

1. Outlook for Price

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

The survey result of January 2017 about the outlook of real estate prices for the next six months is the percentages of “Rise” at 27.4%, “Flat” at 67.8% and “Decline” at 4.8% (Fig 1). The ratio of “Rise” has decreased from 32.5% from the previous survey to 27.4% in the recent and the ratio of “Decline” has increased slightly.

The top three reasons of “Rise” cited by respondents are almost the same as in the previous survey. The following reasons are listed below.

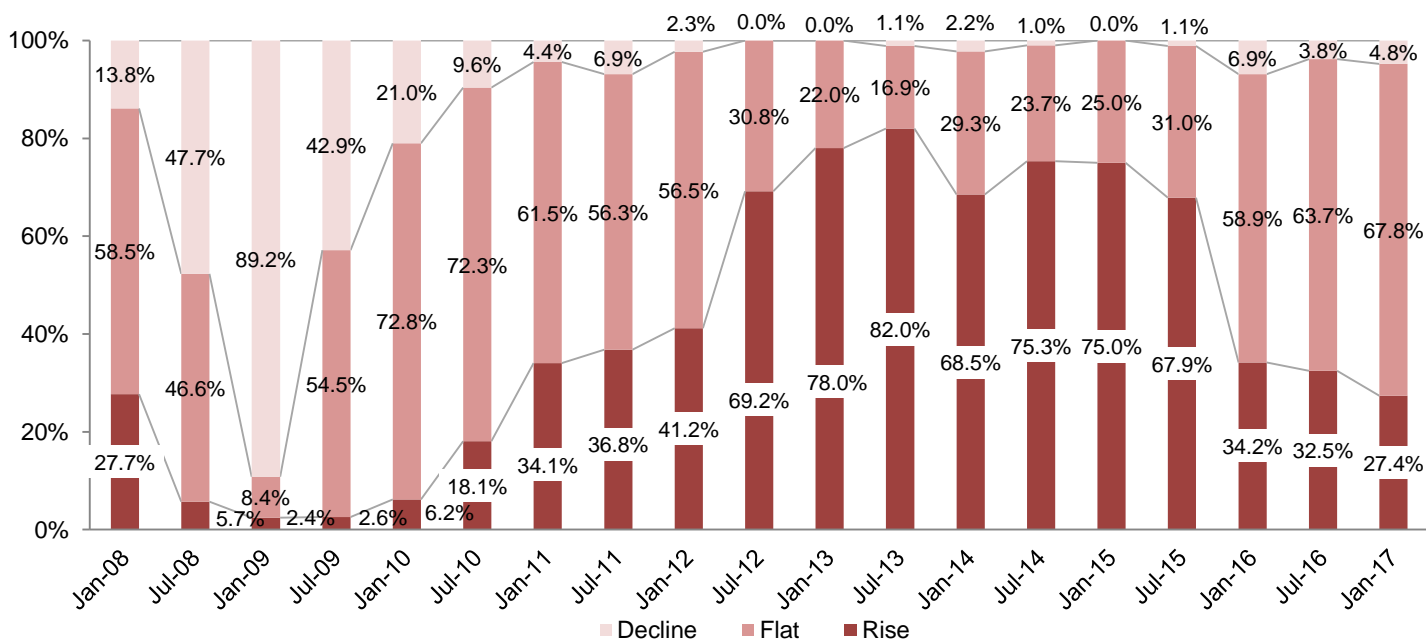
1. Due to the expansion of a variety of investors, the market is becoming more active.
2. Financing environment is in a good condition (It is easy to raise finance).
3. The absolute number of high-spec logistics facilities, which is targeted for investment, is small.

The top three reasons of “Flat” are given below. The number of respondents who cited the option “A number of market players are refraining from investing due to the overheating market.” has increased significantly from the previous survey. Many respondents gave an indication of the overheating market.

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

The number of respondents who chose “Fall” increased slightly. The most cited reason was based on their answers from “The period of rising real estate price is stopped and the price head for a fall.” questionnaire.

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



Source: Ichigo Real Estate Service

2. Outlook for Rent

The survey result of January 2017 about the outlook of rent for the next six months are as follows. The percentages are “Rise” at 11.9%, “Flat” at 63.1% and “Decline” at 25.0% (Fig 2). A quarter of the respondents are concerned about the outlook for rent.

The top reason of responders chose for “Rise” is “There is an increase in demand due to the prosperity of e-commerce.” The ratio of “Rise” have decreased compared to the past survey. The top three reasons are as follows.

