

1. Outlook for Price

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

The survey result of January 2019 about the outlook of real estate prices for the next six months is the percentages of “Rise” at 27.5%, “Flat” at 70.3% and “Decline” at 2.2% (Fig 1). The ratio has not changed substantially from the previous term.

The top three reasons of “Rise” cited by respondents are listed below, which are all the same reasons from the previous survey.

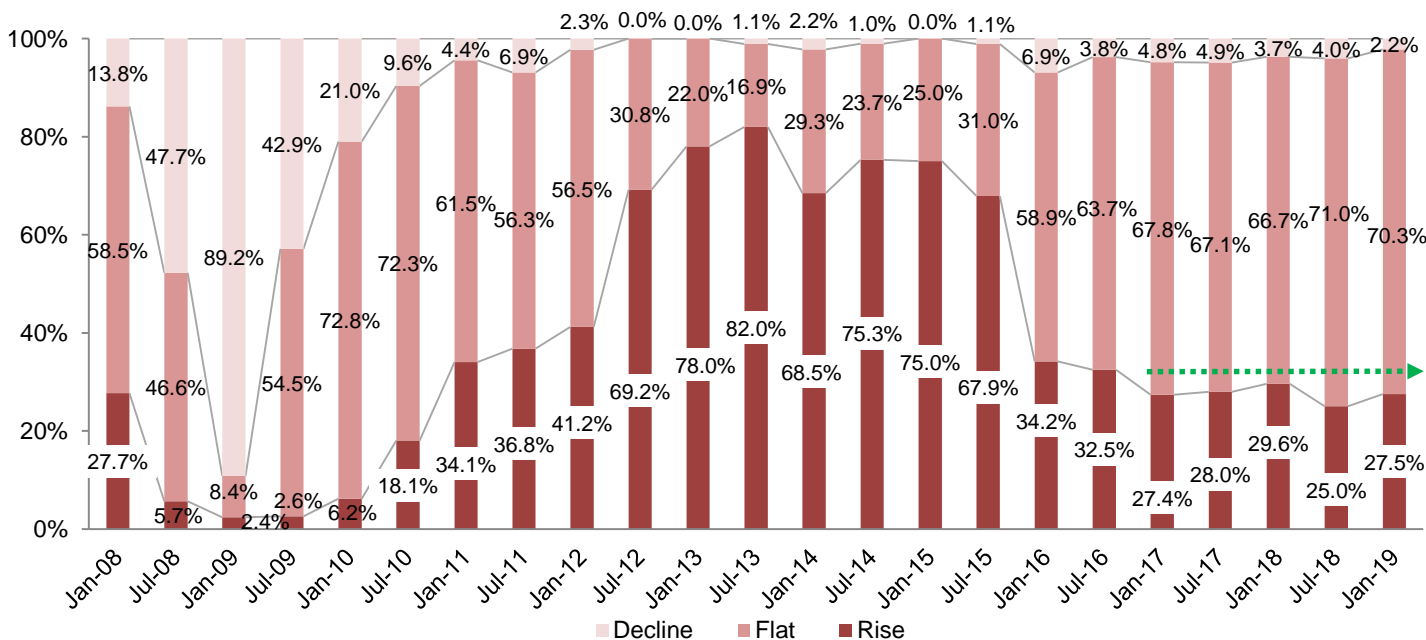
1. Due to the expansion of a variety of investors, the market is becoming more active.
2. Financing environment is in a good condition, and it is easy to raise finance.
3. The number of investors targeting logistics facilities is increasing.

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

1. It’s hard to anticipate to the further drop of the capitalization rate.
2. There is no significant change in the market outlook of rent level.
3. Real estate prices are approaching a plateau.

And, few respondents chose “Decline”.

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 2019 about the outlook of rent for the next six months are as follows. The percentages are “Rise” at 24.2%, “Flat” at 70.3% and “Decline” at 5.5% (Fig 2). The ratio of “Rise” increase from July 2017 reached a lower point. Despite the fact that the 2019’s volume of completions in Tokyo expected to make the highest record, optimistic outlook of rent continue the momentum.

The top two reasons of “Rise” are given below. An optimistic outlook is spreading.

