

Industrial Market Research January 2025

【Greater Tokyo】

Vacancy Rate: 9.0% (QoQ +0.4%) Asking Rent: 4,700 JPY/Tsubo (QoQ -1.7%)

[Summary] The vacancy rate in Greater Tokyo has been continuously rising, while the asking rent have been declining for three consecutive quarters.

【Kansai Area】

Vacancy Rate: 3.6% (QoQ +-0%) Asking Rent: 4,230JPY/Tsubo (QoQ +1.7%)

[Summary] The demand-supply balance in Kansai Area is stable, while the asking rent is rising slightly.

【Chukyo Area】

Vacancy Rate: 11.0% (QoQ -0.6%) Asking Rent: 3,160JPY/Tsubo (QoQ -1.3%)

[Summary] The new supply in Chukyo Area in 2025 is expected to reach a record high, and the vacancy rate is expected to remain high.

【Kyushu Area】

Vacancy Rate: 3.2% (QoQ -0.3%) Asking Rent: 3,300JPY/Tsubo (QoQ +0.6%)

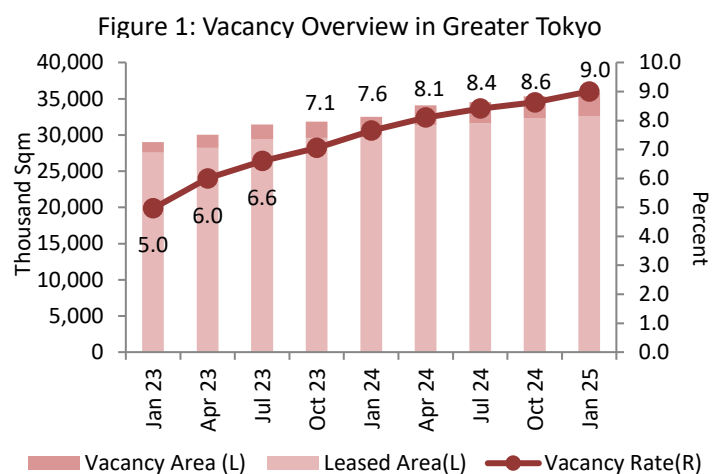
[Summary] The vacancy rate in Kyushu Area is low, the rental market is strong, and rents remain stable.

1. The Rental Market of Greater Tokyo

1.1. Trend of Supply and Demand

As of January 2025, the vacancy rate in Greater Tokyo is 9.0%, a increase of 0.4% from 8.6% in the previous survey (Fig. 1). In the current period (November 2024 to January 2025), 12 properties were newly completed, resulting in a new supply of 427 thousand sqm. However, with only three properties operating at full occupancy, new demand remained low at 256 thousand sqm, taking a longer time to realize the supply-demand balance (Fig. 2).

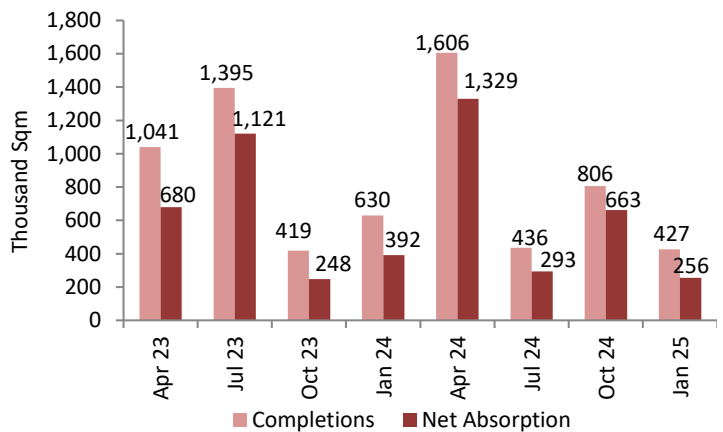
In the Greater Tokyo Area, rental market conditions vary by location. The coastal areas remain generally stable, and even in the Tokyo Bay Area, where rents are high, the leasing progress has been smooth in some



Source: K.K. Ichigo Real Estate Service

cases. On the other hand, the leasing progress in inland areas, particularly in the suburban areas that mainly rely on the Ken-O Expressway, continues to struggle. Our survey, released on the 19th of this month, also highlighted concerns about potential rent reductions for properties facing leasing difficulties. In cases that are facing leasing difficulties, there is a possibility that sales will become more active instead of rentals. As a result, the areas around the Ken-O Expressway are increasingly drawing the attention of market participants.

