◆ Greater Tokyo

As of July 2020, the vacancy rate has declined to 0.4%. There's a decrease of 0.5 point from the previous term and this is the actually the lowest on the record (Fig 1 and Page 3). The completions in this term were 390 thousand sqm while the net absorption was 488 thousand sqm. The net absorption has exceeded the completions for the fifth consecutive quarter (Fig 2).

Amazon has announced that they will establish four Fulfillment Center. The expansion of e-commerce is remarkable under the influence of the COVID-19. Although, many tenants are now facing a severe business situation, there is no movements from these tenants and they haven't even cancel their rented facilities at this point. Therefore, Favorable market conditions is expected to continue for a while.

The asking rent of greater Tokyo has remained flat at 4,400 JPY/Tsubo. The asking rent of Saitama Prefecture was 4,070 JPY/Tsubo and for the first time in 11 years, Saitama's asking rent was above 4,000 JPY/Tsubo (Fig 3).

Figure1: Vacancy Overview in Greater Tokyo

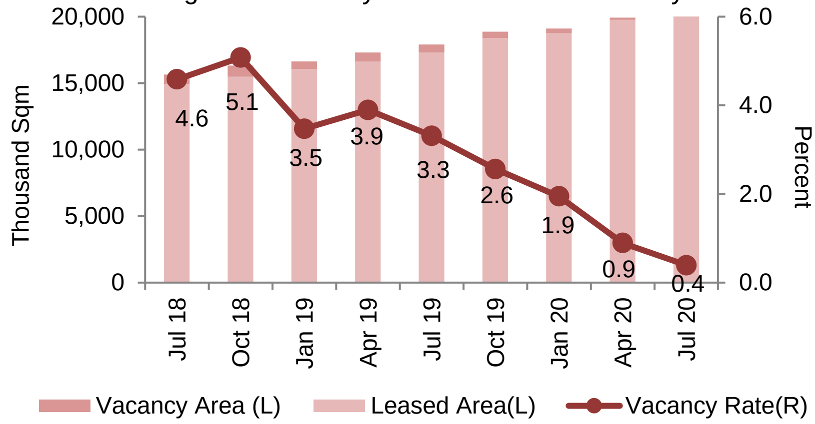


Figure2: Supply-Demand Balance in Greater Tokyo

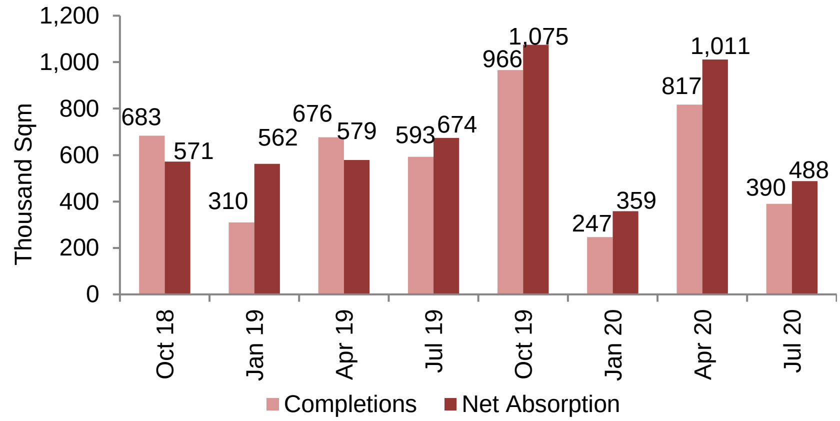
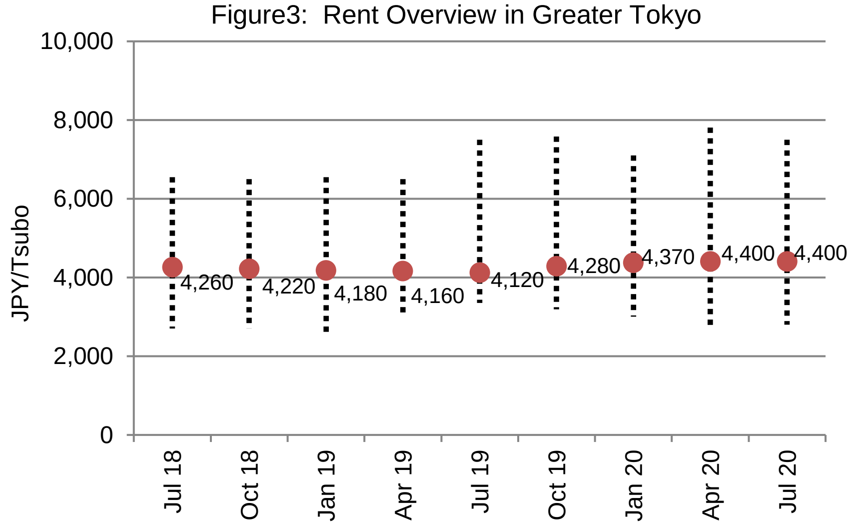


