

April 26, 2018

For further information:
CBRE
Marketing & Communications
03-5288-9283

CBRE releases Q1 2019 Logistics MarketView

Robust Demand Drives Greater Tokyo Net Absorption to Record High; Greater Osaka Vacancy Rate Falls Below 10%

CBRE today released its Japan Logistics MarketView for Q1 2019.

CBRE VACANCY RATE FORECASTS (Q1 2019 – Q3 2019)

- The vacancy rate for LMT properties in the Greater Tokyo Area is expected to rise by 0.1 point q-o-q to 5.0% over the next two quarters.
- The vacancy rate for LMT properties in the Greater Osaka Area is expected to fall by 1.8 points q-o-q to 7.3% over the next two quarters.
- The vacancy rate for LMT properties in the Greater Nagoya Area is expected to rise by 6.3 points q-o-q to 14.4% over the next two quarters.

Highlights:

- The vacancy rate for LMT properties in the **Greater Tokyo Area** stood at 4.9% in Q1 2019, a slight increase on the 4.8% recorded in Q4 2018. Market activity was brisk this quarter, with new supply of 203,000 tsubo the highest ever level on a quarterly basis, and net absorption surging to a record high 189,000 tsubo.
- The vacancy rate in the Ken-O-do Area has now fallen by 9.0 points over the past two quarters to 12.2%, a significant decline from the recent high of 21.2% in Q3 2018.
- Effective rents rose again in all four areas of Greater Tokyo, recording an overall increase of 0.2% q-o-q to JPY 4,160 per tsubo. Rents are expected to rise by a further 1.0% over the next two quarters as properties in prime locations secure tenants at a faster pace.
- The vacancy rate in the **Greater Osaka Area** LMT market stood at 9.1% in Q1 2019, 3.9 points lower than the 13.0% reported in Q4 2018. This quarter marked the first time that the vacancy rate in the Greater Osaka Area has fallen below 10% since the 6.9% level recorded in Q3 2016. Effective rents, which returned to positive growth in the previous quarter, increased by a further 1.1% to JPY 3,570 per tsubo.
- The decline in the vacancy rate this quarter has significantly improved the outlook for the Greater Osaka Area market. Leasing options are narrowing for companies seeking large units, and properties under construction are securing tenants at a faster pace.
- The vacancy rate in the **Greater Nagoya Area** LMT market increased by 3.5 points q-o-q to 8.1% in Q1 2019. This was partly due to one new building – the first addition to the market since Q1 2018 – having unlet space remaining upon completion, although enquiries for this property have been brisk.

- Effective rents in the Greater Nagoya Area LMT market rose by 0.6% to JPY 3,570 per tsubo, despite the jump in the vacancy rate. Rents increased following the completion of a new property in the central area, while growth is also being supported by the shortage of properties in areas suited to logistics.

For further details, please refer to the Q1 2019 Japan Logistics MarketView published by CBRE.

<https://www.cbre.co.jp/en/research-reports/industrial-reports>

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (based on 2018 revenue). The company has more than 90,000 employees (excluding affiliates) and serves real estate investors and occupiers through more than 480 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.

Official Twitter account for Japan: [@cbrejapan](https://twitter.com/cbrejapan)

DISCLAIMER: Neither CBRE nor its affiliated companies make any warranties or claims on the implied accuracy of the information contained herein.