

Real Estate Market Trends

—Autumn 2024—

Corporate Services Division

Nomura Real Estate Solutions Co., Ltd.

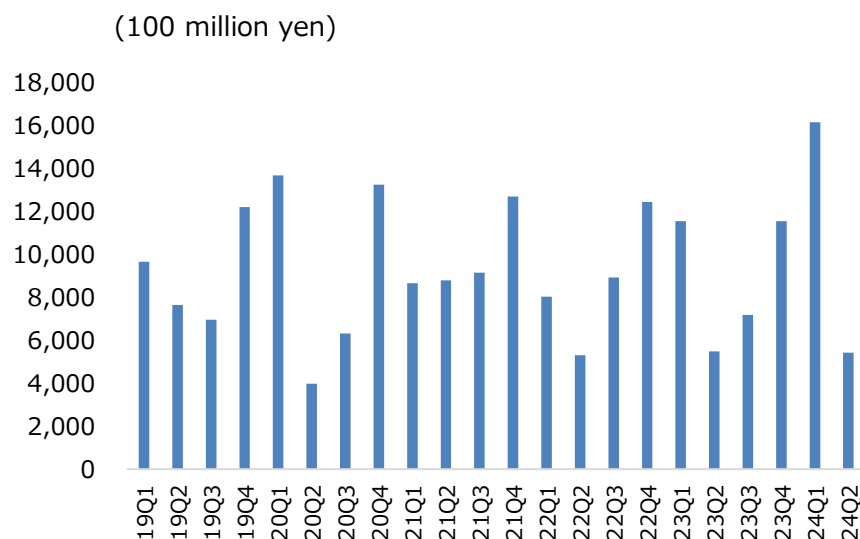


1. Commercial Real Estate Transactions

1 Commercial Real Estate Transactions (offices, hotels, stores, etc.)

- Transaction amount in Q2 2024 (as ascertained) remained almost the same y-o-y. In Q1 2024 office buildings drove transactions while hotel transactions largely increased in Q2 2024 with a rapid recovery in the number of stays led by inbound tourism demand and other factors.
- The transaction trends of office buildings include active moves to sell a former headquarters building after relocation to make an effective use of balance sheet assets or to purchase an office building located near the current office.
- Investment market remains active despite concerns over higher interest rates, and hotels and residential for rent will continue to be popular.

■ Change in commercial real estate transactions



Source: Prepared by Nomura Real Estate Asset Management based on various press articles (excerpts)
Note: Only transactions ascertained

■ Large transaction cases ascertained in Q2 2024

Property (Asset type)	Timing	Details	Estimated amount
Shibuya Sakura Stage SHIBUYA Tower Part of floors (Office space)	Feb.	An SPC formed by an institutional investor fund and Tokyu Fudosan acquired from Tokyu Fudosan.	100.0 billion yen and above
Bridgestone Mikawadai No. 1 and No. 2 corporate houses (Residential)	Feb.	Mitsui Fudousan Residential Co., Ltd. acquired these properties from Bridgestone.	63.4 billion yen (capital gain)
Part of the Honmoku Plant site of Mitsubishi Heavy Industries (MHI) (Logistics)	Feb.	MHI's part of idle land was sold. Details of the buyer and sales amount are not disclosed.	About 50.0 billion yen (capital gain)
Hoshino Resorts TOMAMU (Hotel)	Jun.	GK YCH16 acquired the property from Yu Hai (a subsidiary of Shanghai Yuyuan Tourist Mart).	40.83721 billion yen
Prime Takanawa Gateway (Office)	Jan.	Daiichi Kosho acquired from GK M3 Project (An SPC of Loadstar Investments K.K.)	32.1 billion yen

Source: Prepared by Nomura Real Estate Solutions based on data from Nikkei Real Estate Market Report and press releases
Note: "Timing" includes the timing of contract concluded, delivery, or announcement.



2. Offices

2-1 Office Trends in Major Cities (Tokyo)

[Tokyo] The Grade A vacancy rate fell by 0.2 points q-o-q to 4.6%, and rents rose by 1.3% q-o-q to 35,350 yen per *tsubo*.

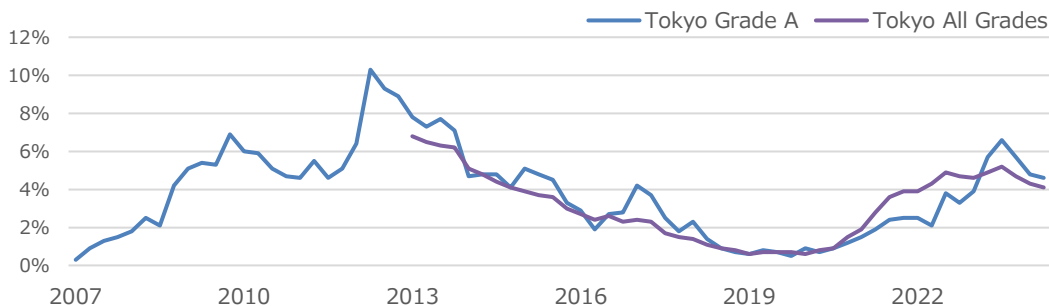
The Grade A rents are expected to increase by 0.8% over the next one year, continuing to rise slightly for the time being.

The vacancy rate of all grades fell by 0.2 points q-o-q to 4.1%, and rents rose by 0.5% q-o-q to 21,480 yen per *tsubo*.

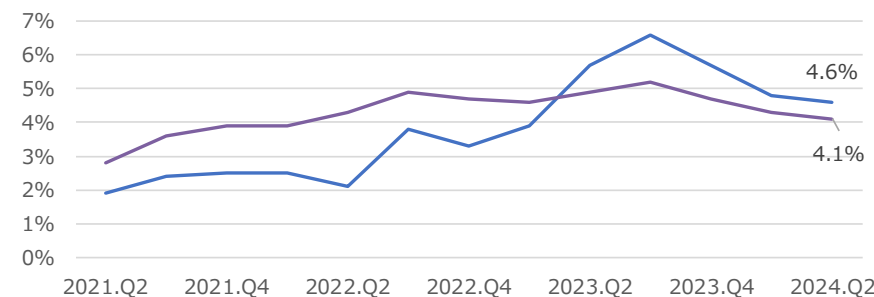
The vacancy rate decreased for the third consecutive quarter. Rents rose in all grades for the third consecutive quarter. The number of buildings with vacant spaces is decreasing and the vacancy rate continues to return to the pre-COVID level from the previous quarter.

Area		2023.Q3	2023.Q4	2024.Q1	2024.Q2
Tokyo Grade A	Vacancy rate (%)	6.6	5.7	4.8	4.6
	Assumed achievable rent (yen)	34,550	34,650	34,900	35,350
Tokyo All Grades	Vacancy rate (%)	5.2	4.7	4.3	4.1
	Assumed achievable rent (yen)	21,270	21,300	21,370	21,480

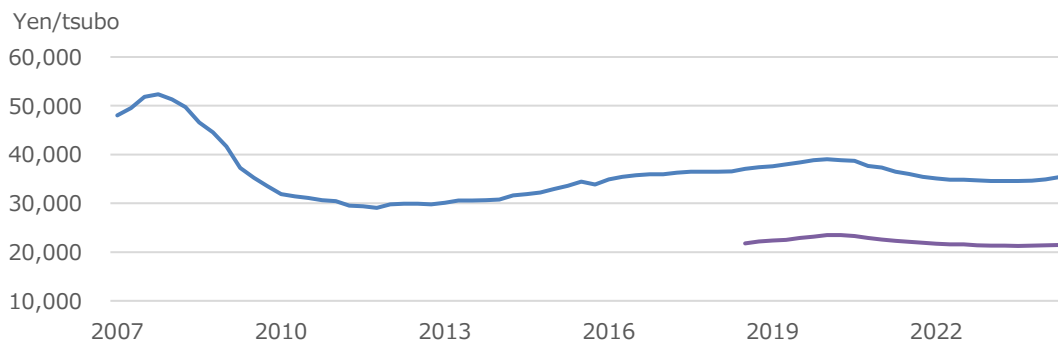
■ Vacancy rate (Long-term changes: from Q1 2007) * Data from Q1 2013 for Tokyo All Grades



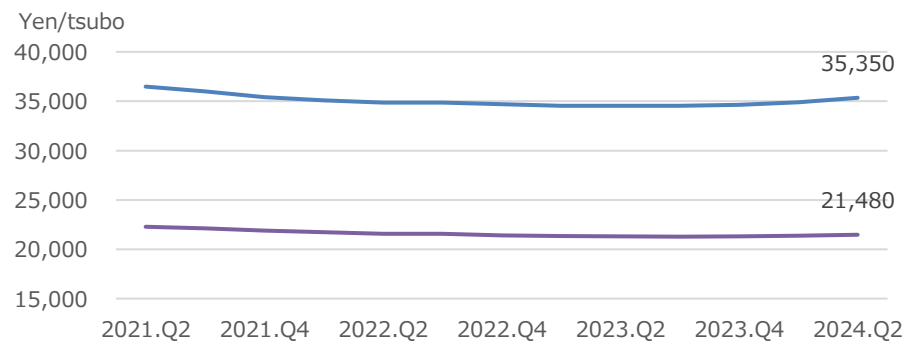
■ Vacancy rate (Short-term changes: from Q2 2021)



■ Rent revenue (Long-term changes: from Q1 2007) * Data from Q3 2018 for Tokyo All Grades



■ Rent revenue (Short-term changes: from Q2 2021)



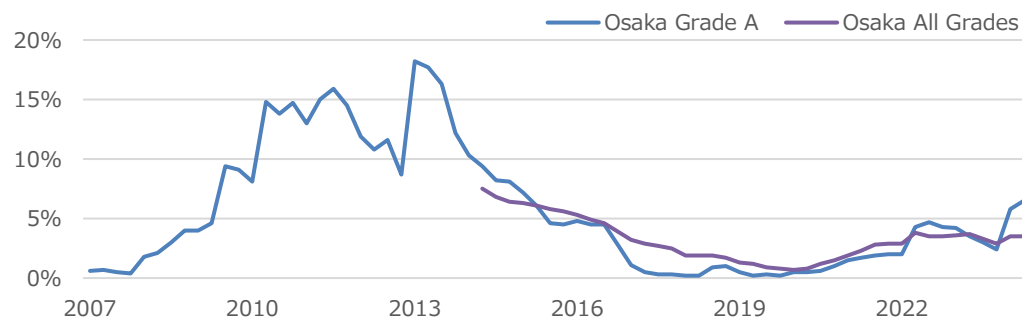
Source: Prepared by Nomura Real Estate Solutions based on "Japan Office Market View" by CBRE

2-2 Office Trends in Major Cities (Osaka)

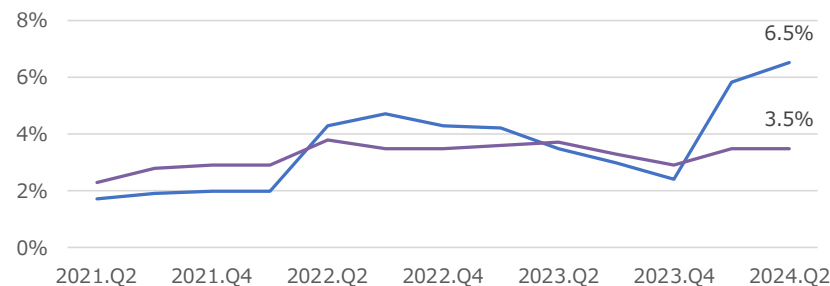
[Osaka] The Grade A vacancy rate rose by 0.7 points q-o-q to 6.5%, and rents rose by 0.2% q-o-q at 23,950 yen per tsubo. Grade A rents are expected to fall by 1.0% over the next one year. The All Grades vacancy rate remained flat q-o-q at 3.5%, and rents rose by 0.1% q-o-q to 14,240 yen per tsubo. In addition to convenient locations, the rent increased in properties with a slightly lower rent than the market level and saw a rise in three consecutive quarters.

