Greater Tokyo

The vacancy rate as of April 2017 slightly declined to 4.8%, down by 0.1 points from last January (Fig 1). The completions in this term were 229 thousand sqm. The net absorption in this term was 235 thousand sqm, exceeding completions for the second consecutive quarter (Fig 2).

The number of development project is increasing, especially the surrounding area of Ken-O expressway, Tokyo Outer Ring Road and Japan National Route 16. Development rush trend in greater Tokyo will highly likely to continue.

The asking rent as of April 2017 was 4,260 JPY/Tsubo, which has increased by 2.2% from the previous term. This is the third consecutive quarterly increase (Fig 3). Steady demand for high spec facilities in greater Tokyo is becoming obvious and this stream is leading to positive growth cycle in this term.

Figure1: Vacancy Overview in Greater Tokyo

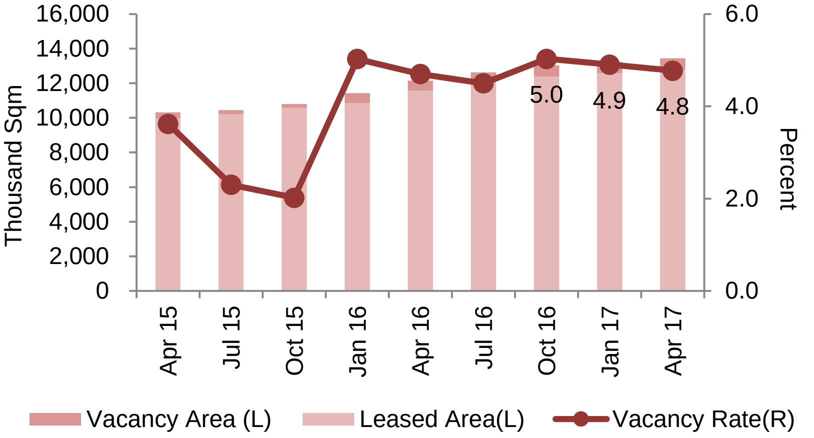


Figure2: Supply-Demand Balance in Greater Tokyo

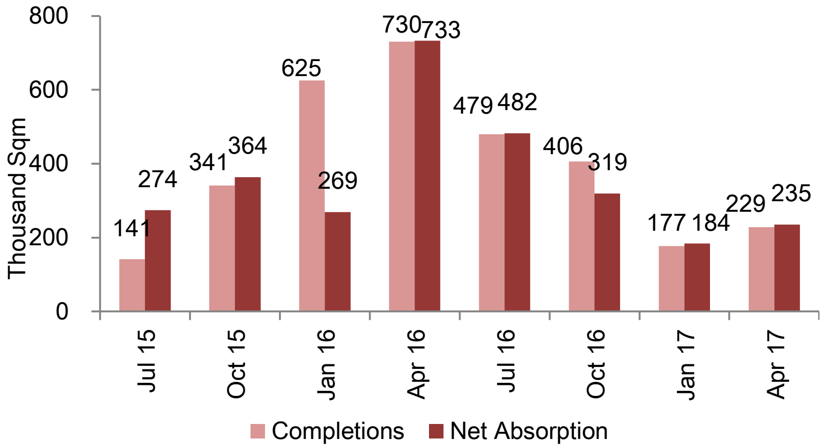
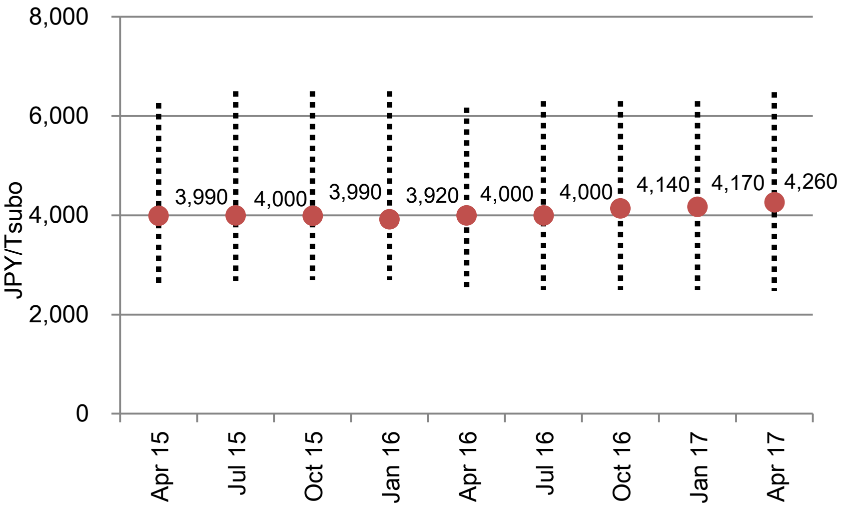


Figure3: Rent Overview in Greater Tokyo



Source: Ichigo Real Estate Service

◆ Kansai Area

The vacancy rate as of April 2017 has increased to 11.7%, up to 5.8 points from the previous term (Fig 4). The completions were 383 thousand sqm, setting a record high, and the net absorption was 117 thousand sqm. Same as in the last term, this low growth of net absorption led to the significant vacancy rate rise (Fig 5).

