

Real Estate Market Trends

– Winter 2025 –

Corporate Services Division

Nomura Real Estate Solutions Co., Ltd.



NEW VALUE, REAL VALUE — N.R.E. Group

NOMURA REAL ESTATE SOLUTIONS

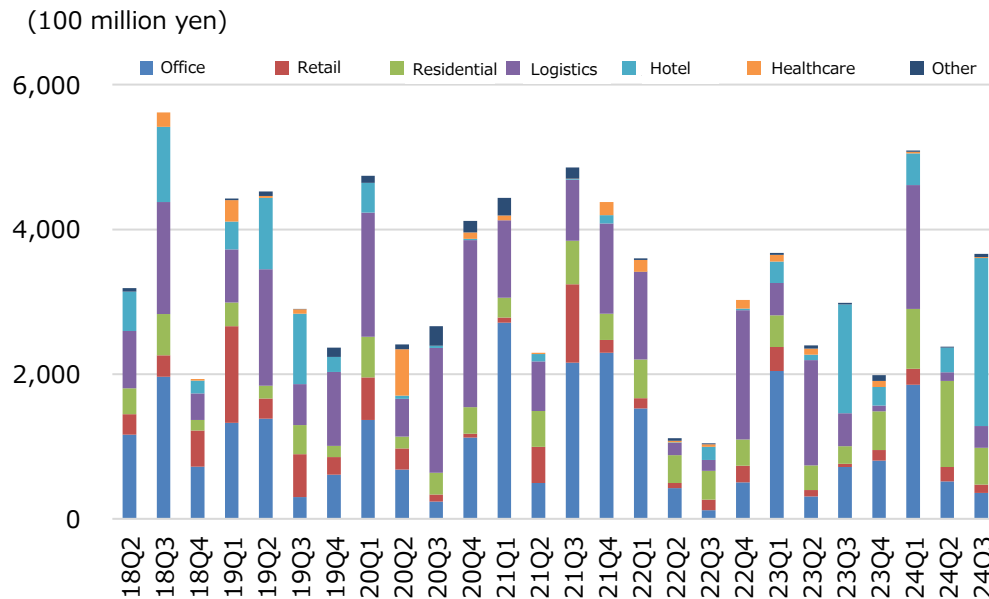


1. Commercial Real Estate Transactions

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

- Acquisitions by J-REITs in Q1–Q3 2024 were driven by replacements, with hotels, residential, and logistics increasing year-on-year.
- Apart from J-REITs, there have also been cases of hotel acquisitions by domestic and foreign capital, as well as office repurchases by operating companies on the back of recovery in business results since the COVID-19 pandemic.

■ J-REIT acquisitions



Source: Prepared by Nomura Real Estate Asset Management based on data from the Association for Real Estate Securitization (ARES)

■ Examples of high-value real estate transactions

Name of property	Timing	Estimated amount	Notes
Shibuya Sakura Stage	Feb.	About 100.0 billion yen	Some office floors. Acquired by institutional investors, Tokyu Land Corporation, etc.
Garden City Shinagawa Gotenyama	Mar.	61.0 billion yen	Acquired by domestic corporation from Sekisui House Reit
Hommachi Garden City (office/hotel)	Mar.	65.8 billion yen	Acquired by BentallGreenOak from Sekisui House Reit
Abercrombie & Fitch, Ginza Store	Oct.	More than 40.0 billion yen?	Acquired by French LVMH Group from Tokyo Tatemono fund
Akasaka Garden City (unit ownership)	Oct.	54.6 billion yen	Acquired by domestic TMK (details unknown) from Sekisui House Reit
Kamiyacho Trust Tower (2 floors)	Oct.	32.5 billion yen	HIS repurchased head office building from SMFL MIRAI Partners on back of recovery in business performance
Grand Nikko Tokyo (Hotel)	Oct.	Greatly exceed the book value of 66.3 billion yen?	Acquired by domestic TMK from Hulic

Source: Prepared by Nomura Real Estate Asset Management from various articles (excerpts)
 Note: Confirmed transactions only. Timing is at the time of confirmation, contract, or delivery.



2-1 Office Trends in Major Cities (Tokyo)

[Tokyo] The Grade A vacancy rate rose by 0.4 points q-o-q to 5.0%, and rents rose by 1.1% q-o-q to 35,750 yen per *tsubo*.

Grade A rent revenue is expected to continue rising, but at a slower rate. It is expected to increase by 2.0% over the next year.

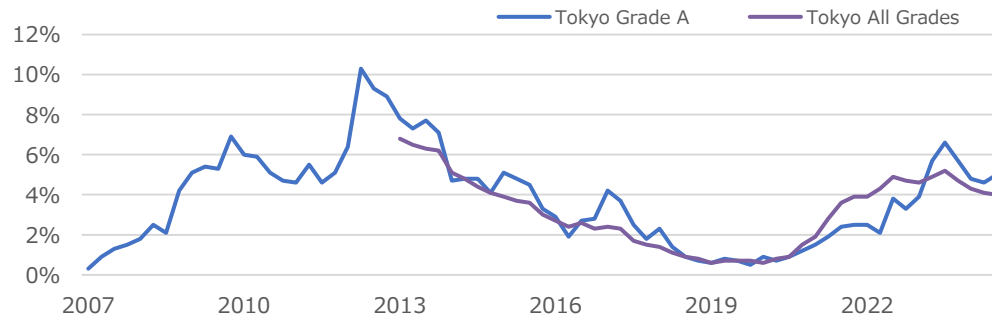
The vacancy rate of all grades fell by 0.1 points q-o-q to 4.0%, and rents rose by 0.7% q-o-q to 21,620 yen per *tsubo*.

The vacancy rate decreased for the fourth consecutive quarter. Rents rose in all grades for the fourth consecutive quarter. Rent revenue increased for the fourth consecutive quarter in all grades.

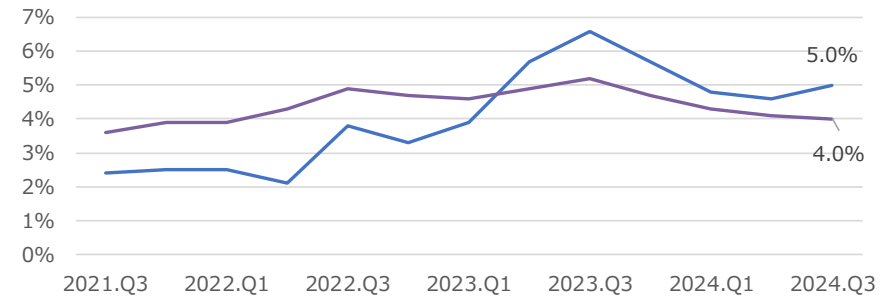
Vacancies available for immediate occupancy are gradually decreasing, and moves to raise asking rents were again occasionally observed this quarter.

Area		2023.Q4	2024.Q1	2024.Q2	2024.Q3
Tokyo Grade A	Vacancy rate (%)	5.7	4.8	4.6	5.0
	Assumed achievable rent (yen)	34,650	34,900	35,350	35,750
Tokyo All Grades	Vacancy rate (%)	4.7	4.3	4.1	4.0
	Assumed achievable rent (yen)	21,300	21,370	21,480	21,620

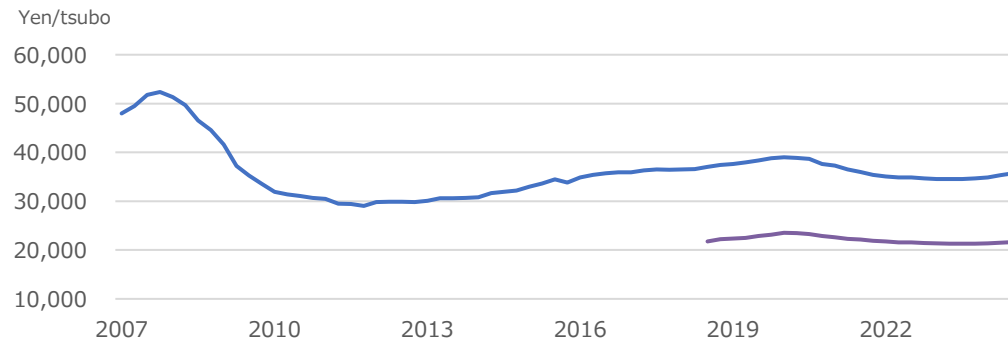
■ Vacancy rate (Long-term changes: from Q1 2007)* Data from Q1 2013 for Tokyo All Grades



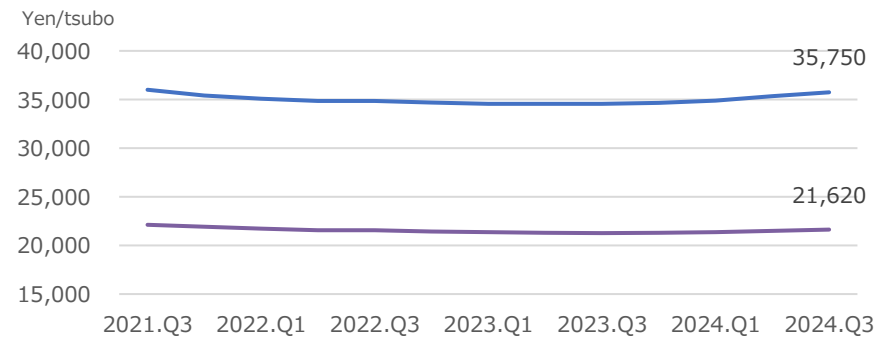
■ Vacancy rate (Short-term changes: from Q3 2021)



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



■ Rent revenue (Short-term changes: from Q3 2021)



