INDUSTRIAL MARKET RESEARCH October, 2019

◆ Greater Tokyo

The vacancy rate declined to 2.6%, down by 0.7 points from the previous term, in October 2019 (Fig 1). The completions in this term were 966 thousand sqm. The net absorption in this term was 1 million 75 thousand sqm, it was the biggest volume since July 2008 when the survey was first taken (Fig 2).

As is the case with this term, 2019's completions are 2 million 450 thousand sqm which is the biggest volume since 2008, and 2020's volume will be lower than the 2019's one. Unless uncontrollable circumstances occur, the supply and demand deterioration will not happen.

The asking rent as of October 2019 was 4,280 JPY/Tsubo, up 3.9% from the previous term (Fig 3). Optimistic outlook is spreading in the suburban areas such as Saitama south, Chiba west and the surrounding areas of Nation Route 16, as well as The bay area.

Figure1: Vacancy Overview in Greater Tokyo

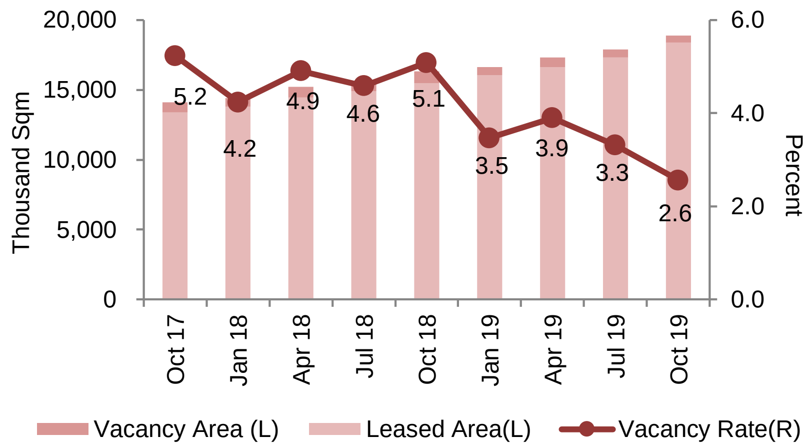


Figure2: Supply-Demand Balance in Greater Tokyo

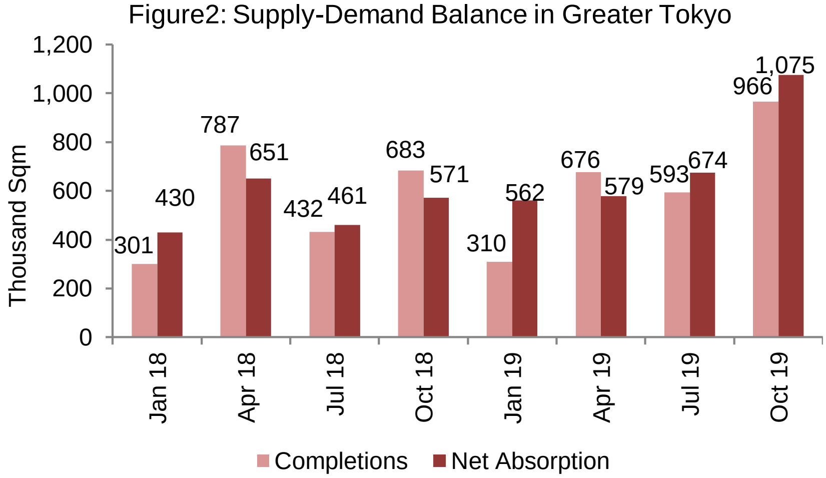
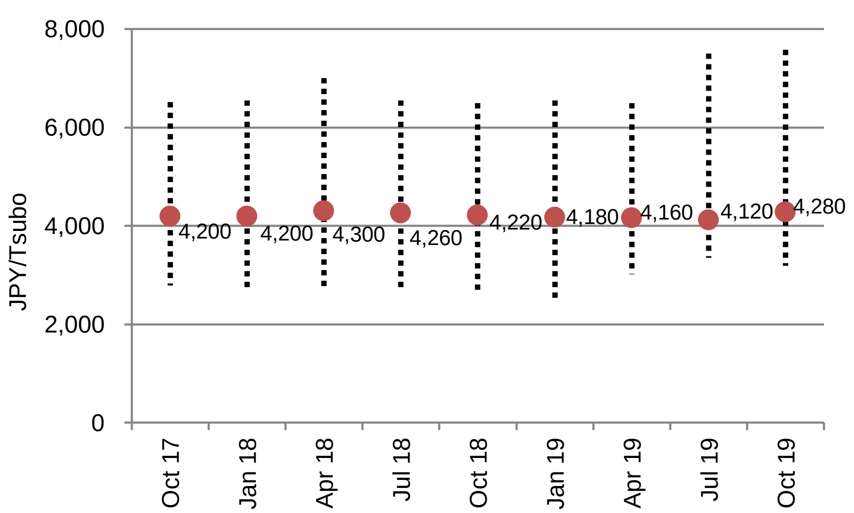


