2024 VOL. 38

DAIWA REAL ESTATE MARKET REPORT

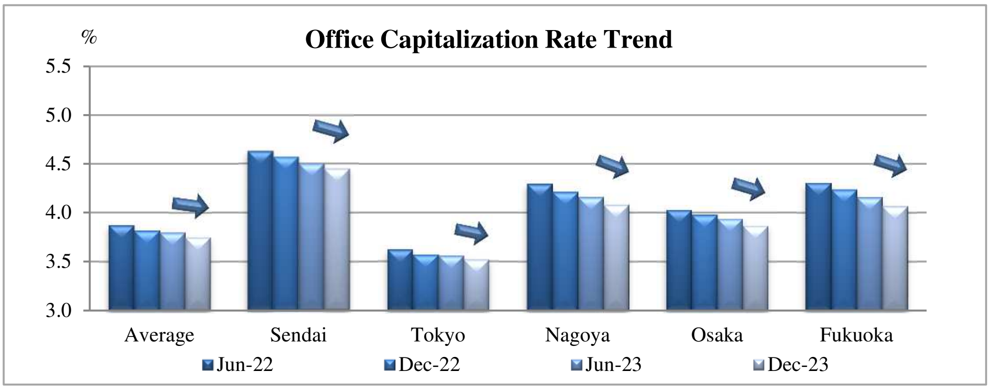
English

Summary

J-REIT Report Office

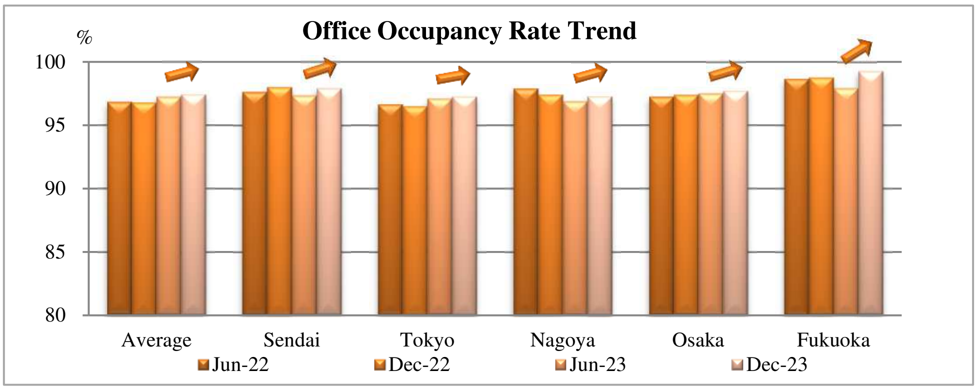
Capitalization Rate *Office*

	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	3.87	3.82	3.80	3.75	-0.05
Sendai	4.63	4.57	4.50	4.45	-0.05
Tokyo	3.62	3.57	3.56	3.52	-0.04
Nagoya	4.30	4.21	4.16	4.08	-0.08
Osaka	4.03	3.98	3.94	3.87	-0.07
Fukuoka	4.31	4.24	4.16	4.07	-0.09



Occupancy Rate *Office*

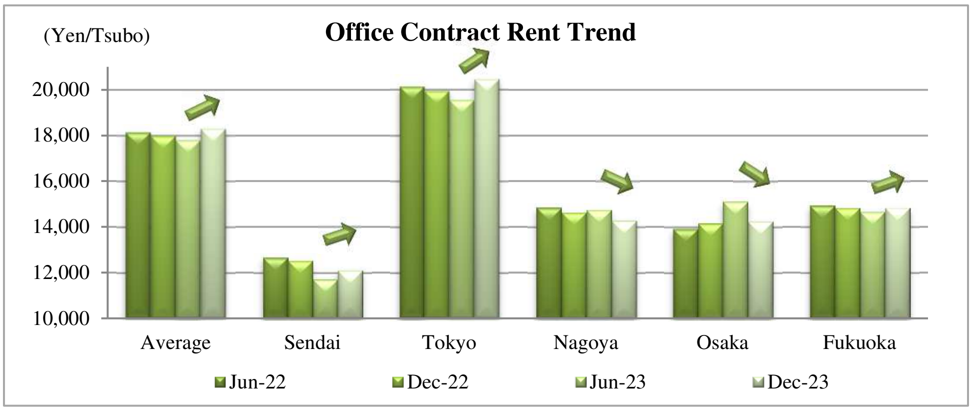
	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	96.82	96.79	97.23	97.41	+0.18
Sendai	97.62	98.01	97.36	97.92	+0.56
Tokyo	96.66	96.51	97.10	97.25	+0.15
Nagoya	97.89	97.42	96.87	97.25	+0.38
Osaka	97.23	97.38	97.49	97.69	+0.20
Fukuoka	98.65	98.74	97.92	99.25	+1.33