Figure 2: Supply-Demand Balance in Greater Tokyo



Source: K.K. Ichigo Real Estate Service

Figure 3: Major Rental Logistics Facilities Completed in the Greater Tokyo This Term (November 2024 – January 2025)

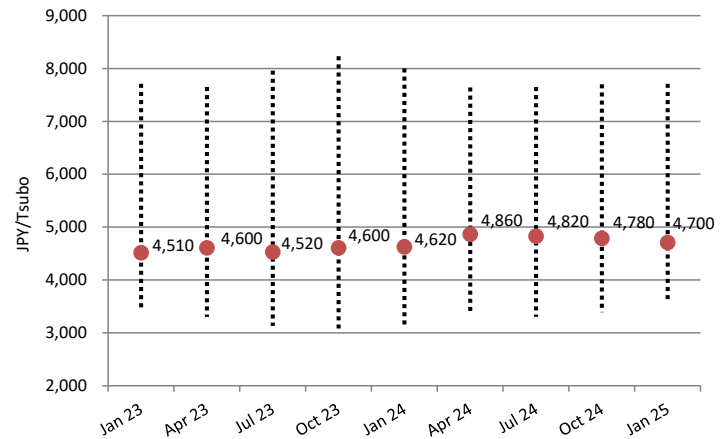
No.	Developer	Facility	Location	Overview
1	LaSalle Investment Management K.K.	AVC SQUARE	Tokyo, Koto-ku, Shinonome 2-9-12	Structure & Floors: Steel structure, 4 stories Total Floor Area: 13,885.32 sqm Completion Date: November 2024
2	Mitsubishi Estate Co., Ltd.	LogiCross Atsugi III	Kanagawa, Atsugi City, Kameichi 3029-3	Structure & Floors: Partially reinforced concrete and steel structure, 4 stories Total Floor Area: 52,900 sqm Completion Date: November 2024
3	Mitsubishi Corporation Urban Development, Inc.	MCUD Kuki II	Saitama, Kuki City, Ezura, Aza Higashimaeya 340-1 and others	Structure & Floors: Steel structure, 4 stories Total Floor Area: Approximately 31,351.16 sqm Completion Date: December 2024
4	GLP Japan Inc.	GLP Tokorozawa	Saitama, Tokorozawa City, Oaza Minaminagai 514	Structure & Floors: Partially reinforced concrete and steel structure, 4 stories Total Floor Area: 27,902.59 sqm Completion Date: November 2024
5	CREDO Asset Management Co., Ltd. / Sotetsu Urban Creates Co., Ltd.	CREDO Hamura	Tokyo, Hamura City, Shimmeidai 2-6-13	Structure & Floors: Steel structure, 4 stories Total Floor Area: 15,272 sqm Completion Date: December 2024
6	Prologis, Inc.	Prologis Park Koga 6	Ibaraki, Koga City, Kitatone 16	Structure & Floors: Steel structure, single-story (8 buildings) Site Area: Approximately 21,100 sqm Total Floor Area: Approximately 8,900 sqm Completion Date: December 2024
7	Cushman & Wakefield K.K.	LF Sakai-Koga	Ibaraki, Sashima District, Sakai Town, Shimokobashi 838-3	Structure & Floors: Steel structure, 4 stories Total Floor Area: 113,291 sqm Completion Date: January 2025
8	Cushman & Wakefield K.K.	LF Yatabe	Ibaraki, Tsukuba City, Midorino Minami 21-1 and others	Structure & Floors: Partially reinforced concrete and steel structure, 4 stories Total Floor Area: 80,873 sqm Completion Date: January 2025
9	Kajima Corporation	KALOC Minami-Rokugo	Tokyo, Ota-ku, Minami Rokugo 3-12-2	Structure & Floors: Partially reinforced concrete and steel structure, 4 stories Total Floor Area: 22,718.77 sqm Completion Date: January 2025

Source: K.K. Ichigo Real Estate Service

1.2. Trend of Rent

As of January 2025, the asking rent in Greater Tokyo is 4,700 JPY/Tsubo, a decrease of 80 JPY/Tsubo from the 4,780 JPY/Tsubo of the previous survey (minus 1.7%, Fig. 4). The rent has been on a downward trend for three consecutive quarters since April 2024, when the rent was 4,860 JPY/Tsubo. The vacancy rate continues to rise, with few signs of rent increasing.

