

◆ Greater Tokyo

The vacancy rate rose to 5.2% in October 2017(Fig 1). The completions in this term were 253 thousand sqm. The net absorption in this term was 199 thousand sqm and the balance was approximately stabled as in the case with the last term(Fig 2).

The fact that the completion in 2018 will be record over 2.5 million sqm will lead to concern about excessive supply situation. Though, with a steady demand for logistics and further improvements in the economy and market sentiment expected, the vacancy rate will increase slowly.

The asking rent as of October 2017 was 4,200 JPY/Tsubo, which has decreased by 1.9% from the previous term. It declined for the first time since July 2016(Fig 3). Higher quotation will remain at the same level from next year and beyond.

Figure1: Vacancy Overview in Greater Tokyo

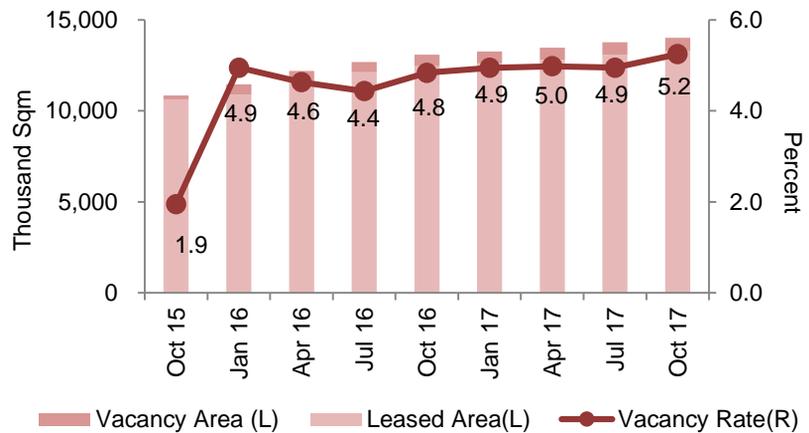


Figure2: Supply-Demand Balance in Greater Tokyo

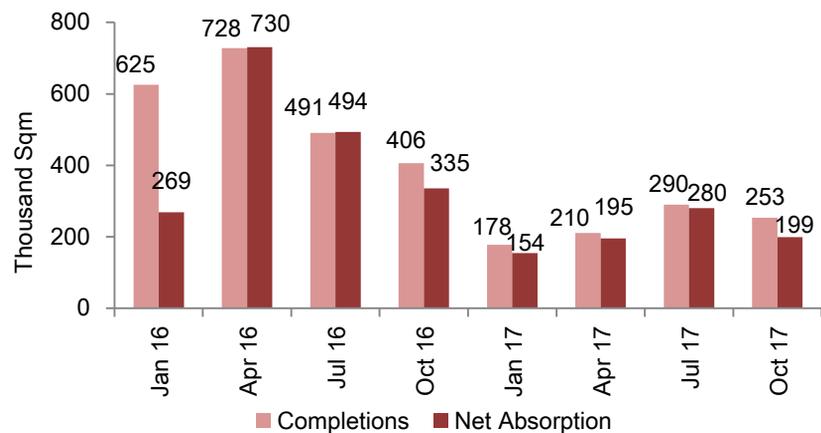
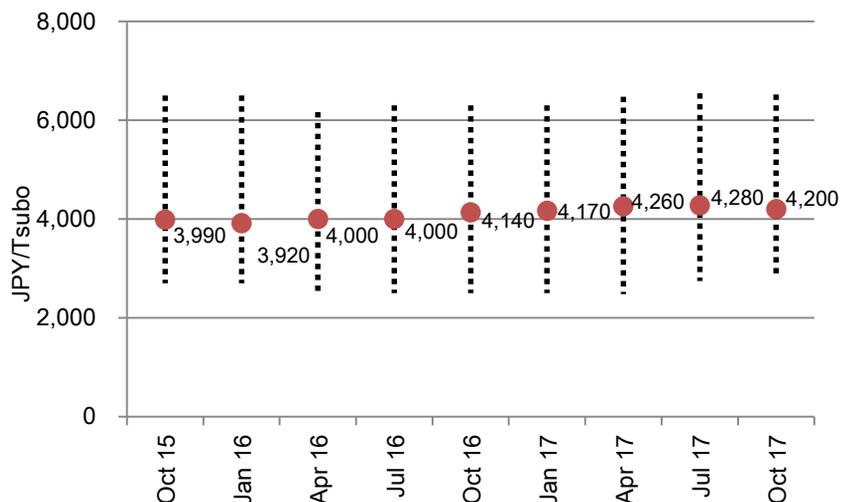


Figure3: Rent Overview in Greater Tokyo



Source: Ichigo Real Estate Service

◆ Kansai Area

The vacancy rate as of October 2017 has increased to 12.9%, up to 2.5 points from the previous term (Fig 4). The completions were 688 thousand sqm. It was the biggest volume when the survey was first taken. The net absorption of 488 thousand posted firm activity figures.(Fig 5).

