12 February 2019

Property | REITs

ESR REIT (EREIT SP)

Buy

An Industrial Giant In the Making; Initiate BUY

Target Price (Return)	SGD0.61 (+18%)
Price:	SGD0.515
Market Cap:	USD1,201m
Avg Daily Turnover (SGD/USD)	1.5m/1.1m

- **Initiate at BUY, high-end of Street SGD0.61 TP, 18% upside, 8% yield.** ESR-REIT is a pure play on the Singapore industrial sector turnaround with a well-diversified portfolio of 57 assets located across the island. The REIT has been on a transformational path from the time ESR Group (ESR) became its sponsor (Jan 2017), with a more than twofold increase in asset value – it is currently the fourth largest listed industrial REIT. We believe the market is yet to recognise the full potential of the economies of scale from its growth and sponsor strength as it trades at an attractive FY19F yield of 8%. This is 170bps higher than that of its industrial peers and the S-REITs average.
- **Post-merger benefits are starting to flow through** from recent accretive merger with Viva Industrial Trust (VIT). These include: a more diversified asset profile, with higher exposure to favourable business parks and the hi-tech industrial segment; significant improvement in trading volumes; lower debt costs and cost synergies from a bigger portfolio with access to a wide pool of tenants.
- **SG industrial rents have bottomed out, occupancy stabilising.** The outlook for the industrial segment is turning positive, with favourable demand-supply dynamics, especially for business parks and hi-tech industrial spaces. Despite some threats from recent trade tensions, we expect overall industrial sector rents to improve 1-3% and occupancy to slightly improve on the back of tapering industrial supply. This should have a positive impact on ESR-REIT, which has its assets strategically located across key industrial zones.
- **Next leg of growth from AEIs and asset rejuvenations.** After a rapid expansion via inorganic growth over the last two years, management states it will focus more on organic growth in the next two years. For this, it identified seven properties for asset enhancement initiatives (AEIs) over the next three years. Key to its plan is the tapping of unutilised GFA of c.1m sqf of unutilised GFA in two of its key assets – which, if executed, should be highly DPU-accretive, in our view. Management, however, doesn't rule out the possibility of an acquisition if a good opportunity comes along.
- **ESR is a highly capable sponsor** and a leading APAC focused player that develops and manages logistics assets with AUM of >USD14bn. ESR-REIT is the only listed arm of the sponsor. This presents it with growth potential from ESR's ready pipeline of assets and operating expertise.
- **Cheapest Singapore-focused industrial S-REIT.** Our TP is based on a 5-year DDM (CoE: 8%, TG: 1%). ESR-REIT trades at 1.1x P/BV, a 10% discount to the industrial REIT average of 1.23x. Liquid at USD1.1m/day.
- **Key risks:** a high gearing level limiting debt headroom for acquisitions, potential tenant defaults (in particular Hyflux) and short land lease tenure.

Forecasts and Valuation	Dec-17	Dec-18	Dec-19F	Dec-20F	Dec-21F
Total turnover (SGDm)	109.7	156.9	264.7	270.4	274.5
Net property income (SGDm)	78.4	112.0	195.2	201.3	206.4
Reported net profit (SGDm)	1.4	(228.4)	179.8	196.1	201.3
Distributable income (SGDm)	50	74	130	137	141
DPS (SGD - cents)	3.9	3.9	4.1	4.3	4.4
DPS growth (%)	(7.7)	0.1	5.9	4.1	2.4
P/BV (x)	0.7	1.1	1.1	1.0	1.0
Dividend Yield (%)	7.5	7.5	7.9	8.3	8.5
Return on average equity (%)	0.2	(15.4)	11.8	12.1	11.9
Return on average assets (%)	0.0	(2.4)	1.5	1.6	1.6
Interest coverage (x)	3.4	3.7	4.1	4.3	4.4

Source: Company data, RHB

Analyst

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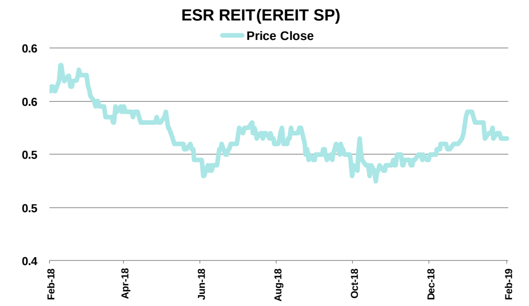
Share performance (%)

	YTD	1m	3m	6m	12m
Absolute	1.0	(4.6)	5.1	1.0	(7.9)
Relative	(3.6)	(4.9)	0.5	3.3	(2.7)
52-wk Price low/high (SGD)					0.47 – 0.59



Source: Bloomberg

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Financial Exhibits

Financial model updated on 2019-02-07

Asia
Singapore
REITs
ESR-REIT

Major shareholders (%)

Tong Jinquan	33.8
E-Shang Infinity Cayman	9.3
Vanguard Group Inc	2.1

Valuation basis

DDM methodology:
i. CoE of 8%;
ii. 1% long-term growth.

Key drivers

i. Rebound in industrial rents and occupancy;
ii. Continued yield compression across REITs;
iii. Accretive acquisitions and asset enhancements.

Key risks

i. Prolonged slowdown in the manufacturing sector arising from trade tensions;
ii. Tenant defaults;
iii. Selldown by major shareholder.

Company Profile

ESR-REIT invests in quality income-producing industrial properties and as at 31 Dec 2018 has a diversified portfolio of 57 properties located across Singapore, with total GFA of ~14.1m sqf and a property value of SGD3.02bn.

The properties are in the following business sectors: General Industrial, Light Industrial, Logistics/Warehouse, Hi-Specs Industrial, and Business Park, and are located close to major transportation hubs and key industrial zones island-wide.

Financial summary	Dec-17	Dec 18	Dec 19F	Dec 20F	Dec 21F
Recurring EPS (SGD)	0.04	0.02	0.04	0.04	0.04
EPS (SGD)	0.00	(0.07)	0.06	0.06	0.06
DPS (SGD)	0.04	0.04	0.04	0.04	0.04
BVPS (SGD)	0.71	0.47	0.48	0.50	0.52
Weighted avg adjusted shares (m)	1.31	3.17	3.19	3.21	3.23

Valuation metrics	Dec-17	Dec 18	Dec 19F	Dec 20F	Dec 21F
Recurring P/E (x)	13.8	22.4	12.2	11.7	11.5
P/E (x)	484.6	(7.1)	9.1	8.4	8.3
P/B (x)	0.7	1.1	1.1	1.0	1.0
FCF Yield (%)	(7.6)	(2.3)	8.5	9.9	10.7
Dividend Yield (%)	7.5	7.5	7.9	8.3	8.5
EV/EBITDA (x)	32.6	24.4	13.7	13.3	13.0
EV/EBIT (x)	32.6	24.4	13.7	13.3	13.0

Income statement (SGDm)	Dec-17	Dec 18	Dec 19F	Dec 20F	Dec 21F
Total turnover	110	157	265	270	275
Gross profit	78	112	195	201	206
EBITDA	69	100	178	183	188
Depreciation and amortisation	0	0	0	0	0
Operating profit	69	100	178	183	188
Net interest	(20)	(27)	(43)	(43)	(43
Income from associates & JVs	0	0	0	0	0
Exceptional income - net	0	0	0	0	0
Pre-tax profit	1	(228)	185	202	208
Taxation	0	(0)	(6)	(6)	(6
Minority interests	0	0	0	0	0
Recurring net profit (adj)	1	(228)	180	196	201

Cash flow (SGDm)	Dec-17	Dec 18	Dec 19F	Dec 20F	Dec 21F
Change in working capital	(0)	(31)	33	0	(0
Cash flow from operations	69	68	220	193	197
Capex	(120)	(106)	(80)	(30)	(20
Cash flow from investing activities	(304)	(149)	(80)	(30)	(20
Dividends paid	(46)	(56)	(130)	(137)	(141
Cash flow from financing activities	243	88	(130)	(166)	(171
Cash at beginning of period	4	12	18	28	25
Net change in cash	8	6	10	(3)	7
Ending balance cash	12	18	28	25	31

Balance sheet (SGDm)	Dec-17	Dec 18	Dec 19F	Dec 20F	Dec 21F
Total cash and equivalents	12	18	28	25	31
Tangible fixed assets	1652	3016	3067	3129	3191
Intangible assets	0	0	3	3	3
Total investments	1652	3016	3070	3131	3194
Total other assets	44	35	60	57	65
Total assets	1696	3051	3130	3189	3258
Short-term debt	155	282	0	0	0
Total long-term debt	515	986	1318	1288	1288
Other liabilities	96	152	133	132	131
Total liabilities	766	1420	1451	1421	1419
Shareholders' equity	779	1480	1527	1617	1688
Minority interests	151	151	151	151	151
Total equity	930	1631	1678	1768	1839
Net debt	436	466	471	476	481
Total liabilities & equity	1696	3051	3130	3189	3258

Key metrics	Dec-17	Dec 18	Dec 19F	Dec 20F	Dec 21F
Revenue growth (%)	(2.1)	43.0	68.7	2.1	1.5
Recurrent EPS growth (%)	(7.0)	(38.3)	83.1	4.1	2.2
Gross margin (%)	71.5	71.4	73.7	74.5	75.2
Operating EBITDA margin (%)	63.3	64.0	67.1	67.8	68.5
Net profit margin (%)	1.3	(145.6)	67.9	72.5	73.3
Dividend payout ratio (%)	100.0	100.0	100.0	100.0	100.0
Capex/sales (%)	109.6	67.3	30.2	11.1	7.3
Interest cover (x)	3.4	3.7	4.1	4.3	4.4

Source: Company data, RHB

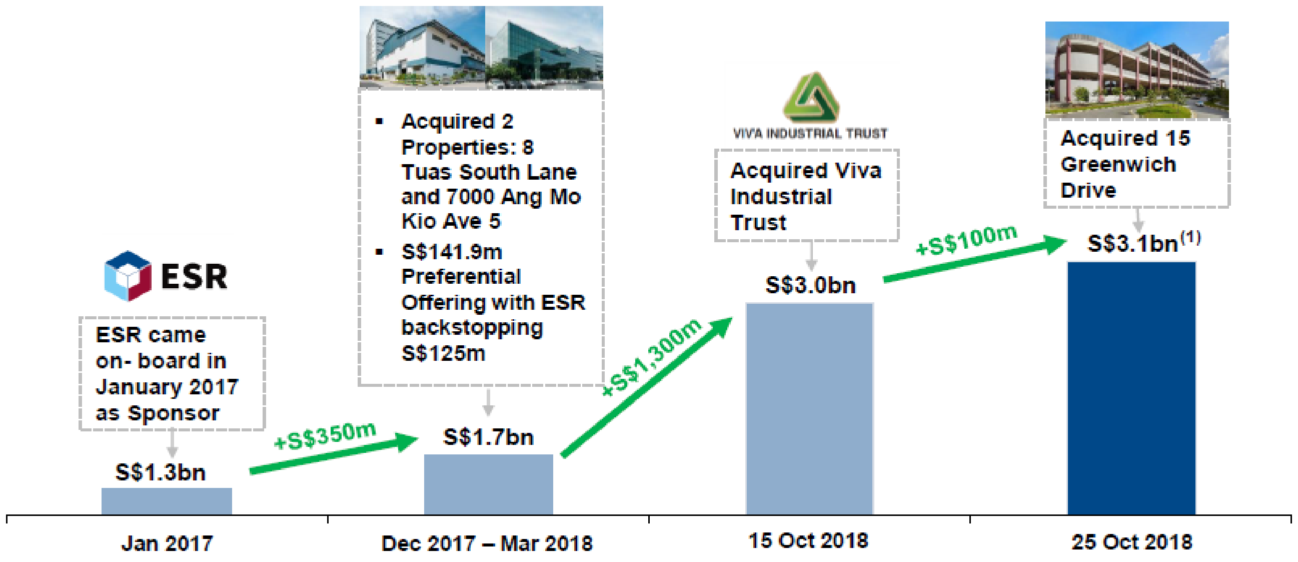
Investment Highlights

Transforming into an industrial giant. ESR-REIT (formerly known as Cambridge REIT) has been embarking on a steady transformation into a major industrial player in Singapore since ESR came on board as sponsor in Jan 2017. Over the last two years the REIT has more than doubled in portfolio size through acquisition and most recently through the merger of VIT. It is now the fourth largest industrial S-REIT. The key reasons for its growth pursuit have been to:

i. Better compete with other industrial players via scale;
ii. Diversify its asset mix;
iii. Lower funding costs;
iv. Reap operational synergies;
v. Gain better investor traction.