Figure3: Rent Overview in Greater Tokyo



Source: K.K. Ichigo Real Estate Service

Kansai Area

As of July 2020, The vacancy rate has increased to 3.0%. There's an increase of 1.0 point from the previous term (Fig 4). Despite four facilities were completed in this term, including The ESR Amagasaki Distribution Center which is a large-scaled one, the vacancy rate has not increased drastically. The completions in this term were 486 thousand sqm while the net absorption was 404 thousand sqm. Both of them were the second largest volume on the record (Fig 5).

The asking rent was 3,990 JPY/Tsubo in this term, which was the highest level since July 2008 when the survey was first taken. Overall Kansai Area's market is in a favorable condition (Fig 6).

Figure4: Vacancy Overview in Kansai Area

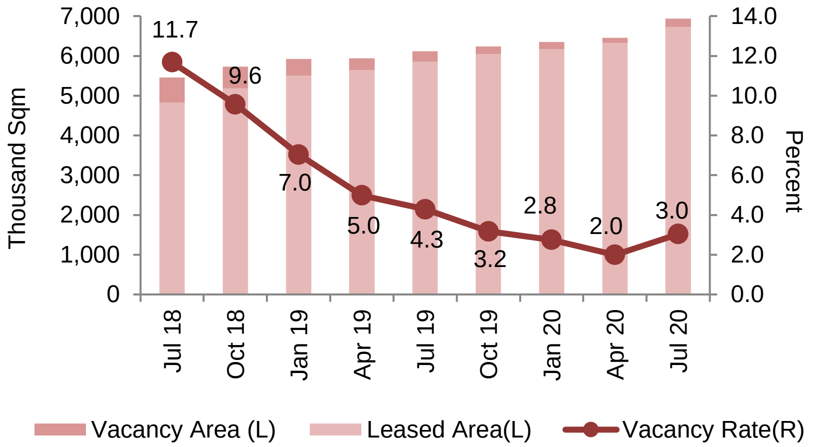


Figure5: Supply-Demand Balance in Kansai Area

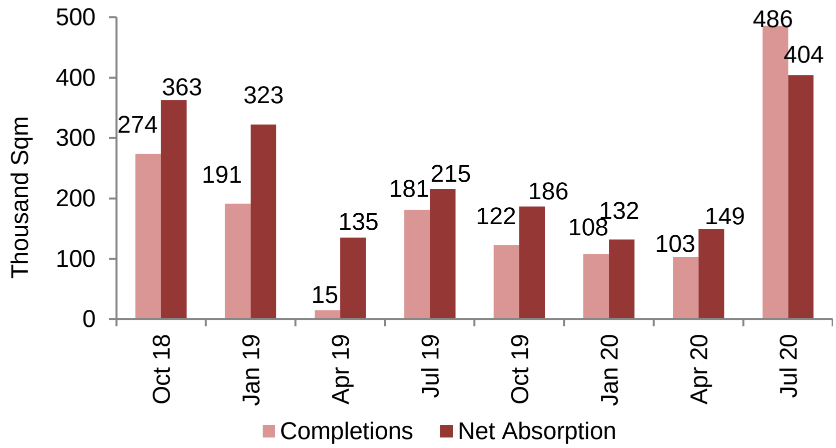
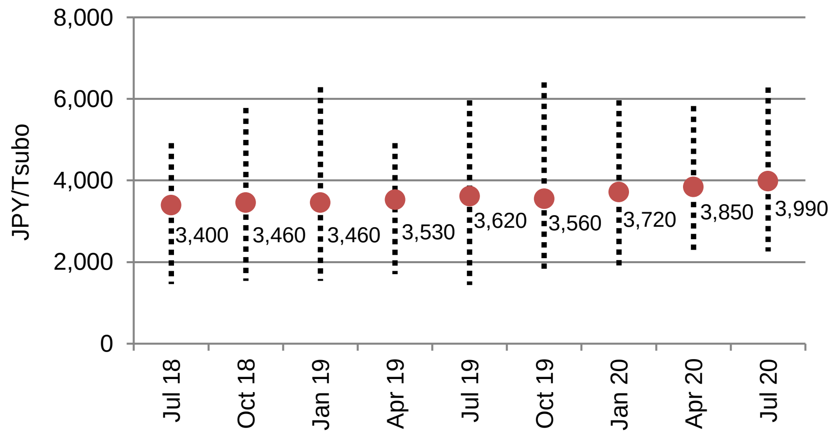


