

July 8, 2024

For Immediate Release

 Sumitomo Forestry Co., Ltd.
 Tokyo Tatemono Co., Ltd.

Joint development of a multi-family rental building 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 Tokyo Tatemono Co., Ltd. (President: Hitoshi Nomura; headquarters: Tokyo; hereinafter, Tokyo Tatemono) are pleased to announce that they will develop a three-floor, 297-unit, pure wooden multi-family residential rental building in the suburbs of Denver, Colorado (USA). This is the second development project that the two companies are collaborating on after the 555 Herndon Parkway development in Washington, DC.*¹ Major US developer Fairfield Residential Company LLC (Representative: Richard Boynton; headquarters: San Diego, California; hereinafter, Fairfield) will also participate in this joint development, which aims to contribute to decarbonization with the popularization of wooden structures. Construction is scheduled to begin in August 2024 and leasing in December 2025. Total operational costs will be about 18.4billion yen.*²

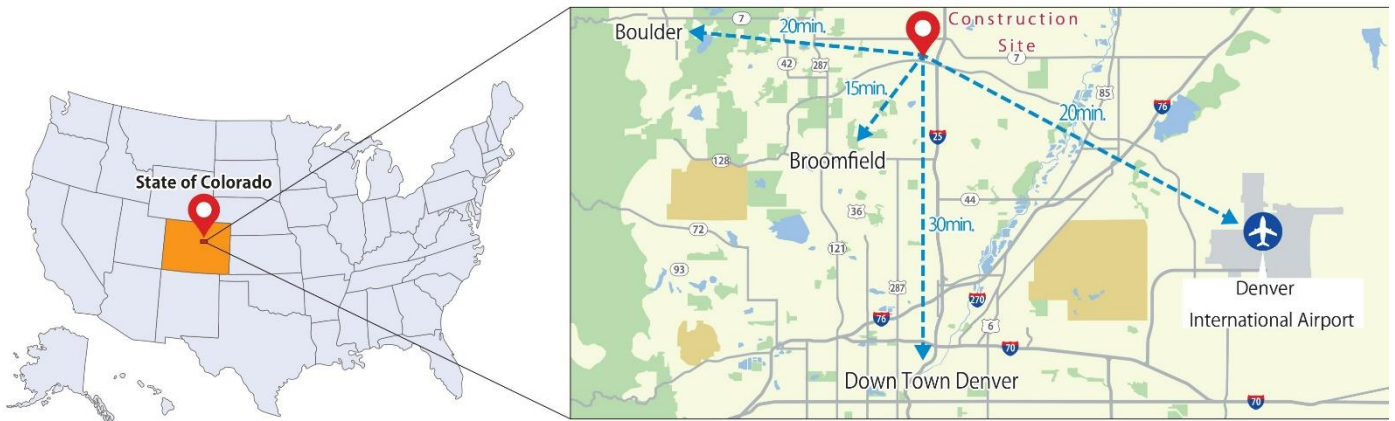


■Building characteristics

The building features a pool, fitness area, co-working spaces and other common facilities, and lush landscaping in a quiet residential area away from the hustle and bustle of central Denver. To control costs compared to reinforced concrete (RC) structures, the project will adopt the wooden frame wall construction method using standard 2x4 lumber. Wood construction has generally lower CO₂ emissions during construction (embodied carbon) than steel-frame (S) or RC construction. In addition, trees sequester the CO₂ they absorb during the growth process as carbon. Hence, this building, which utilizes a large amount of wood in the structural components and interiors, will fix carbon for long periods of time, thereby contributing to decarbonization.*³

■Location characteristics

The development site is located in Broomfield, Colorado, about 30km north of central Denver and about 20km east of central Boulder. Demand for housing in this area is expected to grow due to its proximity to Denver, which has a stable employment environment and population growth, and its relative affordability compared to Boulder, which has one of the highest housing prices in the US. Located near the University of Colorado and the offices of numerous major companies, the area is ideal in terms of both education and employment. In addition, it is conveniently situated near major roadways and just 15 minutes by car from central Broomfield, which has a concentration of technology, healthcare and finance companies, 30minutes from central Denver, and 20 minutes from Denver International Airport.



■Participation details and background

The developer is a special purpose company (SPC) jointly owned by SFA MF Holdings (a wholly owned subsidiary of Sumitomo Forestry), Tokyo Tatemono US Ltd. (a wholly owned subsidiary of Tokyo Tatemono), and Fairfield. Sumitomo Forestry's wholly owned subsidiary SFC Asset Management Co., Ltd. (President: Yujiro Yoshizawa; headquarters: Tokyo) will be responsible for coordinating the project with the participating companies, including Fairfield. This is the third time for Sumitomo Forestry and the second time for Tokyo Tatemono to work with Fairfield on a multi-family residential rental development project.