Figure 4: Rent Overview in Greater Tokyo



Source: K.K. Ichigo Real Estate Service

Note: The dotted lines connect the top 10% and bottom 10% of rental samples for each period, indicating the variability in rental prices.

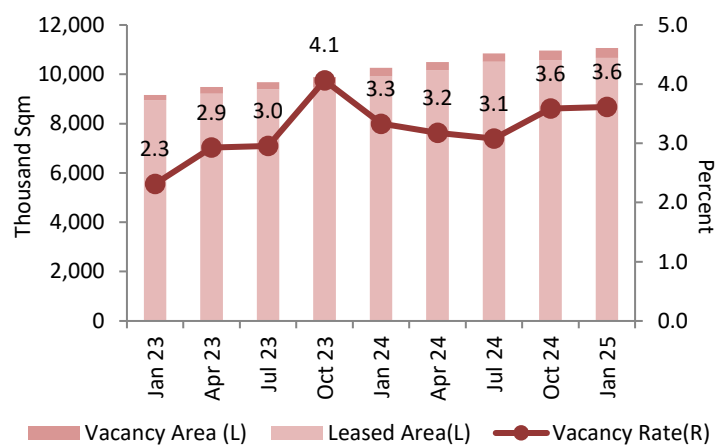
2. The Rental Market of Kansai Area

2.1. Trend of Supply and Demand

As of January 2025, the vacancy rate in the Kansai Area is 3.6%, remaining flat from the previous survey (Fig. 5). In the current period (November 2024 to January 2025), only two properties were newly completed, leaving a new supply of 103 thousand sqm in a low level. While the new demand is 96 thousand sqm, roughly matching the new supply, an equal supply-demand balance is continued (Fig. 6,7).

Construction is ongoing on the New Meishin Expressway sections between "Takatsuki JCT - Yawata-Kyotanabe JCT" and "Joyo JCT - Otsu JCT." In the Kansai Area, many logistics facility development plans have been based on this road infrastructure project. However, in recent years, new developments have also

Figure 5: Vacancy Overview in Kansai Area

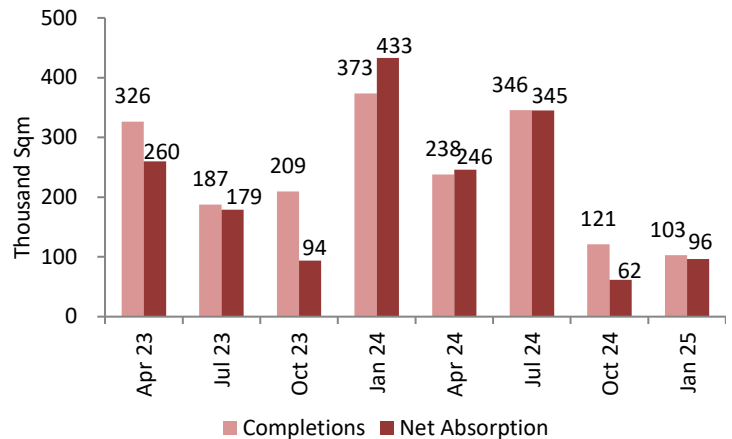


Source: K.K. Ichigo Real Estate Service

been increasing in coastal areas from Osaka City to Kobe City, as well as in inland areas such as the Kawachi area, with a smooth leasing progress.

In Kansai Area, new supply in 2025 is expected to reach a record high, leading to an increase in the vacancy rate. However, considering the strong demand, the increasing in the vacancy rate is expected to be gradual, and the rental market will be stable.

