## **DBS-SGX-REITAS Virtual Conference**

Empty Offices or "Zoom-fatigue" setting in? – A Global Perspective

## 14 June 2021

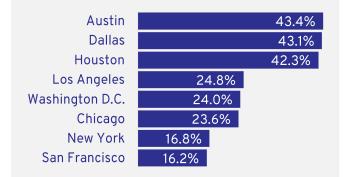


## **CEOs And Employees Want To Return To Offices**

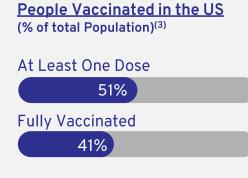
• Progress in vaccinations and the removal of COVID-19 restrictions are raising confidence and optimism.



• 70% of CEOs, human resources and finance leaders said they plan to have employees back in the office by the fall of 2021<sup>(1)</sup>. Employee Office Visits (week ending 19 May 2021)<sup>(2)</sup>



- Texas metro areas are leading in office visits.
- These cities rely mostly on cars, rather than mass transit, to get people to work.



### Total Vaccine Doses Administered: 296,404,240

• COVID-19 cases and deaths in the US have dropped to their lowest levels in nearly a year, and the number of people vaccinated continues to grow.

Keppel Pacific Oak US REIT  $\binom{(1)}{(2)}$ 

LaSalle Network, 2021: Office Re-Entry Index.

2) Kastle Systems Back to Office Barometer.

(3) Centers for Disease Control and Prevention (CDC) COVID Data Tracker, as at 1 June 2021.

## **Companies Accelerating Their Return-to-Office Plans**

### Financial News

# JPMorgan asks City staff to start trek back to the office from 21 June

All employees will be expected to come back, a memo to staff says

### The New York Times Goldman Sachs Asks Most Employees to Return to Office by Late June

Most employees at the big banks have been working from home since the pandemic began last year, but Goldman's plans signal that some executives are eager to attempt a return to office life.

By Kate Kelly and Lauren Hirsch

May 4, 2021

## Forbes

Apple Employees Will Return To The Office Three Days A Week Starting In September



## Facebook's NYC offices will open to employees in July

Offices will open at 25% capacity at first

New York

May. 26, 2021 09:45 AM

## Bloomberg

### BlackRock Plans Staff Return in September, With Some Remote Work

By <u>Annie Massa</u> May 15, 2021, 5:53 AM GMT+8

### Mastercard Maps Out Plans to Return U.S. Workers to Offices

By <u>Jennifer Surane</u> May 19, 2021, 10:40 PM GMT+8 *Updated on May 19, 2021, 11:18 PM GMT+8* 

- ▶ Firm expects workers in at least two days a week at first
- ▶ Human connection 'an important part of who we are,' CEO says

## KORE Has Assets In Some Of The Fastest Growing States In The US

#### KORE is well poised to benefit from 'The Great American Move' into Sunbelt states and 18-Hour cities

#### Demographic trends accelerated by COVID-19<sup>(1)</sup>:

- Move to Sun Belt states and 18-Hour cities
- Suburban migration
- Public open spaces
- Building safety/health concerns

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• Affordable housing

#### Reasons for moving:

- ✓ Less dense: COVID-19 has caused people to move out of large metro areas at higher rates in 2020 than in 2019<sup>(2)</sup>
- ✓ Bang for your buck: People are leaving high-cost cities in exchange for lower cost of living<sup>(3)</sup>
- ✓ Housing costs: Amid the pandemic, people are flocking to cities with cheaper housing options<sup>(3)</sup>
- ✓ Tax incentives: States with low-or zero-income taxes are attracting the most people and companies<sup>(4)</sup>

#### Fastest Growing States from 2010-2020<sup>(5)</sup> 18.4% Utah Idaho 17.3% Texas\* 15.9% North Dakota 15.8% 15.0% Nevada Colorado\* 14.8% **District of Columbia** 14.6% Florida\* 14.6% Washington\* 14.6% Arizona 11.9%

#### \*States which KORE has a presence in

- Emerging trends in Real Estate 2021 US & Canada by  $\mathsf{PwC}$  and the Urban Land Institute.
- Webster Pacific analytic and United Van Lines moving company, Bloomberg.
- 3) The Council for Community and Economic Research, Bloomberg.
- (4) Tax Foundation.
- (5) US Census Bureau 2020 results.