Contract Rent *Office*

Unit: Yen/Tsubo, Monthly

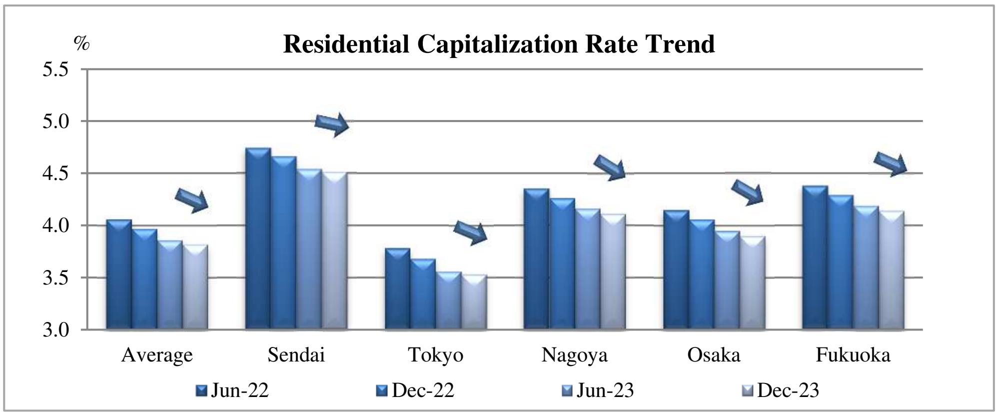
	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	18,119	17,971	17,789	18,277	+488
Sendai	12,666	12,542	11,711	12,099	+388
Tokyo	20,130	19,930	19,535	20,454	+919
Nagoya	14,842	14,631	14,744	14,266	-478
Osaka	13,920	14,163	15,107	14,243	-864
Fukuoka	14,930	14,825	14,653	14,825	+172



J-REIT Report Residence

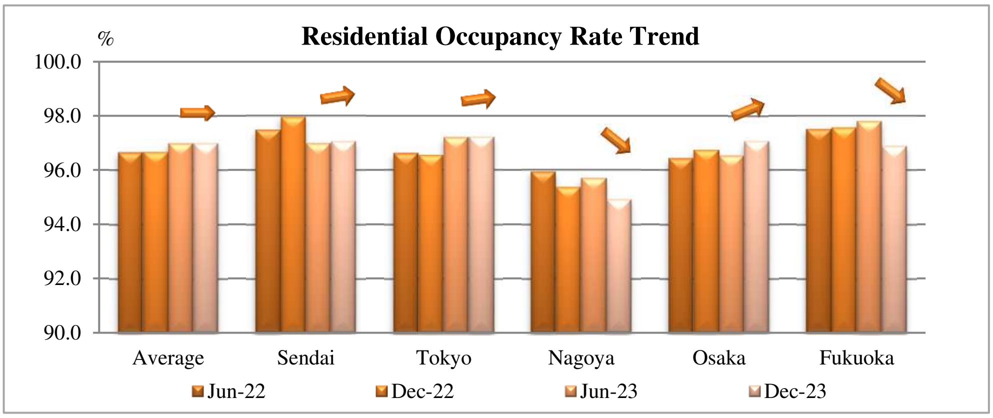
Capitalization Rate *Residential*

	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	4.06	3.97	3.86	3.82	-0.04
Sendai	4.74	4.66	4.54	4.51	-0.03
Tokyo	3.78	3.68	3.56	3.53	-0.03
Nagoya	4.35	4.26	4.16	4.11	-0.05
Osaka	4.15	4.06	3.95	3.90	-0.05
Fukuoka	4.38	4.29	4.19	4.14	-0.05



Occupancy Rate *Residential*

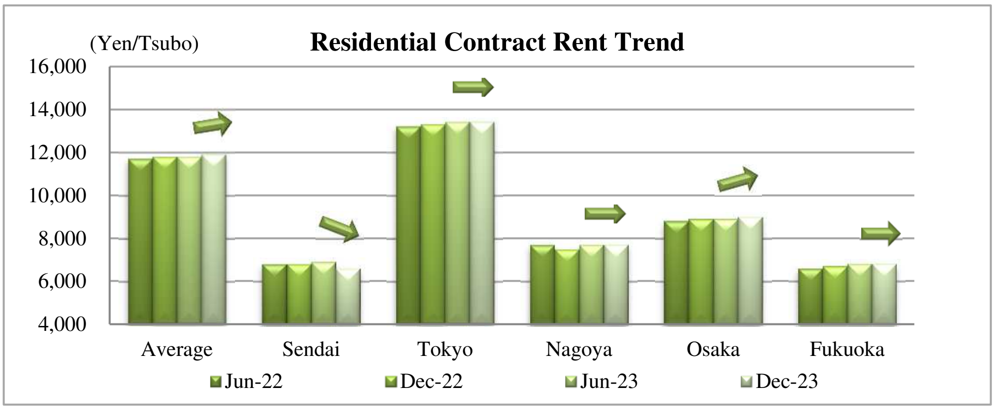
	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	96.66	96.67	96.99	96.99	±0.00
Sendai	97.48	97.96	96.99	97.06	+0.07
Tokyo	96.62	96.55	97.20	97.22	+0.02
Nagoya	95.94	95.37	95.70	94.91	-0.79
Osaka	96.43	96.74	96.53	97.06	+0.53
Fukuoka	97.51	97.57	97.80	96.88	-0.92



