

## 1. Outlook for Price

Ichigo conducts this questionnaire survey semiannually about the “Outlook for Logistics Market Conditions”.

The survey result of July 2015 about the outlook of real estate prices for the next half year is that the percentages of ‘Rise’, which is 67.9%, ‘Flat’ with 31.0% and ‘Decline’ with 1.1%, respectively (Fig 1). The ratio of Rise decreased from 75.0% in previous survey compared to the recent survey that got 67.9%. Over two-thirds of the respondents are expecting further prices to increase in the future, but investment market went from overheating to moderate level.

The top three reasons of “Rise” cited by respondents are the same as in the previous survey. The top most of choices is “Due to the expansion of the variety of investors, the market is becoming more active.”, but the number of percentage have decreased compared to the past survey. Therefore investment market went from overheating to moderate level. The following reasons are listed below.

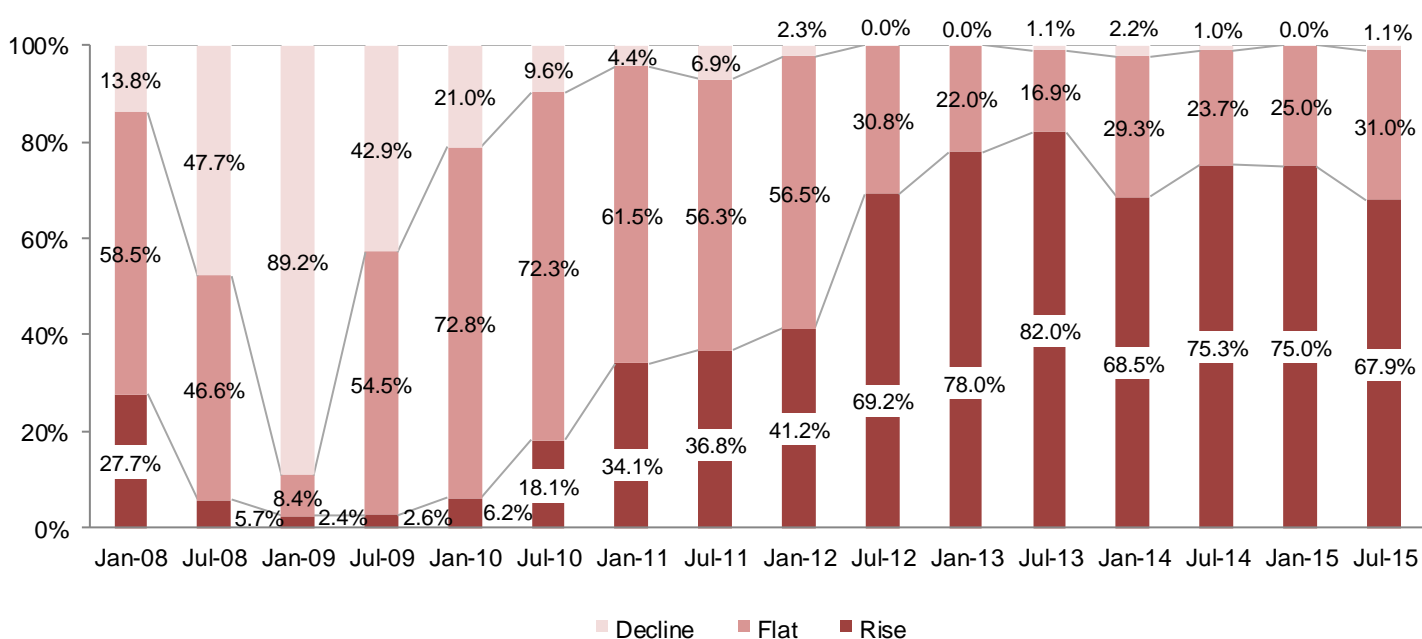
1. Due to the expansion of the variety of investors, the market is becoming more active.
2. Financing environment is in a good condition (It is easy to raise finance).
3. Construction costs are rising.