Figure3: Rent Overview in Greater Tokyo



Source: K.K. Ichigo Real Estate Service

◆ Kansai Area

The vacancy rate as of October 2019 declined to 3.2%, down by 1.1 point from the previous term (Fig 4). This marked the eighth consecutive decline. The completions in this term were 122 thousand sqm and the net absorption was 186 thousand sqm. The supply and demand balance is shifting from the stable phase to the tight phase.

The asking rent as of October 2019 was 3,560 JPY/Tsubo, down 1.7% from the previous term (Fig 6). Rent market balance is changing for the better in both the inland area and bay area, and a stable level will be kept for a while.

Figure4: Vacancy Overview in Kansai Area

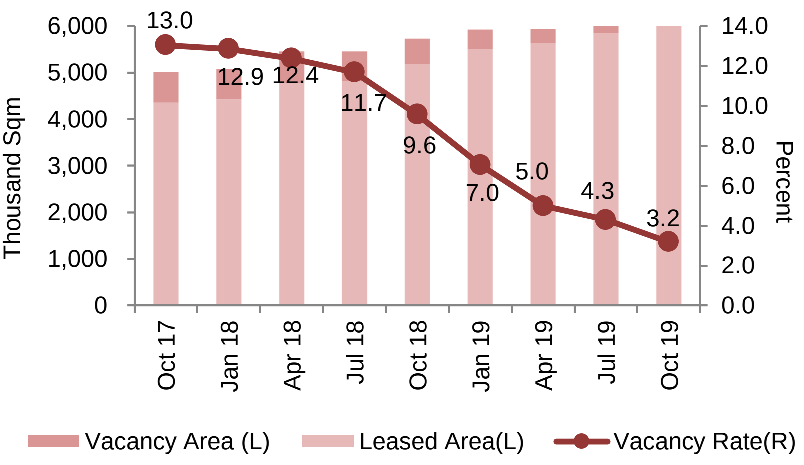


Figure5: Supply-Demand Balance in Kansai Area

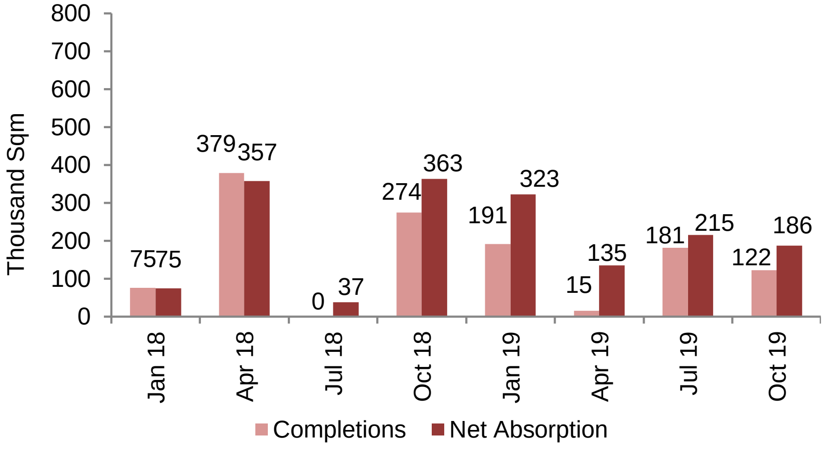
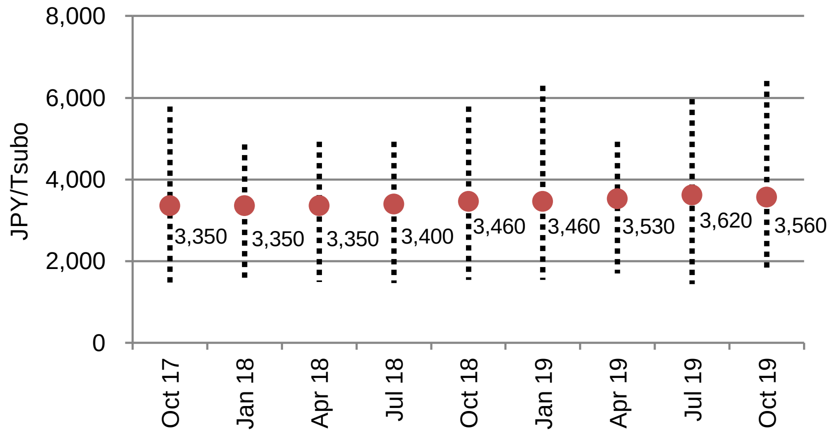


Figure6: Rent Overview in Kansai Area



Source: K.K. 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	4,547	4,061	487	10.7	-	-	4,510
Oct-08	4,824	4,224	600	12.4	277	163	4,500
Jan-09	5,221	4,587	635	12.2	398	363	4,410
Apr-09	5,402	4,724	678	12.5	180	137	4,210
Jul-09	5,656	4,793	862	15.2	254	69	4,200
Oct-09	5,781	4,971	810	14.0	125	177	4,000
Jan-10	5,855	5,131	724	12.4	74	160	4,000
Apr-10	6,014	5,286	728	12.1	159	156	3,990
Jul-10	6,061	5,526	535	8.8	47	239	4,000
Oct-10	6,209	5,683	526	8.5	148	157	3,990
Jan-11	6,280	5,773	507	8.1	71	90	3,990
Apr-11	6,452	6,122	330	5.1	172	349	3,890
