

ESR Keeps up Expansion Momentum in Greater Tokyo with Development of ESR Toda Distribution Centre



TOKYO/HONG KONG, 11 April 2019 – ESR, a leading Asia Pacific focused logistics real estate platform, announces its plan to develop a new large-scale, multi-tenant logistics facility on a prime land parcel the company acquired in Toda, Saitama Prefecture, Japan. The total investment is estimated to be approximately JPY 35 billion (equivalent to approximately US\$314 million).

ESR Toda Distribution Centre (“ESR Toda DC”), a four-storey, double-ramped high-throughput building with a total gross floor area of 86,400 sqm, will be built on a land site of 40,746.32 sqm. Construction is expected to commence in August 2019, with target completion by the end of October 2020. This project is the fifth facility managed by ESR to be located in Saitama prefecture, a major distribution market for the Greater Tokyo region. The four existing properties managed by ESR in the area, including RW Kazo DC, RW Kawagoe DC and RW Kawajima DC, are all fully leased. ESR Kuki, completed in September 2018, is now occupied by multiple tenants and is expected to achieve full occupancy in the near future given the strong demand in the area.

Strategically located adjacent to the boundary between Tokyo and Saitama in Greater Tokyo, which is home to some 30% of Japan’s total population, ESR Toda DC is set to support distribution demand from around the region. With swift access to Metropolitan Expressway and Gaikando Expressway, the site is only 30 minutes away from Tokyo CBD. It is also a convenient location for the working population in Saitama City and Kawaguchi City due to the nearby public transportation system, ensuring a stable supply of labour.

ESR Toda DC will feature ESR’s signature human-centric design, CASBEE® Rank A certified sustainability initiatives and energy-saving equipment, complemented by high scalability and best-in-class building specifications.

In Japan, it is estimated that only 5% of total logistics facilities consists of modern facilities for lease. The emergence of the new economy, of which advanced logistics infrastructure is a major pillar, has spurred the robust demand for modern, institutional-grade warehouses.

Stuart Gibson, co-founder and co-CEO of ESR said, “For over a decade, ESR has established a strategic network of prime logistics assets across the major metropolitan areas of Japan. Further to the recently announced Yokohama development, one of Japan’s largest master-planned logistics parks, ESR Toda DC will be the latest addition to our strong development pipeline, which is the largest in the Greater Tokyo and Greater Osaka regions. We at ESR will continue to leverage our portfolio of best-in-class facilities, industry-leading development capabilities and excellent fund management track record, to cement our position as a trusted partner to leading businesses and investors in Japan and around the world, while driving the long-term development of the logistics real estate sector.”

About ESR

ESR is the largest Asia-Pacific focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages^[1]. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world’s preeminent investors including APG, SK Holdings, JD.com, CLSA, Goldman Sachs, CPPIB, Ping An and Allianz Real Estate. The ESR platform spans across the People’s Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 September 2018, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR exceeded US\$14 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development stood at approximately 11 million square metres in total.

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^[1] Source: JLL market research report