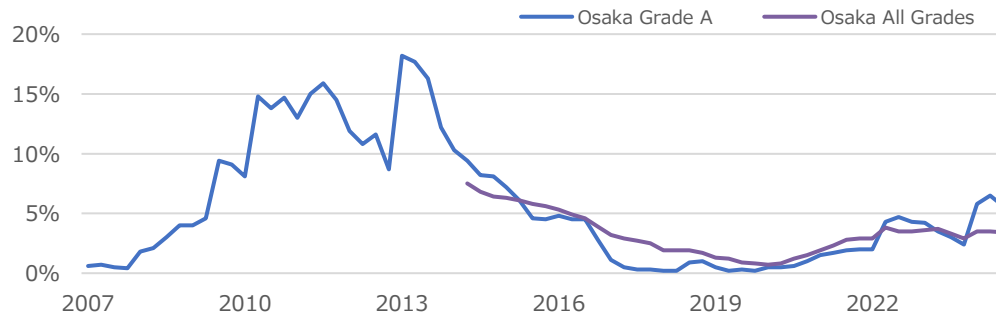
Source: Prepared by Nomura Real Estate Solutions based on "Japan Office Market View" by CBRE

2-2 Office Trends in Major Cities (Osaka)

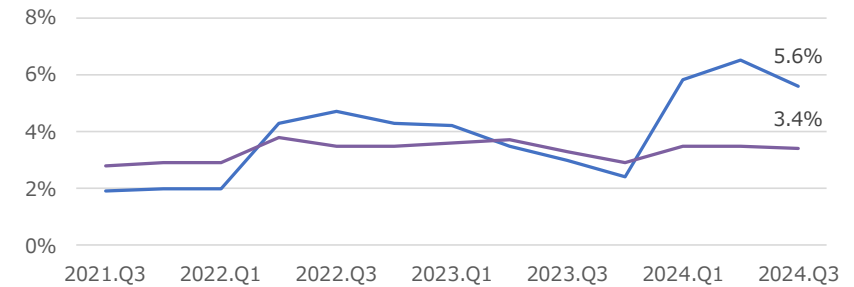
[Osaka] The Grade A vacancy rate fell by 0.9 points q-o-q to 5.6%, and rents rose by 0.4% q-o-q at 24,050 yen per tsubo. Grade A rent revenue is expected to fall by 0.2% over the next year, with a small decline on the back of strong current demand. The All Grades vacancy rate fell by 0.1 points q-o-q at 3.4%, and rents rose by 0.2% q-o-q to 14,270 yen per tsubo. Tenant demand was strong across all types. Rent revenue rose for the fourth consecutive quarter.

Area		2023.Q4	2024.Q1	2024.Q2	2024.Q3
Osaka Grade A	Vacancy rate (%)	2.4	5.8	6.5	5.6
	Assumed achievable rent (yen)	23,900	23,900	23,950	24,050
Osaka All Grades	Vacancy rate (%)	2.9	3.5	3.5	3.4
	Assumed achievable rent (yen)	14,190	14,220	14,240	14,270

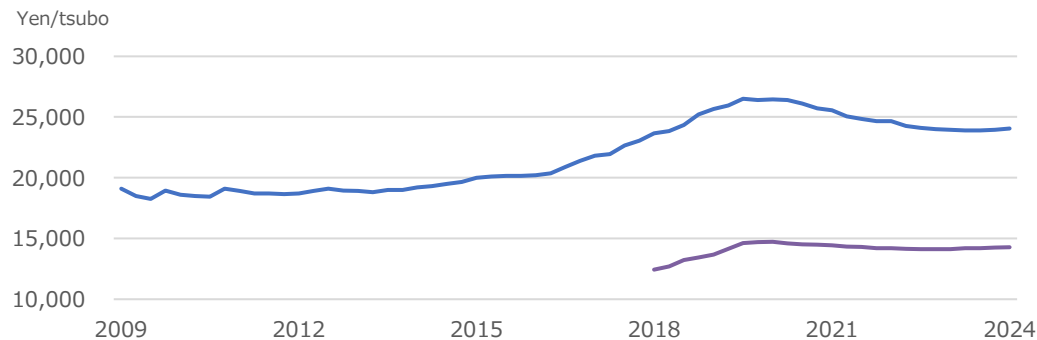
■ Vacancy rate (Long-term changes: from Q1 2007) * Data from Q2 2014 for Osaka All Grades



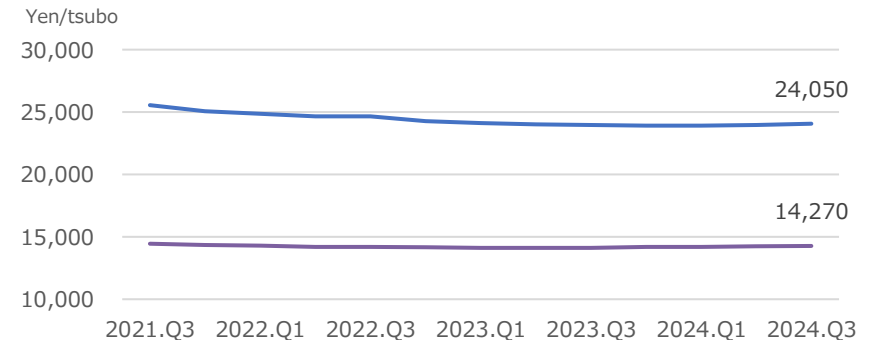
■ Vacancy rate (Short-term changes: from Q3 2021)



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



■ Rent revenue (Short-term changes: from Q3 2021)

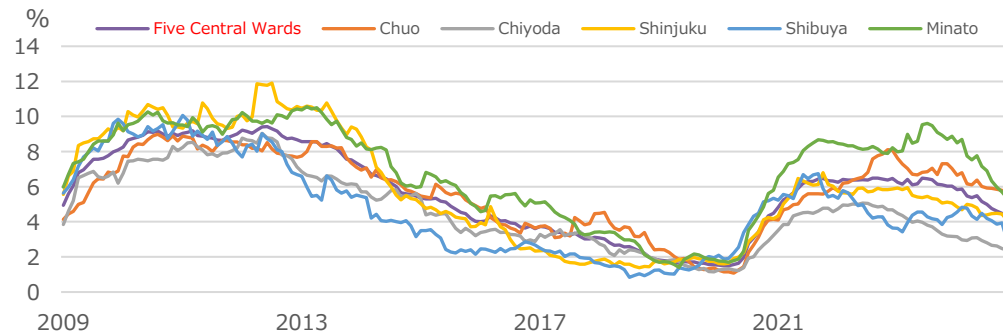


Source: Prepared by Nomura Real Estate Solutions based on "Japan Office Market View" by CBRE

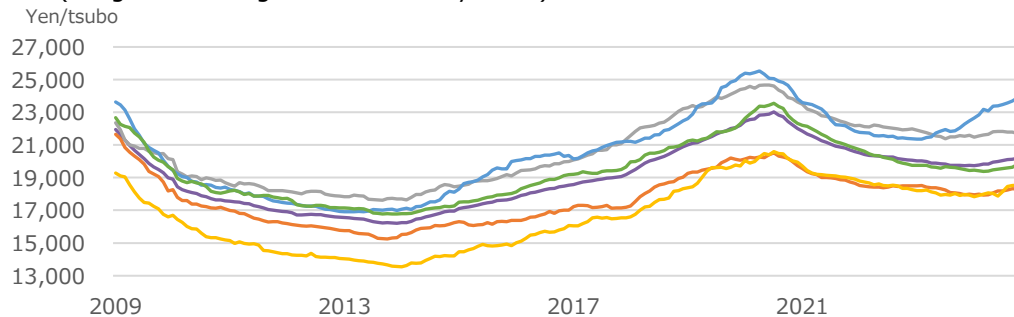
2-3 Office Trends in Tokyo's Five Central Wards

- The average vacancy rate in the five central wards of Tokyo was 4.00% as of December (down 0.16 points from November). Vacancy rates in newly constructed buildings declined in December due to some constructions being completed with full occupancy and some contracts being signed for buildings completed less than one year ago. Vacancy rates in existing buildings also declined due to more large contracts being signed for large buildings as well as contracts for expansion being signed, despite the start of some large-scale offers and mid-lease cancellations.
- In addition to companies continuing to relocate or expand to secure/retain human resources, a reduction in WFH (introduced during the COVID-19 pandemic) and strengthened efforts to encourage employees back to the office have also contributed to a decline in vacancy rates.
- Average asking rents in the central five wards of Tokyo rose for the 11th consecutive month to 20,296 yen as of December (up 0.96% from November).

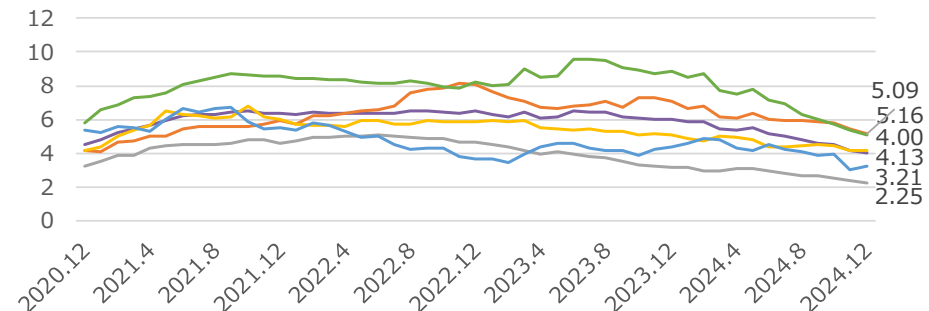
■ Average office vacancy rates (Long-term changes: from January 2009)



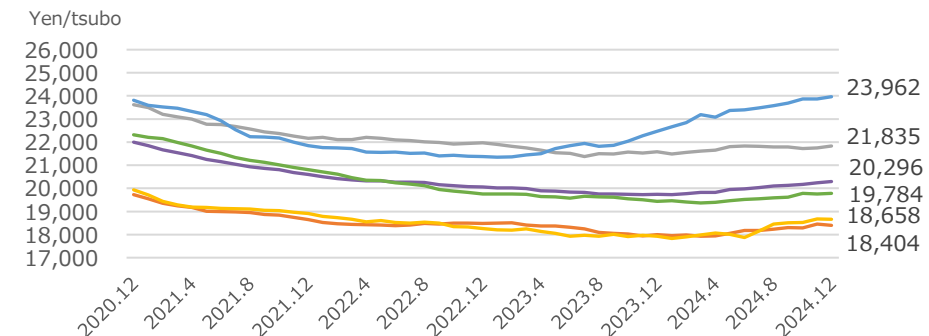
■ Average office asking rents by central wards (Long-term changes: from January 2009)



