

GENERAL ANNOUNCEMENT::CDL TO DEVELOP ICONIC 49-STOREY OCTAGON LANDMARK IN BIRMINGHAM'S VIBRANT PARADISE PRECINCT

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CDL to develop iconic 49-storey Octagon landmark in Birmingham's vibrant Paradise precinct

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Please refer to the attached News Release titled "CDL to develop iconic 49-storey Octagon landmark in Birmingham's vibrant Paradise precinct" issued by City Developments Limited on 17 December 2021.

Attachments

[CDL News Release.pdf](#)

Total size =647K MB



**CITY
DEVELOPMENTS
LIMITED**

News Release

17 December 2021

CDL TO DEVELOP ICONIC 49-STOUREY OCTAGON LANDMARK IN BIRMINGHAM'S VIBRANT PARADISE PRECINCT

- **Comprising 370 build-to-rent units, the 155-metre-tall Octagon building will be the world's tallest pure octagonal residential skyscraper**
- **Marks expansion of CDL's UK PRS portfolio, bringing the Group's UK pipeline to over 1,300 units**

City Developments Limited (CDL) has expanded its United Kingdom (UK) Private Rented Sector (PRS) portfolio with the acquisition of a 250-year leasehold site from Paradise Circus Limited Partnership (PCLP). Located in the heart of Birmingham's Paradise precinct, the 16,760 square feet (sq ft) site will be developed into an iconic residential tower with 370 build-to-rent units. The purchase consideration of £6.5 million (approximately S\$11.8 million¹) translates to about £18 (approximately S\$33¹) per square foot on Gross Internal Area of 359,329 sq ft.

Octagon is the Group's third PRS project in the UK since 2019. The first was CDL's acquisition of the development site for the 665-unit project in Leeds called The Junction. This was followed by CDL Hospitality Trusts' (CDLHT) acquisition of the 352-unit forward-funded project in Manchester in August this year named The Castings. Altogether, the Group now has a pipeline of over 1,300 units in its UK PRS portfolio.

Full planning permission has been obtained for the site which has a residential and commercial Net Lettable Area of around 258,170 sq ft and 2,230 sq ft respectively. CDL plans to develop the site into a 49-storey octagonal tower with one-, two- and three-bedroom apartments, a retail unit on the ground floor, as well as concierge services and resident amenities. The project is expected to be completed in 2025 and the estimated total development cost (including land cost) is around £110 million (approximately S\$200 million¹).

Standing at 155 metres in height, the development is taller than the BT Tower in Birmingham and will be the world's tallest pure octagonal residential skyscraper upon completion. Designed by Glenn Howells Architects, the project will offer exceptional views across Birmingham. As a result of its unique octagonal shape, the apartments will also enjoy an abundance of light, with rooms having a wider aspect than most conventional homes.

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, "The Private Rented Sector (PRS) continues to display resilience and strong growth potential, outperforming many other asset classes amidst the market volatility. Since we made our first foray into UK's PRS in 2019, we have actively explored opportunities to broaden our portfolio by investing in landmark projects that allow for placemaking. The Junction, our PRS development that is under construction, has enabled us to play an active role in rejuvenating the larger Wellington Financial Centre area in Leeds. Likewise, our investment in Octagon, which is located in a prime location in Birmingham, presents an exciting opportunity to be part of the transformation of the Paradise precinct. We anticipate keen interest in the majestic octagonal high-rise residential building, which will augment the quality of CDL's PRS portfolio and enhance our recurring income segment."

¹ Based on an exchange rate of £1 = S\$1.814

Octagon is conveniently located within a 10-minute walk from the main Birmingham New Street Station that provides regular train services to London Euston. It is also a 20-minute walk to the upcoming High Speed 2 railway (HS2) line at Birmingham Curzon Street Station (Phase 1 commencing in 2029), which will reduce commute time to London by half, to about 45 minutes.

Birmingham is the second largest economy after London and boasts UK's largest business, professional and financial services outside of London. The site sits at a confluence of definitive areas of the city centre – Centenary Square, the Civic Quarter and the Jewellery Quarter. It is also strategically located within the Birmingham City Centre and is part of the Paradise Masterplan, a £700 million landmark transformation project led by UK-based developer Metropolitan Estates & Property Corporation (MEPC).

The Paradise master plan comprises three phases and will deliver 1.74 million sq ft of office space across 10 buildings, retail shops and a hotel with three new public squares. Phase One has been completed with Phase Two currently underway. It is expected to house 12,000 workers upon completion and Octagon will be the only PRS development in the Paradise precinct.

Focus on PRS portfolio expansion

UK's PRS has proven resilient despite the pandemic and is less susceptible to cyclical variations than many other real estate sectors. Nearly £420 million was invested into UK's PRS in Q3 2021, totalling £2.2 billion of capital to-date². Around 70% of the funds were for schemes outside London, reflecting investors' confidence in other key cities in the UK with strong fundamentals³. In line with CDL's focus to enhance its recurring income segment, it will continue to scale up its UK PRS portfolio in key regional cities.

In addition to the UK, CDL has expanded into Japan's PRS and to date, has five PRS projects in Japan located in Osaka and Yokohama. It continues to explore opportunities to expand its PRS portfolio in other key markets such as Australia.

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² Savills: [UK Build to Rent Market Update – Q3 2021](#)

³ Knight Frank: [Residential Investment Yield Guide – Q2 2021](#)

VISUALS

	DESCRIPTION	VISUALS
1	Day view of Octagon – World's tallest pure octagonal residential skyscraper	 A daytime architectural rendering of the Octagon skyscraper. The building is a tall, slender, octagonal structure with a white facade and a grid of windows. It stands prominently in an urban setting with other buildings and a street in the foreground. The sky is a clear, light blue.
2	Night view of Octagon – World's tallest pure octagonal residential skyscraper	 A nighttime architectural rendering of the Octagon skyscraper. The building is illuminated from within, showing a warm glow from the windows. The facade is lit up, highlighting its octagonal shape. The sky is a deep blue, and the surrounding urban environment is visible with streetlights and other buildings.