Greater Tokyo

The vacancy rate as of July 2016 declined to 4.4%, down by 0.2 points from last April (Fig 1). The completions in this term were 473 thousand sqm and the net absorption in this term was 481 thousand sqm. In this term, many BTS type facilities were built and an occupation rate of multi-tenant type facilities was increased. These facts led the second consecutive quarter of improvement (Fig 2).

In a specific cases, Prologis hold completion ceremony of Prologis Park Chiba New Town and signed a lease on Prologis Park Narashino 5 with major 3PL company. GLP announced that GLP Atsugi II was completed as no vacancy. In greater Tokyo, the most recent supply and demand conditions are stable.

With regard to the asking rent as of July 2016, it remained flat at 4,000 JPY/Tsubo (Fig3). This flat condition will continue in the immediate future.

Figure1: Vacancy Overview in Greater Tokyo

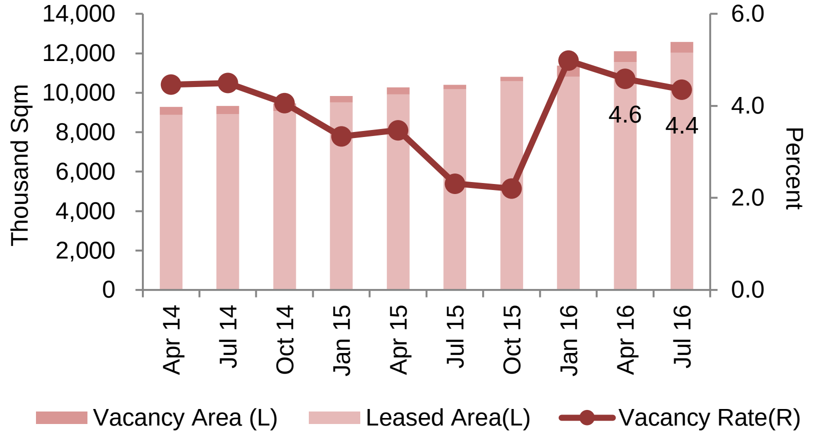


Figure2: Supply-Demand Balance in Greater Tokyo

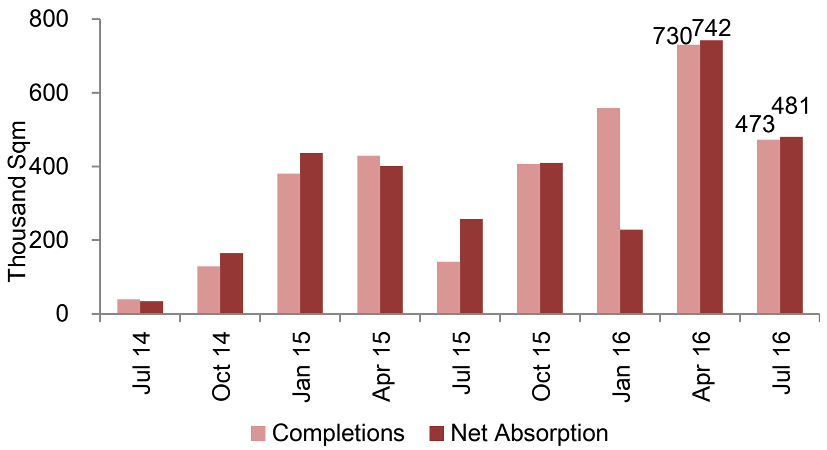
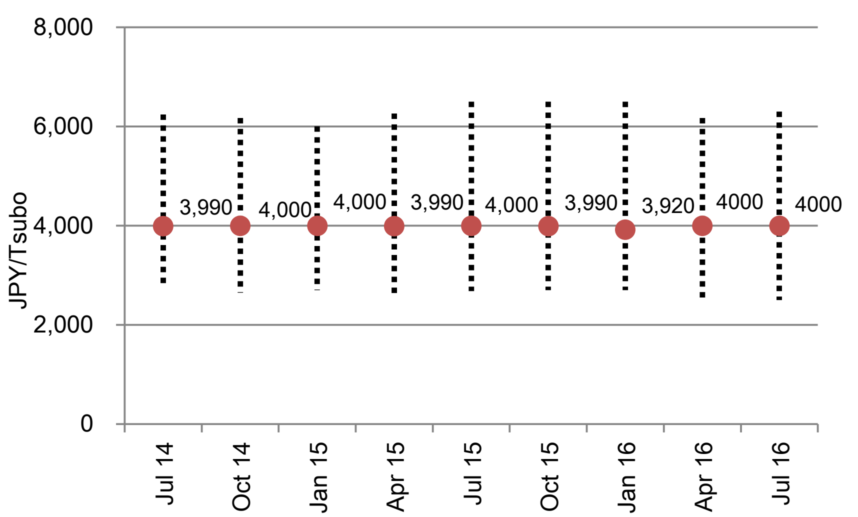


Figure3: Rent Overview in Greater Tokyo



Source: Ichigo Real Estate Service

Kansai Area

The vacancy rate as of July 2016 was increased to 3.6%,up to 2.2 points from previous term (Fig 4). The completions were 219 thousand sqm, it was the biggest volume since July 2008 when the survey was first taken. The net absorption was 141 thousand sqm which was equal 64% of the completions. Due to a slow growth of the net absorption, Supply and demand balance was eased (Fig 5).