Contract Rent *Residential*

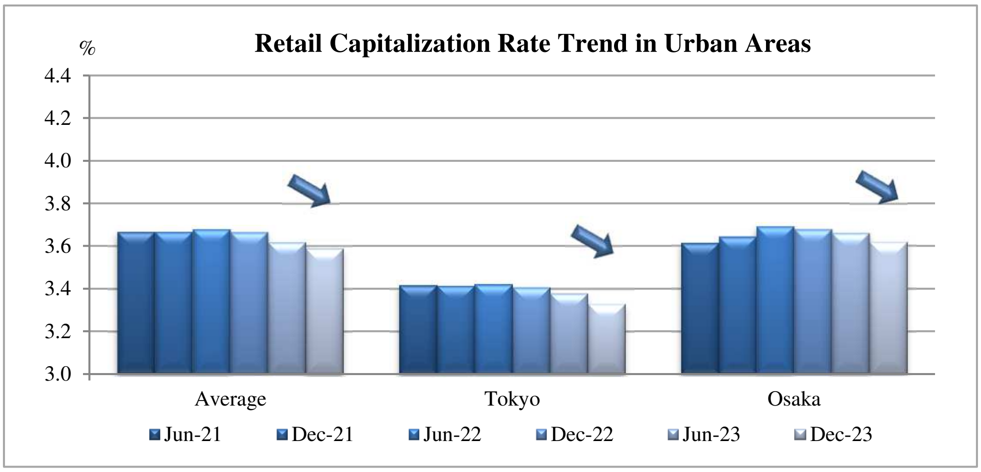
Unit: Yen/Tsubo, Monthly

	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	11,700	11,800	11,800	11,900	+100
Sendai	6,800	6,800	6,900	6,600	-300
Tokyo	13,200	13,300	13,400	13,400	±0
Nagoya	7,700	7,500	7,700	7,700	±0
Osaka	8,800	8,900	8,900	9,000	+100
Fukuoka	6,600	6,700	6,800	6,800	±0



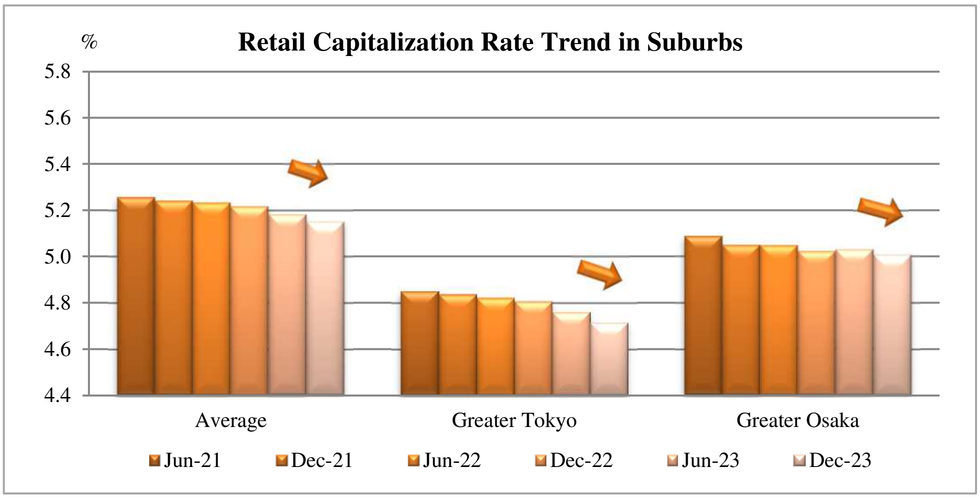
Capitalization Rate (Urban) *Retail*

	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	3.67	3.67	3.68	3.67	3.62	3.59	-0.03
Tokyo	3.42	3.42	3.42	3.41	3.38	3.33	-0.05
Osaka	3.61	3.64	3.69	3.68	3.66	3.62	-0.04



Capitalization Rate (Suburb) *Retail*

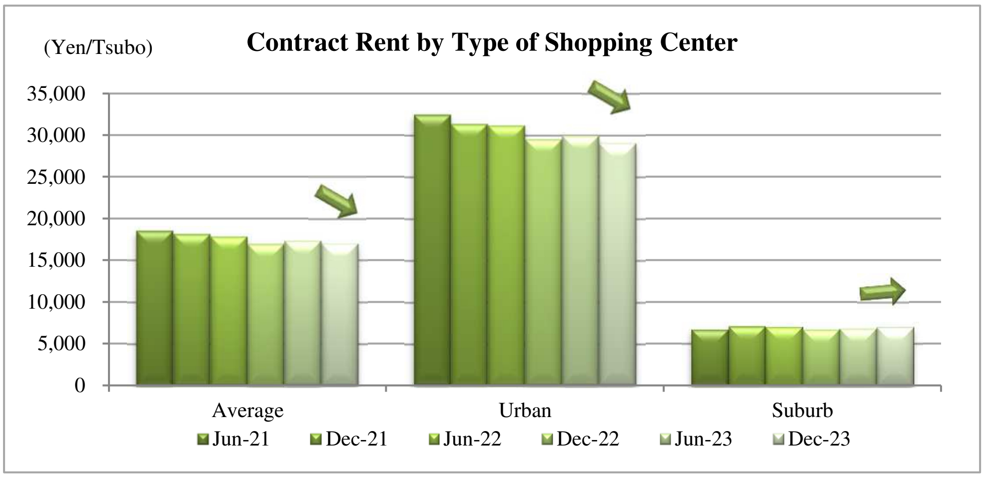
	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	5.26	5.24	5.23	5.22	5.18	5.15	-0.03
Greater Tokyo	4.85	4.84	4.82	4.81	4.76	4.71	-0.05
Greater Osaka	5.09	5.05	5.05	5.02	5.03	5.01	-0.02



