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January 31, 2020

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CBRE releases Q4 2019 Logistics MarketView

Greater Tokyo Area: Net Absorption Rises 60% y-o-y in 2019; Q4 2019 Vacancy Rate Falls to Record Low of 1.1%

CBRE today released its Japan Logistics MarketView for Q4 2019.

Highlights:

- The vacancy rate for LMT in the Greater Tokyo Area stood at 1.1% in Q4 2019, the lowest level since CBRE's surveys began recording this figure in 2004. Net absorption for full-year 2019 was a record high at 705,000 tsubo. E-commerce and logistics firms continue to drive this demand. New demand in 2019 is 705,000 tsubo, 1.6 times higher than the previous year.
- Vacancy rates were sub-2% in all four areas of Greater Tokyo. Among these, Ken-O-do Area registered a notable improvement, with the vacancy rate falling to 1.2%, the lowest level since 2008.
- Across the Greater Tokyo Area as a whole, effective rent rose by 1.4% q-o-q to JPY 4,290 per tsubo in Q4 2019.
- The vacancy rate in the Greater Osaka Area LMT market fell by 1.6 points q-o-q to 4.0%, marking the seventh consecutive quarterly decline. There is no vacant space in the inland area, and in the waterfront area, only two properties have large-scale space available. As such, pressure on rents is strengthening and effective rents rose by 3.0% q-o-q to JPY 3,810 per tsubo this quarter.
- The vacancy rate in the Greater Nagoya Area LMT market fell by 2.5 points q-o-q to 9.6% in Q4 2019. Net absorption during full-year 2019 was 81,000 tsubo, the highest level since the survey started recording this figure in 2007. Only two properties are currently in the development pipeline, meaning that the vacancy rate is expected to trend downward. Effective rent rose by 0.6% q-o-q to JPY 3,580 per tsubo.

CBRE VACANCY RATE FORECASTS (Q4 2019 – Q2 2020)

Vacancy rate for large multi-tenant logistics properties ("LMT")

- The Greater Tokyo Area is forecast to rise by 0.8 points q-o-q to 1.9%
- The Greater Osaka Area is forecast to rise by 4.0 points q-o-q to 8.0%
- The Greater Nagoya Area is forecast to fall by 3.2 points q-o-q to 6.4%

For further details, please refer to the Q4 2019 Japan Logistics MarketView published by CBRE.
<https://www.cbre.co.jp/en/research-reports/industrial-reports>

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