

1. Outlook for Price

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

The survey result of January 2016 about the outlook of real estate prices for the next half year is that the percentages of ‘Rise’, which is 34.2%, ‘Flat’ with 58.9% and ‘Decline’ with 6.9%, respectively (Fig 1). The ratio of Rise decreased from 67.9% in previous survey compared to the recent survey that got 34.2%. For three years July 2012 to July 2015, bullish outlook had spread among market participants, but this stream has stopped in this term.

The top three reasons of “Rise” cited by respondents are almost 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”. The following reasons are listed below.

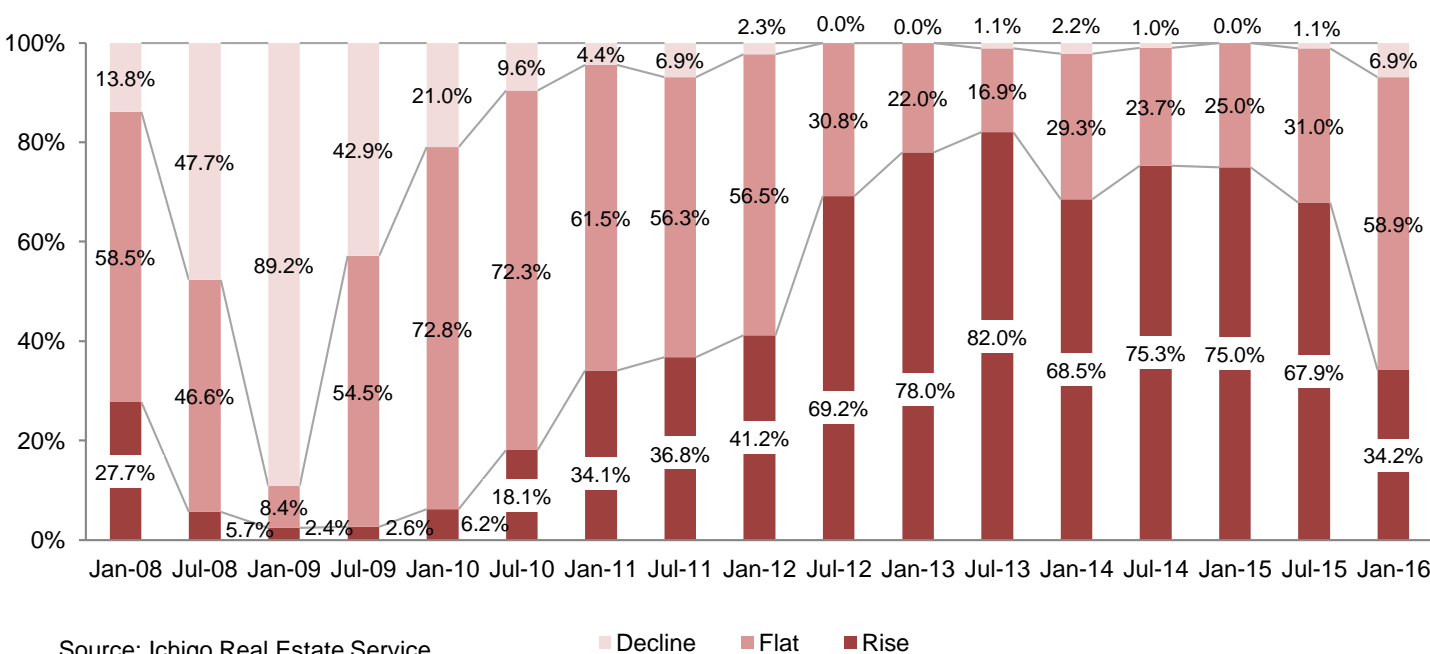
1. Due to the expansion of the variety of investors, the market is becoming more active.
2. A rent level is rising.
3. Financing environment is in a good condition (It is easy to raise finance).

And the percentage of ‘Flat’ increased to 58.9 % from 31.0% of the previous survey. The most cited reasons are given below.

1. Real estate prices are approaching a plateau.
2. There is no huge change in market outlook of rent level.
3. A number of market players are refraining from investing due to the overheating market.

The number of respondents who chose “Fall” rose greatly. The most sited reason 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

Decline Flat Rise

2. Outlook for Rent

The survey result of January 2016 about the outlook of rent for the next half year is that the percentages of ‘Rise’ which is 30.1%, ‘Flat’ with 58.9% and ‘Decline’ with 11.0%, respectively (Fig 2). The ratio of “Rise” decreased from 51.2% to 30.1%, and the ratio of “Flat” increased from 46.4% to 58.9%. It had been 6 years since the ratio of ‘Decline’ exceeded 10%.

The top most reason of “Rise” is “There are only few high-spec logistics facilities, and the balance of supply and demand are continuously in tight level.” The ratio of “Rise” have decreased compared to the past survey substantially. The top three reasons are as follows.

