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For further information:

CBRE

Marketing & Communications

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CBRE releases Q1 2020 Logistics MarketView

Vacancy rate in Greater Tokyo Area falls to record low of 0.5%

CBRE today released its Japan Logistics MarketView for Q1 2020.

Highlights:

The Greater Tokyo Area

- The vacancy rate for Large Multi-Tenant (LMT) properties in the Greater Tokyo Area fell from 1.1% in Q4 2019 to 0.5% in Q1 2020, the lowest level since CBRE's surveys began recording this figure in 2004. Just one property providing 3,000 tsubo of vacant space was completed in Q1 2020 as stock availability tightened across the Greater Tokyo Area.
- Over 50% of the floor area at new facilities scheduled for completion in the coming two quarters have already been pre-let, meaning that options for tenants seeking to relocate or move to larger premises are becoming increasingly limited. Effective rents rose by 2.1% q-o-q to JPY 4,380 per tsubo, marking the largest quarterly increase since this survey began tracking this figure in Q1 2008.

The Greater Osaka Area

- The vacancy rate in the Greater Osaka Area LMT market fell by 0.3 points q-o-q to 3.7%. Pre-leasing has also advanced at properties scheduled for completion in 2020 and 2021. However, amid growing economic uncertainty, effective rents were unchanged this quarter at JPY 3,810 per tsubo, marking a pause in the uptrend witnessed since Q4 2018.

The Greater Nagoya Area

- The vacancy rate in the Greater Nagoya Area LMT market fell by 1.7 points q-o-q to 7.9%. Amid solid demand for medium-sized properties, the vacancy rate is expected to continue trending downward in the coming quarters. Effective rents stood at JPY 3,590 per tsubo, a rise of 0.3% q-o-q, maintaining the quarterly uptrend.

Impact of COVID-19

- The COVID-19 outbreak has stimulated additional demand for short-term leases from companies involved in the distribution of daily necessities and certain other goods. E-commerce-related demand, which had already been driving leasing activity in logistics

facilities, remains strong and logistics demand overall is solid.

- Companies in selected sectors are likely to reduce floor area if the COVID-19 outbreak is protracted and economic activity is sluggish for a long period.

For further details, please refer to the Q1 2020 Japan Logistics MarketView published by CBRE.

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

CBRE Japan Celebrates Its 50th Anniversary

CBRE Japan marked its 50th anniversary on February 21, 2020.

We value and thank all those who have supported us over the last five decades.

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