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Japanese builder buying developer of projects in Deep Ellum and North Oak Cliff | Real Estate

By by Deltapine®

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A Japanese builder is making a big play in the Dallas area with the purchase of a North Carolina company.

Sumitomo Forestry Co. is acquiring Crescent Communities LLC, which has built apartment and home communities in North Texas. The \$370-million purchase includes operations in several states.

In the Dallas-Fort Worth area, Crescent is building apartment communities in Dallas' North Oak Cliff and Deep Ellum neighborhoods. The builder also has done single-family home communities in Texas.

The pending purchase of Crescent is just the latest major acquisition in the U.S. by Sumitomo, Japan's most prominent homebuilding and construction materials firm.

"Crescent Communities has successfully established itself as an integrated platform of diverse real estate assets with a significant development pipeline that provides a long runway for future growth," Atsushi Iwasaki, president of Sumitomo Forestry

America, said in a prepared statement. "We have been pursuing further expansion of our U.S. real estate business and the acquisition of Crescent Communities is a perfect fit with our investment philosophy.

"With favorable demographics, including outsized employment growth, Crescent Communities' markets are well positioned to support healthy long-term real estate fundamentals," he said.

Crescent Communities started construction on more than 2,200 U.S. apartments last year.

In the Dallas area, the builder just broke ground on a seven-story, 230-unit apartment and retail building at Canton Street and Malcolm X Boulevard in the Deep Ellum neighborhood.

Crescent is finishing up a project in North Oak Cliff near the Bishop Arts District that includes more than 300 apartments and retail space.

"We are excited to partner with Sumitomo as their investment will continue Crescent Communities' growth strategy and enhance our capital structure," Todd Mansfield, CEO of Crescent Communities, said in a statement. "This acquisition is evidence of Sumitomo's favorable view of our multi-product platform and geographic footprint in high growth markets."

Crescent's Japanese investor already has a stake in North Texas' booming housing market.

Sumitomo has majority ownership of Bloomfield Homes L.P., one of the D-FW area's top 10 homebuilders. And Sumitomo also owns North Texas' Gehan Homes.

Another of Sumitomo's U.S. builders — MainVue Homes of Seattle

— is also expanding into the North Texas markets.

Sumitomo Forestry was founded more than 300 years ago and has companies, which invest in forestry, timber and building products and housing.

At home in Japan, the company builds both custom and speculative homes.

The company says it wants to eventually have annual sales of 5,000 homes in the U.S.



Crescent Communities is building a retail and apartment project on Canton Street in the Deep Ellum area of Dallas.

(Crescent Communities)

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