

## Tosei Corporation

Tokyo Stock Exchange, First Section Code : 8923  
Singapore Exchange, Mainboard Code : S2D

## [Reference Materials] Real Estate Market Conditions

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# Revitalization Business Market I (Real estate stock market)

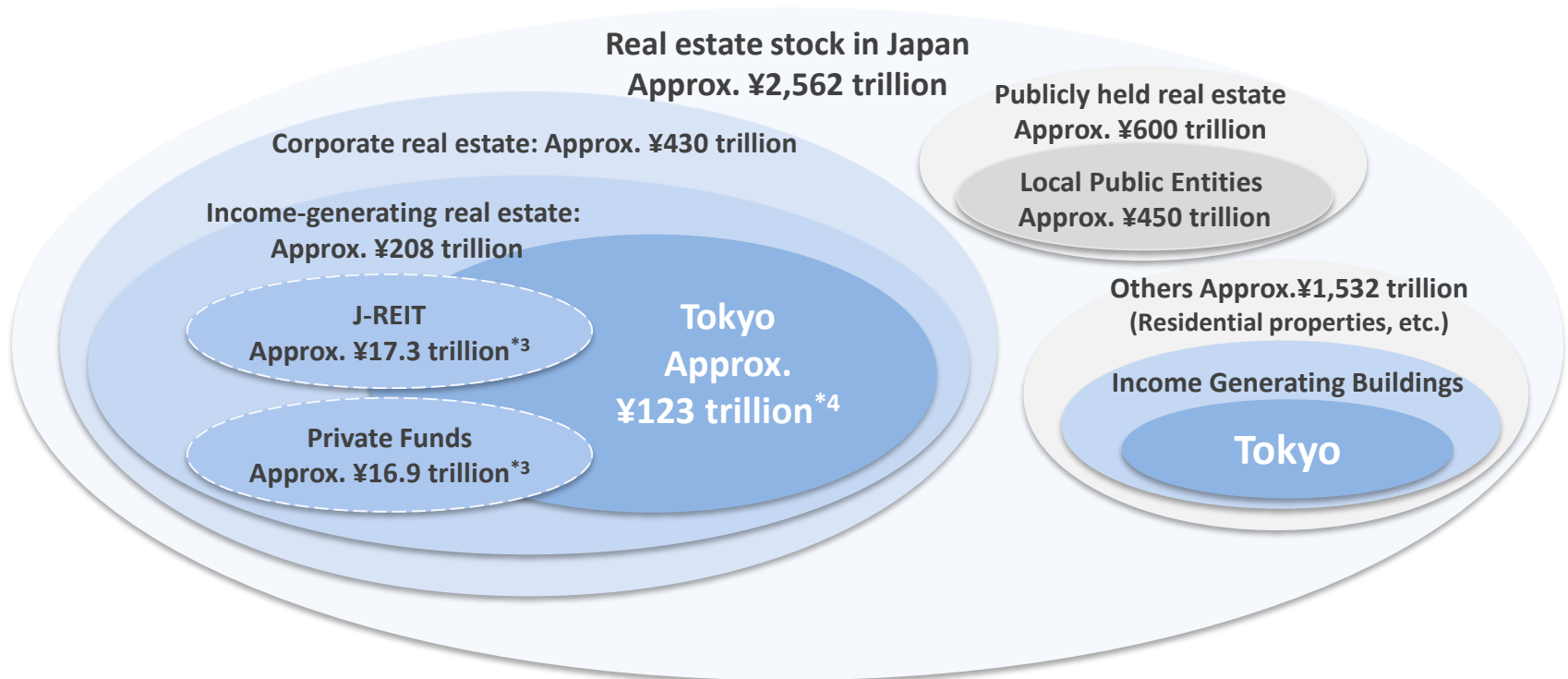
There is about 160,000 office buildings and apartments in Tokyo which is an abundant stock.

Office buildings and apartments in Tokyo : Approx. 160,000 buildings

Office Building & Commercial Facilities stock, etc.  
83,516 Buildings<sup>\*1</sup>

Income generating apartment stock  
79,975 Buildings<sup>\*2</sup>

<sup>\*1</sup> Sum of office, store, department store and bank building numbers from Tokyo Metropolitan Government Bureau of General Affairs "Tokyo Metropolitan Statistical Yearbook 2016"  
<sup>\*2</sup> Building number from Bureau of Urban Development Tokyo Metropolitan Government "Condominium fact-finding survey" (Mar. 2013)



<sup>\*3</sup> Sumitomo Mitsui Trust Research Institute Co., Ltd. "Survey on Private Real Estate Funds in Japan July 2018"

<sup>\*4</sup> Ministry of Land, Infrastructure and Transport Policy Officer "Corporate land · Building basic survey 2013"

Source : prepared by Tosei based on Ministry of Land, Infrastructure and Transport "Current situation of real estate investment market" (29. Jun. 2018)

## Revitalization Business Market II (Small to mid-sized real estate transaction volume in the Tokyo Metropolitan area)

The real estate transaction volume is about ¥10 trillion per year (Tosei's estimation) for small- to mid-size properties, a massive stock.

The real estate transaction volume  
(properties priced lower than ¥1 billion)  
in the Tokyo Metropolitan area is estimated  
to be approx. **¥10 trillion.**<sup>\*1</sup>

(Offices, apartments, commercial facilities, and warehouses)



<sup>\*1</sup>

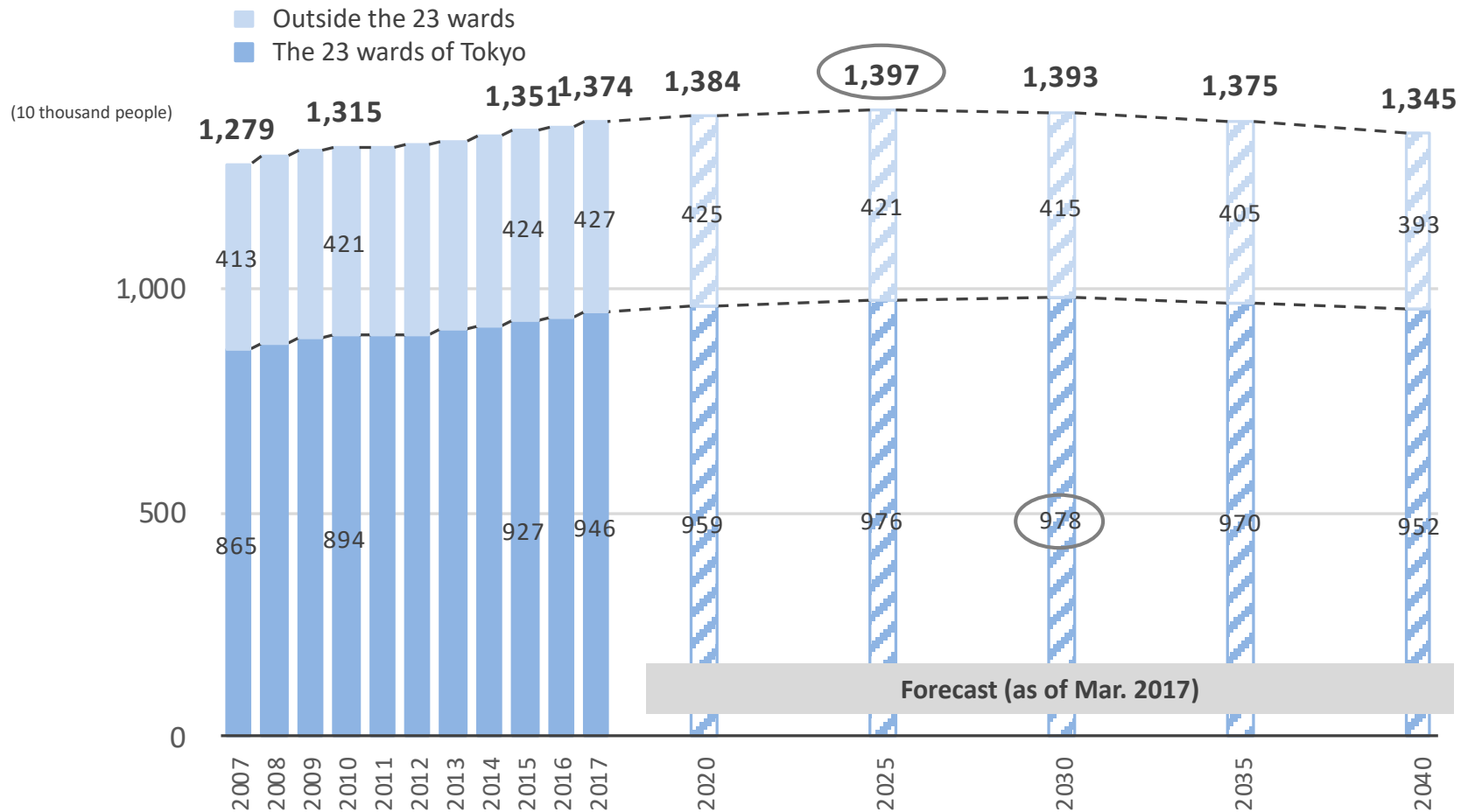
Source : Estimates by Tosei based on the data from Real estate brokerage companies "real estate brokerage results", Ministry of Justice : "The number of real estate registration" and our Company's sales information.

If Tosei accounts 1% of the market,  
Tosei will achieve ¥100 billion revenue.

The above amounts were calculated using information available as of end of Nov. 2018.  
These amounts may change depending on the information that Tosei acquires in the future.

# The Population of Tokyo

The population of Tokyo is expected to increase until 2025. The real estate demand will continue.

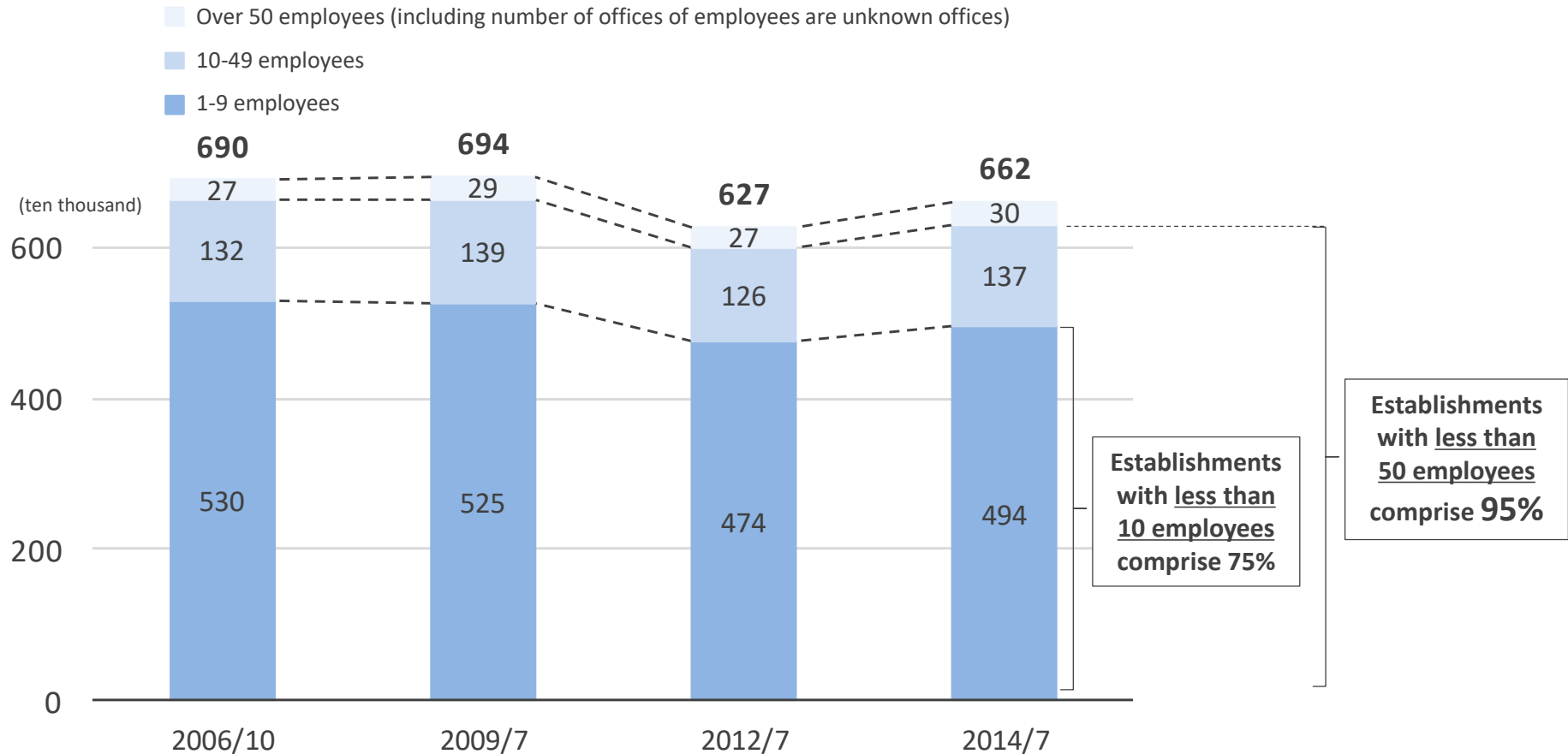


\* The population in October 1st of each year is principle  
 Source : prepared by Tosei based on Statistics Division, Bureau of General Affairs "TOKYO STATISTICAL YEARBOOK"

Although the population of Japan is decreasing, the population of Tokyo is expected to increase until 2025 and the 23 wards of Tokyo is expected to increase until 2030 both due to population inflow from rural areas.

# Number of Establishments in Tokyo

Establishments with less than 50 employees comprise 95% in Tokyo, the demand for small to mid-size office buildings is firm.

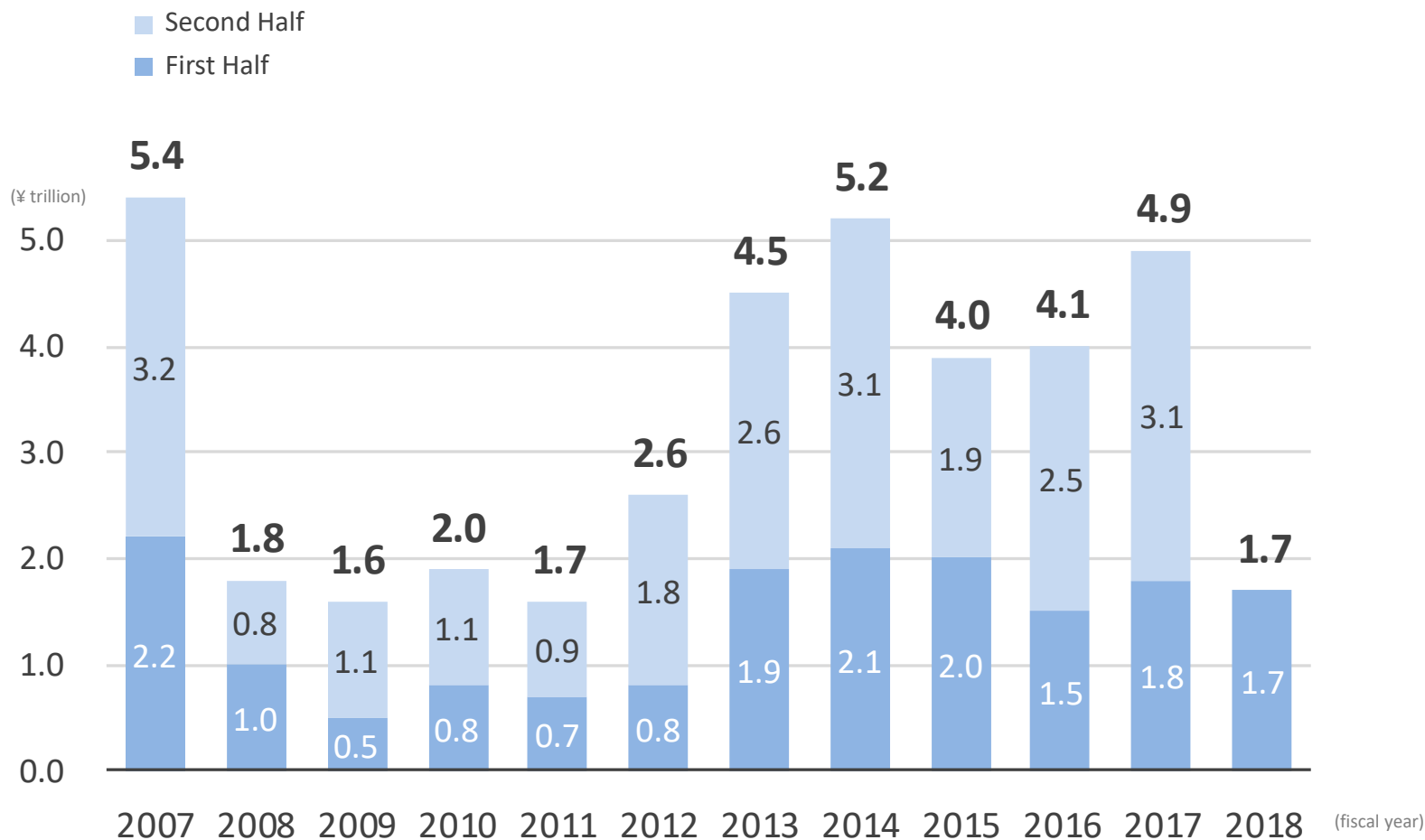


Source : Prepared by Tosei based on Statistics Division, Bureau of General Affairs "TOKYO STATISTICAL YEARBOOK"

There are 6,620 thousand establishments in Tokyo, 95% of it is with fewer than 50 employees (6,310 thousand establishments).

# Real Estate Transactions by Listed Companies

The transaction value increased 20.9% to ¥4.9 trillion from the same period of the previous year.

