

2025 VOL. 41

# **DAIWA REAL ESTATE MARKET REPORT**

English

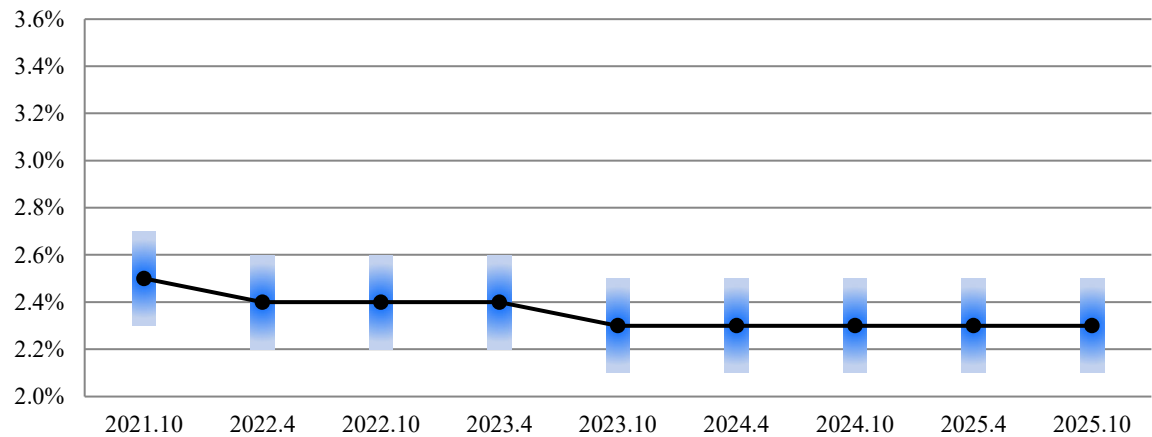
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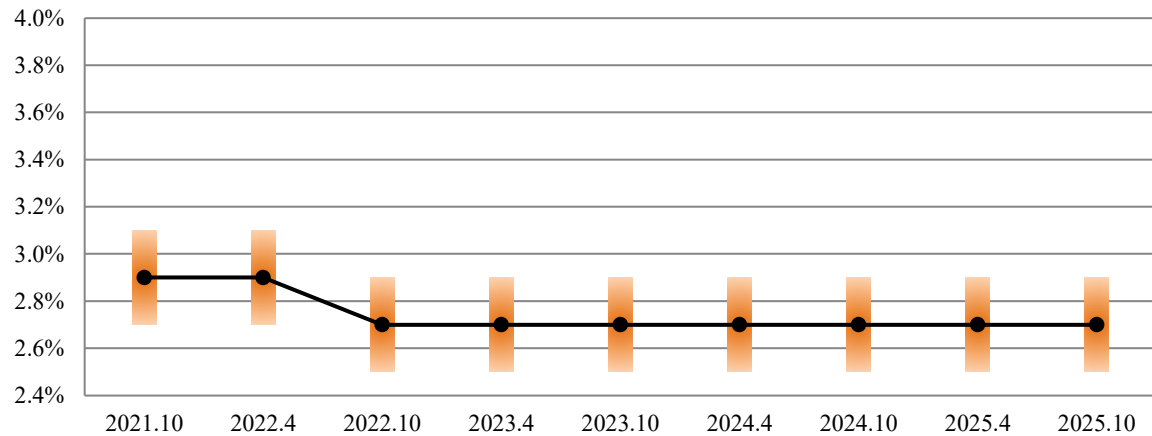
● Daiwa's Cap Rate Trend by Property Segment