Figure 6: Supply-Demand Balance in Kansai Area



Source: K.K. Ichigo Real Estate Service

Figure 7: Major Rental Logistics Facilities Completed in the Kansai Area This Term (November 2024 – January 2025)

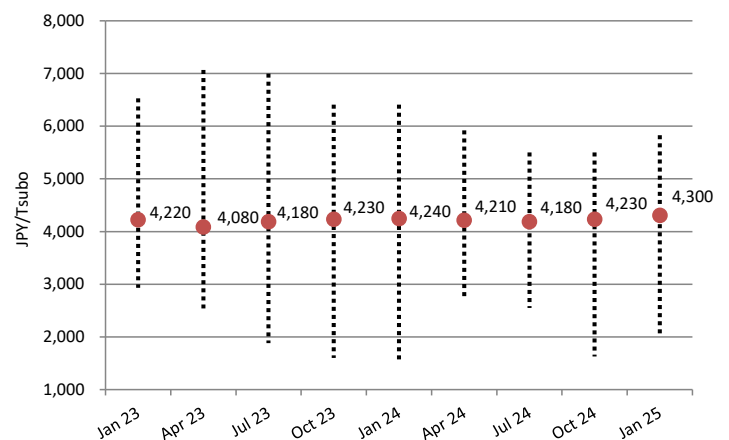
No.	Developer	Facility	Location	Overview
1	Industrial & Instructure Fund Investment Corporation	IIF Hyogo Sanda Logistics Center II	Hyogo, Sanda City, Techno Park 39-1 and others	Structure & Floors: Steel and Steel-Reinforced Concrete structure, 4 stories Total Floor Area: 32,374.18 m ² Completion Date: November 2024
2	Mitsui & Co., Ltd. / Haseko Corporation	LOGIBASE Ibaraki Saito	Osaka, Ibaraki City, Saito Hanada 2-3	Structure & Floors: Partially Reinforced Concrete and Steel structure, 6 stories Total Floor Area: 89,967 m ² Completion Date: January 2025

Source: K.K. Ichigo Real Estate Service

2.2. Trend of Rent

As of January 2025, the asking rent in the Kansai Area is 4,300 JPY/Tsubo, a increase of 70 JPY/Tsubo from the 4,230 JPY/Tsubo in the previous survey (plus 1.7%, Fig. 4). Supported by a stable supply-demand balance, the asking rent in Kansai Area is gradually increasing. Besides, with rising construction costs, the asking rents for newly developed properties are increasing.

Figure 8: Rent Overview in Kansai Area



Source: K.K. Ichigo Real Estate Service

Note: The dotted lines connect the top 10% and bottom 10% of rental samples for each period, indicating the variability in rental prices.

3. The Rental Market of Chukyo Area

3.1. Trend of Supply and Demand

The Chukyo Area includes Aichi, Gifu and Mie. As of January 2025, the vacancy rate in Chukyo Area is 11.0%, a decrease of 0.6% from the 11.6% of the previous survey (Fig. 9). In the current period (November 2024 to January 2025), there is no newly completed property, and the leasing progress for existing properties has slightly improved, with new demand reaching 23 thousand sqm (Fig. 10).

In the Chukyo Area, multiple large-scale rental logistics facilities will be completed continuously in 2025. While these projects are in prime locations and highly competitive in the market, a certain vacancy rate is expected. As a result, the overall vacancy rate in the Chukyo Area is expected to remain high.

3.2. Trend of Rent

As of January 2025, the asking rent in Chukyo Area is 3,120 JPY/Tsubo, a decrease of 40 JPY/Tsubo from the 3,160 JPY/Tsubo of previous survey (minus 1.3%, Fig. 11). Asking rents in the Chukyo Area have been floating within the range of 3,100 to 3,200 JPY/Tsubo, showing no significant change.

