

1. Outlook for Price

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

The July 2019 survey result about the outlook of real estate prices for the next six months is the percentages of “Rise” at 39.1%, “Flat” at 59.8% and “Decline” at 1.1% (Fig 1). The percentages of “Rise” has increased and reached about 40%. In response to this gain momentum, real estate prices will get out from the stalled situation.

The top three reasons of “Rise” cited by respondents are listed below, which denoted the same tendency of the previous survey.

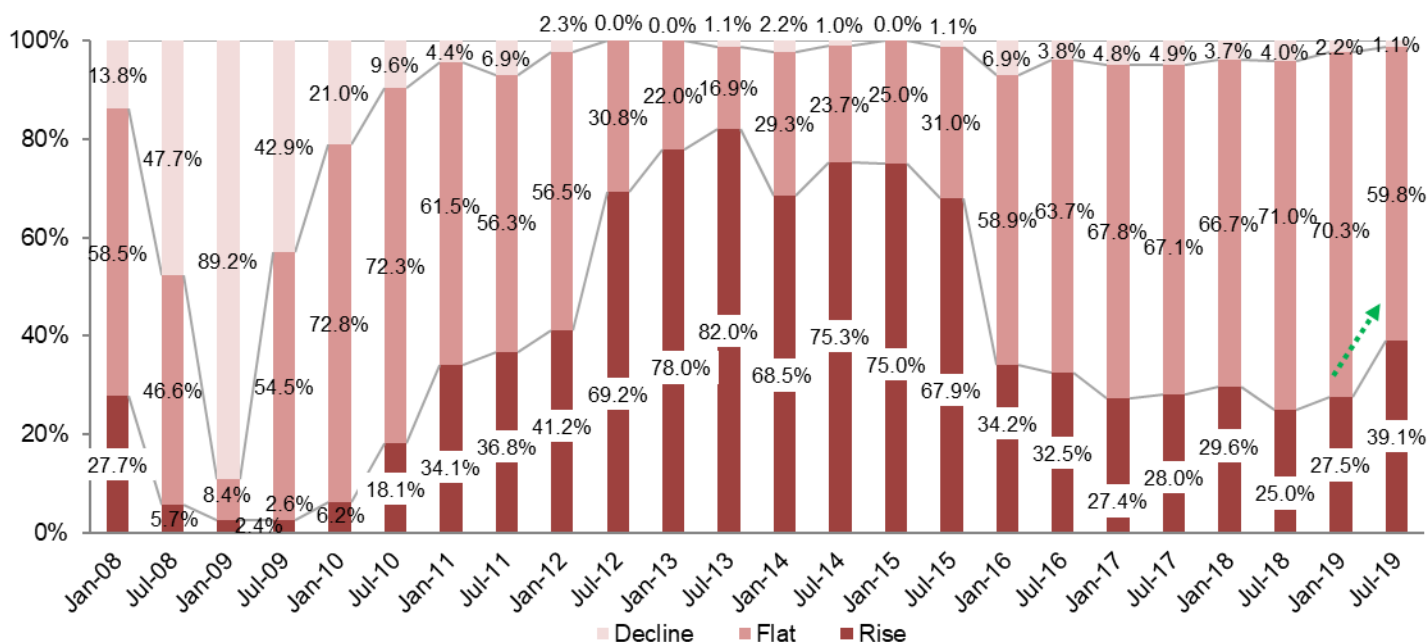
1. The market is becoming more active, due to the expansion of a variety of investors.
2. The number of investors targeting logistics facilities is increasing.
3. Financing environment is in a good condition, and it is easy to raise finance.

The top three reasons of “Flat” are given below.

1. It’s hard to anticipate the further drop of the capitalization rate.
2. There is no significant change in the market outlook of the rent level.
3. Real estate prices are approaching a plateau.

And, few respondents chose “Decline”.

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



Source: Ichigo Real Estate Service

2. Outlook for Rent

The July 2019 survey result about the outlook of rent for the next six months are as follows. The percentages are “Rise” at 38.0%, “Flat” at 60.9% and “Decline” at 1.1% (Fig 2). The optimistic outlook of rent is gaining momentum.

The top two reasons of “Rise” are given below. The number of respondents who have optimistic outlook is increasing.