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



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

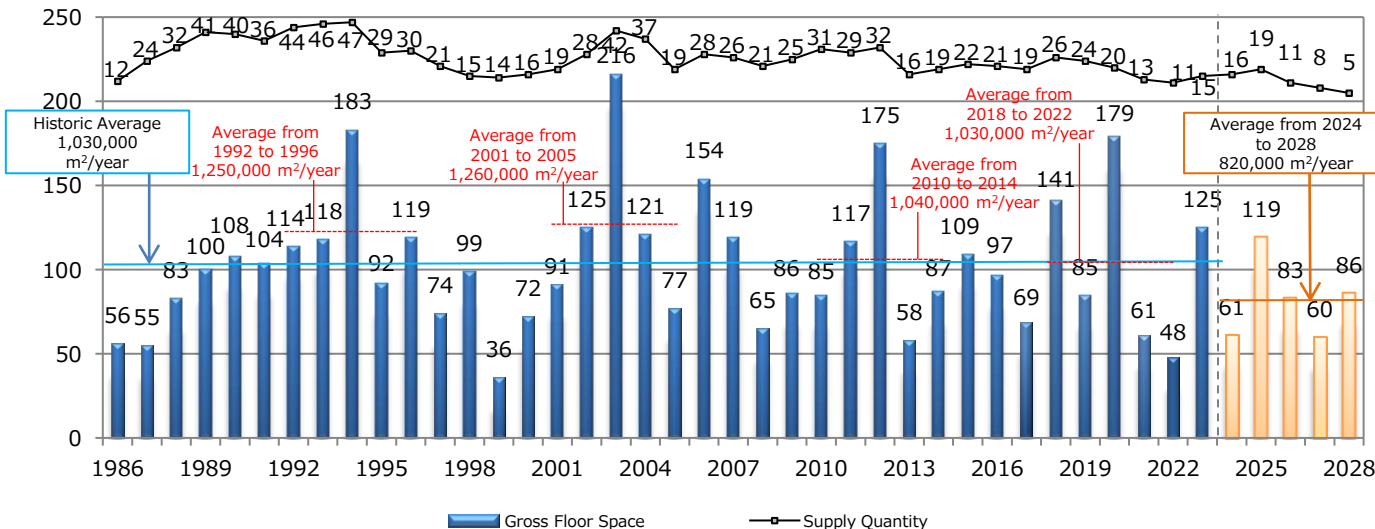


Source: Prepared by Nomura Real Estate Solutions based on data from Miki Shoji * Area and building standard covered by the survey: major office buildings for rent in the Tokyo business district (central five wards of Tokyo) with standard floor area of 100 tsubo or more, central five wards of Tokyo =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

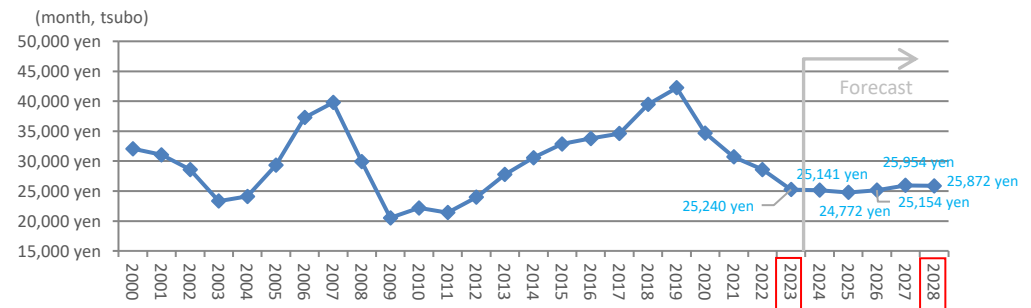
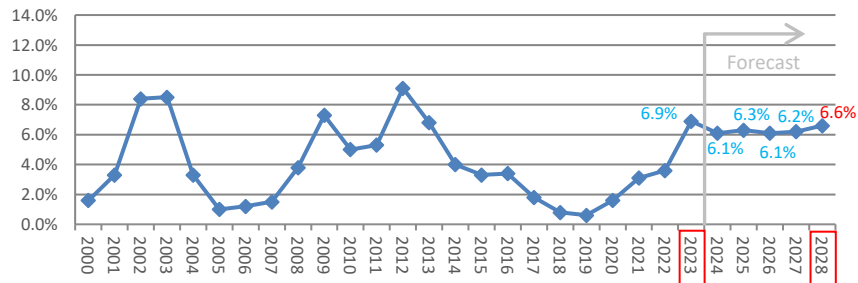
2-5 Forecasts for the Office Market in the Three Major Metropolitan Areas

- 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

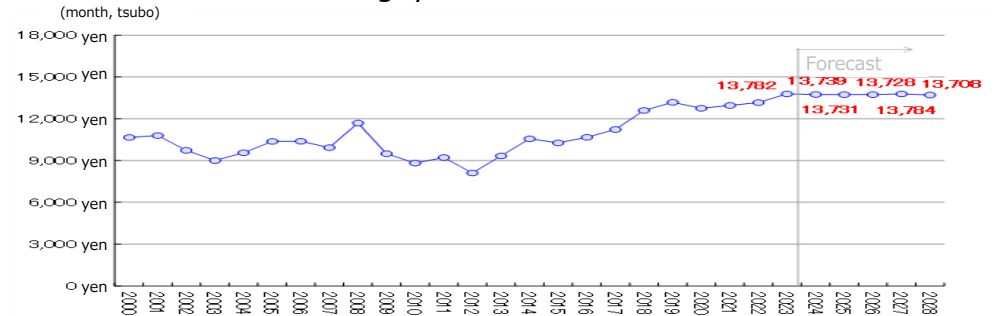
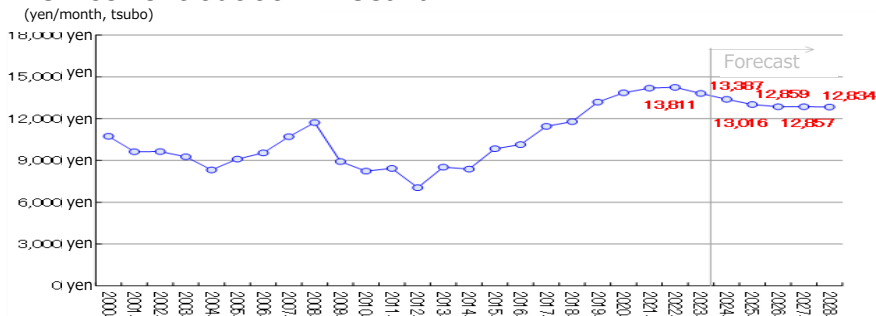
■ Vacancy rate outlook for Class-A buildings in central Tokyo

■ 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.

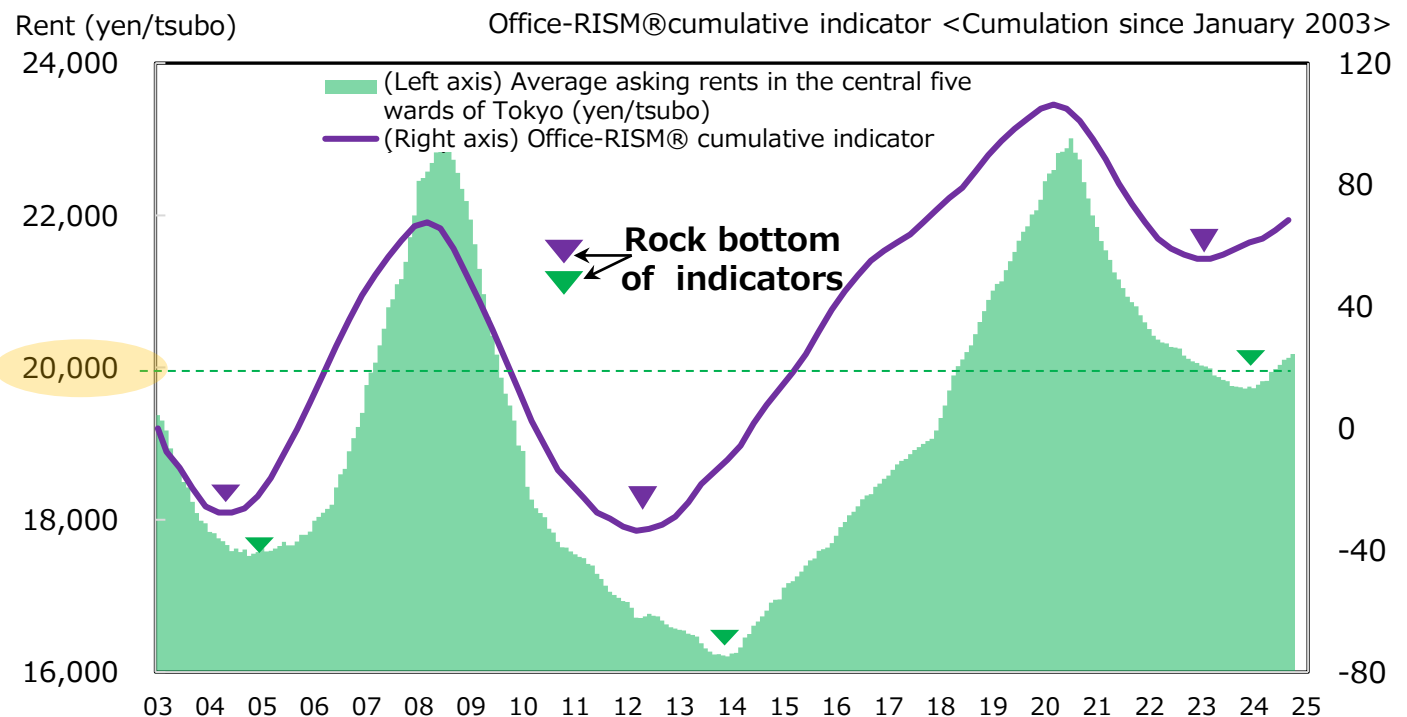
2-6 Office-RISM®* (Office leasing market indicator)