Area		2023.Q3	2023.Q4	2024.Q1	2024.Q2
Osaka Grade A	Vacancy rate (%)	3.0	2.4	5.8	6.5
	Assumed achievable rent (yen)	23,950	23,900	23,900	23,950
Osaka All Grades	Vacancy rate (%)	3.3	2.9	3.5	3.5
	Assumed achievable rent (yen)	14,110	14,190	14,220	14,240

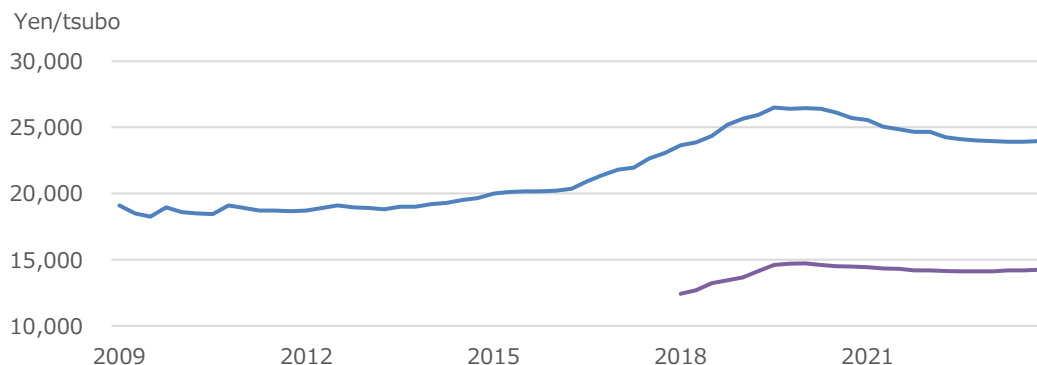
■ Vacancy rate (Long-term changes: from Q1 2007) * Data from Q2 2014 for Osaka All Grades



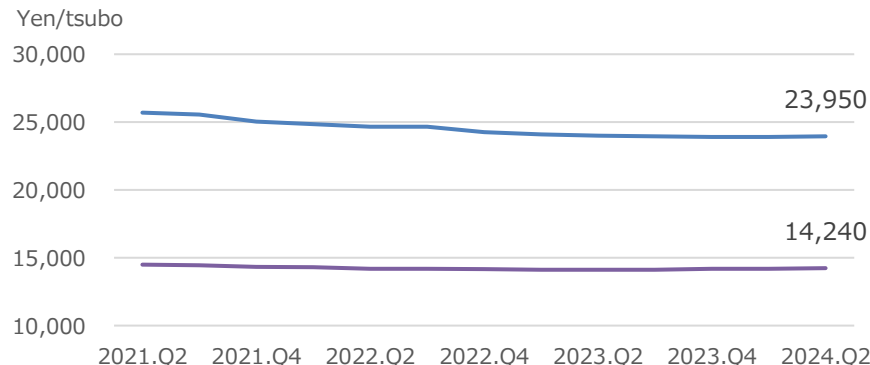
■ Vacancy rate (Short-term changes: from Q2 2021)



■ Rent revenue (Long-term changes: from Q3 2009) * Data from Q3 2018 for Osaka All Grades



■ Rent revenue (Short-term changes: from Q2 2021)

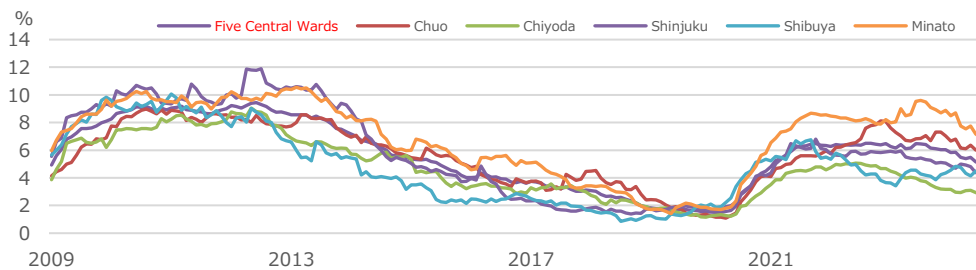


Source: Prepared by Nomura Real Estate Solutions based on "Japan Office Market View" by CBRE

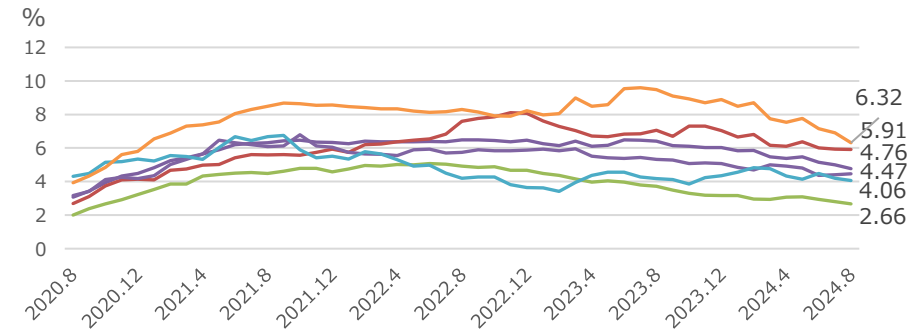
2-3 Office Trends in Tokyo's Five Central Wards

- The average vacancy rate in the five central wards of Tokyo was 4.76% as of August (down slightly 0.24 points from July). For new buildings, with the completion of three buildings in August, vacant spaces of each building led to increase the vacancy rate. In contrast, for existing buildings, there were some cancellations due to factors including aggregation of group functions, contracts for large-scale buildings and floor expansion, resulting in a fall in the vacancy rate.
- Amid the post-COVID labor shortage, there is a strong momentum to move into a new office conveniently located with good facilities which contributes to a lower vacancy rate.
- Average asking rents rose for seven consecutive months to 20,103 yen as of April (up 0.34% from July).

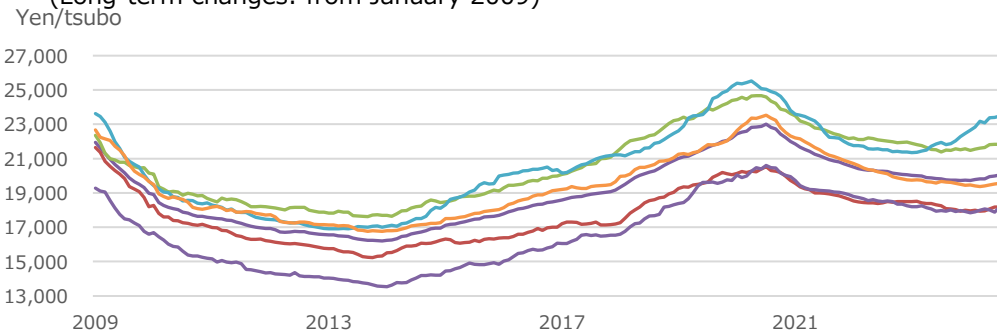
■ Average office vacancy rates (Long-term changes: from January 2009)



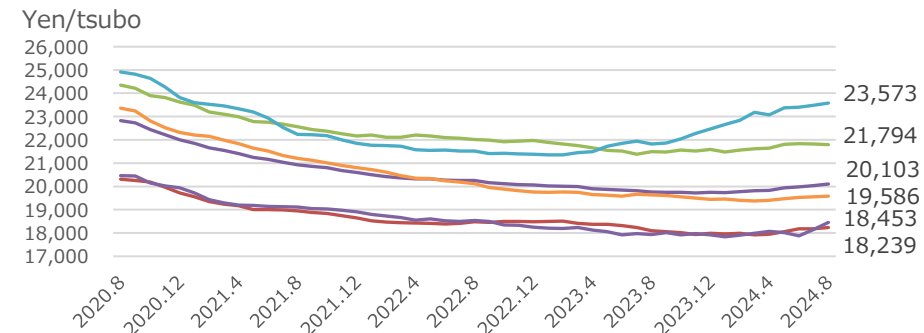
■ Average office vacancy rates (Short-term changes: from August 2020)



■ Average office asking rents by central wards (Long-term changes: from January 2009)



■ Average office asking rents by central wards (Short-term changes: from August 2020)

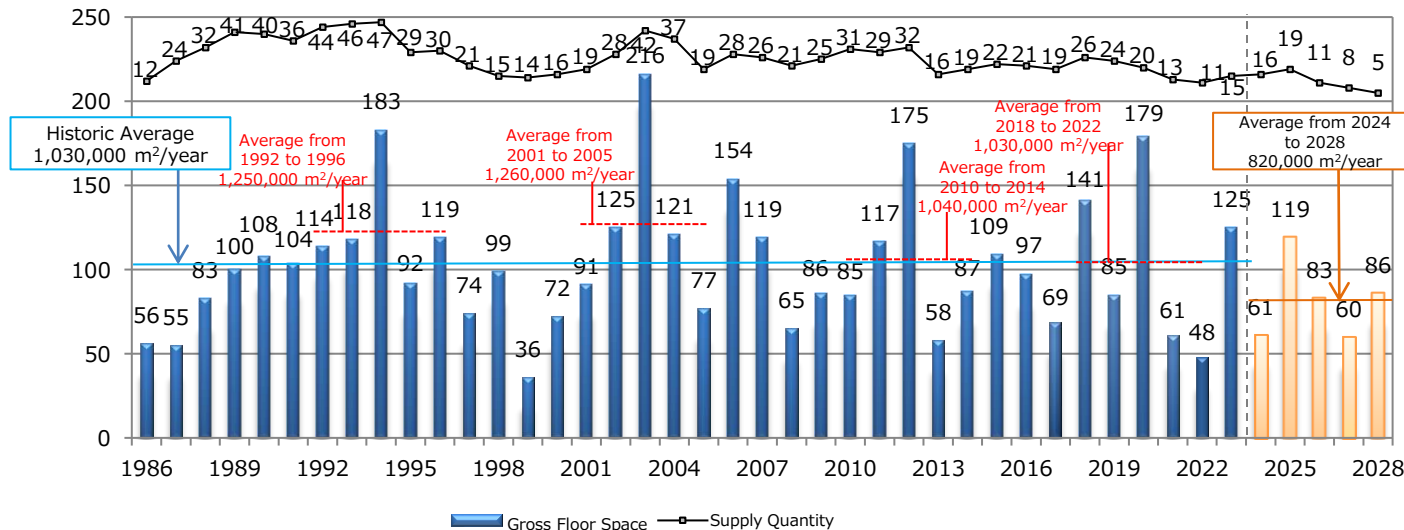


Source: Prepared by Nomura Real Estate Solutions based on data from Miki Shoji * Area and building standard covered by the survey: major office buildings for rent in the Tokyo business district (central five wards of Tokyo) with standard floor area of 100 tsubo or more, central five wards of Tokyo = Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward

2-4 Trends of Large-scale Offices in Tokyo's 23 Wards

- Regarding the supply of large office buildings in **Tokyo's 23 wards**, the average supply over the next five years from **2024 through 2028 (0.82 million m²/year)** is expected fall below the historical average (1.03 million m²/year, from 1986 to 2023). In addition, the five-year average before and after years with high supply in the past was 1.25 million m² for 1994, 1.26 million m² for 2003, 1.04 million m² for 2012, and 1.03 million m² for 2020, and the impact from future supply on the office market is expected to be limited.
- Regarding the supply of large office buildings in **Tokyo's five central wards** (Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, and Shibuya Ward), the average supply in the next five years is expected to be **0.67 million m² per year**, below the past 10-year average (0.86 million m²/year). Of the supply in Tokyo's 23 wards, the supply in the five central wards will account for 83% for the next five years, around the same level as the past 10-year average (85%).
- New demand for large office buildings in **Tokyo's 23 wards** in 2023 significantly increased to exceed the average level before the COVID-19 pandemic (2000 to 2019). **The vacancy rate at the end of 2023 fell 0.1 points to 5.8%, a decrease for the first time in four years since 2019.**
- The vacancy rate in major business districts was seen to be increasing but has fallen since 2024. Against the backdrop of firm needs for location and building grade improvement, it is expected that the vacancy rate will continue to improve.