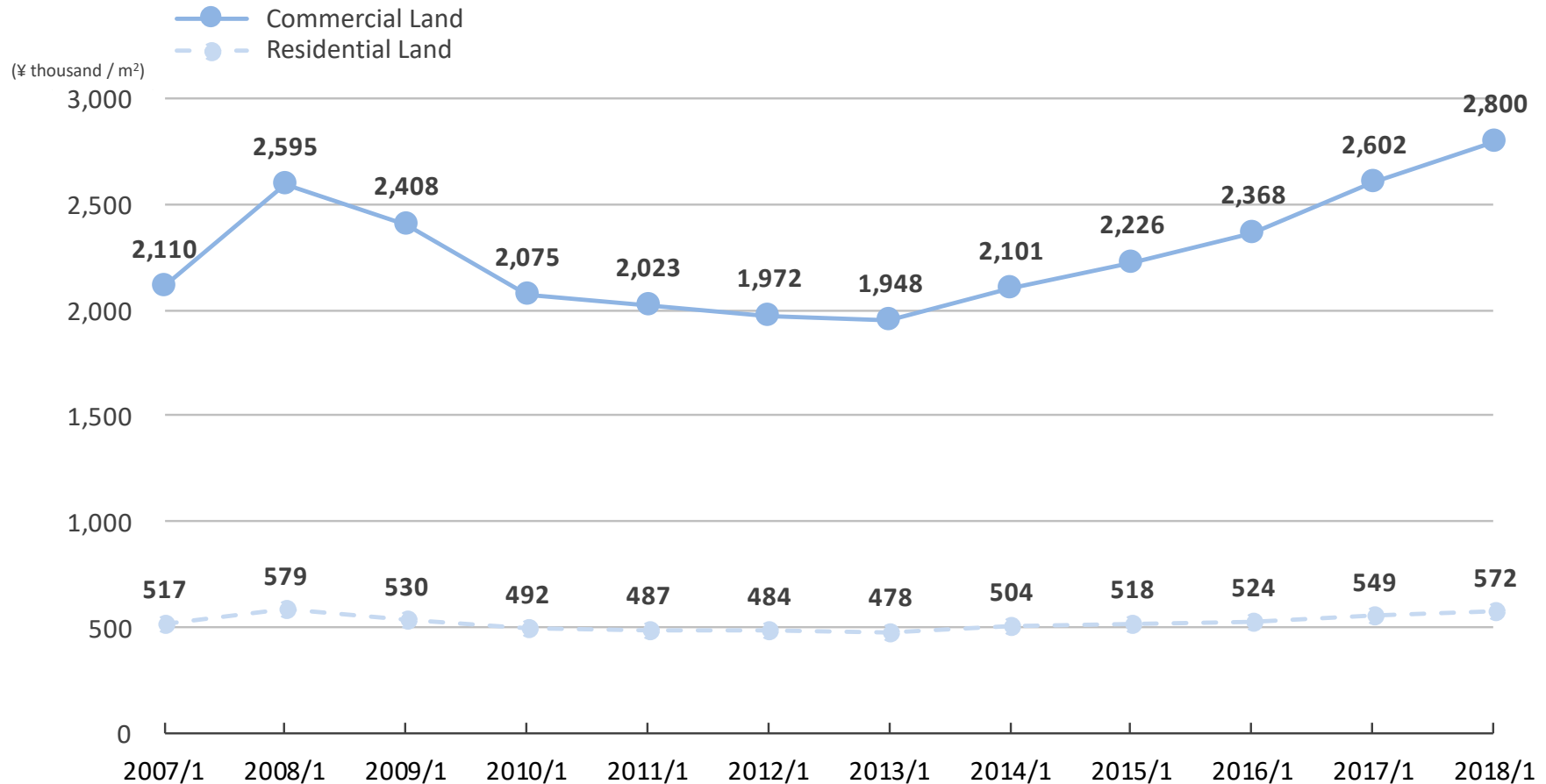


Source : Prepared by Tosei based on Urban Research Institute Corporation "Real estates topics"

In the fiscal year ended Mar. 31, 2018, the value of domestic real estate transactions by listed companies increased 20.9% to ¥4.9 trillion from the same period of the previous year, thanks to an increase in transactions of large-scale office building (building over ¥10 billion) by foreign investors.

## Published Land Price (the 23 wards of Tokyo)

Published land prices in the 23 wards of Tokyo continued to rise, and the price of commercial land exceeded the price prior to the global financial crisis.



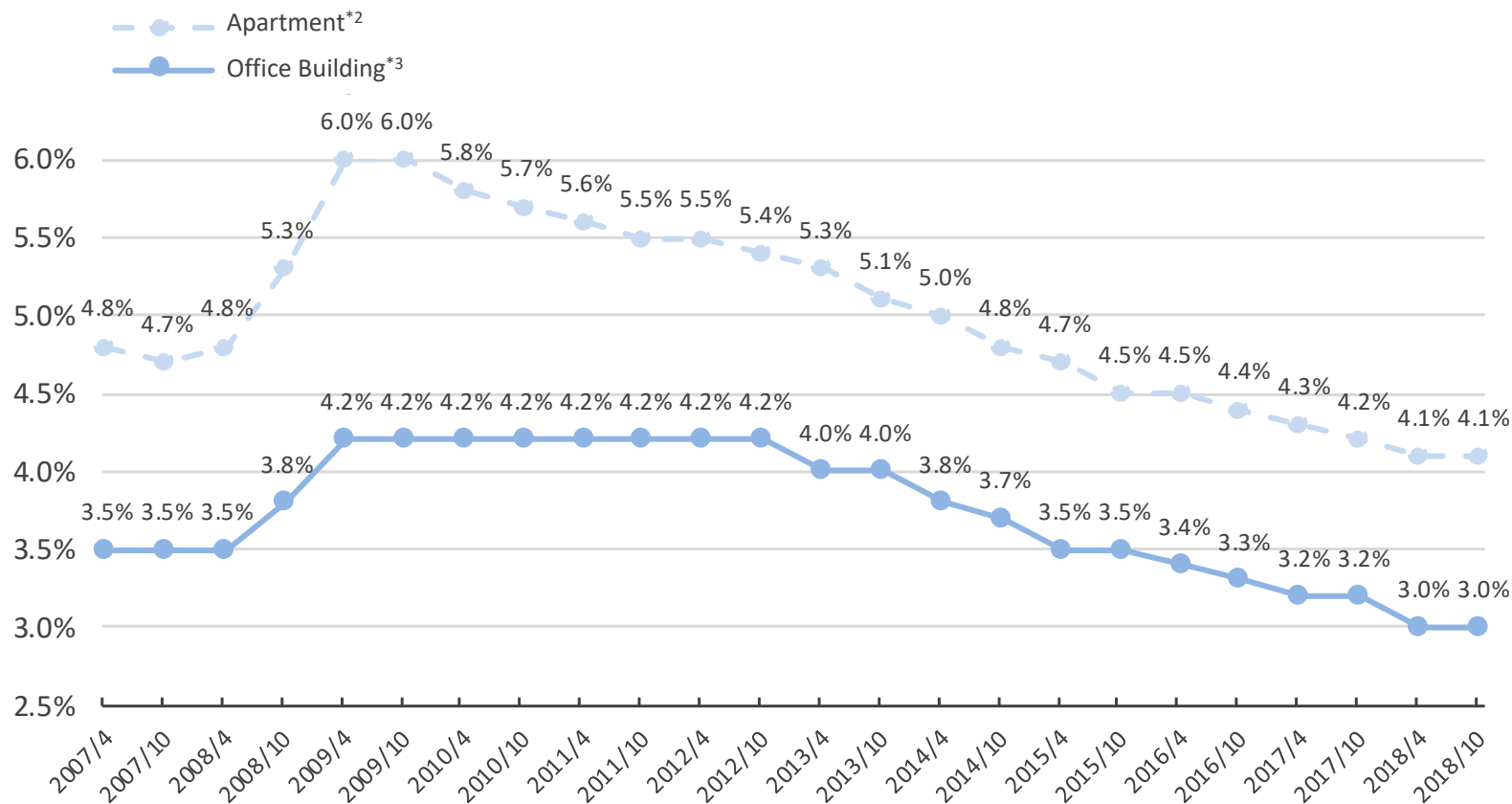
Source : Prepared by Tosei based on Tokyo Finance Bureau "Official land price classified by municipalities and the average price transition"

Published land prices for commercial and residential in the 23 wards of Tokyo rising for five consecutive years. Business districts' published land prices is ¥2,800 thousand per sq. in 2018 (up 7.6% yr/yr), and Residential land price is ¥572 thousand per sq. (up 4.2% yr /yr).



# The Investment Cap Rate from Transactions (The 23 wards of Tokyo)

Property transaction cap rates\*1 continued to drop due to increased property prices in the 23 wards of Tokyo.



\*1 Transaction cap rate : A cap rate which is single year NOI divided by property market value which investors assumed by observing the market.

\*2 Apartment : Assumed family type apartment in Meguro-ku and Setagaya-ku, Tokyo. Conditions are less than 10 minutes walk from the station, less than five years from build, floor area larger than 50-80m<sup>2</sup> and more than 50 units in total, etc.

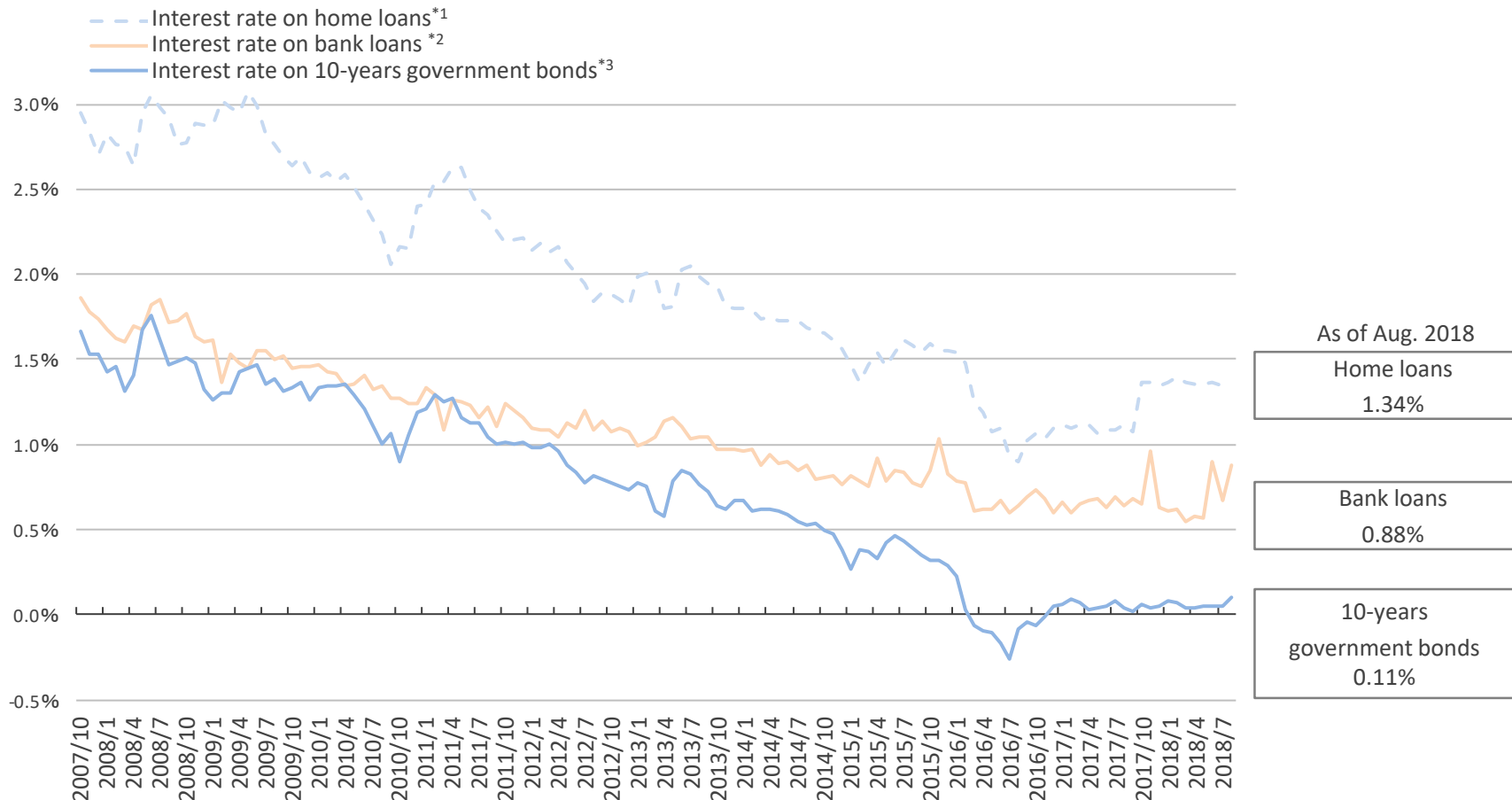
\*3 Office Building : Assumed A-class buildings in Marunouchi Chiyoda-ku, Tokyo and Otemachi area. Conditions are less than five minutes walk from the station, less than five years from build, floor area larger than 50,000m<sup>2</sup> and standard rentable floor area over 1,500m<sup>2</sup>, etc.

Source : Prepared by Tosei based on Japan Real Estate Institute "real estate investor surveys"

Property transaction cap rate, which investors assumed by observing the market, on both office buildings and apartments dropped below their level before the global financial crisis.

# Interest Rates in Japan

Banks' lending rates remain low which promotes the real estate transaction.



Source: Prepared by Tosei based on the report published by Flat 35 <sup>\*1</sup>, Bank of Japan <sup>\*2</sup>, and Ministry of Finance <sup>\*3</sup>

<sup>\*1</sup>: Flat 35 minimum interest rate; Interest on fully term-fixed loans with a repayment period between 21 and 35 years and a lending rate of up to 90%

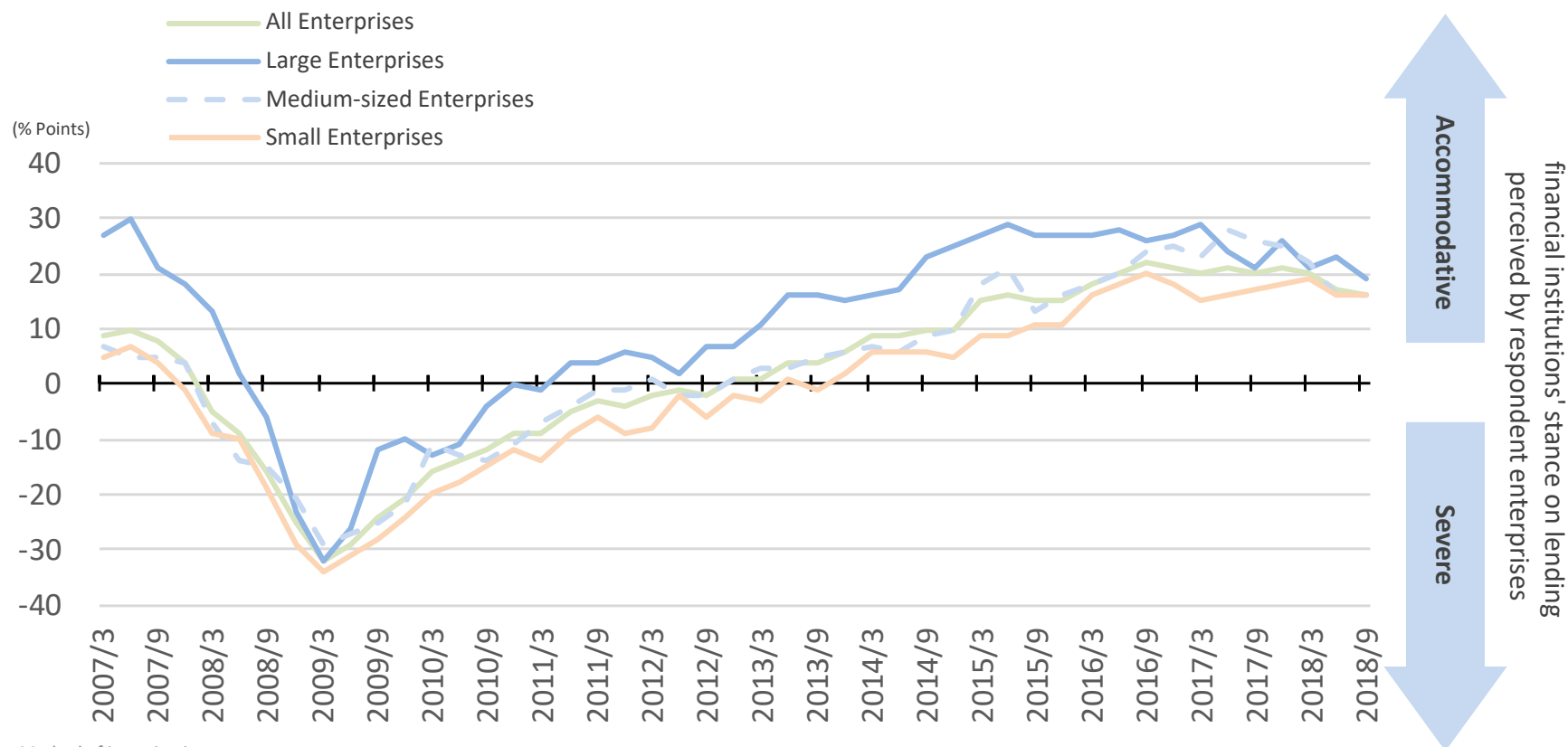
<sup>\*2</sup>: Average contractual interest rates on new loans (for terms of at least one year) at city banks (Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., Saitama Resona Bank Ltd.)

<sup>\*3</sup>: Half year compound interest on 10-year government bonds calculated based on the market price of fixed-rate government bonds on the secondary market (yield to maturity on a six month compound interest basis)

Although the interest rates on bank loans started to rise reaching 0.55% in Mar. 2018, still remains at less than 1% level. The interest rate on 10-year government bonds did not follow the rise in the interest rate on the U.S. 10-year government bonds rose to over 3%, and remains at around 0%.

# Financial Institutions' Stance on Lending to Real Estate Industries

Financial institutions' stance on lending to real estate industries remain positive.



Method of investigation

The bank of Japan investigated financial institutions' resent lending attitude toward targeted companies.

Targeted companies selected one of the following choices in below

• Choices: "1. Accommodative", "2. not so severe", "3. severe".

The bank of Japan collected and processed the data to "DI"(Diffusion Index) by calculating explained in below.