- 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 (cumulative index) is a cumulative indicator with a base month of January 2003 (-50 pts processed), and shows movements ahead of and linked to asking rents

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

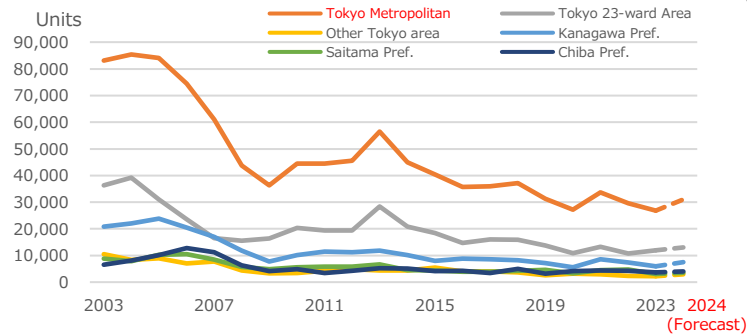


3. Residential for Sale

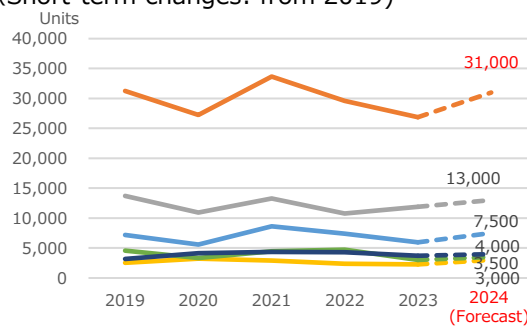
3 Supply and Price Trends of Residential for Sale in the Tokyo Metropolitan and Osaka Areas

- **[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 central Tokyo 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.

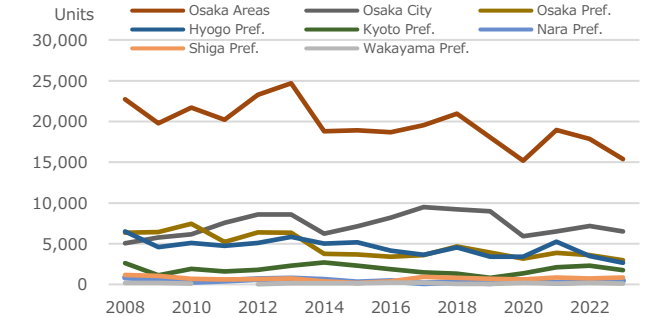
■ Supply trend: Tokyo Metropolitan Area



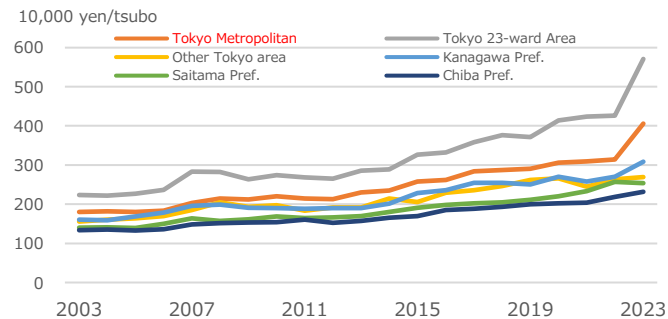
■ Supply trend: Tokyo Metropolitan Area (Short-term changes: from 2019)



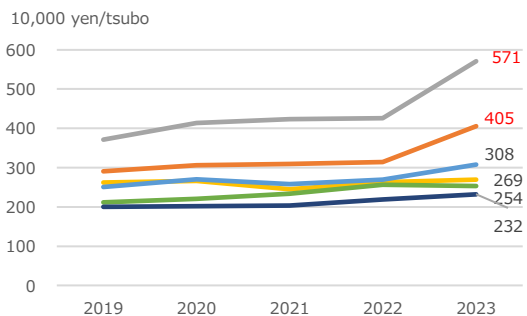
■ Supply trend: Osaka Area



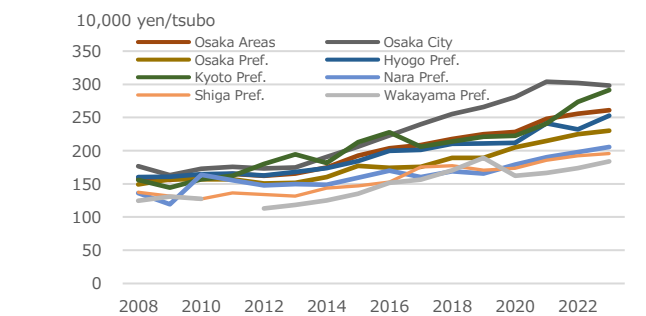
■ Price trend: Tokyo Metropolitan Area



■ 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

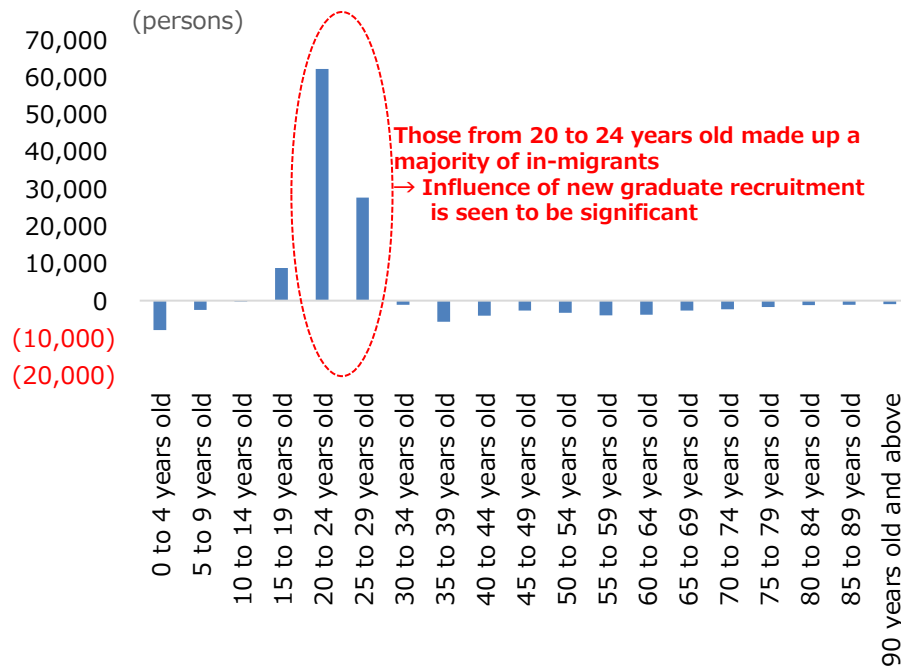


4. Residential for Rent

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

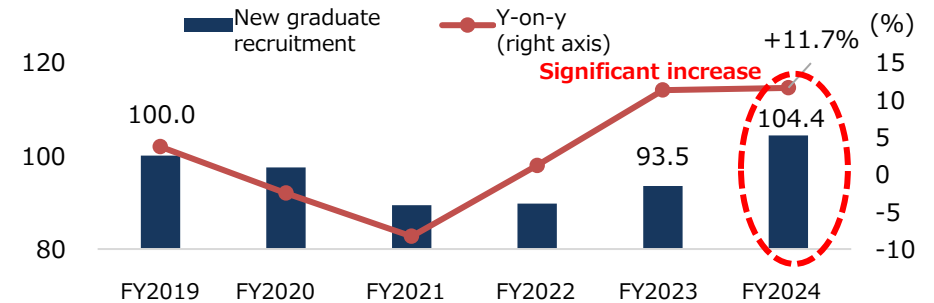
- By age, those from 20 to 24 years old made up a majority of Tokyo 23-ward area's net number of relocations, and the influence of new graduate recruitment was significant.
- The planned new graduate recruitment for fiscal 2024 (joining companies in 2025) continued to increase significantly with an increase of 11.7% 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)



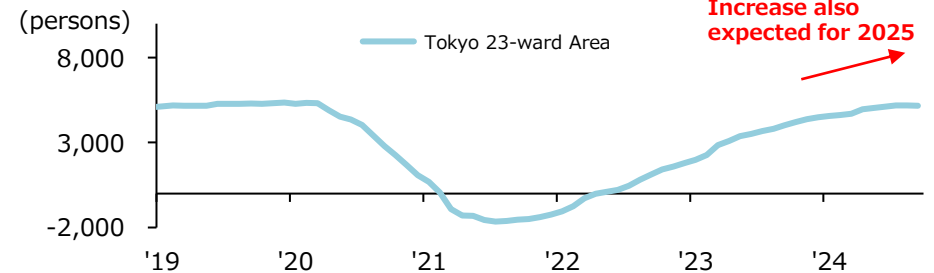
Source: Prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
 Note: Includes foreigners

■ 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)