Large office building supply trends in Tokyo's 23 wards



1986-2023

(1) Properties supplied: 990

(2) Gross floor space: 39,040,000 m²

2024-2028

(1) Properties supplied: 59

(2) Gross floor space: 4,080,000 m²

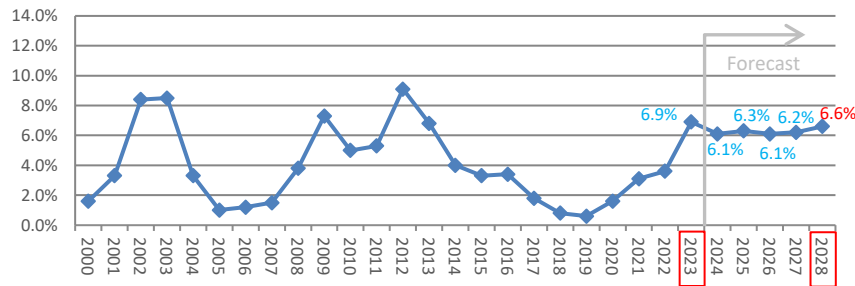
* The survey covered office buildings with a gross floor area of 10,000 m² or more (constructed after 1986) in Tokyo's 23 wards
 Source: Prepared by Nomura Real Estate Solutions based on data from Mori Building "Market Trends for Large-scale Office Buildings in Tokyo's 23 Wards in 2024"

2-5 Forecasts for the Office Market in the Three Major Metropolitan Areas

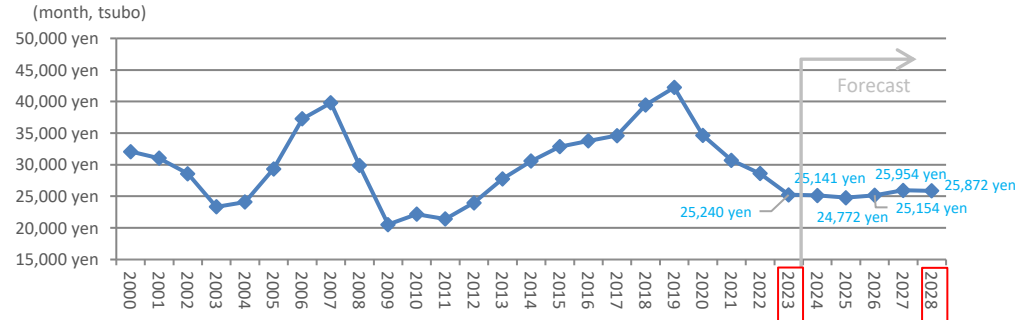
- New supply floor area of the Class-A buildings in central Tokyo will remain high supported by the demand to improve office environment on the back of labor shortage, etc. and **a rise in the vacancy rate is expected to be limited.**
- The achievable rent of Class-A buildings in central Tokyo **is expected to be at the 25,000 yen level**, the same as the current level (Q4 2023)
- The achievable office rent in Osaka is forecast to see a falling trend in line with supply and demand easing. Assuming that the rent in 2023 is "100," it is forecast to fall to "97" in 2024 and "93" in 2028.
- The achievable office rent in Nagoya is expected to hover around the current level due to a stable vacancy rate. Assuming that the rent in 2023 is "100," the rents in 2024 and 2025 are forecast to be "100" and "99" in 2028.
- Regarding these forecasts, Nomura Real Estate Solutions set the economic outlook, referring to the ESP Forecast Survey.

Source: NLI Research Institute estimated the actual values based on the "Office Rent Index" released by Sanko Estate and NLI Research Institute and the future outlook based on the "Office Rent Index" and others

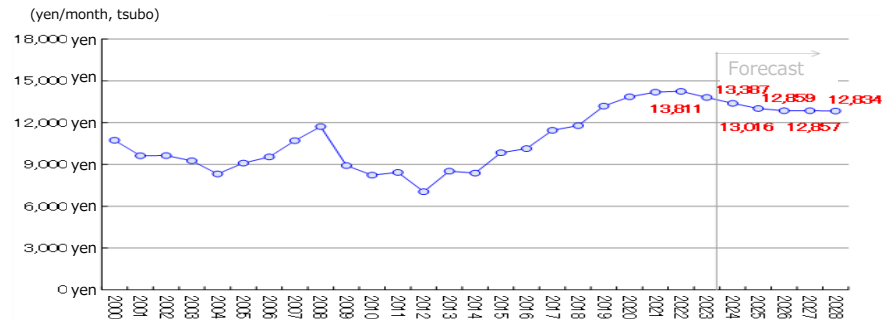
■ Vacancy rate outlook for Class-A buildings in central Tokyo



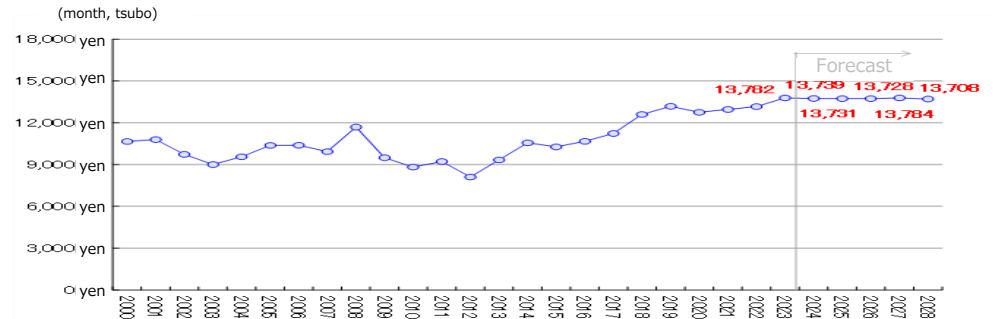
■ Achievable rent outlook for Class-A buildings in central Tokyo



■ Office rent outlook in Osaka



■ Office rent outlook in Nagoya



Source: NLI Research Institute estimated the actual values based on the "Office Rent Index" released by Sanko Estate and NLI Research Institute and the future outlook based on the "Office Rent Index" and others
 Note: The annual estimated values for Tokyo are published in the 4th quarter of each year. For Osaka and Nagoya, the values are published in the 2nd half of each year.

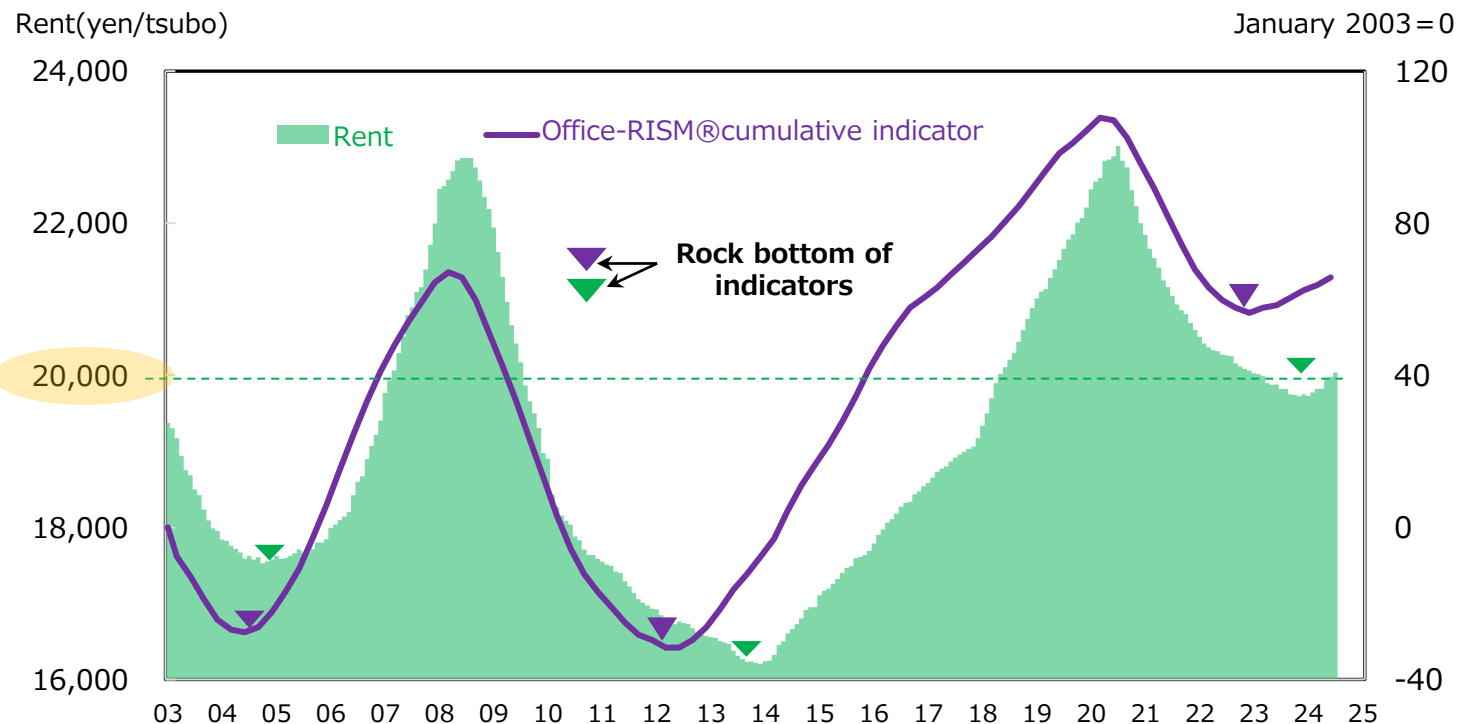
2-6 Office-RISM®* (Office leasing market indicator)

- Office-RISM (a cumulative indicator)** is a leading indicator to monitor the rent fluctuation.
- This indicator hit the rock bottom in Q4 2022 and then continued to turn upward. After a slowdown in the pace of rent decrease, the rent turned upward in Q1 2024. The pace of rent increase is expected to continue going forward.

Office-RISM

- A unique indicator developed by Nomura Real Estate Asset Management.
- Intended to monitor and grasp comprehensively the office leasing market.
- The higher the indicator, the better the market conditions.
- The cumulative indicator comprises six indicators that show office supply and demand, business sentiment, leasing conditions.

Relationship between Office-RISM and rent



* Office-RISM® is a registered trademark of Nomura Real Estate Asset Management.

** Office-RISM is a cumulative indicator generated by accumulating and adjusting the value of deviation from the standard value (50) quarterly.