• DI(% point) = composition (%) of companies answered "1. Accommodative" - "3. severe"

Large enterprise : capital stock ¥1B and more

Mid-size enterprise : capital stock over ¥0.1 B less than ¥1B

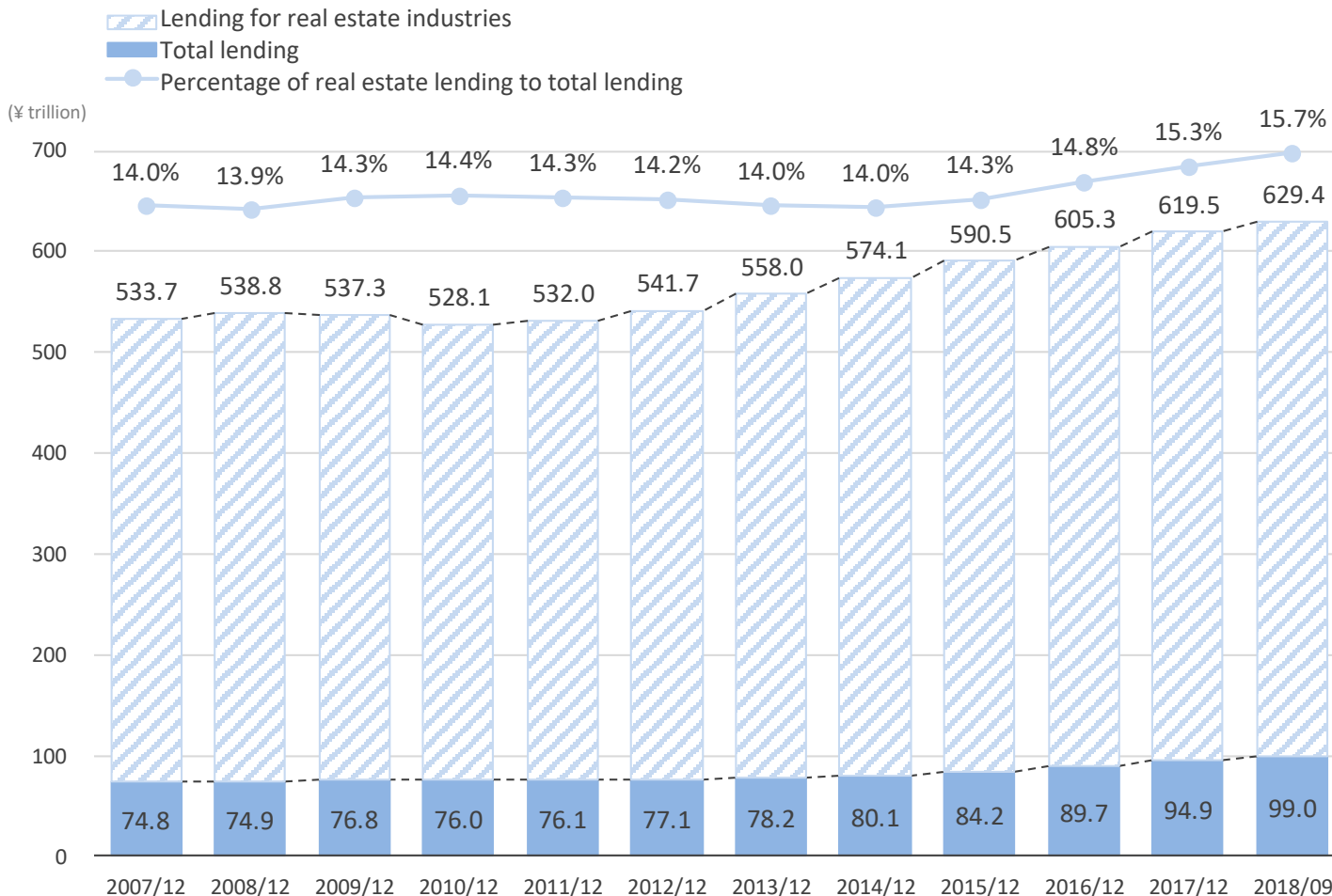
Small to mid-size enterprise : capital stock over ¥0.02 B less then ¥0.1B

Source : Prepared by Tosei based on Bank of Japan "Tankan"

Although there are signs of a stricter stance by financial institutions on lending for some real estate investments, a survey conducted by the Bank of Japan indicates that real estate enterprises view the lending attitude of financial institutions as being relaxed.

# Domestic Bank Lending for Real Estate Industries

Amounts outstanding of loans for real estate industries by domestic licensed banks is ¥99.0 trillion.

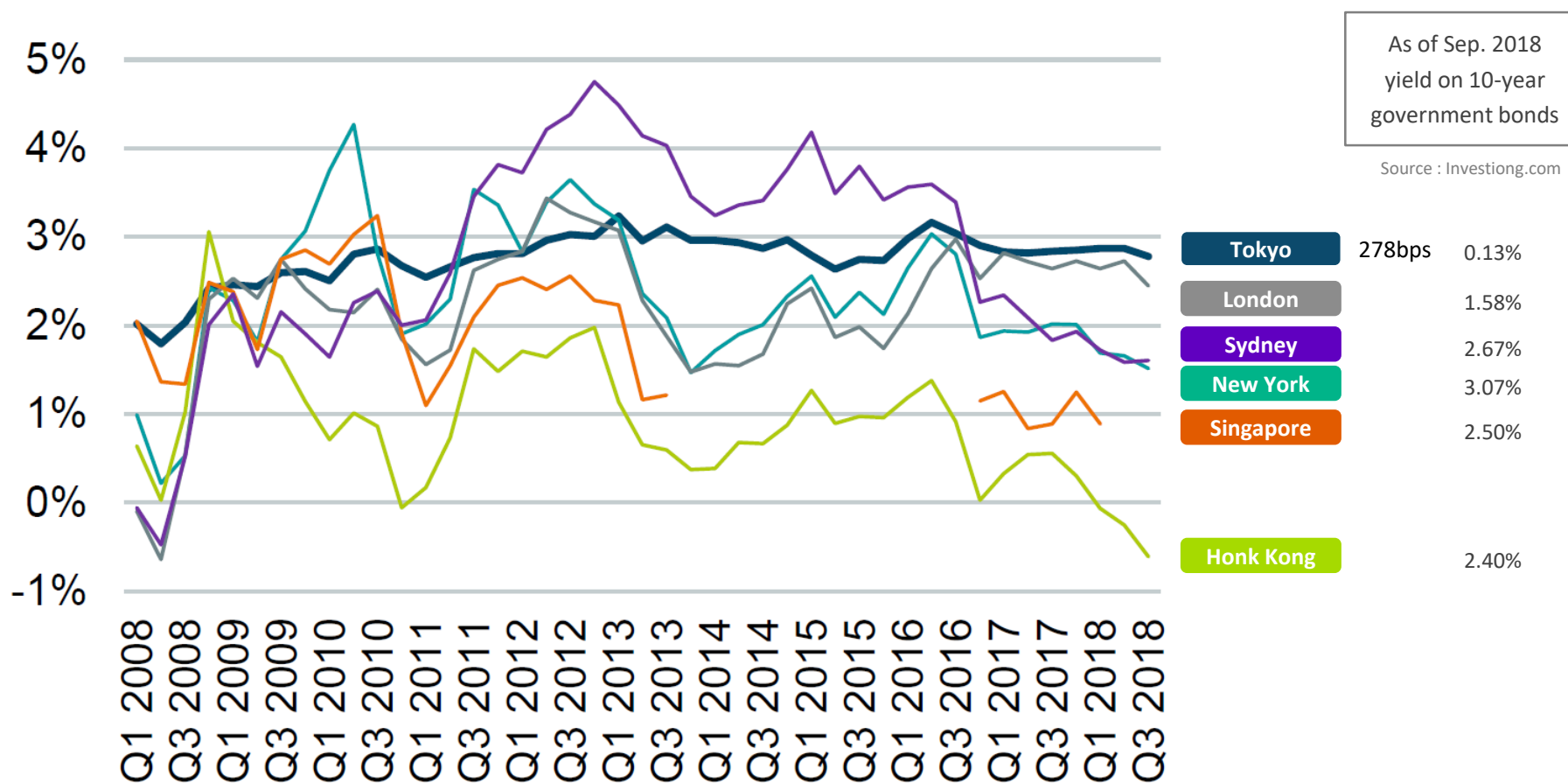


\*Total lending amount is the sum of that of Banking Account, Trust Accounts, Overseas Office Accounts, Shinkin bank and other financial institutions  
 Source : Prepared by Tosei based on Bank of Japan "Loans and Bills Discounted and New Loans for Fixed Investment by Sector"

The attitude of domestic licensed banks on real estate lending remain positive and the loans outstanding in the real estate industries continue increasing to almost reach the 100 trillion mark.

# Yield Gap (Prime office markets)

Tokyo has the highest yield gap among developed countries.

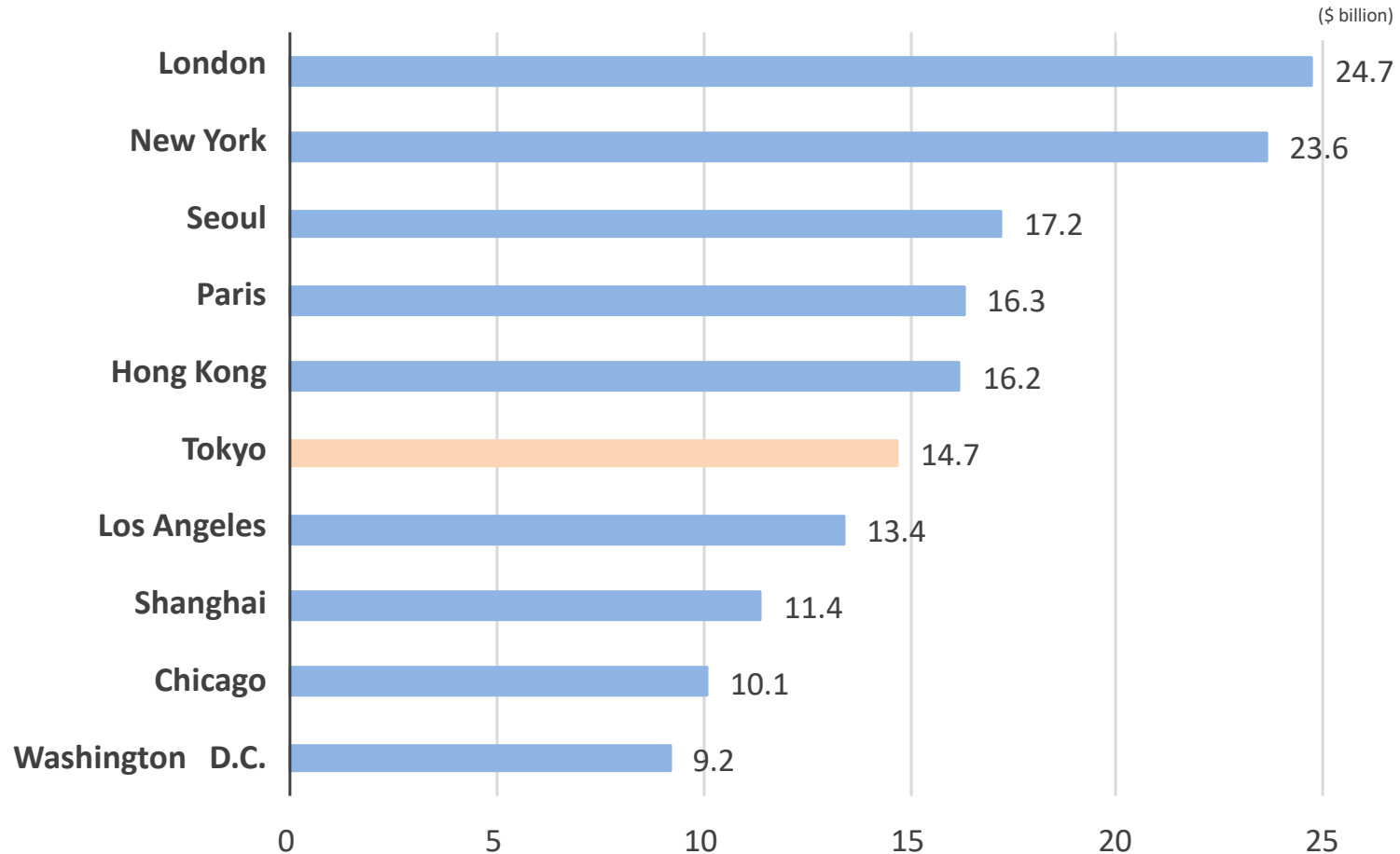


Source : Deutsche Asset Management "Japan Quarterly"

Although the yield gap among developed countries is decreasing following the impact of rising long-term interest rates, a high level just short of 3% is continuing in Tokyo, where the rise in interest rates is limited.

# World's Real Estate Investment Volume (Jan. to Sep. 2018)

Tokyo is one of the most attractive real estate investment market.



Source : Prepared by Tosei based on Jones Lang Lasalle "Japan capital flow"

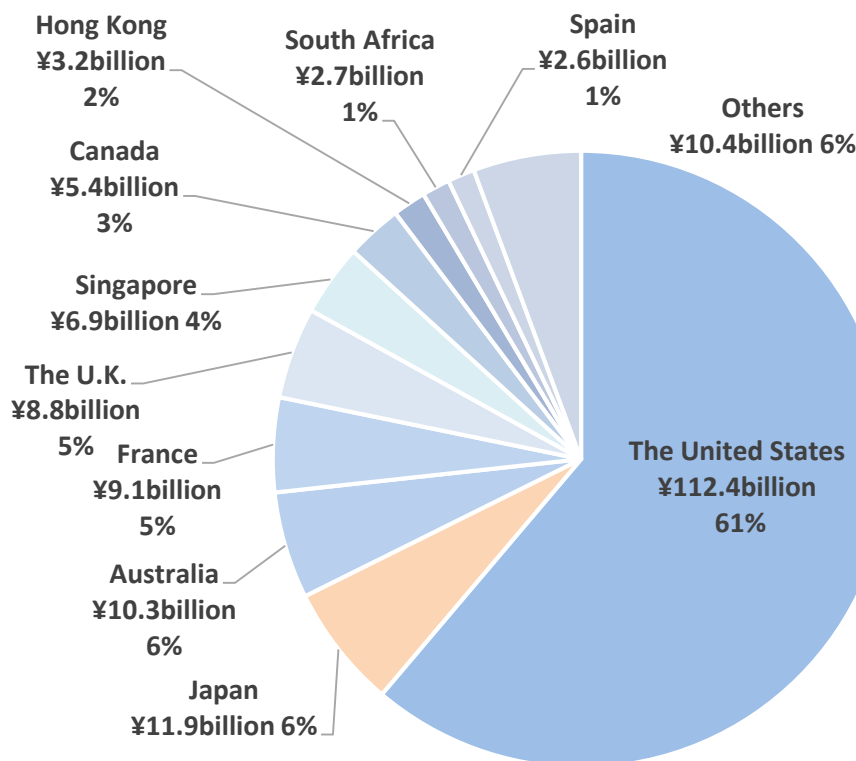
Tokyo is ranked 6th in the world cities for real estate investment volume (Jan. to Sep. 2018), \$14.7 billion (up 38.7% y/y).

# Global REIT Market

In the global REIT market Japan is the second largest market after the US.

Global REIT market  
Market cap :  
**¥184.2 trillion**  
(971 issues)

As of Mar. 2018



Number of issues As of end of Mar. 2018

The U.S.	Japan	Australia	France	The UK	Singapore	Canada	Hong Kong	South Africa	Spain	TOTAL
226	60	49	28	62	40	41	9	30	54	971

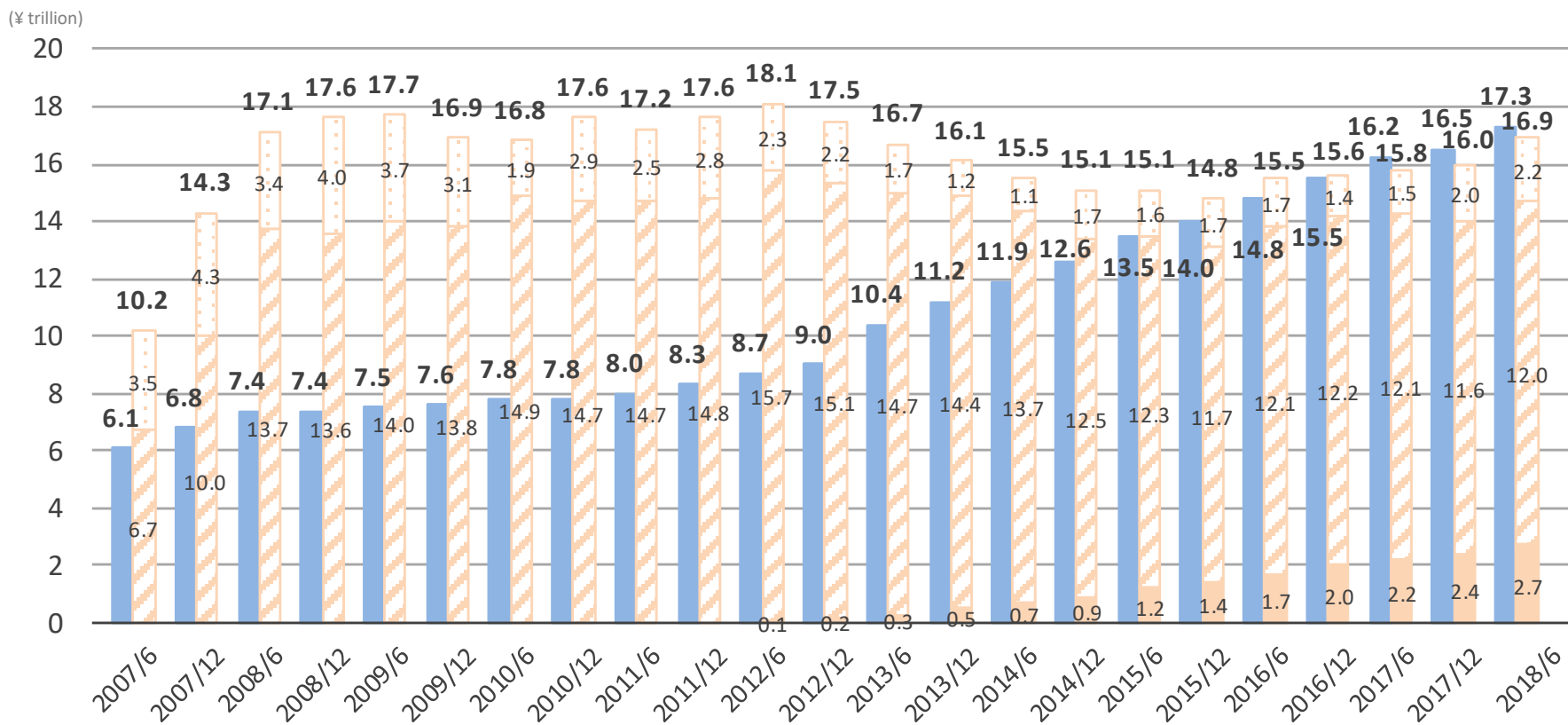
Source : Prepared by Tosei based on ARES "Real estate securitization journal"

The global listing REIT market has spread to 33 countries/regions. The global REIT market capitalization grew to ¥184.2 trillion (971 issues).