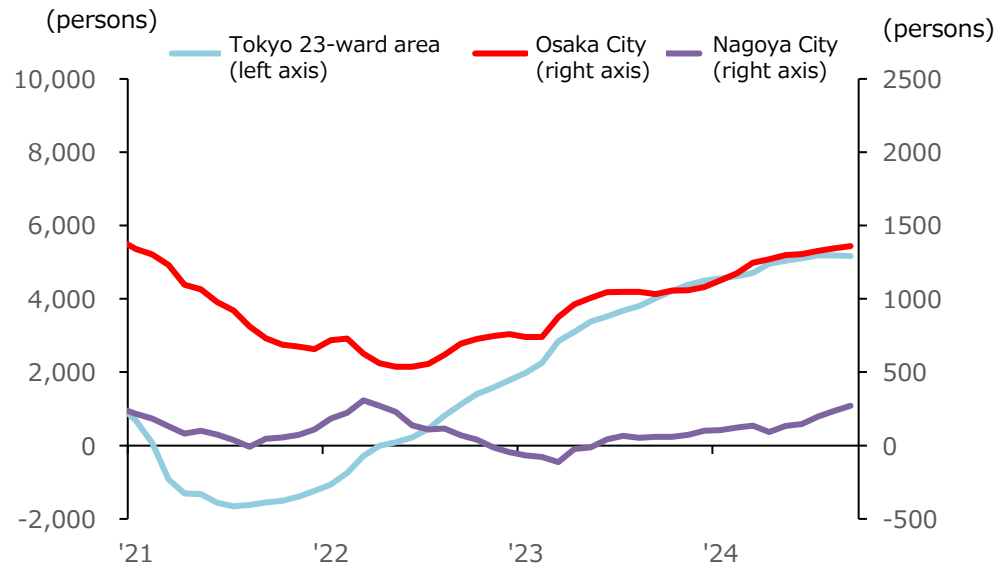


Source: Prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
 Note: Includes foreigners

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)

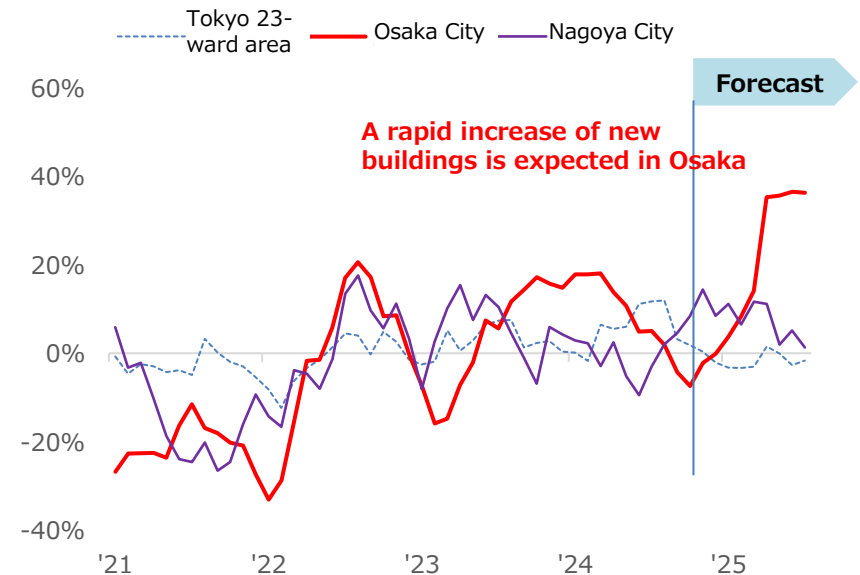
- Populations of the Tokyo 23-ward area and Osaka City have continued to grow, while Nagoya City has also emerged into positive territory.
- Construction starts of rental buildings in Osaka City are increasing rapidly. The occupancy rate may decline in 2025 due to an increase in new supply.

■ Net number of relocations to Tokyo, Osaka, Nagoya (12-month moving average)



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)



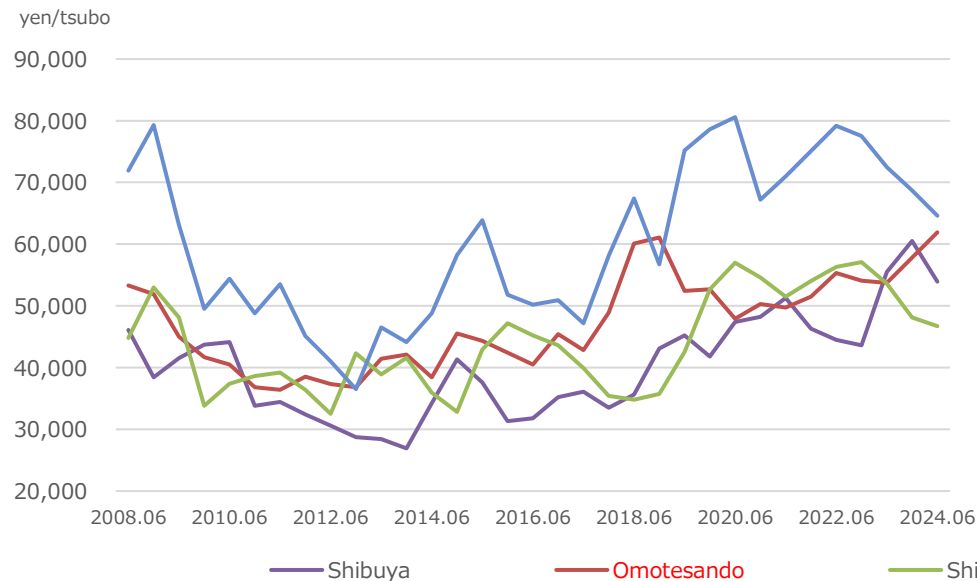
Source: Statistics for building starts from the Ministry of Land, Infrastructure, Transport and Tourism
 Note: Rate of discrepancy calculated based on 6-month moving average of rental building starts (units); shown with a 1-year delay taking into account the period from building start to completion



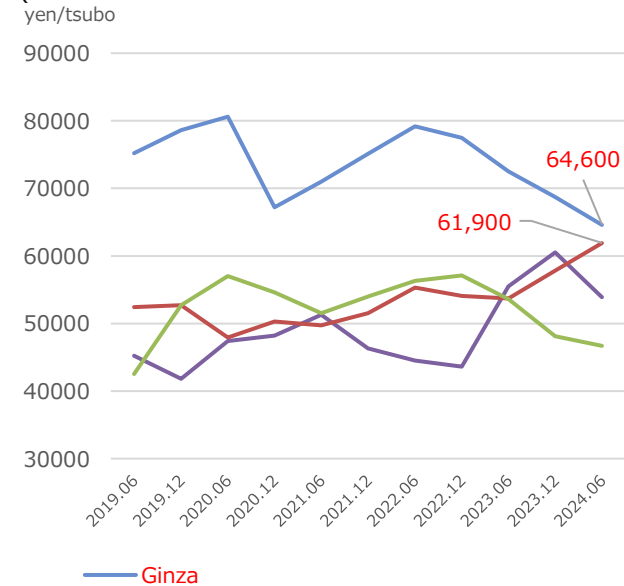
5-1 Trend of Retail (Tokyo)

- **[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.

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



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

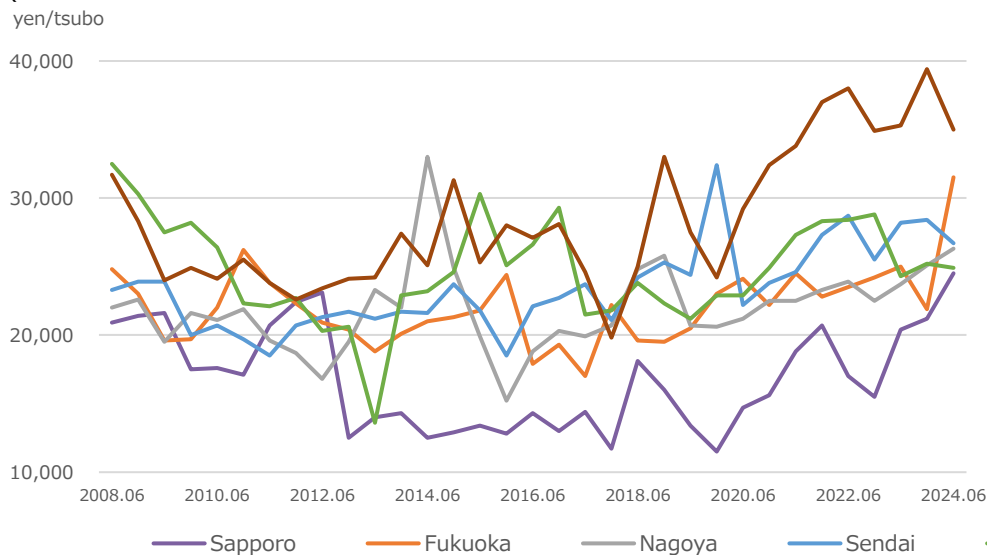


Source: "Store Rent Trends" published by Japan Real Estate Institute, BAC Urban Project and Style Act Co., Ltd.
(compiled by Nomura Real Estate Solutions)

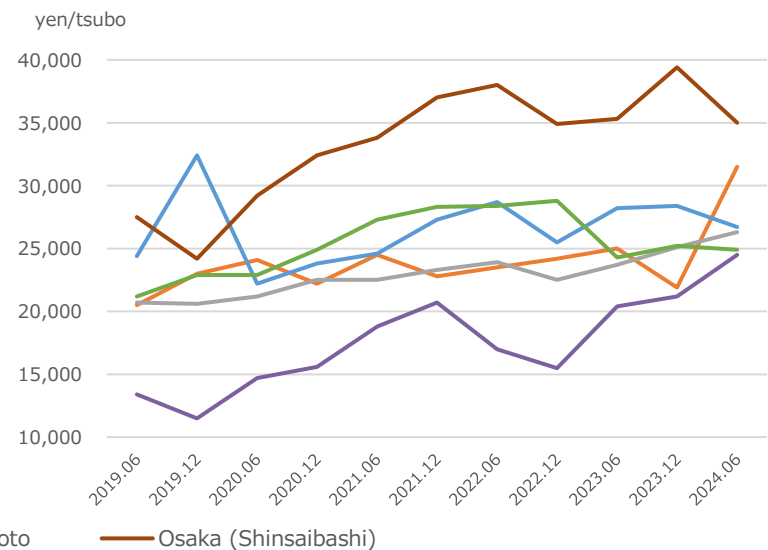
5-2 Trend of Retail (Osaka, Etc.)

