

September 3, 2020

Press Release

Daiwa House Industry Co., Ltd.
Nishi-Nippon Railroad Co., Ltd.

**High-Rise Rental Housing Development Project in Houston, Texas
Overview of the Block 98 Project Determined**

Daiwa House Industry Co., Ltd. (Head Office: Kita-ku, Osaka / President, CEO and COO: Keiichi Yoshii; hereinafter “Daiwa House”) and Nishi-Nippon Railroad Co., Ltd. (Head Office: Hakata-ku, Fukuoka / President and CEO: Sumio Kuratomi; hereinafter “Nishi-Nippon Railroad”) are pleased to begin construction of the Block 98 Project in which Daiwa House and Nishi-Nippon Railroad have invested. The project is a high-rise rental housing development project in the downtown area of Houston, Texas in the United States of America (hereinafter “the U.S.”)



【Image of the Block 98 Project】

The project will be developed by Block 98 Houston LLC, a company that was established on November 25, 2019 by Daiwa House’s U.S. subsidiary of Daiwa House Texas, Inc., Nishi-Nippon Railroad’s U.S. subsidiary of NNR Realty Investments USA, Inc., and High Street Residential, a subsidiary of Trammell Crow Company, LLC. (a major real estate company in the U.S.).

The Block 98 Project is a project to develop high-rise rental housing with 43 stories. This project will have 307 units in total, a site area of 0.46 acres (1,860 m²) and a total floor area of 711,324 ft² (66,084 m²). Construction is scheduled to be completed in April 2023.

● **Features**

1. **A 43-story high-rise rental housing project with 307 units**
2. **A rental housing development project in Houston, Texas which has experienced remarkable population growth**
3. **A great location in downtown Houston**

1. A 43-story high-rise rental housing project with 307 units

This is a project to develop high-rise rental housing that will have 307 units over 43 stories located in downtown Houston, Texas.

The Block 98 Project will include conference rooms, co-working space, club room, and outdoor terrace where barbecues can be enjoyed outdoors exclusively for tenants in the common areas. The project will also provide concierge, doorman, security services, private conditioned storage, and two suites for the short-term stays of residents' guests. In addition to the above amenities, the project will include a rooftop pool on the 43rd floor. Tenants will be able to enjoy 270-degree stunning views of downtown Houston from the rooftop pool deck, lounge, and the observation balcony.

The Block 98 Project will offer a lineup of diverse floor plans with five unit types from studios*¹ to one-bedroom apartments, two-bedroom apartments, three-bedroom apartments and penthouses*². There will be a total of 26 configurations to satisfy a wide range of customers.

*1: This is a one room apartment.

*2: These are maisonette, etc. floorplans with special specifications located on the highest two residential floors.

2. A rental housing development project in Houston, Texas which has experienced remarkable population growth

Houston is in the southeastern part of Texas and is an urban area*³ with a population of approximately 7 million. This makes it the urban area with the fifth greatest population in the U.S. The population is expected to increase from approximately 7 million in 2019 to approximately 7.8 million in 2023 according to population growth forecasts.

*3: This is the Houston-The Woodlands-Sugar Land area centered on Houston.

3. A great location in downtown Houston

(1) Within walking distance of a park and shopping center

The Block 98 Project is adjacent to a park called Discovery Green that has a size of approximately 12 acres (48,500 m²) *⁴ with a lake, lawn space and a stage where events can be held in the heart of downtown Houston. More than 300 events are held here each year.

The project is also located within walking distance of the Minute Maid Park MLB baseball stadium (home to the Houston Astros) and the Toyota Center NBA basketball stadium (home to the Houston Rockets).

In addition to its proximity to the above attractions, the project will be linked by a skybridge to the Houston tunnel system which conveniently connects residents to a network of downtown office buildings and The Shops at Houston Center shopping mall. Accordingly, residents of the project will be able to go to offices, shops and restaurants without worrying about the weather.

*4: This is approximately the size of Tokyo Dome.

(2) A location with great transportation convenience

The Convention District light rail station is located 2 minutes on foot from this project which provides great convenience for public transportation.