# Real Estate Fund Market

Real estate fund market is ¥34.2 trillion.

- Private fund - Global (amount of domestic investment assets)
- Private fund - Specialized in Japan
- Private placement REITs
- J-REIT



Source : Prepared by Tosei based on : Sumitomo Mitsui trust research institute "Survey on Privately Placed Real Estate Funds" and AREA "Private REIT quarterly"

J-REITs increased to ¥17.3 trillion, real estate private funds increased to ¥16.9 trillion (including ¥2.7 trillion from private placement REITs) as of end of Jun. 2018.



# Tokyo Stock Exchange REIT Index

TSE REIT index recovered to 1,800 point level, backed up by increasing expectations for J-REIT business expansion.

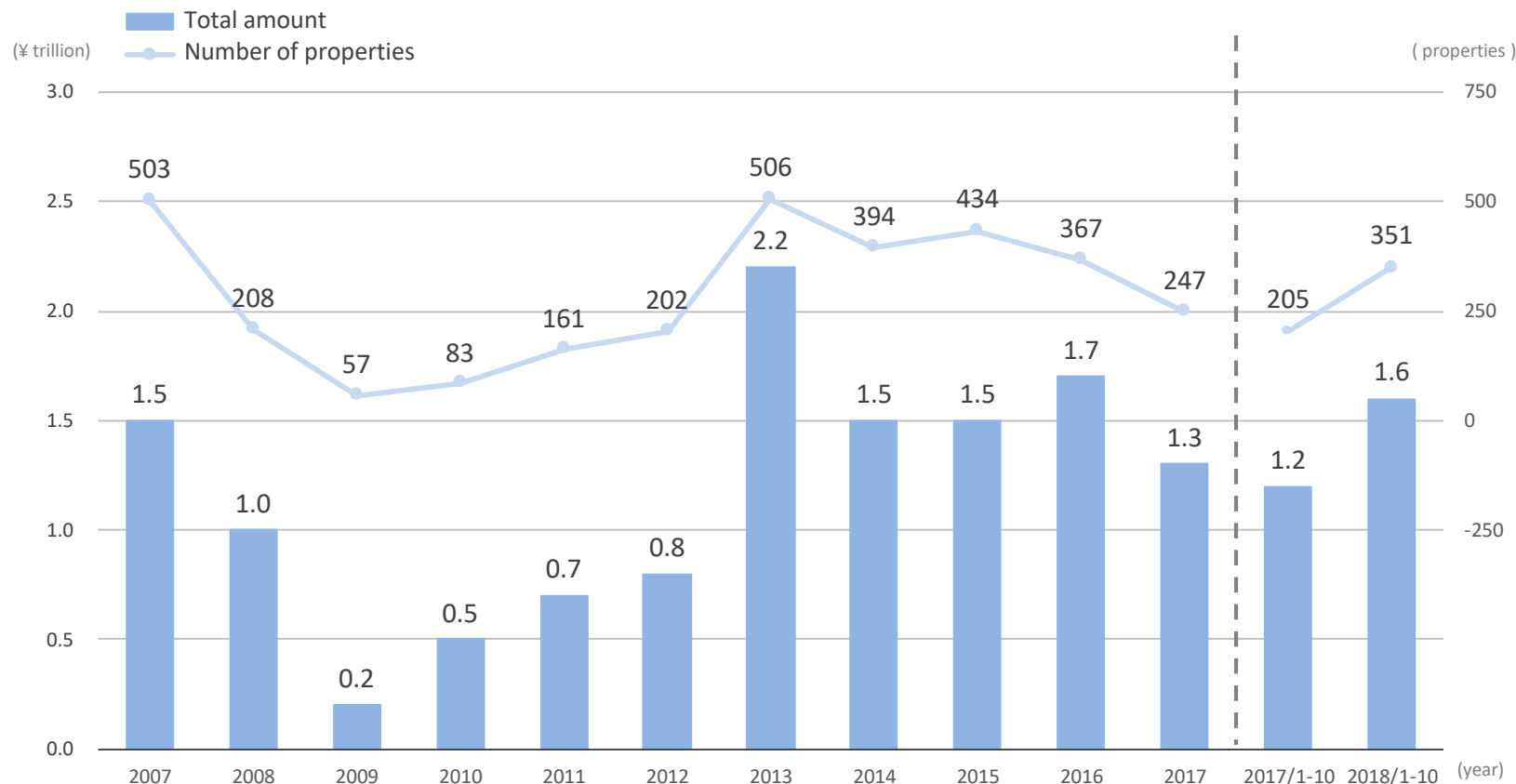


Source : Prepared by Tosei based on Thomson Reuters's data

A vast supply concern of large-scale office buildings has settled down, and the vacancy rate hit a record low and leasing demand for office buildings remains strong. Concern over sharply rising interest rates in Japan has receded, and the TSE REIT index continues to rise, backed up by increasing expectations for J-REIT business expansion.

# Acquisition Cost by J-REIT

Property acquisitions (Jan. to Oct. 2018) increased 34% from the same period of the previous year.

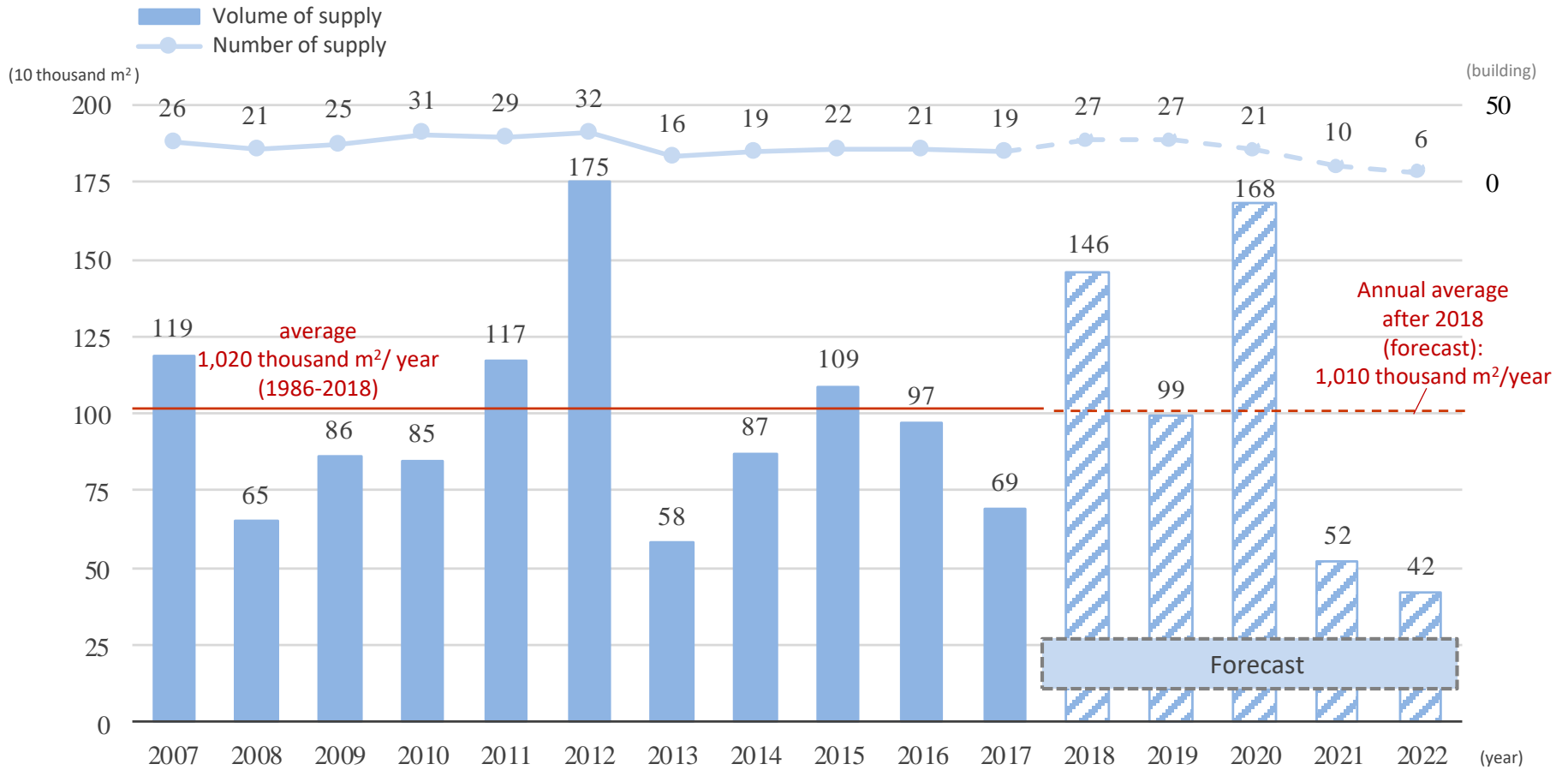


Source: prepared by Tosei based on ARES "J-REIT Data book"

J-REIT property acquisitions (Jan. to Oct. 2018) increased a substantial 34% from the same period of the previous year, to ¥1.6 trillion, due to the active replacement of property, improvements in the funding environment thanks to the continuation of low interest rates and a rising investment unit price.

# Rental Office Building Market I (Supply of large-scale office buildings in the 23 wards of Tokyo)

Although a vast supply of large-scale office buildings in the 23 wards of Tokyo is expected in 2020, leasing demand is expected to increase.

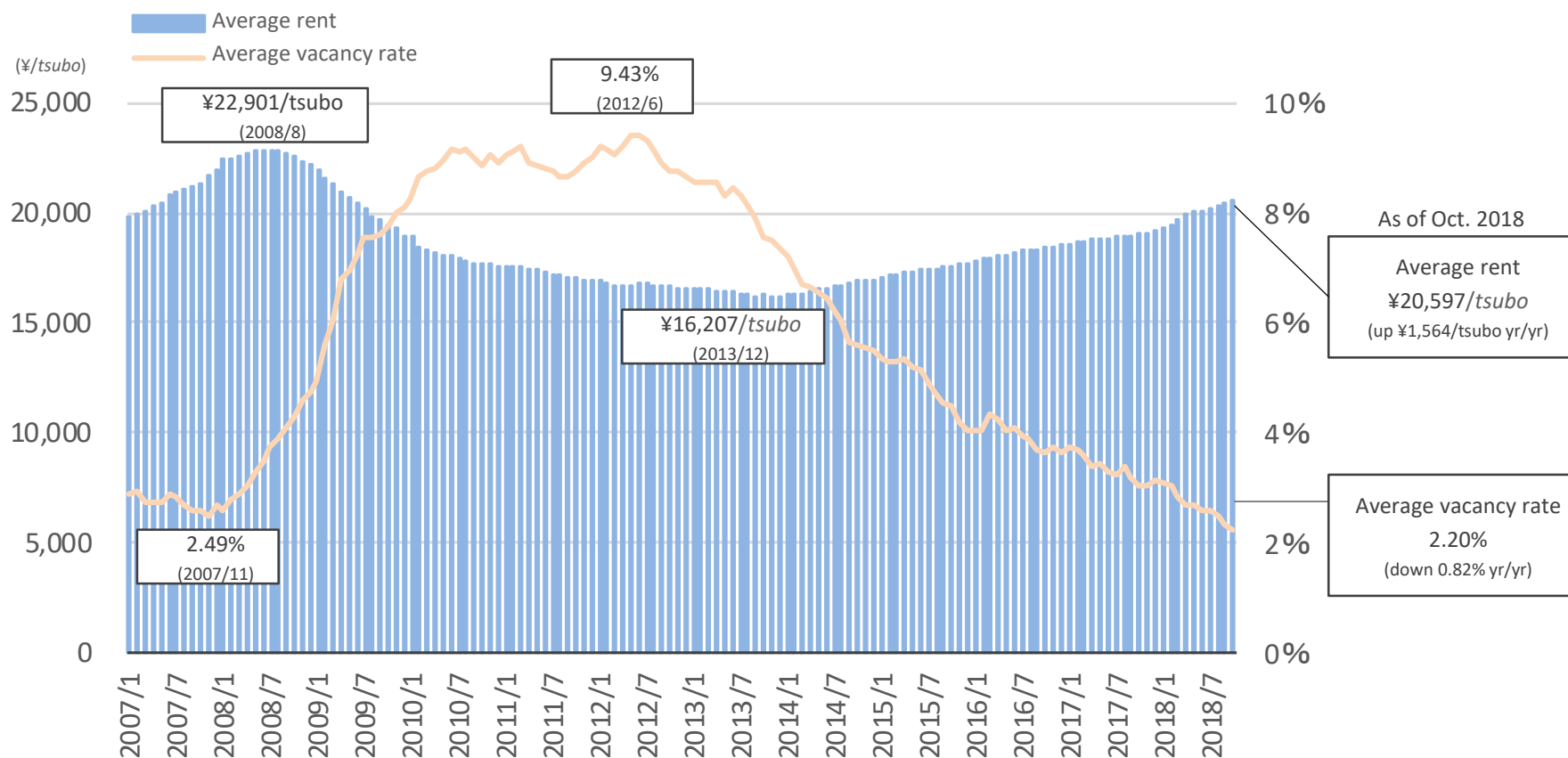


Data as of Apr. 2018. (Office buildings with more than 10,000m<sup>2</sup> of gross floor areas)  
 Source: Prepared by Tosei based on Mori Building Co., Ltd. Properties "Survey of Large-scale Office Building Market in Tokyo's 23 wards"

The large-scale office building market in the 23 wards of Tokyo for 2018 was backed by steady office building leasing demand, and the supply-demand environment remains favorable. Vast supply is expected in 2020. The leasing status is generally steady, and the environment surrounding the leasing market is expected to remain favorable.

# Rental Office Building Market II (Average rent and vacancy rate in five wards of central Tokyo)

The average rent for large office buildings in the five wards of central Tokyo continue rising at a moderate pace for 58 consecutive months.



The results of survey conducted by Miki Shoji Co., Ltd. (As of Apr. 2018)

Properties Surveyed: Major leased office buildings in five wards of central Tokyo with more than 100 tsubo (330m<sup>2</sup>) of typical floor area.

No. of Buildings in Stock: 2,585 ; Gross Floor Area: 12,626,898 tsubo ; Leased Floor Area: 7,372,839 tsubo (A) ; Vacant Floor Area 195,542 tsubo (B) ;

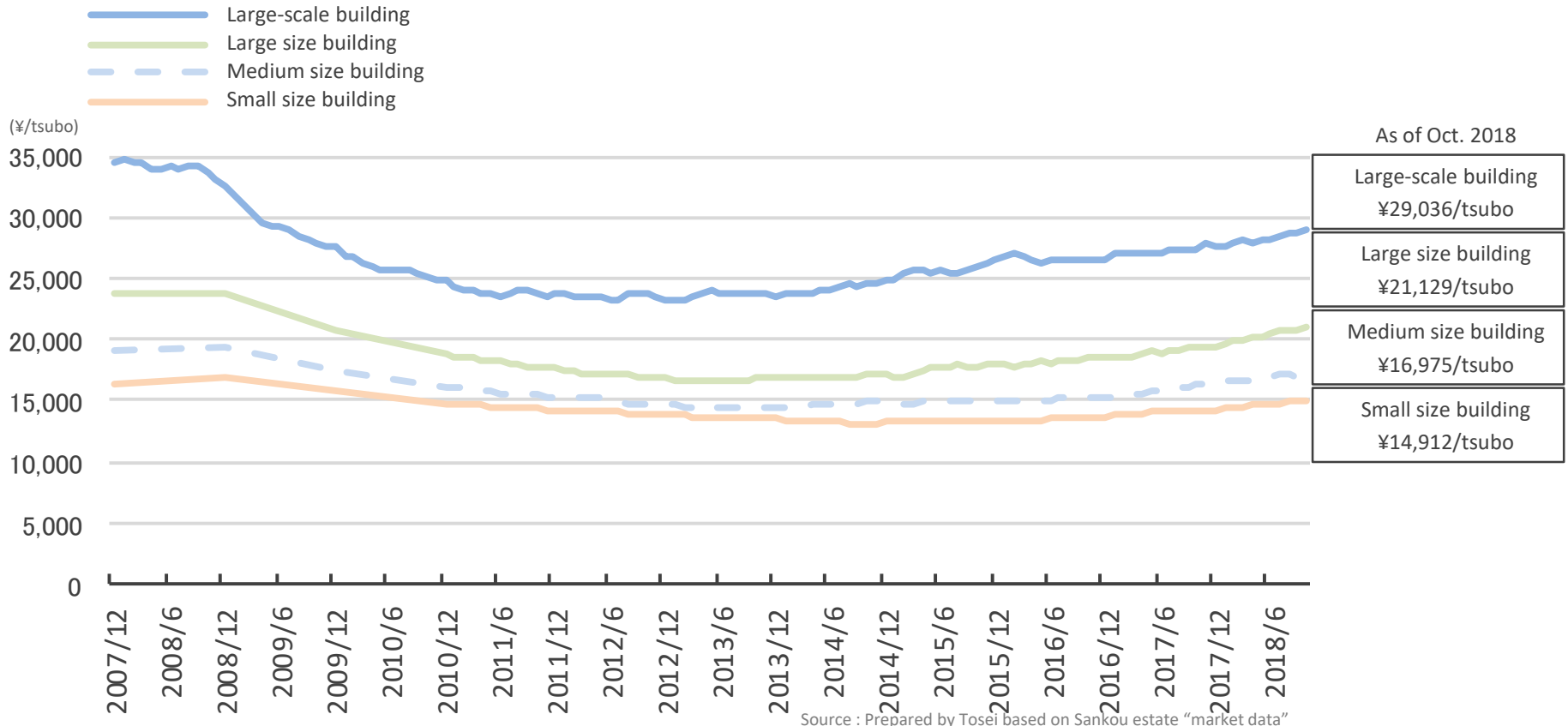
Vacancy Rate: (B)/(A)\*100=2.65%

Source : Prepared by Tosei based on Miki Shoji Co., Ltd "resent office market trend in Tokyo's five business wards"

The vacancy rate in the five wards of central Tokyo as of Oct. 2018 dropped to 2.20%, the lowest since Jan. 2002, the start of the monthly data.