■ Office Cap Rate Trend



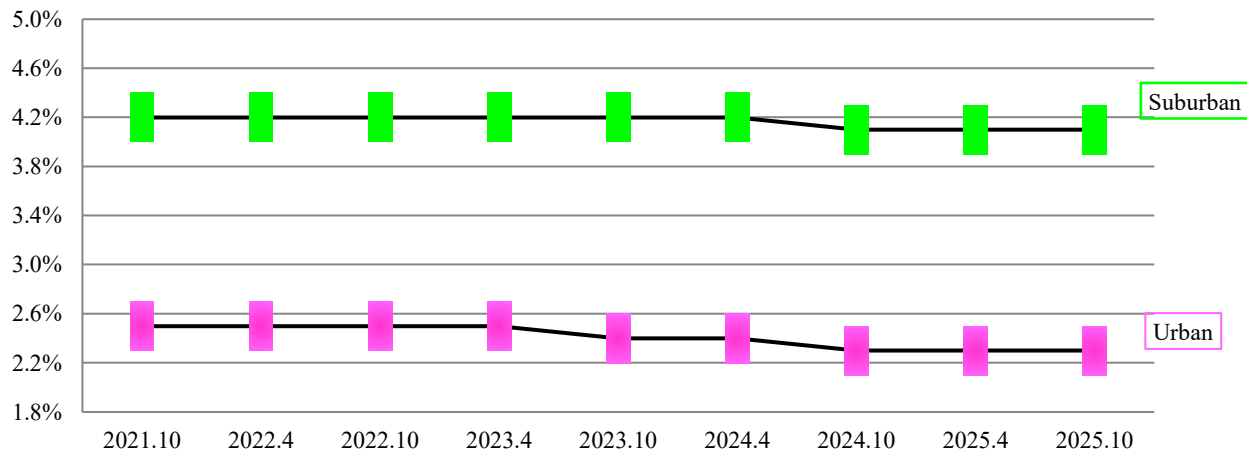
\* The trend of Cap Rate for Grade-A offices in Marunouchi, Otemachi, and Yurakucho areas

■ Residential Cap Rate Trend



\* The trend of Cap Rate for high-spec and middle-size to large-size apartments in the prestige residential areas in Minato-ku, Shibuya-ku, and Chiyoda-ku

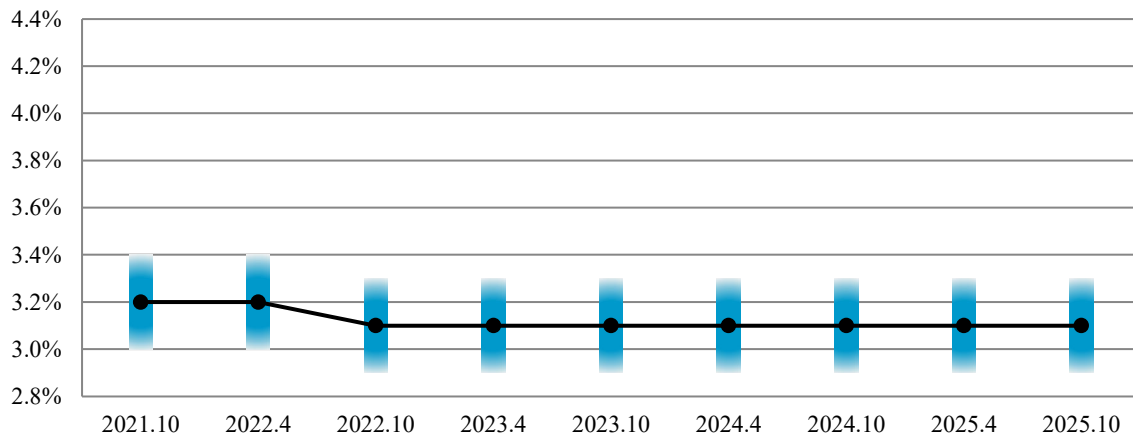
■ Retail (Urban and Suburban areas) Cap Rate Trend



\* Urban: the trend of Cap Rate for retail buildings on main streets in the Ginza area

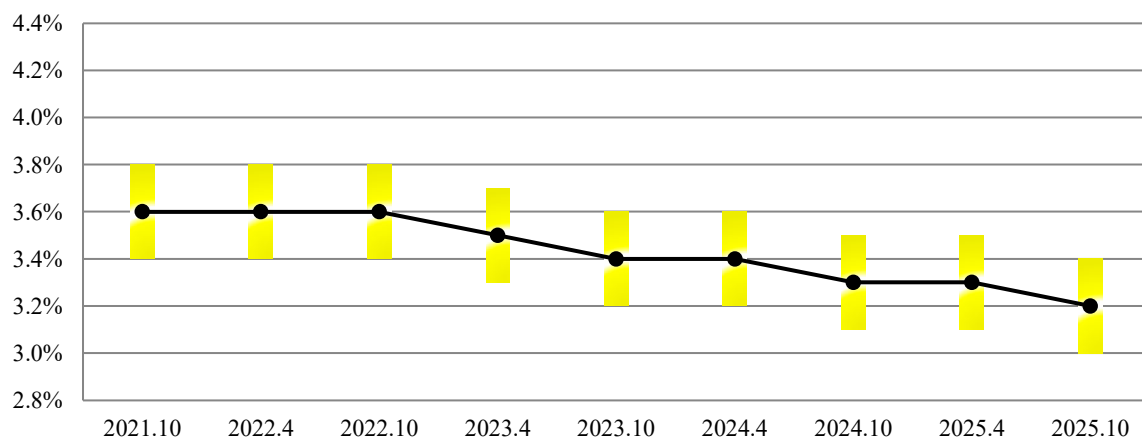
\* Suburban: the trend of Cap Rate for large-size shopping centers with gross building area of 30,000 m<sup>2</sup> and over in Tokyo