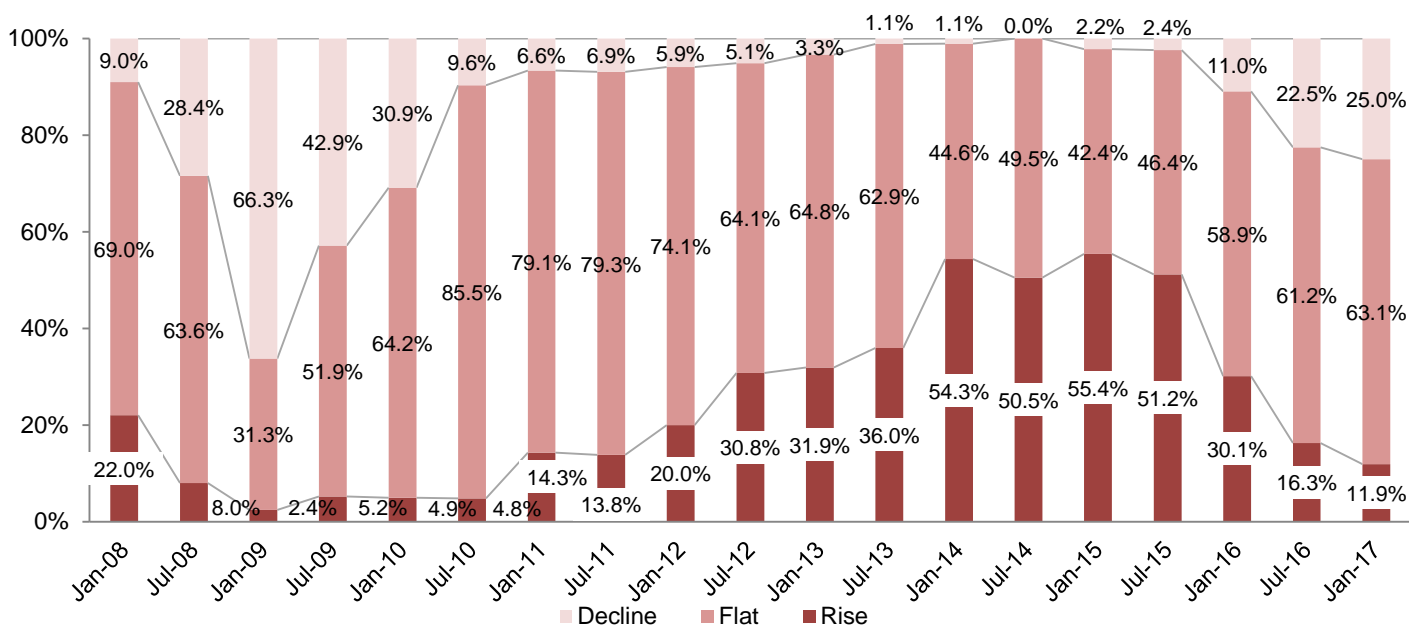
1. There is an increase in demand due to the prosperity of e-commerce.
2. There are only few high-spec logistics facilities, and the balance of supply and demand are continuously in tight level.
3. There is an increase in rent prices because of the increasing development costs of land and construction.

The reasons for “Flat” are 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 is in equal state.

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

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

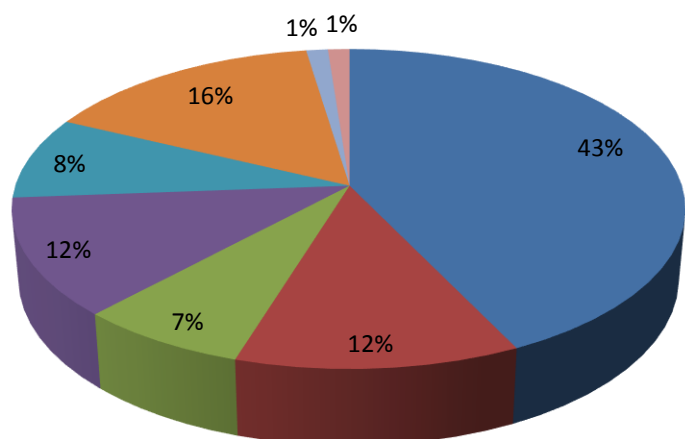
Survey Target : Practitioners and professionals associated to real estate.
(regardless involvement with logistics) .

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

Survey Period : January 24 to February 3, 2017

Respondents : 84

➤ Occupation Respondents



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

◆ Contact info

For any further inquiries, please contact:

research@ichigo-re.co.jp

Ichigo Real Estate Service Co., Ltd.

www.ichigo-re.co.jp

Komatsuwa Bldg.3F, 4-20-12 Honjo, Sumida-ku, Tokyo 130-0004, Japan

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