

1. Outlook for Price

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

The survey result of July 2016 about the outlook of real estate prices for the next six months is the percentages of “Rise” at 32.5%, “Flat” at 63.7% and “Decline” at 3.8% (Fig 1). The ratio of “Flat” increased from 58.9% in previous survey to 63.7% in the recent survey. The component ratio in this term shared a similarity with the previous one and respondents who had bullish outlook remained more than 30%.

The top three reasons of “Rise” cited by respondents are almost the same as in the previous survey. The primary reason is the option “Due to the expansion of a variety of investors, the market is becoming more active”. The following reasons are listed below.

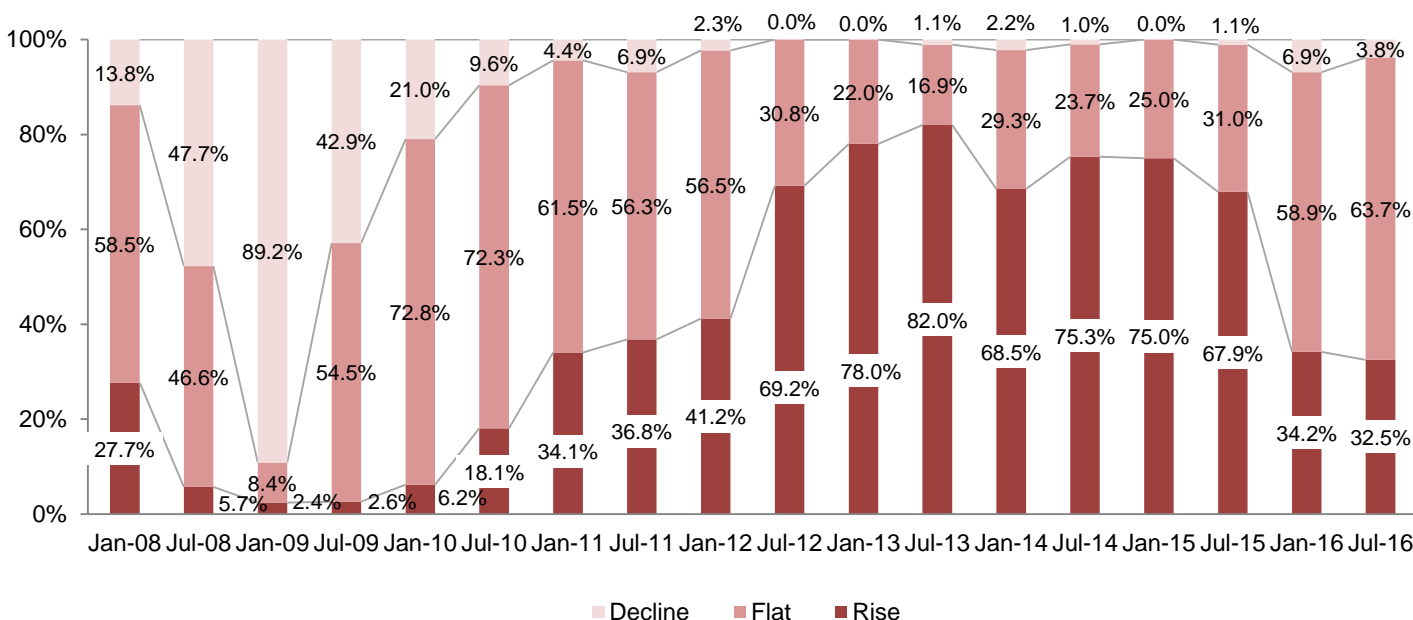
1. Due to the expansion of a variety of investors, the market is becoming more active.
2. Financing environment is in a good condition (It is easy to raise finance).
3. The absolute number of high-spec logistics facilities, which is targeted for investment, is small.

The top three reasons of “Flat” are given below. The number of respondents who cited the option “Real estate prices are approaching a plateau.” has increased significantly from the previous survey.

1. Real estate prices are approaching a plateau.
2. There is no significant change in market outlook of rent level.
3. A number of market players are refraining from investing due to the overheating market.

The number of respondents who chose “Fall” rose greatly. The most cited reason is based on their answers from questionnaire “The worry about supply and demand deterioration due to the development rush”.

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



Source: Ichigo Real Estate Service

2. Outlook for Rent

The survey result of July 2016 about the outlook of rent for the next six months as follows. The percentages of “Rise” is at 16.3%, “Flat” at 61.2% and “Decline” at 22.5% (Fig 2). Approximately a quarter respondents concerned about the outlook.

The top reason of responders chose “Rise” is the option “There are only few high-spec logistics facilities, and the balance of supply and demand are continuously in tight level.” The ratio of “Rise” have decreased compared to the past survey substantially. The top three reasons are as follows.

