

ESR secures major lease with Daiwa Corporation in Japan

Robust leasing momentum continues as long-term customer committed to take up entire space at new Tokyo Bay facility



TOKYO/HONG KONG, 25 August 2020 – ESR Cayman Limited (“ESR” or the “Group”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, has signed a new lease agreement for 71,736 sqm (21,700 tsubo) of prime logistics space with Daiwa Corporation Co., Ltd. (“Daiwa”) at ESR Kawasaki Yako Distribution Centre (“ESR Kawasaki Yako DC”) located in Kawasaki City, Tokyo Bay, Japan.

The delivery of the leased space to Daiwa is scheduled for July 2021, representing ESR’s second collaboration with the leading logistics services company. Daiwa and ESR have established a long-standing relationship since 2016 with the ESR Chibakita Distribution Centre, a 39,593-sqm build-to-suit (BTS) development in Chiba City.

Stuart Gibson, Co-founder and Co-CEO of ESR, said, “We are delighted to deepen our partnership with Daiwa. The broadened collaboration is a testament to ESR’s robust momentum, demonstrating our abilities to deliver best-in-class logistics properties in support of our customers as they grow and optimise their operations.”

Scheduled for completion in April 2021, the four-storey ESR Kawasaki Yako DC, with a GFA of 78,119 sqm (23,631 tsubo), will feature market leading specifications and a host of environmentally friendly elements, including seismic structure, LED lighting throughout the warehouse and common areas, and BCP solutions. The strong focus on sustainability and environment has led to the achievement of a CASBEE (Comprehensive Assessment System for Built Environment Efficiency) Class A certification.

With its prime location just 15km from Tokyo CBD, and in close proximity to Haneda International Airport (5km), Kawasaki Port container terminal (5.4km) and Yokohama Port (18km), the addition of

ESR Kawasaki Yako DC will further strengthen ESR’s portfolio in the Greater Tokyo Area, which has witnessed extremely low vacancy rates and strong potential for rental growth. According to CBRE¹, the vacancy rate for Large Multi-Tenant (LMT) properties in the Greater Tokyo Area stood at only 0.6%.

“Multiple drivers – including e-commerce growth and supply chain optimisation – continue to accelerate the demand for modern, large-scale logistics facilities in the Greater Tokyo Area. In a largely owner-occupied market like Tokyo Bay, there is a limited supply of institutional-grade facilities in the rental market to support businesses that are in search of larger space and high specifications to allow for more efficient operations and higher handling capacity. The strength of our leading development pipeline and asset management skills will continue to position ESR to successfully capitalise on the growth opportunities and further cement our leading position in the Japanese logistics property market,” added Gibson.

As the leading logistics real estate platform in APAC, ESR develops and manages a portfolio of state-of-the-art assets across Japan, including the recently completed ESR Amagasaki Distribution Centre which is the largest logistics warehousing project in Japan as well as in the APAC region. As of 31 December 2019, the total AUM of its Japan business reached US\$7.7 billion. The Group manages approximately 3 million sqm of GFA in the country and holds the largest development pipeline in Greater Tokyo and Greater Osaka.

About ESR

ESR is the largest APAC 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. 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, CPP Investments, OMERS, PGGM and Ping An. The ESR platform spans across the People’s Republic of China, Japan, South Korea, Singapore, Australia and India. As of 31 December 2019, 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 recorded approximately US\$22.1 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 17.2 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR, please visit www.esr.com.

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¹ CBRE Japan Logistics MarketView Q2 2020