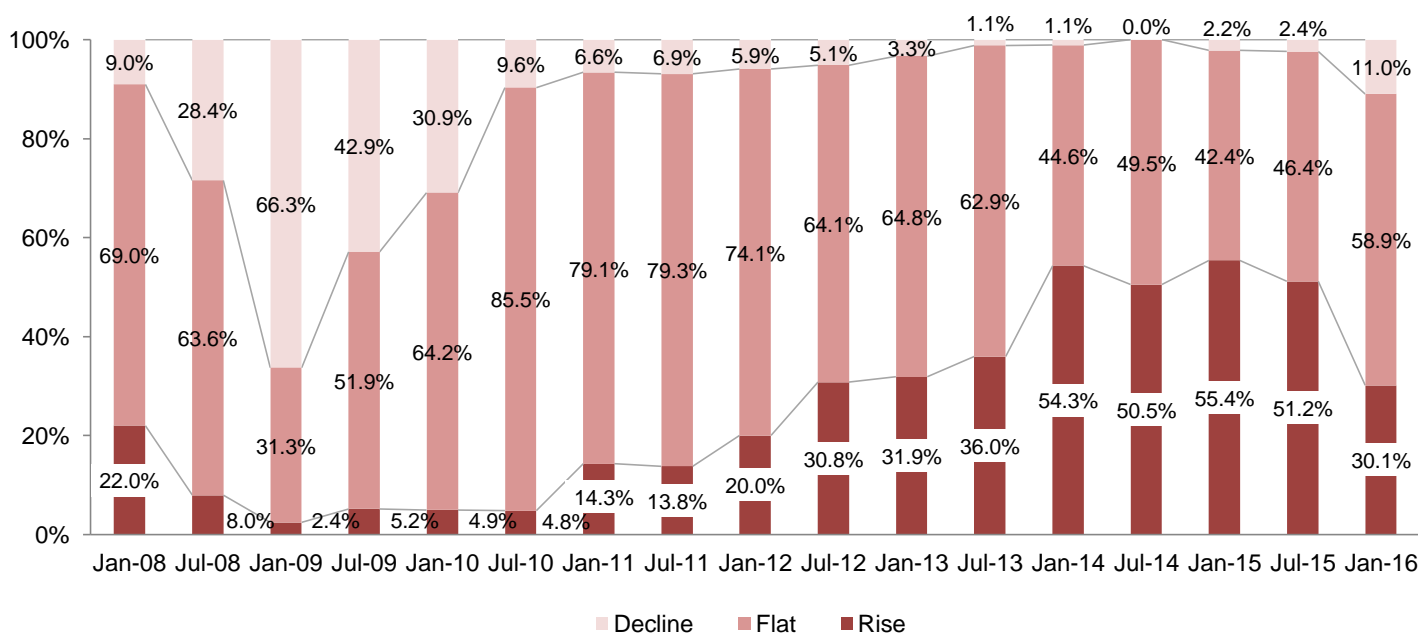
1. There are only few high-spec logistics facilities, and the balance of supply and demand are continuously in tight level
2. There is an increase in demand due to the prosperity of e-commerce.
3. Because of the increasing development costs of land and construction, there is an increase in rent prices.

The reasons for ‘Flat’ is approximately the same in the previous survey result. The most cited reasons for ‘Flat’ are as follows.

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

The top reason of “Decline” is “The large supply of logistics facilities raised the competitiveness for finding new tenants”.

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

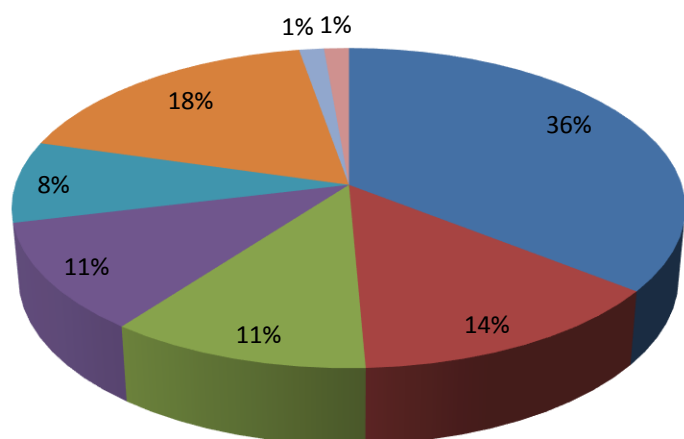
Survey Target : Practitioners and professionals associated to real estate.
(regardless involvement with logistics) .

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

Survey Period : January 2 to February 1, 2016

Respondents : 73

➤ Occupation Respondents



- Real Estate Investment Service Providers (Logistics Facilities)
- Real Estate Investment Service Providers (excl. Logistics Facilities)
- Real Estate Service Providers (Broker, etc.)
- Investigations, Research Institutions (Appraisal・Investigation etc.)
- Enterprises (Logistics Company, etc)
- Lenders (Financial Institution)
- Public Organizations (Authority, Local Govrment, etc)
- Others

◆ Contact info

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