The asking rent as of April 2017 was 3,350 JPY/Tsubo, down by 2.9% from the previous term (Fig 6). Because of completions recorded highest ever, supply and demand balance is easing. However, stable demand for high spec facilities, which can make differentiation in availability of labor, will be expected.

Figure4: Vacancy Overview in Kansai Area

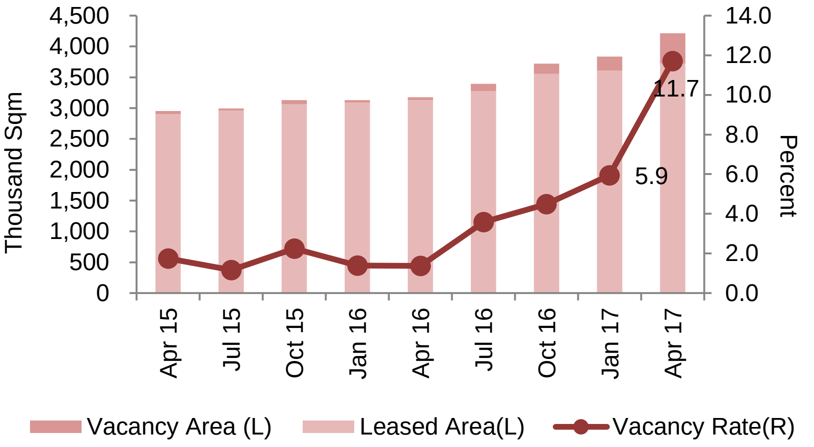


Figure5: Supply-Demand Balance in Kansai Area

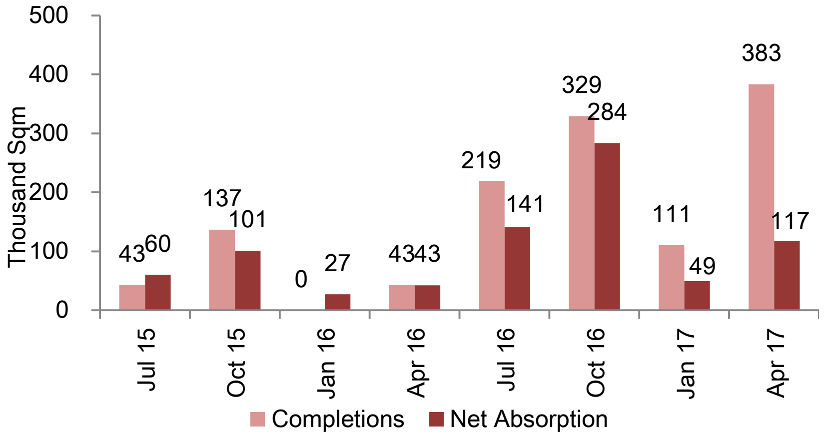
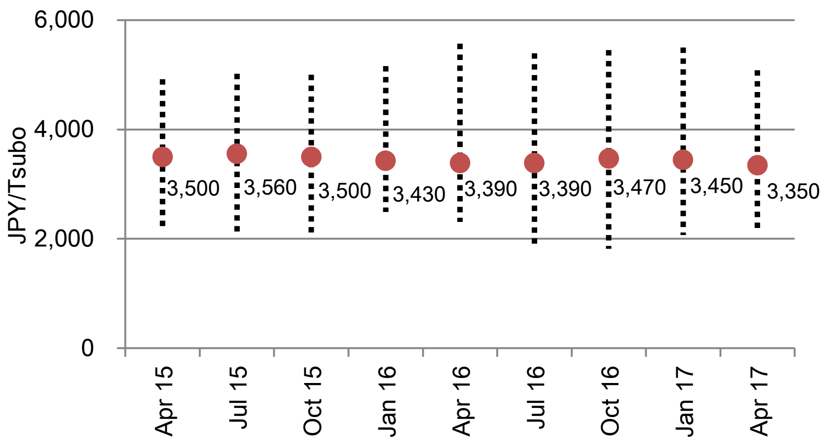


