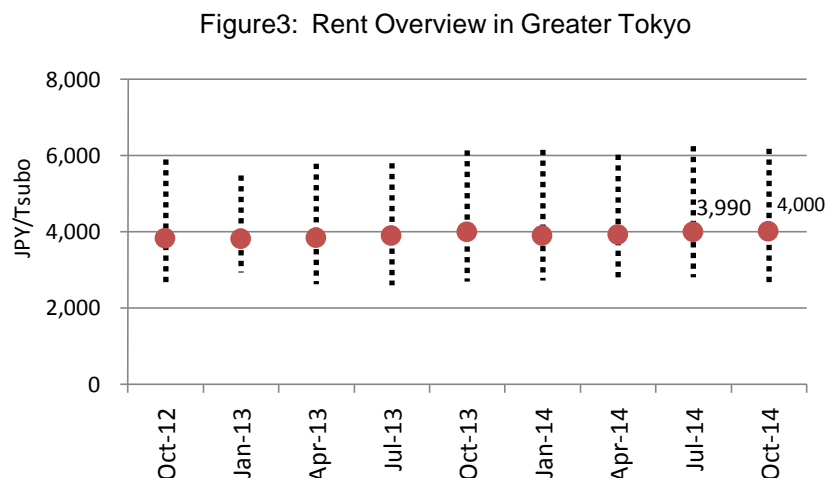
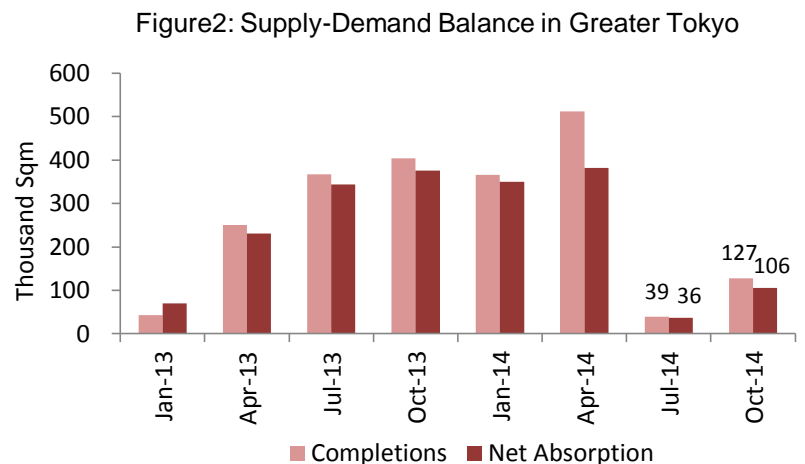
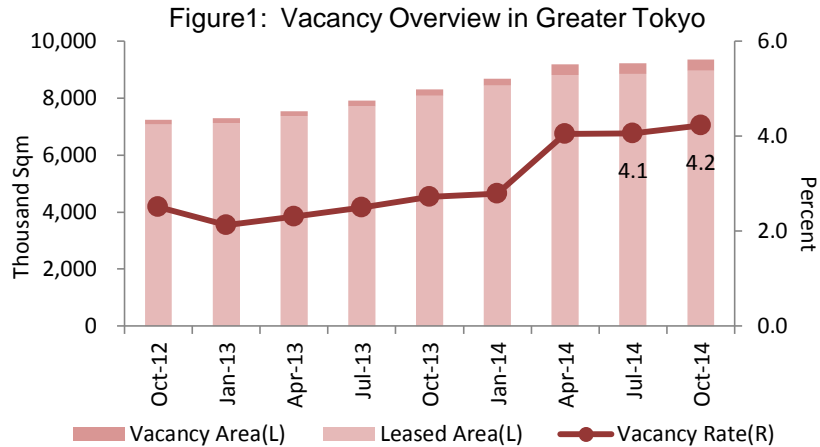


## ◆ Greater Tokyo

Vacancy rate as of Oct 2014 slightly rose to 4.2% from 4.1% in Jul 2014 (Fig1). Completions in this term were 127 thousand square meters and net absorption was 106 thousand square meters, in which supply-demand generally kept in balance (Fig2).