Moreover, the location has good access to the rest of the U.S. and the world due to its proximity to the George Bush Intercontinental Airport (approximate travel time of 30 minutes by car) and the William P. Hobby Airport (approximate travel time of 20 minutes by car).



【Image of the Block 98 Project from Discovery Green】



【Aerial image of the Block 98 Project】

■Project Overview

Project Name	Block 98 Project		
Project Developer	Block 98 Houston LLC		
Address	808 Crawford Street, TX 77002		
Building Use	1F: Lobby 2F to 12F: Parking lot (420 spaces) 14F: Amenity Floor 14F to 42F: Residences 43F: Outdoor pool		
Main common area facilities and services	Conference rooms, co-working space, club room, outdoor terrace, outdoor pool, fitness room, bicycle space, storage room, concierge, doormen and two guest suites		
Site Area	0.46 acres (1,860 m ²)	Building Area	19,408 ft ² (1,803 m ²)
Total Floor Area	711,324 ft ² (66,084 m ²)	Residential Net Leasable Area	366,284 ft ² (34,028 m ²)
Number of Units / Structure / Number of stories / Height	307 units Reinforced Concrete 43 stories Approx. 433 ft (132 m)		
Start of Construction	July 13, 2020		
End of Construction	April 2023		
Start of Move-in	June 2022 (Start moving in with completed residences)		
Unit size	607 sq ft (56 m ²) to 3,447 sq ft (320 m ²)		
Floorplans	27 studios, 183 one-bedroom apartments, 75 two-bedroom apartments, 18 three-bedroom apartments, and four penthouses		
Rent	Monthly rent from approx. \$1,900 - \$15,000+		

■Project Developer

Company	Block 98 Houston LLC
	<u>Investing Companies</u>
	Daiwa House Texas, Inc., NNR Realty Investments USA, Inc., High Street Residential, the residential subsidiary of Trammell Crow Company, LLC, etc.
Date of establishment	November 25, 2019
Areas of business	Real estate development

■Overview of the Companies Involved in This Project

Daiwa House Industry Co., Ltd.

Daiwa House Industry Co., Ltd. was founded on April 5, 1955 under a corporate philosophy of the industrialization of construction. Since then, Daiwa House has developed business in a wide range of areas – rental housing, condominiums, commercial facilities, business facilities (logistics facilities and medical/nursing facilities) and environmental energy – with single-family houses serving as its core business.

Daiwa House Corporation of America was established in 1976 in the U.S. This subsidiary company constructed 10,000 houses built for sale. Daiwa House re-entered the U.S. market in 2011 and has worked on approximately 4,300 rental housing units over 11 properties. Moreover, Stanley-Martin Communities LLC, which is involved in the detached housing business in the eastern part of the U.S., joined the Daiwa House Group in 2017. Trumark Companies, which is involved in the real estate development business in the western part of the U.S., then joined the group in February 2020. With these companies, the Daiwa House is expanding its U.S. business.

Nishi-Nippon Railroad Co., Ltd.

Kyushu Electric Railroad, Inc., the predecessor to Nishi-Nippon Railroad Co., Ltd., was established on December 17, 1908. Its corporate message is “connecting your dreams.” Under this message, the company has advanced into 116 cities in 28 countries and regions around the world (as of October 6, 2020) in its international logistics business in addition to a wide-range of businesses closely connected to lives in communities including the real estate business (e.g., operation of commercial facilities and housing), the hotel and leisure business, and the distribution business with a focus on the railroad and bus transportation business. The foundations of its business are found in the northern part of Kyushu centered on Fukuoka. Since advancing into Vietnam in 2015, the firm has expanded into Indonesia, Thailand and the U.S. with a focus on houses built for sale as real estate development overseas. It has participated in 13 projects (approximately 20,000 units). Nishi-Nippon Railroad has been working on rental housing development since 2018 and logistics facility development since 2019 as profitable real estate development business in the U.S.

<High Street Residential>

High Street Residential, a wholly-owned subsidiary of Trammell Crow Company, specializes in the development of multifamily housing. We have a deep background in urban, infill mixed-use residential development, as well as the redevelopment or repurposing of existing facilities. In the last 15 years, the firm has completed over \$1.5 billion in projects with a current pipeline of nearly 3,500 units.

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