

July 4, 2016

Press release

Daiwa House Industry Co., Ltd.  
Cosmos Initia Co., Ltd.  
Sumitomo Forestry Co., Ltd.

### **Australian Real Estate Development Project**

#### **Engagement in Development of Condominiums and Commercial Facilities in Sydney**

Daiwa House Industry Co., Ltd. (Head office: Osaka, President: Naotake Ohno), teaming with Cosmos Initia Co., Ltd. a Daiwa House Group member, (Head office: Tokyo, Minato Ward, President: Takagi Yoshiyuki), and Sumitomo Forestry Co., Ltd. (Head office: Tokyo, Chiyoda Ward, President: Akira Ichikawa) commenced work on a multipurpose development project under the tentative name of the Drummoynes project in a suburban area of Sydney, New South Wales, Australia, on July 1, 2016. The project is conducted in collaboration with local real estate investment and management company EG Funds Management Pty Ltd (“EG Funds Management”).



**Artists' rendering of the exterior as seen from the north**

#### **Main points**

- 1. Multipurpose development project of a condominium complex (164 condos in total), commercial facilities and offices**
- 2. Real estate development business in the fast-growing Sydney area**

## **1. Multipurpose development project of a condominium complex (164 condos in total), commercial facilities and offices**

Daiwa House Industry, Cosmos Initia and Sumitomo Forestry have been pushing forward with the Flour Mill of Summer Hill project, our multipurpose development project of condominiums, commercial facilities and offices in the Sydney area, in collaboration with EG Funds Management since September 2014. Properties developed in stages I and II have sold out, and received good reviews. Sales of properties in stages III and IV are planned for July 2016.

On this occasion, our three companies and EG Funds Management aim to further expand our business in Australia, and have decided to undertake a multipurpose development project of condominiums (164 units in total), commercial facilities and offices under the tentative name of the Drummoyne project.

This time, Daiwa House Industry, Cosmos Initia and Sumitomo Forestry will leverage our know-how and expertise of developing commercial facilities, condominiums and housing acquired over many years in Japan. Additionally, together with the preceding development of Flour Mill of Summer Hill, we have acquired know-how of the real estate development business in Australia, and can link this to future business developments.



**Artists' rendering of a living room**

## **2. Real estate development business in the fast-growing Sydney area**

With a population of 4.67 million,<sup>\*1</sup> Sydney is the state capital of New South Wales, and Australia's business and cultural center. In terms of the population, it is expected to grow from 4.29 million people in 2011<sup>\*2</sup> to 5.06 million in 2021<sup>\*2</sup> due to an influx of immigrants and a stable birthrate. In light of Sydney's marked population and economic growth, Daiwa House Industry has decided to become involved in a new real estate development business in the suburbs of the city.

The Drummoyne project (tentative name) building site is surrounded by bays on three sides, and is in an excellent location to take in waterfront views, which are popular in the Sydney area. It is located approximately 5 kilometers (20 minutes by bus) from the heart of Sydney, where offices and large-scale commercial facilities stand side by side. Additionally, it faces Victoria Road, which is lined by various small and large stores, and the nearby large-scale Birkenhead Point Shopping Centre and Harris Farm supermarket are six minutes and one minute away on foot, respectively. The site combines convenient living facilities with a natural environment to enjoy one's leisure time at places like the large

Brett Park, which is a two-minute walk away, a swimming center and a 7-kilometer running and cycling course.

\*1. From the Australian Bureau of Statistics (ABS)

\*2. From 2014 NSW Population Projections data



Environment around the site

■ **Business developments for each company to date**

Daiwa House Industry launched a local subsidiary in Queensland in December 1987, and supplied a 35-story, 92-unit condominium building on the Gold Coast from September 1989. Daiwa House Australia Pty Ltd was later established in May 2011, and investigations into business opportunities for re-entering the market were conducted.

Cosmos Initia set up Cosmos Australia Pty Ltd in Brisbane, Queensland in September 1990. From 1992, we have been involved in business activities on Fraser Island, the world's largest sand island and a world heritage listed site. These operations include resort management, Fraser Explorer Tours (4WD bus tours) and Fraser Island barge crossings, where people can fully enjoy nature under the theme of co-existence with nature.

Sumitomo Forestry entered the Australian single-family house market in 2008, and aside from supplying approximately 2,200 single-family houses per annum with a focus on Victoria, Queensland, and New South Wales, we are also expanding into the real estate residential land development business through consolidated subsidiary Henley Properties Group.

## ■ Profile of EG Funds Management

EG Funds Management Pty Ltd is a real estate investment and management company established in 2001, which engages in the creation and management of real estate funds. It currently has some AU\$2,400 million (roughly 184\*3 billion Japanese yen) in real estate assets under management, and acts as a real estate fund manager for Australian pension funds, as well as engaging in in-house development operations.

In response to rising population, Australian cities are conducting urbanization projects, centered on provision of infrastructure. EG Funds Management is creating new funds to realize added value through redevelopment projects and projects involving alternative applications for existing sites that take advantage of this infrastructure provision.

\*3. Exchange rate as of July 1, 2016

## ■ Condominium Project Outline

Tentative name: Drummoyne project

Location: 77-105 Victoria Road, Drummoyne, New South Wales, Australia

Site area: 5,287 m<sup>2</sup>

Total prospective housing floor area for sale: 12,113 m<sup>2</sup>

Total number of units to be offered: 164

Floor area for sale per unit: 50 to 118 m<sup>2</sup> (median 74 m<sup>2</sup>)

Housing sale price including tax: 1 bedroom from AU\$670,000

2 bedrooms from AU\$870,000

3 bedrooms from AU\$1,375,000

Scheduled condo complex commencement: October 2016

Scheduled completion: June 2018

Total project cost: Approx. 12.9 billion yen

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