Some representative development plans were announced during this term. Global Logistic Properties Inc. released news about two groundbreakings of logistics facilities in Saitama Prefecture, which are “GLP Sayama-Hidaka I” and “GLP Yoshimi”. Daiwa House Industry Corp and Fast Retailing Corp released their construction plan of “D Project Ariake I” in Koto-ku, and announced future engagement in logistics business under joint management. Nomura Real Estate Development Corp has acquired two development sites, “Landport Iwatsuki” in Saitama Prefecture as well as “Landport Kashiwa-Shonan II” in Chiba Prefecture. Other development plans in Chiba Prefecture were also released officially, “Ichikawashiohama Logistics Centre” by Orix Corp, and “Goodman Business Park Chiba” by Goodman Japan Corp. Due to these active developments, new completions may continue staying on high level until second-half of 2016.

Meanwhile, asking rent as of Oct 2014 rose to 4,000 JPY/Tsubo from 3,990 JPY/Tsubo, with 0.3 point increase from previous term (Fig3). Asking rent is considered to keep flat because of stable supply-demand.



Note:

1.From this investigation, Ibaraki is added into investigated areas, so Greater Tokyo includes Ibaraki, Saitama, Chiba, Kanagawa and Tokyo.

2.For the previous industrial market outlook reports, please refer to <http://www.ichigo-re.co.jp/en/report/>

Source: Ichigo Real Estate Service

## ◆ Kansai Area

Vacancy rate as of Oct 2014 was 0.9%, which rose to 0.5% with 0.4 points increased (Fig4). This was the fifth consecutive quarters less than 1%. Although “MFLP Sakai” built by Mitsui Fudosan Corp was completed in Sep 2014, vacancy rate still remained in a relatively low level. All in all, supply-demand balance is considered to stay tight (Fig5).

There are some developments in the upcoming years. Itochu Corp and Mapletree Investments have declared a joint development of “Sakai PJ” in Sakai. Keihan Electric Railway Corp has also announced “Keihan Yodo Logistics Yard” development plan, which has already been preleased almost 50%. Furthermore, the movement about acquisitions of development sites also becomes more active than before. Some factory sites, such as Nihon Yamamura Glass Corp in Takatsuki, and Nippon Shindo Corp in Sakai, have already been acquired by certain developers.

In the meantime, the asking rent as of Oct 2014 increased from 3,300 JPY/Tsubo to 3,390 JPY/Tsubo, which rose 90 JPY/Tsubo with 2.7 point increased (Fig6). Although asking rent in Apr 2013 fell into the bottom with 3,150 JYP/Tsubo, market has been showing upward trend since then. Overall, market keeps stay on supply-demand balance and asking rent is expected to be stable.