Source: Prepared by Nomura Real estate Asset Management based on materials of Miki Shoji and others

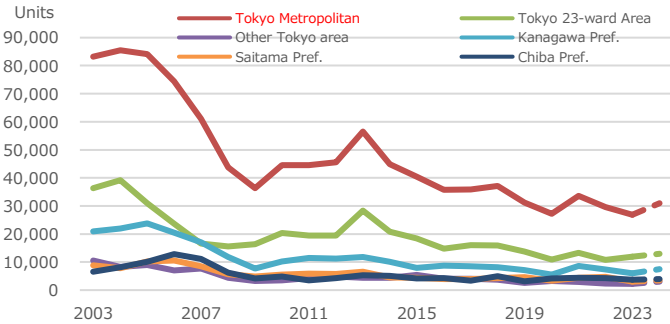


3. Residential for Sale

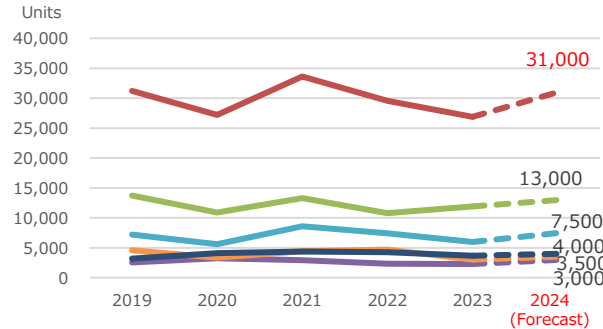
3 Supply and Price Trends of Residential for Sale in the Tokyo Metropolitan and Osaka Areas

- [Tokyo Metropolitan Area]** The supply of residential in the Tokyo Metropolitan area in 2024 is forecast to be 31,000 units (increase by 15.3% over the previous year). Large-scale high-rise projects in the Tokyo 23-ward area are steadily popular and continue to lead the market. Inventory has been stably low at around 4,000 units since April. Attention is shifting to the city center and its surrounding areas. Many large-scale projects have started in nearby areas. There remain concerns about soaring construction costs and higher mortgage rates.
- [Osaka Area]** The supply of residential in the Osaka area in 2024 is forecast to be 16,500 units (increase by 7.2% over the previous year). All areas except Kyoto Prefecture and Nara Prefecture are expected to increase. Inventories and completed inventories continue to shrink. Construction starts from January to October 2023 increased 0.5% y-o-y. United prices have continued to rise. Although areas for families in the suburbs will become more active, contract rates are expected to decline.

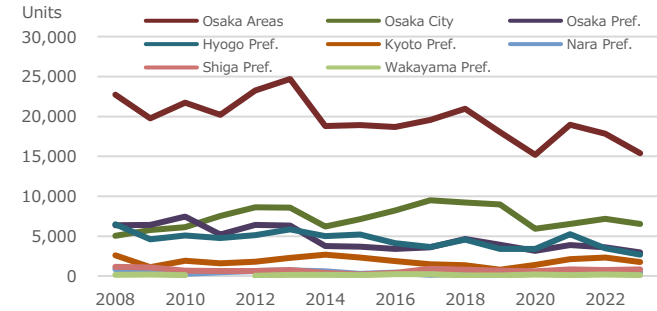
■ Supply trend: Tokyo Metropolitan Area



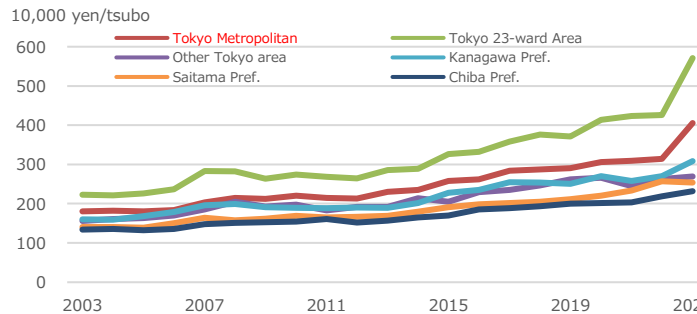
■ Supply trend: Tokyo Metropolitan Area (Short-term changes: from 2019)



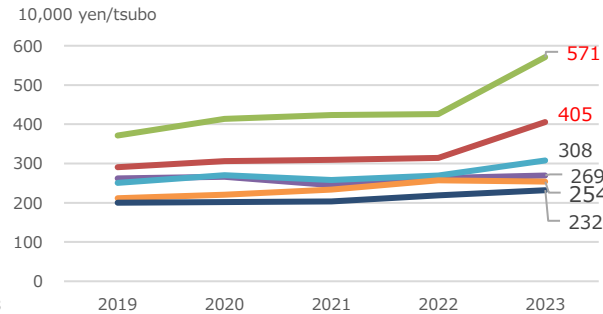
■ Supply trend: Osaka Area



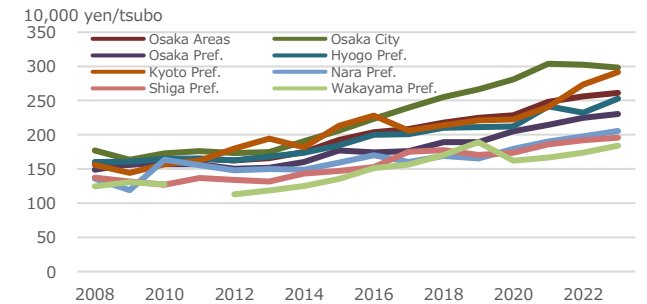
■ Price trend: Tokyo Metropolitan Area



■ Price trend: Tokyo Metropolitan Area (Short-term changes: from 2019)



■ Price trend: Osaka Area



Source: Compiled by Nomura Real Estate Solutions from the "Forecast of the Condominium Market in the Tokyo Metropolitan and the Osaka Area," "Market Trends for Condominiums in the Tokyo Metropolitan" and "Market Trends for Condominiums in the Osaka Area" published by Real Estate Economic Institute *No supply in Wakayama Pref. in 2011

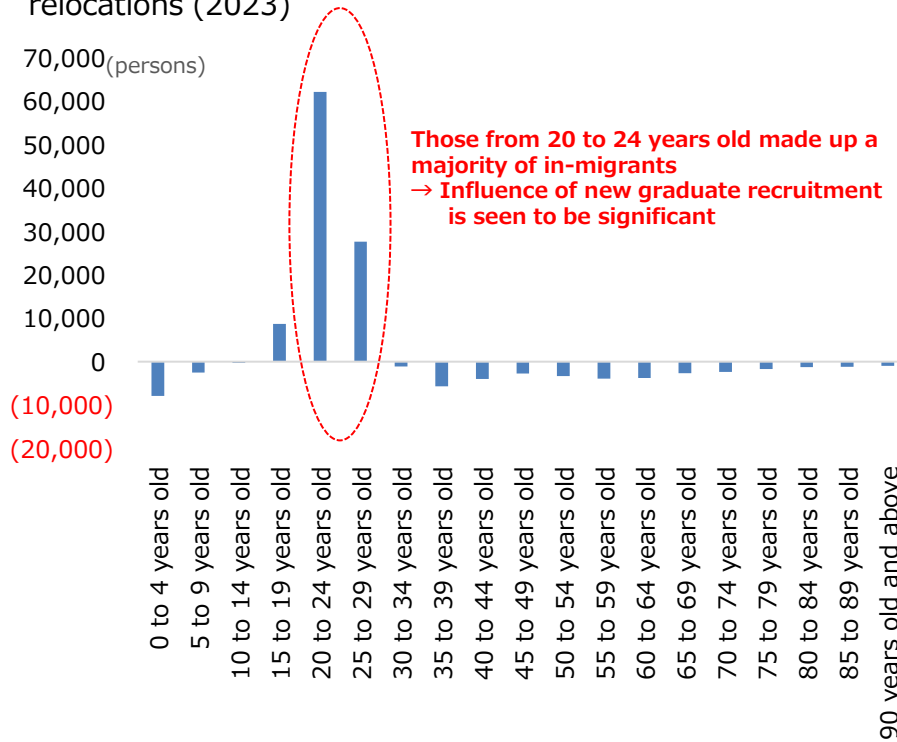


4. Residential for Rent

4-3 Trend of Residential for Rent (Trend of Net Number of Relocations and New Graduate Recruitment for Tokyo 23-ward Area)

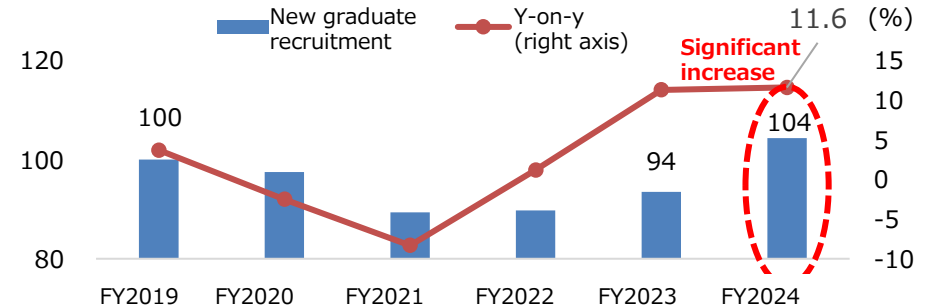
- By age, those from 20 to 24 years old made up a majority of Tokyo 23-ward area's net number of relocations, and the influence of new graduate recruitment was significant.
- The planned new graduate recruitment for fiscal 2024 (joining companies in 2025) continued to increase significantly with an increase of 11.6% compared to the previous year.
- Therefore, it is expected that Tokyo 23-ward area's net number of relocations will continue to increase in 2025.

■ Breakdown of Tokyo 23-ward area's net number of relocations (2023)



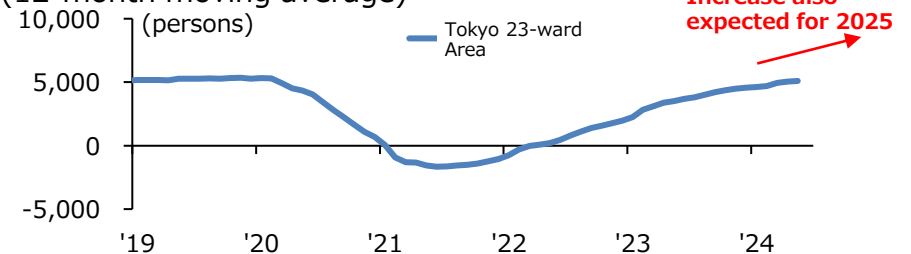
Source: Prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
Note: Includes foreigners

■ Trend of new graduate recruitment (FY2019 = 100)



Source: Prepared by NREAM based on "TANKAN" from Bank of Japan

■ Net number of relocations to Tokyo 23-ward area (12-month moving average)

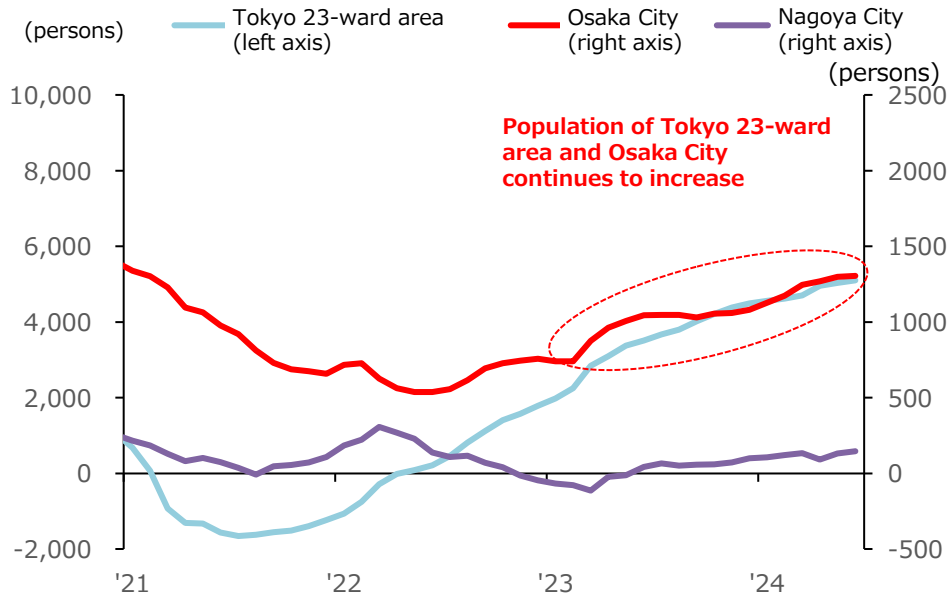


Source: Prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
Note: Includes foreigners