Contract Rent *Retail*

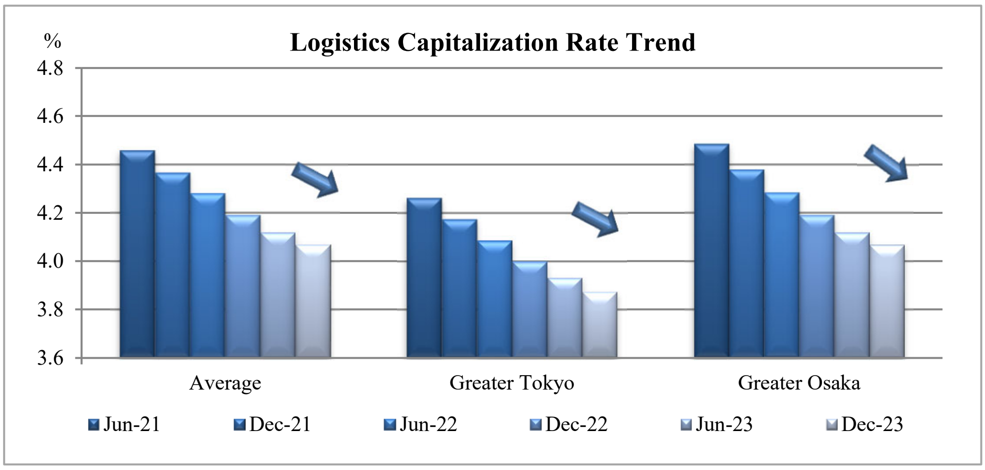
Unit：Yen/Tsubo, Monthly

	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	18,472	18,090	17,793	16,888	17,284	16,939	-345
Urban	32,480	31,352	31,150	29,535	29,941	29,032	-909
Suburb	6,676	7,039	6,974	6,685	6,790	6,931	+141



Capitalization Rate *Logistics*

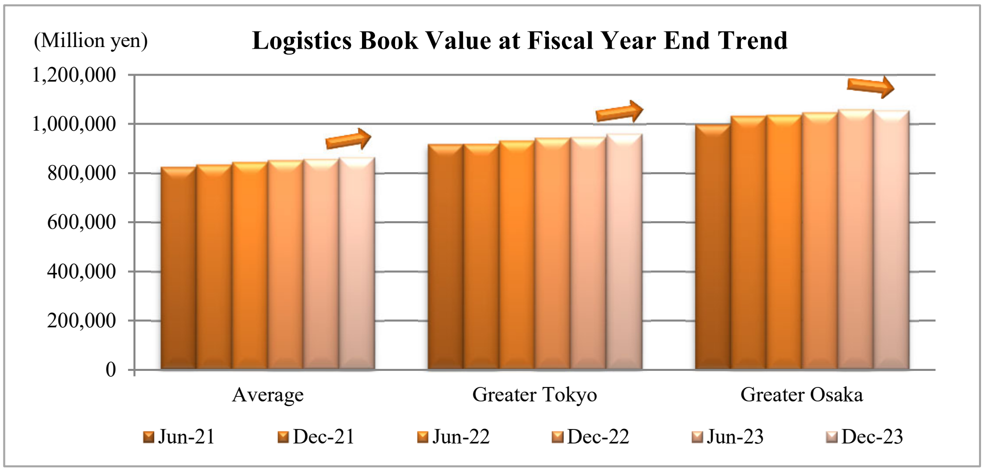
	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	4.46	4.37	4.28	4.19	4.12	4.07	-0.05
Greater Tokyo	4.26	4.17	4.09	4.00	3.93	3.87	-0.06
Greater Osaka	4.48	4.38	4.28	4.19	4.12	4.07	-0.05



Book Value at Fiscal Year End *Logistics*

Unit: Million yen

	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	compared to previous period
Average	826,924	835,539	845,862	854,247	858,451	865,435	+6,984
Greater Tokyo	917,956	918,402	932,280	942,979	946,635	958,706	+12,071
Greater Osaka	998,893	1,033,727	1,037,725	1,047,941	1,060,645	1,055,898	-4,747

