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CBRE releases Q3 2019 Logistics MarketView

Robust Demand Recorded Nationwide; Vacancy Rate in Greater Tokyo Area Hits Record Low of 2.4% and Falls Below 3% in Ken-O-do Area

CBRE today released its Japan Logistics MarketView for Q3 2019.

CBRE VACANCY RATE FORECASTS (Q3 2019 – Q1 2020)

Vacancy rate for large multi-tenant logistics properties (“LMT”) over the next two quarters

- The Greater Tokyo Area: Forecast to fall by 0.1 points q-o-q to 2.3%
- The Greater Osaka Area: Forecast to fall by 1.3 points q-o-q to 4.3%
- The Greater Nagoya Area: Forecast to fall by 3.1 points q-o-q to 9.0%

Highlights:

- The vacancy rate for LMT properties in the **Greater Tokyo Area** stood at 2.4% in Q3 2019, a record low since CBRE began recording this figure in Q1 2004. New supply totaled 206,000 tsubo while net absorption was 211,000 tsubo – both the highest ever quarterly figures.
- Effective rents rose by 0.7% q-o-q to JPY 4,230 per tsubo in the Greater Tokyo Area.
- The vacancy rate in the **Ken-O-Do Area** fell by 4.7 points q-o-q to 2.5%, the lowest level since Q1 2014 (1.7%). Increasing space occupancy in this area was the main driver behind the vacancy rate decline in the Greater Tokyo Area.
- The vacancy rate in the **Greater Osaka Area** LMT market fell by 1.5 points q-o-q to 5.6%, marking the first time that the vacancy rate in this area has fallen below 6% since the 1.9% recorded in Q2 2016. Two existing properties in the waterfront area reported full occupancy this quarter, meaning there are now just three properties in the overall Greater Osaka Area with large-scale vacant space remaining. Effective rents stood at JPY 3,700 per tsubo, a rise of 1.1% q-o-q.
- In the **Greater Nagoya Area** LMT market, the vacancy rate fell by 5.2 points q-o-q to 12.1%. Only one property is slated for development over the next year, meaning that the vacancy rate is expected to fall further. Effective rents rose by 0.3% q-o-q to JPY 3,560 per tsubo.

For further details, please refer to the Q3 2019 Japan Logistics MarketView published by CBRE.

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

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