

1. Outlook for Price

A questionnaire survey about “Outlook for Logistics Market Conditions” is conducted semi-annually.

The results of the July 2023 survey of the outlook of real estate prices for the next six months are the following percentages: “Rise” is at 27.2%, “Flat” is at 66.3%, and “Decline” is at 6.5% (Fig 1). This ratio does not show any noticeable changes compared to the previous survey.

The top three reasons for the “Rise” cited by respondents are listed below:

1. The construction costs for logistics facilities are increasing.
2. The market is becoming more active since logistics facilities have attracted more attention.
3. The rent level of logistics facilities is increasing

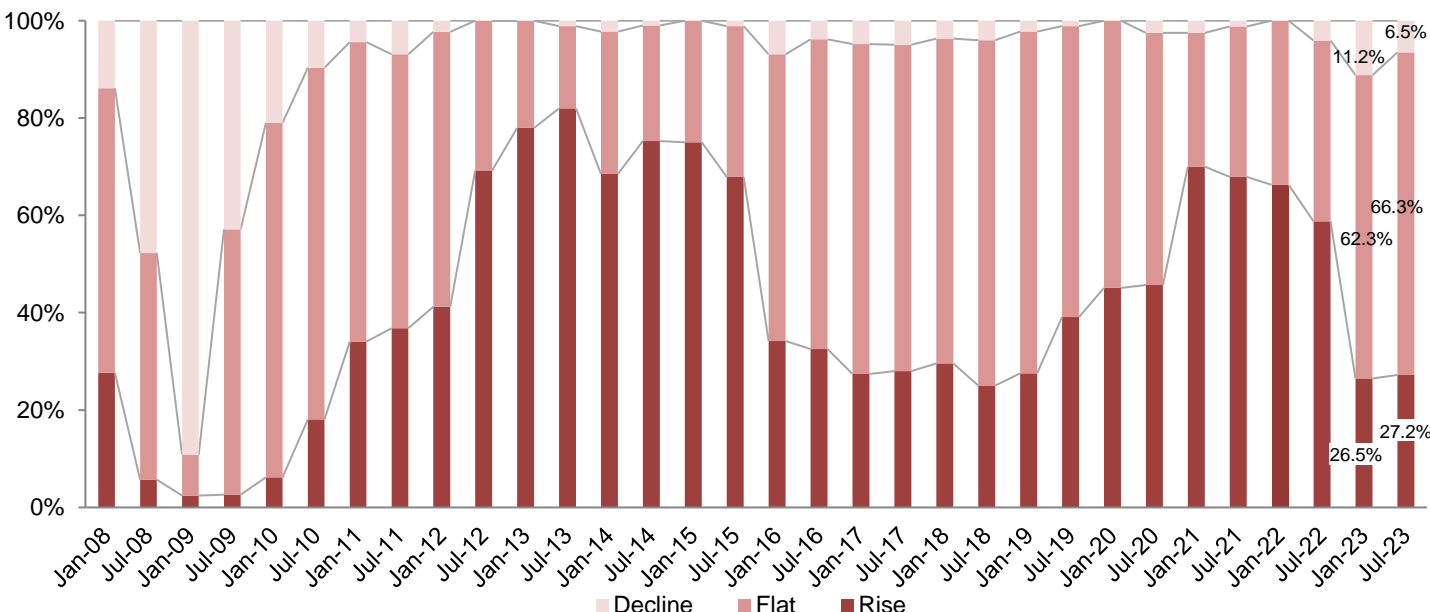
The top two reasons for the “Flat” cited by respondents are given below:

1. It is not expected that the capitalization rates will decline further.
1. There are no significant changes in the market outlook of the rent level.
2. Since the market is overheating, market players refrain from investing in logistics facilities.

Two reasons tied for first place for the “Decline” cited by respondents are given below:

1. The upward phase of real estate prices will come to an end, and prices will start to decrease.
1. A large number of logistics facilities will be completed in 2023, and the supply-demand balance is expected to ease.

Figure:1 Outlook for Real Estate Prices of Logistics Facilities Six Months Later



Source: Ichigo Real Estate Service

2. Outlook for Rent

The results of the July 2023 survey of the outlook of rent for the next six months are the following percentages: “Flat” is at 60.9%, “Rise” is at 29.3%, and “Decline” is at 9.8% (Fig 2). This ratio does not show any noticeable changes compared to the previous survey.

The top three reasons for the “Rise” cited by respondents are given below:

1. As the land prices and other development costs rise, the rent has increased to reflect those additional costs.
2. Strong demand can be expected in diverse industries. (e.g. Food & Beverage, Commodity, Medicines)
3. The strong demand for logistics facilities related to e-commerce will continue.