# Rental Office Market III (Average rent in five wards of central Tokyo )

The volatility of the average rent for medium-/small-size office buildings in the five wards of central Tokyo is low.



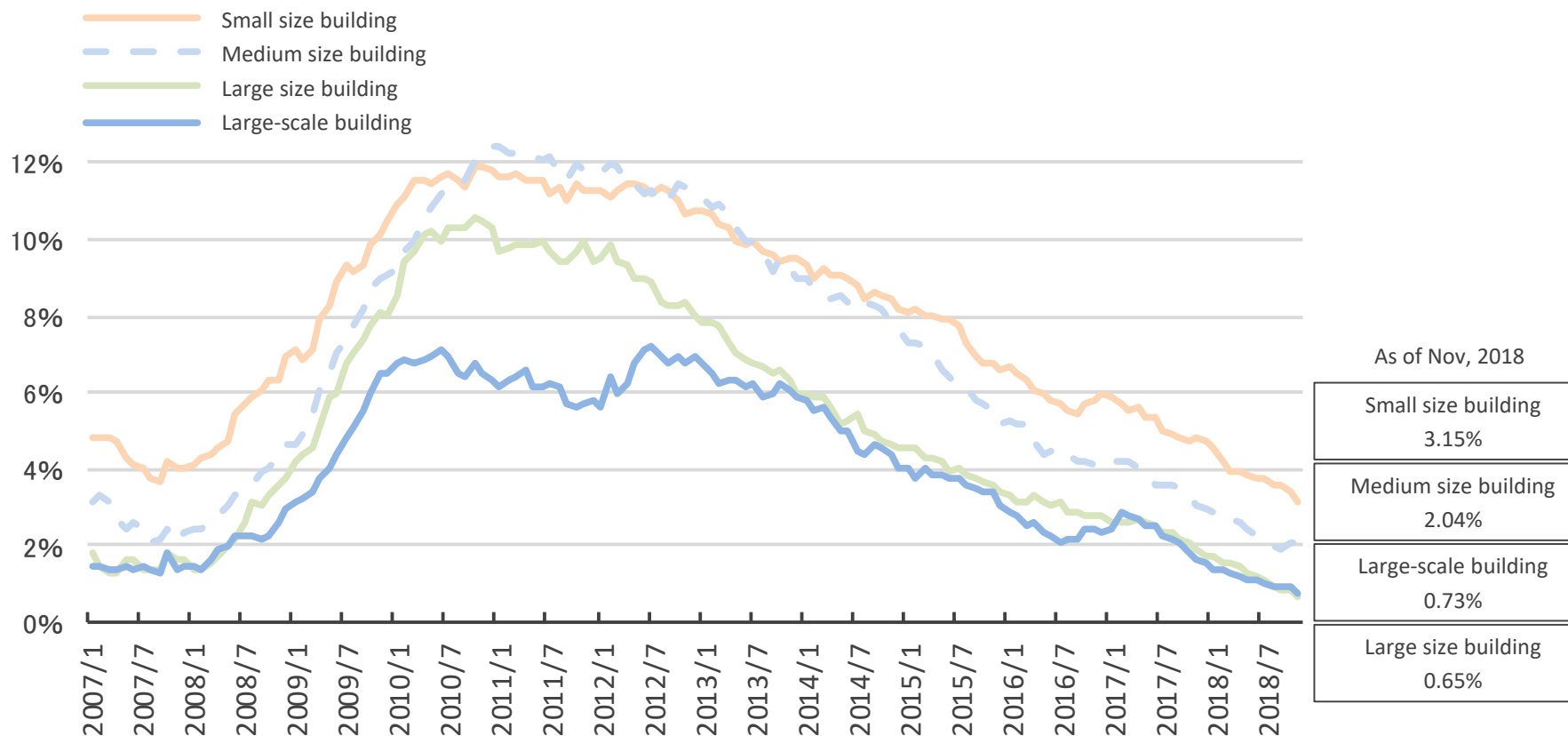
Source : Prepared by Tosei based on Sankou estate "market data"

Scale grouping (standard floor areas)			
Large-scale building	over 200 tsubo	Medium size building	over 50 less than 100 tsubo
Large size building	over 100 less than 200 tsubo	Small size building	over 20 less than 50 tsubo

The average rents for office buildings of all sizes yet to recover to pre-financial crisis levels (Dec. 2007).

# Rental Office Market IV (Average vacancy rate in five wards of central Tokyo )

Vacancy rates for five wards of central Tokyo improved significantly in all categories.



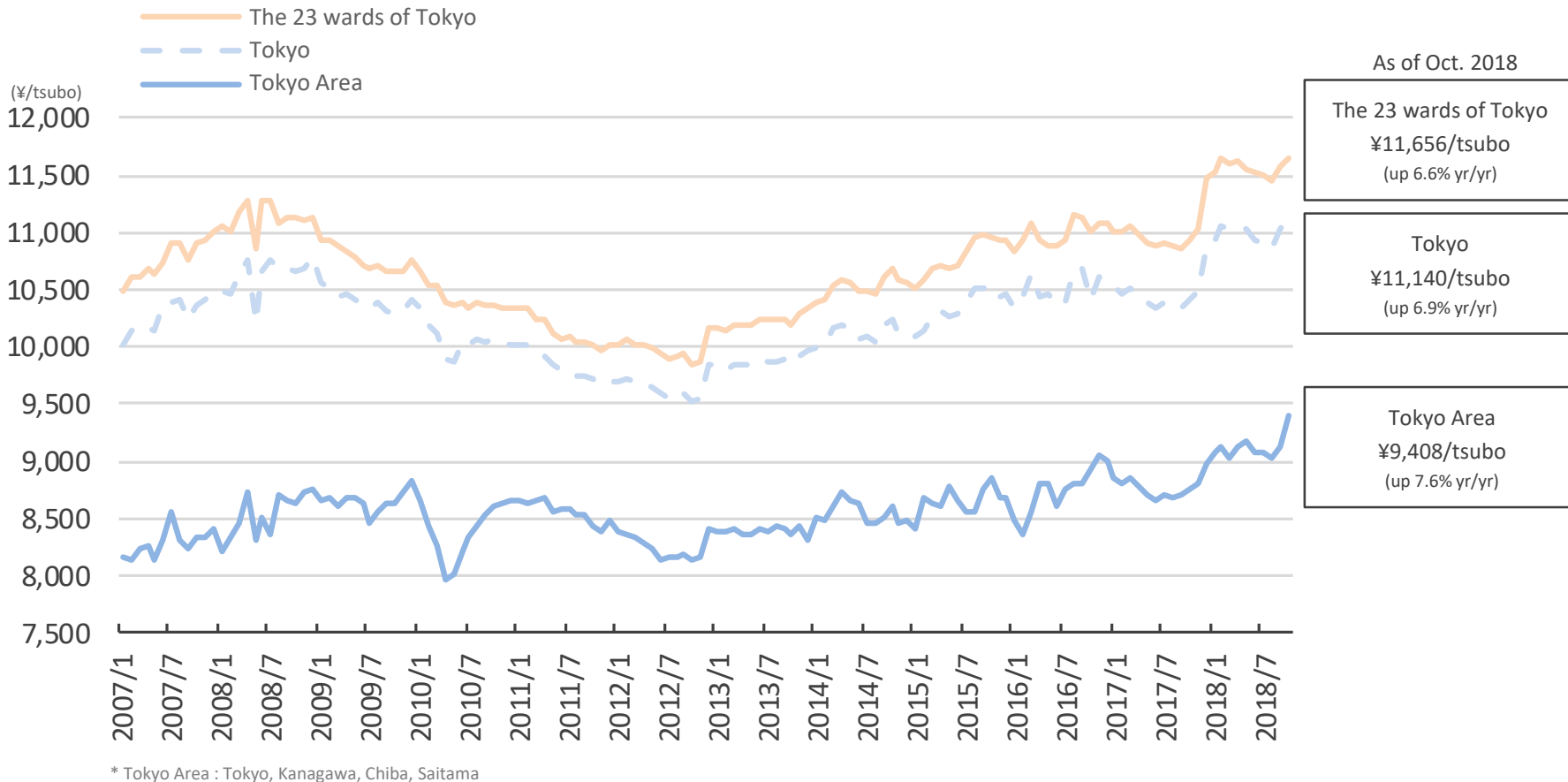
Source : Prepared by Tosei based on Sanko estate "monthly office market survey".

Scale grouping (standard floor areas )			
Large-scale building	over 200 tsubo	Medium size building	over 50 less than 100 tsubo
Large size building	over 100 less than 200 tsubo	Small size building	over 20 less than 50 tsubo

The demand for large size buildings/large-scale buildings has increased significantly, and the vacancy rate has decreased to around 0.7%.

# Rental Apartment Market I (Average asking rent on family type rental apartment)

Average asking rent on rental apartments (family type) in the 23 wards of Tokyo continue to trend at high levels.

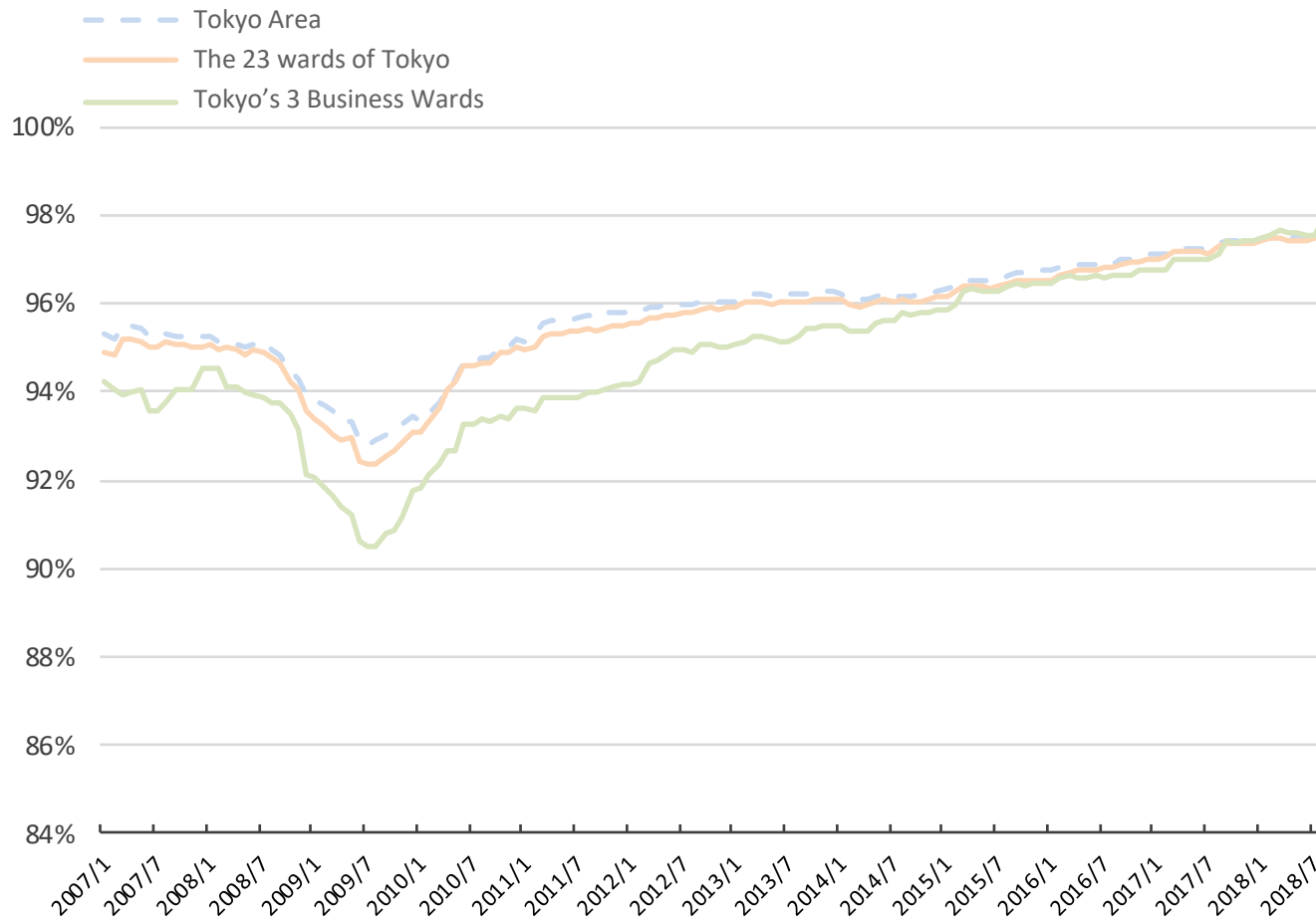


Source : Prepared by Tosei based on Tokyo KANTEI "Press Release"

Average asking rent on condominiums (family type) in the 23 wards of Tokyo, in which many new high-rise condominiums were supplied as rental properties, significantly increased in December 2017, remaining at high levels.

# Rental Apartment Market II (Average occupancy rate of apartments owned by J-REIT)

The occupancy rates of the apartments held by J-REIT is 97.8%.



As of Aug. 2018

Tokyo Area  
97.9%

Tokyo's 3 Business Wards  
97.9%

the 23 wards of Tokyo  
97.8%

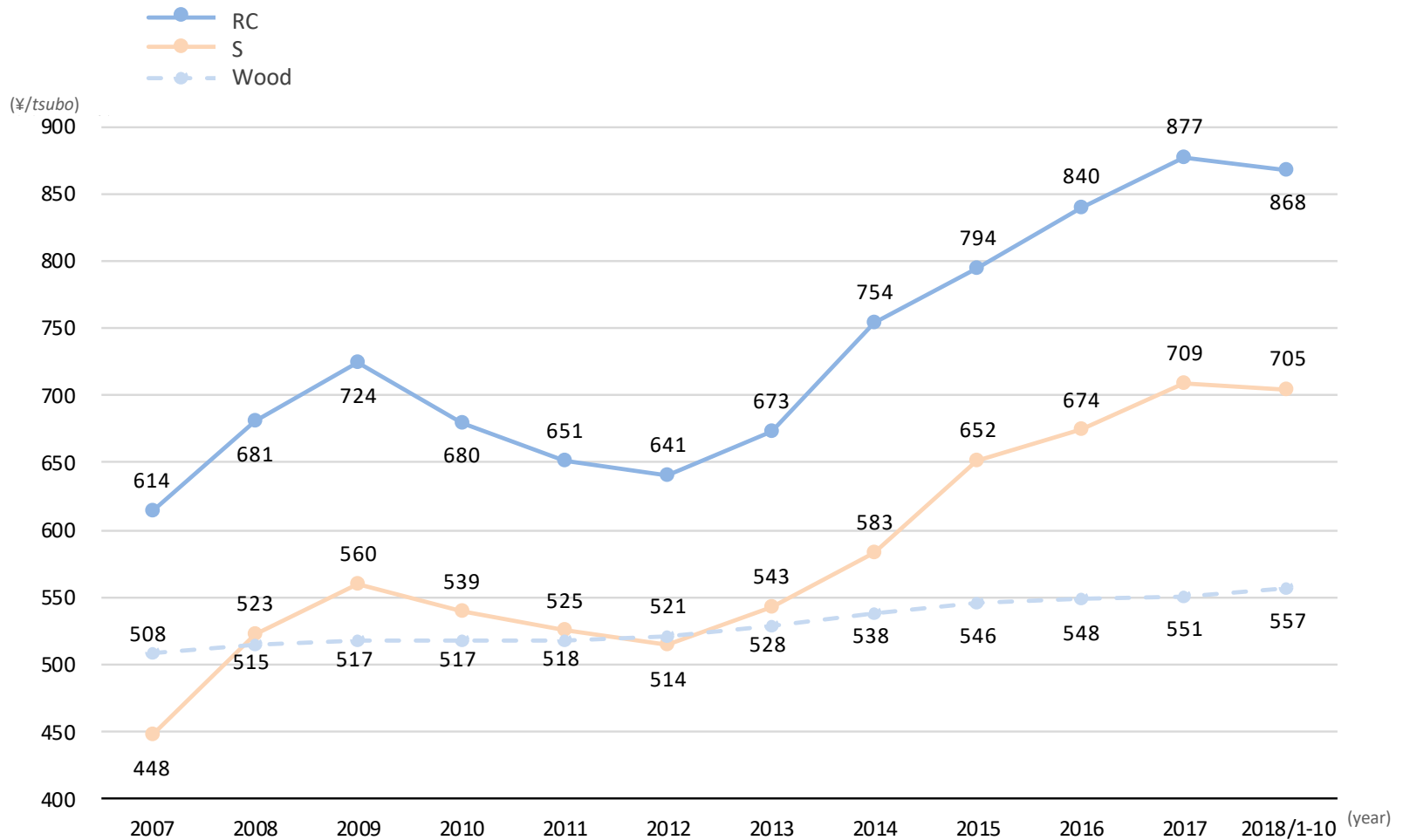
Figures until Feb. 2018 are definitive value, figures of Mar. 2018 is semi-definitive value and figures after Apr. 2018 are quick estimation  
Source : Prepared by Tosei based on ARES "Japan Property Index"

The occupancy rates of the apartments held by J-REIT remains at a high level of over 97%.



# Construction Costs per Tsubo

Construction costs has been slowing its soaring trend down.