Figure6: Rent Overview in Kansai Area



Source: Ichigo Real Estate Service

◆ Data of Greater Tokyo

	Supply and Demand						
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	Asking Rent (JPY/Tsubo)
Jul-08	4,492	4,006	487	10.8	-	-	4,510
Oct-08	4,750	4,150	600	12.6	258	145	4,500
Jan-09	5,133	4,498	635	12.4	383	348	4,410
Apr-09	5,313	4,635	678	12.8	180	137	4,210
Jul-09	5,567	4,704	863	15.5	254	69	4,200
Oct-09	5,692	4,882	811	14.2	125	177	4,000
Jan-10	5,766	5,042	725	12.6	74	160	4,000
Apr-10	5,926	5,197	728	12.3	159	156	3,990
Jul-10	5,973	5,437	536	9.0	47	239	4,000
Oct-10	6,124	5,597	527	8.6	151	160	3,990
Jan-11	6,196	5,688	508	8.2	72	91	3,990
Apr-11	6,368	6,038	330	5.2	172	350	3,890
Jul-11	6,579	6,198	381	5.8	211	160	3,890
Oct-11	6,647	6,306	341	5.1	69	108	3,910
Jan-12	6,735	6,498	238	3.5	88	192	3,990
Apr-12	6,817	6,689	128	1.9	82	192	3,920
Jul-12	7,033	6,873	160	2.3	216	184	3,880
Oct-12	7,330	7,149	182	2.5	298	275	3,820
Jan-13	7,374	7,219	155	2.1	43	70	3,800
Apr-13	7,624	7,450	173	2.3	250	231	3,830
Jul-13	7,977	7,779	198	2.5	353	329	3,880
Oct-13	8,436	8,200	236	2.8	460	421	3,990
Jan-14	8,802	8,510	292	3.3	366	311	3,890
Apr-14	9,332	8,902	430	4.6	530	391	3,920
Jul-14	9,371	8,947	424	4.5	39	45	3,990
Oct-14	9,503	9,119	384	4.0	132	173	4,000
Jan-15	9,881	9,559	321	3.3	378	440	4,000
Apr-15	10,313	9,939	373	3.6	432	380	3,990
Jul-15	10,454	10,213	241	2.3	141	274	4,000
Oct-15	10,795	10,577	218	2.0	341	364	3,990
Jan-16	11,420	10,847	574	5.0	625	269	3,920
Apr-16	12,151	11,580	571	4.7	730	733	4,000
Jul-16	12,630	12,062	568	4.5	479	482	4,000
Oct-16	13,036	12,381	655	5.0	406	319	4,140
Jan-17	13,213	12,565	648	4.9	177	184	4,170
Apr-17	13,442	12,800	642	4.8	229	235	4,260

◆ Data of Kansai Area

	Supply and Demand						
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	Asking Rent (JPY/Tsubo)
Jul-08	1,815	1,604	211	11.6	-	-	3,970
Oct-08	1,815	1,634	181	10.0	0	30	3,800
Jan-09	1,815	1,640	176	9.7	0	6	3,920
Apr-09	1,932	1,699	232	12.0	117	60	3,820
Jul-09	2,007	1,775	232	11.6	75	75	3,630
Oct-09	2,007	1,821	186	9.3	0	46	3,500
Jan-10	2,007	1,812	195	9.7	0	-9	3,490
Apr-10	2,007	1,854	153	7.6	0	42	3,500
Jul-10	2,034	1,908	126	6.2	27	54	3,450
Oct-10	2,133	2,007	126	5.9	99	99	3,310
Jan-11	2,145	2,029	116	5.4	12	22	3,250
Apr-11	2,121	2,033	88	4.1	-24	4	3,230
Jul-11	2,121	2,037	84	4.0	0	4	3,200
Oct-11	2,115	2,038	77	3.6	-6	1	3,170
Jan-12	2,135	2,110	26	1.2	20	71	3,170
Apr-12	2,135	2,130	5	0.2	0	20	3,230
Jul-12	2,241	2,183	58	2.6	106	53	3,190
Oct-12	2,253	2,210	43	1.9	11	27	3,230
Jan-13	2,292	2,259	33	1.4	40	49	3,170
Apr-13	2,313	2,288	24	1.0	20	29	3,150
Jul-13	2,313	2,285	28	1.2	0	-3	3,200
Oct-13	2,352	2,335	17	0.7	40	50	3,200
Jan-14	2,460	2,450	11	0.4	108	115	3,210
Apr-14	2,590	2,571	20	0.8	130	121	3,240
Jul-14	2,678	2,664	14	0.5	88	94	3,300
Oct-14	2,791	2,765	25	0.9	112	101	3,390
Jan-15	2,939	2,867	71	2.4	148	102	3,490
Apr-15	2,953	2,901	52	1.7	14	34	3,500
Jul-15	2,996	2,961	35	1.2	43	60	3,560
Oct-15	3,133	3,062	70	2.2	137	101	3,500
Jan-16	3,133	3,089	43	1.4	0	27	3,430
Apr-16	3,175	3,132	44	1.4	43	43	3,390
Jul-16	3,395	3,273	122	3.6	219	141	3,390
Oct-16	3,724	3,557	167	4.5	329	284	3,470
Jan-17	3,834	3,606	228	5.9	111	49	3,450
Apr-17	4,218	3,724	494	11.7	383	117	3,350

◆ Technical Notes

➢ Supply-Demand Data

Greater Tokyo：

Number of Investigations: 319 logistics facilities with gross floor area over 10,000 sqm.

Investigated Area ：Greater Tokyo, including Ibaraki, Saitama, Chiba, Tokyo and Kanagawa.

Kansai Area:

Number of Investigations：80 logistics facilities with gross floor area over 10,000 sqm.

Investigated Area ：Kansai Area, including Kyoto, Osaka and Hyogo .

➢ Rent

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

➢ Periodic Revision of Database

Supply-Demand data released by Ichigo.Co., are revised periodically in Oct every year. All the samples that have changes are revised so as to keep the database as reflective of the current situation possible. These changes include facility owners (e.g. not for lease anymore), leasable area, and vacancy occurrence (or tenant change).

◆ Contact info

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