

1. Outlook for Price

Ichigo conducts this questionnaire survey semiannually about the “Outlook for Logistics Market Conditions”.

The survey result of January 2018 about the outlook of real estate prices for the next six months is the percentages of “Rise” at 29.6%, “Flat” at 66.7% and “Decline” at 3.7% (Fig 1). The ratio of “Flat” has kept the majority and there is no meaningful change from January 2016.

The top four reasons of “Rise” cited by respondents are listed below. The number of respondents who chose “Japan’s economy have potential for stable growth.” has increased from the previous survey.

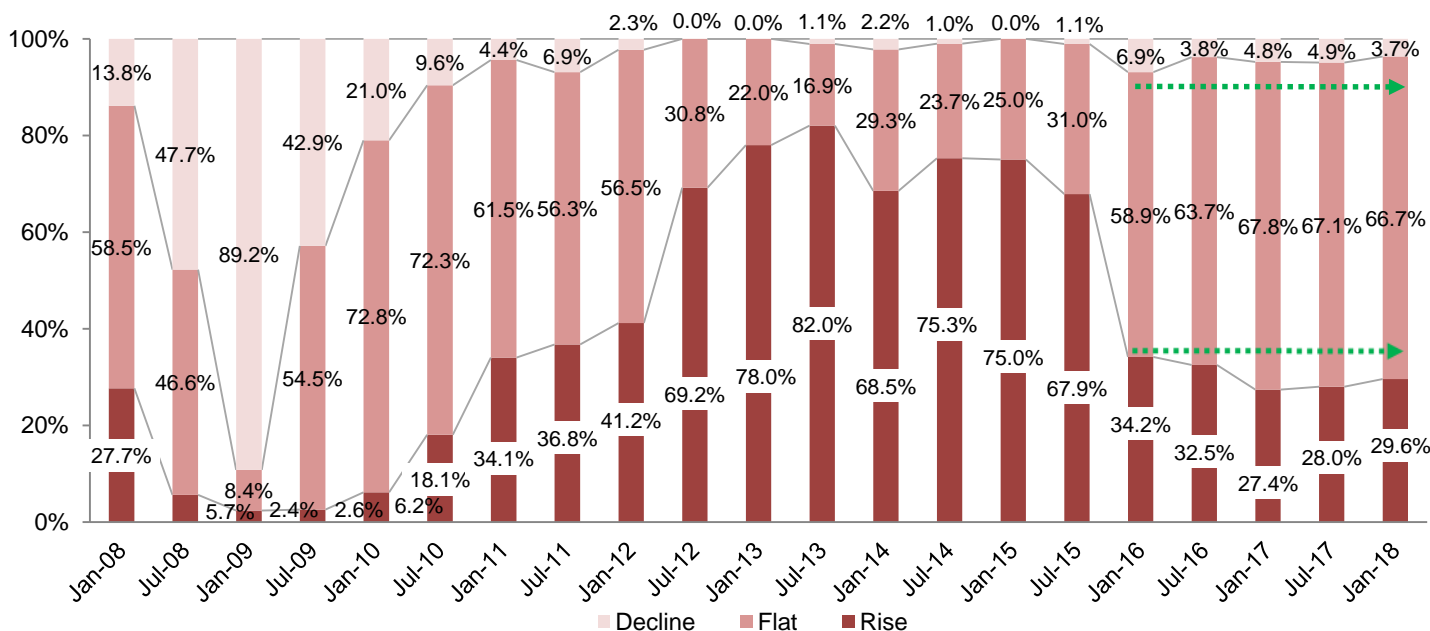
1. Due to the expansion of a variety of investors, the market is becoming more active.
2. Financing environment is in a good condition (It is easy to raise finance).
3. The number of investors targeting logistics facilities is rising.
4. Japan’s economy have potential for stable growth.

The top three reasons of “Flat” are given below.

1. There is no significant change in the market outlook of rent level.
2. A number of market players are refraining from investing due to the overheating market.
3. Real estate prices are approaching a plateau.

The top reason of “Fall” is “This excess of supply condition have a negative effect on industrial market”.

Figure:1 Outlook for Real Estate Prices of Logistics Facilities Six Months Later



Source: Ichigo Real Estate Service

2. Outlook for Rent

The survey result of January 2018 about the outlook of rent for the next six months are as follows. The percentages are “Rise” at 11.1%, “Flat” at 74.1% and “Decline” at 14.8% (Fig 2). Through the ratio of “Rise” has kept decline since January 2015, and it has stopped in this term.

The top three reasons why respondents chose for “Flat” are as follows.