- **[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 Midotsuji 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)

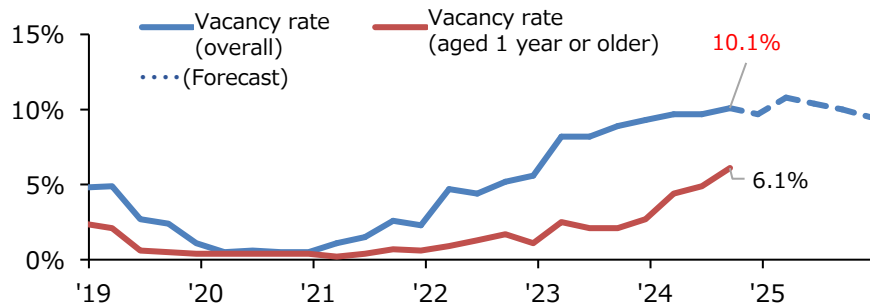


6. Logistics Facilities

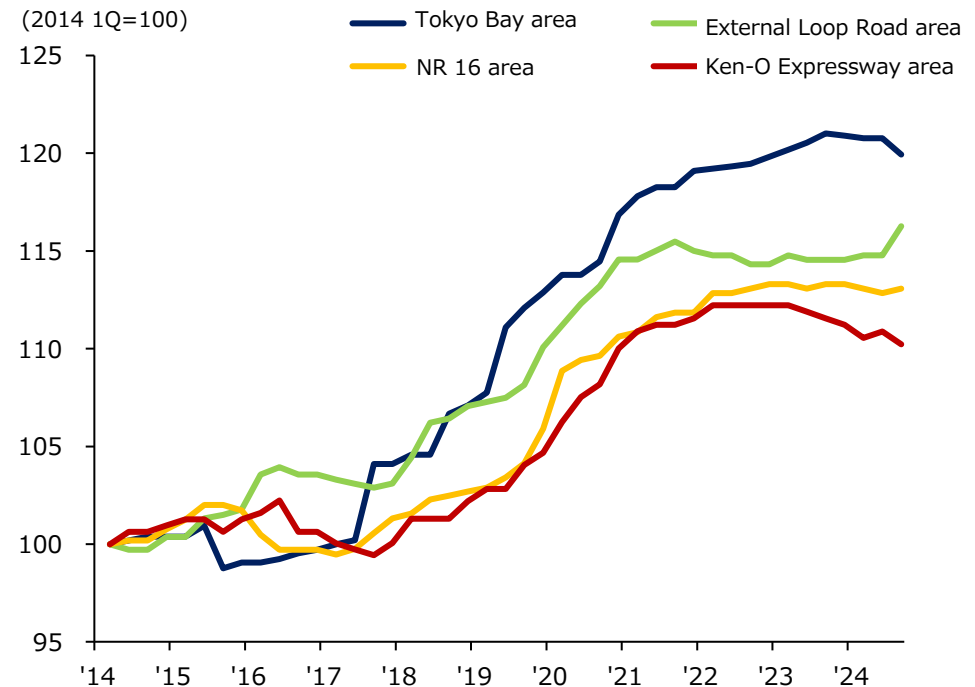
6-1 Trend of Logistics Facilities (Tokyo Metropolitan Area)

- The vacancy rate in the Tokyo Metropolitan Area rose to 10.1% due to delays in filling vacancies following a large supply. Will the vacancy rate gradually decline?
- Rent levels fell in the Tokyo Bay area and Ken-O Expressway area. Levels rose in the External Loop Road area.
- New supply is expected to slow going forward due to difficulties in acquiring land and high construction costs.

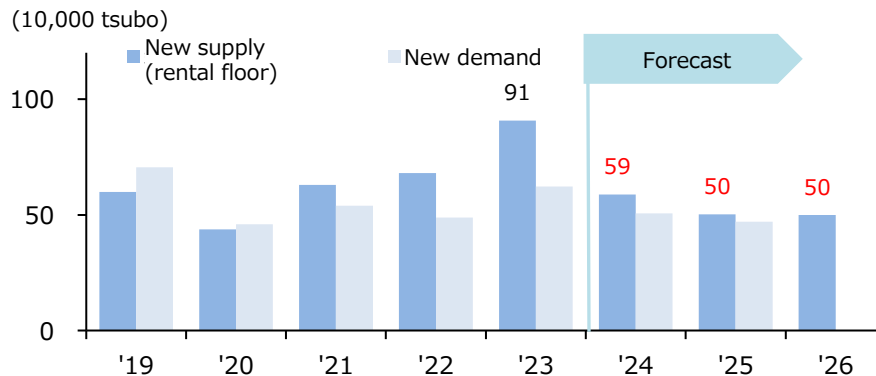
■ Trend of vacancy rate (as of December 31 of each year; 2024 is as of September 30)



■ Trend of rent level



■ New supply and new demand



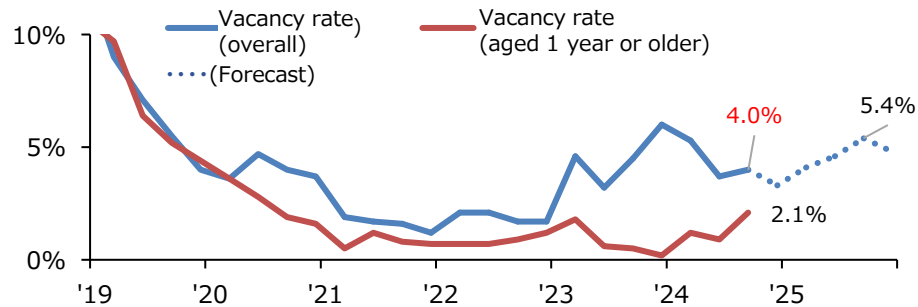
Source: Prepared by NREAM based on data from CBRE

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.

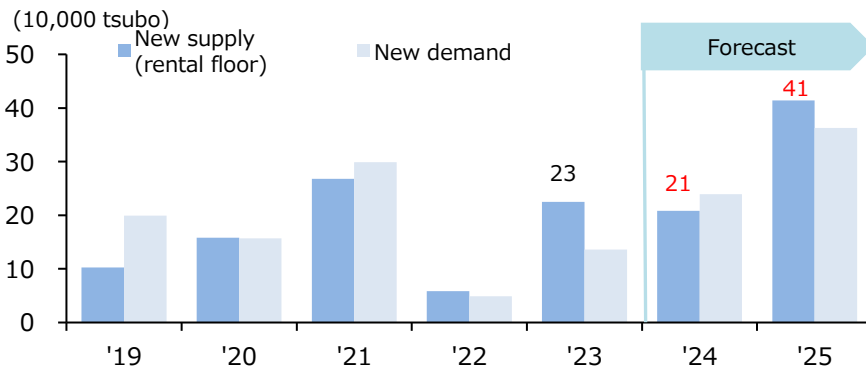
6-2 Trend of Logistics Facilities (Osaka Area)

- The vacancy rate in the Osaka area increased slightly to 4.0% (+ 30 bps q-o-q) due to overall strong demand.
- Although supply will increase in 2025, the vacancy rate will remain at slightly over 5% due to supply being in areas with strong demand.
- Overall rents are expected to remain the same or rise.

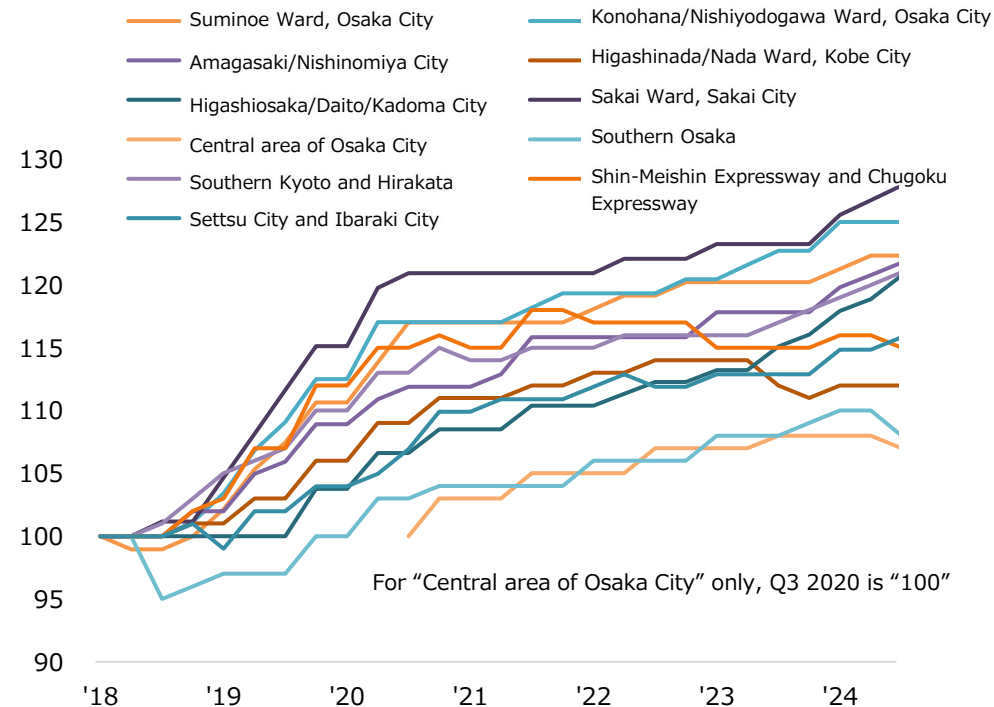
■ Trend of vacancy rate (as of December 31 of each year; 2024 is as of September 30)



■ New supply and new demand



■ Trend of rent level (2018 1Q=100)



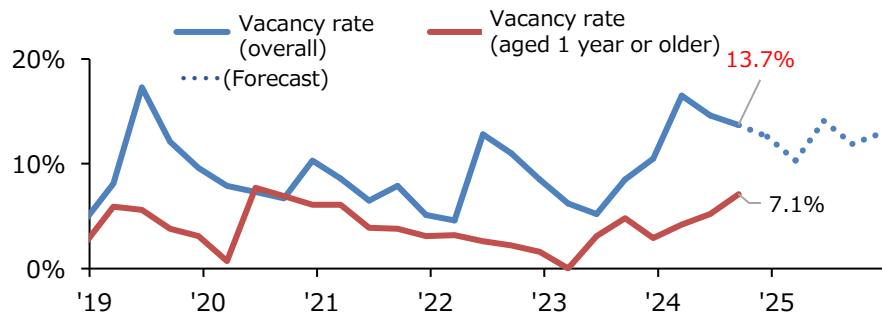
Source: Prepared by NREAM based on data from CBRE

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.

