

1. Outlook for Price

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

The results of January 2021’s survey of the outlook of real estate prices for the next six months are the following percentages: “Rise” is at 70.0%, “Flat” is at 27.5%, and “Decline” is at 2.5% (Fig 1). The ratio of respondents who chose “Rise” has increased significantly from the previous term, and a bullish outlook is dominant.

The top three reasons for the “Rise” cited by respondents are listed below:

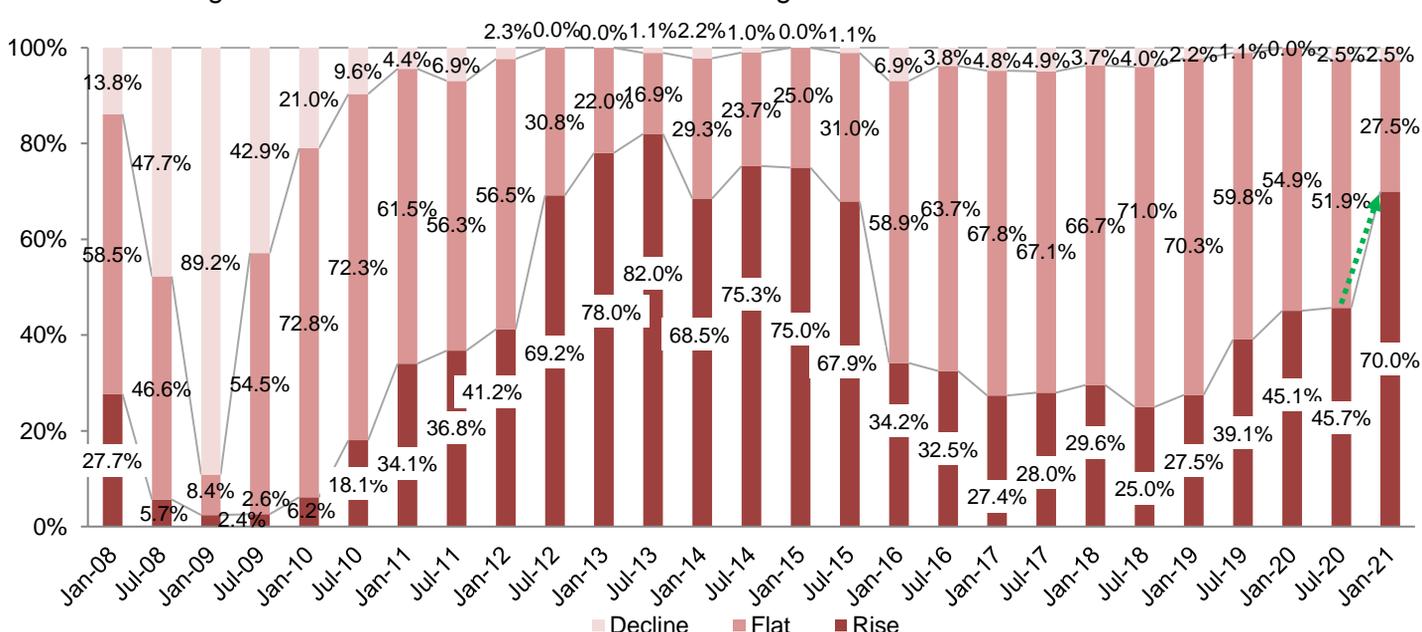
1. The market is becoming more active since logistics facilities have attracted more attention under the influence of the COVID-19.
2. The number of investors targeting logistics facilities rose, and the competition for purchasing them is getting intense.
3. Financing environment is in good condition, and it is easy to raise finance.

The top three reasons for the “Flat” are given below:

1. The positive aspect of expanding e-commerce and the negative one of economic decline are balanced under the influence of the COVID-19.
2. Real estate prices will end their upward phase and enter a flat one.
3. There is no significant change in the market outlook of the rent level.
3. It is not expected that the capitalization rates will decline further.

A few respondents chose “Decline” and think that an uncertain outlook due to the influence of the COVID-19 will shrink risk money.

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 January 2021's survey of the outlook of rent for the next six months are the following percentages: "Rise" is at 57.5%, "Flat" is at 41.2%, and "Decline" is at 1.3% (Fig 2). The ratio of the "Rise" is the largest since July 2008, when the first survey was taken.

The top three reasons for the "Rise" are given below. The number of respondents who chose the third reason increased sharply from the previous quarter.

