

Sumitomo Forestry's first BTR multi-family housing development in Brisbane, Australia

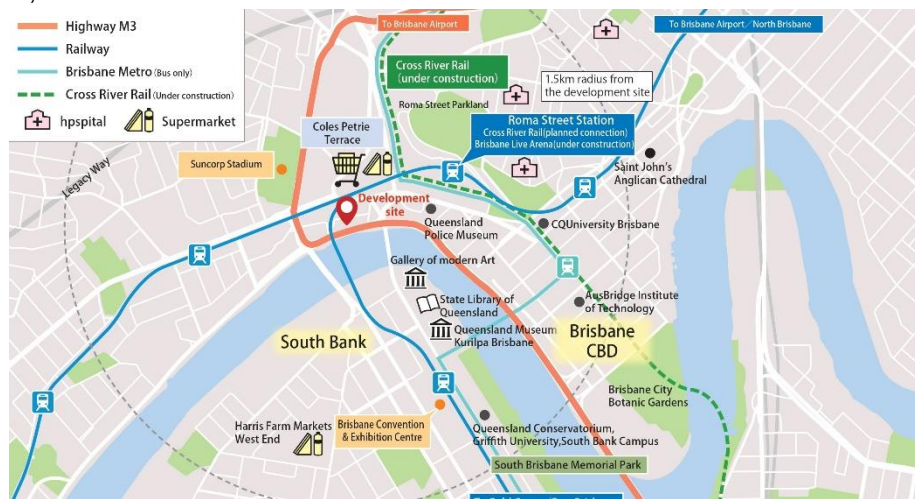
~Promoting ESG real estate development to help resolve societal and environmental issues~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) is pleased to announce that its wholly owned subsidiary, Sumitomo Forestry Australia Pty Ltd. (President: Yasuhiro Odagane; headquarters: Melbourne, Victoria; hereinafter, SFAU) is partnering with the Australian company Cedar Pacific Investment Management Pty Ltd (hereinafter, CP) on a Build-To-Rent (BTR)^{*1} multi-family housing development project. This is the first time Sumitomo Forestry Group has participated in BTR development operations in Australia. The project involves the development of a 475-unit, 31-floor multi-family rental building in Brisbane, Queensland. The project is part of the Queensland Government's BTR Pilot Project to deliver affordable rental housing, of the total 475 units, 250 units will be provided as affordable housing.^{*2} The building will contribute to decarbonization, aiming to achieve net zero operational carbon, based on a 5-star rating under Australia's Green Star environmental certification program^{*3} and Australia's Net Carbon Neutral Standard.^{*4} Construction began in May 2024 and completion is scheduled for October 2026.



■Area characteristics

The site is located in Brisbane, Queensland, Australia's third largest economic region, approximately 1.5 km from the central business district (CBD), a major employment hub. Conveniently located, the site is about 10 minutes by foot to Roma Street Station on the Cross River Rail, a new subway line scheduled to open in 2025, and approximately 20 minutes by car to Brisbane Airport. The Brisbane Live Arena, slated to be one of the main competition venues for the 2032 Brisbane Olympics, will be built nearby. In addition, throughout the South Bank area across from the Brisbane River are universities and other educational institutions, the Queensland Museum and other museums, and amusement facilities.



■Participation scheme and plan

SFAU will establish a wholly owned subsidiary, 50 Quay Street BTR Unit Trust, and together with CP, will jointly invest in Cedar Pacific BTR Quay Trust, the developer of this project. According to the Australian Bureau of Statistics, the number of overseas immigrants to Australia was approximately 550,000 per year as of September 2023, a 60 percent increase over the same period of the previous year and the largest number ever. Brisbane, where this project is located, is forecasted to experience a significant increase in population, with 11.4% projected growth by 2031 compared to 2021. With chronic rental housing shortages, we expect demand to remain strong.*5

■Cedar Pacific

CP develops student apartments in Australia and New Zealand and manages investment funds focused on the living sector. It has established strong relationships with governments, institutional investors and construction companies. With a commitment to resolving the shortage of affordable housing, the company is involved in ESG-conscious real estate development and shares many of the same philosophies and values as Sumitomo Forestry. Sumitomo Forestry is participating in this project due to its strong ESG goals and government support in Queensland, where strong rental demand and solid growth are expected.

■Future outlook

Through this project, Sumitomo Forestry and CP will contribute to resolving the shortage of housing and to improving housing affordability, both social issues in Australia. We also hope to develop other ESG real estate projects that will accelerate our decarbonization efforts, particularly in Australia.

Sumitomo Forestry Group is engaged in a broad range of global businesses centered on wood, including forestry management, the manufacture and distribution of wood building materials, the contracting of single-family homes and medium- to large-scale wooden buildings, real estate development, and wood biomass power generation. In our long-term vision our long-term vision Mission TREEING 2030, our long-term vision for 2030, we have set out advancing globalization as one of our business policies. With this aim, we are promoting real estate development in Japan and overseas to fulfill our long-term vision to reinforce our earnings base.

*1 BTR (Build to Rent) indicates housing specifically for rental use. They are considered one of the fastest growing assets in Australia.

*2 Affordable housing is housing that is provided at affordable, below-market prices thanks to government subsidies.

*3 Green Star is a rating system developed and operated by the Green Building Council of Australia (GBCA). Ratings range from 4 stars to 6 stars.

*4 Reducing emissions during operation (operational carbon) to net zero from the first day of operation by improving the environmental performance of the building with solar power generation systems and other measures such as minimizing carbon emissions through renewable and other green energy contracts, and by utilizing carbon offsetting to cover shortfalls.

*5 Source: Government of Queensland

■Project summary

Name:	50 Quay Street Project
Location:	50 Quay Street, Brisbane, QLD
Total development area (planned):	57,484 m ² (of which 150 m ² is commercial)
Number of units (planned):	475 units (of which 250 units are affordable housing)
Number of floors, structure:	31 floors (4 basement floors), reinforced concrete structure
Start of construction (planned):	May 2024
Completion (planned):	October 2026
Full operation (planned):	October 2028
Amenities:	Rooftop pool, gym, theater room, coworking space, BBQ area, etc.

■CP

Company name:	Cedar Pacific Investment Management Pty Ltd
Headquarters:	Brisbane, Queensland
Representative:	Bernard Armstrong (CEO)

■50 Quay Street BTR Unit Trust / 50 Quay Street BTR Pty Ltd

Headquarters:	Suite 7, 395 Ferntree Gully Road, Mount Waverley VIC 3149
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President: (same as SFAU)
Yasuhiro Odagane
Establishment: March 2024
Business Description: Investment in this project