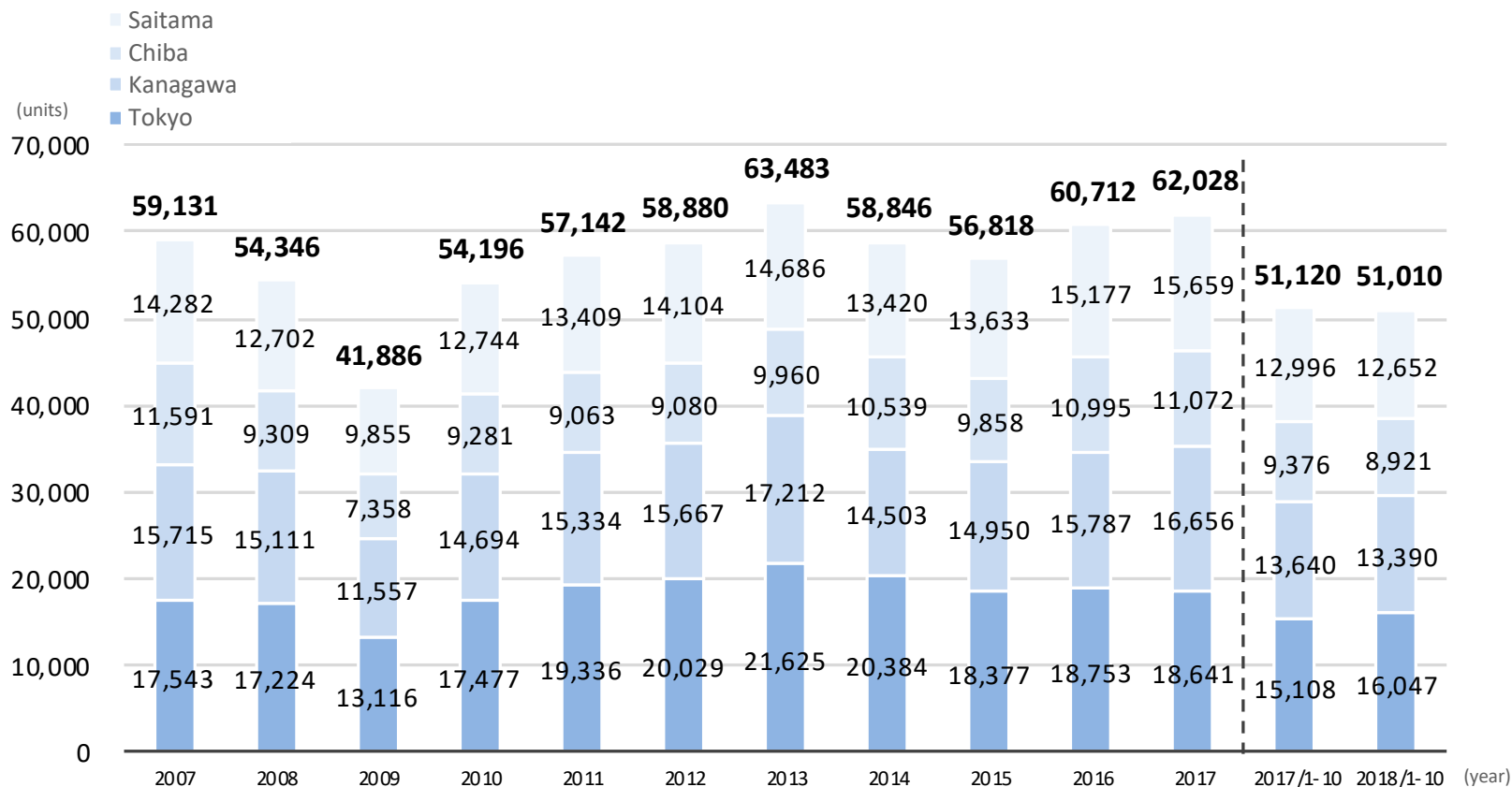


Source : Prepared by Tosei based on Ministry of Land, Infrastructure, Transport and Tourism "Construction Statistics"

Construction costs has been slowing its soaring trend down which started from 2012, but continued to trend at high levels.

## Newly-built Detached House Market (number of houses under construction in greater Tokyo area)

In the greater Tokyo area the demand for newly built detached houses, which are perceived to be under valued compared to newly built condominiums, continues to be firm.

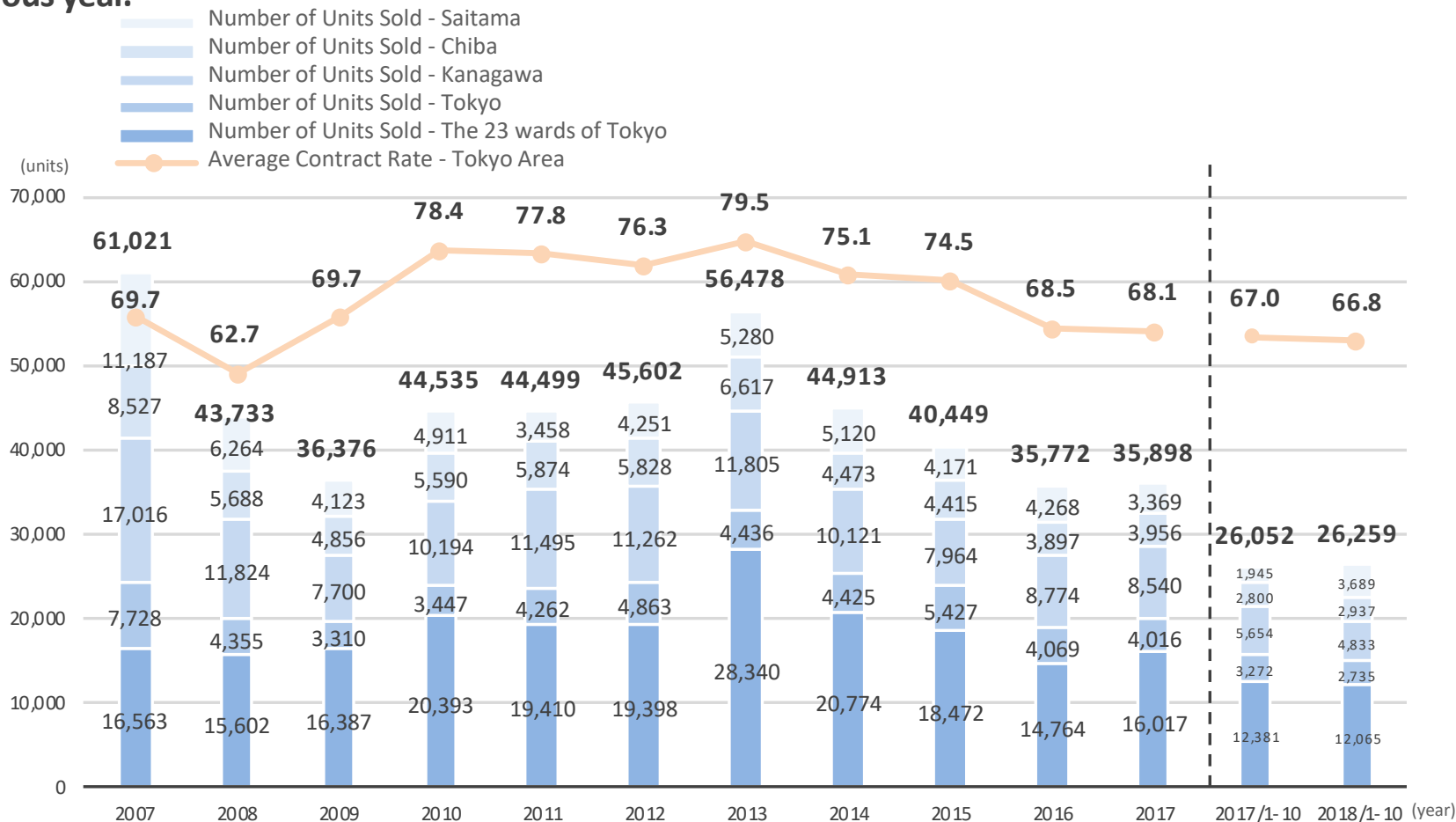


Source : Prepared by Tosei based on Ministry of Land, Infrastructure, Transport and Tourism "housing starts"

The number of detached houses under construction in Jan. to Oct. 2018 was 51,010 units, 0.2% decrease year on year, which remained at the same level as in the previous year.

# Newly-built Condominium Market I (Number of units sold and in stock and average contract rate)

Newly built condominium's annual unit sales in Greater Tokyo Area remained at the same level as in the previous year.



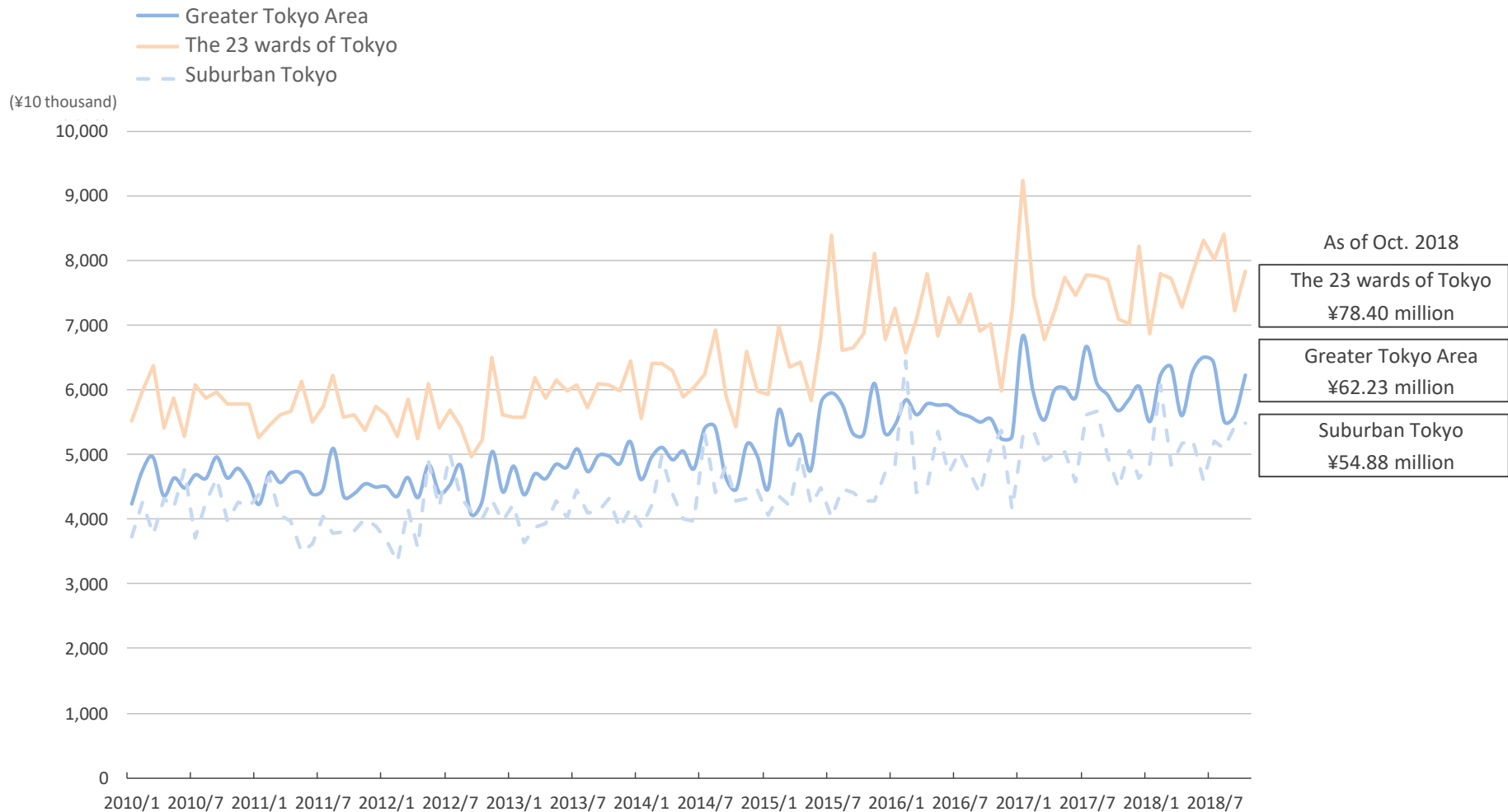
\*Tokyo Area : Tokyo, Kanagawa, Chiba, Saitama

Source : Prepared by Tosei based on Real estate economic institutes Co. Ltd., "condominium market trends in greater Tōkyō"

The number of newly-built condominium units sold from Jan. to Oct. 2018 was 26,259, which remained unchanged year on year. The contract rate for the first month of sale continued to fall below the 70% threshold from which market conditions are viewed as favorable.

# Newly-built Condominium Market II (The 70m<sup>2</sup> converted price in Greater Tokyo area)

Newly built condominium price in Greater Tokyo area continued increase in a modest pace.



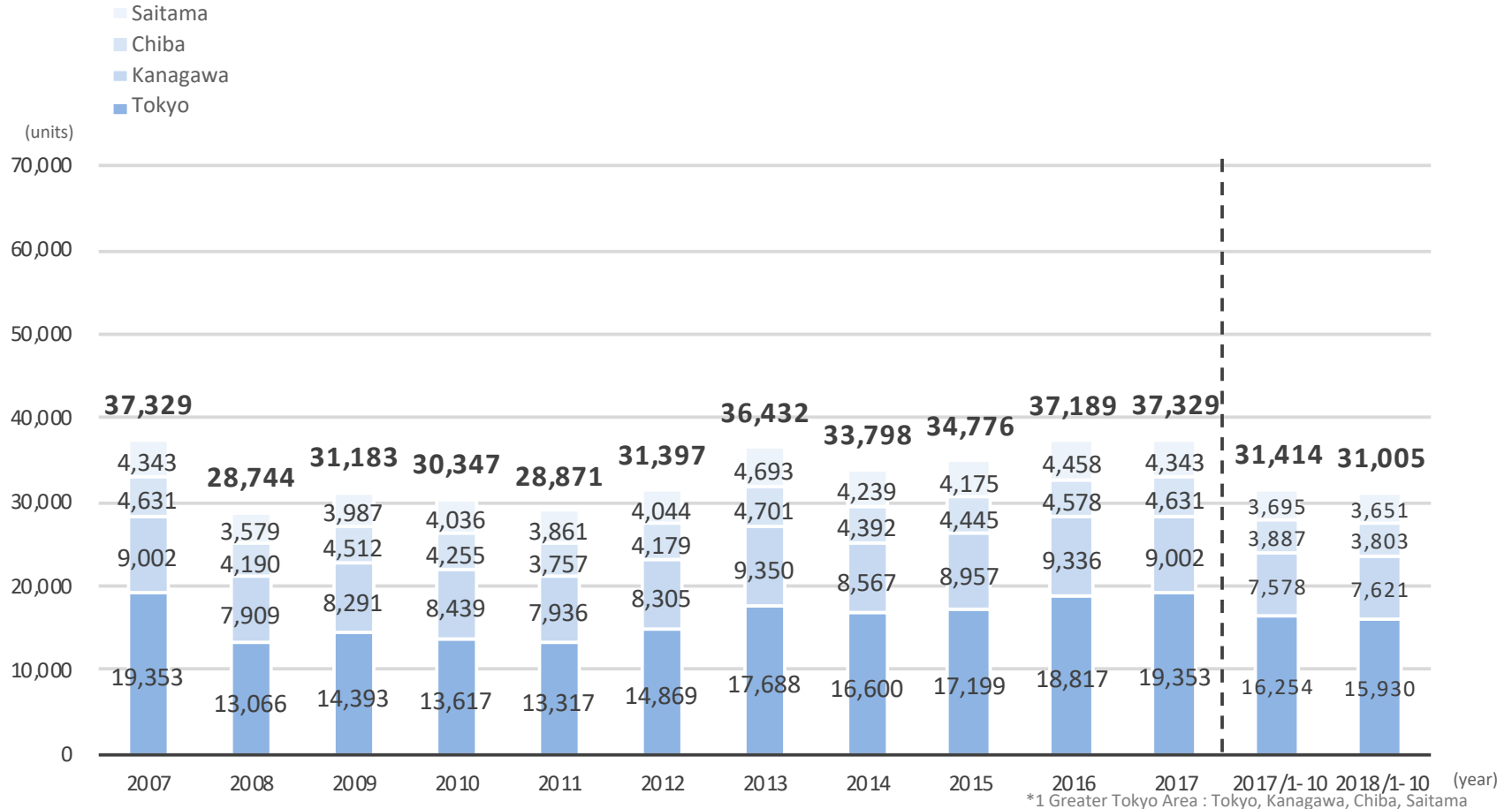
\*1 Greater Tokyo Area : Tokyo, Kanagawa, Chiba, Saitama

Source : Prepared by Tosei based on data from Real Estate Economic Institute Co., Ltd

Newly-built condominium prices in the Greater Tokyo Area continue to increase at a moderate pace, but the rise in those in the 23 wards of Tokyo is remarkable.

# Pre-owned Condominium Market I (Number of contracted units in Greater Tokyo area)

Pre-owned condominiums units transactions in from Jan. to Oct. 2018 remained flat.