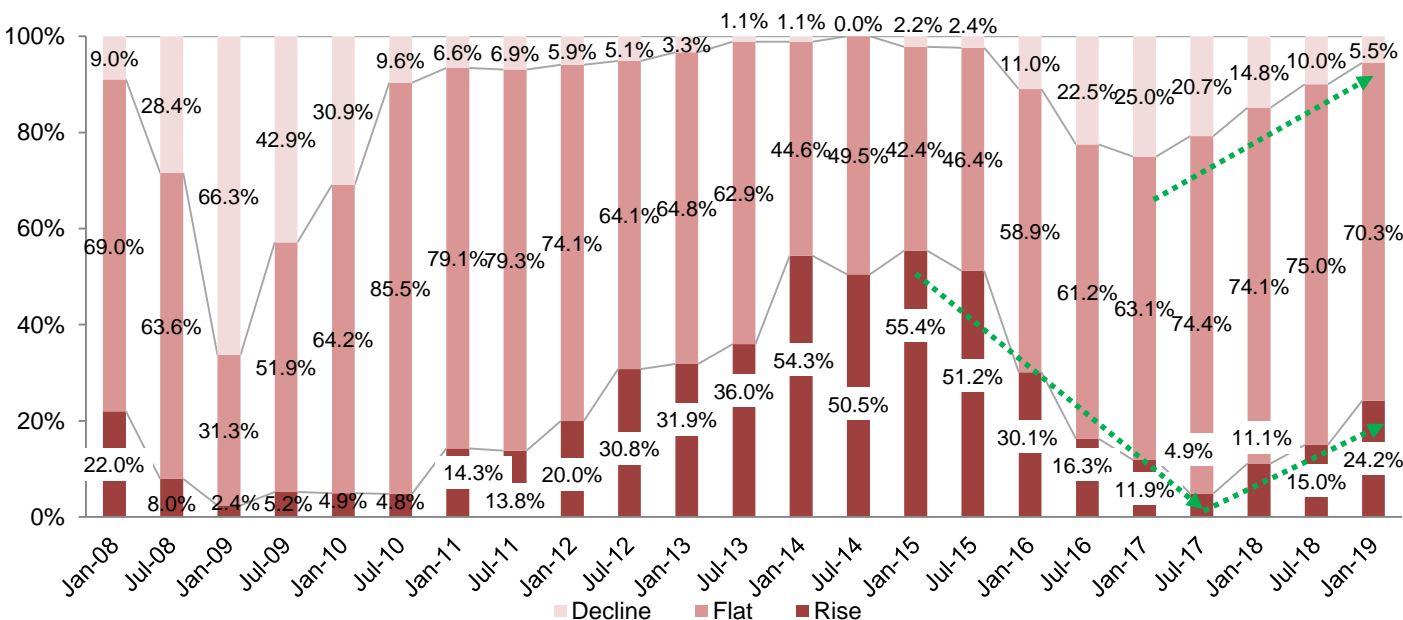
1. The prosperity of E-commerce draws up the demands.
2. Due to the increasing development cost of land and construction, the increment is shifting towards rent.

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

1. The increase of both completions and demands are in equal state.
2. The tenants’ and logistics companies’ rent affordability did not change.

“The large supply of logistics facilities raised the competitiveness for finding new tenants.” was the top reason of “Decline” in the previous term, and there were 10 responders. That is the top reason in this term too, but there were only 3 responders.