4-4 Trend of Residential for Rent (Trend of Net Number of Relocations and Rate of Discrepancy with Past 5-year Average of New Supply)

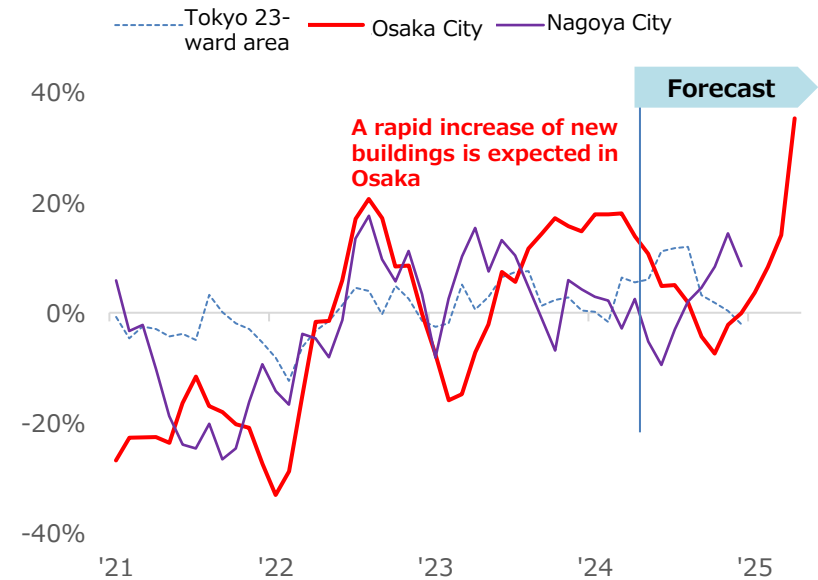
- The population of Tokyo 23-ward area and Osaka City continued to increase, while Nagoya City's population slightly increased.
- Construction starts of rental buildings in Osaka City are increasing rapidly. The occupancy rate may decline in 2025 due to an increase in new supply.

■ Net number of relocations to Tokyo, Osaka, Nagoya



Source: Figures for net number of relocations prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
 Note: Includes foreigners

■ Trend of rate of discrepancy with past 5-year average of new supply (estimated value)



Source: Statistics for building starts from the Ministry of Land, Infrastructure, Transport and Tourism

Note: Rate of discrepancy calculated based on 6-month moving average of rental building starts (units); shown with a 1-year delay taking into account the period from building start to completion

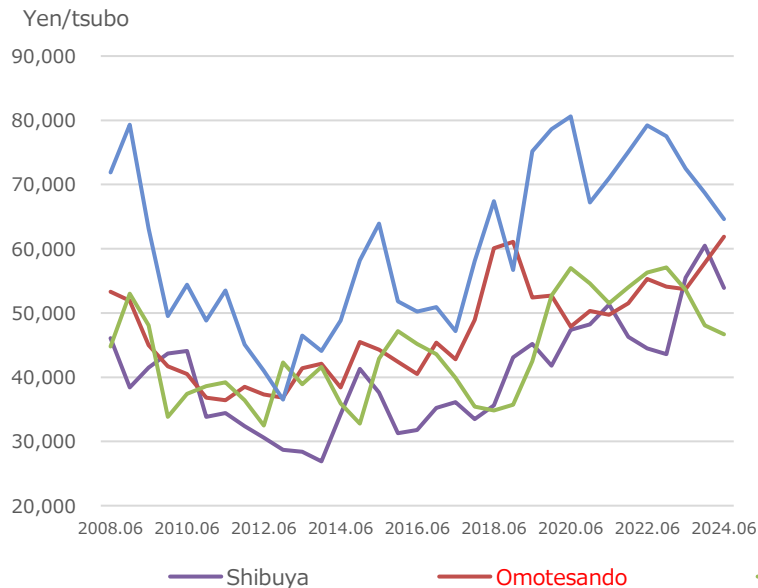


5. Retail

5-1 Trend of Retail (Tokyo)

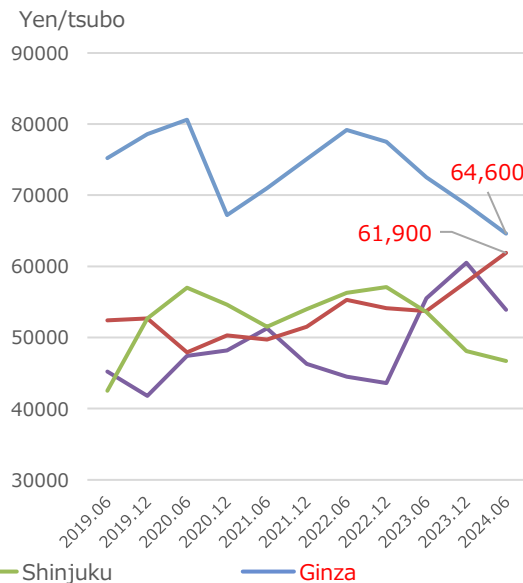
- **[Ginza area]** With the contracts of high-rent properties, the number of offers and the offered rents for stores on the ground floor declined. Active store openings exhibited a positive trend. In the street lined up with luxury brand stores, new store openings or relocations continue, and ongoing positive trend is expected.
- **[Omotesando area]** Strong demand for ground-floor stores because the area prefers flagship stores for branding purpose. The number of offers finally started to decline. The entire area including Aoyama and Harajuku will retain a high rent level.
- **[Shinjuku area]** The average offered rents on the ground floor are below 50,000 yen/tsubo/month after Q4 2023. The number of offers decreased, and the growing business categories that cater to inbound tourism demand are stronger.
- **[Shibuya area]** The rents on the ground floor are declining in line with the number of offers and the supply does not meet the demand. With the momentum of store openings, the leasing market remains very strong. The area itself is vibrant and high expectations for redevelopment projects. The rent is expected to remain high.
- Regarding the rents of ground-floor retail stores in Tokyo primary areas, Ginza saw a rise for nine consecutive quarters, and Omotesando saw a rise for eight consecutive quarters. On the back of strong store sales, major brand groups show a strong appetite for new store space. The rent will trend higher, though the pace of increase may slow down.

■ Offered rent of ground-floor stores in Tokyo (1st half 2008 to 1st half of 2024)

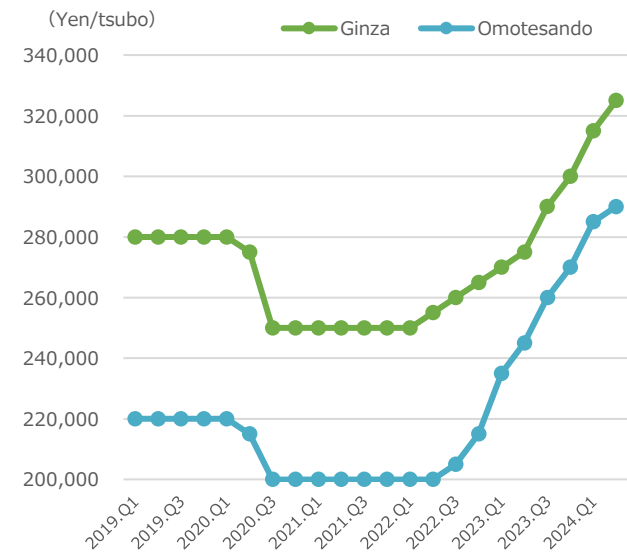


Source: "Store Rent Trends" published by Japan Real Estate Institute, BAC Urban Project and Style Act Co., Ltd. (compiled by Nomura Real Estate Solutions)

■ Offered rent of ground-floor stores in Tokyo (1st half 2019 to 1st half of 2024)



■ Rent trend of ground-floor retail stores in Tokyo primary areas (2019.Q1 to 2024.Q2)

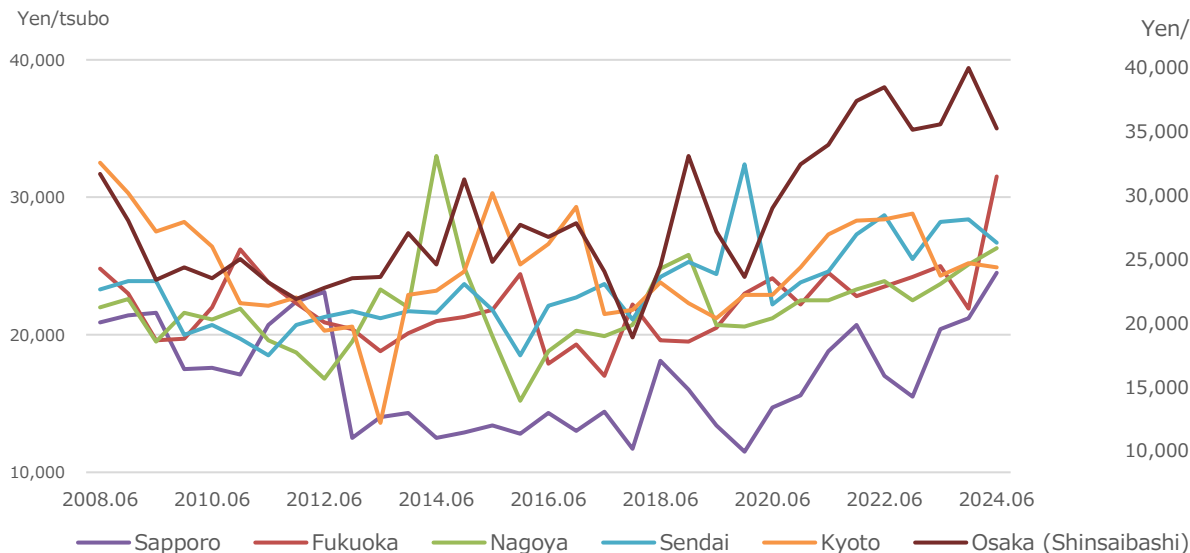


Source: "Tokyo Retail Market Summary" published by JLL (compiled by Nomura Real Estate Solutions)

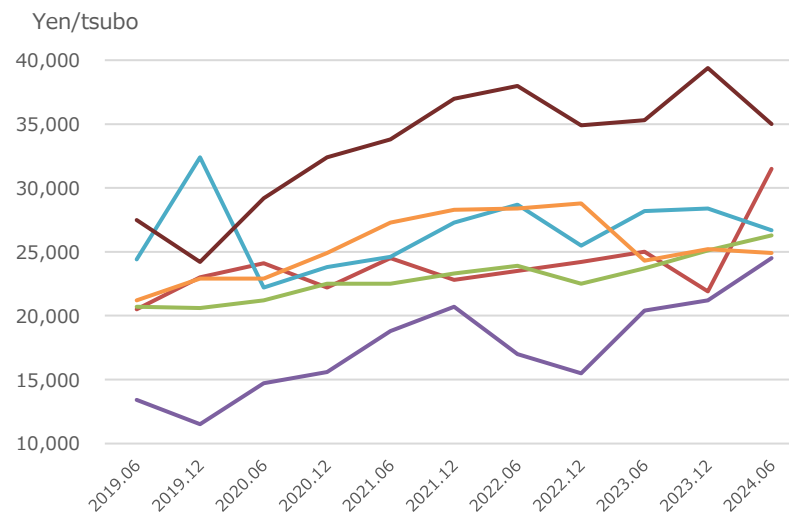
5-2 Trend of Retail (Osaka, Etc.)

