



July 31, 2023

**Daiwa House**<sup>®</sup>  
Group  
Press Release

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## ■ Daiwa House's 2<sup>nd</sup> U.S. Commercial Facility

### **Daiwa House Acquires the Village Center Commercial Facility**

Daiwa House Industry Co., Ltd. (Head Office: Osaka; President and CEO: Keiichi Yoshii; hereinafter “the Company”) has acquired the Village Center, a commercial facility in Fountain Valley, California in the United States of America (hereinafter “U.S.”) and has begun the business of operating and managing it. This is a project we are undertaking through Daiwa House Texas Inc. with Paragon Commercial Group LLC, a company involved in real estate development in California in the U.S.



【A view of the “the Village Center”】

The Daiwa House Group is involved in community-based businesses in 51 cities in 25 countries and regions to accelerate the pace of our business globally. We are aiming for net sales of 1 trillion yen and operating income of 100 billion yen in our overseas business by the final year of our Seventh Medium-Term Management Plan (April 2022 to March 2027). We plan to achieve net sales of 730 billion yen in FY2026 when combining our rental housing business, condominium business and single-family housing business in the U.S.

We acquired TRADE, an existing commercial facility in Irvine, California in October 2019 for our commercial facilities business in the U.S. and then began to operate and manage it as our first project.

The existing Village Center commercial facility we have now acquired is a neighborhood shopping center (NSC) with a total of 24 tenants\*<sup>1</sup> (gross floor area: approximately 8,581 m<sup>2</sup>) with a supermarket and drugstore as its anchor tenants.

We will improve the value of this facility by replacing its tenants and renovating new tenant spaces utilizing our expertise and track record which we have built up in Japan by operating commercial facilities. At the same time, operating this facility will lead to us expanding our commercial facilities business overseas, starting with the U.S., in the future.

\*1. As of July 31, 2023

- Key Points
  1. NSC with a supermarket and drugstore as its anchor tenants
  2. Densely populated Fountain Valley, California

**1. NSC With a Supermarket and Drugstore as Its Anchor Tenants**

Village Center is an NSC with an occupancy rate of 97%\*2 and targets the small neighboring commercial area. Sprouts Farmers Market (grocery store) and Rite Aid (drugstore) have moved into Village Center as its anchor tenants. Fast food tenants like Subway and a Thai restaurant are among the restaurants which have opened in Village Center. Along with Dollar Tree (discount store), Village Center has a full range of tenants focused on goods, food and beverage, and services replete with all the necessities of daily life as an NSC. Moreover, the Dutch Bros drive-thru coffee shop is scheduled to open in this facility for the first time in Fountain Valley.

\*2. At the time of acquisition (June 30, 2023)

**2. Densely Populated Fountain Valley, California**

Fountain Valley, where Village Center is located, is found approximately 50 km to the southeast of Los Angeles International Airport. The city has a population of approximately 57,000\*3. Its population increased approximately 3%\*3 over 10 years from 2010 to 2020. This has made it a densely populated area. In addition, more than 190,000 people\*3 live within a 5 km radius of this facility. Therefore, it is expected to attract customers from neighboring areas.

\*3. From the U.S. Census Bureau

**■ Property Overview**

Project name: Village Center

Address: 17900 Magnolia St, Fountain Valley, CA, 92708

Structure: Single-storied wooden structure (partially concrete)

Completion of construction: 1966 (large-scale renovation in 2022)

Total number of spaces: 24 (food & beverage: 9, service: 10, merchandise sales: 3, other: 2)

Site area: 34,879 m<sup>2</sup>

Gross floor area: 8,581 m<sup>2</sup>

Number of parking spaces: 498

Property owner: PCG Village Center LLC

(Investment ratio: Daiwa House Texas Inc.: 97.5% / Paragon Commercial Group LLC: 2.5%)

Date of acquisition: June 30, 2023

**■ About Paragon Commercial Group LLC**

Paragon Commercial Group is a California based retail development company. Paragon has a proven track record of successfully completing tenant-driven value-add acquisitions and retail development projects throughout the state.

Inquiries
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