

## 1. Outlook for Price

A questionnaire survey about “Outlook for Logistics Market Conditions” is conducted semi-annually.

The results of July 2020’s survey of the outlook of real estate prices for the next six months are the following percentages: “Rise” is at 45.7%, “Flat” is at 51.8% and “Decline” is at 2.5% (Fig 1). Although the ratio of respondents who chose “Decline” has increased slightly from the previous term, most respondents have a bullish view.

The top two reasons for the “Rise” cited by respondents are listed below.

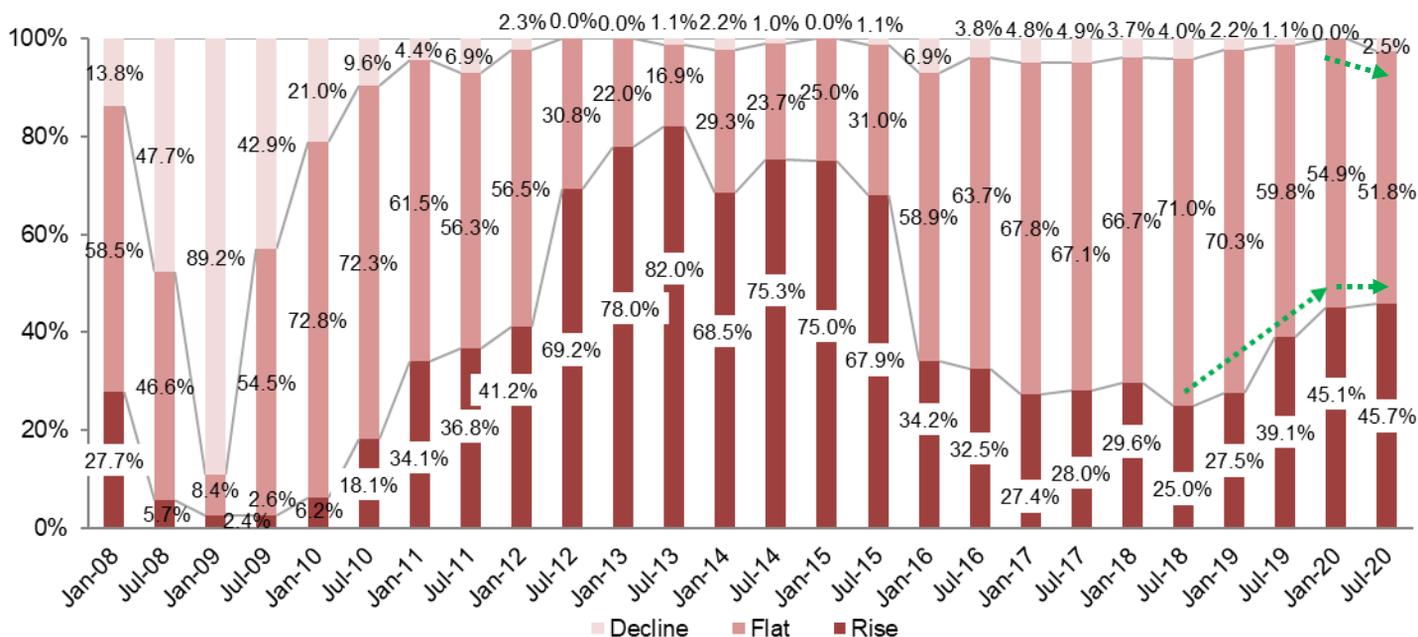
1. The market is becoming more active since logistics facilities have attracted more attention under the influence of the COVID-19.
2. The number of investors who are targeting logistics facilities is increasing and the competition for purchasing them are getting intense.

The top two reasons for the “Flat” are given below.

1. The positive aspect of expanding e-commerce and the negative aspect of economic decline are balanced under the influence of the COVID-19.
2. It is not expected that the capitalization rates will decline further.

A few respondents chose “Decline”, and they were concerned about deflation.

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



Source: Ichigo Real Estate Service

## 2. Outlook for Rent

The results of July 2020's survey of the outlook of rent for the next six months are the following percentages: "Rise" is at 35.8%, "Flat" is at 56.8% and "Decline" is at 7.4% (Fig 2). The ratio of the "Rise" has decreased for the first time in three years, and the ratio of "Decline" has increased for the first time in three and a half years. Pessimistic outlook is on the rise.

The top two reasons for the "Rise" are given below.

