

September 7, 2023

For Immediate Release

Sumitomo Forestry Co., Ltd.
Chuo-Nittochi Co., Ltd.

Development of a multifamily rental complex near Denver, Colorado ~Promoting decarbonization with a pure wooden structure~

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) and Chuo-Nittochi Co., Ltd. (President: Kiyoshi Miyake; headquarters: Tokyo; hereinafter, Chuo-Nittochi) are pleased to announce the development of a 353-unit, five-story pure wooden rental apartment complex in the suburbs of Denver, Colorado. This is the second collaboration between the two companies following the development of a rental apartment complex in the suburbs of Seattle, Washington.*¹

The pure wooden structure utilizes the wood two-by-four construction method, which is both environmentally friendly and economical. With convenient access to transportation and views of the Rocky Mountains, it will be developed in collaboration with Trammell Crow Residential (TCR), the fifth largest developer in the United States.*² Construction will commence in October 2023 and rentals are scheduled to begin in June 2023.

■Area and property features

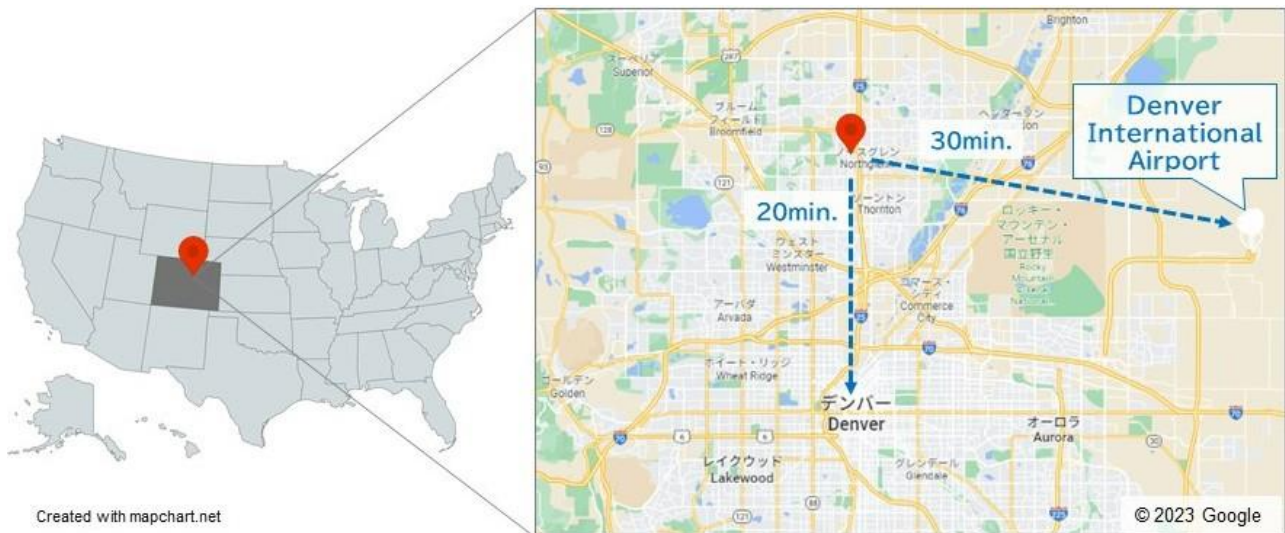
The construction site is located in Northglenn, a city approximately 16 kilometers from central Denver. Located near major highways, the property is a 15-minute drive to Broomfield, which has a high concentration of technology, medical and financial companies, a 20-minute drive to downtown Denver, and a 30-minute drive to Denver International Airport. It also boasts easy access to the RTD Light Rail and bus transit systems. With a stable employment environment and growing population, the Denver area continues to experience strong demand for housing, which this property aims to capture.



Artistic rendering of the completed complex

In addition to 353 rental units, the property features a fitness center, coworking spaces, a sky lounge and a wide array of other common facilities. With lush landscaping and its positioning on top of a hill, residents can enjoy a calm living space away from the hustle and bustle of central Denver as well as majestic views of the Rocky Mountains.

To control costs compared to reinforced concrete structures, the project will adopt the wooden two-by-four construction method using standard 2x4 and 2x6 lumber similar to those used in detached houses. Wood will also be used for the interiors, providing a high-quality residence with a calming wooden environment. Wood construction has the added benefit of generally lower CO₂ emissions during construction (embodied carbon) than steel-frame or reinforced concrete construction.*³ In addition, because trees sequester the CO₂ they absorb during the growth process as carbon, wood products (HWP: Harvested Wood Products) made from harvested and processed trees continue to fix carbon for long periods of time. This project utilizes a large amount of wood, enabling us to provide high-quality housing while contributing to a decarbonized society.



■Participation details

The developer is a special purpose company (SPC) jointly owned by TCR and a joint venture company between SFA MF Holdings, a wholly owned subsidiary of Sumitomo Forestry, and Chuo-Nittochi I LLC, a wholly owned subsidiary of Chuo-Nittochi. Sumitomo Forestry's wholly owned subsidiary SFC Asset Management Co., Ltd. (President: Yujiro Yoshizawa; headquarters: Tokyo) will be responsible for coordinating this project.