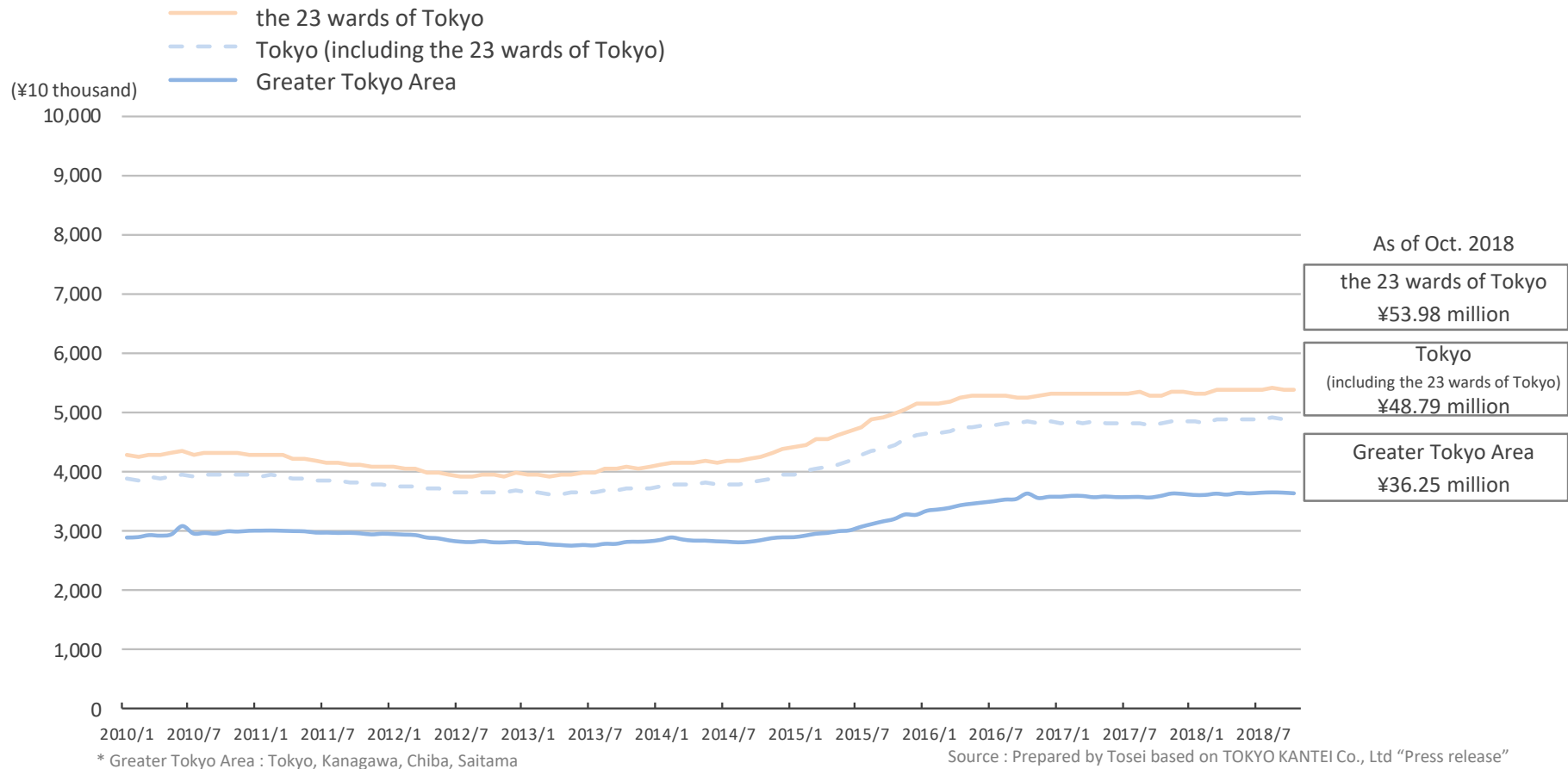
\*1 Greater Tokyo Area : Tokyo, Kanagawa, Chiba, Saitama

Source : Prepared by Tosei based on REINS "Geturei sokuho market watch"

Pre-owned condominiums units transactions in from Jan. to Oct. 2018 remained flat. The demand for relatively low price pre-owned condominiums are strong. The number of contracted units of pre-owned condominiums exceeded that of newly constructed condos.

# Pre-owned Condominium Market II (The 70m<sup>2</sup> converted price in Greater Tokyo area)

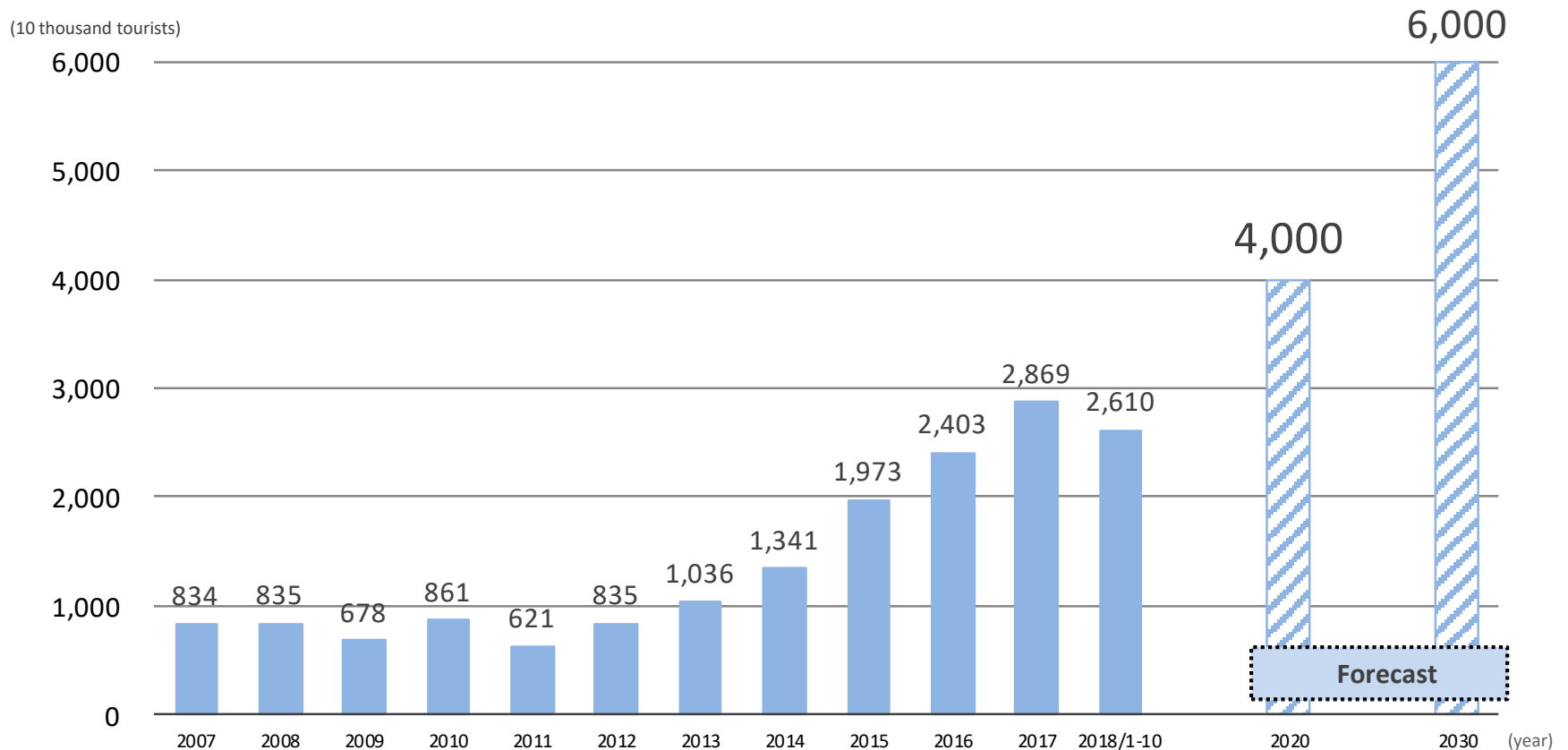
The 70m<sup>2</sup> converted price for pre-owned condominiums in the 23 wards of Tokyo remain at high level of ¥55,000 thousand or less level.



Although the average selling price in the 23 wards of Tokyo remain at high level of ¥55,000 thousand or less level, it is around 20% cheaper than the newly-built condominium price.

# Hotel Market I (Trends in the Number of Foreign Tourists Visiting Japan)

Target number of tourists to Japan is 60 million people by 2030.



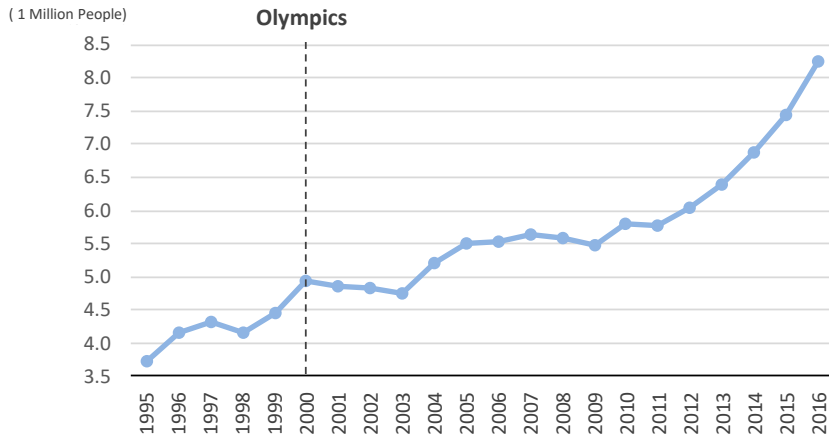
Source : Prepared by Tosei based on the Japan National Tourism Organization(JNTO) "Trends in the number of customers"

The number of foreign tourists hit a record high, 28.69 million people in 2017, and it is likely to exceed 30 million people in 2018. The government set a higher target, 40 million people by 2020 and 60 million people by 2030.

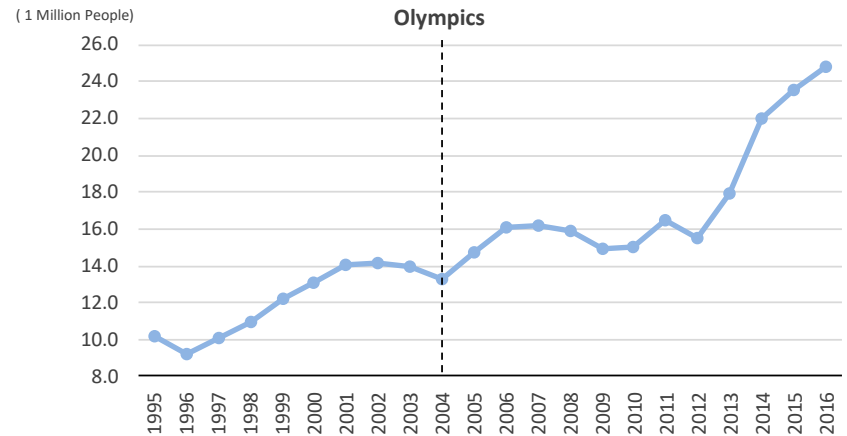
# Hotel Market II (Trends in Inbound Tourism by Olympic Games Host Nation)

Inbound tourism continued to grow even after the Olympic Games.

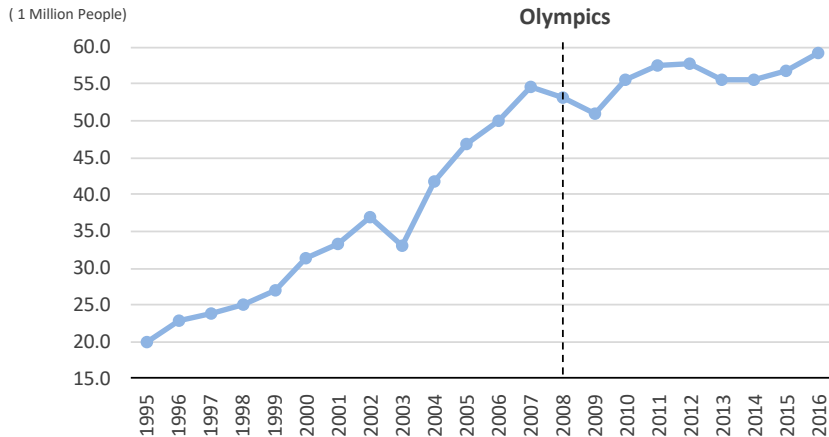
**Australia(2000)**



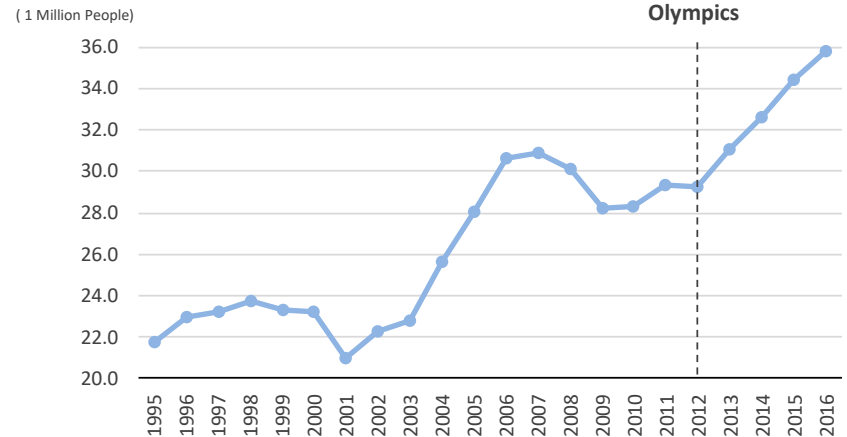
**Greece(2004)**



**China(2008)**



**United Kingdom(2012)**



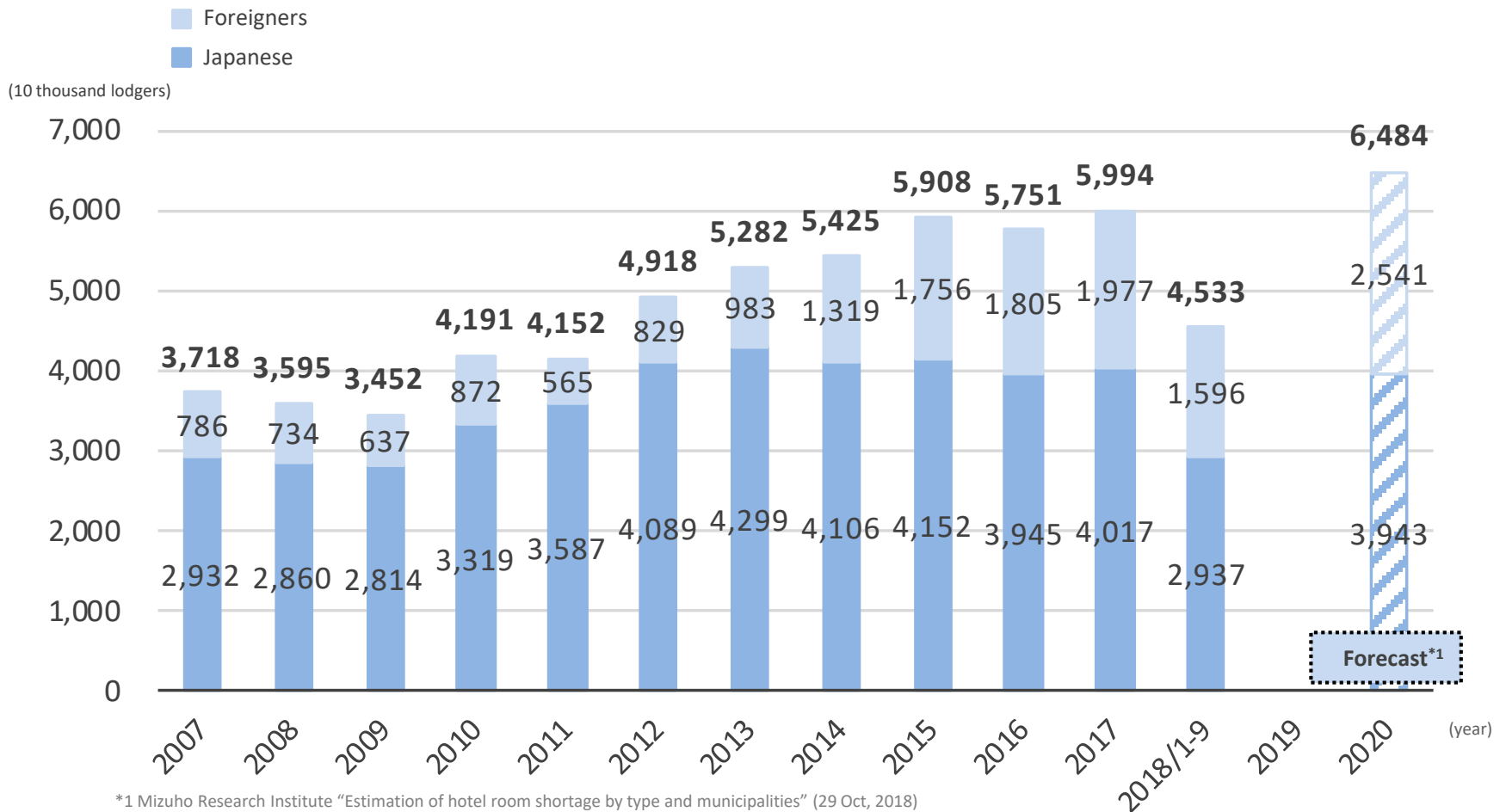
Source: Prepared by Tosei based on THE WORLD BANK "International tourism, number of arrivals"

Countries hosting the Olympic Games in the past have seen continued growth in inbound tourism even after the event took place. It is expected that Japan will continue to see growth in inbound tourism after the 2020 Tokyo Olympics.



# Hotel Market III (Number of Lodgers in Tokyo)

The number of lodgers in Tokyo is expected to be 64.84 million in 2020.



\*1 Mizuho Research Institute "Estimation of hotel room shortage by type and municipalities" (29 Oct, 2018)

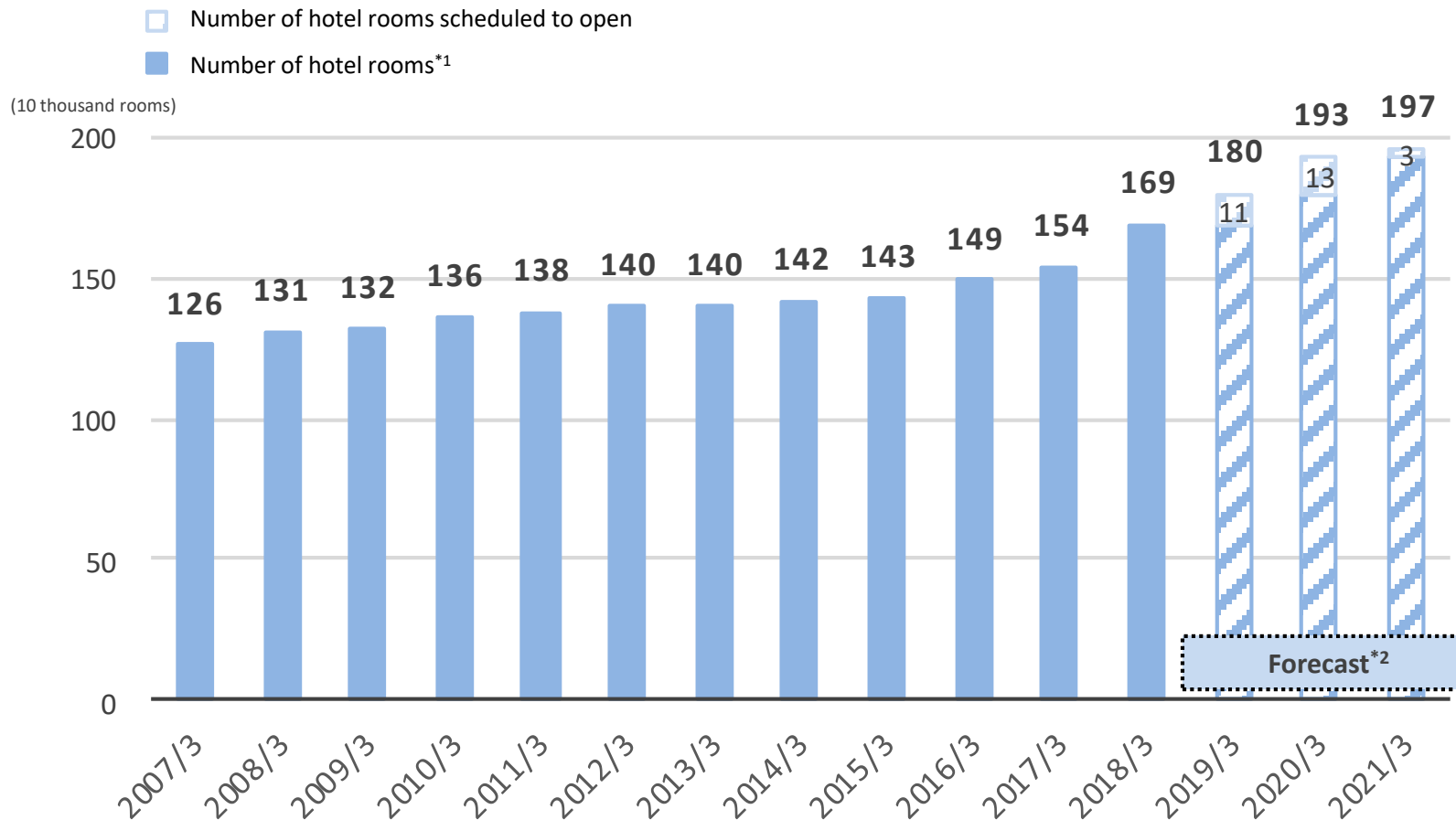
\* The case in which the total number of lodgers from foreign countries is at a standard level.