We see merits in all the points above as historically, larger industrial REITs in Singapore have benefitted from a wider pool of tenant base, better cost management and lower funding costs – and as a result, have traded at a premium to the smaller industrial REITs. ESR-REIT has a portfolio of 57 industrial properties, all in Singapore, with total asset size of SGD 3.1bn (see Appendix A, for individual property details).

Figure 1: ESR-REIT's portfolio growth timeline



Source: Company data

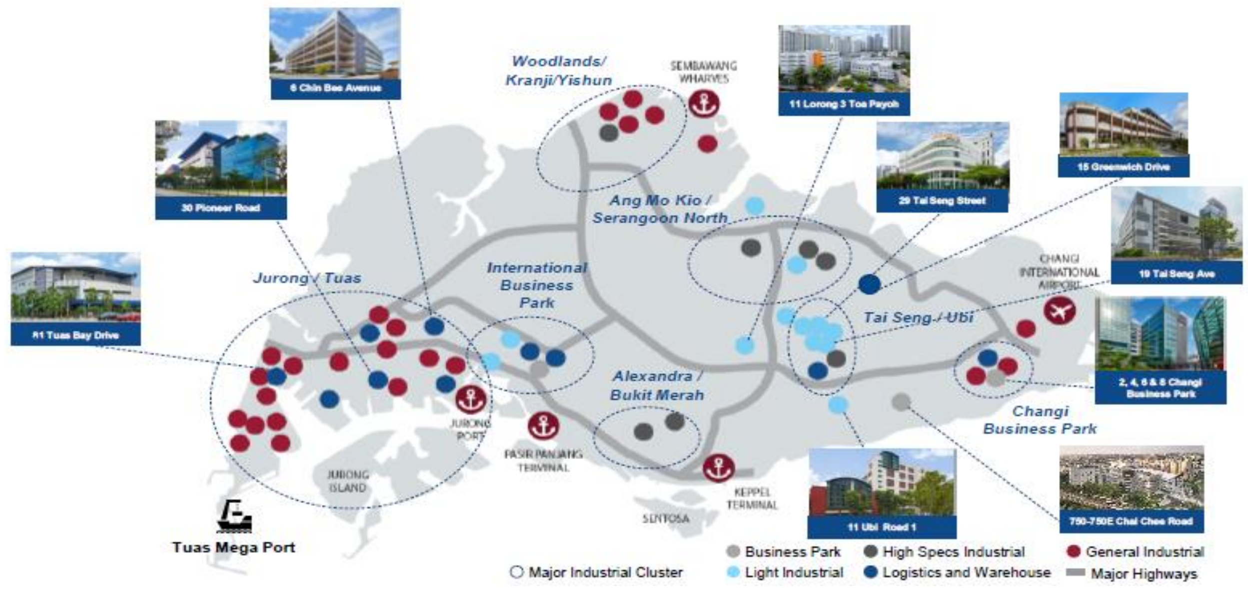
A well-diversified industrial portfolio with strategically located assets. ESR-REIT has a good mix of assets across various industrial segments:

i. Business parks (three assets);
ii. High-specs industrial (seven);
iii. General industrial (25);
iv. Light industrial (12);
v. Logistics/ Warehousing (10).

Post completion of its recent merger with VIT, the proportion of total assets comprising business parks and high-specs sectors has more than doubled to 45% for ESR-REIT. Among the industrial sub-segments, we are most positive on these two segments, due to Singapore's push towards high-end manufacturing, their ability to consistently command high rental rates and because they are low in supply in Singapore for the next three years (refer to the Industry Outlook, on page 13). Thus we see room for occupancy increase and rental improvement in its portfolio in the near-term.

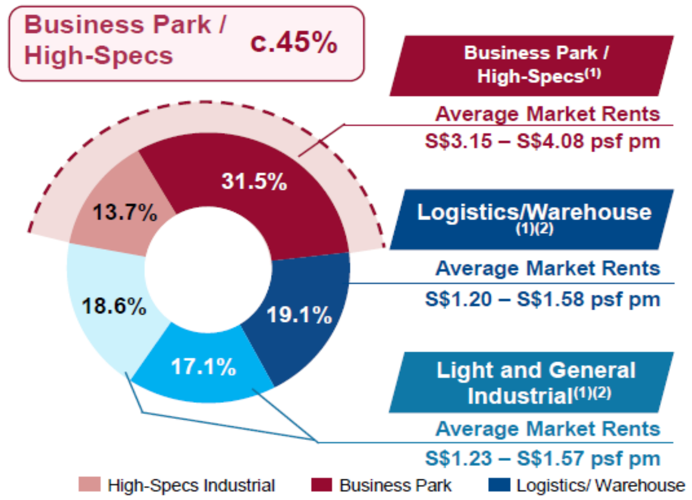
Additionally, about 22 of its 57 assets are located near the Tuas Mega Port, which is to be completed by 2040. This cluster of assets may stand to benefit from the new port, which will house all of Singapore's container activities. We believe the consolidation of the container port activities, that run on emerging technologies, automation and data analytics, will provide economies of scale and increase demand for industrial, warehouse and logistic properties around the area.

Figure 2 : ESR-REIT's portfolio cluster and industrial zones



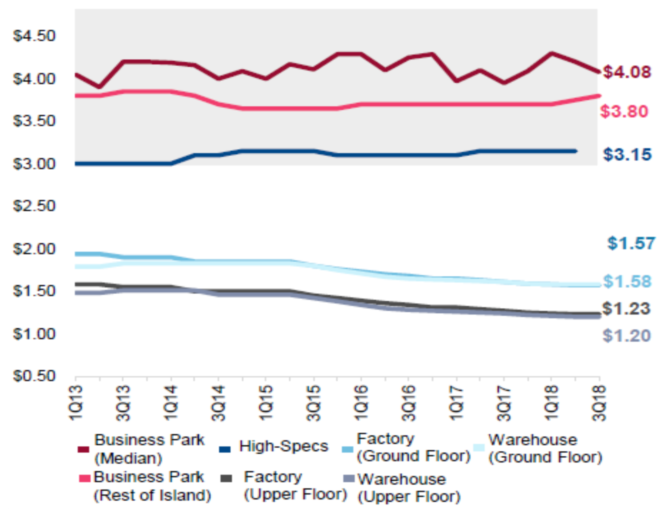
Source: Company data

Figure 3: Portfolio breakdown by valuation



Source: Company data

Figure 4: Average industrial rents (SGD per sqf/month)



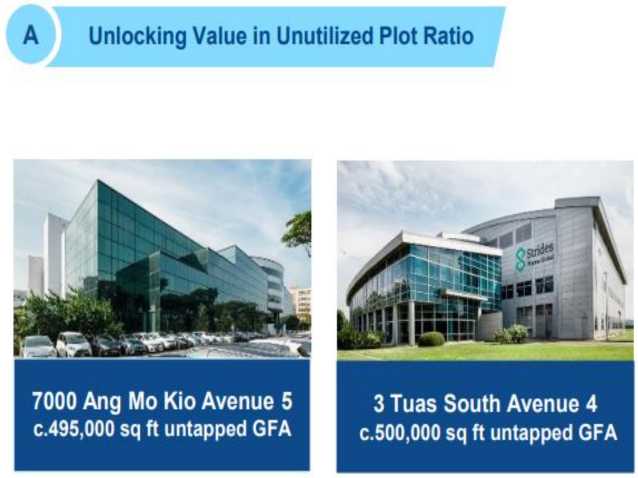
Source: Company data

Unlocking value from AEIs – next leg of growth. After growing rapidly through acquisitions in recent years, management's focus has now shifted on unlocking its portfolio value via asset enhancement initiatives and asset rejuvenations. On this front, ESR-REIT has identified about seven assets where it plans to enhance value over the next three years.

The value unlocking plan includes tapping of c.1m sqf of unutilised plot ratio at two of its properties – 7000 Ang Mo Kio Avenue 5 (7000 AMK) and 3 Tuas South Avenue 4. Management is in talks with authorities for building an extension wing at 7000 AMK with likely plans of building a data centre. The capex estimated for such a development is c.SGD50m, with works likely to begin in 3Q19 after obtaining necessary approvals.

In terms of asset rejuvenation, a recent example has been the conversion of 30 Marsiling Industrial Estate Road 8 into a niche food logistics factory. Other asset rejuvenation works would be mainly focused on converting the cargo lift warehouses, which are currently in low demand, to ramp-up warehouses. Management's targeted yield on cost for AEIs is 8.5-9.5% and 7.5-8% for asset rejuvenation. Considering the management team's strong past track record of adding value from AEIs we believe the above plans will result in strong value creation for unit holders.

Figure 5: Properties identified for plot ratio maximisation



Source: Company data

Figure 6: Asset rejuvenation plans

Source: Company data

Long-term potential to become a strong regional player from sponsor's strength. The REIT's sponsor ESR is a merged group between e-Shang Cayman Ltd (e-Shang) and the Redwood Group Asia (Redwood). It is an APAC-focused logistics real estate platform that develops and manages institutional-quality logistics facilities with AUM of >USD 14bn (see page 16 for sponsor details).

The sponsor has a 67% stake in the REIT manager, 100% stake in the property manager, a 9% stake in the REIT, and has fully underwritten the recent preferential offering demonstrating its long term commitment and alignment of interest. With ESR-REIT being the sponsor's only listed arm, it has the rights to a "first look" at assets for acquisition, which provides it excellent opportunities to grow its portfolio in the future. ESR also provides ESR-REIT with development expertise and an extensive network for a strong regional tenant base.

The US-China trade tensions: limited impact on industrial demand for now. From our recent discussions with industrial landlords, we understand that there has been some slowdown in industrial demand as a result of the recent trade tensions. Specifically, tenants are a bit uncertain about signing up long-term leases and there has also been some downsizing due to uncertainties.

Our base case view is that this demand uncertainty is a short-term phenomenon. We expect demand to stabilise and get better in 2H19, in line with a higher GDP growth expectation. We also see the possibility of some high-end industrial demand from the region being shifted to Singapore if trade tensions lengthen, with the recent shift of Dyson's headquarters from the UK to Singapore being a prime example. Additionally, the industrial supply slowdown should also help in buffering some of this impact.

