



Daiwa House
Group

Press Release

N e w s L e t t e r

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**Daiwa House Industry to Participate in Urban Rental Housing Development Projects
for the Millennial Generation in the United States:
Overview of the Nashville Project and Phoenix Project**

Daiwa House Industry Co., Ltd. (Head Office: Osaka, President and COO: Keiichi Yoshii; hereinafter “Daiwa House”) is pleased to announce that we have determined the overview of our Nashville Project and Phoenix Project. These are rental housing development projects we are working on in Nashville, Tennessee and Phoenix, Arizona in the United States of America (hereinafter “the U.S.”).

These projects will be the first to be performed by Daiwa House California, a local subsidiary of Daiwa House, with Akara Partners – a real estate investment, development and operating company headquartered in Chicago, Illinois in the U.S.

The Nashville Project and Phoenix Project are projects under the Kenect brand developed by AKARA Partners. Kenect is a concept for urban rental housing in conveniently located urban areas in the U.S., suitable for “Live, Work, and Play,” and tailored to the lifestyles of the millennial generation*¹.

This brand is able to achieve rents lower than the market average for class A apartments by utilizing efficient and compact floorplans, with a focus on studios and one bedroom units tailored to the millennial generation. More than half of these units come furnished, so that it is possible to start living in them immediately after moving in. Full bathrooms (shower, sink, and toilet) will be installed in each room so that it is possible to maintain privacy even in three bedroom units, with communal living, dining and kitchen areas. This is done under the assumption that these units will be used for shared housing. Dining establishments (e.g. restaurants and food courts) and shared offices will be located on the lower floors for use by anyone, and a fitness center, swimming pool, lounges, dog park and roof garden with barbecue areas will be available exclusively for residents.

*1: This is the generation born from around 1982 to 2000. The size of the population in the U.S. is approximately 83.7 million people.



Image of the Appearance of the Nashville Project



Image of the Appearance of the Phoenix Project

■ **Nashville Project**

This project is located in central Nashville – the state capital of Tennessee. The population of the Nashville metropolitan area*2 is approximately 1.9 million people*3 (2017), an increase of approximately 13% over eight years from approximately 1.68 million people in 2010. (Overall U.S. population increase during this period was approximately 5%.) This is an area where there has been a remarkable increase in the population of mainly young people in recent years.

The area surrounding this project is known for its thriving music industry and healthcare industry. The project is located in “Music Row,” home to numerous business related to country music and other types of music. In addition, the head offices of more than 250*4 healthcare-related companies are found in the Nashville metropolitan area. These include the head office of the Hospital Corporation of America – the world’s largest private healthcare provider. In terms of education-related facilities, there are multiple universities in the suburbs. More than 12,000 students are enrolled at Vanderbilt University*5 which represents the Nashville metropolitan area. The project is conveniently located within walking distance of an area lined with restaurants, bars, and other dining establishments.

There will also be a stage where live performances can be held and a recording studio in this project. This will contribute to stimulating the music industry in this area.

*2: An area that includes Nashville, Davidson, Murfreesboro and Franklin.

*3: Census Bureau, Population Estimates.

*4: Nashville Area Chamber of Commerce.

*5: Vanderbilt University placed 14th in the U.S. News & World Report “2019 Best Colleges Ranking”.



Image of the Lobby



Image of the Lounge



Image of the Concert Stage

◆ **Property Overview**

Name	Nashville Project		
Location	1815 Division Street, Nashville, TN		
Total number of units, structure and size	420 units in 20 floors above ground with a reinforced concrete structure		
Building use	1F: Restaurants, food court and indoor stage 2F: Shared offices 4F: Shared offices and recording studio 2F to 6F: Parking garage (space for 444 vehicles) 7F: Outdoor pool, fitness center, roof garden, dog park and resident-only lounge 7F to 20F: Residences (420 units)		
Site area	4,825 m ²		
Building area	3,538 m ²		
Total floor space	49,302 m ²	Rentable area	20,426 m ²
Residential area per unit	33.54 m ² to 113.53 m ²		
Floor plans	246 studio units, 134 one-bedroom units, and 40 three-bedroom units (244 furnished units)		
Rent	230,000 yen to 239,999 yen per month		
Start of construction	July 31, 2018		
Completion (planned)	June 2020	Occupancy (planned)	December 2019