Source : Prepared by Tosei bade on Ministry of Land, Infrastructure and Transport Tourism Authority "Accommodation travel statistics survey"

The number of foreigners lodging in hotels and other facilities in Tokyo is predicted to reach 65 million by 2020 supported by the increasing foreign tourist.

# Hotel Market IV (Number of hotel rooms in Tokyo)

The number of hotel rooms in Tokyo is predicted to be 193 thousand rooms in 2020.



\*1 Hotel rooms include both hotel rooms and ryokan rooms

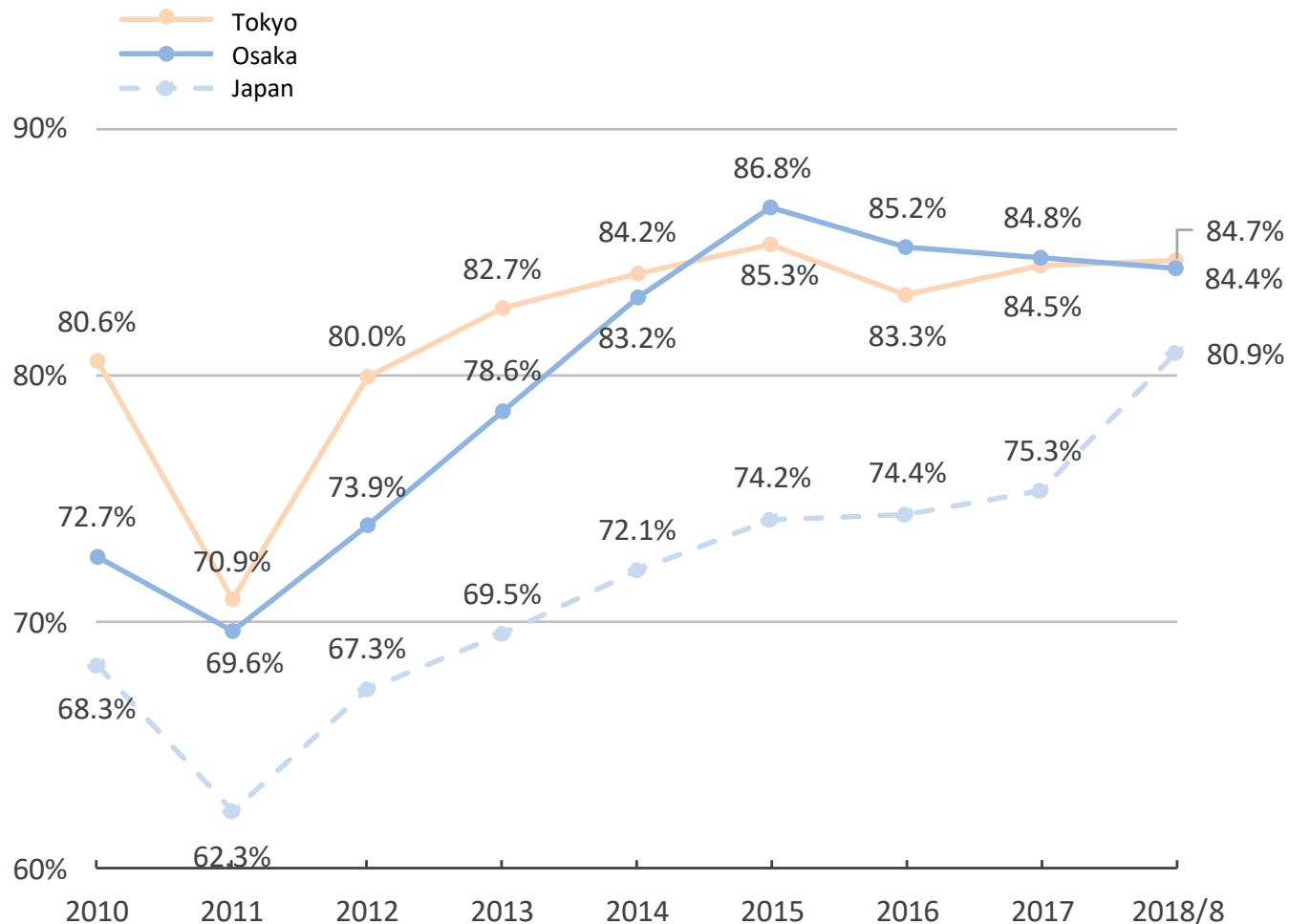
\*2 Numbers are calculated based on Ohta Publication Co., Ltd. "HOTERES magazine" (7 Dec, 2018)

Source: : Prepared by Tosei based on the Ministry of Health, Labor and Welfare "Report on Public Health Administration and Services"

The number of guest rooms at hotels, inns, etc. in Tokyo was 169,000 in Mar. 2018. Taking into account the number of guest rooms at lodging facilities scheduled to open, the number of guest rooms is expected to increase to over 190,000 by 2020.

# Hotel Market V (Trends of Average Hotel Occupancy Rate)

Hotel average occupancy rate is 84.7% in Tokyo.



Source : Prepared by Tosei bade on Ministry of Land, Infrastructure and Transport Tourism Authority "Accommodation travel statistics survey"

While the number of guest rooms continues to grow in Tokyo due to the opening of new hotels, the number of lodgers has also been rising. Hotel occupancy rate in Tokyo remains high.

# Hotel Market VI (Demand and Supply Forecast in Tokyo -2020-)

A new supply of 24,000 rooms is expected by 2020, and there is a little concern of oversupply.

## Our Estimation

### New supply

#### Number of hotel rooms in Tokyo

Mar. 2018

**1,690 thousand rooms**  
(2,024 buildings)



Mar. 2020

**1,930 thousand rooms**  
(2,197 buildings)

\*P34

**+24 thousand rooms**  
(+173 buildings)



**Number of rooms for new supply in 2020**

**7.00 million rooms annually\***

\*Calculated by 2017 occupancy rate, 80.0%\*<sup>A</sup>  
(24,000 rooms × 80.0% × 365days=7,000,000 rooms/year)

### New demand

#### Number of Lodgers in Tokyo

2018

**59.94 million Lodgers**

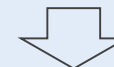


2020

**64.84 million Lodgers**

\*P33

**+490 million Lodgers**



**Number of rooms for new demand in 2020**  
**4.04 million rooms annually\***

\*Calculated by 2017 occupancy per room, 1.21 people per room\*<sup>B</sup>  
(4,900,000 people ÷ 1.21 people per room= 4,040,000 rooms/year)

\*A: Based on Ministry of Land, Infrastructure and Transport Tourism Authority "Accommodation travel statistics survey" Hotel occupancy rate in Tokyo (all type)

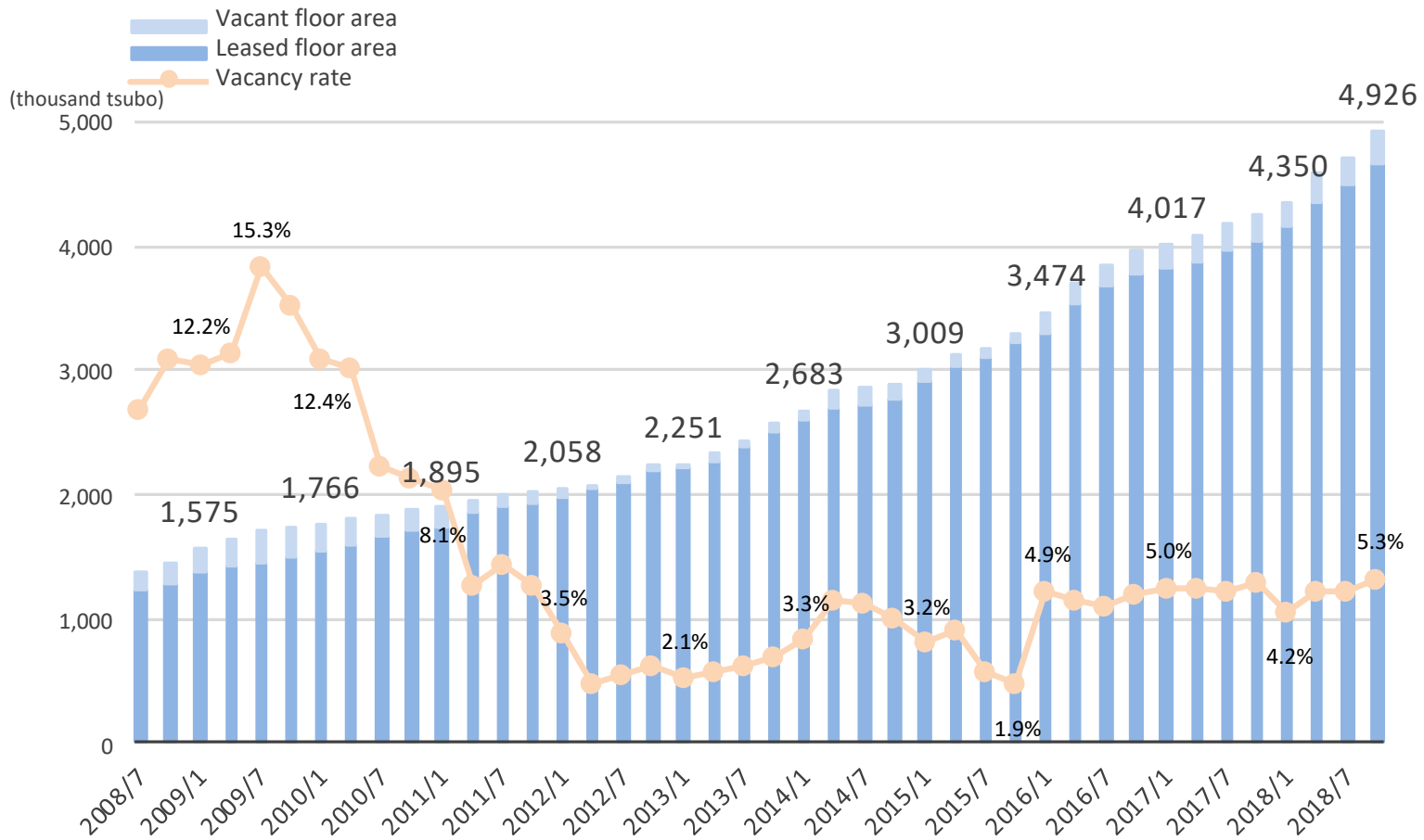
\*B: Prepared by Tosei base on Ministry of Land, Infrastructure and Transport Tourism Authority "Accommodation travel statistics survey", Ministry of Health, Labor and Welfare "Export on Public Health Administration and Services"

Source : Prepared by Tosei bade on survey provided by Ministry of Land, Infrastructure and Transport Tourism Authority and others

According to our estimates, the supply-demand balance of the number of guest rooms in 2020 will be slightly over supply. An increase in inbound foreign tourists and stimulation of the demand for Japanese accommodation guests are expected for further supply-demand expansion.

# Logistics Market I (Stock in the Greater Tokyo area vacancy rate)

There are 4.92 million tsubo of logistics properties in the Greater Tokyo area.



\*the Greater Tokyo area : Tokyo, Kanagawa, Chiba, Saitama, Ibaraki

\*Survey : Logistic which total floor area or site area is over 3,025 tsubo (10,000 m<sup>2</sup>)

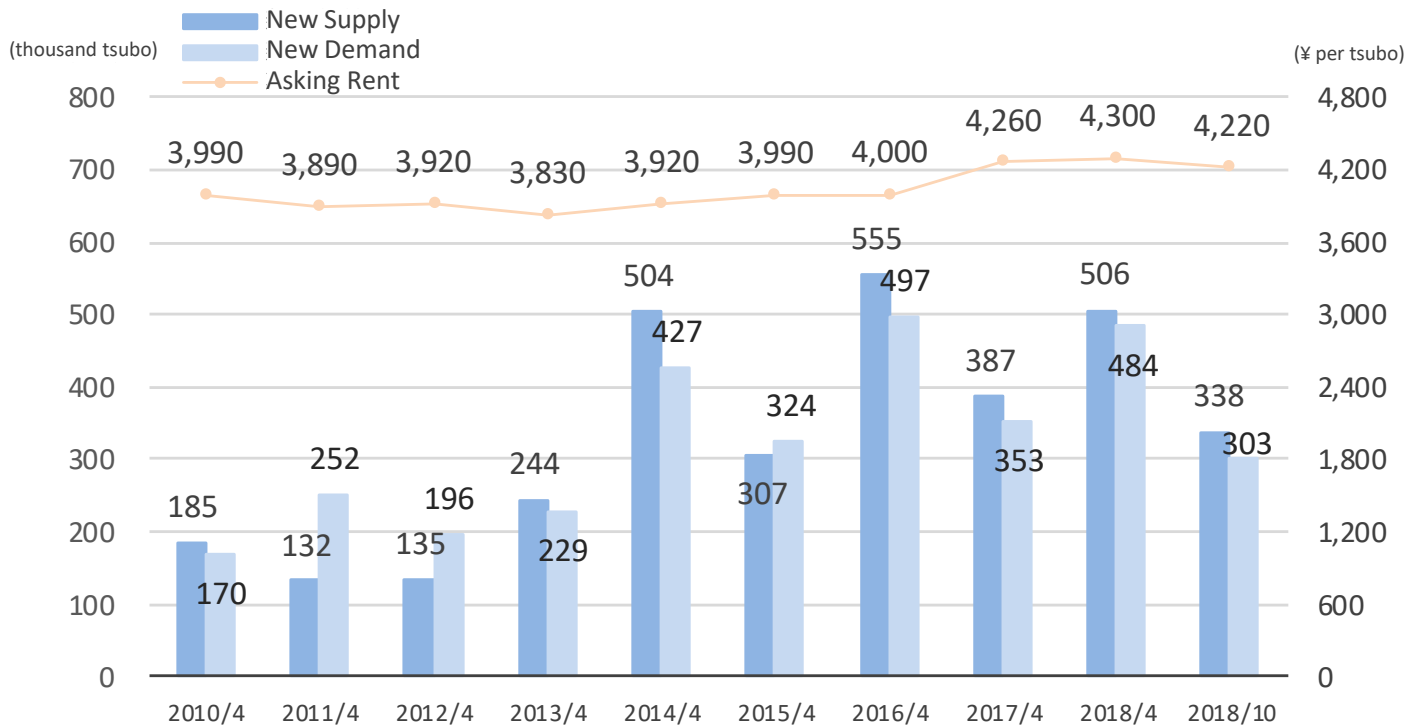
Number of survey : 372 (as of Oct. 2018)

Source: Prepared by Tosei based on Ichigo Real Estate Service Co., Ltd. "Logistics Rental Market Survey"

Vacancy rate remains at a very low level, around 5%, even logistics properties total floor area in the Greater Tokyo area increased to 4,920 thousand tsubo.

# Logistics Market II (Demand in the Greater Tokyo area, Asking rent)

New demand absorbs most of the new supply of logistics facilities.



Resent balance between supply and demand

	May-09 - Apr-10	May-10 - Apr-11	May-11 - Apr-12	May-12 - Apr-13	May-13 - Apr-14	May-14 - Apr-15	May-15 - Apr-16	May-16 - Apr-17	May-17 - Apr-18	May-18 - Oct-18
New Supply (A)	185	132	135	244	504	307	555	387	506	338
New Demand (B)	170	252	196	229	427	324	497	353	484	303
(B) ÷ (A)	92%	191%	145%	94%	85%	106%	90%	91%	96%	90%

\*the Greater Tokyo area : Tokyo, Kanagawa, Chiba, Saitama, Ibaraki \*Targets of Survey : Rental logistics which total floor area is over 3,025 tsubo (10 thousand m<sup>2</sup>)  
The number of logistics surveyed : 372 (as of Oct. 2018) Source : prepared by Tosei based on Ichigo Real Estate Service Co., Ltd. "Rental Logistics Survey"

The new demand of logistics between May 2017 and Apr. 2018 was 500 thousand tsubo, which absorbed the supply of 480 thousand tsubo (96%) in the same period. For the most recent 6 months (May to Oct. 2018), despite the fact that the supply-demand balance was somewhat relaxed, demand has absorbed 90% of the new supply.

# Logistics Market III (Average asking rent in the Greater Tokyo Area)

Average asking rent for logistic properties in area along National Route 16 and Ken-O Road is relatively inexpensive.



\* Asking rent between Oct. to Dec. 2018 (excluding utility fee) \* Application detail : logistics over 1,000 tsubo floor area

Source: Prepared by Tosei based on CBRE "Logistics market view"

Conventionally, distribution centers were situated in central Tokyo, coastal areas and other locations close to consumption. In recent years, logistics facilities have increasingly been built in suburbs where rents are comparably lower and which feature developed highway networks. In the areas outside National Route 16 on the eastern side of Tohoku Expressway, however, there is a risk of a decline in demand due to excess supply.

Please visit our website.



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