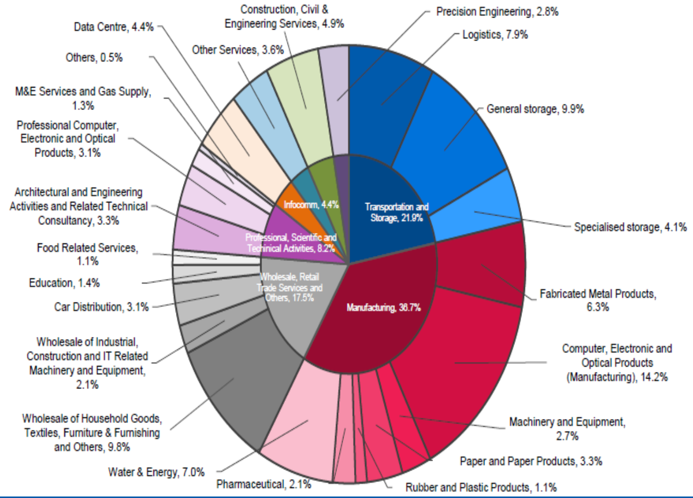
Hyflux – tenant default risk? We understand that one of the concerns the market has is in regards to the REIT's acquisition (Dec 2017) of 8 Tuas South Lane from Hyflux Membrane Manufacturing (S) (Hyflux). The property accounts for 3.5% of total rental income and was acquired on a long-term (15-year) lease, with the majority (70%) of the space taken up by Hyflux. With Hyflux undergoing a restructuring process, there have been concerns regarding rental payments. Management, however, has clarified that Hyflux has been prompt in rental payments so far and it believes rental payments will continue, as the property is essential for the continued operation of the latter's business. It has three months of security deposits for the rental payments. We understand that the building is not purpose-built for Hyflux, thus we believe that in the worst-case scenario of tenant default the REIT would still be able to re-let the building to other tenants. The property is also currently leased to Hyflux on two different lease terms, which lends itself well to being multi-tenanted.

Potential cost savings from economies of scale. Moving ahead, ESR-REIT will be clustering its assets by region for better on-site management and shifting towards self-management of properties for more cost savings, faster response time and better service quality for tenants. The enlarged portfolio also creates economies of scale and gives ESR-REIT stronger bargaining power with service providers. ESR will also be using bulk tender contracts for property services to reduce operational maintenance costs. Management conservatively expects 2-3% in cost savings pa over the next few years from these efforts.

Diversified tenant base. Over the years, ESR-REIT has reduced its reliance on master leases, with about 70% of the rental income coming from multi-tenanted buildings (previously c.50%). It has about 350 tenants in its properties with trade sectors across various categories (Figure 7) and no specific trade sector accounts for more than 15% of its total rental income.

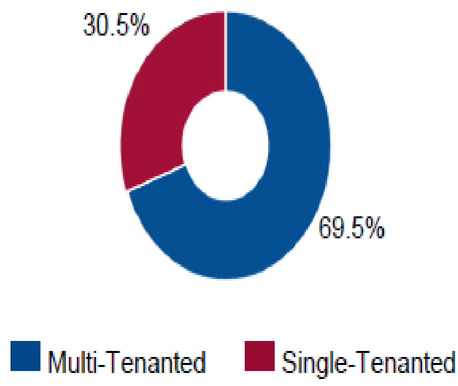
There is also no concentration risk, with no tenant accounting for more than 5% of income, while its top 10 tenants account for only 30% of total rental income. The top three rental contributors for FY18 were AMS Sensors Singapore (4.6%), United Engineers Developments (4.1%) and Hyflux Membrane Manufacturing (3.5%).

Figure 7: Rental breakdown by trade sectors (as of 3Q18)



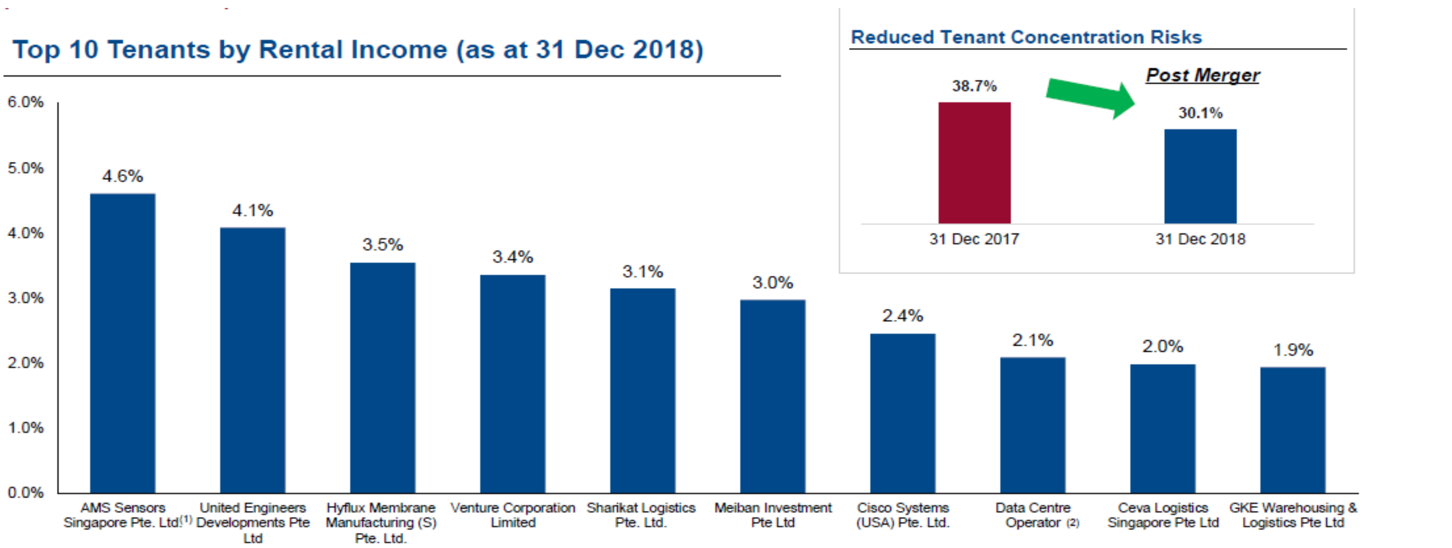
Source: Company data

Figure 8: Single tenant vs multi tenants (by income)



Source: Company data

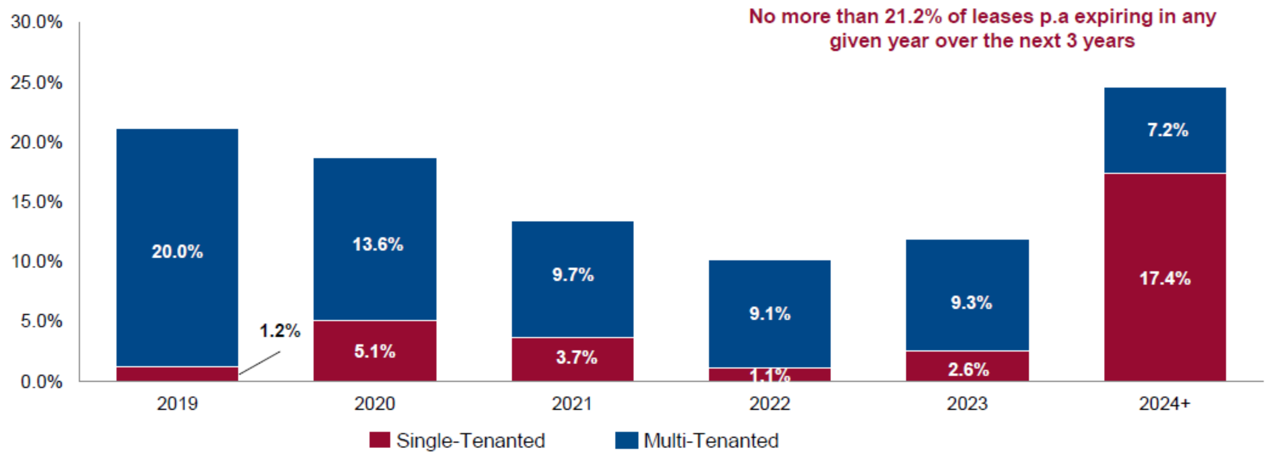
Figure 9 : ESR REIT's portfolio cluster and industrial zones



Source: Company data

Poised to benefit from rising rents and tapering industrial supply. The weighted average lease expiry (WALE) by rental income of the portfolio is 3.8 years with 21.2% and 18.7% of the leases expiring in 2019 and 2020 and 24.6% of the leases expiring in 2024. No more than 21.2% of leases are expiring in any given year over the next three years. While longer term leases provide ESR-REIT with a more stable source of income, the shorter term leases put ESR-REIT in a better position to take advantage of rising rents. With industrial supply tapering for the next few years, ESR-REIT should be able to replace tenants with greater ease.

Figure 10: WALE by rental income



Source: Company data

Fee structure in line with that of its industrial REIT peers. ESR-REIT's management base fees are set at 0.50% pa of portfolio value, similar to most fees of peers (Figure 11). Its performance fees are well aligned to unit holders' interest of generating higher returns. The trustee's fees are at the lower end at 0.03% of property value, while acquisition and divestment fees are comparable with those of industry peers.

Figure 11: A comparison of industrial REITs' fees

	Property management fees	REIT management fees		Trustee fees	Acquisition fee	Divestment fees
		Base	Performance	% of property value	% of purchase price	% of sale price
AIMS AMP Capital Industrial REIT	2.0% of rental income (base) + 1.0% of rental income (lease mgmt)	0.50% pa of portfolio value	0.1% of portfolio value if DPU difference >2.5% YoY, 0.2% of portfolio value if DPU difference >5.0%	0.100%	1.00%	0.50%
Ascendas Real Estate Investment Trust	2.0% of gross rev + 1.0% of gross rev (lease mgmt fee)	0.50% pa of portfolio value	0.1% of portfolio value if DPU difference >2.5% YoY, 0.2% of portfolio value if DPU difference >5.0%	Not exceeding 0.25% pa of the value of all the gross assets, subject to a minimum of SGD10,000/month	1.00%	0.50%
Cache Logistics Trust	Aus: 2.0% of NPI, SG: 2.0% of gross rev (base) + 1.0% of gross rev (lease)	0.50% pa of portfolio value	1.5% of NPI	0.030%	1.00%	0.50%
Cromwell REIT	0.67% pa of the Deposited Property	0.23% pa of the CEREIT's Deposited Property	25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year x weighted avg number of units in issue for the financial year	Scaled basis of up to 0.015% p.a. of the value of the Deposited Property, subject to a minimum of SGD15,000/month	1.0%	0.5%
ESR REIT	2.0% of gross rev + 1.0% of gross rev for lease mgmt fee	0.50% pa of portfolio value	25.0% YoY DPU difference *weighted avg no of units, capped at 0.8% of portfolio value pa	0.030%	1.00%	0.50%
EC World REIT	1.5% p.a. of gross revenue of the property	10.0% pa of distributable income	25.0% pa of the YoY DPU difference x weighted avg no of units in issue for such financial year	Not exceeding 0.1% pa of the value of the Deposited Property, subject to a min of SGD12,000/ month	0.75% from related parties 1.0% for other cases	0.50%
Frasers Logistics Trust	Aus: 1.2% of NPI, Outside Aus: 2.0% of gross rev (base) + 1.0% of gross (lease)	0.40% of portfolio value	5.0% of distributable income	0.015%	0.50% for related parties, 1.0% for all others	0.50%
Mapletree Industrial Trust	2.0% of gross rev + 1.0% of gross rev for lease mgmt fee	0.50% pa of portfolio value	3.6% of NPI	0.020%	1.0%	0.50%
Mapletree Logistics Trust	2.0% of gross rev + 1.0% of gross rev for lease mgmt fee	0.50% pa of portfolio value	3.6% of NPI	0.030%	1.0%	0.50%

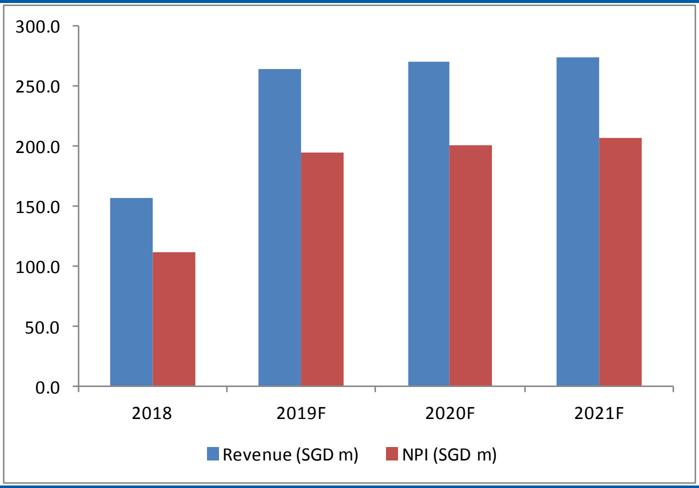
Source: Company data, RHB

Financials

Forecasting a 3-year CAGR DPU growth of 4%. We expect ESR-REIT's FY19 revenue and NPI to jump by 69% and 74%YoY on the back of the completion of its merger with Viva Industrial REIT. We forecast NPI margin to expand by 2ppts over the next three years owing to higher NPI yields of acquired assets and cost savings expected from the merger. Our forecast assumes a slight improvement to its current portfolio occupancy of 93%, a positive rental growth of 1-3% and a 100% payout ratio.

