

## 1. Outlook for Price

A questionnaire survey about “Outlook for Logistics Market Conditions” is conducted semi-annually.

The results of January 2022’s survey of the outlook of real estate prices for the next six months are the following percentages: “Rise” is at 66.3%, “Flat” is at 33.7%, and “Decline” is at 0% (Fig 1). The ratio of respondents that chose “Flat” has increased, but the positive outlook still has dominated with two-thirds of respondents that choose “Rise”.

The top four reasons for the “Rise” cited by respondents are listed below:

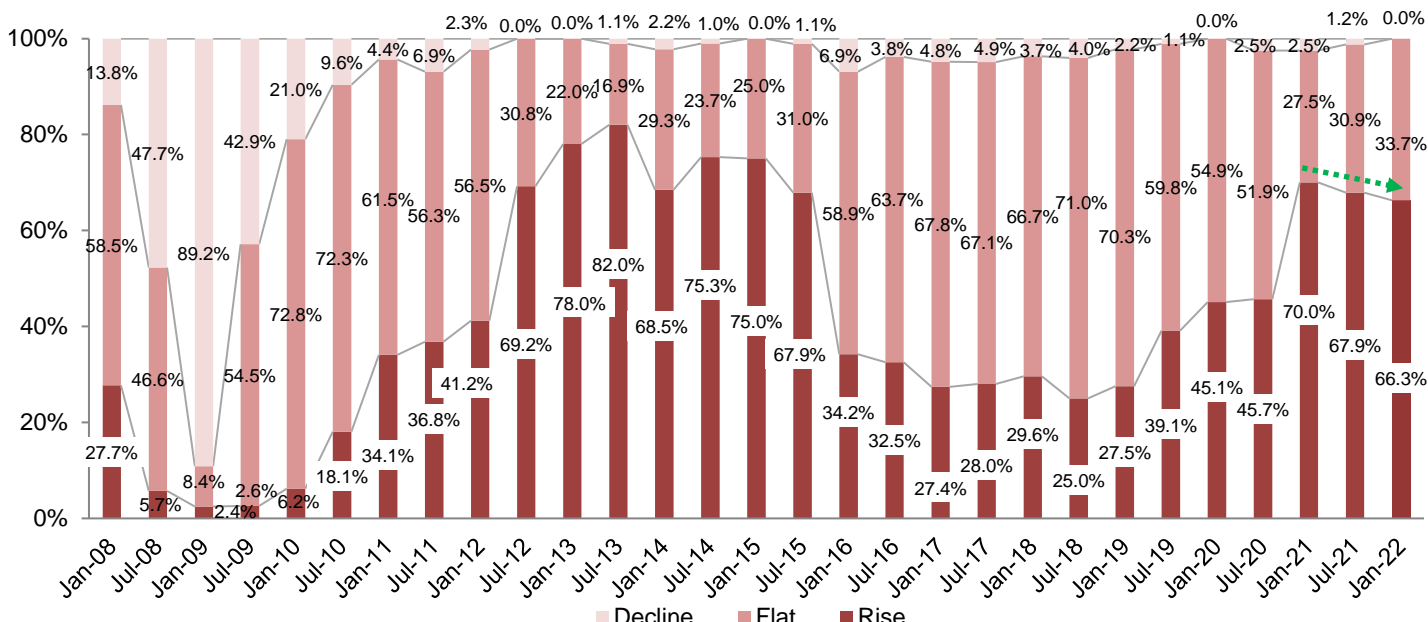
1. The number of investors targeting logistics facilities rose under the influence of the COVID-19, and the competition for purchasing them is getting intense.
2. The market is becoming more active since logistics facilities have attracted more attention due to the COVID-19.
3. The financing environment is in good condition, and it is easy to raise funds.
4. The construction costs for logistics facilities are increasing.\*<sup>1</sup>

The top three reasons for the “Flat” cited by respondents are given below:

1. It is not expected that the capitalization rates will decline further.
2. There are no significant changes in the market outlook of the rent level.
3. Since the market is overheating, market players refrain from investing in logistics facilities.

No respondents chose “Decline.”

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



## 2. Outlook for Rent

The results of January 2022's survey of the outlook of rent for the next six months are the following percentages: "Rise" is at 44.2%, "Flat" is at 52.6%, and "Decline" is at 3.2% (Fig 2). The ratio of respondents that chose "Rise" has decreased. Rents have been increasing due to the COVID-19, but the upward pressure is beginning to slow down.

The top three reasons for the "Rise" cited by respondents are given below:

1. As the land prices and other development costs rise, the rent has increased to reflect those additional costs.
2. The demand for e-commerce will expand further due to the COVID-19.
3. Strong demand is expected to grow in various industries such as groceries and medical supplies.

The top three reasons for the "Flat" cited by respondents are given below:

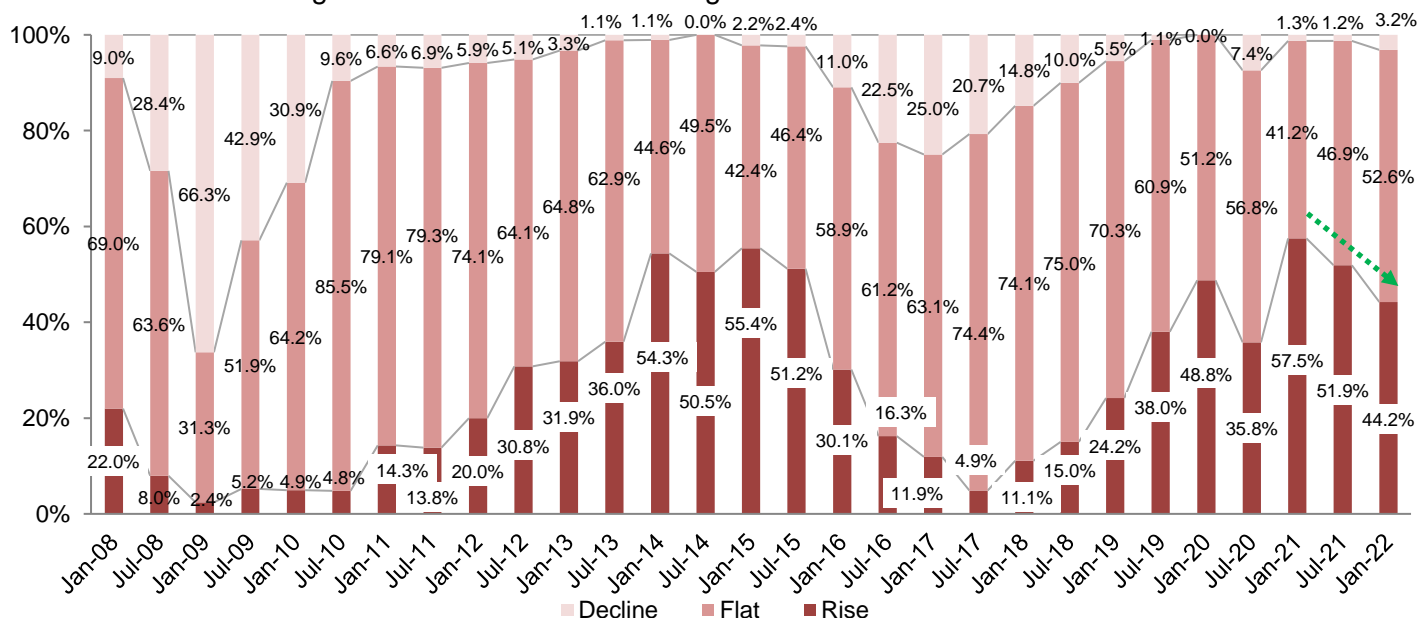
1. The supply from new developments and the demand for logistics facilities are in balance.
2. There are signs that the increases in the rent will come to an end.
3. Factors that cause rent to increase and decrease are competing with one another so that the rental price remains flat.

The top reason for the "Decline" cited by respondents is given below:

1. Competition for finding tenants will intensify due to the massive supply of logistics facilities

Currently, there is a continuing rush of development of logistics facilities. This survey suggests that those who answered that rents for logistics facilities remain flat or do not increase are concerned about the massive supply.

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



Source: Ichigo Real Estate Service

## ◆ Overview of Methodology of the Questionnaire Survey

### ➤ Summary of Questionnaire

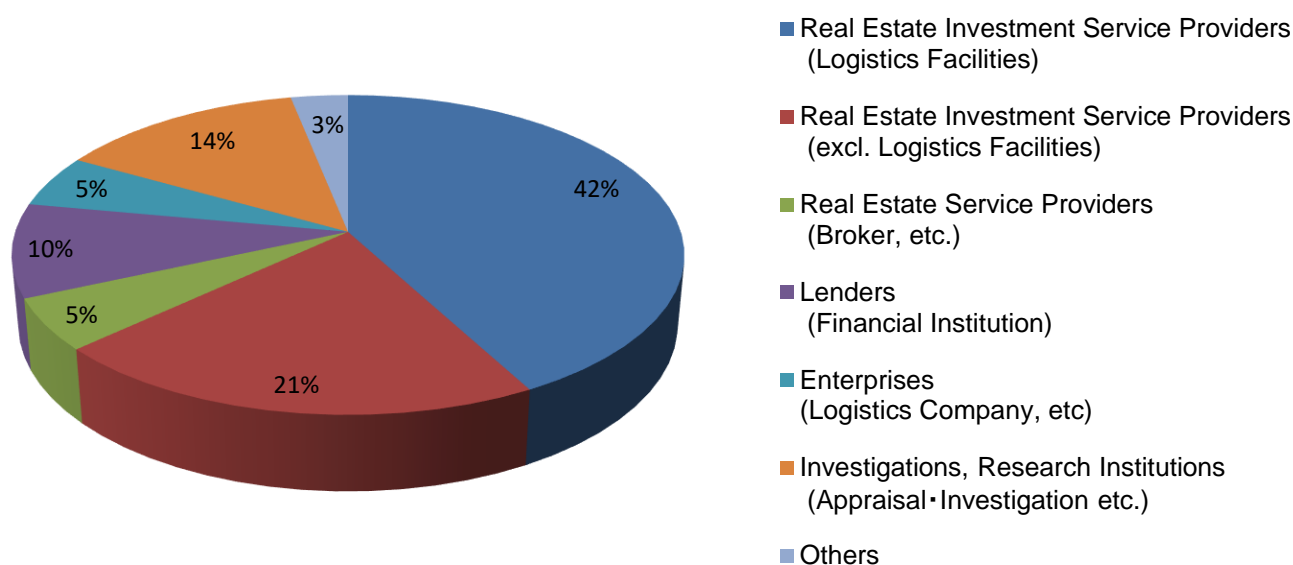
Survey Target : Practitioners and professionals associated with real estate.  
( regardless of involvement with logistics ) .

Survey Method : Questionnaires were sent via e-mail.  
Response forms were collected via e-mail and website.

Survey Period : January 25 to 31, 2022

Respondents : 95

### ➤ Occupation Respondents



## ◆ Contact info

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