■ **Phoenix Project**

This project is located in central Phoenix – the state capital of Arizona. The population of Phoenix is approximately 1.68 million people*³ – the fifth largest in the U.S. The population of the Phoenix metropolitan area*⁶ is approximately 4.74 million people*³ (2017) – the eleventh largest in the U.S. This population has increased by approximately 12% over eight years from approximately 4.2 million people in 2010. (Overall U.S. population increase during this period was approximately 5%.) This is an area where there has been a remarkable increase in the population of mainly young people in recent years.

In addition, this project has excellent access to public transportation, being located in front of both Van Buren Station, one of the stops for the light rail (Valley Metro), and Central Station, where the buses of 24 routes stop. It is also approximately 15 minutes by light rail to Phoenix Sky Harbor International Airport.

The area surrounding this project is lined with government/administrative facilities (e.g., the Arizona State Capitol) and offices. In terms of education-related facilities, this project is right next to the Downtown Campus of Arizona State University, where more than 11,000 students are enrolled, and the site of its Thunderbird School of Global Management, which is scheduled for relocation to this area in 2021. The project is also located within walking distance to entertainment facilities such as Chase Field, home of the Arizona Diamondbacks, a Major League Baseball (MLB) team, and Talking Stick Resort Arena, home of the Phoenix Suns, a National Basketball Association (NBA) team.

*6: An area that includes Phoenix, Mesa and Scottsdale.



Image of the Lobby



Image of the Lobby



Image of the Rooms

◆ **Property Overview**

Name	Phoenix Project		
Location	355 North Central Avenue, Phoenix, AZ		
Total number of units, structure and size	320 units in 23 floors above ground with a reinforced concrete structure		
Building use	1F: Restaurants and cafes Mezzanine: Shared offices 2F to 7F: Parking garage (space for 263 vehicles) 8F: Fitness center, dog park and resident-only lounge 8F to 22F: Residences (320 units) 23F: Outdoor pool and roof garden		
Site area	2,023 m ²		
Building area	1,149m ²		
Total floor space	31,400 m ²	Rentable area	19,705 m ²
Residential area per unit	33.91 m ² to 110.1 m ²		
Floor plans	232 studio units, 58 one-bedroom units, and 30 three-bedroom units (218 furnished units)		
Rent	160,000 yen to 169,999 yen per month		
Start of construction	January 15, 2019		
Completion (planned)	November 2020	Occupancy (planned)	November 2020

● **Future Overseas Developments**

Daiwa House plans to purchase and develop rental housing in large cities (e.g., New York and Los Angeles) through our local subsidiaries in the U.S. At the same time, together with the single-family housing business of Stanley-Martin Communities LLC in the Daiwa House Group, we are aiming for sales of 79 billion yen in the fiscal year ending March 31, 2019.

Moreover, we intend to develop our business in ASEAN, Australia and other regions where we are currently expanding with the aim of achieving total overseas sales of 270 billion yen in the fiscal year ending March 31, 2019.

■ **AKARA PARTNERS**

Akara Partners is a real estate investment, development and operating company headquartered in Chicago founded by Rajen Shastri. The company currently has under construction or operations over \$1.5B of transactions primarily in the multifamily space. The main focus for Akara in the near term is to continue executing its residential investment and development platforms focused both on the millennial and baby boomer generations.

Akara’s investment process centers around a fundamental understanding of macro trends including economic factors, demographics as well as changes in technology and human behavior. This process, when combined with the firm’s deep understanding of local real estate industry trends, culminates in a data driven approach to help the firm generate superior risk adjusted returns.



【Daiwa House’s U.S. Projects】

■ **Overview of Daiwa House Local Subsidiary**

Company name: Daiwa House California
 Location: 2029 Century Park East, Suite 2570N, Los Angeles, CA 90067
 Investment company: Daiwa House USA Inc.
 *Wholly owned subsidiary of Daiwa House Industry Co., Ltd.
 Capital: \$31,681,398
 Number of employees: 7 (of these, five are seconded employees)
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