In midland, there are many new project with smoothly prelease, supply and demand are balanced both now and in the future. But then in bay area, it takes longer time to increase occupancy rate, therefore vacancy rate will be going up continuously.

The asking rent as of October 2017 was 3,350 JPY/Tsubo, up to 1.2% from the previous term. In midland, market price is stable. But in the bay area, the asking rent varies a great deal by facilities (Fig 6).

Figure4: Vacancy Overview in Kansai Area

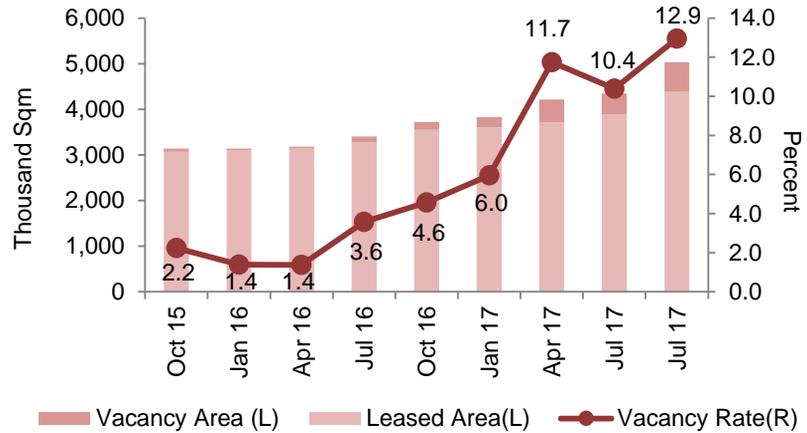


Figure5: Supply-Demand Balance in Kansai Area

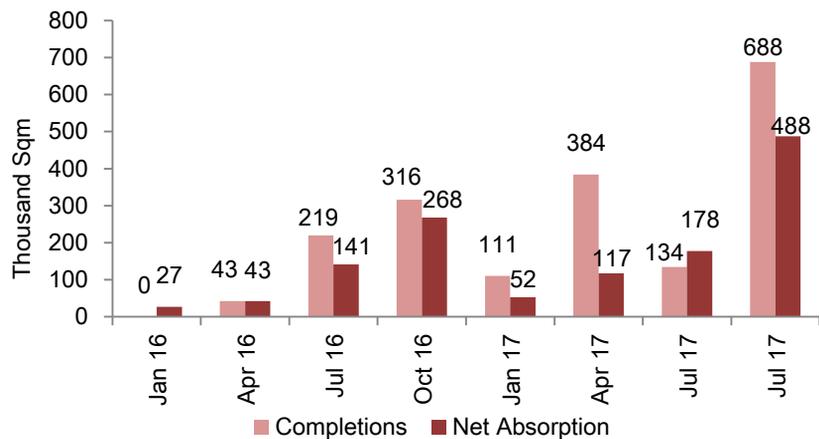
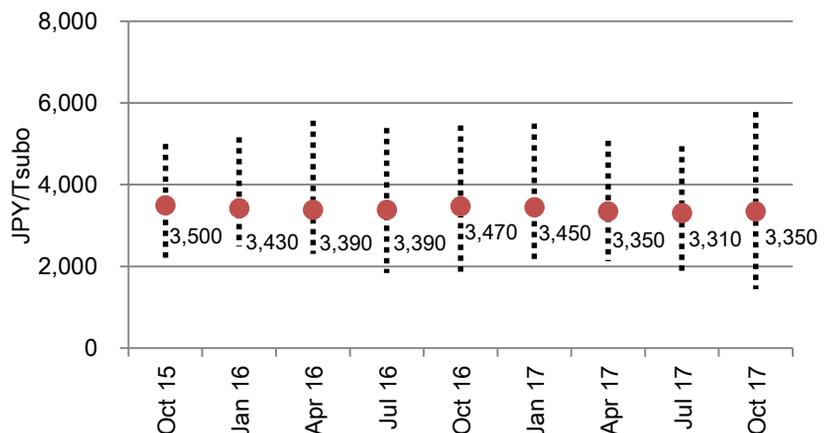