### Logistics Cap Rate Trend



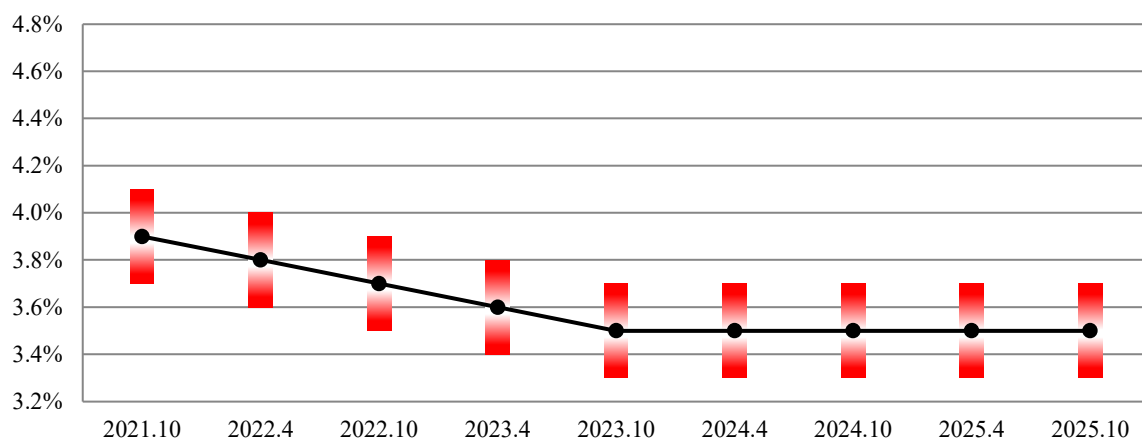
\* The trend of Cap Rate for logistics with gross building area of 15,000 m<sup>2</sup> and over in the waterfront area in Greater Tokyo

