

Press release

**■Third U.S. joint real-estate project with Lincoln Property  
Daiwa House Industry to Start High-Rise Rental Housing Business in  
Chicago, Illinois**

In August, 2015, Daiwa House Industry Company, Co., Ltd. (Head office: Osaka; President: Naotake Ohno; hereinafter “the Company”) will commence the Chicago North Clark Project, a high-rise rental housing project in Chicago, Illinois.

Chicago North Clark Project is the third joint project with major U.S. real estate company Lincoln Property Company (hereinafter “Lincoln Property”), the other two projects being the Berkeley and the Water’s Edge.

The Company plans to purchase and develop 150 billion yen worth of rental real estate over the next three years through 2016 via its U.S. subsidiary Daiwa House California, with the goal of achieving annual net sales in the United States of 50 billion yen by fiscal 2018.



**Exterior**

**Key Data**

1. High-rise rental housing with 31 stories above ground and a total of 373 units
2. Located close to central business district and commercial facilities in Chicago
3. Targeting middle-to high-income earners among the Generation Y segment

**■Background of the Project**

The Company established four local subsidiaries, mainly in the states of California and Texas, starting in 1976. In the nine years through 1984, it supplied approximately 10,000 single-family homes.

In April 2011, the Company established Daiwa House California in San Jose, California. In August 2011, the Company purchased an apartment building (42 units) in Redwood City, California, which it now manages and operates.

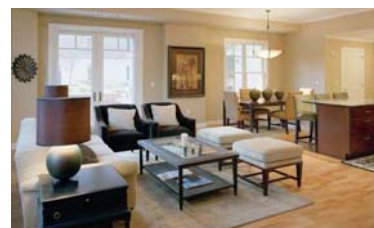
In March 2014, the Company partnered with Lincoln Property, which has the third largest number of rental units under management in the United States. Together with Lincoln Property, the Company launched the Berkeley Project (716 units) in Fort Worth, Texas, in May of the same year. In this project, the Company utilized the expertise it has accumulated in Japan with regard to real estate development and the rental housing business to acquire, manage, and develop this property. In November of that year, the Company started the Water's Edge Project (582 units), a rental housing project in the suburbs of Dallas, Texas.

The Company will now start the high-rise rental housing project Chicago North Clark Project (373 units) with an eye to further business expansion in the United States.

### **1. High-rise rental housing with 31 stories above ground and a total of 373 units**

Chicago North Clark Project is a high-rise rental housing property around 100 meters high, with 31 above-ground stories, and a total of 373 units.

In order to appeal to a broad range of customers, Chicago North Clark will offer a diverse lineup of floor plans ranging in area from 54 square meters to 297 square meters (studio<sup>\*1</sup> units to three-bedroom units).



As for shared facilities, the first floor will include a business center<sup>\*2</sup>; an exclusive club lounge, where residents can enjoy free drinks; and a dog run. On the rooftop, there will be a pool, a fitness club, a yoga studio, and other facilities. The parking area will be gated in order to create a secure residential area.



In this project, the Company will acquire expertise in the U.S. high-rise rental housing business, setting the stage for future business expansion in the U.S.

\*1. Studio = One-bedroom apartment.

\*2 The Business Center will have computers and printers, and offer complete Wi-Fi coverage.

## 2. Located close to central business district and commercial facilities in Chicago

### (1) Great location

Chicago North Clark is located in the River North area, which is home to Generation Y individuals, and where there is a concentration of IT companies like Google, Groupon, and many startups. This location offers easy access to public transportation and shopping areas, so residents will not need to rely on cars. Nearby facilities include Chicago station on the Red Line (3-minute walk), organic supermarket Whole Foods Market (6-minute walk), upscale shopping avenue The Magnificent Mile (8-minute walk), and Chicago's central business district, the Loop (16-minute walk).



**The Magnificent Mile**

### (2) View from upper floors

Residents in the upper floors will enjoy outstanding views of Lake Michigan and the skyscrapers that line downtown Chicago.



**View from site (actual view may differ from image)**

## 3. Targeting middle-to high-income earners among the Generation Y segment

The project is mainly targeting customers in the Generation Y<sup>\*3</sup> segment, from whom stable rental demand is expected, with a focus on professionals or employees of major companies with high household incomes residing in Chicago.

