

◆ Greater Tokyo

Vacancy rate in July 2014 was 4.0%, which slightly increased 0.1 point from 3.9% in comparison with the previous period (Fig 1).

Completions in this term were 39 thousand square meters. This amount was for the first time under 50 thousand square meters after five consecutive previous quarters over this amount. As well as net absorption was on low level with 26 thousand square meters in this term (Fig 2).

There are two new logistics facilities completed in Saitama Prefecture, one of them is provided for the use of Itochu Logistics. Some new developments are also commenced by logistics facility providers at the end of the first half, such as GLP and ProLogis. Supply-Demand is considered stable due to completions concentrated in the first half of 2014, and thus the amount of the second half is might be limited.

The asking rent as of Jul 2014 was 3,990 JPY/Tsubo, which shown the third consecutive quarters of flat. Under this stable situation, asking rent seems to stay in flat in the near future as well (Fig 3).

Figure1: Vacancy Overview in Greater Tokyo

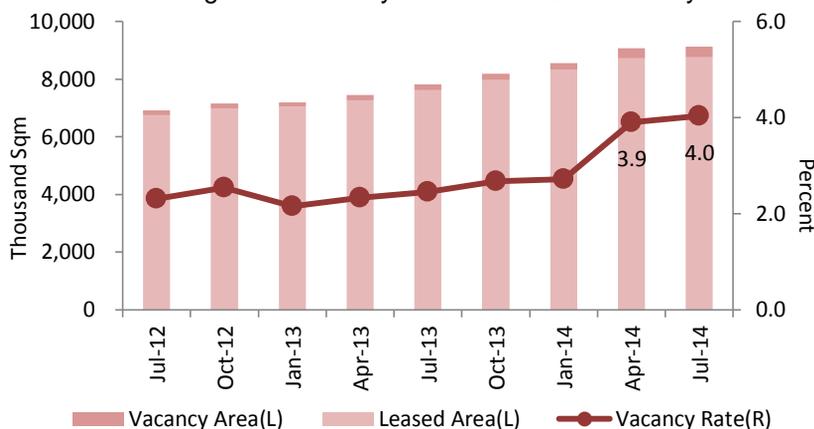


Figure2: Supply-Demand Balance in Greater Tokyo

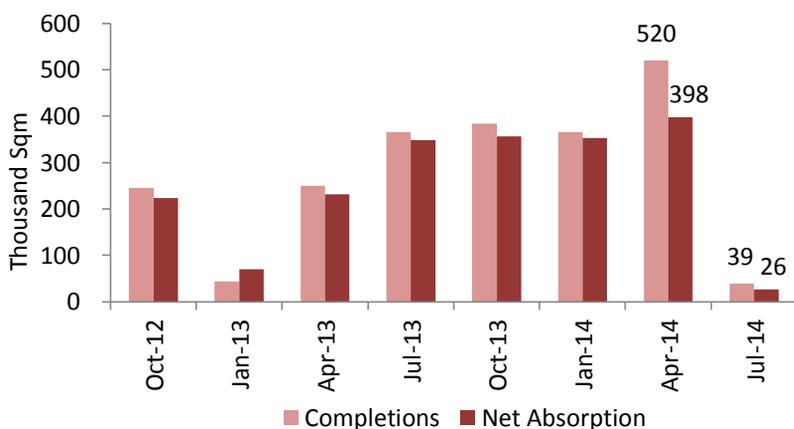
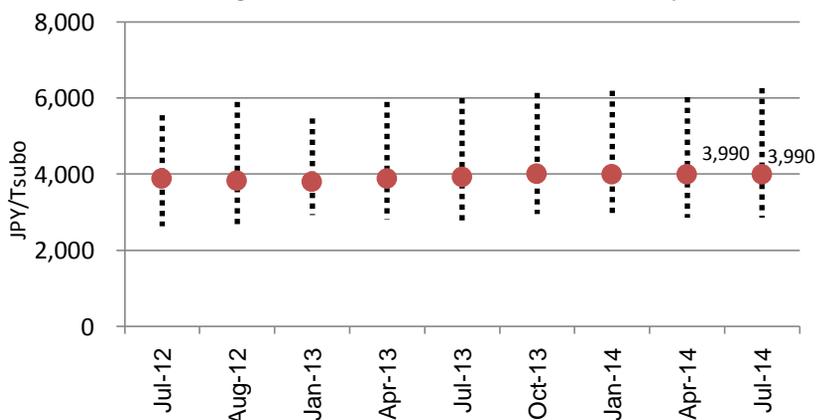


Figure3: Rent Overview in Greater Tokyo



Source: Ichigo Real Estate Service

◆ Greater Osaka

Vacancy rate in July 2014 was 0.4%, which slightly increased 0.1 point from 0.3% in comparison with previous period (Fig 4).