Figure4: Vacancy Overview in Kansai Area

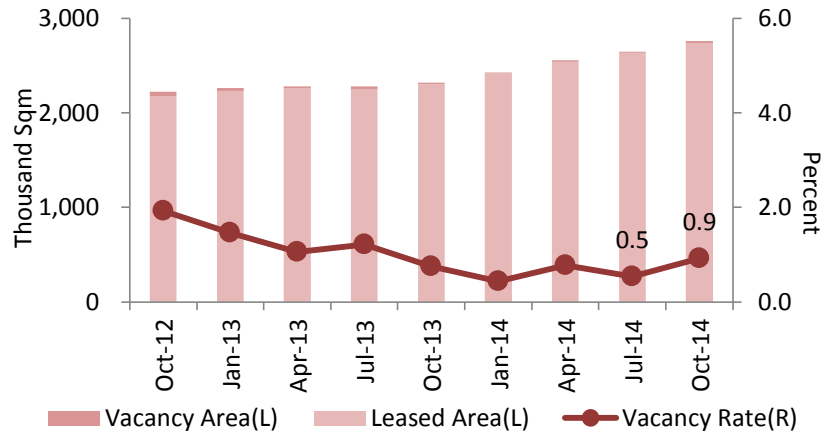


Figure5: Supply-Demand Balance in Kansai Area

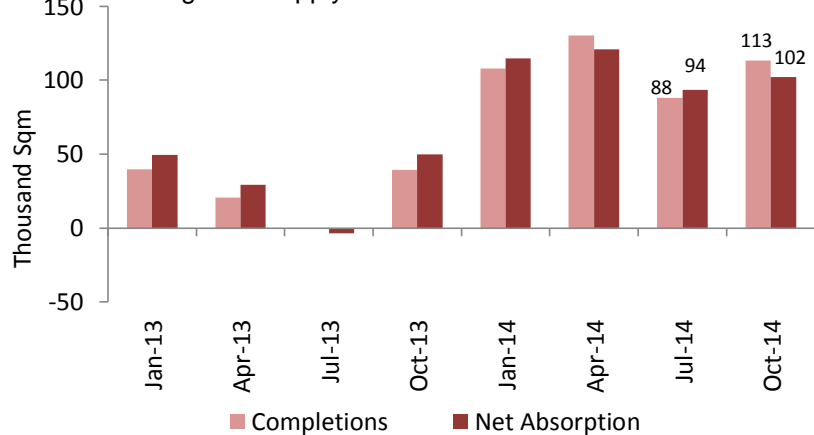
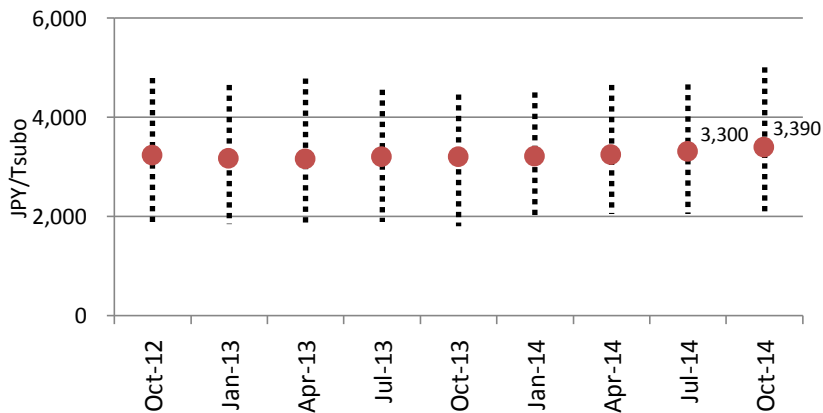


Figure6: Rent Overview in Kansai Area



Note: From this investigation, “Kansai Area” is used in stead of “Osaka Area”, however invested area is unchanged.

Source: Ichigo Real Estate Service

## ◆ Data of Greater Tokyo

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable area (1,000sqm)	Leased area (1,000sqm)	Vacancy area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	4,486	3,999	487	10.8	-	-	4,510
Oct-08	4,743	4,144	599	12.6	257	145	4,500
Jan-09	5,126	4,492	634	12.4	383	348	4,410
Apr-09	5,306	4,629	677	12.8	180	137	4,210
Jul-09	5,561	4,697	863	15.5	255	68	4,200
Oct-09	5,686	4,875	811	14.3	125	177	4,000
Jan-10	5,760	5,035	725	12.6	74	161	4,000
Apr-10	5,919	5,191	728	12.3	159	155	3,990
Jul-10	5,949	5,410	539	9.1	30	220	4,000
Oct-10	6,101	5,573	528	8.7	151	163	3,990
Jan-11	6,173	5,663	510	8.3	72	90	3,990
Apr-11	6,339	6,007	332	5.2	166	344	3,890
Jul-11	6,549	6,167	382	5.8	210	159	3,890
Oct-11	6,614	6,268	345	5.2	65	102	3,910
Jan-12	6,703	6,466	236	3.5	89	198	3,990
Apr-12	6,785	6,658	127	1.9	82	192	3,920
Jul-12	7,000	6,840	160	2.3	215	182	3,880
Oct-12	7,244	7,063	182	2.5	244	222	3,820
Jan-13	7,288	7,133	155	2.1	43	70	3,800
Apr-13	7,538	7,364	173	2.3	250	231	3,830
Jul-13	7,905	7,707	198	2.5	367	343	3,880
Oct-13	8,308	8,083	226	2.7	403	375	3,990
Jan-14	8,674	8,433	241	2.8	366	350	3,890
Apr-14	9,186	8,814	371	4.0	511	381	3,920
Jul-14	9,224	8,850	374	4.1	39	36	3,990
Oct-14	9,352	8,956	395	4.2	127	106	4,000