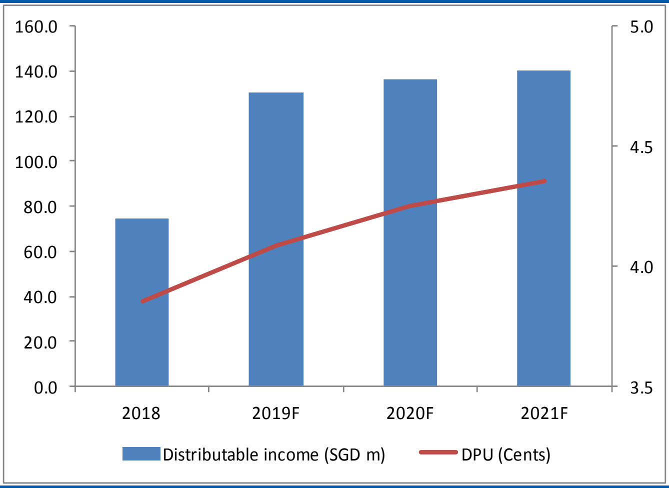
Our forecast currently doesn't assume any uplift from asset enhancements or rejuvenation plans, pending more details.

Figure 12: Revenue and NPI forecasts



Source: RHB

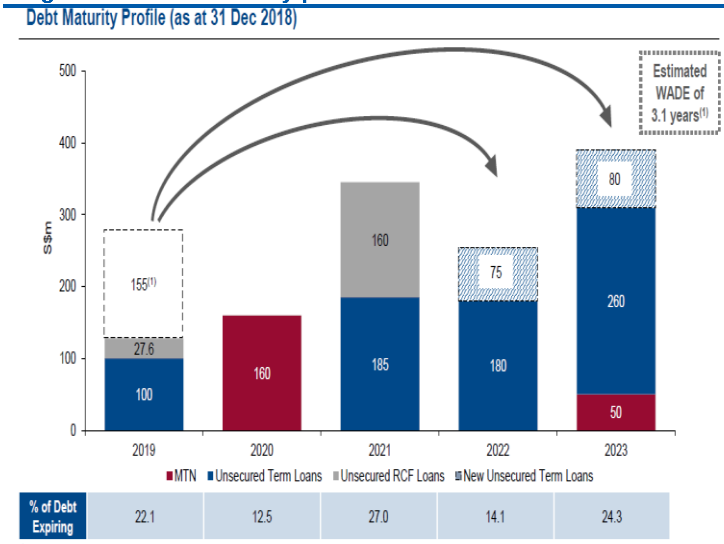
Figure 13: Distributable income and DPU growth



Source: RHB

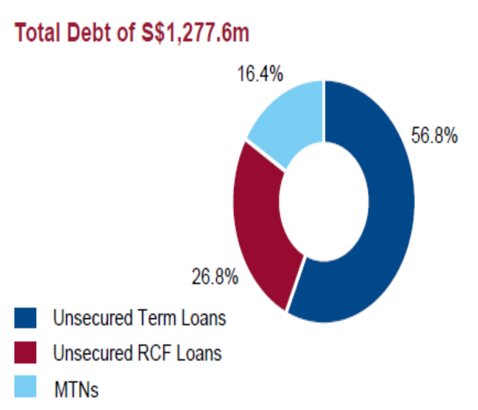
Expecting flattish debt costs. About 22% of its total debt is due for renewal in FY19. We assume the overall interest cost to remain at 3.81% pa, owing to the more dovish interest rate outlook from the US Federal Reserve. For 2020-2021, we have factored in a slight 5bps increase in overall interest cost. The REIT has a well spread-out debt maturity profile with no more than 27% of debt expiring in any single year and with weighted average debt expiry (WADE) of 2.7 years. About 83% of its debt is also hedged for a 3.0 year term thus limiting the impact from any sharp spikes in interest rates. Additionally, 100% of the portfolio debt is unencumbered, providing more flexibility in refinancing.

Figure 14: Debt maturity profile



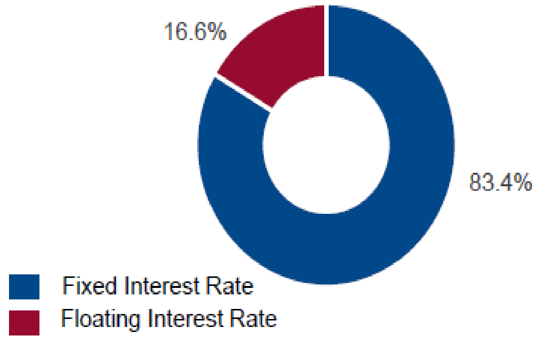
Source: Company data

Figure 15: Debt breakdown



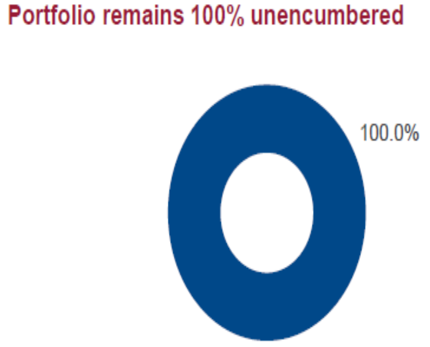
Source: Company data

Figure 16: Interest rate exposure fixed (%)



Source: Company data

Figure 17: Fully unencumbered debt profile



Source: Company data

High gearing level limits debt-funded acquisitions. ESR-REIT's current gearing of 41.9% (FY18) is among the highest in the S-REITs sector (maximum allowable limit is 45%) and it has limited debt headroom in terms of acquisitions. The increase in gearing from 30.3% last year was mainly due to acquisitions and the recent merger. Management is not too concerned with the gearing, as it has a strong support from its sponsor and the banks are comfortable with its asset quality. The high gearing level, however, limits the accretion effect from potential future acquisitions.

Payment of fees in units. Our DPU forecast assumes 50% of management fees to be paid in units, similarly to 4Q18. If management chooses to receive a higher proportion of management fees in units it will result in a further DPU upside and vice versa.

Distribution frequency. ESR-REIT declares and distributes dividends to unit holders on a quarterly basis.

Valuation

Initiate coverage with BUY and SGD0.61 TP, 18% upside, with 8% yield. Our 5-year DDM-based TP is derived with an 8% CoE (risk-free rate: 3%, terminal growth: 1%). We have assumed a 100% payout ratio, taking into consideration the REIT's near-term capex requirements and 50% of the management fees being paid in units.

Our TP implies 1.25x FY19F P/BV, which is the average P/BV of industrial S-REITs (Figure 20). We believe the premium to book value is justified, considering the positive industrial sector outlook, increased scale and management capabilities.

Figure 18: DDM valuation

	FY19F	FY20F	FY21F	FY22F	FY23F	Terminal Value
DPU (SGD cents)	4.09	4.25	4.35	4.40	4.44	64.1
Fair value (SGD)	**0.61**					
Current price (SGD)	0.52					
Price upside (%)	18.0%					
Distribution yield (%)	7.9%					
Assumptions:						
Risk-free rate (%)	3.0					
Beta	1.0					
Cost of equity (%)	8.0					
Terminal growth (%)	1.0					

Source:, RHB

Our sensitivity analysis looks at changes in TP that correspond to a 1ppt change in the COE assumptions and every 0.5ppt change in terminal growth assumptions.

Figure 19: TP sensitivity analysis for COE and terminal growth assumptions

Terminal Growth vs COE	6.00%	7.00%	8.00%	9.00%	10.00%
0.0%	0.73	0.63	0.55	0.49	0.44
0.5%	0.79	0.67	0.58	0.51	0.45
1.0%	0.85	0.71	**0.61**	0.53	0.47
1.5%	0.93	0.76	0.64	0.56	0.49
2.0%	1.03	0.82	0.69	0.59	0.51

Source: RHB

Valuations are attractive with FY19F yields of 8%. ESR-REIT's FY19F-20F yields of 7.9% and 8.3%, are a good 170bps above the average yields of industrial S-REITs. The REIT is trading at 1.1x P/BV currently, a 10% discount to the industrial REIT average of 1.23x. With a well-diversified portfolio of industrial assets across all segments in Singapore, coupled with growth potential from asset enhancements and acquisitions, we believe it is a value buy among Singapore-focused industrial REITs.