- **[Nagoya area]** The number of offers declined. Strong demand in Otsu-dori and the rent target is expected to rise. A strong momentum remains mainly at Otsu-dori.
- **[Osaka area]** The ground-floor rent fell rapidly because of almost no vacant space in a good location. There is little supply both in Shinsaibashi shopping district and Midosuji and the rent is expected to remain high.
- **[Kyoto area]** Less vacant stores in the prime area. Strong momentum of store openings continue in the business segment that can draw in foreign tourists.
- **[Sapporo area]** The ground-floor rent trends upward. With store openings to capture the inbound tourism demand, the central district has a stronger presence.
- **[Sendai area]** There are no noteworthy fluctuations in both number of offers and rents. The station areas continue to be more popular than shopping streets, but there are moves toward reconstruction and redevelopment in the shopping district. There is the possibility of vibrancy in the long term.
- **[Fukuoka area]** The offered rent on the ground floor rose significantly and the number of offers increased. CHANEL announced its plan to open a new store and the district is expected to grow.

■ Nationwide trend of offered rents of stores on the ground floor (1st half 2008 to 1st half of 2024)



■ Nationwide trend of offered rents of stores on the ground floor (1st half 2019 to 1st half of 2024)



Source: "Store Rent Trends" published by Japan Real Estate Institute, BAC Urban Project and Style Act Co., Ltd. (compiled by Nomura Real Estate Solutions)

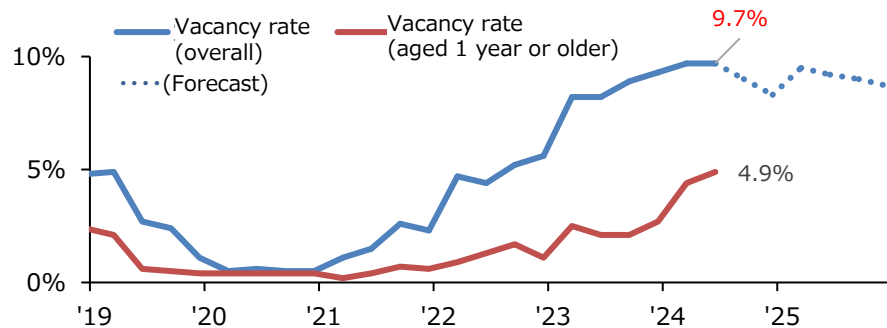


6. Logistics Facilities

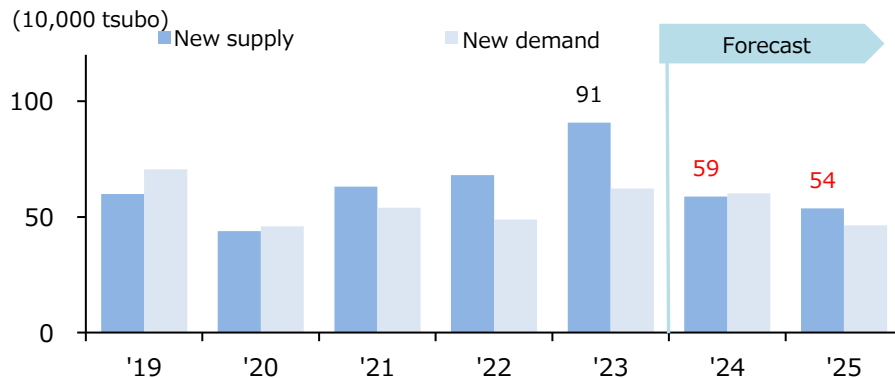
6-1 Trend of Logistics Facilities (Tokyo Metropolitan Area)

- The vacancy rate in the Tokyo Metropolitan Area reached 9.7% recently due to a large supply, and it will slightly decline.
- Rent levels trend high in the Tokyo Bay area but fall in Ken-O Expressway, though recently showed a slight increase.
- New supply will decline going forward due to high construction costs.

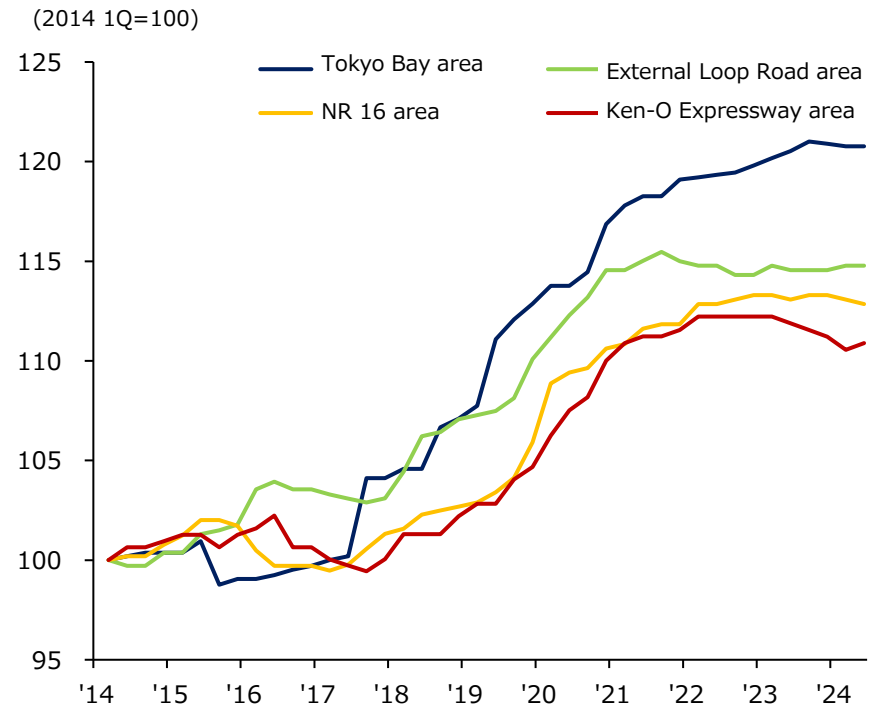
■ Trend of vacancy rate (as of December 31 of each year)



■ New supply and new demand



■ Trend of rent level



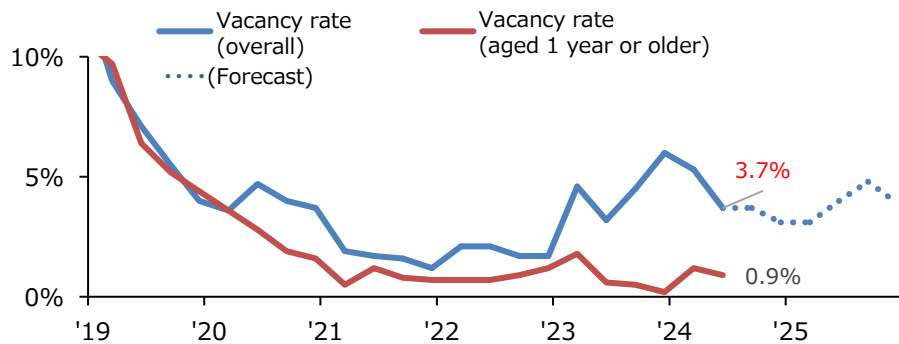
Source: Prepared by NREAM based on data from CBRE

Note: These are data on logistics facilities which have a gross floor area of at least 10,000 tsubo and suppose more than one tenant.

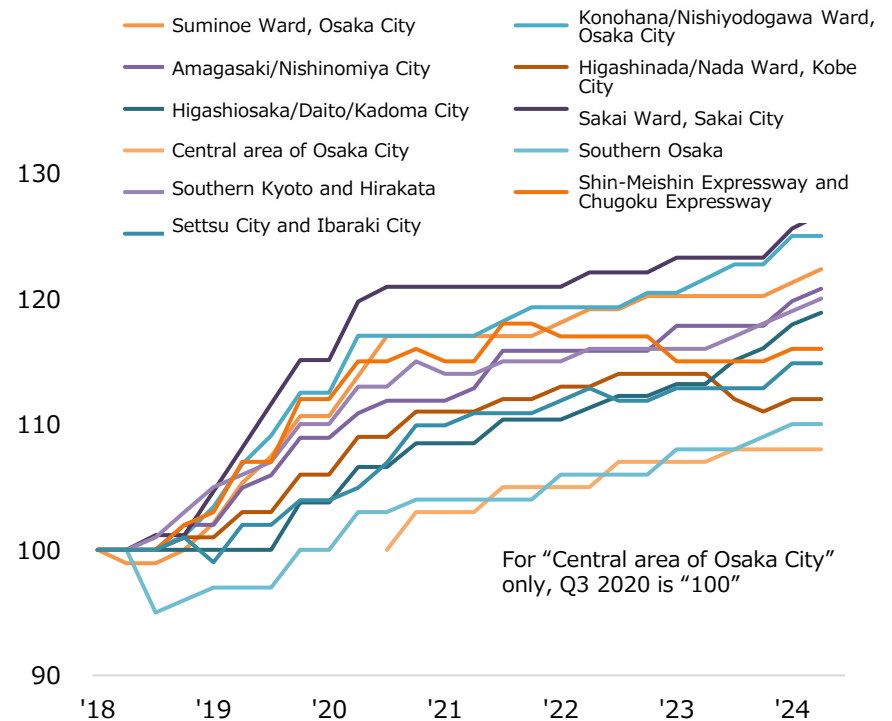
6-2 Trend of Logistics Facilities (Osaka Area)

- The vacancy rate in Osaka area has recently declined to 3.7% due to overall strong demand.
- An increase in the vacancy rate is limited due to strong demand despite an increase in supply in 2025.
- Rents generally remained the same or rose.

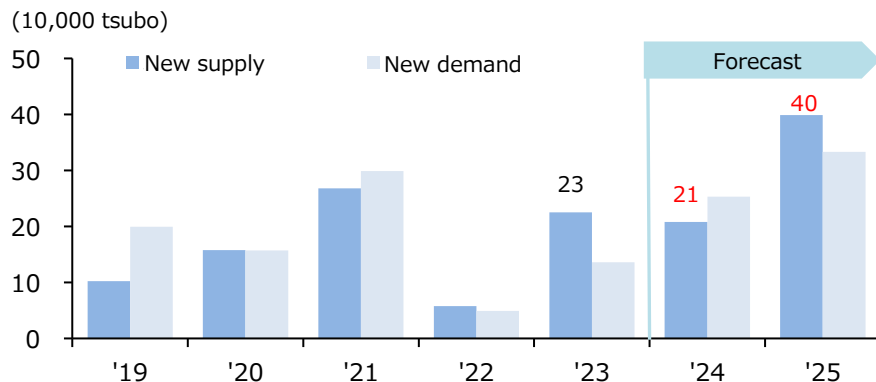
■ Trend of vacancy rate (as of December 31 of each year)



■ Trend of rent level (2018 1Q=100)



■ New supply and new demand



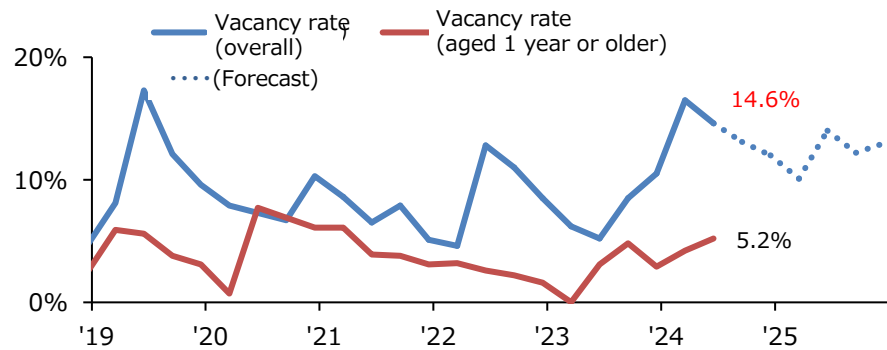
Source: Prepared by NREAM based on data from CBRE

Note: These are data on logistics facilities which have a gross floor area of at least 10,000 tsubo and suppose more than one tenant.