Completions in this term was 88 thousand square meters, as well as net absorption was at the same level of 84 thousand square meters (Fig 5). Market is considered in a supply-demand balanced condition.

Generally speaking, market shows an active movement because of some new completions and facilities in progress in this area. SG Realty has completed a new facility located in Maishima this June. Others, such as GLP has commenced a facility in Naruohama in July, and Orix has decided a new plan in Hirakata also.

The asking rent in July 2014 rose 60 JPY/ Tsubo with 1.9 point increase from 3,240 JPY/ Tsubo to 3,300 JPY/ Tsubo (Fig 6). Although asking rent in April 2013 fell into the bottom with 3,150 JYP/Tsubo, market has been showing upward trend for three consecutive quarters since then. Under this good market condition, asking rent is expected to continue at a stable level for a while.

Figure4: Vacancy Overview in Greater Osaka

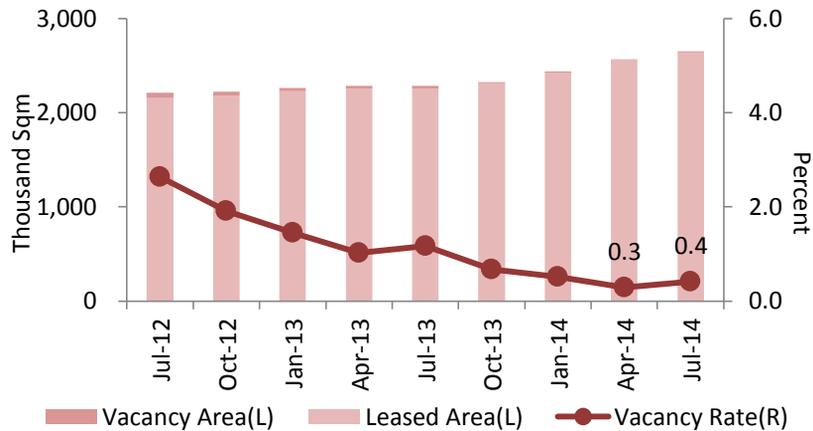


Figure5: Supply-Demand Balance in Greater Osaka

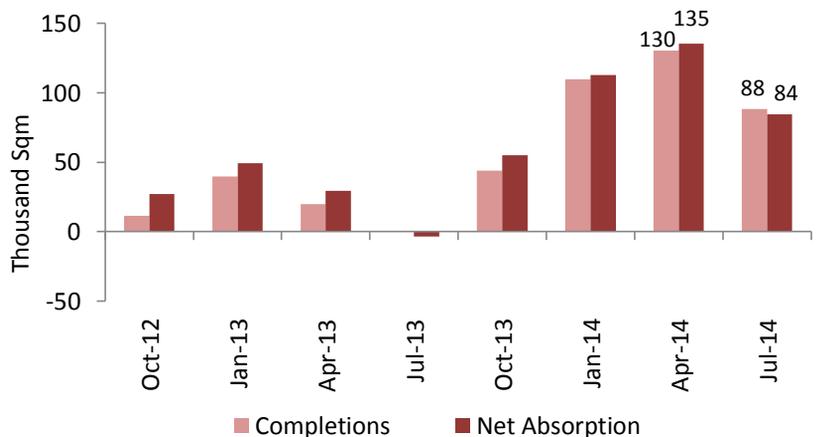
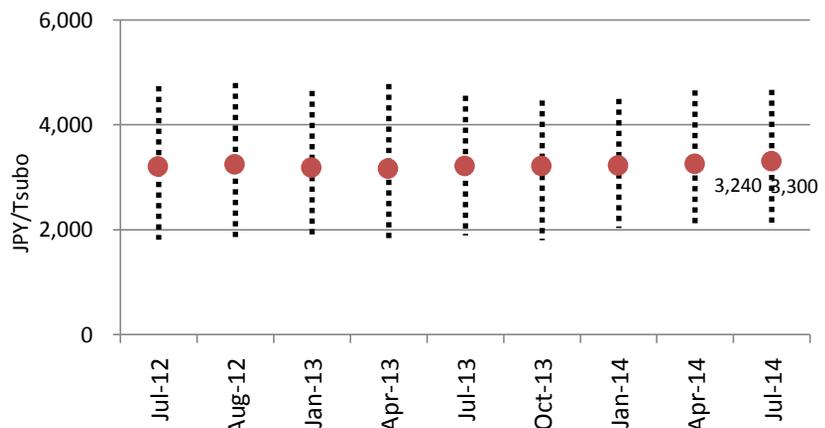