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



Source: Ichigo Real Estate Service

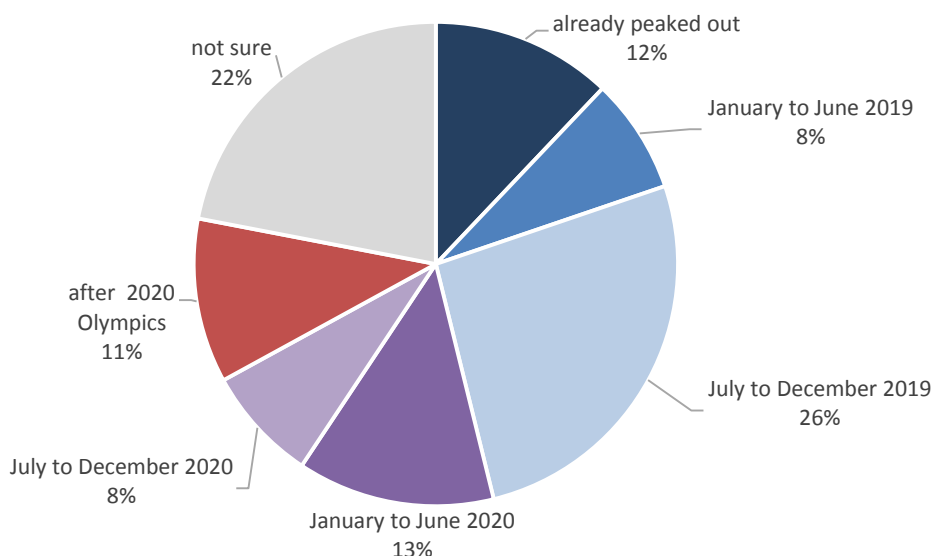
3. Building Cost

The cost of building keeps on increasing with the upcoming 2020 Tokyo Olympics. In this survey, we cast an additional question, “When does the building cost set a high record?”.

The ratio of respondents who chose “the peak is January to July 2019” is 8 percent, “July to December 2019” is 26 percent, and “already peaked out” is 12 percent. Nearly half of the respondents think the peak is before 2020 Tokyo Olympics.

On the other hand, the ratio of “January to July 2020” is 13 percent and “July to December 2020” is 8 percent. Over 20 percent of the respondents forecast the peak is 2020 as the same year of Tokyo Olympics. Furthermore, the ratio of “the peak is after 2020 Olympics” is 11 percent. This result shows various outlook exist among market players and the consciousness is not converged.

Figure:3 the period of setting a record high in the building cost



Source: Ichigo Real Estate Service

◆ Overview of Methodology of the Questionnaire Survey

➤ Summary of Questionnaire

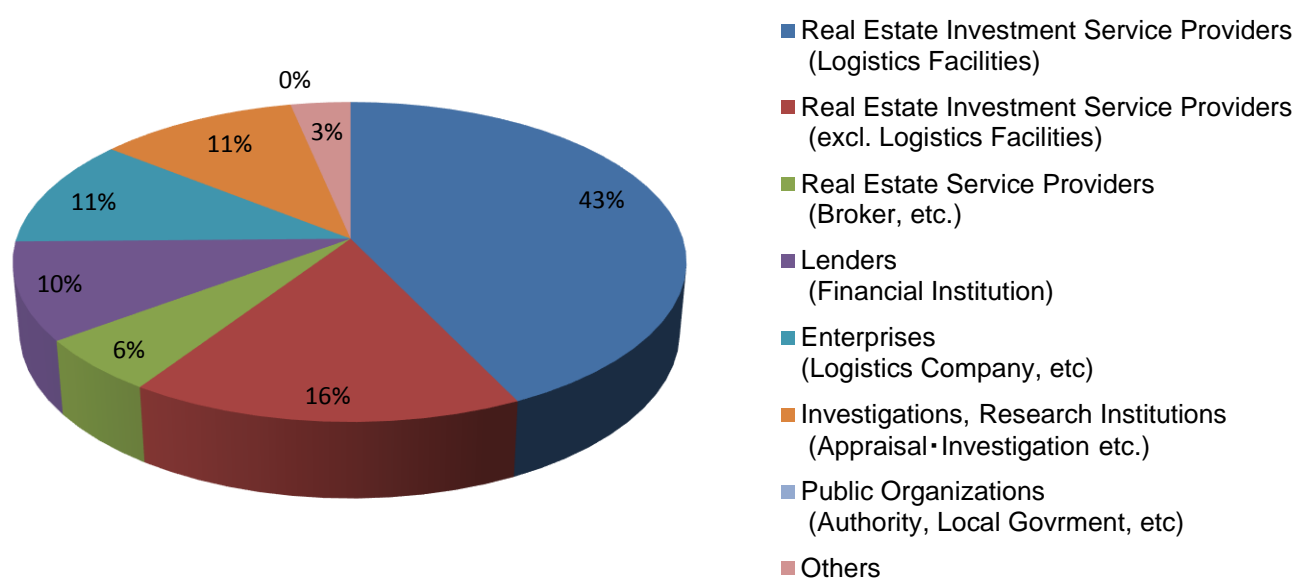
Survey Target : Practitioners and professionals associated to real estate.
(regardless involvement with logistics) .

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

Survey Period : January 23 to January 31, 2019

Respondents : 91

➤ Occupation Respondents



◆ Contact info

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