Figure6: Rent Overview in Kansai Area



Source: K.K. Ichigo Real Estate Service

Data of Greater Tokyo

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	4,547	4,061	487	10.7	-	-	4,510
Oct-08	4,824	4,224	600	12.4	277	163	4,500
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
Oct-17	14,118	13,380	739	5.2	284	227	4,200
Jan-18	14,420	13,809	610	4.2	301	430	4,200
Apr-18	15,207	14,460	746	4.9	787	651	4,300
Jul-18	15,638	14,921	717	4.6	432	461	4,260
Oct-18	16,321	15,492	829	5.1	683	571	4,220
Jan-19	16,631	16,054	577	3.5	310	562	4,180
Apr-19	17,307	16,633	674	3.9	676	579	4,160
Jul-19	17,900	17,308	593	3.3	593	674	4,120
Oct-19	18,866	18,382	484	2.6	966	1,075	4,280
Jan-20	19,113	18,741	372	1.9	247	359	4,370
Apr-20	19,930	19,753	178	0.9	817	1,011	4,400
Jul-20	20,321	20,241	80	0.4	390	488	4,400

Data of Kansai Area

	Supply and Demand						Asking Rent (JPY/Tsubo)
	Leasable Area (1,000 sqm)	Leased Area (1,000sqm)	Vacancy Area (1,000sqm)	Vacancy Rate (%)	Completions (1,000sqm)	Net Absorption (1,000sqm)	
Jul-08	1,812	1,600	211	11.7	-	-	3,970
Oct-08	1,812	1,630	181	10.0	0	30	3,800
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
Oct-17	5,003	4,351	652	13.0	688	488	3,350
Jan-18	5,078	4,425	653	12.9	75	75	3,350
Apr-18	5,457	4,782	675	12.4	379	357	3,350
Jul-18	5,457	4,820	637	11.7	0	37	3,400
Oct-18	5,731	5,183	548	9.6	274	363	3,460
Jan-19	5,922	5,505	417	7.0	191	323	3,460
Apr-19	5,937	5,641	296	5.0	15	135	3,530
Jul-19	6,118	5,856	262	4.3	181	215	3,620
Oct-19	6,240	6,042	198	3.2	122	186	3,560
Jan-20	6,348	6,174	175	2.8	108	132	3,720
Apr-20	6,452	6,323	129	2.0	103	149	3,850
Jul-20	6,938	6,727	211	3.0	486	404	3,990

You can find more data about Greater Tokyo and Kansai Area at the following URL.
https://www.ichigo-re.co.jp/wp/wp-content/uploads/2020/08/202007_data.csv

◆ Technical Notes

➢ Supply-Demand Data

Greater Tokyo :

Number of Investigations: 452 logistics facilities with gross floor area over 10,000 sqm.
Investigated Area : Greater Tokyo, including Ibaraki, Saitama, Chiba, Tokyo and Kanagawa.

Kansai Area:

Number of Investigations : 127 logistics facilities with gross floor area over 10,000 sqm.
Investigated Area : Kansai Area, including Kyoto, Osaka and Hyogo .

➢ Rent

This report uses the median as the representative asking rent. Rent samples are selected under the criterion that the leasable area is over 1,000 sqm. Dotted lines in Fig3 and Fig6 show the top (bottom) 10% of all samples in each period.

➢ Periodic Revision of Database

Supply-Demand data released by Ichigo are revised periodically in Oct every year. All the samples that have changes are revised so as to keep the database as reflective of the current situation possible. These changes include facility owners (e.g. not for lease anymore), leasable area, and vacancy occurrence (or tenant change).

◆ Contact info

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