Figure6: Rent Overview in Greater Osaka



Source: Ichigo Real Estate Service

◆ Data of Greater Tokyo

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable area (1,000sqm)	Leased area (1,000sqm)	Vacancy area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	4,448	3,962	487	10.9	-	-	4,510
Oct-08	4,706	4,106	599	12.7	257	145	4,500
Jan-09	5,088	4,454	635	12.5	383	348	4,410
Apr-09	5,253	4,575	678	12.9	165	122	4,210
Jul-09	5,508	4,644	864	15.7	255	68	4,200
Oct-09	5,633	4,822	811	14.4	125	178	4,000
Jan-10	5,707	4,982	725	12.7	74	161	4,000
Apr-10	5,869	5,141	728	12.4	162	158	3,990
Jul-10	5,899	5,360	539	9.1	30	219	4,000
Oct-10	6,070	5,542	528	8.7	170	182	3,990
Jan-11	6,142	5,632	510	8.3	72	90	3,990
Apr-11	6,294	5,963	332	5.3	153	330	3,890
Jul-11	6,528	6,146	382	5.9	234	183	3,890
Oct-11	6,570	6,225	345	5.3	42	79	3,910
Jan-12	6,627	6,390	236	3.6	56	165	3,990
Apr-12	6,682	6,555	127	1.9	55	165	3,920
Jul-12	6,910	6,751	160	2.3	228	195	3,880
Oct-12	7,155	6,974	182	2.5	245	223	3,820
Jan-13	7,199	7,044	155	2.2	43	70	3,800
Apr-13	7,449	7,275	174	2.3	250	231	3,880
Jul-13	7,815	7,623	192	2.5	366	348	3,920
Oct-13	8,199	7,979	220	2.7	384	356	4,000
Jan-14	8,565	8,332	232	2.7	366	353	3,990
Apr-14	9,085	8,730	355	3.9	520	398	3,990
Jul-14	9,124	8,756	368	4.0	39	26	3,990

◆ Data of Greater Osaka

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable area (1,000sqm)	Leased area (1,000sqm)	Vacancy area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	1,801	1,590	211	11.7	-	-	3,970
Oct-08	1,801	1,620	181	10.1	0	30	3,800
Jan-09	1,801	1,625	176	9.8	0	6	3,920
Apr-09	1,917	1,685	232	12.1	117	60	3,820
Jul-09	1,993	1,760	232	11.7	75	75	3,630
Oct-09	1,993	1,806	186	9.3	0	46	3,500
Jan-10	1,993	1,798	195	9.8	0	-9	3,490
Apr-10	1,993	1,840	153	7.7	0	42	3,500
Jul-10	2,019	1,894	126	6.2	27	54	3,450
Oct-10	2,119	1,993	126	5.9	99	99	3,310
Jan-11	2,119	2,002	116	5.5	0	9	3,250
Apr-11	2,095	2,007	88	4.2	-24	4	3,230
Jul-11	2,095	2,010	84	4.0	0	4	3,200
Oct-11	2,089	2,012	77	3.7	-6	1	3,170
Jan-12	2,108	2,083	26	1.2	20	71	3,170
Apr-12	2,108	2,103	5	0.3	0	20	3,230
Jul-12	2,215	2,156	58	2.6	106	53	3,190
Oct-12	2,226	2,183	43	1.9	11	27	3,230
Jan-13	2,265	2,232	33	1.5	40	49	3,170
Apr-13	2,285	2,262	23	1.0	20	29	3,150
Jul-13	2,285	2,258	27	1.2	0	-3	3,200
Oct-13	2,329	2,313	16	0.7	44	55	3,200
Jan-14	2,439	2,426	13	0.5	109	113	3,210
Apr-14	2,569	2,561	7	0.3	130	135	3,240
Jul-14	2,657	2,646	11	0.4	88	84	3,300

◆ Technical Notes

➤ Supply-Demand Data

Greater Tokyo :

Number of Investigation: 223 logistics facilities that gross floor area is over 10,000 sqm.

Investigated Area : Greater Tokyo includes Saitama, Chiba, Tokyo and Kanagawa.

Greater Osaka :

Number of Investigation : 54 logistics facilities that gross floor area is over 10,000 sqm.

Investigated Area : Greater Osaka includes Kyoto, Osaka and Hyogo .

➤ Rent

This report uses median as the representative asking rent. Rent samples are selected under the criterion that rentable space is over 1,000 sqm. Dotted lines in Fig3 and Fig6 show the top (bottom) 10% of all samples in each period.

◆ Contact info

For any further inquiry, 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

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.