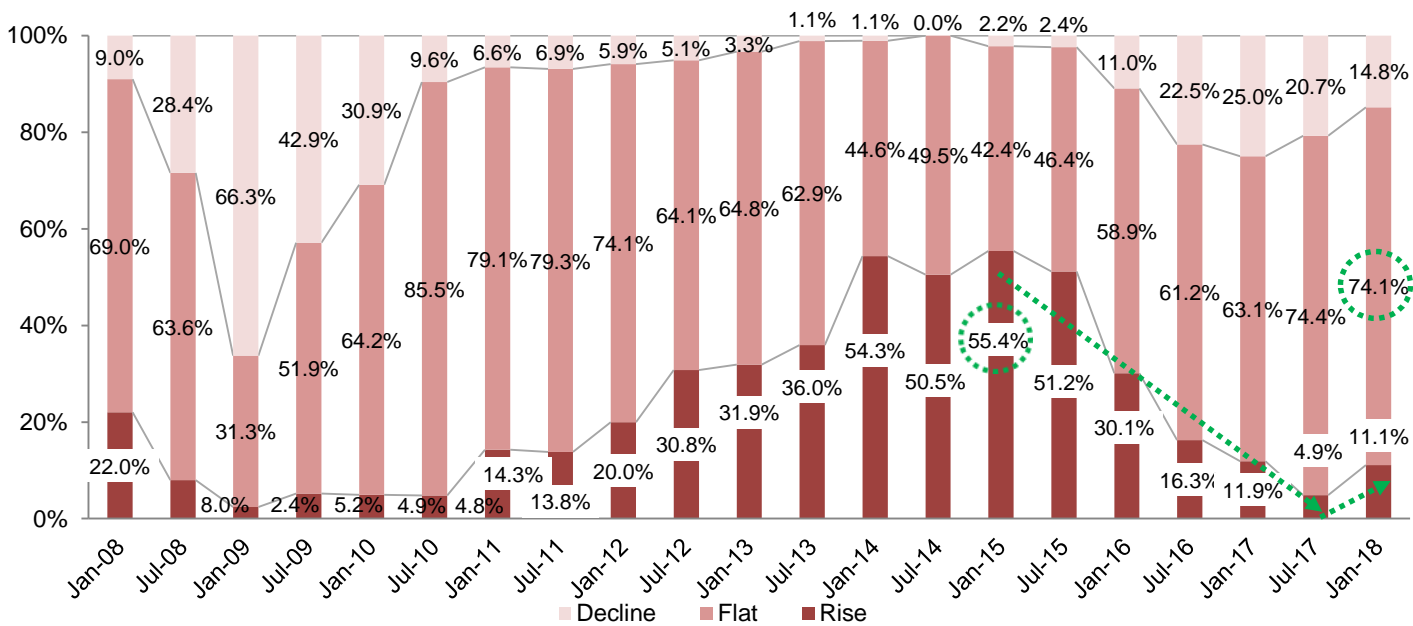
1. The tenants’ and logistics companies’ rent affordability did not change.
2. The increase of both completions and demands is in equal state.
3. There is no significant change in logistics industry and the market is stable.

The top reason of “Decline” is “The large supply of logistics facilities raised the competitiveness for finding new tenants.”

The top three reasons of “Rise” are given below. The number of market players having an optimistic outlook is increasing.

1. The prosperity of E-commerce(manufacture, rental, etc.)draws up the demands.
2. There is a growing need for high-spec facilities having a competitive advantage in employment.
3. Due to the increasing development cost of land and construction, the increment is shifting to the rent.

Figure:2 Outlook for Rent of Logistics Facilities Six Months Later



Source: Ichigo Real Estate Service

◆ Overview of Methodology of the Questionnaire Survey

➤ Summary of Questionnaire

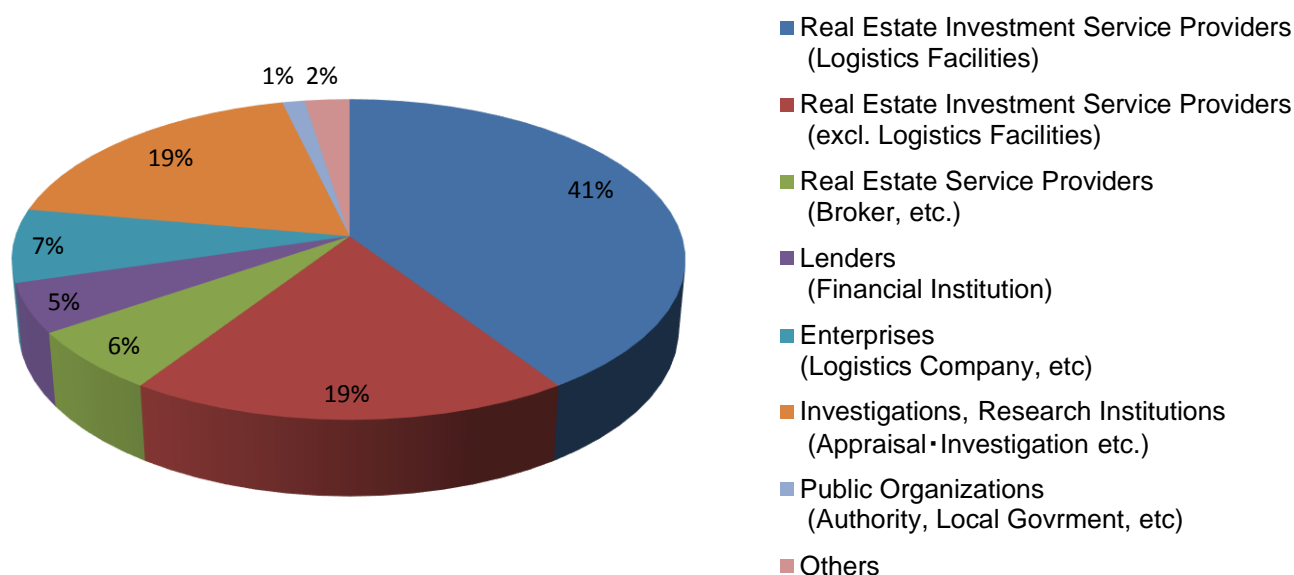
Survey Target : Practitioners and professionals associated to real estate.
(regardless involvement with logistics) .

Survey Method : Questionnaire sent by e-mail and answer sheets gathered through e-mail and website.

Survey Period : January 21 to February 2, 2018

Respondents : 81

➤ Occupation Respondents



◆ Contact info

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