Sumitomo Forestry Group's annual supply of multi-family residential units has grown to become equivalent to the ninth largest*⁴ in the United States. With a goal to establishment of a supply more than 10,000 units per year of multi-family residential housing by 2027, the Company continues to expand this business as the second largest source of revenue after detached houses. Fairfield is a leading multi-family residential developer in the United States and with the view that they would make an excellent local partner, Sumitomo Forestry is exploring further opportunities for collaboration. This joint development project with Tokyo Tatemono will help to reinforce its relationships in the real estate development field. Tokyo Tatemono Group has set out to expand its overseas operations as one of its key strategies in its medium-term management plan and is participating in this project to continue growing in the US, which it re-entered in 2023.

■Future developments

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.

In its group long-term vision and medium-term management plan, Tokyo Tatemono Co., Ltd. seeks to resolve societal issues and grow as a company by promoting advanced ESG management and expanding its overseas operations as one of its key strategies. Currently, the company is developing condominiums, rental apartments, offices, logistics facilities and other types of buildings in such countries as China, Thailand, Indonesia and the US. For its overseas operations, Tokyo Tatemono will continue to work with leading local partners to create business opportunities for primarily short-term turnover projects in China, ASEAN countries and the US.

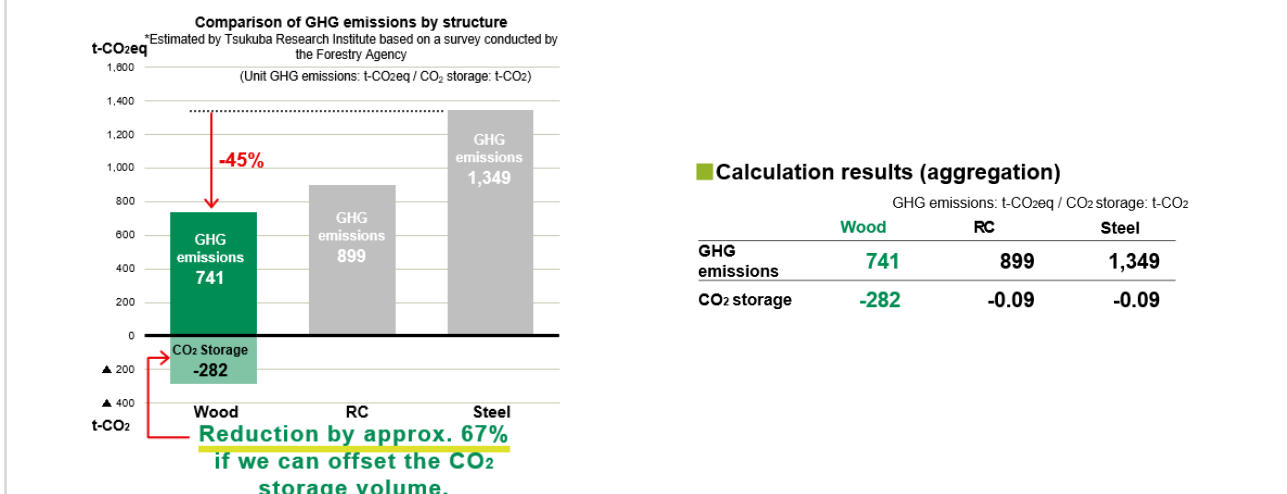
*1 (November 27, 2023, press release) 555 Herndon Parkway: <https://sfc.jp/information/news/2023/2023-11-27.html>

*2 Calculated at USD 1 = JPY 160.23 (as of July 1, 2024)

- *3 Estimates by Sumitomo Forestry's Tsukuba Research Institute based on a Forestry Agency survey (see graph and table below). Calculations were made for the frame, exterior and interior (excluding equipment) of a three-floor office building (1,500 m²) based on material quantities in the Forestry Agency's FY 2015 Report on Wood Use Promotion and Energy Saving Demonstration Work, covering the entire life cycle of a building from construction to demolition.

<Reference data>

Calculations based on a three-floor office building (1,500m²)



- *4 The annual total number of housing starts by Sumitomo Forestry Group's three US subsidiaries is equivalent to 9th place in the NMHC 2024 multi-family residential developer rankings by the National Multifamily Housing Council of the United States.

■Property overview (planned)

Name	Vista Highlands
Location	1150 W 169th Ave, Broomfield, CO 80023
Total floor space	23,871.72 m ² (256,953 square feet)
Units	297
Structure/method	Wooden frame wall construction method
Start of construction	August 2024
Start of rentals	December 2025 (in phases starting with completed sections)
Completion	September 2026

■Fairfield Residential Company LLC

Headquarters	San Diego, California, USA
Representative	Richard Boynton (Chairman, CEO)
Employees	1,420 (as of November 2023)
Business description	A multi-family residential real estate developer founded in 1985. With offices in 11 locations throughout the United States, the company is engaged in a full range of real estate development operations, from land purchasing and construction to rental management and sales. Since its establishment, the company has conducted real estate development in 32 states and has renovated, resold or newly developed approximately 290,000 units.

■SFC Asset Management Co., Ltd.

Headquarters	Tokyo
Representative	Yujiro Yoshizawa (Representative Director and President)
Established	November 2020
Business description	Investment advisory services for investment funds organized by Sumitomo Forestry Group and others

*SFC Asset Management corporate website: <https://sfcam.jp/> (Japanese only)