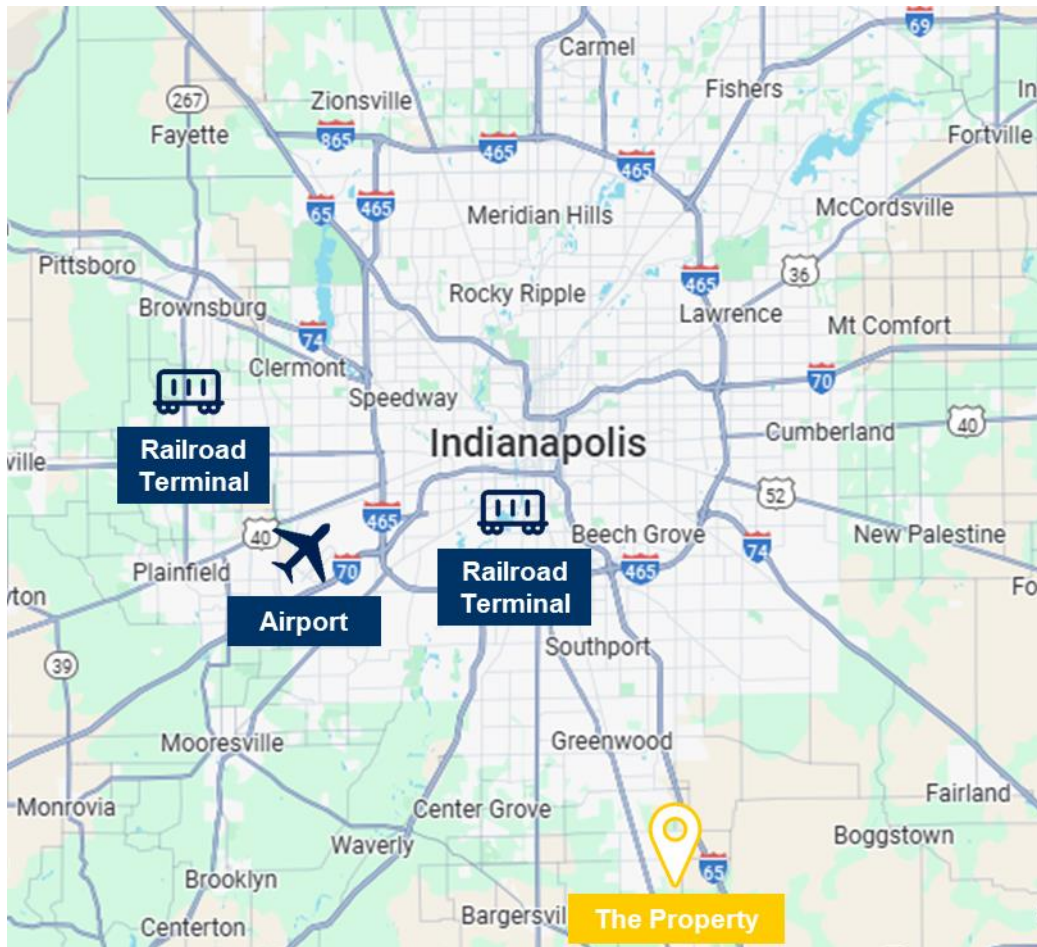
<sup>17</sup> Subject to closing adjustments.

## ANNEX

### Summary of the Property:

<b>Address</b>	45 Mission Road, Whiteland, Indiana 46184
<b>Description</b>	A modern, Class A single-storey logistics building
<b>Land Tenure</b>	Freehold
<b>Gross Floor Area / Net Lettable Area</b>	979,649 sq ft
<b>Occupancy Rate</b>	100%
<b>Weighted Average Lease Expiry (by rental income)</b>	Approximately 11 years

### Location:



## **About CapitaLand Ascendas REIT ([www.capitaland-ascendasreit.com](http://www.capitaland-ascendasreit.com))**

CapitaLand Ascendas REIT (CLAR) is Singapore's first and largest listed business space and industrial real estate investment trust. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in November 2002.

CLAR has since grown to be a global REIT anchored in Singapore, with a strong focus on tech and logistics properties in developed markets. As at 30 September 2024, its investment properties under management stood at S\$16.8 billion. It owns a total of 229 properties across three segments, namely Business Space & Life Sciences; Industrial & Data Centres; and Logistics. These properties are in the developed markets of Singapore, the United States, Australia, and the United Kingdom/Europe.

These properties house a tenant base of approximately 1,790 international and local companies from a wide range of industries and activities, including data centres, information technology, engineering, logistics & supply chain management, biomedical sciences, financial services (backroom office support), electronics, government and other manufacturing and services industries. Major tenants include Singtel, DSO National Laboratories, SEA Group, Stripe, Entserve UK, DBS Bank, Seagate Singapore, Citibank, Pinterest and DFI Retail Group.

CLAR is listed on several indices. These include the FTSE Straits Times Index, the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. CLAR has an issuer rating of 'A3' by Moody's Investors Service.

CLAR is managed by CapitaLand Ascendas REIT Management Limited, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real asset manager with a strong Asia foothold.

## **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 asset manager with a strong Asia foothold. As at 30 September 2024, CLI had S\$134 billion of assets under management, as well as S\$102 billion of funds under management held via six listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in thematic and tactical strategies. Its diversified real estate asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, data centres, private credit and special opportunities.

CLI aims to scale its fund management, lodging management and commercial management businesses globally 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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**Issued by: CapitaLand Ascendas REIT Management Limited (Co. Regn.: 200201987K)**

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