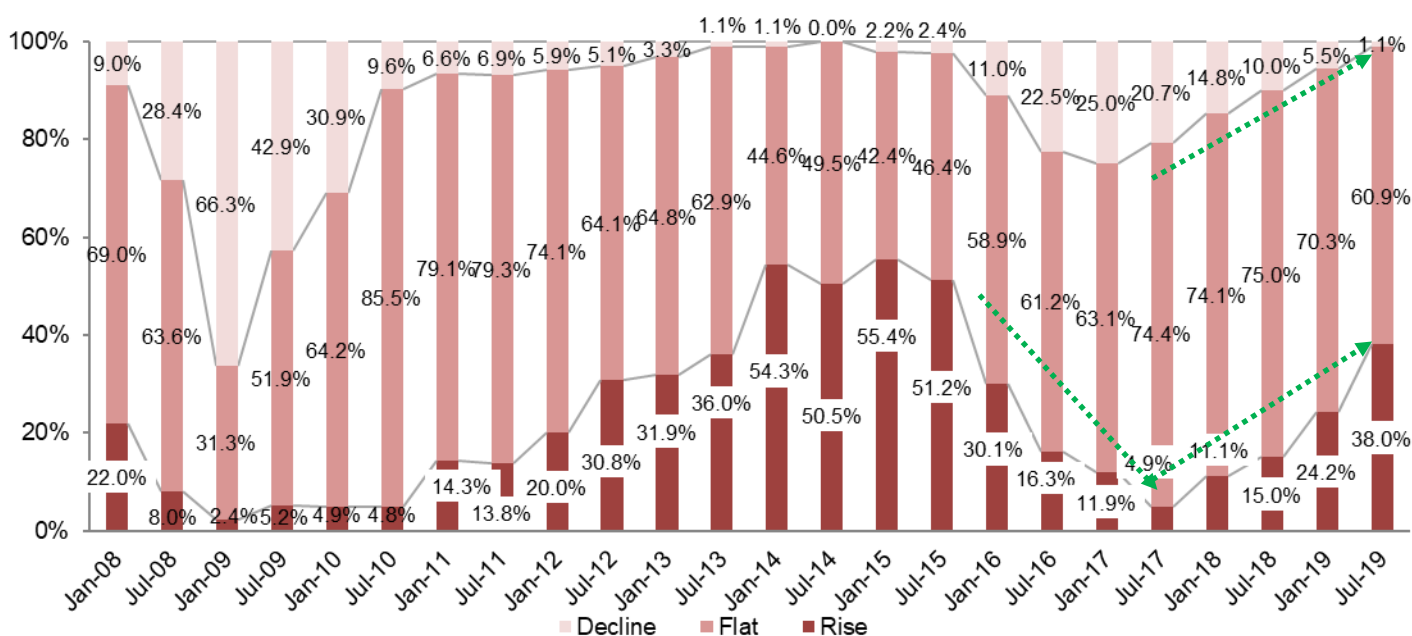
1. The prosperity of E-commerce draws up the demands.
2. Due to the increasing development cost of land and construction, the increment is shifting towards rent.

The top two reasons why respondents chose for “Flat” are as follows, which are all the same reasons from the previous survey.

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

And, few respondents chose “Decline” in this term.