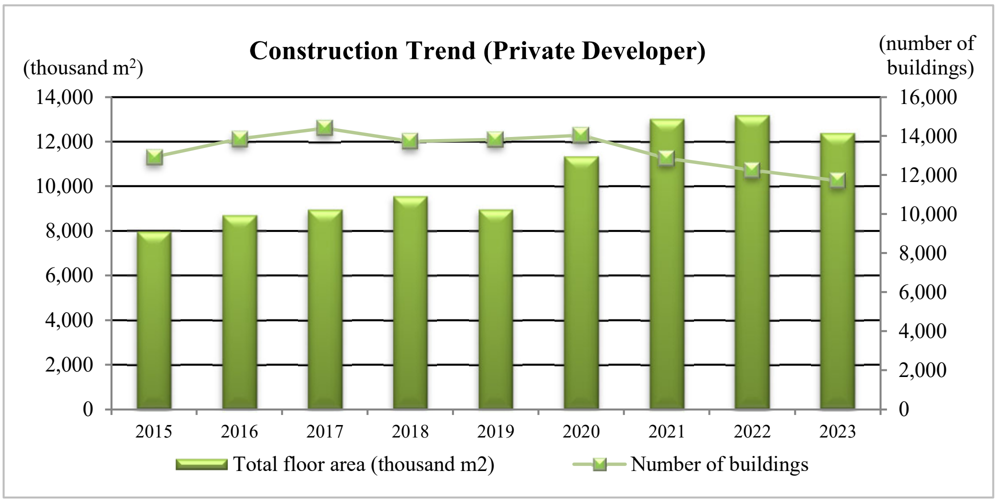


Construction Trend *Logistics*

Building construction starts

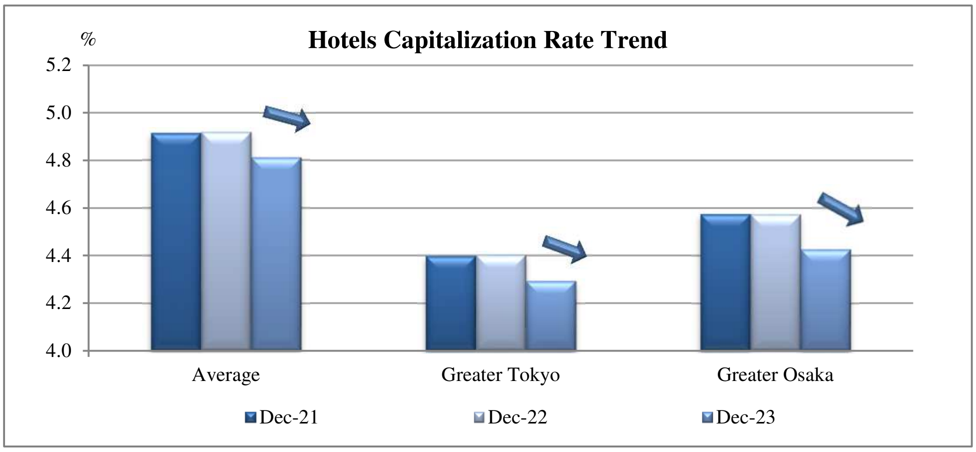
	2015	2016	2017	2018	2019	2020	2021	2022	2023	YoY
Total floor area (thousand m^2)	7,955	8,693	8,943	9,555	8,956	11,348	13,025	13,191	12,380	-811
Number of buildings	12,925	13,856	14,416	13,732	13,832	14,044	12,861	12,248	11,724	-524

Source: Ministry of Land, Infrastructure, Transport and Tourism *"Building starts statistical survey"*



Capitalization Rate *Hotel*

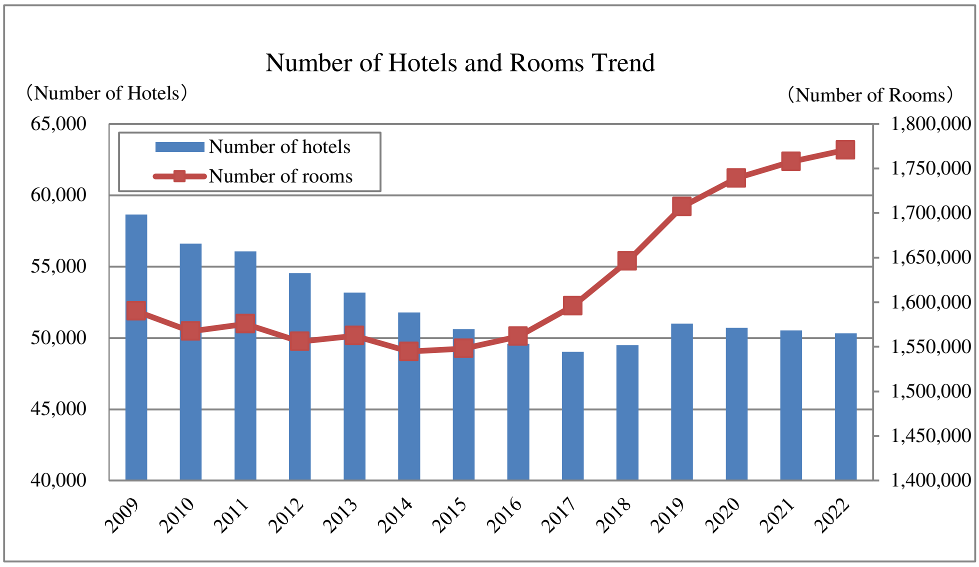
	Dec-21	Dec-22	Dec-23	compared to previous period
Average	4.91	4.92	4.81	-0.11
Greater Tokyo	4.40	4.40	4.29	-0.11
Greater Osaka	4.58	4.57	4.43	-0.14



Hotel Sales *Hotel*

Source: Policy Research Institute, Ministry of Finance Japan

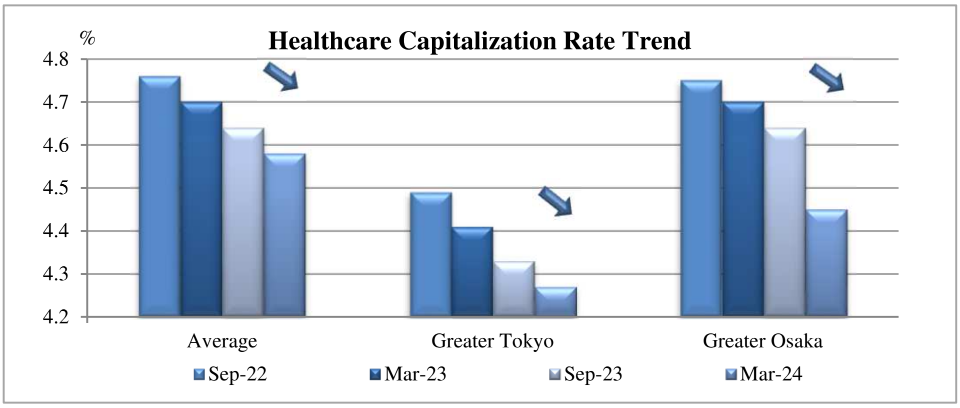
Number of Hotels and Rooms *Hotel*



Source: Ministry of Health "Report on Public Health Administration and Services"

Capitalization Rate HealthCare

	Sep-22	Mar-23	Sep-23	Mar-24	compared to previous period
Average	4.76	4.70	4.64	4.58	-0.06
Greater Tokyo	4.49	4.41	4.33	4.27	-0.06
Greater Osaka	4.75	4.70	4.64	4.45	-0.19

