

May 23, 2025

For Immediate Release

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

## **Development of a wooden multi-family rental building in North Carolina** **~Promoting wooden construction for a decarbonized society~**

Sumitomo Forestry Co., Ltd. (President and Representative Director: Toshiro Mitsuyoshi; headquarters: Tokyo; hereinafter, Sumitomo Forestry) and Tokyo Tatemono Co., Ltd. (President: Katsuhito Ozawa; headquarters: Tokyo; hereinafter, Tokyo Tatemono) are pleased to announce that they will develop a five-floor, 267-unit, wooden multi-family rental housing building in Raleigh, North Carolina. This is the third joint development project the two companies are collaborating on following the 555 Herndon Parkway project in the suburbs of Washington, DC, and the Vista Highlands project in Colorado.\*<sup>1</sup> 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 a decarbonized society with the popularization of wooden structures. Construction is scheduled to begin in June 2025 and leasing around January 2027.



### **■Building characteristics**

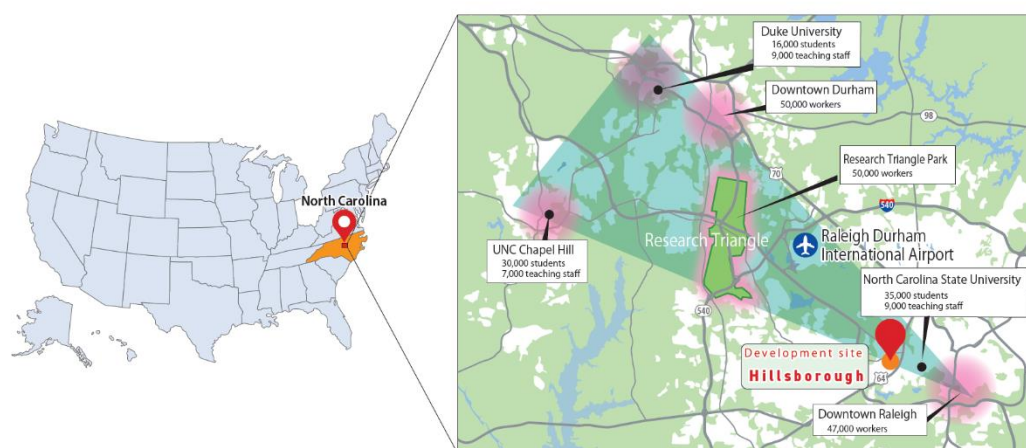
The building features a full range of community amenities, including a directly accessible parking lot, an outdoor grill area and a club room equipped with a kitchen. Residents can also enjoy use of a coworking space with a conference room, a pet spa and a dog run. On the top floor is a sky lounge that offers stunning views of downtown Raleigh. The lush trees on the building premises create a calm, quiet living environment even in the heart of the city. Targeting primarily young professionals\*<sup>2</sup> working in the vicinity, the property has many studio and one-bedroom apartments.

To control costs compared to reinforced concrete (RC) structures, the project will adopt the wooden frame wall method using standard 2x4 lumber. Wood construction has generally lower CO<sub>2</sub> emissions during construction (embodied carbon) than steel-frame (S) or RC construction. In addition, trees sequester the CO<sub>2</sub> they absorb during the growth process as carbon. Hence, this building, which utilizes a large amount of wood in its structural components and interiors, will fix carbon for long periods of time, thereby contributing to decarbonization.\*<sup>3</sup>

### **■Location characteristics**

The property is located in Raleigh, North Carolina, on the central east coast of the United States. Raleigh is situated near Interstate 85, which connects to the nation's capital of Washington, DC, as well as the major southern city of Atlanta, making it highly accessible. It also at the heart of the Research Triangle, a major hub of educational and research institutions that include North Carolina State University, Duke University and the University of North

Carolina at Chapel Hill. In addition, the city is a business center with more than 300 companies that provide a hiring environment for a competitive workforce and the potential for stable economic growth.



### ■Participation details

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: Seita Kisanuki; headquarters: Tokyo) will be responsible for coordinating the project with the participating companies, including Fairfield. This is the fifth time for Sumitomo Forestry and the third time for Tokyo Tatemono to work with Fairfield on a joint development project.

Since our entry into the real estate development business in 2018, Sumitomo Forestry Group's annual supply of multi-family housing has grown to 5,344 housing unit starts in 2024, equivalent to the fourth largest\*<sup>4</sup> in the United States, making it our second largest pillar of operations after our single-family homes business in the US. Our goal is to supply more than 10,000 units of multi-family rental housing by 2027.

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 to increase the total number of units across our entire housing business.

Through this joint development project, we are also reinforcing our relationship with Tokyo Tatemono 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 business plan (fiscal 2025~2027) that started this year and is participating in this project to continue growing its US operations, which it re-entered in 2023.