Figure 20: S-REITs comparison table

	Mkt cap (USDm)	3M-ADVT (USD '000)	Last price (LCY)	1D (%)	5D (%)	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)	vs 52W-low (%)	vs 52W-high (%)	P/B (x)	Div yield (FY-1)	Div yield (FY-2)	Yield Spread (%)	Gearing/ simple ave	WALE (years)	% FY-1	% FY-2
REITs (40)	**68,284**	**119,177**		**(0.3)**	**0.1**	**2.9**	**8.2**	**4.1**	**4.0**	**6.7**	**13.4**	**(4.5)**	**1.0**	**5.9**	**6.0**	**3.7**	**34.9%**			
Office (5)	**14,069**	**31,325**		**0.4**	**1.1**	**3.9**	**10.1**	**4.3**	**3.5**	**7.7**	**15.4**	**(3.7)**	**0.93**	**5.2**	**5.4**	**3.1**	**35.4%**			
CapitaLand Commercial Trust	5,180	15,422	1.88	(0.5)	0.5	3.3	11.9	9.9	9.3	7.4	16.8	(2.1)	1.02	4.8	4.8	2.6	34.9%	5.8	18%	26%
Suntec REIT	3,768	9,380	1.91	0.5	0.5	2.7	9.8	(0.5)	0.5	7.3	17.2	(4.0)	0.90	5.2	5.8	3.1	38.1%	3.8	8%	18%
Keppel REIT	3,108	4,622	1.24	1.6	5.1	6.9	9.7	6.9	5.1	8.8	14.8	0.0	0.88	4.8	4.8	2.7	36.3%	5.9	4%	8%
OUE Commercial Trust	1,041	415	0.50	0.0	(3.9)	3.1	6.5	(16.7)	(20.2)	7.6	10.0	(21.9)	0.70	6.9	7.1	4.7	39.3%	2.3	19%	29%
Frasers Commercial Trust	971	1,486	1.47	0.7	(1.3)	3.5	7.3	6.5	5.0	7.3	8.9	(3.3)	0.93	6.8	6.8	4.6	28.4%	4.6	18%	13%
Retail (5)	**14,896**	**29,157**		**(0.3)**	**1.1**	**2.8**	**9.2**	**8.2**	**13.2**	**5.6**	**16.3**	**(2.4)**	**1.14**	**5.3**	**5.4**	**3.2**	**31.9%**			
CapitaLand Mall Trust	6,512	18,311	2.40	0.4	1.7	3.4	12.7	9.6	20.6	6.2	23.1	(1.2)	1.19	5.0	5.0	2.8	34.2%	1.9	28%	27%
Mapletree Commercial Trust	3,764	7,718	1.77	(1.7)	1.7	3.5	9.3	12.7	14.2	7.3	16.4	(4.8)	1.19	5.1	5.2	3.0	34.8%	2.8	17%	26%
SPH REIT	1,940	643	1.02	0.0	0.0	1.0	2.0	3.0	2.5	2.0	4.1	(1.0)	1.08	5.6	5.7	3.4	26.3%	1.9	8%	41%
Frasers Centrepoint Trust	1,557	1,528	2.28	0.4	0.9	1.3	6.5	0.9	5.6	5.1	7.5	(1.3)	1.09	5.7	5.7	3.5	28.8%	1.8	18%	37%
Starhill Global REIT	1,124	957	0.70	(1.4)	(2.8)	1.4	4.5	3.7	(4.1)	2.9	10.2	(5.4)	0.78	6.9	7.1	4.7	35.6%	4.2	23%	10%
Industrial (10)	**18,935**	**42,764**		**(0.9)**	**(0.4)**	**1.4**	**7.5**	**2.4**	**4.2**	**5.7**	**11.0**	**(4.0)**	**1.23**	**6.2**	**6.4**	**4.1**	**36.4%**			
Ascendas REIT	6,249	22,899	2.73	(0.4)	0.0	1.9	6.6	0.0	5.8	6.2	11.4	(1.8)	1.31	6.2	6.2	4.1	36.7%	4.4	19%	21%
Mapletree Industrial Trust	2,782	4,033	1.99	(2.0)	(1.0)	0.5	7.6	1.5	2.1	4.2	8.2	(3.4)	1.34	6.0	6.4	3.9	34.7%	3.7	21%	25%
Mapletree Logistics Trust	3,619	10,056	1.37	(1.4)	0.0	3.0	12.3	10.5	11.4	8.7	16.1	(2.1)	1.22	5.8	5.9	3.6	38.8%	3.8	21%	20%
Frasers Logistics Trust	1,624	N.M	1.09	(1.8)	(1.8)	2.8	5.8	3.8	2.7	5.8	7.9	(2.7)	1.20	6.4	6.5	4.3	35.6%	6.48	2%	6%
Keppel DC REIT	1,403	2,944	1.41	(1.4)	(2.1)	1.4	4.4	2.2	4.4	4.4	10.2	(5.4)	1.32	5.6	5.8	3.4	30.8%	8.3	3%	5%
Aims AMP Capital Industrial REIT	704	444	1.39	0.0	0.0	1.5	6.9	0.0	4.5	4.5	7.8	(4.1)	1.02	7.4	7.9	5.2	33.5%	2.7	2%	21%
Cache Logistic Trust	562	832	0.71	(0.7)	0.0	(2.7)	5.2	(5.3)	(15.0)	2.2	8.4	(18.4)	0.94	8.5	9.9	6.3	36.2%	3.1	22%	19%
ESR REIT	1,201	1,133	0.52	1.0	1.0	(3.7)	6.1	2.0	(7.0)	2.0	10.6	(11.1)	1.11	7.9	8.1	5.7	41.9%	3.8	21%	19%
Soilbuild Business Space REIT	469	287	0.60	0.0	(0.8)	0.8	5.3	(6.2)	(7.0)	3.4	7.1	(13.0)	0.95	8.5	8.7	6.3	39.1%	3.9	13%	23%
Sabana Industrial REIT	322	137	0.42	(1.2)	1.2	2.5	5.1	(5.7)	9.2	6.4	9.2	(7.8)	0.72	N.M	N.M	N.M	36.8%	2.6	29%	29%
Hospitality (6)	**6,799**	**5,850**		**(0.7)**	**(3.1)**	**2.7**	**6.1**	**3.7**	**(5.5)**	**6.8**	**10.3**	**(9.2)**	**0.93**	**6.5**	**6.6**	**4.3**	**36.3%**			
Ascott Residence Trust	1,832	1,839	1.15	(0.9)	(4.2)	1.8	8.5	6.5	(1.7)	6.5	9.5	(4.2)	0.94	6.2	6.3	4.0	36.7%	N.A	N.A	N.A
CDL Hospitality Trusts	1,394	1,949	1.57	(1.9)	(6.0)	1.9	5.4	4.7	(4.3)	7.5	9.8	(11.8)	1.03	6.4	6.4	4.2	34.2%	N.A	N.A	N.A
Far East Hospitality Trust	890	589	0.65	(0.8)	(1.5)	2.4	4.9	4.0	(9.8)	6.6	9.3	(12.2)	0.75	6.4	6.5	4.2	40.4%	N.A	N.A	N.A
OUE Hospitality Trust	957	491	0.71	0.0	(4.1)	2.9	2.2	(6.6)	(15.0)	6.0	10.1	(18.4)	0.95	7.2	7.2	5.0	38.8%	N.A	N.A	N.A
Frasers Hospitality Trust	1,020	611	0.74	0.0	(0.7)	3.5	5.8	5.0	(5.8)	5.0	10.5	(8.1)	0.97	6.5	6.7	4.4	34.4%	N.A	N.A	N.A
Ascendas Hospitality Trust	706	370	0.85	0.0	1.2	5.6	8.3	6.3	0.6	9.7	14.2	(2.3)	0.87	6.9	7.0	4.8	33.1%	N.A	N.A	N.A
Healthcare (2)	**1,856**	**2,208**		**(1.5)**	**(2.7)**	**3.3**	**0.5**	**(3.8)**	**(6.6)**	**6.4**	**10.8**	**(10.7)**	**1.34**	**5.9**	**5.9**	**3.7**	**35.6%**			
Parkway Life REIT	1,251	1,225	2.81	0.0	(1.4)	4.9	6.4	3.7	0.7	6.8	9.8	(3.4)	1.50	4.6	4.6	2.5	36.1%	12.39	N.A	N.A
First REIT	605	983	1.04	(4.6)	(5.5)	0.0	(11.9)	(19.4)	(21.8)	5.6	13.0	(25.7)	1.01	8.5	8.6	0.5	35.0%	8.5	N.A	N.A
Overseas - commercial (12)	**11,731**	**7,872**		**0.6**	**1.0**	**4.4**	**8.5**	**2.6**	**(0.2)**	**8.4**	**13.1**	**(4.9)**	**0.66**	**6.5**	**6.7**	**4.32**	**33.9%**			
Dasin Retail Trust	363	207	0.89	0.0	1.1	1.7	3.5	(0.6)	7.3	2.3	7.3	(3.3)	0.58	8.5	8.7	5.4	32.5%	3.9	20%	10%
EC World REIT	431	141	0.74	0.0	2.1	5.7	7.2	4.2	(3.3)	7.2	9.6	(3.9)	0.77	8.4	8.6	5.3	30.7%	2.3	3%	86%
Fortune REIT	2,439	77	9.93	2.0	2.3	5.8	12.2	6.0	7.9	11.4	16.0	(0.2)	0.60	5.4	5.6	3.6	20.9%	N.A	34%	N.A
Mapletree Greater China Commerial Trust	2,936	5,230	1.26	0.8	2.4	7.7	14.5	10.5	5.0	10.5	17.8	(1.6)	0.96	6.0	6.1	4.1	39.0%	2.9	25%	21%
CapitaLand Retail China Trust	1,025	1,515	1.42	(0.1)	(4.1)	(1.4)	4.4	(1.4)	(8.4)	4.4	6.8	(13.4)	0.90	7.2	7.5	4.1	35.4%	2.9	28%	24%
Lippo Malls Indonesia Retail Trust	516	513	0.25	0.0	0.0	14.0	6.5	(18.3)	(39.5)	34.6	36.1	(39.5)	0.89	10.2	10.2	2.2	37.1%	3.81	12%	19%
Manulife US REIT	1,092	473	0.86	0.0	1.2	5.6	11.0	(1.2)	(5.1)	11.0	23.0	(9.1)	1.03	7.0	7.0	4.3	37.4%	6	10%	8%
BHG Retail REIT	260	12	0.70	0.0	0.0	(1.4)	8.5	(11.4)	(6.7)	(2.1)	9.4	(14.1)	0.89	N.M	N.M	N.M	32.7%	4	30%	14%
Keppel-KBS US REIT	546	513	0.67	0.0	0.8	1.5	12.7	(14.7)	(20.5)	9.0	25.5	(21.8)	0.83	15.3	8.9	12.7	35.1%	4	12%	16%
Sasseur REIT	578	709	0.67	0.8	3.1	(3.6)	(2.2)	(11.9)	N.M	2.3	4.7	(17.9)	0.79	0.0	7.4	-3.1	32.5%	1.3	74%	11%
Cromwell European REIT	1,194	2,476	0.49	1.0	2.1	0.0	(4.8)	(12.7)	(5.6)	10.2	18.3	(17.5)	0.92	8.8	9.1	8.7	34.9%	4.9	12%	8%
IREIT Global	351	51	0.76	0.0	0.7	2.7	2.7	(3.8)	(3.8)	4.1	6.3	(6.2)	1.10	N.M	N.M	N.M	39.1%	4.7	0%	4%

Note: Closing price as at 11 Feb 2019

Source: RHB, Bloomberg

Key Risks

Short land tenure

ESR-REIT's portfolio assets currently have a remaining average land lease expiry of c.33 years. The shorter leases are mainly due to Singapore Government policies to award industrial sites on shorter land tenure. While ESR-REIT is likely to apply for the extension of land leases closer to expiry – or might potentially consider divesting the asset, there is no guarantee that the leases might be extended by the authorities, which might result in loss of capital value to unit holders.

Non-renewal of master leases

About 30% of rental income for FY18 was derived from master leases. The non-renewal of these master leases upon expiry could result in a temporary occupancy drop, along with higher property expenses, and could subject it to the fluctuations of industrial market rents.

Asset concentration risk

The Singapore market accounts for 100% of the REIT's asset value. As the economy of Singapore is predominantly export-driven, any uncertainty or slowdown in the global economy has a direct impact on the local economy, which in turn will impact industrial demand. Additionally, a rapid increase in the cost of doing business activity in Singapore might also force industrial manufacturers to move out of Singapore to a cheaper cost location. The impact is, however, slightly buffered by ESR-REIT's diversification across various asset classes in the industrial sector.

Key tenant default risks

The top 10 tenants accounted for 30% of total rental income for 2018. Any default in rental payments by key tenants could have an adverse effect on the amount of distributable income. However, the REIT holds a tenant security deposit of about six months of rental income, which can be used to buffer the impact.

Major shareholder selldown

Mr Tong Jinquan is the single major shareholder of the REIT with a 34% stake. Any selldown by the major shareholder due to adverse reasons, can potentially have a negative impact on share price. The risk is mitigated, in our view, with the emergence of ESR as a strong and capable sponsor.