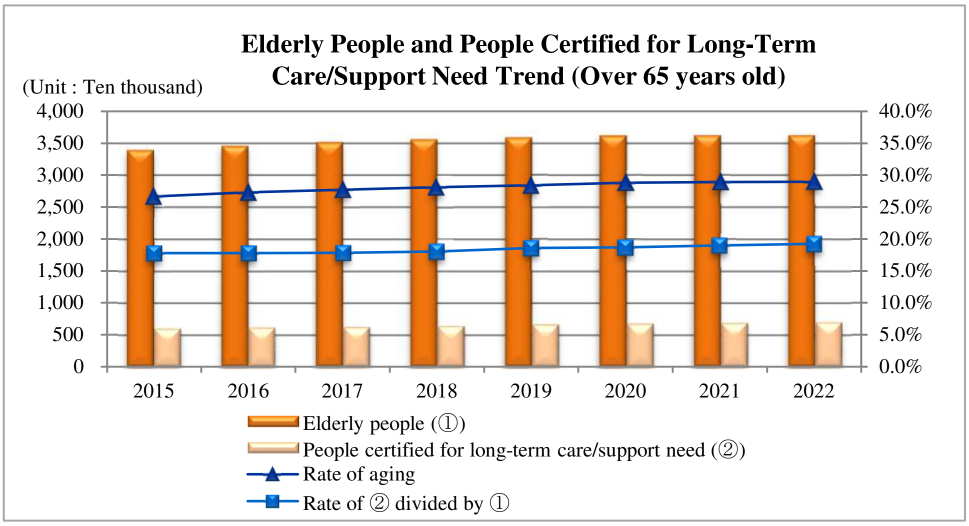


Elderly People and People Certified for Long-Term Care/Support Need HealthCare

①&② Unit: ten thousand

	2015	2016	2017	2018	2019	2020	2021	2022	YoY
Elderly people (①)	3,392	3,459	3,515	3,558	3,589	3,619	3,621	3,624	+3
People certified for long-term care/support need (②)	603	615	627	642	667	676	688	698	+10
Rate of aging	26.7%	27.3%	27.7%	28.1%	28.4%	28.8%	28.9%	29.0%	+0.1%
Rate of ② divided by ①	17.8%	17.8%	17.8%	18.0%	18.6%	18.7%	19.0%	19.2%	+0.2%

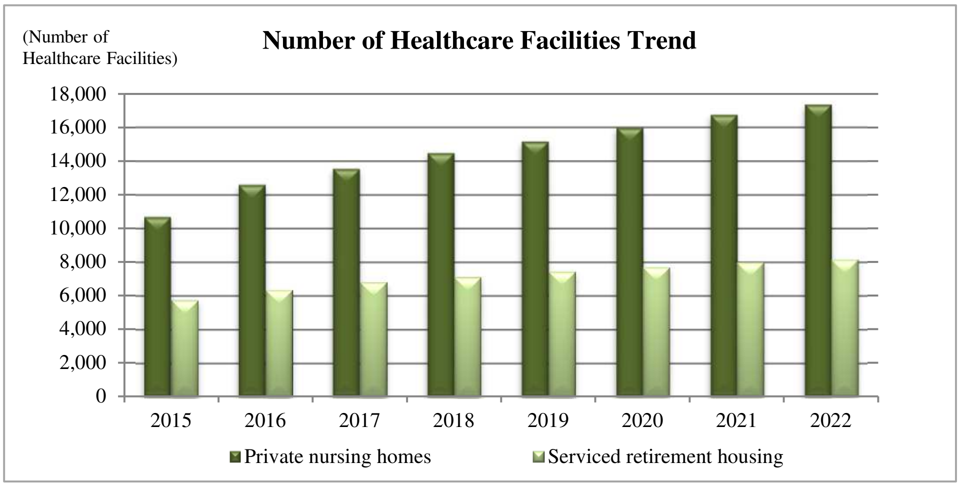
Source: Cabinet Office "Annual Report on the Aging Society", Ministry of Health, Labour and Welfare "Long-term care insurance business report"



Healthcare Facilities HealthCare

	2015	2016	2017	2018	2019	2020	2021	2022	YoY
Private nursing homes	10,651	12,570	13,525	14,454	15,134	15,956	16,724	17,327	+603
Serviced retirement housing	5,734	6,342	6,786	7,107	7,425	7,697	7,956	8,130	+174

Source: Ministry of Health, Labour and Welfare "Survey of social welfare facilities etc" and "Serviced Residence Directory"



J-REIT's Major Acquisition Transactions

Office

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
GOR	Global One Ueno	Taito-ku, Tokyo	Jan-10	Nov-23	9,900	4,471	3.4%
OJR	SHINYOKOHAMA SQUARE BUILDING	Kohoku-ku, Yokohama-shi, Kanagawa	Jan-95	Dec-23	20,300	4,421	3.4%
NBF	Yodoyabashi Flex Tower	Chuo-ku, Osaka-shi, Osaka	Nov-06	Nov-23	9,833	4,581	3.5%

Residential

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
NMF	PROUD FLAT Shibuya Sasazuka	Shibuya-ku, Tokyo	Jan-22	Nov-23	2,200	4,428	3.3%
DLI	Gran Casa Minowa Ⅱ	Taito-ku, Tokyo	Oct-23	Dec-23	1,340	3,204	3.6%
JMF	JMF-Residence Meiekiminami	Nakamura-ku, Nagoya-shi, Aichi	Mar-19	Dec-23	2,290	2,090	3.8%

