

Promoting Decarbonization in the Development of New Condominiums

A First in the Industry!*¹ For All New Condominiums*² ,

■ **“ZEH-M Oriented” Energy-Saving Performance Will Be the Standard**

■ **Green Power Usage Will Be Requested at the Construction Site**

*1: Based on research by Sumitomo Realty, using public information. *2: All properties except for joint venture properties, etc.

Sumitomo Realty & Development Co., Ltd. (Headquarters: Shinjuku-ku, Tokyo; President: Kojun Nishima; hereinafter “Sumitomo Realty”) has been working to solve social issues through its business activities under its fundamental mission of “Create even better social assets for the next generation.” Decarbonization is a part of our focus in the effort for “Environmental Protection” upheld in our code of conduct.

In our condominium sales business, we have decided to adopt “ZEH-M Oriented” energy-saving performance as the standard for all the condominiums*² we design and develop in the future, without reducing their quality and living comfort. Furthermore, in order to promote decarbonization in construction sites, we have decided to arrange for and request the use of green power by the construction companies we partner with.



*3: Image of our condominium, not a specific property to which this release applies.

Sumitomo Realty enjoys a large share of the new condominium market. As part of our efforts to reduce carbon emissions in delivering new condominiums, we have been engaged in extensive research on how to improve energy savings performance without impacting comfort of living, and have concluded to make “ZEH-M Oriented” the standard for all our properties.

As one of its targets for 2030, the Ministry of Land, Infrastructure, Transport and Tourism is aiming for all new residential housing to offer energy-savings that meet ZEH standards*⁴. In line with such target, we will adopt the design standard that satisfy ZEH standards ahead of the industry.

Furthermore, we have decided to actively urge our partner construction companies to use green power at their construction sites. For construction companies without measures to do so, we will request their collaboration by providing a framework that enables the introduction of green power.

Through these efforts, we will promote decarbonization of our condominium sales business in future throughout the value chain, from upstream to downstream.

*4: Compliance with reinforced exterior standards (for thermal insulation performance) + 20% or more reduction in primary energy consumption in comparison to current energy-saving standards

«Reference»

1: What is “ZEH-M Oriented”?

ZEH stands for “net zero energy house.” ZEH has dramatically improved exterior thermal insulation performance provided by their external walls, use highly efficient equipment, and materially improve energy savings while maintaining the quality of indoor environments. They are combined with energy creation that introduces renewable energy, such as solar energy, with the aim of achieving net zero primary energy consumption. Separate standards are defined for each level of primary energy consumption reduction.

ZEH-M Oriented, which Sumitomo Realty will make the standard for its future condominiums, is a standard that requires compliance with reinforced exterior standards (for thermal insulation performance) and which reduces primary energy consumption by 20% in comparison to current energy-saving standards.

<Definition of ZEH for housing complexes>

	Residential building evaluation				Dwelling unit evaluation			
	Exterior thermal insulation performance (the below must be achieved by all dwelling units)	Energy saving rate (the below must be achieved by the entire residential building including shared spaces)		Target	Exterior thermal insulation performance (the below must be achieved by the relevant dwelling unit)	Energy saving rate (the below must be achieved by the relevant dwelling unit)		Target
		Excluding renewable energy	Including renewable energy			Excluding renewable energy	Including renewable energy	
“ZEH – M”	Reinforced exterior standards (ZEH standards)	20% or more	100% or more	Buildings with 3 or fewer stories	“ZEH”	Reinforced exterior standards (ZEH standards)	20% or more	100% or more
Nearly ZEH-M			75% or more		Nearly ZEH			75% or more
ZEH-M Ready			50% or more	Buildings with 4 or 5 stories	ZEH Ready			50% or more
ZEH-M Oriented			(Renewable energy not required)	Buildings with 6 or more stories	ZEH Oriented			(Renewable energy not required)

* Quoted from “ZEH Design Guidelines for Housing Complexes” by the ZEH Roadmap Follow-up Committee for Housing Complexes.

2: The number of new condominiums supplied and the market share

<Number of properties supplied during past five years (top five companies nationwide)>

2016		2017		2018		2019		2020	
Company name	No. of units	Company name	No. of units	Company name	No. of units	Company name	No. of units	Company name	No. of units
Sumitomo Realty	6,034	Sumitomo Realty	7,177	Sumitomo Realty	7,377	Sumitomo Realty	5,690	Pressance Corporation	4,342
Mitsui Fudosan Residential	4,320	Pressance Corporation	5,267	Pressance Corporation	5,267	Pressance Corporation	5,305	Nomura Real Estate Development	3,791
Nomura Real Estate Development	4,056	Nomura Real Estate Development	5,158	Nomura Real Estate Development	5,224	Nomura Real Estate Development	3,941	Sumitomo Realty	3,512
Pressance Corporation	3,225	Mitsui Fudosan Residential	3,787	Mitsubishi Estate Residence	3,614	Mitsubishi Estate Residence	3,365	Mitsui Fudosan Residential	2,334
Mitsubishi Estate Residence	3,215	Mitsubishi Estate Residence	3,101	Mitsui Fudosan Residential	3,198	Mitsui Fudosan Residential	2,365	Eslead	2,151
Nationwide total	76,993	Nationwide total	77,363	Nationwide total	80,256	Nationwide total	70,660	Nationwide total	59,907
Sumitomo Realty market share	7.8%	Sumitomo Realty market share	9.3%	Sumitomo Realty market share	9.2%	Sumitomo Realty market share	8.1%	Sumitomo Realty market share	7.2%

The initiatives related to this release contribute to the following SDGs’ objectives:

SUSTAINABLE DEVELOPMENT GOALS



Goal 7 AFFORDABLE AND CLEAN ENERGY
 Goal 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 Goal 11 SUSTAINABLE CITIES AND COMMUNITIES

Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Goal 13 CLIMATE ACTION
 Goal 17 PARTNERSHIPS FOR THE GOALS

Sumitomo Realty has been working to solve social issues through its business activities under its fundamental mission to “Create even better social assets for the next generation.” Going forward, the Company will further contribute to realizing a sustainable society by creating high-value social assets with environment and social awareness.

(Our Initiatives on ESG and SDGs: <https://www.sumitomo-rd.co.jp/english/sustainability/>)