



July 2, 2018

Press Release

Daiwa House Industry Co., Ltd.
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**Start of the Atelier Project – a High-Rise Rental Housing
Development Project in Dallas, Texas in the U.S.**

Daiwa House Industry Co., Ltd. (Head Office: Osaka / President: Keiichi Yoshii / hereinafter “the Company”), together with ITOCHU Corporation (Head Office: Minato-ku, Tokyo / President & COO: Yoshihisa Suzuki / hereinafter “ITOCHU”), held a groundbreaking ceremony for the Atelier Project – a high-rise rental housing development project – on June 29, 2018 in Dallas, Texas in the United States of America (hereinafter “the U.S.”).

The 41-story rental housing project will rise above ground at a height of approximately 540 feet, with retail facilities on the 1st floor. It will be located in the Dallas “Arts District”, which is lined with art galleries and concert halls in the center of Dallas.

Atelier Apartments LLC (hereinafter “Atelier Apartments”), which is comprised of three companies – the Company’s U.S. subsidiary Daiwa House Texas Inc. (hereinafter “Daiwa House Texas”), ITOCHU and ZOM Living*¹ (hereinafter “ZOM”), owns a section of this project and will operate both the rental housing portion (the total number of units: 364) and the retail facilities (space for up to four tenants).

*1: A rental housing developer based in Orlando, Florida in the U.S.



External View of the Atelier Project (Image)

●Key Points

- 1. High-rise rental housing with 41 stories above ground and a variety of amenities**
- 2. Development in the “Arts District”, located in the center of Dallas**
- 3. Targeting high-income earners in the millennial generation and the empty nest generation**

1. High-rise rental housing with 41 stories above ground and a variety of amenities

Atelier Apartments LLC owns the section for retail facilities on the 1st floor (14,774 square feet able to accommodate up to four retail tenants), amenity deck for tenants on the 11th floor and rental housing from the 12th to 41st floors (the total number of units: 364).

The 11th floor amenity deck will feature an entertainment lounge*², business center, outdoor pool, fitness center and golf simulation room.

There will be a diverse lineup of floor plans– from one bedroom to three bedrooms, ranging from 702 to 2,266 square feet – so that we can satisfy a wide range of customers.

In addition, there will be an art gallery that can be visited freely by the public on the 1st floor with the aim of revitalizing this area through art.

*²: This will be a space exclusively for tenants equipped with a fireplace, sofa, television and pool table.



Art Gallery (Image)



Entertainment Lounge (Image)



Outdoor Pool (Image)

2. Development in the “Arts District” in the center of Dallas

(1) Area with very few apartment buildings lined with many art galleries and concert halls

The project is located in an area of Dallas called the “Arts District.” It is an area lined with many buildings designed by Pritzker Architecture Prize*³ winning architects. These buildings include the Dallas Museum of Art, the Nasher Sculpture Center designed by Renzo Piano, the AT&T Performing Arts Center (a concert hall) designed by Norman Foster and the Wyly Theatre (an arts and culture center) designed by Rem Koolhaas.

In addition, this is a convenient location for living. There is an approximately 226,512 square foot park rich in nature called the Klyde Warren Park and the free M-Line Trolley streetcar that connects downtown to uptown, where there are many restaurants and shops, in the surrounding area.

*³: This is a prize given to architects who have made great contributions to humanity and the construction environment through excellent architectural techniques.



Dallas Museum of Art



Klyde Warren Park



Downtown

(2) Development in the highly convenient Dallas/Fort Worth metropolitan area

The project site is conveniently located only 30 minutes (approximately 20 miles) by car to Dallas/Fort Worth International Airport, a hub airport of American Airlines and the third largest hub airport in the U.S., and approximately 12 minutes (approximately 12 km) by car to Dallas Love Field Airport, a hub airport of Southwest Airlines. Furthermore, the surrounding area is home to the head office of AT&T, the largest telecommunications company in the U.S., as well as Bank of America, JP Morgan and other firms.

3. Targeting high-income earners in the millennial generation and the empty nest generation

The main customers targeted in this project will be high-income earners in the millennial generation*⁴ and the empty nest generation*⁵ working at major companies, with stable rental demand expected.

*4: This refers to the generation born from around 1980 to 1995. The size of the population of this generation in the U.S. is approximately 75 million. It is said that the millennial generation and their children's generation (Generation Z) will become the center of rental housing demand in about 15 years.

*5: This refers to middle and old age couples whose children have become independent.

●Future Overseas Development

The Company is looking to purchase and develop real estate for rent through our local subsidiaries in the U.S. At the same time, together with the single-family house business of Stanley-Martin Communities, LLC in our 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 270 billion yen in overseas sales overall in the fiscal year ending March 31, 2019.

■ **Property Overview**

Atelier Project (Overall)

Name	Atelier Project
Address	2121 Flora Street, Dallas, TX, U.S.
Site area	44,982 square feet
Building area	34,885 square feet
Structure and number of floors	Reinforced concrete structure with 41 floors above ground and two floors underground
Proprietary company	ZRS Management (Group company of ZOM)
Scheduled start of construction	End of July 2018
Scheduled completion of construction	March 2021

Section Owned by Atelier Apartments

Total number of units	364
Total floor space	744,345 square feet
Use	1 st floor: Retail facilities and lobby (art gallery) One portion of the 2 nd to 10 th floors: Private parking lot for tenants (Approx. 550 spaces) 11 th floor: Amenity deck for tenants 12 th to 41 st floors: Housing (364 units)
Residential area per unit	702 to 2,266 square feet
Floor plan	One bedroom to three bedrooms
Scheduled move-in start	September 2020

■ **Local Subsidiary Overview**

Company: Daiwa House Texas Inc.
 Address: 222 W Las Colinas Blvd, Suite 1540 East, Irving, TX, 75039
 Investor: Daiwa House USA Inc.
 *100% subsidiary of Daiwa House Industry Co., Ltd.
 Capital: \$226,162,000
 Employees: 14 (five employees seconded from the Company)

Inquiries
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June 29, 2018 Groundbreaking Ceremony