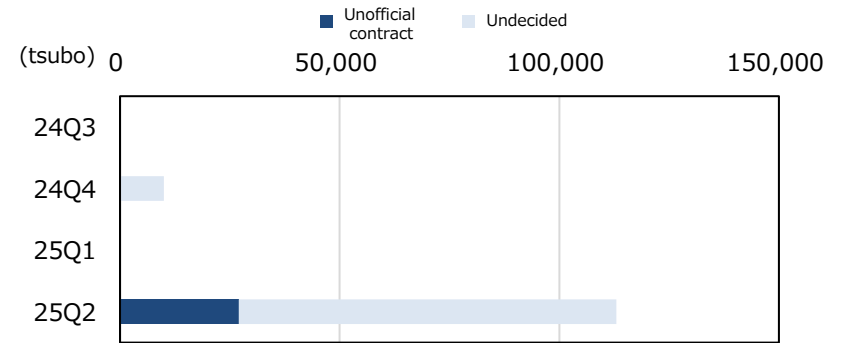
6-3 Trend of Logistics Facilities (Aichi Area)

- As the market for the Aichi area is small, there is a tendency for violent fluctuations in the vacancy rate due to new supply.
- The vacancy rate going forward is expected to fall due to solid demand and low supply in 2024.

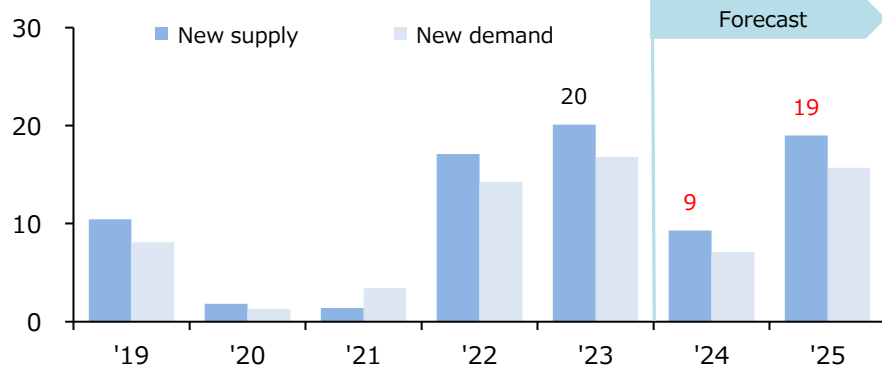
■ Trend of vacancy rate (as of December 31 of each year)



■ Ratio of unofficial contract in Aichi area (22%)



■ New supply and new demand (10,000 tsubo)



Source: Prepared by Nomura Real Estate Asset Management based on data from CBRE

Note: In Aichi area only, GFA of more than 5,000 tsubo; all of these are logistics facilities assuming several tenants.

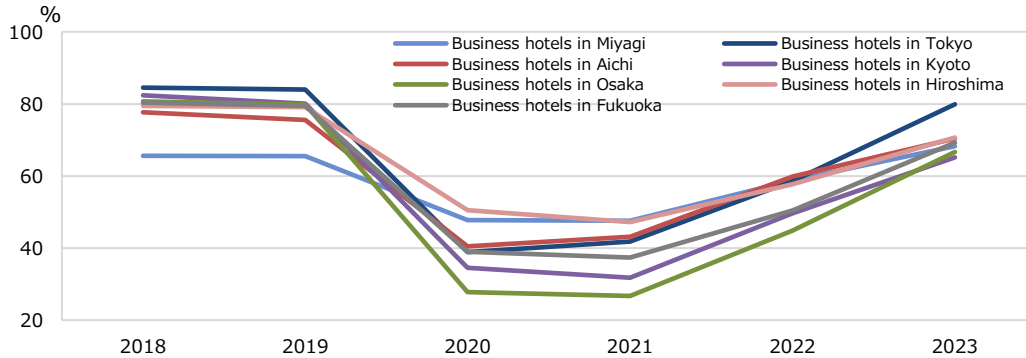


7. Hotels

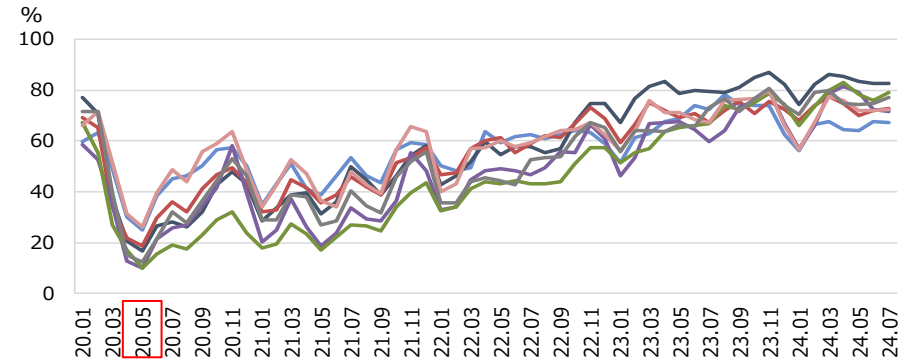
7-1 Hotel Trends (Occupancy Rates)

- The occupancy rates of hotels reached a low point in May 2020 in each of the cities surveyed and for each hotel type.
- The occupancy rates of business hotels in July 2024 were 67.2% (67.8% in June) in Miyagi, **82.6%** (82.7% in June) **in Tokyo**, 72.8% (71.9% in June) in Aichi, 71.4% (72.4% in June) in Kyoto, 79.2% (76.0% in June) in Osaka, 72.3% (71.9% in June) in Hiroshima, and 77.1% (74.9% in June) in Fukuoka.
- The occupancy rates of city hotels in July 2024 were 65.2% (65.5% in June) in Miyagi, **77.6%** (79.4% in June) **in Tokyo**, 69.2% (65.3% in June) in Aichi, 68.6% (74.8% in June) in Kyoto, 75.1% (74.8% in June) in Osaka, 68.1% (68.2% in June) in Hiroshima, and 76.4% (75.5% in June) in Fukuoka.

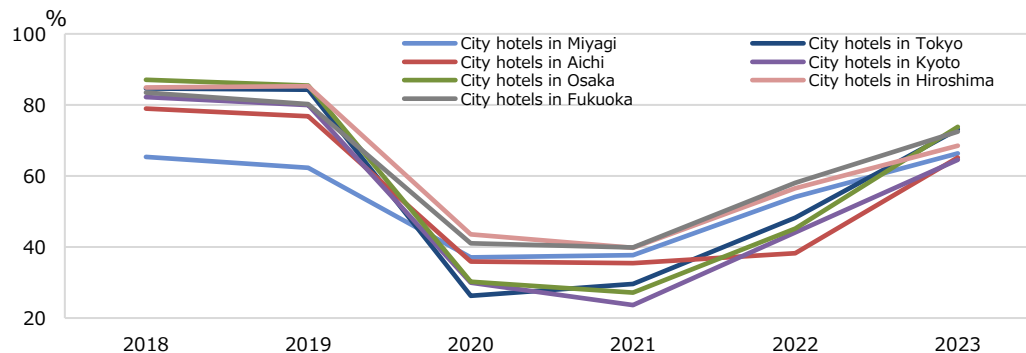
■ Occupancy rates of business hotels (through 2023)



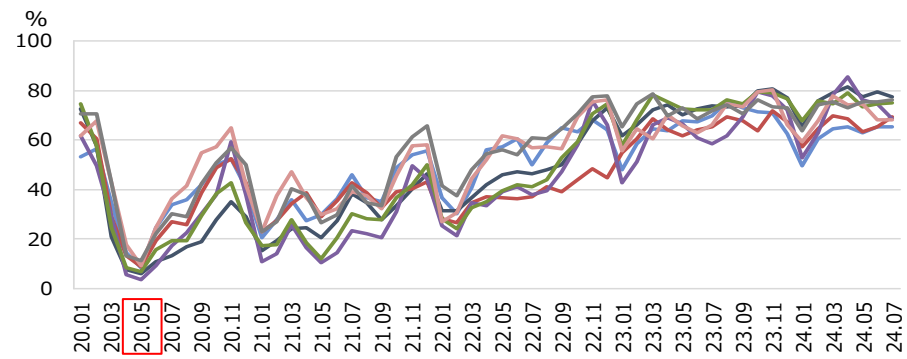
■ Occupancy rates of business hotels (2020 onward)



■ Occupancy rates of city hotels (through 2023)



■ Occupancy rates of city hotels (2020 onward)

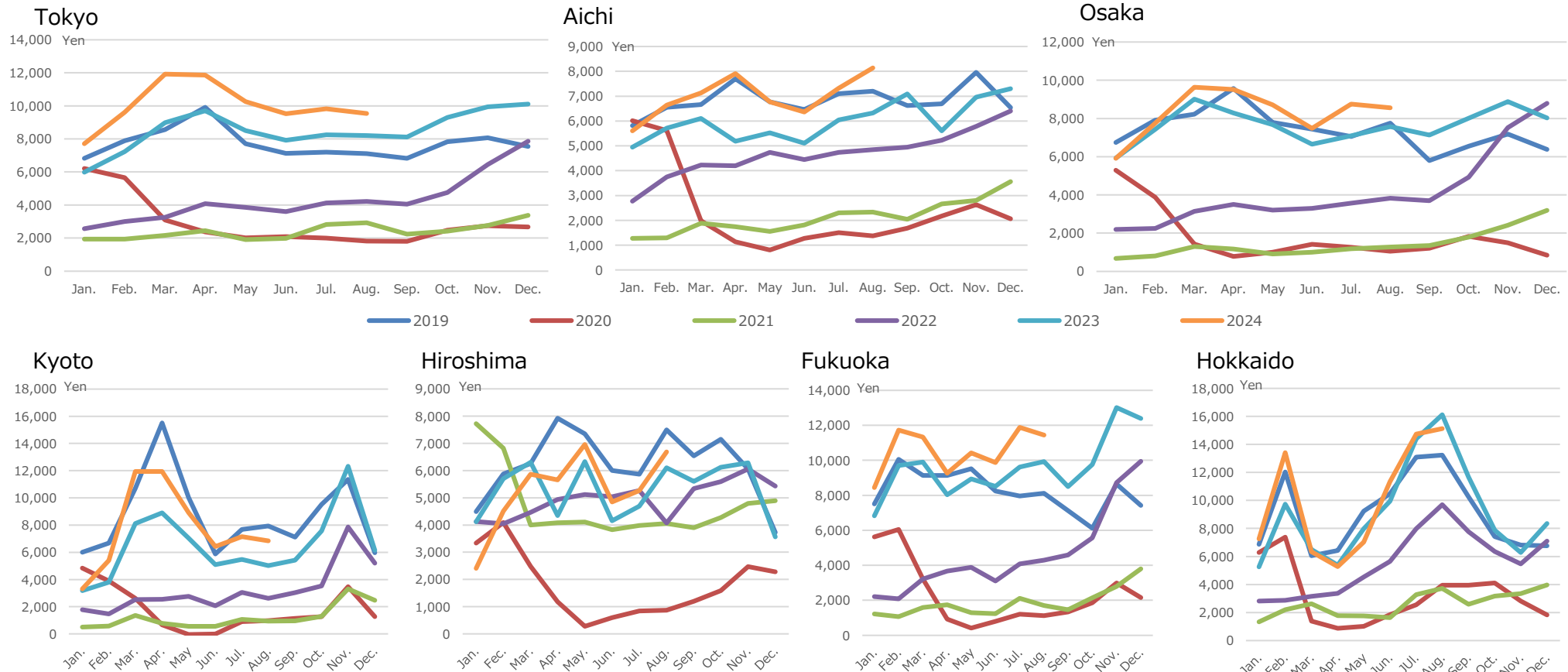


Source: MLIT Japan Tourism Agency "Overnight Travel Statistics Survey" (compiled by Nomura Real Estate Solutions)