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## Magnet Cities For Businesses And Individuals

Popular in-migration destinations due to attractive lifestyle, culture and employment opportunities

- ✓ Low or no taxes in most markets
- ✓ GDP, employment and population growth above national average
- ✓ Highly-educated workforce
- ✓ Amenity-rich locations
- ✓ Good infrastructure with lower congestion
- ✓ COVID-accelerated suburban appeal

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### Majority of KORE's key growth markets are located in Super Sun Belt and 18-Hour cities<sup>(1)</sup>



#### > KORE is well poised to capture growth from population migration and suburbanisation trends

Source: Emerging trends in Real Estate 2021 - US & Canada by PwC and the Urban Land Institute (ULI).

- Super Sun Belt Cities include Atlanta, Dallas and Houston; 18-Hour Cities include Austin, Denver and Seattle.
- (2) In the top 20 "Markets to Watch" in 2021 by PwC and ULI.

## **KORE Is Well-Positioned To Capture Growth**

#### Focus on key growth markets driven $\mathbf{\nabla}$ by tech and innovation

Tech markets of Seattle - Bellevue/Redmond, Austin and Denver contribute ~62% of NPI<sup>(1)</sup>

#### Tech-focused tenant composition and $\checkmark$ industry exposure

>37% tenants from the growing and defensive sectors of tech and healthcare

#### Stable income with visible organic $\checkmark$ arowth

91.6% committed occupancy and 2.6% built-in average annual rental escalations

#### Robust financial position and healthy aggregate leverage

100% unsecured debt, 37.5% gearing ratio with no long-term debt refinancing requirements until November 2022

### Proven resilience through the pandemic

Collected ~99% of rent for FY2020 and ~98% of rent for 1Q 2021.

#### SEATTLE - BELLEVUE/REDMOND, Washington



**DENVER**, Colorado

Westmoor Center

Occupancy: 96.8%

Occupancy: 96.4%

**AUSTIN, Texas** 

Iron Point

SACRAMENTO, California

Buildinas



Center Occupancy: 93.1%

Bellevue Technology Occupancy: 96.1%

Westech 360

Occupancy: 72.2%



The Westpark Portfolio Occupancy: 94.6%

#### ATLANTA, Georgia



Powers Ferry

Occupancy: 80.1%



Northridge Center I & II Occupancy: 77.9%



Maitland Promenade 1&1 Occupancy: 94.5%

#### **DALLAS, Texas**



**One Twenty Five** Occupancy: 96.0%

### **HOUSTON**, Texas





Occupancy:77.8%



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 $\checkmark$ 

All information as at 31 March 2021.

Great Hills Plaza

Occupancy: 100%

(1) NPI includes non-cash items such as straight-line rent and lease incentives adjustment, as well as the amortisation of leasing commissions.

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## **Thank You**

For more information,

please visit <u>www.koreusreit.com</u>





### **OUR SUSTAINABILITY COMMITMENT**

We place sustainability at the heart of our strategy and are committed to delivering sustainable distributions and strong total returns for Unitholders.



### S ENVIRONMENTAL STEWARDSHIP

In line with Keppel's Vision 2030, we will do our part to combat climate change, and are committed to improving resource efficiency and reducing our environmental impact.



#### **RESPONSIBLE BUSINESS**

The long-term sustainability of our business is driven at the highest level of the organisation through good corporate governance and prudent risk management.

### **PEOPLE AND COMMUNITY**

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, investing in training and developing our people to help them reach their full potential, as well as uplifting communities wherever we operate.



#### Important Notice

The past performance of Keppel Pacific Oak US REIT is not necessarily indicative of its future performance. Certain statements made in this release may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel Pacific Oak US REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak US REIT (the Manager) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel Pacific Oak US REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel Pacific Oak US REIT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (SGX-ST). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

#### Constituent of:

MSCI 💮 MSCI Singapore Small Cap Index

FTSE Russel FTSE All World Small Cap Index FTSE ST Singapore Shariah Index