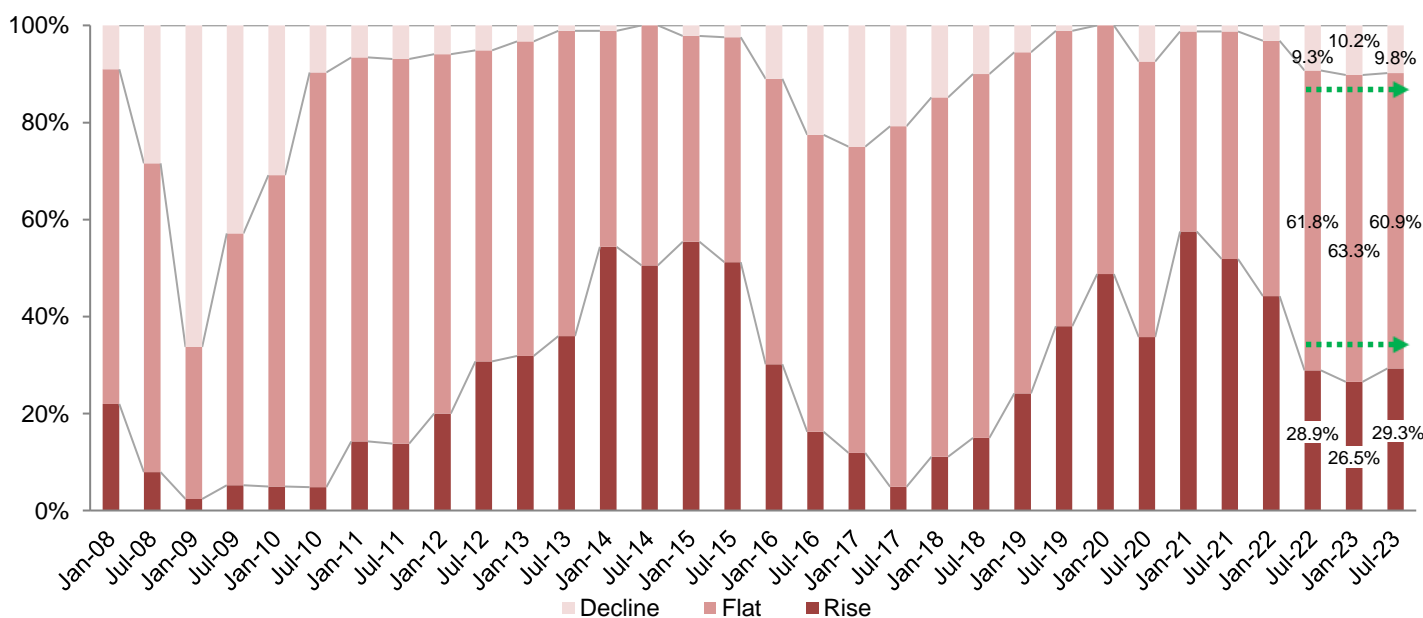
The top three reasons for the “Flat” cited by respondents are given below:

1. The supply from new developments and the demand for logistics facilities are balanced.
2. There are signs that the rent increase will come to an end.
3. The market will stabilize because there aren’t any significant factors that will boost demand.

The top three reasons for the “Decline” cited by respondents are given below:

1. Competition for finding tenants will intensify due to the massive supply of logistics facilities.
2. The pressure for lower rents will increase due to rising transportation costs.
3. More tenants will refuse to pay high rent, so the demand for facilities with high rent will decrease.

Figure:2 Outlook for Rent of Logistics Facilities Six Months Later



Source: Ichigo Real Estate Service

◆ Overview of Methodology of the Questionnaire Survey

➤ Summary of Questionnaire

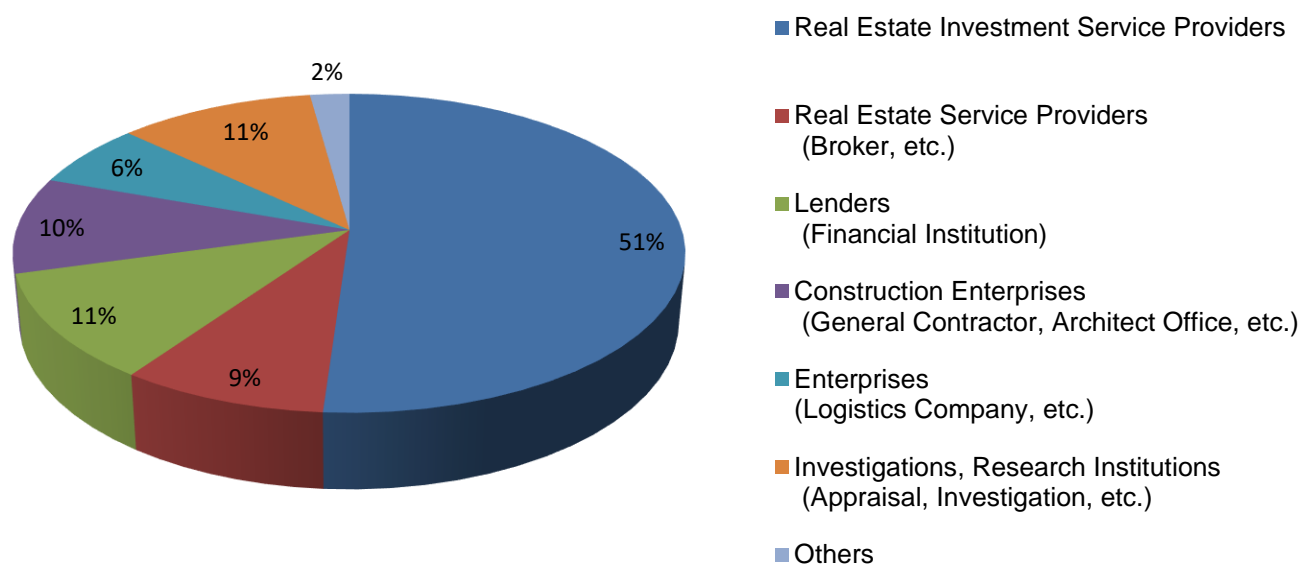
Survey Target : Practitioners and professionals associated with real estate.
(regardless of involvement with logistics) .

Survey Method : Questionnaires were sent via e-mail.
Response forms were collected via e-mail and website.

Survey Period : July 24 to 31, 2023

Respondents : 92

➤ Occupation Respondents



◆ Contact info

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