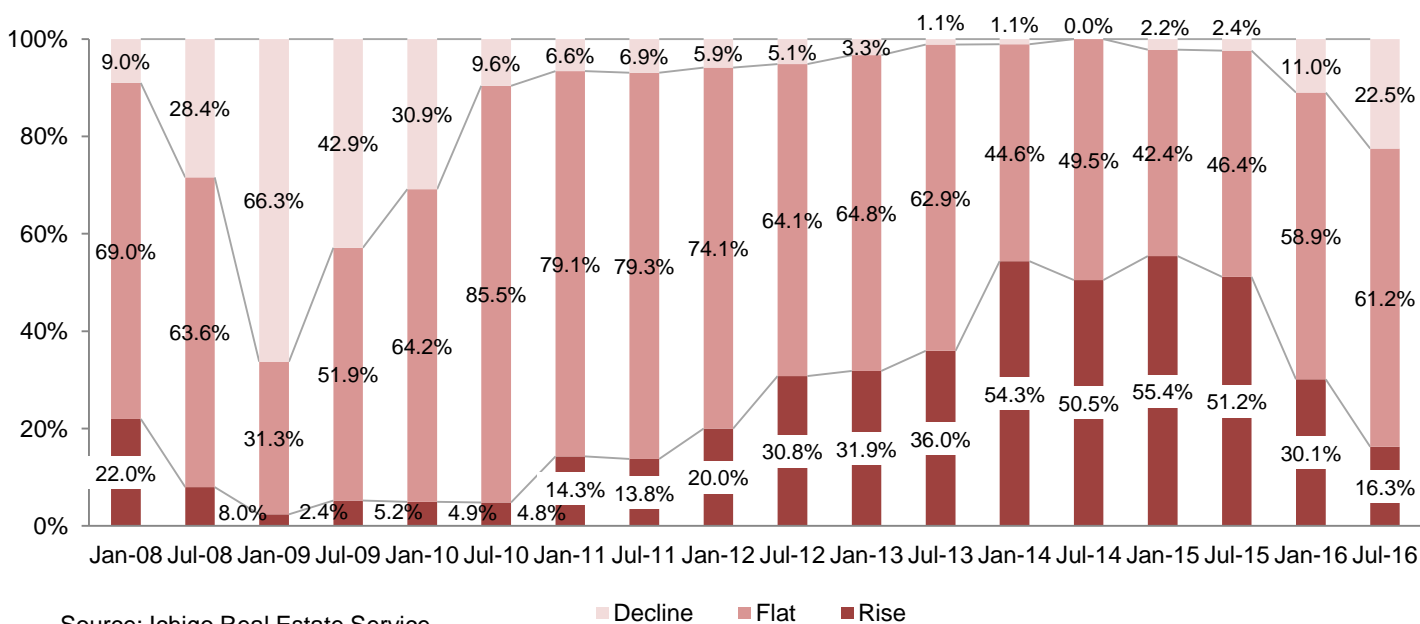
1. There is an increase in demand due to the prosperity of e-commerce.
2. There is an increase in rent prices because of the increasing development costs of land and construction.
3. There are only few high-spec logistics facilities, and the balance of supply and demand are continuously in tight level

The reasons for “Flat” is approximately a same in the previous survey result. The most cited reasons for “Flat” are as follows.

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

The number one reason of “Decline” is the option “The large supply of logistics facilities raised the competitiveness for finding new tenants”.

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



Source: Ichigo Real Estate Service

Decline Flat Rise

◆ Overview of Methodology of the Questionnaire Survey

➤ Summary of Questionnaire

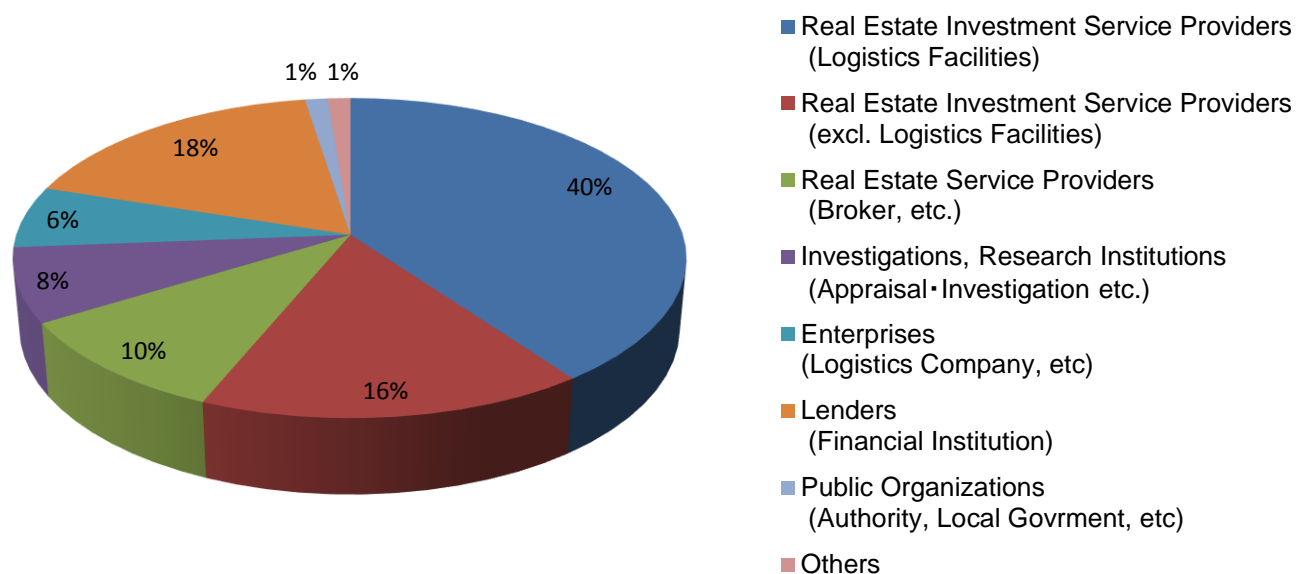
Survey Target : Practitioners and professionals associated to real estate.
(regardless involvement with logistics) .

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

Survey Period : July 20 to August 1, 2016

Respondents : 80

➤ Occupation Respondents



◆ Contact info

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