And the percentage of ‘Flat’ increased to 31.0 % from 25.0% of the previous survey. The most cited reasons are given below.

1. There is not a huge change in market outlook of rent level.
2. Real estate prices are approaching a plateau.
3. A number of market players are refraining from investing due to the overheating market.

There is only one reason for “Fall” which is “The worry about supply and demand deterioration due to the development rush”.

Figure:1 Outlook for Real Estate Prices of Logistics Facilities Half a Year Later



Source: Ichigo Real Estate Service

## 2. Outlook for Rent

The survey result of July 2015 about the outlook of rent for the next half year is that the percentages of ‘Rise’ which is 51.2%, ‘Flat’ with 46.4% and ‘Decline’ with 2.4%, respectively (Fig 2). The ratio of “Rise” decreased slightly from 55.4% to 51.2%, and the ratio of “Flat” increased from 42.4% to 46.4%. The ratio of “Rise” and “Flat” are beginning to be in the same level.

The top most reason of “Rise” is “Because of the increasing development costs of land and construction, there is an increase in rent prices”, but the number of percentage have decreased compared to the past survey. The top three reasons are as follows.

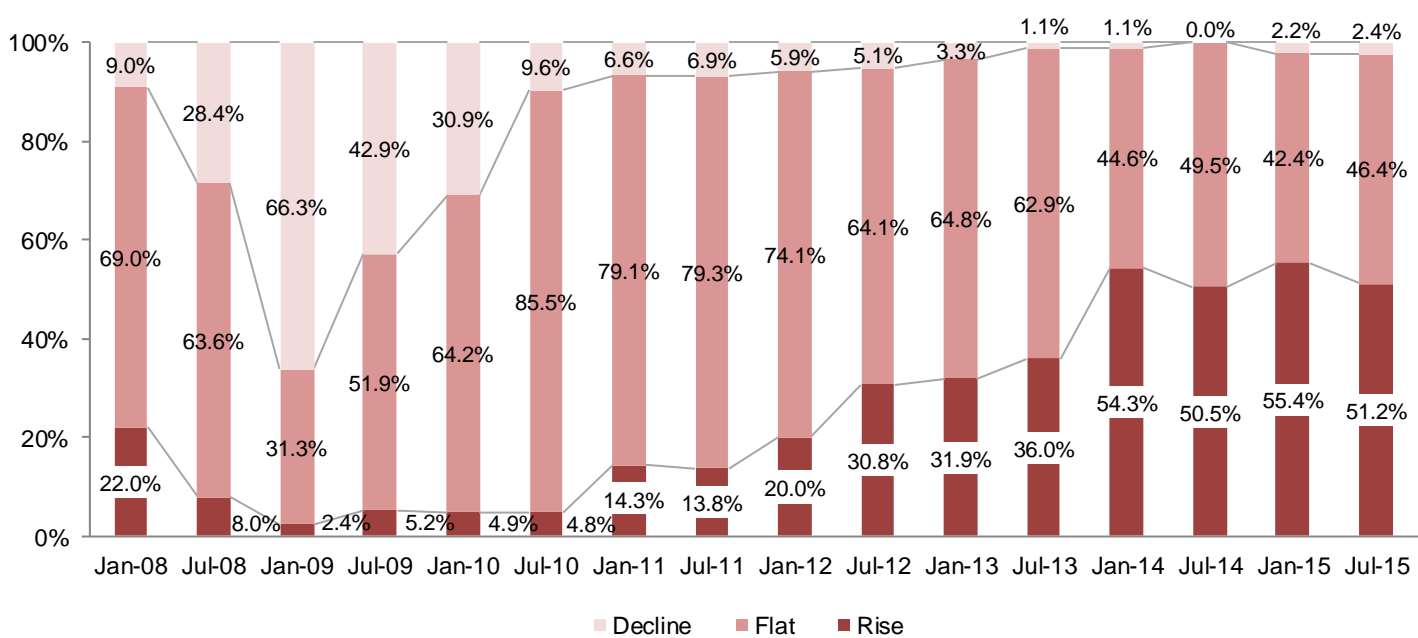
1. Because of the increasing development costs of land and construction, there is an increase in rent prices.
2. There is an increase in demand due to the prosperity of e-commerce.
3. There are only few high-spec logistics facilities and the percentage of supply and demand are continuously in tight level.