Figure:2 Outlook for Rent of Logistics Facilities Six Months Later



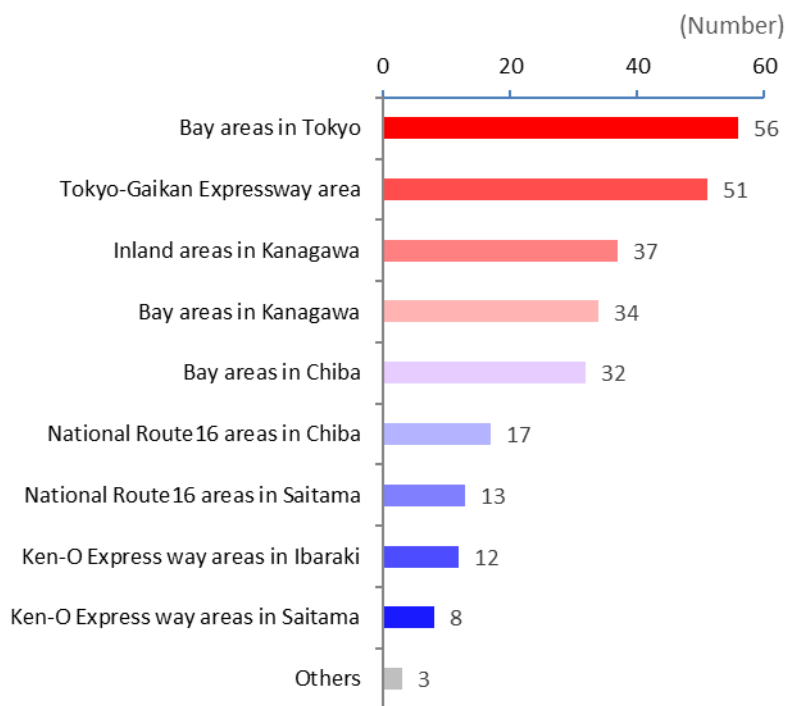
Source: Ichigo Real Estate Service

3. Expected Market Area in Greater Tokyo

In this survey, we cast an additional question, “Where is the most expected market area in Greater Tokyo?”

Respondents at 62% choose the Bay areas in Tokyo, where is already prime area for industrial market. This area’s evaluation will increase more. The result is given below.

Figure:3 Expected Market Area in Greater Tokyo



Source: Ichigo Real Estate Service

◆ Overview of Methodology of the Questionnaire Survey

➤ Summary of Questionnaire

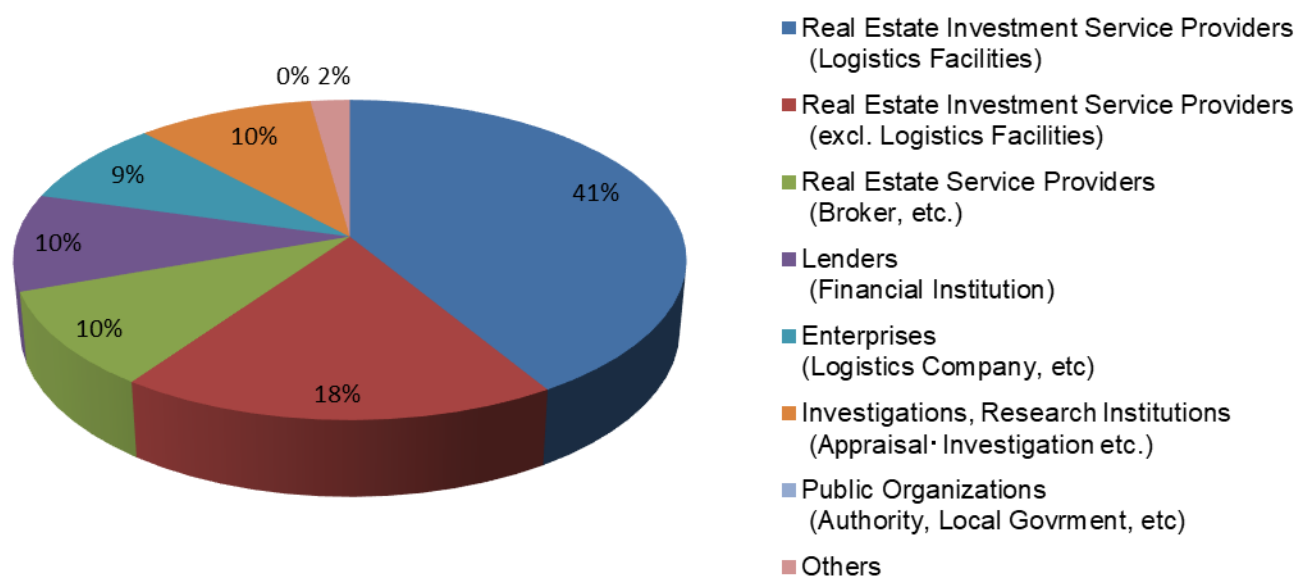
Survey Target : Practitioners and professionals associated to real estate.
(regardless involvement with logistics) .

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

Survey Period : July 23 to 31, 2019

Respondents : 92

➤ Occupation Respondents



◆ Contact info

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