## ◆ Data of Kansai Area

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable area (1,000sqm)	Leased area (1,000sqm)	Vacancy area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	1,798	1,587	211	11.7	-	-	3,970
Oct-08	1,798	1,617	181	10.1	0	30	3,800
Jan-09	1,798	1,623	176	9.8	0	6	3,920
Apr-09	1,915	1,682	232	12.1	117	60	3,820
Jul-09	1,990	1,758	232	11.7	75	75	3,630
Oct-09	1,990	1,804	186	9.3	0	46	3,500
Jan-10	1,990	1,795	195	9.8	0	-9	3,490
Apr-10	1,990	1,838	153	7.7	0	42	3,500
Jul-10	2,017	1,891	126	6.2	27	54	3,450
Oct-10	2,116	1,990	126	5.9	99	99	3,310
Jan-11	2,116	2,000	116	5.5	0	9	3,250
Apr-11	2,092	2,004	88	4.2	-24	4	3,230
Jul-11	2,092	2,008	84	4.0	0	4	3,200
Oct-11	2,086	2,009	77	3.7	-6	1	3,170
Jan-12	2,106	2,080	26	1.2	20	71	3,170
Apr-12	2,106	2,101	5	0.3	0	20	3,230
Jul-12	2,212	2,154	58	2.6	106	53	3,190
Oct-12	2,223	2,181	43	1.9	11	27	3,230
Jan-13	2,263	2,230	33	1.5	40	49	3,170
Apr-13	2,283	2,259	24	1.1	20	29	3,150
Jul-13	2,283	2,256	28	1.2	0	-3	3,200
Oct-13	2,323	2,306	17	0.7	40	50	3,200
Jan-14	2,431	2,420	11	0.4	108	115	3,210
Apr-14	2,561	2,541	20	0.8	130	121	3,240
Jul-14	2,649	2,635	14	0.5	88	94	3,300
Oct-14	2,762	2,737	25	0.9	113	102	3,390

## ◆ Technical Notes

### ➤ Supply-Demand Data

#### Greater Tokyo :

Number of Investigation: 232 logistics facilities that gross floor area is over 10,000 sqm.

Investigated Area : Greater Tokyo includes Ibaraki, Saitama, Chiba, Tokyo and Kanagawa.

#### Kansai Area:

Number of Investigation : 55 logistics facilities that gross floor area is over 10,000 sqm.

Investigated Area : Kansai Area includes Kyoto, Osaka and Hyogo .

### ➤ Rent

This report uses median as the representative asking rent. Rent samples are selected under the criterion that rentable space is over 1,000 sqm. Dotted lines in Fig3 and Fig6 show the top (bottom) 10% of all samples in each period.

### ➤ Periodical Revision of Database

Supply-demand data released by Ichigo.Co., will be revised periodically in Oct every year. All the samples that have changes are revised so as to keep database the same as the current situation possibly. These changes include facility owners (e.g.: not for lease any more), leasable space, and vacancy occurrence (or tenant change).

## ◆ Contact info

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