Though many lands suitable for logistics facility will be created in Kansai area, this large supply condition will continue in a medium- and long-term.

The asking rent as of July 2016 was remained flat at 3,390 JPY/Tsubo. The third consecutive quarter of decline was stopped in this term (Fig 6).

Figure4: Vacancy Overview in Kansai Area

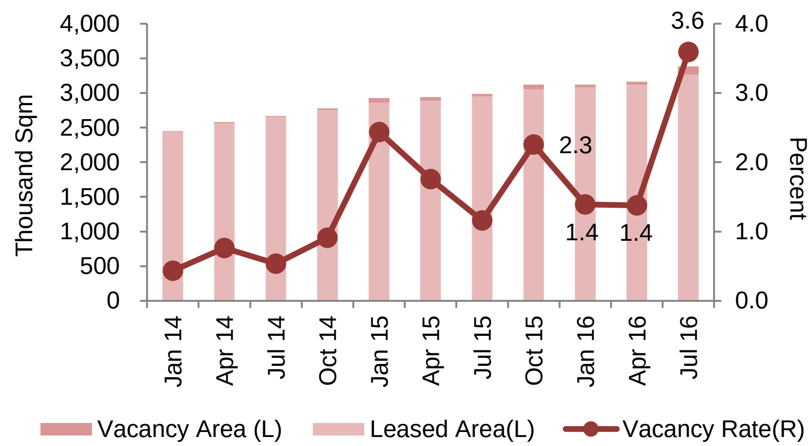


Figure5: Supply-Demand Balance in Kansai Area

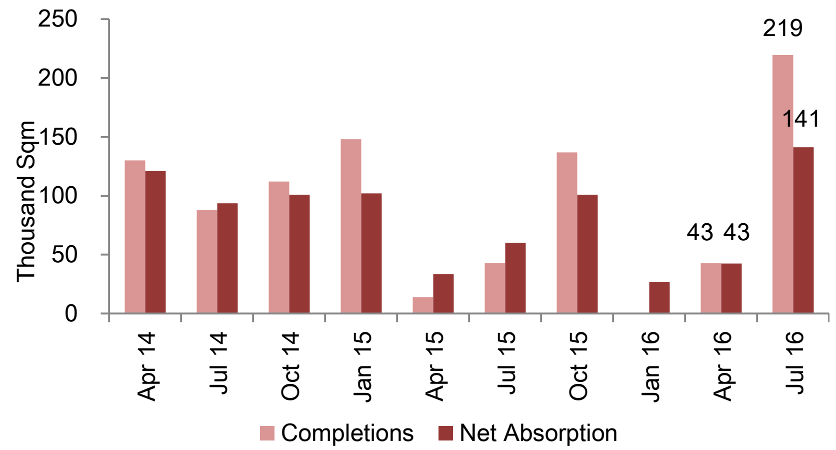
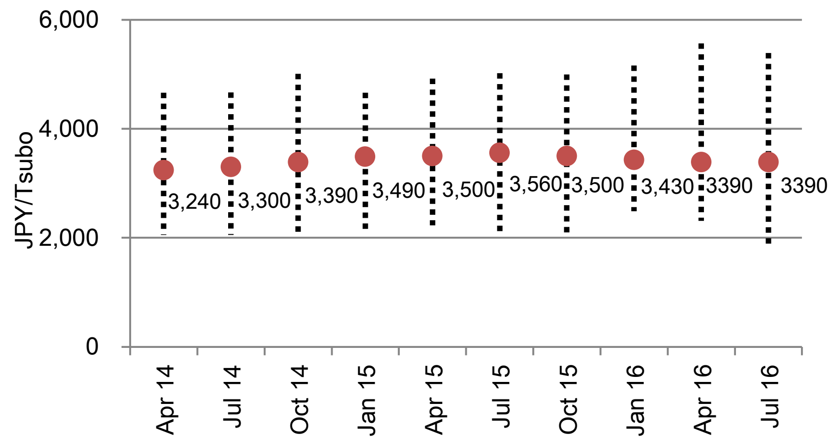