Figure6: Rent Overview in Kansai Area



Source: Ichigo Real Estate Service

◆ Data of Greater Tokyo

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	4,523	4,037	487	10.8	-	-	4,510
Oct-08	4,800	4,200	600	12.5	277	163	4,500
Jan-09	5,182	4,548	635	12.2	383	348	4,410
Apr-09	5,363	4,685	678	12.6	180	137	4,210
Jul-09	5,617	4,754	862	15.4	254	69	4,200
Oct-09	5,742	4,932	810	14.1	125	177	4,000
Jan-10	5,816	5,092	724	12.5	74	160	4,000
Apr-10	5,975	5,247	728	12.2	159	156	3,990
Jul-10	6,022	5,487	535	8.9	47	239	4,000
Oct-10	6,173	5,647	526	8.5	151	160	3,990
Jan-11	6,244	5,737	507	8.1	71	90	3,990
Apr-11	6,416	6,086	330	5.1	172	349	3,890
Jul-11	6,626	6,245	381	5.8	210	159	3,890
Oct-11	6,694	6,353	341	5.1	69	108	3,910
Jan-12	6,782	6,545	238	3.5	88	192	3,990
Apr-12	6,864	6,737	128	1.9	82	192	3,920
Jul-12	7,080	6,921	160	2.3	216	184	3,880
Oct-12	7,378	7,196	182	2.5	298	275	3,820
Jan-13	7,421	7,266	155	2.1	43	70	3,800
Apr-13	7,671	7,498	173	2.3	250	231	3,830
Jul-13	8,023	7,825	198	2.5	352	328	3,880
Oct-13	8,483	8,246	236	2.8	460	421	3,990
Jan-14	8,849	8,557	292	3.3	366	311	3,890
Apr-14	9,339	8,909	430	4.6	491	352	3,920
Jul-14	9,416	8,992	424	4.5	77	83	3,990
Oct-14	9,548	9,165	384	4.0	132	173	4,000
Jan-15	9,926	9,605	321	3.2	378	440	4,000
Apr-15	10,357	9,983	373	3.6	430	379	3,990
Jul-15	10,498	10,257	241	2.3	141	274	4,000
Oct-15	10,839	10,628	211	1.9	341	371	3,990
Jan-16	11,464	10,897	567	4.9	625	269	3,920
Apr-16	12,192	11,627	565	4.6	728	730	4,000
Jul-16	12,683	12,121	562	4.4	491	494	4,000
Oct-16	13,089	12,456	633	4.8	406	335	4,140
Jan-17	13,267	12,611	656	4.9	178	154	4,170
Apr-17	13,477	12,806	671	5.0	210	195	4,260
Jul-17	13,767	13,086	681	4.9	290	280	4,280
Oct-17	14,020	13,285	736	5.2	253	199	4,200

◆ Data of Kansai Area

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	1,823	1,612	211	11.6	-	-	3,970
Oct-08	1,823	1,642	181	9.9	0	30	3,800
Jan-09	1,823	1,647	176	9.6	0	6	3,920
Apr-09	1,940	1,707	233	12.0	117	60	3,820
Jul-09	2,015	1,782	232	11.5	75	75	3,630
Oct-09	2,015	1,829	186	9.2	0	46	3,500
Jan-10	2,015	1,820	195	9.7	0	-9	3,490
Apr-10	2,015	1,862	153	7.6	0	42	3,500
Jul-10	2,042	1,916	126	6.2	27	54	3,450
Oct-10	2,141	2,015	126	5.9	99	99	3,310
Jan-11	2,153	2,037	116	5.4	12	22	3,250
Apr-11	2,129	2,041	88	4.1	-24	4	3,230
Jul-11	2,129	2,045	84	4.0	0	4	3,200
Oct-11	2,123	2,046	77	3.6	-6	1	3,170
Jan-12	2,143	2,117	26	1.2	20	71	3,170
Apr-12	2,143	2,138	5	0.2	0	20	3,230
Jul-12	2,249	2,191	58	2.6	106	53	3,190
Oct-12	2,260	2,217	43	1.9	11	27	3,230
Jan-13	2,300	2,267	33	1.4	40	49	3,170
Apr-13	2,320	2,296	24	1.0	20	29	3,150
Jul-13	2,320	2,292	28	1.2	0	-3	3,200
Oct-13	2,360	2,342	17	0.7	40	50	3,200
Jan-14	2,468	2,457	11	0.4	108	115	3,210
Apr-14	2,598	2,578	20	0.8	130	121	3,240
Jul-14	2,686	2,672	14	0.5	88	94	3,300
Oct-14	2,798	2,773	25	0.9	112	101	3,390
Jan-15	2,946	2,875	71	2.4	148	102	3,490
Apr-15	2,960	2,909	52	1.7	14	34	3,500
Jul-15	3,003	2,969	35	1.2	43	60	3,560
Oct-15	3,140	3,070	70	2.2	137	101	3,500
Jan-16	3,140	3,097	43	1.4	0	27	3,430
Apr-16	3,183	3,139	44	1.4	43	43	3,390
Jul-16	3,402	3,280	122	3.6	219	141	3,390
Oct-16	3,718	3,548	170	4.6	316	268	3,470
Jan-17	3,829	3,601	228	6.0	111	52	3,450
Apr-17	4,213	3,718	495	11.7	384	117	3,350
Jul-17	4,347	3,896	452	10.4	134	178	3,310
Oct-17	5,035	4,383	652	12.9	688	488	3,350

◆ Technical Notes

➤ Supply-Demand Data

Greater Tokyo :

Number of Investigations: 331 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 : 89 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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