

UOB Thailand extends green loan to ACRE for eco-friendly residential development in Phuket

Bangkok, 14 June 2021 – UOB Thailand today announced it has provided Asia Capital Real Estate (ACRE) with a 675 million baht green loan to develop HOMA Phuket Town, an environmentally-friendly affordable residential rental apartment complex in Phuket. The loan was approved under the UOB Real Estate Sustainable Finance Framework, which is the first lending framework by a Singapore bank dedicated to supporting sustainability-related projects in Asia’s real estate sector.

HOMA Phuket Town is a 505-unit rental housing development with features such as solar panels, energy-efficient appliances, LED lighting, advanced air quality monitoring and efficient air conditioning. Designed to meet the green building standards of Excellence in Design for Greater Efficiencies (EDGE Advanced) established by the International Finance Corporation (IFC), the project aims to achieve more than 40 per cent reduction in energy and water usage compared with a conventional building.

HOMA¹ Phuket Town will also help reduce around 325 tonnes CO₂-equivalent (tCO₂e) in greenhouse gas (GHG) emissions per year. This GHG emission reduction is equivalent to having close to 5,370 new tree seedlings grown over 10 years or taking close to 71 cars off the road for a year. In addition, the project will be the first residential rental property in Thailand to obtain a Leadership in Energy and Environmental Design (LEED) certification upon completion in October this year.

Mr Andy Cheah, Managing Director and Country Head of Wholesale Banking, UOB Thailand, said, “Our financial support to ACRE reflects our commitment to forging a sustainable future with our clients, through our involvement in the country’s real estate development. Local communities will benefit from facilities that are environmentally friendly and which promote the well-being of residents.”

The UOB Real Estate Sustainable Finance Framework is designed specifically for companies that own or manage real estate assets, such as data centres, hotels, industrial and residential properties, offices, restaurants and retail spaces. The financing framework sets out the eligibility criteria, including sustainability

¹ HOMA is a new brand of multifamily rental apartments being developed by ACRE in the Southeast Asia region. The brand emphasises community, affordability and best in class ESG principals. Please visit www.homa.co for more information.

strategy, objectives, ratings and performance targets, for companies to meet when applying for green loans or sustainability-linked loans. Under the framework, the Bank will record and monitor the borrower's management of loan proceeds, as well as track the sustainability metrics as agreed with the company.

Mr Blake Olafson, the founder and managing director of ACRE and HOMA, said, "Sustainable multi-family real estate asset investment is a new concept that we are introducing to the Thai market. Globally, multi-family real estate has proven to be extremely resilient and has demonstrated its ability to generate stable performance² amid the COVID economic slowdown when compared with other asset classes such as office or retail spaces. We see the growth potential in this type of real estate investment in Thailand and in the broader Southeast Asian region. Investors continue to demand a focus both on programmatic capital deployment and the benefits that sustainability brings in the form of increased long-term returns on investment while reducing the impact on the environment."

Development that reflects commitment to the environment

To ensure best-in-class sustainability practices and compliance, ACRE engaged the services of AECOM, a premier infrastructure consulting firm that has been involved with the development of HOMA Phuket Town since ACRE decided to pursue the LEED and IFC EDGE Advanced certifications.

The project incorporates various low-impact development strategies such as vegetated open spaces and permeable hardscaping, which will also help in reducing the heat island effect and contribute to a cooler micro-climate in and around the site.

A reduce and recycle approach has been adopted for conserving potable water on site. The consumption of potable water will be reduced by installing efficient low flow water fixtures and through the use of native/adaptive plant species, which will also support the local habitat. Additionally, rainwater harvesting and an on-site sewage treatment plant will help significantly reduce potable water demand.

² According to [JLL](#), multi-family investments globally have accelerated throughout the COVID-19 crisis due to growing appetite for defensive assets. In Asia Pacific, this type of asset class investment totalled US\$6.7 billion in the first half of 2020, approaching the volumes recorded in full year 2019.

Mr Manish Shangari, Vice President and Tech Sector Head, AECOM Asia, said, “This project demonstrates HOMA’s and UOB’s advanced thinking and approach to sustainable real estate development. On the energy side, the project aims to reduce its energy consumption by more than 14 per cent from the baseline set by the American Society of Heating, Refrigerating and Air-Conditioning Engineers ([ASHRAE](#)) using several active and passive strategies. Keeping the occupant’s health and well-being in mind, the project has incorporated measures to enhance the indoor environmental quality with ample daylight and mechanically circulated fresh air in all regularly occupied spaces—all of which are not yet common practice in the region.”

HOMA currently has two locations in Phuket, HOMA Phuket Town and HOMA Cherngtalay, with an additional project in Chonburi province named HOMA Sri Racha. In the next five years, ACRE aims to invest more than US\$250 million to develop six HOMA projects across Thailand, in partnership with NOON Capital, a Thai multi-family housing property developer. They also plan to introduce the brand to other markets across the Asia Pacific region.

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About UOB

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: Aa1 by Moody’s Investors Service and AA- by both S&P Global Ratings and Fitch Ratings. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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