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For immediate release

Sumitomo Forestry Co., Ltd.
NTT Urban Development Corporation

Toward the Creation of a Decarbonized Society Through Net Zero Carbon Buildings Starting with the tallest 15-story wooden office building developed in Melbourne, Australia

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; Headquarters: Chiyoda-ku, Tokyo; hereinafter Sumitomo Forestry), NTT Urban Development Corporation (President and Chief Executive Officer: Hiroshi Tsujigami; Headquarters: Chiyoda-ku, Tokyo; hereinafter NTT Urban Development), and global real estate developer Hines Interests Limited Partnership (Chairman and Chief Executive Officer: Jeffrey C. Hines; Headquarters: Texas, United States; hereinafter Hines) announced that they will start efforts to construct a net zero carbon building as a step toward the realization of a carbon-free society.

The foothold for this project is a large-scale wooden office in Collingwood, which is in the suburbs of Melbourne, Australia. The building will be a mixed structure of reinforced concrete and timber with two basement floors and 15 stories above (all floors above the 6th floor to be made of wood), and this project is expected to be the tallest^{*1} wooden office in Melbourne, Australia. Construction is scheduled to begin in December 2021 for completion in August 2023.



Conceptual image
of project



Conceptual image of office interior

Net zero carbon buildings are designed to save and create energy, and in combination with the use of renewable energy together with offsets from carbon credits, emit net zero CO₂ (operational carbon) when the buildings are in use. In addition to achieving Australia's highest 6 Star Green Star environmental certification, we aim to obtain net zero carbon certification based on Australia's "Carbon Neutral Standard for Buildings."

In this project, about 4,000m³ of wood will be used for the structural frame, fixing in place about 3,000 tons of carbon (CO₂). Including biogenic carbon storage, CO₂ (embodied carbon) emitted during construction (in processes such as raw material procurement, manufacturing, construction, and demolition) will be equal to a reduction of approximately 40% compared to when the entire structure is built using reinforced concrete.

It is said that approximately 38%² of global CO₂ emissions come from the construction sector. The reduction of these emissions is a pressing issue globally toward the creation of a decarbonized society. As a climate change response toward achieving the Paris Agreement, the World Green Building Council (WGBC)³ has set the targets of achieving net zero operational carbon and a reduction of at least 40% embodied carbon for all new buildings by 2030, and net zero operational carbon and embodied carbon for all buildings by 2050.

This is an advanced project that will achieve the 2030 target set by WGBC seven years ahead of schedule through the effective use of timber—which has carbon sequestration and retention functions—and the building's energy saving and creation in combination with the use of renewable energy.

■ Area and property characteristics

Collingwood is located 2.5 km east from Melbourne CBD. The area is well served by an established transportation network that includes tramway stations and cycle lanes. It is also close to large green areas where citizens can gather along with commercial facilities such as restaurants, cafés, and bars. It is in an area that provides a fulfilling residential environment for staff within close proximity to work.

The project adopts a biophilic design, which has the effects of reducing stress and improving productivity by incorporating natural elements such as timber and plants⁴. It is also characterized by the use of *arawashi*⁵ exposed timber for the finishing of beams and pillars, allowing the mood and warmth of wood to be experienced. It will also have an abundance of facilities, including an outdoor terrace as well as locker rooms and shower rooms for those who walk or cycle to work, targeting the needs of tenants such as startups that want to strengthen ties between employees by providing a good workplace environment as well as major companies and government agencies that seek to be located in a property with high environmental value.

■ Project overview and background

This project will be implemented by Sumitomo Forestry's wholly-owned subsidiary Sumitomo Forestry Australia Pty Ltd., NTT Urban Development's wholly-owned subsidiary NTT UD Australia Pty Limited, and Hines' subsidiary Hines Australia Pty Ltd.

NTT Urban Development and Sumitomo Forestry have built good relations through housing lot development in Melbourne and joint development of rental housing in Dallas (Texas, United States), as well as joint development projects in Japan such as Wellith Court Tsujido Higashikaigan and Wellith Park Yokkaichi Minamiyamanote.. This time, a next-generation office with low environmental impact will be developed by fusing the expertise of Hines—which has a record of several wooden office developments centered in North America—with that of NTT Urban Development—which develops and owns office buildings in countries around the world—and Sumitomo Forestry, which is accelerating the expansion of business in medium- and large- scale wooden architectural structures.

Sumitomo Forestry Group aims to achieve and develop net zero carbon buildings using timber construction as an initiative toward generating new revenue sources and circular bioeconomic systems⁶. In Australia, medium- and large-scale wooden architectural structures are spreading and expanding due to revisions made to the building standards law since 2016. This project will be an opportunity to promote medium- and large-scale wooden architectural structures with low environmental impact in Australia, and the expertise gained through this project will be flowed back to Japan to help the development of this business area in Japan.

Due to the start of the Decade of Action for the Sustainable Development Goals (SDGs) and social trends toward decarbonization, in July 2021, NTT Urban Development established its Environmental Management Division within the Corporate Strategy Department and enhanced its structure to further accelerate the promotion of environmental management as a management strategy. With this project, through environmentally friendly business operation and social contribution even overseas, it aims to achieve a sustainable society and corporate growth as well as develop estates which are even more friendly to the global environment.

About Hines {<https://www.hines.com>}

Hines is a privately owned global real estate investment firm founded in 1957 with a presence in 255 cities in 27 countries. Hines oversees investment assets under management totaling approximately \$83.6 billion (as of June 30, 2021). In addition, Hines provides third-party property-level services to more than 367 properties totaling 138.3 million square feet. Historically, Hines has developed, redeveloped or acquired approximately 1,486 properties, totaling over 492 million square feet. The firm currently has more than 171 developments underway around the world including wooden structured offices. With a foundational commitment to ESG, Hines is one of the largest and most-respected real estate organizations in the world.

Sumitomo Forestry has partnered with Hines, whom they share a good collaborative relationship with, in two large-scale housing lot developments in North America.

Project overview

Name	36 Wellington Project
Location	Collingwood, Melbourne (2.5 km east of Melbourne Central Business District)
Overview	2 stories below ground and 15 stories above ground; car park for 81 vehicles
Structure	Reinforced concrete for 1st to 5th floors and wooden construction ⁷ for 6th to 15th floors
Development floor area	28,865 m ²
Exclusive floor area	18,399 m ² (of which 17,818 m ² for office space)
Start of construction (planned)	December 2021
Completion (planned)	August 2023



Locker room



Outdoor terrace



Interior view of office

- *1 Based on research by Wood Solutions, an organization affiliated with the Australian Government (as of June 2021)
- *2 Source: Global Alliance for Buildings and Construction, “2020 Global Status Report for Buildings and Construction”
- *3 World Green Building Council (WGBC) is a global action network comprised of around 70 Green Building Councils around the globe that are members of the United Nations Global Compact
- *4 Based on the research by Pollinate, an independently owned full-service market research agency affiliated with Forest & Wood Products Australia.
- *5 *Arawashi* is a finishing method where structural materials of timber buildings, such as pillars and beams, are made visible.
- *6 A circular economic system that reduces environmental impacts using renewable biological resources and biotechnology to maximize the use-life of resources and to increase resource efficiency.
- *7 Medium and large cross-sectional engineered wood and cross laminated timber (CLT) will be used for beams, pillars, and floors