

## 1. Outlook for Price

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

The survey result as of Jul 2014 about outlook for logistics real estate price half a year later was that the ratio of ‘Rise’, ‘Flat’ and ‘Decline’ were 75.3%, 23.7% and 1.0%, respectively (Fig 1). Though, the ratio of ‘Rise’ decreased in Jan 2014 for the first time after five years of upward movement since July 2009, this time the ratio rose up again. The majority of opinions about market investment indicated that the market is still active, and market condition also keeps stable for the reason of expansion of varieties investors.

The top three reasons cited by respondents were the same as the previous time, and they are listed as follows.

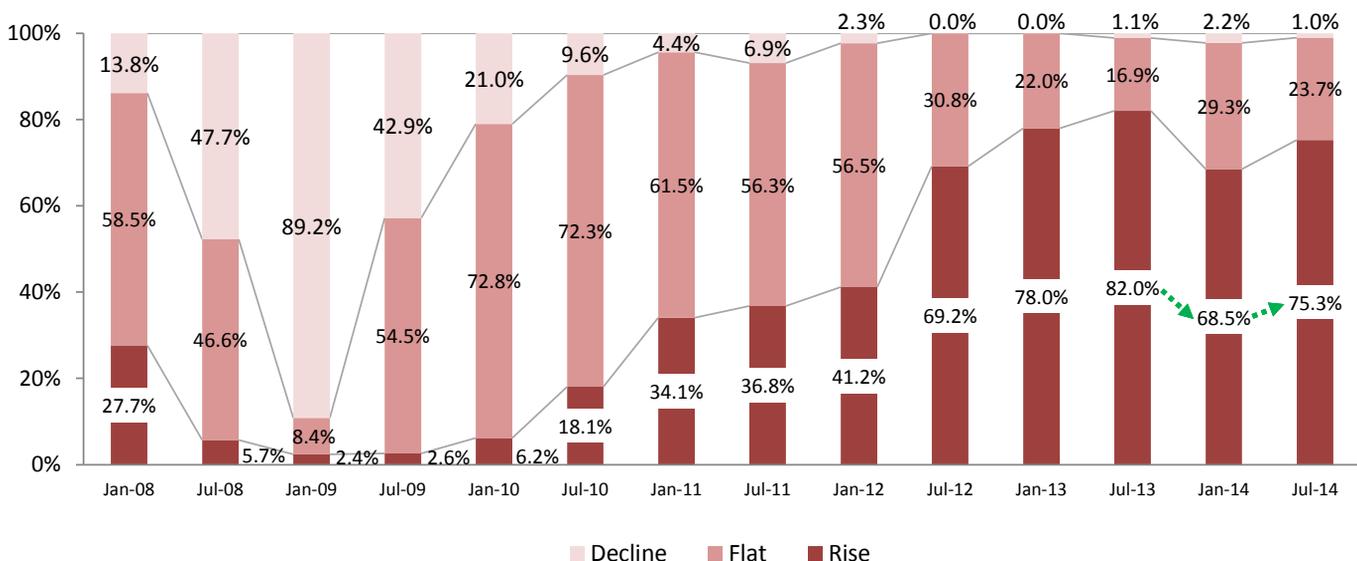
1. Due to the expansion of varieties investors, market becomes more active.
2. Financing environment is in a good condition.
3. Construction cost is rising.

Meanwhile, ratio of ‘Flat’ decreased to 23.7 % from 29.3% in previous time . The most cited reasons are below.

1. Price is in approaching the landing from rising.
2. Outlook on rent level is unchanged.
3. The number of market players refraining from investment increases because of overheating market.

The ratio of ‘Decline’ was 1%, with the decline of 2.2 % compared to the previous time.

**Fig1 Outlook for Real Estate Price of Logistics Facilities Half a Year Later**



Source: Ichigo Real Estate Service

## 2. Outlook for Rent

Survey results about outlook for rent of logistics facilities half a year later was that, 50.5 % for ‘Rise’, and 49.5 % for ‘Flat’ (Fig 2), with the ratio of both were about the same level. Last time (Jan 2014) the ‘Rise’ responses rose significantly to 54.3% from 36.0%, however, declined this time after three consecutive years increase. The top three reasons cited by respondents are listed below:

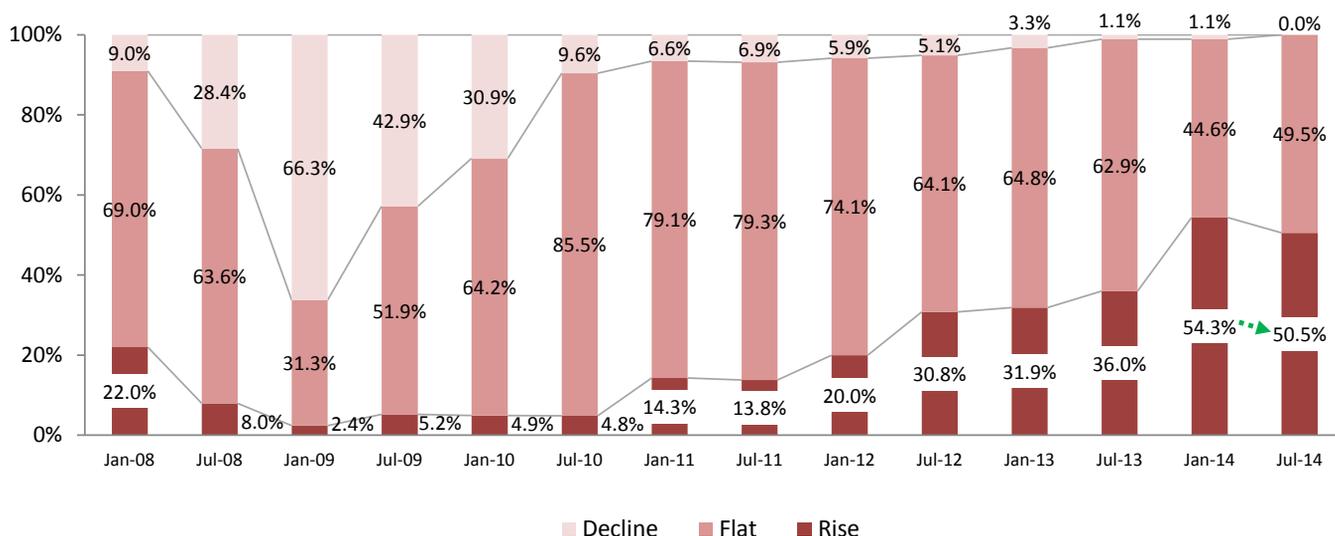
1. Due to the development cost of land and construction are increasing, the increment is shifting to the rent.
2. The prosperity of E-commerce (manufacture, retail, etc.) draws up the demands.
3. The transfer to functional types from storage types due to deterioration are increasing.

Meanwhile, the ratio of ‘Flat’ had not increased for three years, yet increased this time. As well, the response of ‘Decline’ was for the first time zero since the survey started. The most cited reasons for ‘Flat’ are as follows:

1. The affordability of both tenants and logistics companies does not change.
2. Supply from completions and demand from logistics are in a balanced situation.
3. There are not so many changes in market.

Rent has been showing an upward movement after Financial Crisis occurred in 2008. According to the most recent investigation conducted by Ichigo, main logistics markets in Japan have been gradually in recovery from a dull situation to a more active tone. Following these findings, it is reasonable to expect that rent may rise further in the near future.

**Fig2 Outlook for Rent of Logistics Facilities Half a Year Later**



Source: Ichigo Real Estate Service

## ◆ Overview on Conducting the Questionnaire Survey

### ➤ Summary of Questionnaire

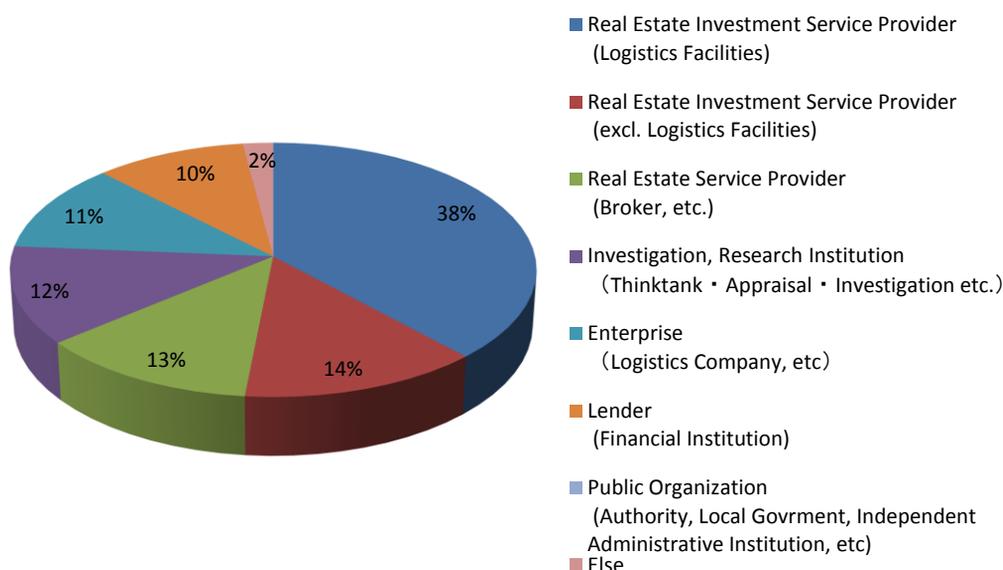
Survey Target : Practitioners and professionals related to real estate field  
(regardless involvement of logistics)

Survey Method : Send questionnaire by mail and collect answer sheets by mail and website.

Survey Period : July 24 to August 1, 2014

Respondents : 97

### ➤ Respondent Occupation



## ◆ Contact info

For any further inquiry, please contact:

[research@ichigo-re.co.jp](mailto:research@ichigo-re.co.jp)

Ichigo Real Estate Service Co., Ltd.

[www.ichigo-re.co.jp](http://www.ichigo-re.co.jp)

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

While we strives to ensure that the information contained in this report is accurate and reliable, we make no warranties as to the correctness, completeness or otherwise. The contents in this report reflect our analysis and judgment only as the date and time of creation. We assume no liability or responsibility for future forecast.