Possible dilution effects from equity fundraising

With a gearing level currently at 42% (vs the maximum allowable level by MAS of 45%), there is limited room for fully debt-funded acquisitions in the future. Hence, we expect future acquisitions to be funded via a combination of debt and equity. Any adverse market conditions could potentially increase the cost of equity and might pose dilution risks to existing unit holders.

Property damage from natural calamities

Although its properties are covered by insurance, ESR-REIT might not be able to fully recover the loss of property income due to natural calamities.

Industry Outlook – Singapore Industrial Sector

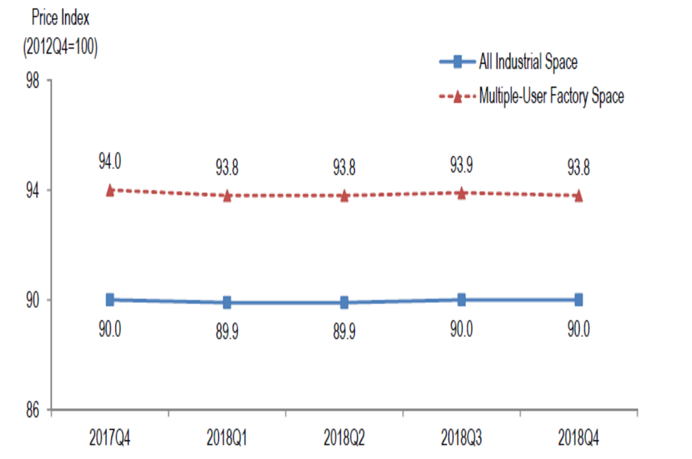
Stable growth with positive turnaround expected

According to JTC, prices of overall industrial spaces continued to be stable in 4Q18. We foresee the industrial market will maintain its growth momentum due to the below:

i. Factory and warehouse rents are stabilising after quarters of decline;
ii. The industrial sector offers long-term and sustainable opportunities as Singapore continues to be a key location for data centres. It also encourages restructuring of infrastructure in tandem with the Smart Nation Initiative;
iii. Tapering supply and flight to quality.

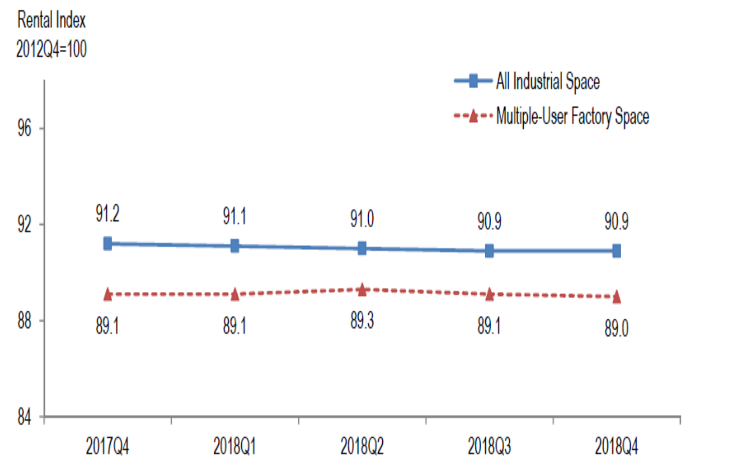
Prices and rentals of industrial space are stable for most market segments. According to JTC, both the price index and the rental index of the overall industrial property market remained the same in 4Q18 as compared to the previous quarter. On a YoY basis, the price index remained unchanged while the rental indices fell by 0.3%.

Figure 21: Price indices of industrial space



Source: JTC Corporation, 4Q18

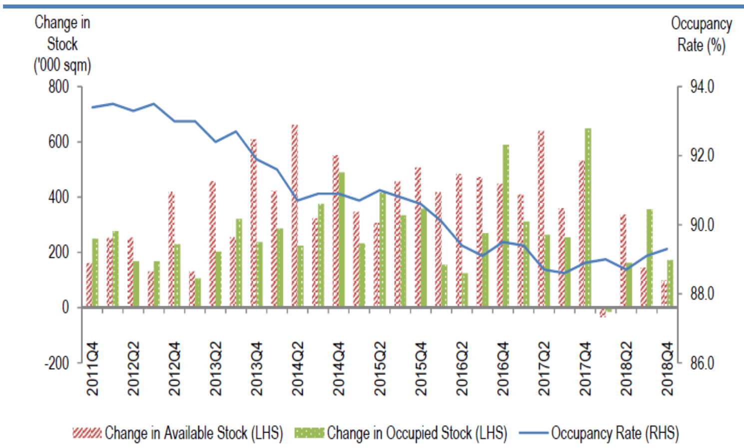
Figure 22 : Rental indices of industrial space



Source: JTC Corporation, 4Q18

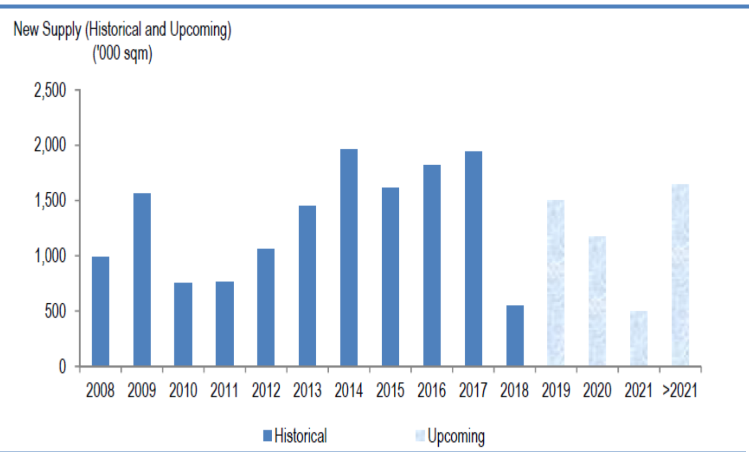
Occupancy rates are stabilising. On a QoQ basis for the past seven years, the occupancy rate for industrial space has been on a downward trend. However, occupancy rates are showing good recovery in the recent quarters as they are slowly inching back up. According to JTC, occupancy rates of the industrial spaces have increased 0.2% QoQ in 4Q18 and 0.4% YoY. Given that the upcoming supply is expected to taper down and demand is still growing, the overall occupancy rate is expected to increase in the near term.

Figure 23: Occupancy rate of industrial space



Source: CBRE Singapore Research Report, 3Q18

Figure 24 : Upcoming supply of industrial space



Source: JTC Corporation

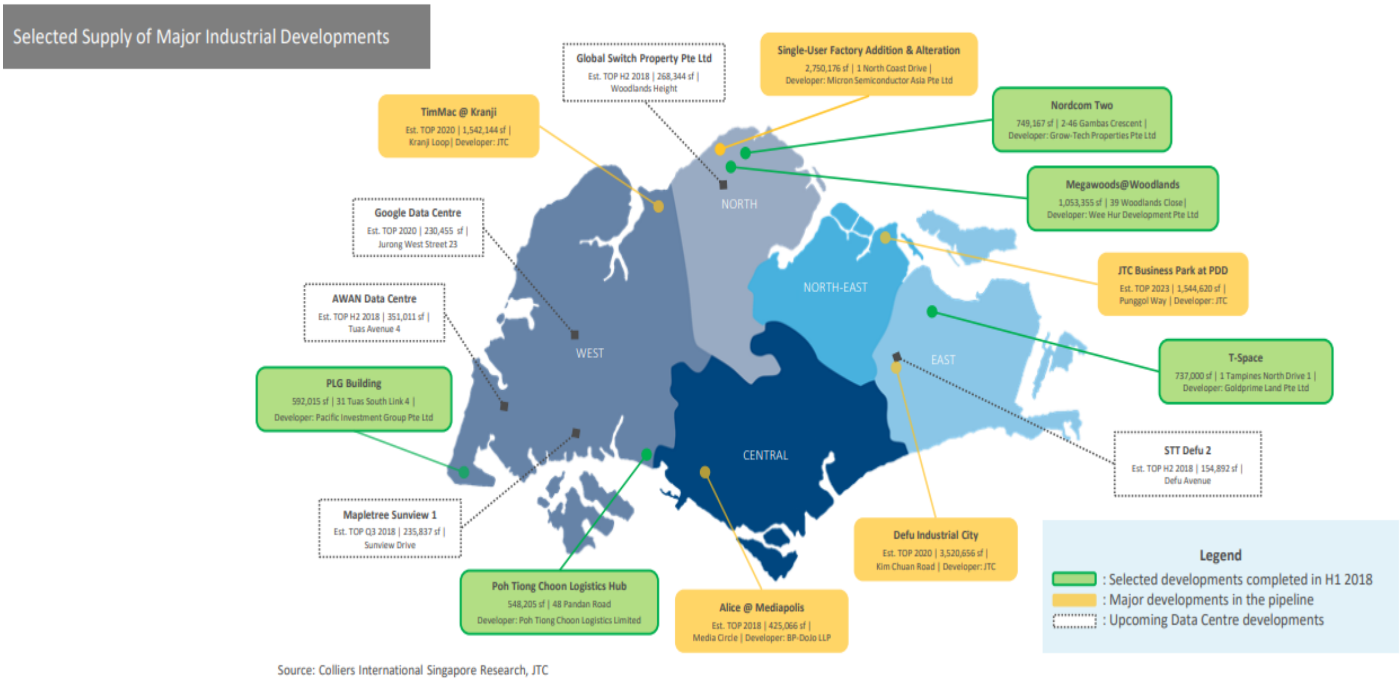
Manufacturing sector demand still growing but at a moderated pace. According to the Ministry of Trade and Industry, Singapore's GDP grew 2.2% YoY in 4Q18. It is driven primarily by the recovery from the manufacturing sector with a growth of 5.5%YoY, faster than the growth of 3.7% in 3Q18. However, although Singapore's SIPMM Manufacturing PMI still continues to indicate a general expansion in factory activity, slower increases were seen in new orders, exports, output, inventories, as well as employment level. Firms are also looking at consolidation or downsizing their space requirement for cost-efficiency. As such, we expect slower growth for demand in the industrial spaces, along with a stabilisation of overall rents.

Figure 25: Singapore's SIPMM Manufacturing PMI

Source: Trading Economics, 4Q18

Continued restructuring of the industrial landscape to boost demand for Industrials. In tandem with the Smart Nation initiative, the industrial landscape is moving towards the next generation of the industrial revolution. The industry 4.0 initiatives are increasingly evident as JTC announced more facilities to consolidate and create industrial clusters. Developers are also rejuvenating their properties in anticipation of the demands from newer industries. Singapore continues to be a key location for the deployment of data centres in Asia. According to Colliers International, at least four data centre properties of >1m sqf in gross floor area are scheduled to obtain their temporary occupation permits (TOP) in 2H18.