<sup>\*3</sup> The generation born between 1975 and 1989. In the United States, Generation Y numbers around 75 million people. Over the next 15 years, the people of Generation Y and their offspring (Generation Z) are expected to be the main drivers of demand for rental housing.

## 4. Rental Housing in Chicago, Illinois

The city of Chicago, Illinois, has a population of around 2.7 million. Chicago is located on the southwestern shores of Lake Michigan, at approximately the same latitude as Hakodate in Japan. It is the third-largest city in the U.S. after New York and Los Angeles. As a major world financial center located in the heart of the Great Lakes industrial region, Chicago is home to around thirty Fortune 500 companies, including United Airlines and McDonald's.

Chicago is famous as a treasure trove of modern architecture. It boasts some of the country's most notable skyscrapers. These include the IBM Building, the final building designed by Ludwig Mies van der Rohe<sup>\*4</sup>, and Willis Tower, the second tallest building in the U.S.

<sup>\*4</sup> One of the three great architects of the 20<sup>th</sup> century.

#### ■About Lincoln Property

Lincoln Property Company is a major U.S. real estate company established in 1965 and headquartered in Dallas, Texas. The company aims to build high quality residential communities. It has operations in over 200 cities in the United States and in 10 countries throughout Europe.

Lincoln Property has carried out over 210 million square feet (approximately 5.9 million tsubo) of rental housing developments and 141 million square feet (approximately 3.96 million tsubo) of commercial real estate developments. The company also manages over 153,000 units and 189 million square feet (approximately 5.31 million tsubo) of commercial real estate.

#### ■Project Outline

Project name: Chicago North Clark Project

Location: 833 N Clark St, CHICAGO, IL 60610

Total number of units: 373 (31 above-ground stories)

Total site area: 3,723 square meters

Construction: Steel-reinforced concrete

Total rent area: 29,700 square meters

Unit floor area: 54-297 square meters (average: 79 square meters)

Parking: Approximately 140 spaces

Bicycle parking: Approximately 160 spaces

Construction start: Mid July, 2015

Floor plan: Ranges from studio (one-bedroom) units to three-bedroom units

Monthly rental price: Approximately 210,000 yen to 1,150,000 yen (converted at US\$1 = 120 yen)

Scheduled date of completion: July 2017

Available: March 2017 (leasing of completed lower floors)

#### ■Profile of Daiwa House local subsidiary

Name: Daiwa House Texas Inc.

Address: 222 W Las Colinas Blvd, Suite 1540 East, Irving, TX 75039

Investor: Daiwa House USA, Inc.

\*A wholly owned subsidiary of Daiwa House Industry Co., Ltd.

Capital: US\$95,552,000

Employees: eight (four on assignment from the Company)

Business activities: Development, sale, and management of real estate

About Daiwa House Industry Co., Ltd.

Naotake Ohno, President and COO

3-3-5 Umeda, Kita-ku, Osaka

Contact :

Kai Sano

Corporate Communications Department

Daiwa House Industry Co., Ltd

Tel : +81-6-6342-1381

E-mail : k-sano@daiwahouse.jp



Attached sheet

**833 North Clark Street Apartments  
Fact Sheet**

<b>Description</b>	
<b>Project Name</b>	833 North Clark Street Apartments (formal name to be announced)
<b>Location of Project</b>	833 N. Clark St., Chicago, Illinois; at the southeast corner of Clark and Chestnut Streets, in Chicago's Gold Coast neighborhood
<b>Joint Venture Partners</b>	Ryan Companies US, Inc. and Lincoln Property Company
<b>Investor</b>	Daiwa House Texas Inc.
<b>Project Cost</b>	More than \$100 million
<b>Construction Financing</b>	U.S. Bank
<b>Land Site</b>	41,000 square feet
<b># of Stories</b>	31
<b># of Units</b>	<p>The state-of-the art building will contain 373 luxury apartments. The unit mix includes:</p> <ul style="list-style-type: none"><li>• 78 studios and convertibles</li><li>• 212 one-bedroom units</li><li>• 76 two-bedroom units</li><li>• 7 penthouse units</li></ul>
<b>Unit Sizes and Features</b>	<p>The size of the units, with the exception of the penthouse units, will range from 563 square feet to 1,252 square feet. The penthouse units will range from 1,179 square feet to 3,250 square feet. Most units will offer incredible views of the downtown Chicago skyline and Lake Michigan.</p> <p>The units feature elegant design and offer a unique combination of contemporary aesthetic and sophistication. The apartments include floor-to-ceiling (9') glass windows with incredible views in all directions and chef-inspired kitchens with quartz countertops, upscale cabinetry and stainless steel appliances. Each unit will also feature a full-sized washer and dryer, luxurious bathrooms, oversized walk-in closets and private balconies in select apartment homes. Units will be pre-wired for high-speed internet and cable.</p>
<b># Parking spaces</b>	<ul style="list-style-type: none"><li>• 148 indoor, secured parking spaces</li><li>• 12 additional spaces allocated within the development for customers of U.S. Bank, which operates a branch bank adjacent to the development</li></ul>