### ■Future developments

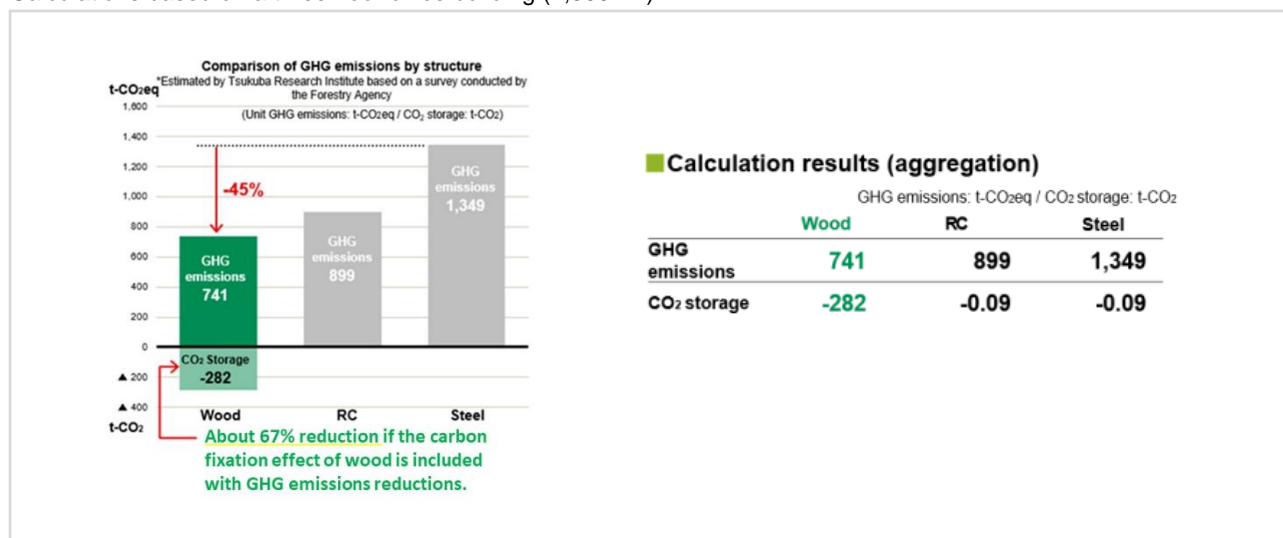
Sumitomo Forestry Group is engaged in a broad range of global businesses centered on wood, including forestry management, the manufacture and distribution of wood building materials, the contracting of single-family homes and medium- to large-scale wooden buildings, real estate development, and wood 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 the whole of society by increasing the CO<sub>2</sub> 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.

Tokyo Tatemono Co., Ltd. seeks to expand its overseas operations as one of its key strategies in its medium-term business plan (fiscal 2025~2027). Currently, the company is developing condominiums, multi-family housing, offices, logistics facilities and other types of buildings in such countries as the United States, Australia, Thailand and China. In its overseas operations, Tokyo Tatemono will continue to work with leading local partners to create business opportunities for primarily asset turnover projects.

- \*1 (November 27, 2023, press release) 555 Herndon Parkway:  
<https://tatemono.com/english/news/joint-development-of-a-multi-family-rental-building-near-washington-dc.html>  
(July 8, 2024, press release) Vista Highlands: <https://tatemono.com/english/news/20240708.html>
- \*2 Professionals in their late 20s to early 30s in highly specialized fields, such as law, finance, IT, consulting and healthcare.
- \*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 m<sup>2</sup>) 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.
- \*4 A Sumitomo Forestry calculation based on a NMHC 2025 US multi-family residential developer ranking conducted by the National Multifamily Housing Council of the United States.

#### <Reference data>

Calculations based on a three-floor office building (1,500 m<sup>2</sup>)



#### ■Property overview (planned)

Name	5200 Hillsborough
Location	5200 Hillsborough, Raleigh, NC
Total floor space	21,008 m <sup>2</sup> (226,132 square feet)
Units	267
Structure/method	Wooden frame wall construction method (parking lot: reinforced concrete (RC) structure)
Start of construction	June 2025
Start of rentals	January 2027
Completion	July 2027

#### ■Fairfield Residential Company LLC

Headquarters	San Diego, California
Representative	Richard Boynton (Chairman, CEO)
Employees	1,480 (as of February 2025)
Business description	A multi-family residential real estate developer founded in 1985. With offices in nine 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 300,000 units.

#### ■ SFC Asset Management Co., Ltd.

Headquarters	Tokyo
Representative	Seita Kisanuki (Representative Director and President)
Established	November 2020
Business description	Consulting, private placement handling, investment advisory services, etc., for investment funds organized by Sumitomo Forestry Group and others

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

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.