Retail

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
FRI	Shin-Kawasaki Square	Saiwai-ku, Kawasaki-shi, Kanagawa	Feb-15	Dec-23	9,400	2,930	4.2%
KDO	Carino Esaka	Suita-shi, Osaka	Sep-83	Nov-23	6,810	2,985	4.3%
KDO	Kitera Town Chofu	Chofu-shi, Tokyo	Apr-17	Nov-23	11,400	3,533	4.6%

Logistics

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
KDO	Shinjuku Nishiochiai Distribution Center	Shinjuku-ku, Tokyo	Sep-90	Nov-23	886	3,705	3.8%
KDO	Prima Meat Packers Kinki Center	Nishiyodogawa-ku, Osaka-shi, Osaka	Oct-93	Nov-23	1,107	583	4.3%
IIF	IIF Atsugi Logistics Center Ⅲ	Atsugi-shi, Kanagawa	Dec-23	Dec-23	4,476	647	3.9%

Hotel

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
HLC	Hulic Kaminarimon Building	Taito-ku, Tokyo	Jul-12	Dec-23	5,900	3,003	3.5%
JHR	Hotel JAL City Kannai Yokohama	Naka-ku, Yokohama-shi, Kanagawa	Nov-06	Dec-23	4,000	2,292	4.1%
SRE	GRIDS PREMIUM Hotel Osaka Namba	Naniwa-ku, Osaka-shi, Osaka	Jan-21	Feb-24	7,800	5,922	3.9%

HealthCare

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
HCM	NOAH GARDEN Building A	Nishi-ku, Sapporo-shi, Hokkaido	Nov-95	Feb-24	384	804	4.8%
HCM	PDhouse-Higashiosaka	Higashiosaka-shi, Osaka	Jun-22	Feb-24	693	1,278	4.8%
NMF	Irise Urayasu	Urayasu-shi, Chiba	Jan-16	Nov-23	1,085	1,604	3.9%

*CR: Values of appraisal at the time of announcement of acquisition

*NRV: Net Rentable Value

---Aspire to be a Total Property Consulting Firm---

Revenue of Appraisal Firms in Japan

(Between January 1 to December 31 of each year)

2021		2022		2023	
Company's name	Revenue (Thousand yen)	Company's name	Revenue (Thousand yen)	Company's name	Revenue (Thousand yen)
Daiwa Real Estate Appraisal	**4,503,502**	**Daiwa Real Estate Appraisal**	**4,626,002**	**Daiwa Real Estate Appraisal**	**5,383,026**
Japan Real Estate Institute	9,156,350	Japan Real Estate Institute	9,687,733	Japan Real Estate Institute	10,861,569
Tanizawa Sogo Appraisal	2,983,364	Tanizawa Sogo Appraisal	3,233,486	Tanizawa Sogo Appraisal	3,760,112
MU Real Estate Appraisal	1,953,044	MU Real Estate Appraisal	1,843,643	JLL Morii Valuation & Advisory	2,002,101
CBRE	1,562,326	JLL Morii Valuation & Advisory	1,766,435	MU Real Estate Appraisal	1,812,588
SMBC Real Estate Appraisal Services	1,438,092	CBRE	1,665,409	CBRE	1,649,468
JLL Morii Valuation & Advisory	1,400,344	SMBC Real Estate Appraisal Services	1,376,740	SMBC Real Estate Appraisal Services	1,409,033
Sanyu Appraisal	1,127,162	Sanyu Appraisal	1,242,329	Sanyu Appraisal	1,342,605
TOKYO KANTEI	762,551	TOKYO KANTEI	989,446	TOKYO KANTEI	1,015,857
COSMO SYSTEM	712,208	COSMO SYSTEM	745,263	COSMO SYSTEM	927,920

Number of Appraisers

(As of January 1 of each year)

2021		2022		2023	
Company's name	Number of Appraisers	Company's name	Number of Appraisers	Company's name	Number of Appraisers
Daiwa Real Estate Appraisal	**124**	**Daiwa Real Estate Appraisal**	**123**	**Daiwa Real Estate Appraisal**	**126**
Japan Real Estate Institute	275	Japan Real Estate Institute	269	Japan Real Estate Institute	268
Tanizawa Sogo Appraisal	84	Tanizawa Sogo Appraisal	80	Tanizawa Sogo Appraisal	79
JLL Morii Valuation & Advisory	42	JLL Morii Valuation & Advisory	49	JLL Morii Valuation & Advisory	55
Chuo-Nittochi Solutions	28	Sanyu Appraisal	26	Japan Valuers	29
Sanyu Appraisal	26	CBRE	25	Sanyu Appraisal	25
Mitsubishi UFJ Trust Bank	24	Chuo-Nittochi Solutions	24	CBRE	25
CBRE	23	TOKYO KANTEI	24	TOKYO KANTEI	24
TOKYO KANTEI	23	Japan Valuers	22	Chuo Real Estate Appraisal	23
Chuo Real Estate Appraisal	21	Mitsubishi UFJ Trust Bank	21	Chuo-Nittochi Solutions	22
Japan Valuers	21	Chuo Real Estate Appraisal	20	Mitsubishi UFJ Trust Bank Oshima Real Estate Appraisal	19 19

According to a survey by DAIWA REAL ESTATE APPRAISAL CO., LTD.

