CO-LIVING

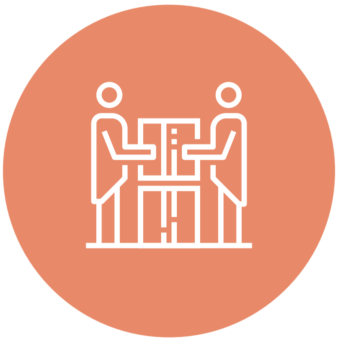
A New Asset Class

Co-living is a sub-class of the built-to-rent residential property sector:

- All-inclusive communal living with private bedrooms and shared community space
- More affordable and flexible lease arrangements for residents
- A substantial yield premium to investors compared to other residential property

DEMAND AND GROWTH DRIVERS

Urbanisation and housing affordability
Australia ranks #10 globally in house price growth v. rental growth, the cost of purchasing is outpacing the cost of renting[1] The population of the City of Sydney is forecast to grow by 41.9% between 2019-2041[4]



Changing demographics and the rise of the sharing economy
Australian capital cities amongst the world's most 'youthful' by 2021 ~80% willing to participate in sharing communities[2]

Workplace changes and project based relocations
Lines are blurred between living and working, making trends in the workplace more relevant to home. Location and seamless connectivity matter most[3]

Occupancy is typically 95%+, almost at day one, with initial leases booked mid-way through the development phase.[2,*]

1. 'Global Living', Savills, 2019
2. 'Coliving in Costly Cities – Asia Pacific', JLL, 2019
3 'Co-living - The Graduation from Student Housing', JLL, 2019
4. forecast.id.com.au/sydney/home

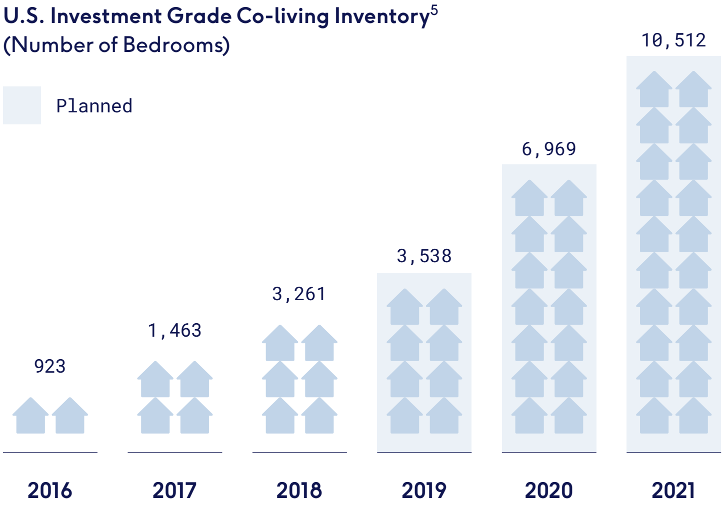
* In 2018, Common (US) reported it had more than 14,000 applications for just 700 open beds nationwide. Collective (UK) reported in 2019 that its largest site is currently at 100% occupancy, with an average age of 28 and an annual tenant turnover of around 50%.

2.9X BY 2021

In the US investment grade co-living inventory is expected to rise 2.9x by 2021[5]

Co-living demand is tied to affordability and there is rapid growth in cities that are economically prosperous, particularly so-called gateway city markets

U.S. Investment Grade Co-living Inventory[5]
(Number of Bedrooms)



100%

Greater density of living arrangements doubles the number of units per sqm[5]

30%

Co-living can deliver a return premium to investors – with assets capturing >30% net rental premium v. conventional rented apartments[5]

OPEX

Operator cost savings are driven by removing 3rd parties engaged in managing a property i.e. leasing agents[2]

25%+

> 25% savings can be made by managing the operating expenses of a residential property (cleaning, wifi, furniture, utilities) relative to an ordinary tenant[2]

210%

Global funding to co-living has increased >210% p.a. since 2015, totalling more than US$3.2 billion[5]

THE EUROPEAN PERSPECTIVE[6]

23,150
Co-living beds either built or in the pipeline

60%
Of schemes have become operational since 2017

85%
Of pipeline assets will be purpose-designed and built, compared with 50% of existing assets

250 BEDS
Average size of pipeline development, with 79% of pipeline projects comprising more than 100 beds

October 2019

DTZ Investors and The Collective launch COLIV

World's first institutional co-living fund

- Equity commitment target: £650m
- Target gross asset value: £1b
- Target 6-10 assets in London, UK
- Target IRR: 8 - 10%
- Fund life: 10 years

5. 'Uncovering Co-Living', JLL, 2019
6. 'JLL European Co-Living Index 2019', JLL, 209