Figure 9: Vacancy Overview in Chukyo Area

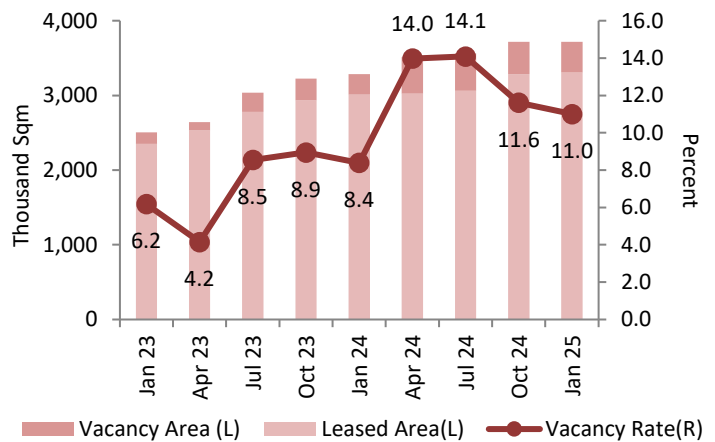


Figure 10: Supply-Demand Balance in Chukyo Area

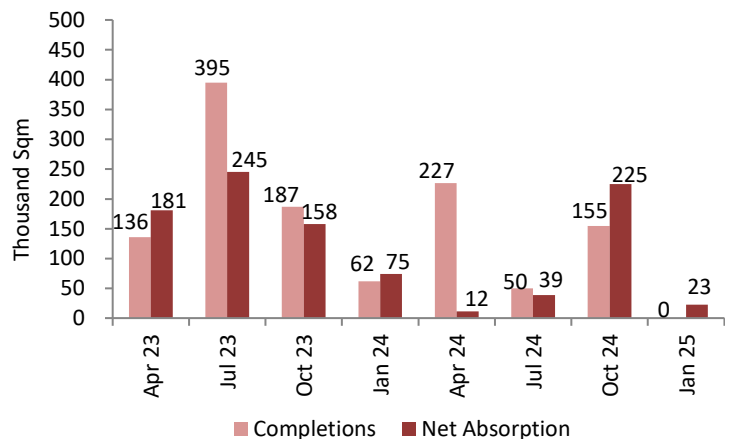
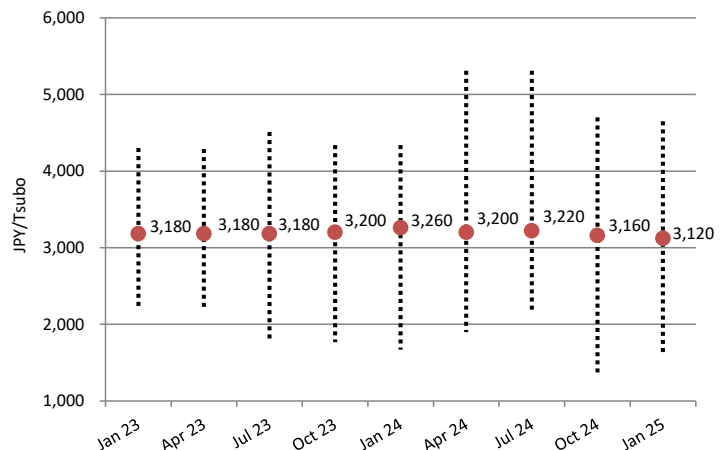


Figure 11: Rent Overview in Chukyo Area



Source: K.K. Ichigo Real Estate Service

Note: The dotted lines connect the top 10% and bottom 10% of rental samples for each period, indicating the variability in rental prices.

4. The Rental Market of Kyushu Area

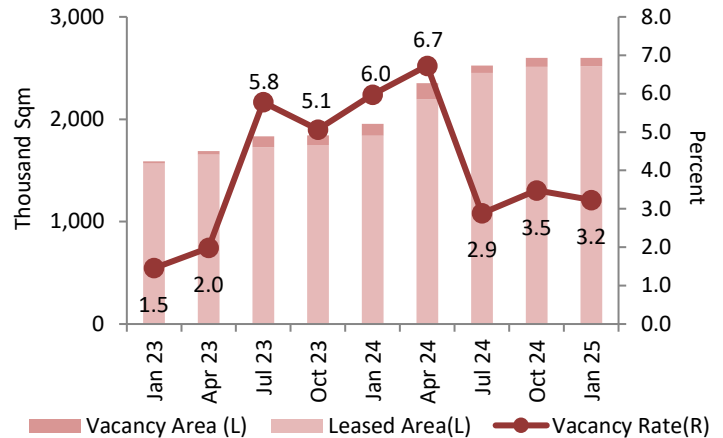
4.1. Trend of Supply and Demand

Kyushu Area includes Fukuoka and Saga. As of January 2025, the vacancy rate in Kyushu Area is 3.2%, a decrease of 0.3% from the 3.5% of the previous survey (Fig. 12). In the current period (November 2024 to January 2025), there is no newly completed property, and the leasing progress for existing properties has slightly improved (Fig. 13). Demand in Kyushu Area remains strong, and with fewer than 10 new developments planned for 2025, supply will remain at a stable level. As a result, the rental market is expected to remain in a positive situation.