Since 2018, Sumitomo Forestry has been working with TCR, a quality local partner, to develop multifamily rental housing in the Seattle suburb cities of Issaquah, Lynnwood, Bothell, Woodinville and Shoreline, with Chuo-Nittochi also participating in the Woodinville development.^{*4} To further expand its multifamily housing development operations, Sumitomo Forestry has been exploring new opportunities with TCR. On this Denver project, Chuo-Nittochi is collaborating with Sumitomo Forestry once again with a desire to further expand its real estate development operations in the US. This is the first time for both companies to work with TCR in Denver.

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 Mission TREEING 2030, we are seeking to promote the Sumitomo Forestry Wood Cycle, our value chain to contribute to decarbonization for not only our own company but also for the whole of society by increasing the CO₂ absorption of forests and popularizing wooden buildings that store carbon for long periods of time. With the promotion of global expansion as one of our business policies in our long-term vision, we are also working to accelerate decarbonization initiatives in the US.

Chuo-Nittochi Group Co., Ltd., is a comprehensive real estate group with operations in urban development, residential development, real estate solutions and asset management. To help realize a decarbonized society, Chuo-Nittochi is working with all stakeholders, including tenants and joint venture partners, to promote urban planning that harmonizes with the natural environment through the development of environmentally conscious real estate and the operation and use of renewable energies. Furthermore, to actively invest in new challenges and growth for the future, the company is also accelerating efforts overseas, including real estate development projects in the United States and investments in renewable energy projects in Taiwan and the United States.



^{*1} (June 21, 2022, press release) Alexan Woodinville: https://sfc.jp/english/news/pdf/20220621_01.pdf

^{*2} TCR was 5th in the 2023 rankings of the NMHC 25 Largest Developers, announced by the National Multifamily Housing Council of the United States. Reference: <https://www.nmhc.org/research-insight/the-nmhc-50/top-50-lists/2022-top-developers-list/>

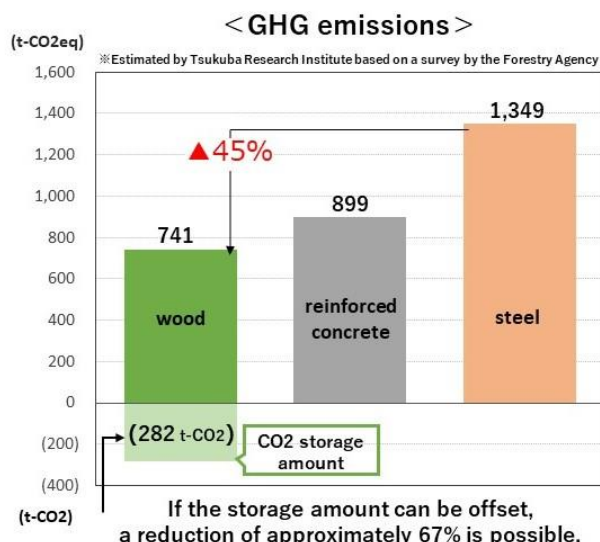
^{*3} Calculated by Sumitomo Forestry's Tsukuba Research Institute based on a study by the Forestry Agency (refer to graph and table below). Calculations were made for the entire life cycle, from construction to demolition, of the frame, exterior and interior (excluding equipment) of a three-story office building (1,500 m²) based on the material quantities in Forestry Agency's "FY2015 Report on the Promotion of Wood Use and Energy-Saving CO₂ Demonstration Operations."

^{*4} (April 14, 2021, press release) Alexan Alderwood: https://sfc.jp/english/news/pdf/20210414_en.pdf

(October 7, 2021, press release) Alexan Bothell: https://sfc.jp/english/news/pdf/20211007_01.pdf

(June 21, 2022, press release) Alexan Woodinville: https://sfc.jp/english/news/pdf/20220621_01.pdf

(July 5, 2023, press release) Alexan Shoreline: https://sfc.jp/english/news/pdf/20230705_01.pdf



Calculated for a 3-story office building (1,500 m²)

■Property overview (planned)

Name	Alexan Northglenn
Location	555 W. 112 th Avenue, Northglenn, CO 80234
Total floor space	31,000 m ² (329,000 square feet)
Units	353
Structure/method	Wooden two-by-four construction method
Start of construction	October 2023
Start of rentals	June 2025

■Trammell Crow Residential Company

Headquarters: Dallas, Texas

Representative: Ken Valach (CEO)

History: Trammell Crow Residential is a multifamily residential real estate company established in the United States in 1977. It is part of Crow Holdings, a real estate development firm with a more than 70-year history.

Business description: Multifamily real estate development in the United States. The company has delivered nearly 260,000 residences, particularly in economically thriving locations.

■SFC Asset Management Co., Ltd. (website: <https://sfcam.jp/>)

Headquarters: Tokyo, Japan

Representative: Yujiro Yoshizawa

Established: November 2020

Business description: Investment advisory services for investment funds organized by Sumitomo Forestry Group and others