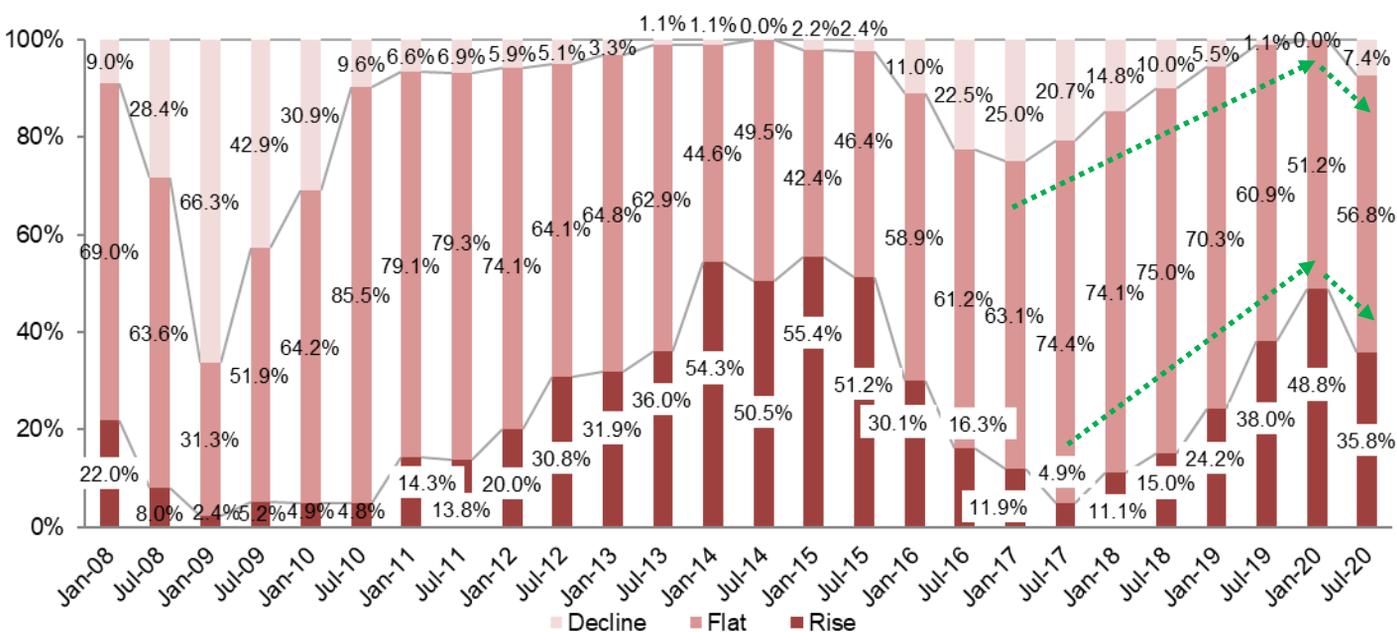
1. The demand for e-commerce will expand due to the COVID-19.
2. Strong demand is expected to grow in a wide range of industries such as groceries and medical supplies due to the COVID-19.

The top two reasons for the "Flat" are given below.

1. The positive aspect of expanding e-commerce and the negative aspect of economic decline are balanced under the influence of the COVID-19.
2. Factors that cause rents to increase and decrease are competing to one another, so that the rental price remained flat.

And, a few respondents chose "Decline". They think that the outlook of rent is negatively affected by many tenants which are now facing a severe business situation.

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

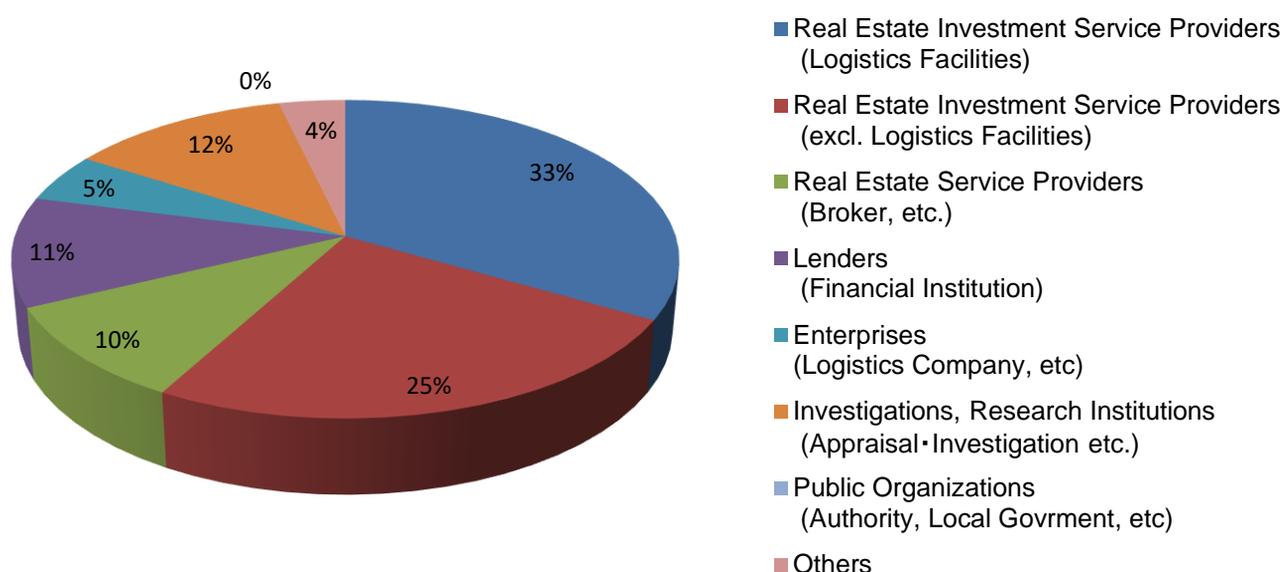
Survey Target : Practitioners and professionals associated with real estate.  
( regardless of involvement with logistics ).

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

Survey Period : January 21 to 31, 2020

Respondents : 81

### ➤ Occupation Respondents



## ◆ Contact info

For any further inquiries, please contact:

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