Figure6: Rent Overview in Kansai Area



Source: Ichigo Real Estate Service

◆ Data of Greater Tokyo

	Supply and Demand						
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	Asking Rent (JPY/Tsubo)
Jul-08	4,496	4,009	487	10.8	-	-	4,510
Oct-08	4,753	4,154	599	12.6	257	145	4,500
Jan-09	5,136	4,502	634	12.3	383	348	4,410
Apr-09	5,316	4,639	677	12.7	180	137	4,210
Jul-09	5,570	4,707	863	15.5	254	68	4,200
Oct-09	5,695	4,885	810	14.2	125	177	4,000
Jan-10	5,769	5,045	724	12.5	74	161	4,000
Apr-10	5,928	5,201	728	12.3	159	155	3,990
Jul-10	5,975	5,437	538	9.0	47	236	4,000
Oct-10	6,126	5,599	527	8.6	151	163	3,990
Jan-11	6,198	5,690	509	8.2	72	90	3,990
Apr-11	6,371	6,040	331	5.2	172	350	3,890
Jul-11	6,581	6,200	381	5.8	211	160	3,890
Oct-11	6,650	6,304	345	5.2	69	105	3,910
Jan-12	6,738	6,500	237	3.5	88	196	3,990
Apr-12	6,820	6,693	128	1.9	82	192	3,920
Jul-12	7,036	6,877	160	2.3	216	184	3,880
Oct-12	7,334	7,152	182	2.5	298	275	3,820
Jan-13	7,377	7,222	155	2.1	43	70	3,800
Apr-13	7,627	7,454	173	2.3	250	231	3,830
Jul-13	7,994	7,796	198	2.5	367	343	3,880
Oct-13	8,396	8,171	226	2.7	403	375	3,990
Jan-14	8,762	8,481	281	3.2	366	310	3,890
Apr-14	9,292	8,877	415	4.5	529	396	3,920
Jul-14	9,331	8,911	420	4.5	39	34	3,990
Oct-14	9,459	9,075	384	4.1	128	164	4,000
Jan-15	9,840	9,511	328	3.3	381	437	4,000
Apr-15	10,269	9,912	357	3.5	429	401	3,990
Jul-15	10,410	10,169	241	2.3	141	257	4,000
Oct-15	10,817	10,579	238	2.2	407	409	3,990
Jan-16	11,375	10,808	567	5.0	558	229	3,920
Apr-16	12,105	11,550	556	4.6	730	742	4,000
Jul-16	12,578	12,030	548	4.4	473	481	4,000

Data of Kansai Area

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	1,818	1,607	211	11.6	-	-	3,970
Oct-08	1,818	1,637	181	10.0	0	30	3,800
Jan-09	1,818	1,642	176	9.7	0	6	3,920
Apr-09	1,935	1,702	232	12.0	117	60	3,820
Jul-09	2,010	1,778	232	11.6	75	75	3,630
Oct-09	2,010	1,824	186	9.3	0	46	3,500
Jan-10	2,010	1,815	195	9.7	0	-9	3,490
Apr-10	2,010	1,857	153	7.6	0	42	3,500
Jul-10	2,037	1,911	126	6.2	27	54	3,450
Oct-10	2,136	2,010	126	5.9	99	99	3,310
Jan-11	2,136	2,020	116	5.4	0	9	3,250
Apr-11	2,112	2,024	88	4.2	-24	4	3,230
Jul-11	2,112	2,028	84	4.0	0	4	3,200
Oct-11	2,106	2,029	77	3.6	-6	1	3,170
Jan-12	2,126	2,100	26	1.2	20	71	3,170
Apr-12	2,126	2,120	5	0.2	0	20	3,230
Jul-12	2,232	2,173	58	2.6	106	53	3,190
Oct-12	2,243	2,200	43	1.9	11	27	3,230
Jan-13	2,283	2,250	33	1.4	40	49	3,170
Apr-13	2,303	2,279	24	1.0	20	29	3,150
Jul-13	2,303	2,276	28	1.2	0	-3	3,200
Oct-13	2,343	2,325	17	0.7	40	50	3,200
Jan-14	2,451	2,440	11	0.4	108	115	3,210
Apr-14	2,581	2,561	20	0.8	130	121	3,240
Jul-14	2,669	2,655	14	0.5	88	94	3,300
Oct-14	2,781	2,756	25	0.9	112	101	3,390
Jan-15	2,929	2,858	71	2.4	148	102	3,490
Apr-15	2,943	2,891	52	1.8	14	34	3,500
Jul-15	2,986	2,952	35	1.2	43	60	3,560
Oct-15	3,123	3,053	70	2.3	137	101	3,500
Jan-16	3,123	3,080	43	1.4	0	27	3,430
Apr-16	3,166	3,122	44	1.4	43	43	3,390
Jul-16	3,385	3,263	122	3.6	219	141	3,390

◆ Technical Notes

- Supply-Demand Data

Greater Tokyo :

Number of Investigations: 297 logistics facilities with gross floor area over 10,000 sqm.
Investigated Area : Greater Tokyo, including Ibaraki, Saitama, Chiba, Tokyo and Kanagawa.

Kansai Area:

Number of Investigations : 68 logistics facilities with gross floor area over 10,000 sqm.
Investigated Area : Kansai Area, including Kyoto, Osaka and Hyogo .

- Rent

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

- Periodic Revision of Database

Supply-Demand data released by Ichigo.Co., are revised periodically in Oct every year. All the samples that have changes are revised so as to keep the database as reflective of the current situation possible. These changes include facility owners (e.g. not for lease anymore), leasable area, and vacancy occurrence (or tenant change).

◆ Contact info

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