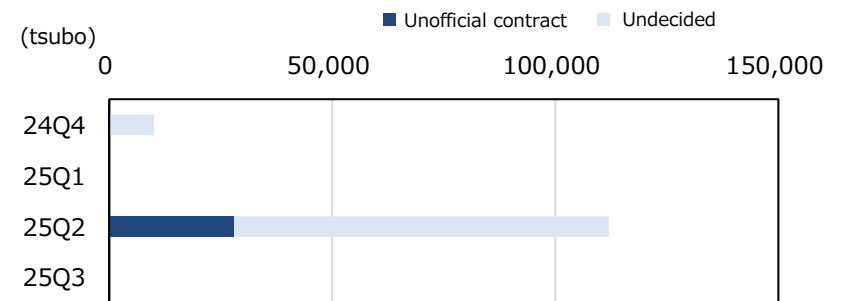
6-3 Trend of Logistics Facilities (Aichi Area)

- As the market for the Aichi area is small, there is a tendency for violent fluctuations in the vacancy rate due to new supply.
- Demand is firm. While the vacancy rate has continued to decline in 2024 due to low supply, it will increase in 2025 due to increased supply.

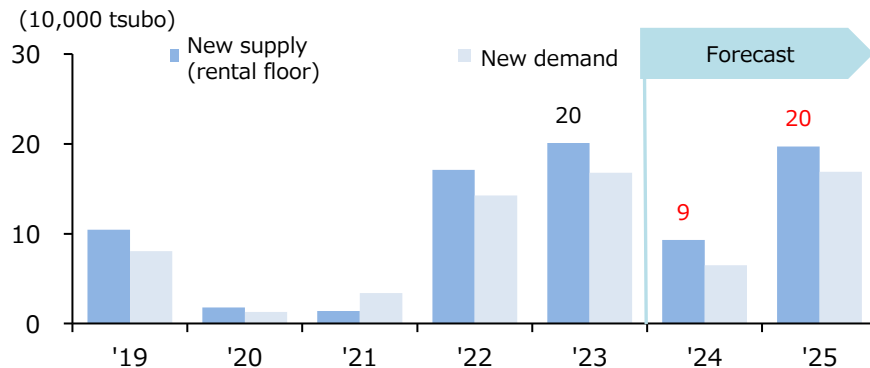
■ Trend of vacancy rate (as of December 31 of each year; 2024 is as of September 30)



■ Ratio of unofficial contract in Aichi area (23%)



■ New supply and new demand



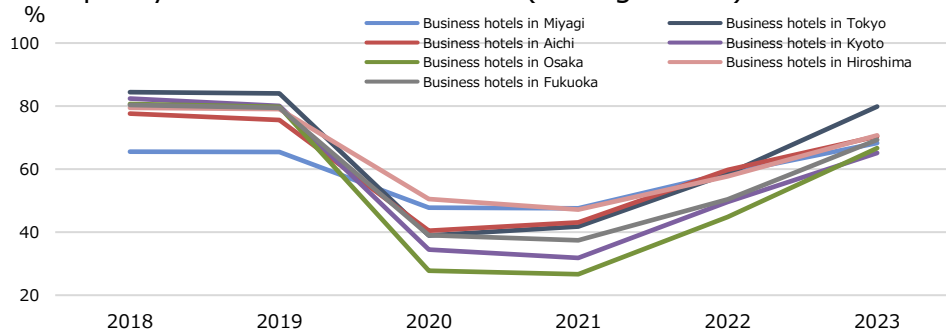
Source: Prepared by Nomura Real Estate Asset Management based on data from CBRE
 Note: In Aichi area only, GFA of more than 5,000 tsubo; all of these are logistics facilities assuming several tenants.



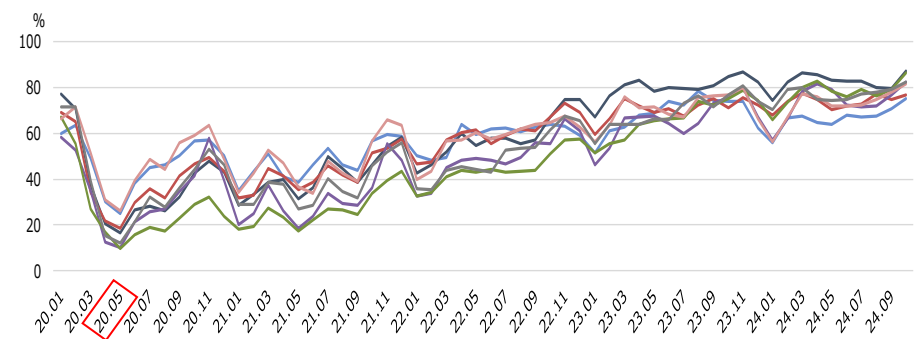
7-1 Hotel Trends (Occupancy Rates)

- 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 October 2024 were 75.0% (70.6% in September) in Miyagi, **87.3** (79.4% in September) in **Tokyo**, 76.6% (74.6% in September) in Aichi, 82.2% (76.6% in September) in Kyoto, 86.2% (79.0% in September) in Osaka, 81.6% (77.9% in September) in Hiroshima, and 82.3% (79.1% in September) in Fukuoka.
- The occupancy rates of city hotels in October 2024 were 73.5% (67.8% in September) in Miyagi, **78.8%** (73.4% in September) in **Tokyo**, 70.4% (67.4% in September) in Aichi, 83.5% (69.6% in September) in Kyoto, 81.2% (72.7% in September) in Osaka, 83.4% (77.3% in September) in Hiroshima, and 81.3% (75.6% in September) in Fukuoka.

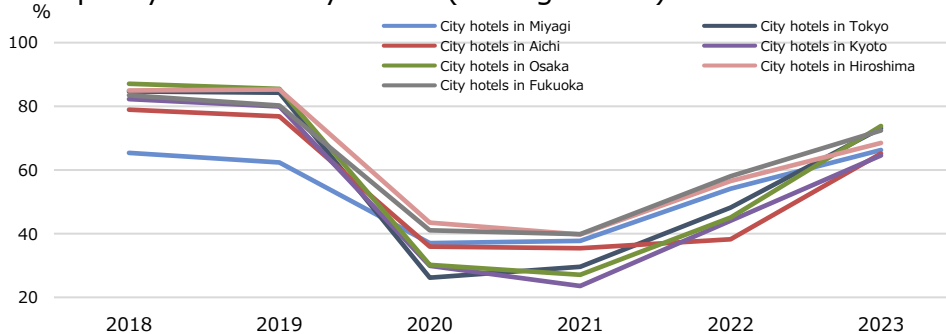
■ Occupancy rates of business hotels (through 2023)



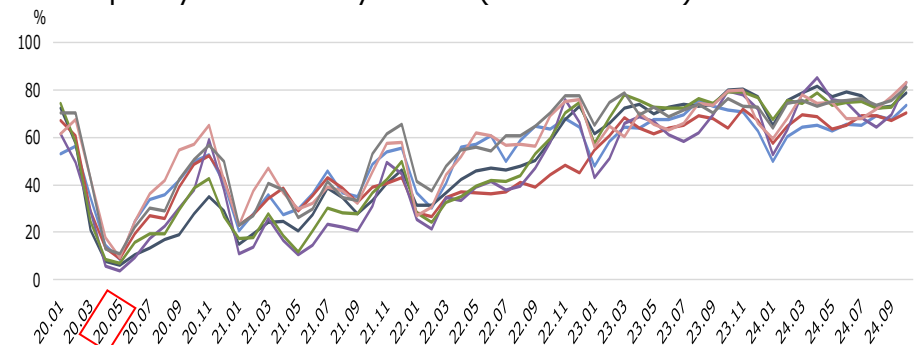
■ Occupancy rates of business hotels (2020 onward)



■ Occupancy rates of city hotels (through 2023)



■ Occupancy rates of city hotels (2020 onward)