Jul-11	6,662	6,281	381	5.7	210	159	3,890
Oct-11	6,730	6,389	341	5.1	69	108	3,910
Jan-12	6,821	6,583	238	3.5	90	194	3,990
Apr-12	6,902	6,775	128	1.8	82	192	3,920
Jul-12	7,119	6,959	160	2.2	216	184	3,880
Oct-12	7,416	7,234	182	2.5	298	275	3,820
Jan-13	7,460	7,305	155	2.1	43	70	3,800
Apr-13	7,709	7,536	173	2.3	250	231	3,830
Jul-13	8,061	7,864	198	2.5	352	328	3,880
Oct-13	8,521	8,285	236	2.8	460	421	3,990
Jan-14	8,887	8,596	292	3.3	366	311	3,890
Apr-14	9,374	8,944	430	4.6	487	348	3,920
Jul-14	9,451	9,027	424	4.5	77	83	3,990
Oct-14	9,583	9,199	384	4.0	132	173	4,000
Jan-15	9,961	9,639	321	3.2	378	440	4,000
Apr-15	10,390	10,016	373	3.6	429	377	3,990
Jul-15	10,531	10,290	240	2.3	141	274	4,000
Oct-15	10,872	10,661	211	1.9	341	371	3,990
Jan-16	11,497	10,930	567	4.9	625	269	3,920
Apr-16	12,225	11,662	563	4.6	728	732	4,000
Jul-16	12,706	12,144	562	4.4	481	481	4,000
Oct-16	13,114	12,479	635	4.8	408	335	4,140
Jan-17	13,292	12,633	659	5.0	178	155	4,170
Apr-17	13,506	12,833	673	5.0	214	199	4,260
Jul-17	13,835	13,153	682	4.9	329	320	4,280
Oct-17	14,118	13,380	739	5.2	284	227	4,200
Jan-18	14,420	13,809	610	4.2	301	430	4,200
Apr-18	15,207	14,460	746	4.9	787	651	4,300
Jul-18	15,638	14,921	717	4.6	432	461	4,260
Oct-18	16,321	15,492	829	5.1	683	571	4,220
Jan-19	16,631	16,054	577	3.5	310	562	4,180
Apr-19	17,307	16,633	674	3.9	676	579	4,160
Jul-19	17,900	17,308	593	3.3	593	674	4,120
Oct-19	18,866	18,382	484	2.6	966	1,075	4,280