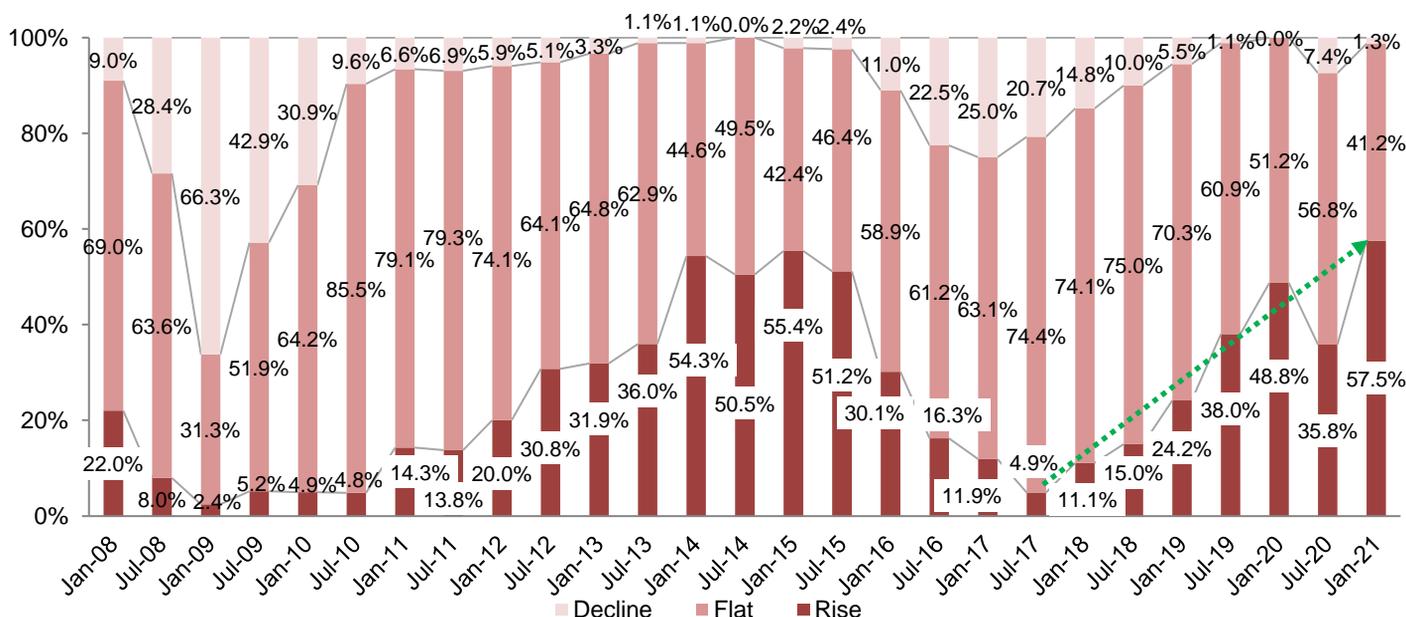
1. The demand for e-commerce will expand further due to the COVID-19.
2. Strong demand is expected to grow in various industries such as groceries and medical supplies due to the COVID-19.
3. As the land prices and other development costs rise, the rent is increased to reflect that additional costs.

The top three reasons for the "Flat" are given below:

1. The positive aspects of expanding e-commerce and the negative aspects of economic decline are balanced under the influence of the COVID-19.
2. Supply from new developments and the demand for logistics facilities are in balance.
3. Factors that cause rent to increase and decrease are competing with one another so that the rental price remained flat.

And only a few respondents chose "Decline".

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



◆ Overview of Methodology of the Questionnaire Survey

➤ Summary of Questionnaire

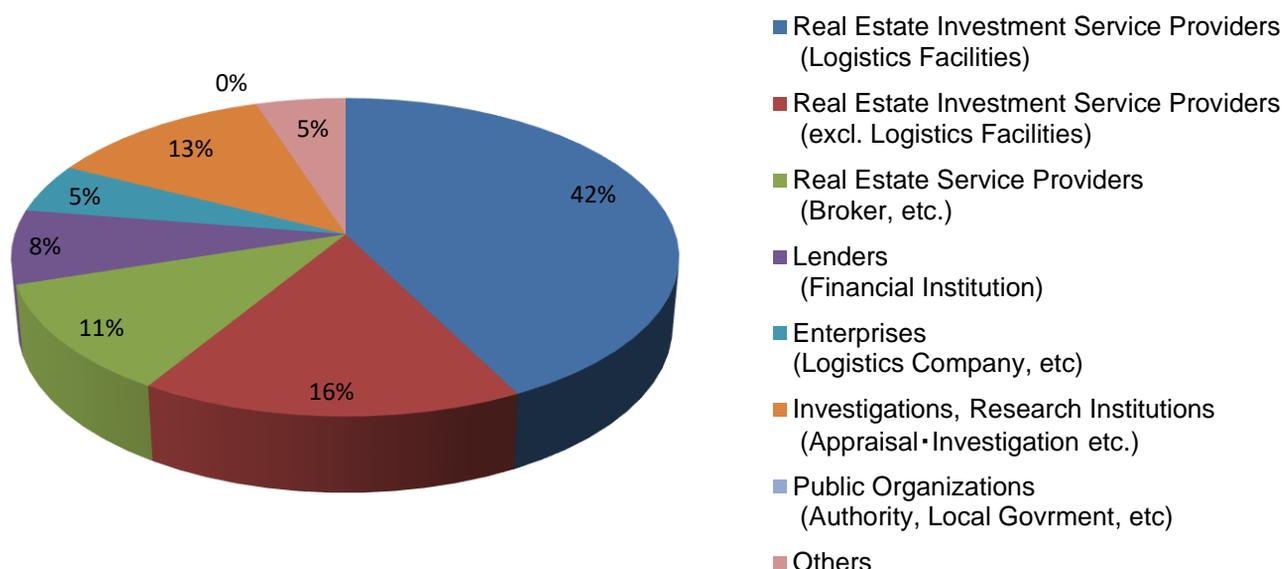
Survey Target : Practitioners and professionals associated with real estate.
(regardless of involvement with logistics) .

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

Survey Period : January 22 to 29, 2021

Respondents : 80

➤ Occupation Respondents



◆ Contact info

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