4.2. Trend of Rent

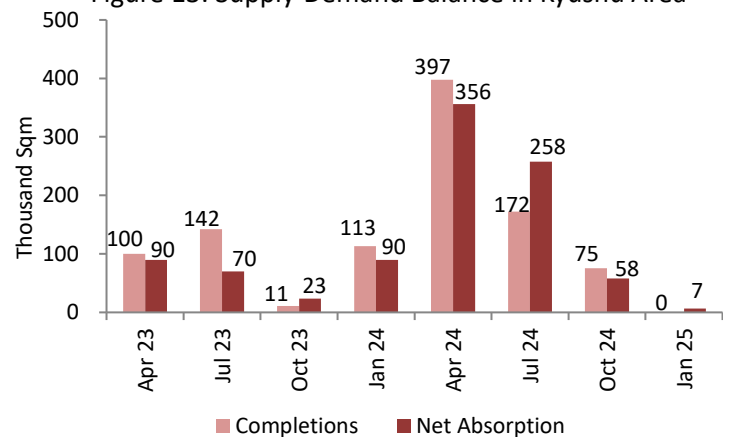
As of January 2025, the asking rent in Kyushu Area is 3,300 JPY/Tsubo, a increase of 20 JPY/Tsubo from the 3,280 JPY/Tsubo in the previous survey (plus 0.6%, Fig. 11). Asking rents in Kyushu Area are around 3,300 JPY/Tsubo, remaining largely stable.

Figure 12: Vacancy Overview in Kyushu Area



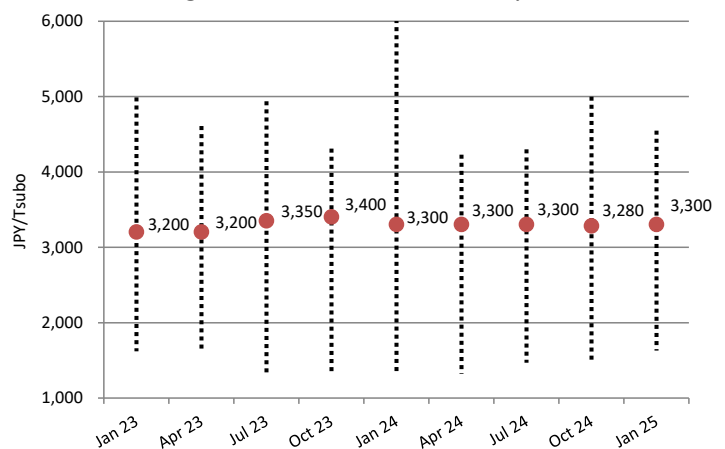
Source: K.K. Ichigo Real Estate Service

Figure 13: Supply-Demand Balance in Kyushu Area



Source: K.K. Ichigo Real Estate Service

Figure 14: Rent Overview in Kyushu Area



Source: K.K. Ichigo Real Estate Service

Note: The dotted lines connect the top 10% and bottom 10% of rental samples for each period, indicating the variability in rental prices.

Technical Notes

➤ Supply-Demand Data

Greater Tokyo:

Number of Investigations: 746 logistics facilities with a gross floor area of over 10,000 sqm.

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

Kansai Area:

Number of Investigations: 225 logistics facilities with a gross floor area of over 10,000 sqm.

Investigated Area: Kyoto, Osaka, and Hyogo.

Chukyo Area:

Number of Investigations: 82 logistics facilities with a gross floor area of over 10,000 sqm.

Investigated Area: Gifu, Aichi, Mie.

Kyushu Area:

Number of Investigations: 76 logistics facilities with a gross floor area of over 10,000 sqm.

Investigated Area: Fukuoka, Saga.

➤ Rent

This report uses the median as the representative asking for rent. The rent samples were chosen based on a leasable area of at least 1,000 square meters. The dotted lines in Fig 4,8,11,14 show the top (bottom) 10% of all samples in each period.

Contact info

For any further inquiries, please contact:

research@ichigo-re.co.jp

K.K. Ichigo Real Estate Service <https://www.ichigo-re.co.jp>

Statements

While we strive to ensure that the information contained in this report is accurate and reliable, we make no warranties as to its correctness, completeness, or otherwise. The contents of this report reflect our analysis and judgment only as of the date and time of creation. We assume no liability or responsibility for future forecasts.