7-2 Hotel Trends (RevPAR)

- Travel demand in Japan remains solid despite concerns of inflation. The weaker yen served as tailwind, and inbound tourism demand is recovering above the pre-COVID level in 2019. Hotel market remains solid.
- In addition, domestic accommodation demand also trended steadily, **resulting in RevPAR exceeding that of the same month in the previous year for Tokyo, Aichi, Kyoto, Hiroshima, and Fukuoka.**

■ RevPAR of business hotels (2019 onward)



Source: Prepared by Nomura Real Estate Solutions based on press releases from Invincible Investment Corporation and Ichigo Hotel REIT Investment Corporation



**Reference:
Trend of Land Prices in High-level Use
Districts of Major Cities
Rental Trends in Major International Cities**

Reference: Trend of Land Prices in High-level Use Districts of Major Cities

- As same as the previous report, there were upward changes in all 80 areas, and no areas of little change and downward changes. In addition to strong demand for residential in areas with excellent convenience and living environments, demand for stores continues to recover, among other things. Since Q1 2024 there continued upward changes in all residential and commercial areas.
- By change category (increase, unchanged, or decrease), 4 areas saw an increase of more than 3% and less than 6%, and 76 areas saw a less than 3% increase.

Note: Since the number of the survey areas was reduced to 80 areas from 100 areas from Q1 2022, comparisons with the previous survey were made only for the 80 survey areas of this survey.

City	Area	22.7.1 ~ 22.10.1	22.10.1 ~ 23.1.1	23.1.1 ~ 23.4.1	23.4.1 ~ 23.7.1	23.7.1 ~ 23.10.1	23.10.1 ~ 24.1.1	24.1.1 ~ 24.4.1	24.4.1 ~ 24.7.1	City	Area	22.7.1 ~ 22.10.1	22.10.1 ~ 23.1.1	23.1.1 ~ 23.4.1	23.4.1 ~ 23.7.1	23.7.1 ~ 23.10.1	23.10.1 ~ 24.1.1	24.1.1 ~ 24.4.1	24.4.1 ~ 24.7.1
23 wards of Tokyo	Marunouchi	→	→	→	→	→	→	→	→	Sendai	Chuo 1-chome	→	→	→	→	→	→	→	→
	Ginza, Chuo	→	→	→	→	→	→	→	→	Osaka	Shinsaibashi	→	→	→	→	→	→	→	→
	Yaesu	→	→	→	→	→	→	→	→	Nagoya	Nagoya Sta. front	→	→	→	→	→	→	→	→
	Toranomon	→	→	→	→	→	→	→	→	Kyoto	Kawaramachi	→	→	→	→	→	→	→	→
	Shinjuku 3-chome	→	→	→	→	→	→	→	→	Hiroshima	Kamiyacho	→	→	→	→	→	→	→	→
	Shibuya	→	→	→	→	→	→	→	→	Fukuoka	Around Hakata Sta.	→	→	→	→	→	→	→	→
Yokohama	W Exit Yokohama Sta.	→	→	→	→	→	→	→											
Saitama	W Exit Omiya Sta.	→	→	→	→	→	→	→											
Chiba	Chiba Sta. front	→	→	→	→	→	→	→											
Sapporo	Ekimae-dori	→	→	→	→	→	→	→											

Legend

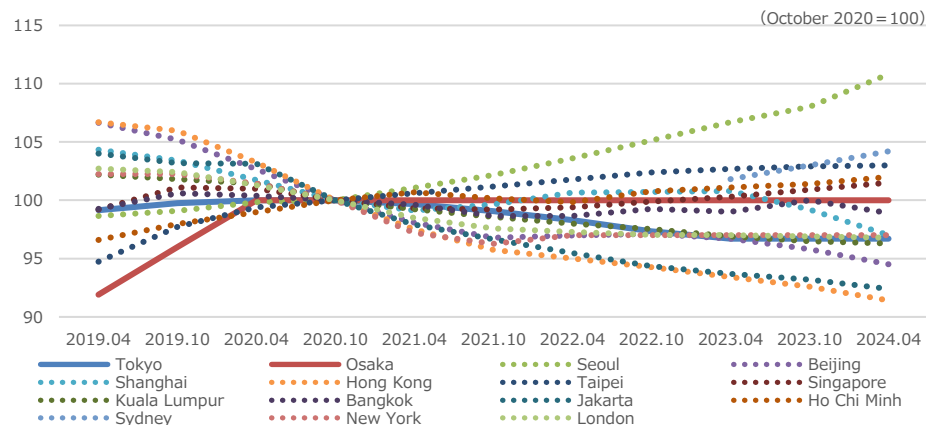
- ↑ : Increase (≥ 6%)
- ↗ : Increase (≥3%, <6%)
- : Increase (>0, <3%)
- : Unchanged (0%)
- ↘ : Decrease (≥0%, <3%)
- ↙ : Decrease (≥3%, <6%)
- ↓ : Decrease (≥6%, <9%)
- ↓ : Decrease (≥9%, <12%)
- ↓ : Decrease (≥12%)

Source: "Land value LOOK report" by the Ministry of Land, Infrastructure, Transport and Tourism (compiled by Nomura Real Estate Solutions)

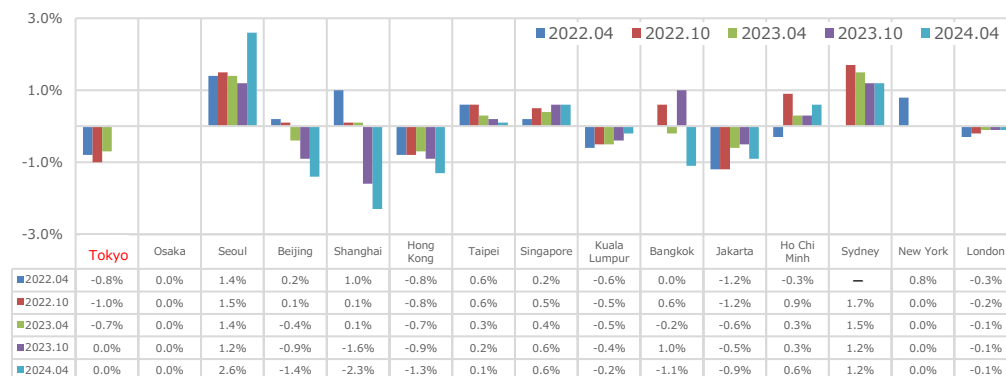
Reference: Trend of Land Prices in High-level Use Districts of Major Cities

- **Office rents remained flat in Tokyo.** Office rents remained flat in Osaka for eight consecutive half-year periods. Office rental demand is weakening in Beijing and Shanghai and the fall in office rents has accelerated compared to the previous report. The continuous entry of new supply in Shanghai also contributed toward the downward pressure on its office rental market situation.
- Residential rents are rising at a fast pace in Sydney due to a chronic shortage of housing. In Singapore, there is a slowdown trend in the pace of increase due to a large volume of supply recently. In Jakarta, besides the improving rental market situation centered on properties for families, rents also rose due to an increase in rent levels denominated in rupiah partially due to the weakened exchange rate. While Bangkok is going through a recovery in demand from expatriates, there is a lot of supply and falls in rents were seen centered on mid-price-range properties.

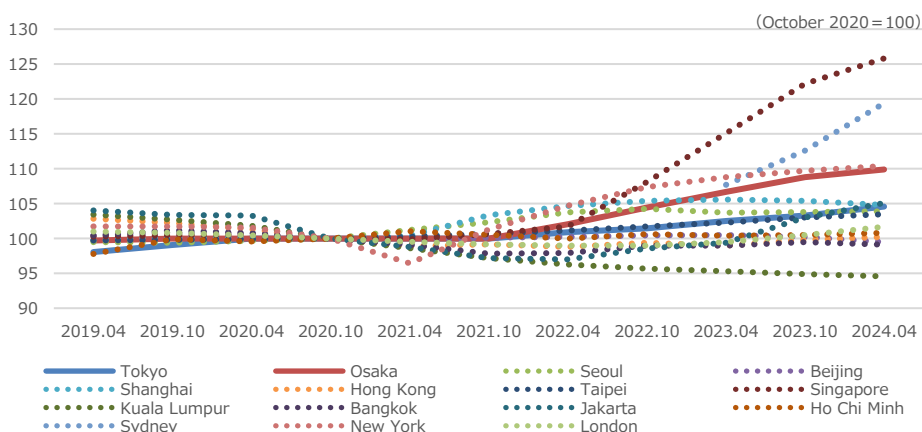
■ Changes in the office rent index



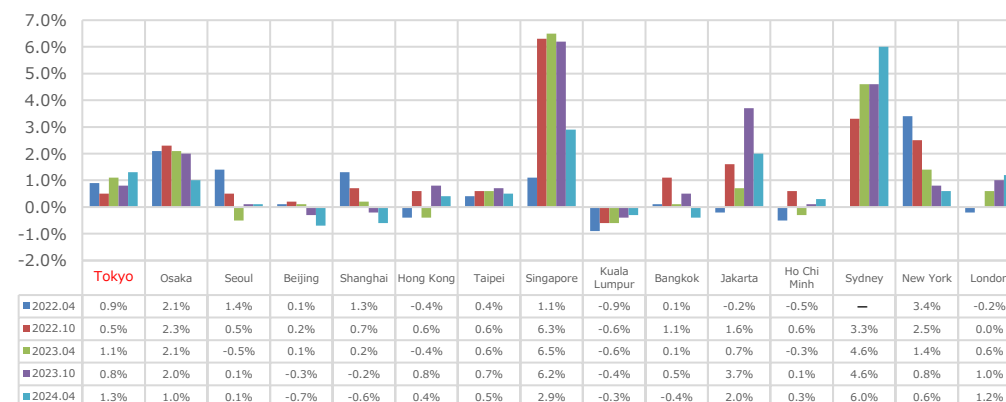
■ Volatilities of the office rent index compared to the previous results



■ Changes in the residential rent index



■ Volatilities of the residential rent index compared to the previous results



Source: Prepared by Nomura Real Estate Solutions based on "The Indices of International Real Estate Prices and Rents" by Japan Real Estate Institute