### Hotel Cap Rate Trend



\* The trend of Cap Rate for business hotels in Ginza and Shimbashi area

### Healthcare Cap Rate Trend

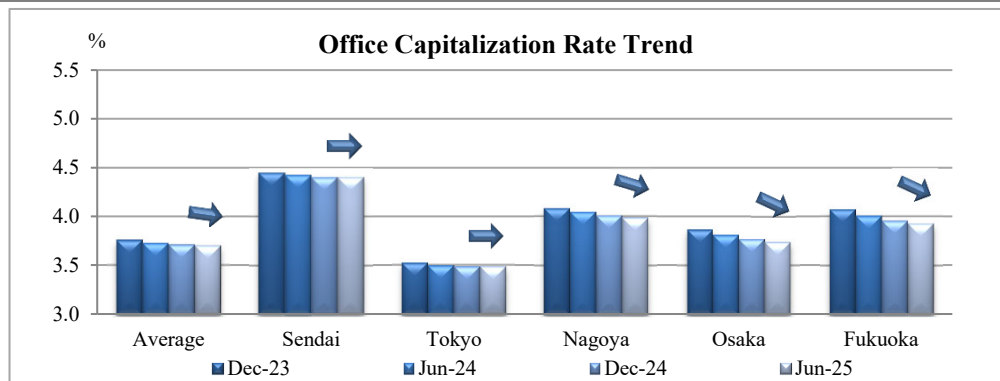


\* The trend of Cap Rate for private nursing homes in 23 wards of Tokyo

## Capitalization Rate

### Office

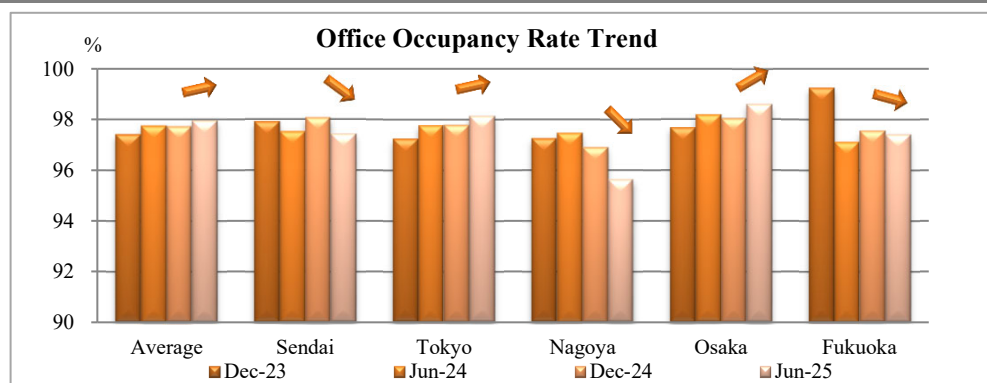
	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	3.75	3.73	3.71	3.70	-0.01
Sendai	4.45	4.42	4.40	4.40	±0.00
Tokyo	3.52	3.50	3.49	3.49	±0.00
Nagoya	4.08	4.05	4.01	3.99	-0.02
Osaka	3.87	3.81	3.77	3.74	-0.03
Fukuoka	4.07	4.01	3.96	3.93	-0.03



## Occupancy Rate

### Office

	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	97.41	97.76	97.73	97.96	+0.23
Sendai	97.92	97.53	98.07	97.43	-0.64
Tokyo	97.25	97.78	97.80	98.15	+0.35
Nagoya	97.25	97.47	96.90	95.63	-1.27
Osaka	97.69	98.19	98.03	98.59	+0.56
Fukuoka	99.25	97.13	97.57	97.41	-0.16

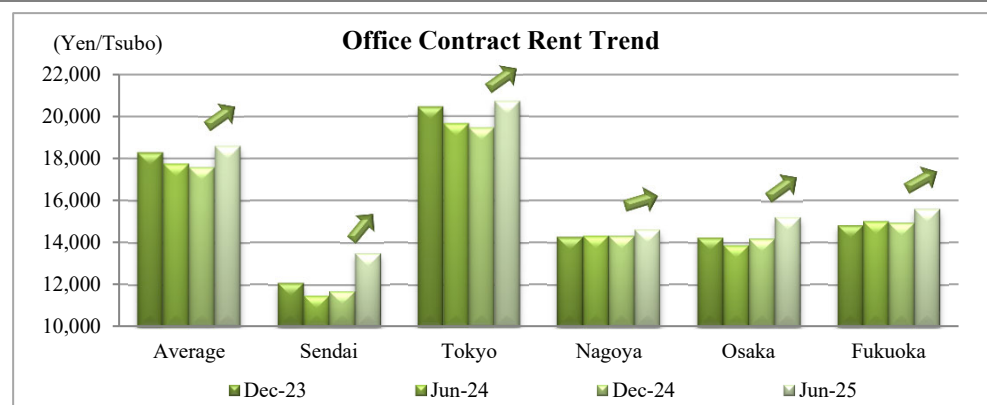


## Contract Rent

### Office

Unit: Yen/Tsubo, Monthly

	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	18,277	17,746	17,574	18,586	+1,012
Sendai	12,099	11,505	11,705	13,493	+1,788
Tokyo	20,454	19,662	19,450	20,704	+1,254
Nagoya	14,266	14,321	14,313	14,612	+299
Osaka	14,243	13,886	14,187	15,205	+1,018
Fukuoka	14,825	15,013	14,930	15,594	+664