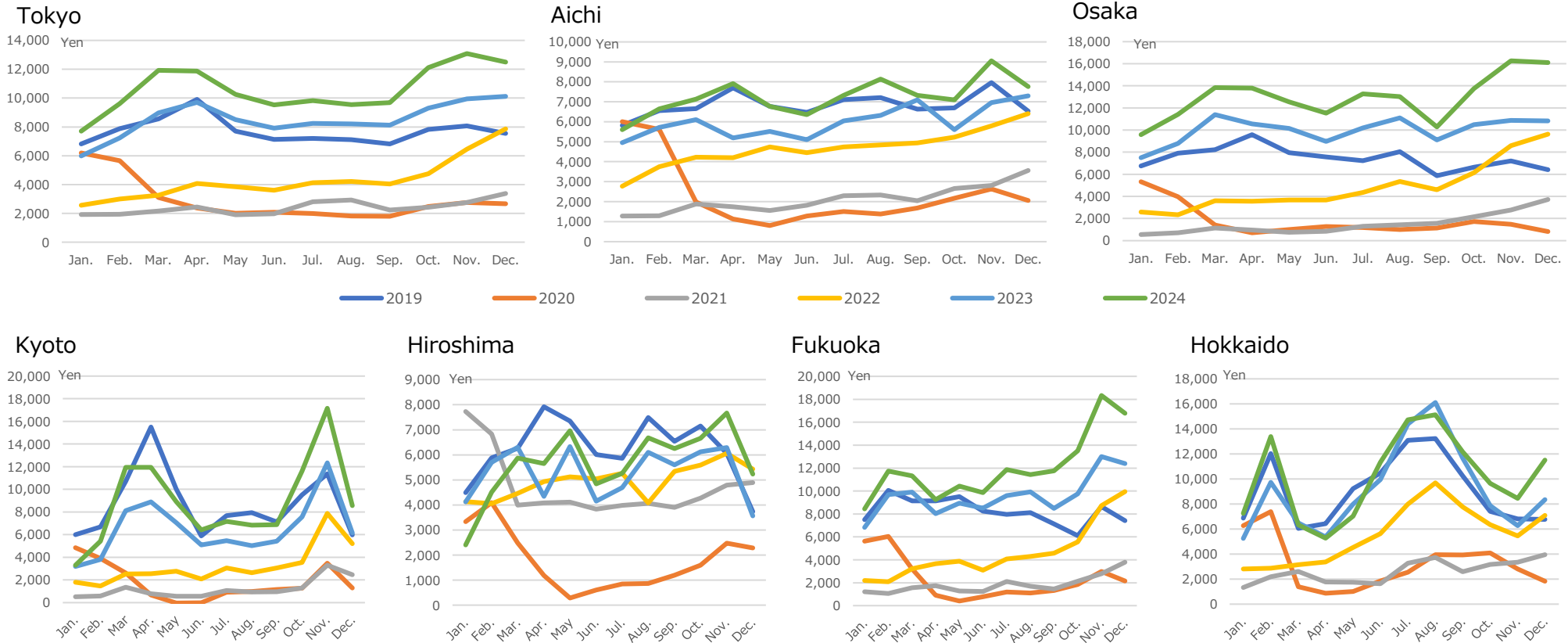


Source: MLIT Japan Tourism Agency "Overnight Travel Statistics Survey" (compiled by Nomura Real Estate Solutions)

7-2 Hotel Trends (RevPAR)

- With the favorable effect of a weaker yen continuing, the number of foreign visitors to Japan between January and November 2024 exceeded the annual total for 2019. Consequently, the hotel market remains strong. On the other hand, with Expo 2025 Osaka, Kansai, Japan scheduled to be held in April–October 2025, there are concerns about a shortage of hotels on top of the shortage of labor that has been experienced since the COVID-19 pandemic.
- Domestic accommodation demand also remained steady, **resulting in RevPAR exceeding that of the same month in the previous year and the same month in 2019 in all areas.**

■ 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

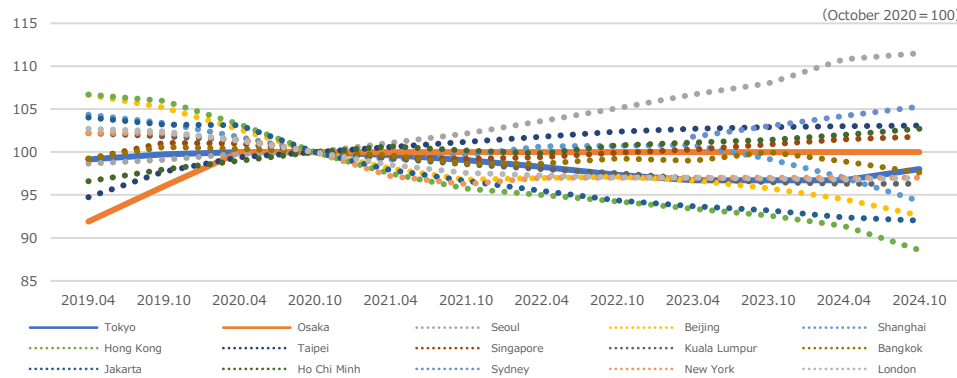
- As same as the previous report, there were upward changes in all 80 areas, and no areas of little change and downward changes. Demand for residential in areas with excellent convenience and living environments was strong, and demand for stores and hotels also remained strong, resulting in increases in all residential and commercial areas for the third consecutive quarter (10th consecutive quarter for residential areas and third consecutive quarter for commercial areas).
- By change category (increase, unchanged, or decrease), 5 areas saw an increase of more than 3% and less than 6%, and 75 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	22.10.1	23.1.1	23.4.1	23.7.1	23.10.1	24.1.1	24.4.1	24.7.1	City	Area	22.10.1	23.1.1	23.4.1	23.7.1	23.10.1	24.1.1	24.4.1	24.7.1		
		~ 23.1.1	~ 23.4.1	~ 23.7.1	~ 23.10.1	~ 24.1.1	~ 24.4.1	~ 24.7.1	~ 24.10.1			~ 23.1.1	~ 23.4.1	~ 23.7.1	~ 23.10.1	~ 24.1.1	~ 24.4.1	~ 24.7.1	~ 24.10.1		
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.	↗	↗	↗	↗	↗	↗	↗	↗	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%)											
Saitama	W Exit Omiya Sta.	↗	↗	↗	↗	↗	↗	↗	↗	Source: "Land value LOOK report" by the Ministry of Land, Infrastructure, Transport and Tourism (compiled by Nomura Real Estate Solutions)											
Chiba	Chiba Sta. front	→	↗	↗	↗	↗	↗	↗	↗												
Sapporo	Ekimae-dori	↗	↗	↗	↗	↗	↗	↗	↗												

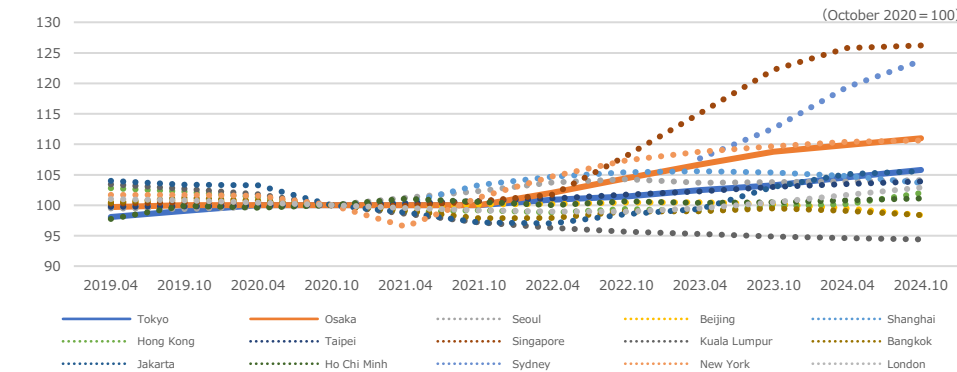
Reference: Trend of Land Prices in High-level Use Districts of Major Cities

- **The rate of change in office rents turned positive in Tokyo** (had previously been flat). Office rents remained flat in Osaka for the ninth consecutive half-year period. Office vacancy rates remained high in Beijing, Shanghai, and Hong Kong, accelerating the decline in office rents. In addition, office prices continue to adjust in response to the economic downturn.
- Residential rents rose moderately in Sydney, as growth in household income failed to keep pace with rent increases. In Singapore, the sharp rise has slowed due to a large volume of supply recently. In Hong Kong, the rate of increase widened against a backdrop of intense competition among newly supplied properties and a shift from purchase demand to rental demand amid declining purchasing sentiment. In London, demand remained firm and rents rose despite the ongoing short supply of rental properties.

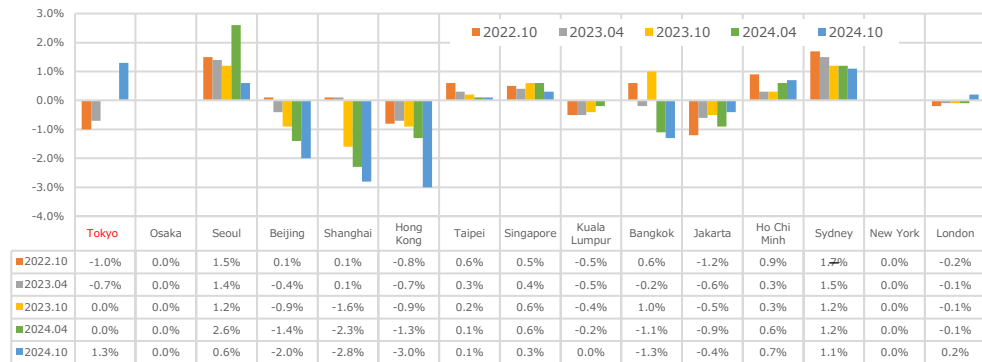
■ Changes in the office rent index



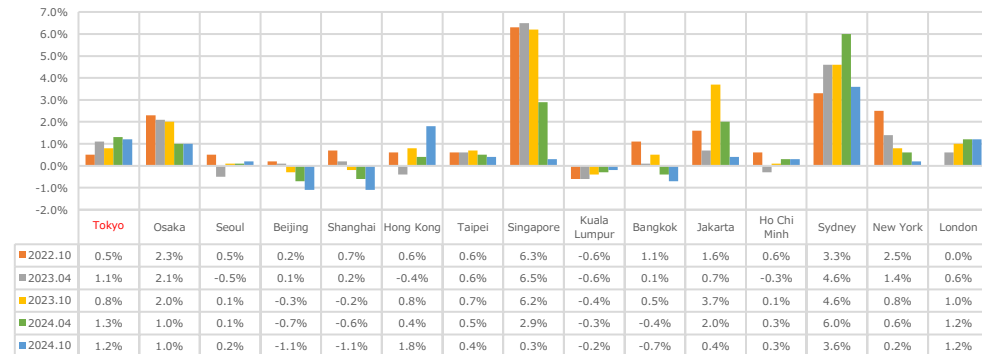
■ Changes in the residential rent index



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



■ 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