The reasons for ‘Flat’ is approximately the same in the previous survey result, which suggests the stable characteristics of the logistics market and the Supply-Demand is in balance. The most cited reasons for ‘Flat’ are as follows.

1. The tenants’ and logistics companies’ rent affordability did not change.
2. The increased of both completions and demands are in equal state.

The top reason of “Decline” is “The large supply of logistics facilities, and the competitiveness for searching number of tenants intensifies”.

Figure:2 Outlook for Rent of Logistics Facilities Half a Year Later



Source: Ichigo Real Estate Service

## ◆ Overview of Methodology of the Questionnaire Survey

### ➤ Summary of Questionnaire

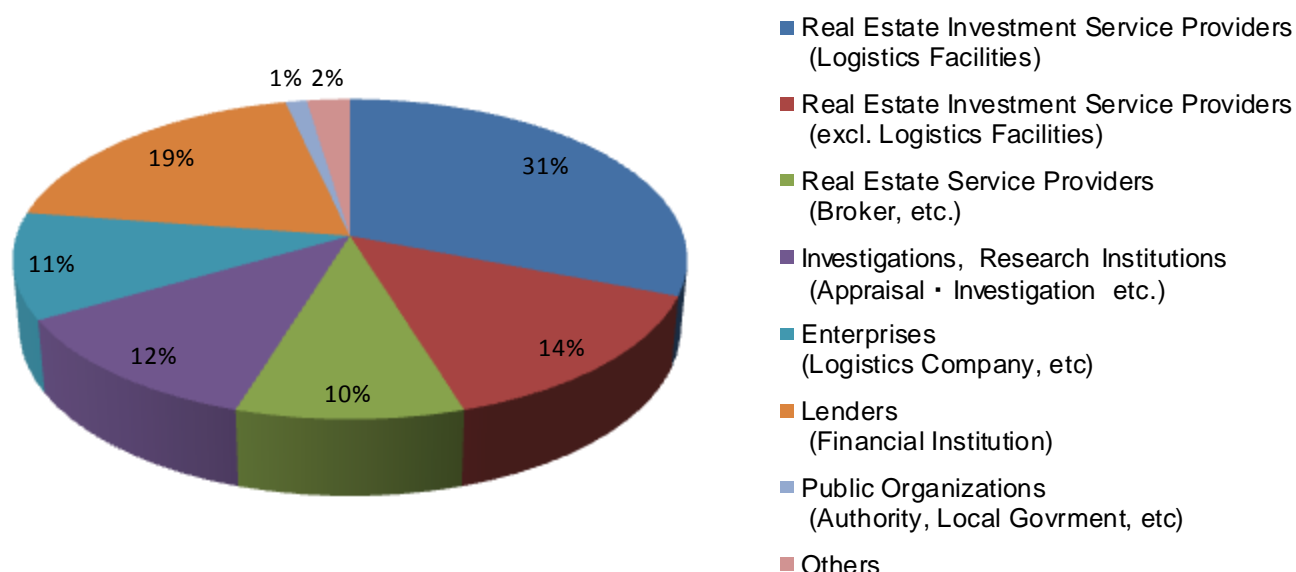
Survey Target : Practitioners and professionals associated to real estate.  
( regardless involvement with logistics ) .

Survey Method : Questionnaire sent by e-mail and answer sheets gathered through e-mail and website.

Survey Period : July 27 to August 3, 2015

Respondents : 84

### ➤ Occupation Respondents



## ◆ Contact info

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