---Major Share in Real Estate Securitization Market---

Performance of J-REITs' Appraisal by Appraisal Firms and Types of Assets

Number of Appraisals

(As of March 31, 2024)

Appraisal Firms \ Types	Office	Residence	Retail	Hotel	Elderly Housing &Facilities	Logistics	Leased Fee Interests	Parking Lot	Others	**Total**
Japan Real Estate Institute	354	495	168	121	47	159	47	0	24	1,415
Daiwa Real Estate Appraisal	**359**	**416**	**71**	**65**	**30**	**31**	**21**	**1**	**0**	**994**
Tanizawa Sogo Appraisal	165	285	91	55	33	195	52	0	3	879
JLL Morii Valuation & Advisory	37	262	10	32	4	54	18	0	0	417
Chuo Real Estate Appraisal	38	149	5	2	1	0	2	0	0	197
Japan Valuers	40	140	30	35	4	15	2	0	0	266
Rich Appraisal Institute	11	23	1	25	6	0	1	0	0	67
CBRE	5	1	29	2	0	44	5	0	8	94
Assets R&D	0	19	0	0	0	0	0	0	0	19
Asset Research	0	13	0	0	0	0	0	0	0	13
ENRIX	8	10	1	0	0	0	0	0	0	19
Chuo-Nittochi Group	2	2	2	3	0	1	0	0	0	10
Aoyama Realty Advisors	9	9	0	0	0	0	0	0	0	18
Appraisal Firm A Square	2	0	0	0	0	0	0	0	0	2
Sanyu Appraisal	0	2	0	0	0	0	0	0	0	2
Total	1,030	1,826	408	340	125	499	148	1	35	4,412

CASBEE for Real Estate

Number of Certified Buildings

(As of March 31, 2024)

Fiscal Year (Apr.1 - Mar.31)	**Daiwa Real Estate Appraisal**	Other Certification Bodies	Total	**Share**
2020	**33**	136	169	**19.5%**
2021	**18**	254	272	**6.6%**
2022	**58**	396	454	**12.8%**
2023	**101**	622	723	**14.0%**

According to a survey by DAIWA REAL ESTATE APPRAISAL CO., LTD.

Abbereviations and formulas used in J-REIT report are as follows.

Capitalization Rate
It is the average captalization rate of each area announced by investment corporations on their account settle-ments.

Occupancy Rate
It is the average occupancy rate of each area at the end of terms announced by investment corporations on their settle-ment.

Contract Rent
It is the average income from real eatate which is devided by floor area.

NRV
Abbreviation for Net Rentable Value
It is the unit price per tsubo for the rentable area.

CR
Abbreviation for Capitalization Rate
Capitalization Rate is shown.
The values are from when the acquisition was published,thus may not be same as the sales price etc.

Major transactions are compiled by our company using data from the Tokyo Stock Exchange etc.

NBF	Nippon Building Fund,Inc.
JRE	Japan Real Estate Investment Corporation
JMF	Japan Metropolitan Fund Investment Corporation
OJR	ORIX JREIT,Inc.
JPR	Japan Prime Realty Investment Corporation
NUD	NTT UD REIT Investment Corporation
TRE	TOKYU REIT,Inc.
GOR	Global One Real Estate Investment Corporation
UUR	United Urban Investment Corporation
MTR	MORI TRUST Reit,Inc.
INV	Invincible Investment Corporation
FRI	Frontier Real Estate Investment Corporation
HFR	HEIWA REAL ESTATE REIT,Inc.
JLF	Japan Logistics Fund,Inc.
FRC	Fukuoka REIT Co.,Ltd.
KDO	KDX Realty Investment Corp.
IOR	Ichigo Office REIT Investment Corporation
DOI	Daiwa Office Investment Corporation
HHR	HankyuHanshin REIT,Inc.
SPI	Starts Proceed Investment Corporation
JHR	Japan Hotel REIT Investment Corporation
JEI	Japan Excellent,Inc.
NAF	Nippon Accommodations Fund
MHR	MORI HILLS REIT INVESTMENT CORPORATION
IIF	Industrial&Infrastructure Fund Investment Corporation
ADR	Advance Residence Investment Corporation
API	Activia Properties,Inc.
DHR	Daiwa House REIT Investment Corpration
GLP	GLP J-REIT
DLI	Daiwa Securities Living Investment Corporation
TRI	Tokaido REIT,Inc.

ONE	One REIT,Inc.
ARI	AEON REIT Investment Corporation
HLC	Hulic REIT,Inc
NRT	Nippon REIT Investment Corporation
TSR	Tosei REIT,Inc.
SHR	Sekisui House Reit,Inc.
SRR	Samty Residential Investment Corporation
HC	Healthcare & Medical Investment Corporation
NMF	Nomura Real Estate Master Fund,Inc.
LLR	Lasalle Logiport REIT
IHR	Ichigo Hotel REIT Investment Corporation
SAR	Star Asia Investment Corporation
MIR	MIRAI Corporation
MRR	marimo Regional Revitalization REIT,Inc
MFL	Mitsui Fudosan Logistics Park Inc.
SPA	Ooedo Onsen Reit Investment Corporation
MEL	Mitsubishi Estate Logistics REIT Investment Corporation
CRE	CRE Logistics REIT,Inc.
XYR	XYMAXREIT Investment Corporation
TLR	Takara Leben Real Estate Investment Corporation
ADL	Advance Logistics Investment Corporation
EJR	ESCON JAPAN REIT Investment Corporation
SRE	SANKEI REAL ESTATE Inc.
CRR	COMFORIA RESIDENTIAL REIT
NPR	Nippon Prologis REIT
HRR	Hoshino Resorts REIT,Inc.
SLR	SOSiLA Logistics REIT,Inc

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