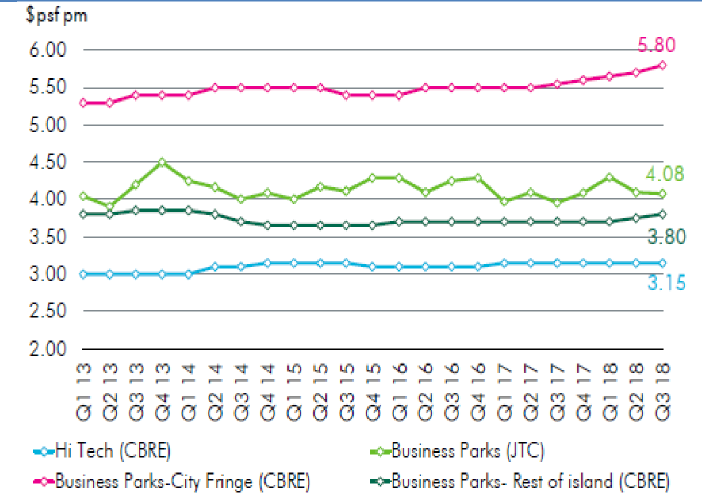
Figure 26: Completed and major upcoming industrial developments



Source: Colliers International, 1H18

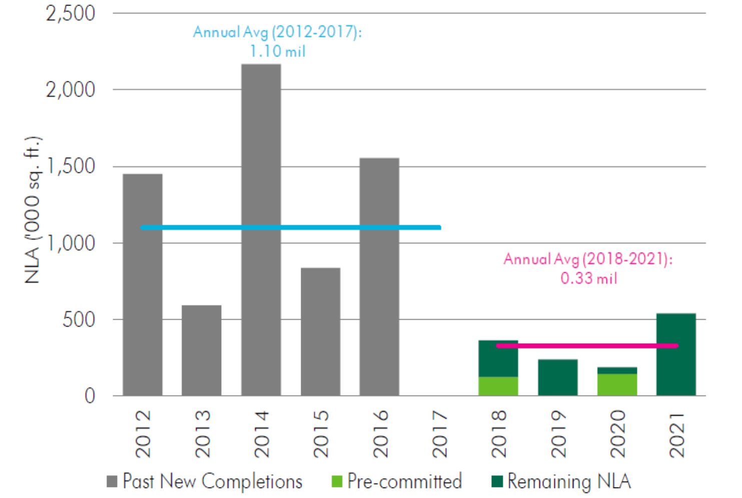
Flight to quality to drive rental gains for business park segments. Tenants are gravitating towards newer business park buildings and high-spec spaces that have better specifications, all of which have the ability to command higher rents. This preference is expected to persist given the growth of technology firms in Singapore. According to CBRE, rentals have either been stable or towards the positive for the hi-tech spaces and business parks. Future supply for new business parks is also expected to be at a historic low, so we can expect positive rental and occupancy growth in the business parks and hi-tech spaces.

Figure 27: Hi-tech, business park rental trend



Source: CBRE Singapore Research Report, 3Q18

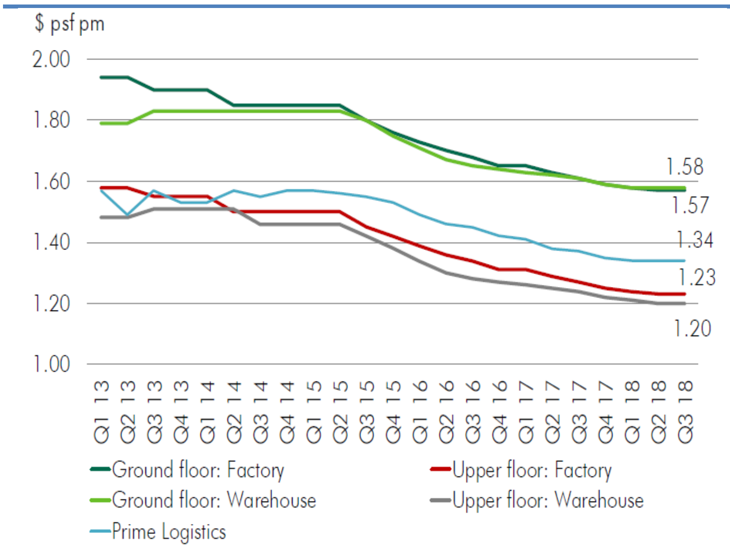
Figure 28 : Business park net supply



Source: CBRE Singapore Research Report, 3Q18

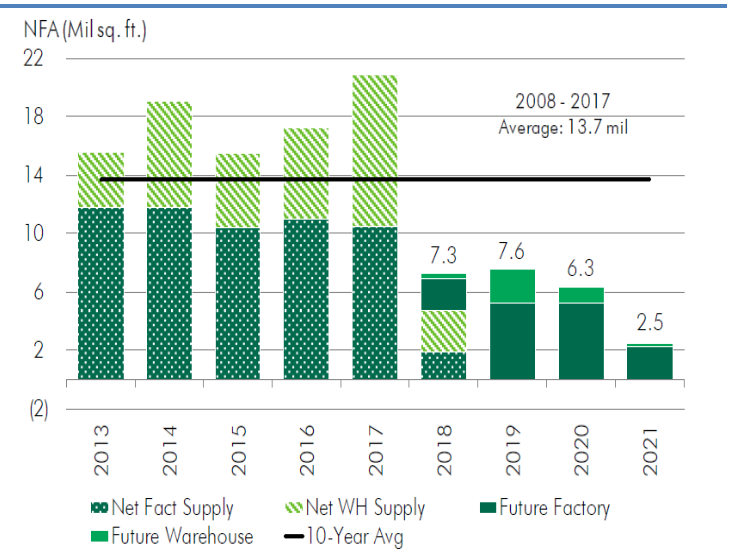
Factory and warehouse rents are bottoming out. CBRE notes that island-wide warehouse rents bottomed out in 3Q18 after 12 consecutive quarters of rental decline and factory rents remained flattish after five consecutive quarters of decline. The net absorption for both factories and warehouses exceeded net supply, which led to improved occupancy for 3Q18. As net supply continues to be tapered off for the next three years, factory and warehouse rents – as well as occupancies – are expected to remain stable with potential upside.

Figure 29: Factory and warehouse rents



Source: CBRE Singapore Research Report, 3Q18

Figure 30 : Factory and warehouse net supply



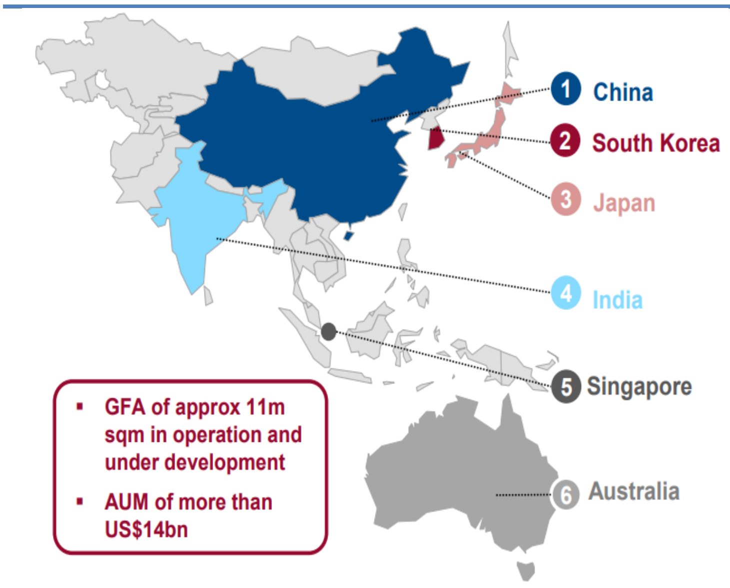
Source: CBRE Singapore Research Report, 3Q18

Sponsor Details

Headquartered in Hong Kong, ESR is a leading pan-Asia logistics real estate developer, owner and operator focused on the key metropolitan areas. It is one of the largest third-party landlords for some of the world's top e-commerce companies, brick-and-mortar retailers, 3PLs and cold-chain logistics providers. ESR is co-founded by Warburg Pincus and backed by some of the world's preeminent investors including APG, SK Holdings, JD.com, CITIC CLSA, Goldman Sachs, CPPIB, PGGM, Ping An and Allianz. As at 30 Sep 2018, sponsor assets under management (AUM) exceeded USD14bn, and the GFA of projects owned and under development stood at approximately 11m sqm. ESR-REIT has the right to "first look" on sponsor assets if available for acquisition, which provides opportunity for sizeable growth in future.

Committed developer-sponsor with a strong regional presence. ESR's platform represents one of the largest in the Asia-Pacific region, managing over 11m sqm GFA of projects owned and under development across China, Japan, Singapore, South Korea and India, with capital and funds management offices in Hong Kong and Singapore. ESR has a proven track record of developing built-to-suit (BTS) warehousing and distribution facilities for leading global e-commerce companies. ESR also demonstrated its commitment in growing the REIT through its SGD125m backstop in ESR-REIT's recent preferential offering.

Figure 31: ESR's regional presence



Source: Company data

Figure 32 : A leading logistics player in APAC

China	South Korea	Japan
One of the top players by logistics facilities area and a leading landlord of key global e-commerce players	One of the largest modern warehouse developers in Korea upon completion of projects under development	A top 5 institutional operator with an established and experienced team, as well as one of the highest new development starts over the past 24 months
India	**Singapore**	**Australia**
A top industrial real estate developer with best-in-class management team with initial focus on Tier-1 cities	Invested in ESR-REIT, an early industrial S-REIT player with c.14.1m sq ft of GFA across key industrial zones c.9% stake in ESR-REIT; c.67% stake in ESR-REIT Manager and 100% stake in its Property Manager	The largest shareholder of PropertyLink and Centuria Capital which collectively have over A$6b of AUM Acquired CIP, the leading industrial developer, and secured Philip Pearce as CEO of Australia

Source: Company data

Recognised for continual commitment to environmentally sustainable development. ESR Japan received the Social and Environmental Contribution award from the 2018 British Business Awards as recognition for its innovations and commitment to workplace enhancement and female workforce participation. Nanko Distribution Centre 2 was the first logistics facility to obtain ABINC (Association for Business Innovation in harmony with Nature and Community) certification in Japan and various ESR projects in Japan, Mainland China and South Korea have received LEED (Leadership in Energy and Environmental Design) Gold Certification. In addition, ESR's South Korea platform was ranked first in the categories for Developer, East Asia, non-listed; East Asia, developer; and Asia, developer, by GRESB, a leading global ESG benchmark for real assets.

Company Background & Structure

ESR-REIT has been listed on Singapore Exchange Securities Trading (SGX-ST) since 25 Jul 2006.:

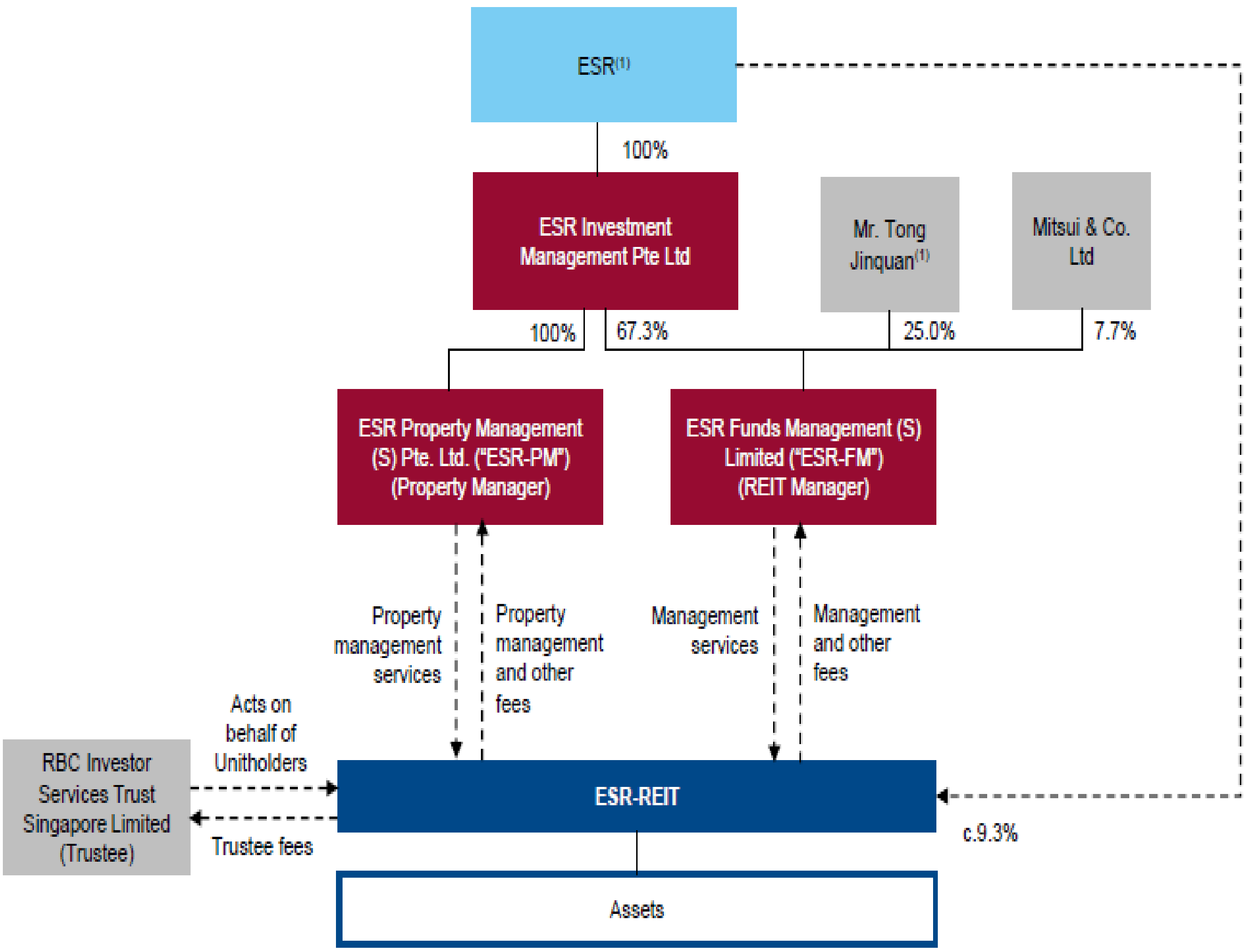
i. Post the recent acquisition of Viva Industrial Trust and its manager, sponsor ESR has a 67.3% stake in the REIT manager and 100% stake in the property manager. It also holds about a 9.3% stake in the REIT;

ii. Mr Tong Jinquan holds a 25% stake in the REIT manager and the remaining stake is held by Mitsui & Co;

iii. RBC Investor Services Trust Singapore (Trustee) acts as the REIT's trustee.

The following diagram illustrates the relationship between ESR REIT, the manager, trustee, property manager, and unit holders.

Figure 33: ESR REIT's trust structure



Source: Company

Key Management Information

Figure 34: ESR REIT's management background

Management Name	Designation	Past Achievements	Current Positions
Ooi Eng Peng	Independent Chairman	■ Chief Executive Officer of Lend Lease Asia ■ Chief Executive Officer of Investment Management and Retail Asia for Lend Lease ■ Regional Chief Financial Officer of Lend Lease Communities Asia Pacific ■ Global Chief Financial Officer of Lend Lease Investment Management ■ Chief Financial Officer of Lend Lease Development	■ Independent Non-Executive Director of Perennial Real Estate Holdings ■ Non-Executive Director of Savant Global Capital ■ Member of CPA Australia
Bruce Kendle Berry	Independent Non-Executive Director	■ Chief Financial Officer for Civil and Civic ■ Chief Financial Officer for Lyonnaise Asia Water Services ■ Chief Financial Officer for Oakwood Asian Pacific ■ Chief Financial Officer to ASX listed DUET ■ Fund Manager for AMP Capital Services	■ Member of the Australian Institute of Company Directors and Institute of Chartered Accountants Australia and New Zealand
Erle William Spratt	Independent Non-Executive Director	■ Investment Director and Fund Manager of the Asia Property Fund at M&G Real Estate ■ Chief Financial Officer for Lend Lease Development Australia and Lend Lease Real Estate Investments Japan ■ Commercial Manager in Lend Lease Development Australia ■ Investment Director in Lend Lease Retail Singapore ■ Fund Manager in Lend Lease Investment Management Singapore ■ Fund Manager and Head of Origination at Lend Lease Investment Management	■ Chief Executive Officer of Aerial Equity ■ Member of the Institute of Chartered Accountants Australia and New Zealand
Philip John Pearce	Independent Non-Executive Director	■ Managing Director of Greater China - Goodman Funds Management Limited, Goodman Logistics (HK) and Goodman Industrial Trust ■ Managing Director of China at Goodman Australia Finance and at Goodman Group ■ Portfolio Manager of Ascendas Real Estate Investment Trust	■ Managing Director of ESR Real Estate (Australia) ■ Member of Australian Institute of Co. Directors
Jeffrey David Perlman	Non-Executive Director	■ Director of 7 Days Group Holdings .	■ Managing Director, Head of South-East Asia, Principal and Executive Director at Warburg Pincus LLC ■ Director of Madrid Holdings and Helen Holdings. ■ Director of Alexandrite Gem Holdings, ARA Asset Management Holdings, ESR Cayman, Lodgis Hospitality Holdings and Trax Technology Solutions. ■ Director of Athena Investment Company, e-Shang Redwood Group, e-Shang Warehousing Service, GO-JEK, Mofang Apartments, Cubic City (China) Service Apartment Group Holdings, PT. Nirvana Wastu Pratama, Nova Property Investment Co. and Vincom Retail Joint Stock Company
Jeffrey Shen Jinchu	Non-Executive Director	■ Senior VP of GLP Investment Management (China) Co	■ Co-Chief Executive Officer of ESR Group ■ Chief Executive Officer of the Shanghai e-Shang Warehousing Services Co.
Adrian Chui Wai Yin	CEO and Executive Director	■ Managing Director, Head of Singapore Real Estate and Head of Southeast Asia Real Estate Advisory at Standard Chartered Bank ■ Director of Real Estate, Lodging and Leisure Group at UBS Investment Bank Singapore ■ Vice President of Research at Morgan Stanley Asia (Singapore) Securities	

Source: Company, RHB

Appendix: ESR-REIT's Assets Summary

Figure 35 : ESR REIT's Portfolio Property Details

S.No	Address	Type	NLA (sqft)	Lease Type	Remaining Land Lease Tenures (years)	Valuation as of 4Q18 (SGD m)
1	16 International Business Park	Business Park	69,258	Master lease	37	31
2	Viva Business Park, 750 Chai Chee Rd	Business Park	1,134,068	Multi-Tenanted	12	323
3	UE Bizhub East Biz Park (2, 4, 6 & 8 Changi Business Park)	Business Park	669,368	Multi-Tenanted	49	531
4	54 Serangoon North Avenue 4	Hi Specs Industrial	116,760	Multi-Tenanted	37	23
5	2 Jalan Kilang Barat	Hi Specs Industrial	67,667	Multi-Tenanted	43	27
6	11 Chang Charn Road	Hi Specs Industrial	74,064	Multi-Tenanted	37	30
7	21/23 Ubi Road 1	Hi Specs Industrial	148,055	Multi-Tenanted	38	37
8	12 Ang Mo Kio Street 65	Hi Specs Industrial	166,124	Multi-Tenanted	31	38
9	30 Marsiling Industrial Estate Road 8	Hi Specs Industrial	217,953	Multi-Tenanted	30	48
10	7000 Ang Mo Kio Avenue 5	Hi Specs Industrial	834,783	Multi-Tenanted	38	305
11	60 Tuas South Street 1	General Industrial	44,675	Master lease	16	4
12	31 Kian Teck Way	General Industrial	33,088	Master lease	23	6
13	9 Tuas View Crescent	General Industrial	71,581	Master lease	39	10
14	79 Tuas South Street 5	General Industrial	67,942	N.A	41	11
15	31 Changi South Avenue 2	General Industrial	50,644	Master lease	36	12
16	45 Changi South Avenue 2	General Industrial	73,684	Multi-Tenanted	36	12
17	31 Tuas Avenue 11	General Industrial	75,579	Master lease	35	12
18	28 Senoko Drive	General Industrial	159,338	Master lease	20	14
19	5/7 Gul Street 1	General Industrial	98,864	Master lease	18	14
20	22 Chin Bee Drive	General Industrial	120,653	Master lease	16	15
21	43 Tuas View Circuit	General Industrial	122,836	Master lease	19	16
22	25 Pioneer Crescent	General Industrial	76,003	Master lease	48	16
23	28 Woodlands Loop	General Industrial	131,859	Master lease	36	17
24	11 Woodlands Walk	General Industrial	96,625	Master lease	36	17
25	160A Gul Circle	General Industrial	86,075	Master lease	22	18
26	1/2 Changi North Street 2	General Industrial	125,870	Master lease	42	22
27	511/513 Yishun Industrial Park A	General Industrial	224,689	Multi-Tenanted	34	26
28	21B Senoko Loop	General Industrial	195,823	Master lease	34	26
29	Mauser Singapore, 81 Tuas Bay Drive	General Industrial	107,566	Master lease	47	28
30	2 Tuas South Avenue 2	General Industrial	217,351	Master lease	40	36
31	13 Jalan Terusan	General Industrial	245,172	Master lease	16	37
32	120 Pioneer Road	General Industrial	244,513	Multi-Tenanted	36	40
33	3 Tuas South Avenue 4	General Industrial	315,522	Master lease	40	43
34	86/88 International Road	General Industrial	237,229	Multi-Tenanted	35	45

35	8 Tuas South Lane	General Industrial	768,201	Master lease	35	115
36	70 Seletar Aerospace View	Light Industrial	53,729	Master lease	22	9
37	128 Joo Seng Road	Light Industrial	73,638	Multi-Tenanted	33	12
38	136 Joo Seng Road	Light Industrial	78,189	Multi-Tenanted	31	13
39	130 Joo Seng Road	Light Industrial	89,618	Multi-Tenanted	32	15
40	11 Serangoon North Avenue 5	Light Industrial	112,601	Multi-Tenanted	38	20
41	Jackson Design Hub	Light Industrial	85,070	Master lease	48	33
42	30 Teban Gardens Crescent	Light Industrial	139,525	Master lease	20	39
43	Tai Seng Property, 19 Tai Seng Avenue	Light Industrial	120,556	Master lease	36	48
44	16 Tai Seng Road	Light Industrial	215,666	Multi-Tenanted	48	59
45	30 Toh Guan Road	Light Industrial	293,429	Multi-Tenanted	36	61
46	Jackson Square, 11 Lor 3 Toa Payoh	Light Industrial	348,103	Multi-Tenanted	10	63
47	Ubi Property ,11 Ubi Road 1	Light Industrial	253,058	Master lease	36	84
48	1 Third Lok Yang Road and 4 Fourth Lok Yang Road	Logistics & Warehouse	114,111	Master lease	12	12
49	25 Changi South Avenue 2	Logistics & Warehouse	72,998	Master lease	35	13
50	160 Kallang Way	Logistics & Warehouse	322,604	Master lease	14	26
51	3C Toh Guan Road East	Logistics & Warehouse	172,323	Multi-Tenanted	32	31
52	4/6 Clementi Loop	Logistics & Warehouse	300,920	Multi-Tenanted	34	44
53	30 Pioneer Road	Logistics & Warehouse	281,090	Master lease	36	54
54	24 Jurong Port Road	Logistics & Warehouse	737,817	Multi-Tenanted	18	92
55	6 Chin Bee Avenue	Logistics & Warehouse	324,166	Master lease	24	94
56	3 Pioneer Sector 3	Logistics & Warehouse	654,576	Multi-Tenanted	31	96
57	15 Greenwich Drive	Logistics & Warehouse	271,894	Multi-Tenanted	22	98

Source: Company data

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