◆ 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	1,812	1,600	211	11.7	-	-	3,970
Oct-08	1,812	1,630	181	10.0	0	30	3,800
Jan-09	1,812	1,636	176	9.7	0	6	3,920
Apr-09	1,928	1,700	229	11.9	117	64	3,820
Jul-09	2,004	1,773	230	11.5	75	73	3,630
Oct-09	2,004	1,819	184	9.2	0	46	3,500
Jan-10	2,004	1,811	193	9.6	0	-9	3,490
Apr-10	2,004	1,851	153	7.6	0	40	3,500
Jul-10	2,030	1,905	126	6.2	27	54	3,450
Oct-10	2,129	2,004	126	5.9	99	99	3,310
Jan-11	2,142	2,025	116	5.4	12	22	3,250
Apr-11	2,118	2,030	88	4.1	-24	4	3,230
Jul-11	2,118	2,033	84	4.0	0	4	3,200
Oct-11	2,112	2,035	77	3.6	-6	1	3,170
Jan-12	2,132	2,106	26	1.2	20	71	3,170
Apr-12	2,132	2,126	5	0.2	0	20	3,230
Jul-12	2,238	2,179	58	2.6	106	53	3,190
Oct-12	2,249	2,206	43	1.9	11	27	3,230
Jan-13	2,288	2,255	33	1.4	40	49	3,170
Apr-13	2,309	2,285	24	1.0	20	29	3,150
Jul-13	2,309	2,281	28	1.2	0	-3	3,200
Oct-13	2,348	2,331	17	0.7	40	50	3,200
Jan-14	2,456	2,446	11	0.4	108	115	3,210
Apr-14	2,586	2,567	20	0.8	130	121	3,240
Jul-14	2,675	2,660	14	0.5	88	94	3,300
Oct-14	2,787	2,762	25	0.9	112	101	3,390
Jan-15	2,935	2,864	71	2.4	148	102	3,490
Apr-15	2,949	2,897	52	1.7	14	34	3,500
Jul-15	2,992	2,957	35	1.2	43	60	3,560
Oct-15	3,129	3,058	70	2.3	137	101	3,500
Jan-16	3,129	3,085	43	1.4	0	27	3,430
Apr-16	3,171	3,128	44	1.4	43	43	3,390
Jul-16	3,371	3,250	122	3.6	200	122	3,390
Oct-16	3,687	3,535	152	4.1	316	286	3,470
Jan-17	3,798	3,588	210	5.5	111	52	3,450
Apr-17	4,182	3,687	495	11.8	384	99	3,350
Jul-17	4,315	3,863	452	10.5	133	176	3,310
Oct-17	5,003	4,351	652	13.0	688	488	3,350
Jan-18	5,078	4,425	653	12.9	75	75	3,350
Apr-18	5,457	4,782	675	12.4	379	357	3,350
Jul-18	5,457	4,820	637	11.7	0	37	3,400
Oct-18	5,731	5,183	548	9.6	274	363	3,460
Jan-19	5,922	5,505	417	7.0	191	323	3,460
Apr-19	5,937	5,641	296	5.0	15	135	3,530
Jul-19	6,118	5,856	262	4.3	181	215	3,620
Oct-19	6,240	6,042	198	3.2	122	186	3,560

◆ Technical Notes

➢ Supply-Demand Data

Greater Tokyo：

Number of Investigations: 424 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： 116 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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