<p><b>Property Amenities</b></p>	<p>The high-rise community will offer luxury amenities throughout the building as exemplified by a special focus on the rooftop, fourth-floor terrace and ground floor spaces.</p> <p><b>Rooftop Level</b></p> <p>On its rooftop 833 North Clark Street will offer a resort-inspired sundeck featuring an outdoor pool, private cabanas, and outdoor fireplaces. This level will also feature an exclusive resident lounge with a cyber café, party room with a gaming center, and a high-end fitness center exclusively for residents. Panoramic views of downtown Chicago will also highlight the rooftop level.</p> <p><b>Fourth Floor Terrace</b></p> <p>The fourth level will offer an expansive green roof and a spacious private terrace with bocce ball courts, firepits and grilling stations.</p> <p><b>First Floor</b></p> <p>First floor amenities will include an elegantly-designed lobby, the management office and leasing center, secured resident storage for bicycles and belongings, and a private dog run with a grooming station. The ground floor will also include a library, resident lounge, business center, and conference area for the use of the building’s residents. These spaces will be fully-equipped with high speed Wi-Fi.</p>
<p><b>Target Market</b></p>	<p>833 North Clark Street Apartments is targeting residents who are technology-driven, educated, young professionals or urban couples who desire a luxury living experience in the upscale Gold Coast neighborhood. This target market will appreciate its offerings of understated elegance, exceptional customer service and lifestyle convenience.</p>
<p><b>Additional project elements</b></p>	<p>U.S. Bank will operate a bank drive through area with three teller/automatic teller machine (ATM) lanes at grade level, below the building’s parking area</p>
<p><b>Construction Timing</b></p>	<p>Break ground July 2015; Certificate of Occupancy expected January 2017</p>
<p><b>Project Team</b></p>	<p><b>Co-Developer</b>—Ryan Companies US, Inc.  <b>Co-Developer</b>—Lincoln Property Company  <b>Project Manager (Design-Build Contractor)</b>—Ryan Companies US, Inc.  <b>Leasing and Management Firm</b>—Lincoln Property Company  <b>Architectural Design Team</b>—</p>

	<p><b>Design Architect</b>—Ryan A+E, Inc.;</p> <p><b>Architect of Record</b>—Antunovich Associates;</p> <p><b>Interior Designer</b>—Studio K</p>
<p><b>About Ryan Companies US, Inc.</b></p>	<p>Ryan Companies US, Inc. is a 3rd generation, family-owned national developer, designer, capital investment consultant, builder and real estate manager specializing in fully integrated solutions for over 75 years. Key product experience includes work on office, retail, mixed use, hospitality, multi-housing, industrial, medical office building, senior living, distribution center, public sector, and mission critical facilities. Ryan serves customers throughout the United States with offices in the North, Midwest, Great Lakes, SouthEast, SouthCentral, SouthWest and West regions.</p>
<p><b>About Lincoln Property Company</b></p>	<p>Since its inception in 1965, Lincoln Property Company has acquired and developed multi-family properties valued in excess of \$17 billion. A vertically integrated, multi-national real estate firm, Lincoln employs over 5,500 people and operates in over 50 markets across the United States via 21 Regional and satellite offices. In Chicagoland, Lincoln manages 6,000 apartment units, with 3,000 of those units in the City of Chicago across ten assets.</p>