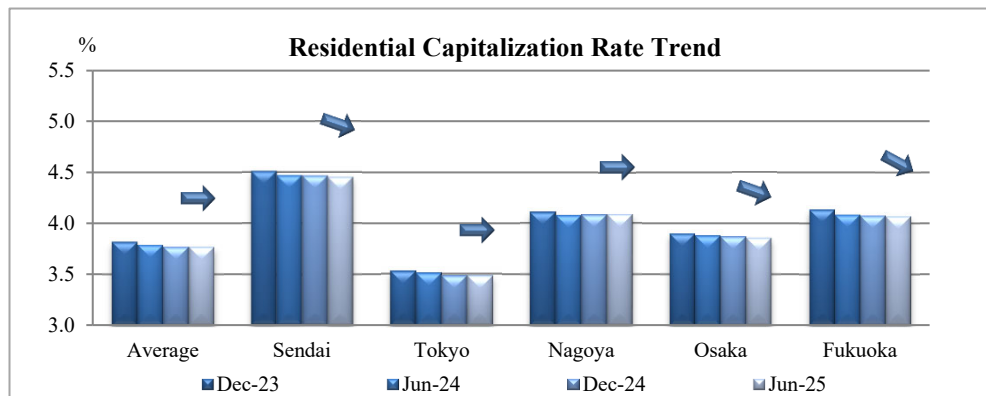


## ● J-REIT Report Residence

### Capitalization Rate

#### Residential

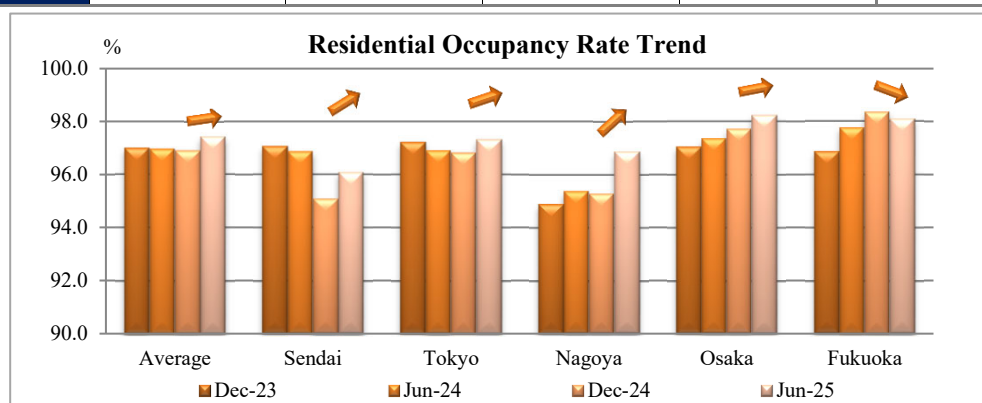
	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	3.82	3.79	3.77	3.77	±0.00
Sendai	4.51	4.47	4.46	4.45	-0.01
Tokyo	3.53	3.51	3.49	3.49	+0.00
Nagoya	4.11	4.08	4.09	4.09	+0.00
Osaka	3.90	3.88	3.87	3.86	-0.01
Fukuoka	4.14	4.09	4.08	4.07	-0.01



### Occupancy Rate

#### Residential

	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	96.99	96.95	96.89	97.40	+0.51
Sendai	97.06	96.86	95.09	96.08	+0.99
Tokyo	97.22	96.90	96.82	97.30	+0.48
Nagoya	94.91	95.39	95.29	96.88	+1.59
Osaka	97.06	97.37	97.73	98.24	+0.51
Fukuoka	96.88	97.77	98.36	98.09	-0.27

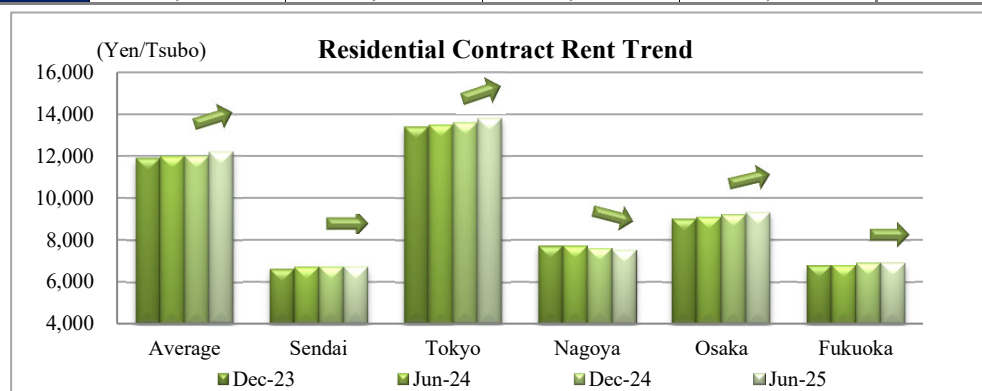


### Contract Rent

#### Residential

Unit: Yen/Tsubo, Monthly

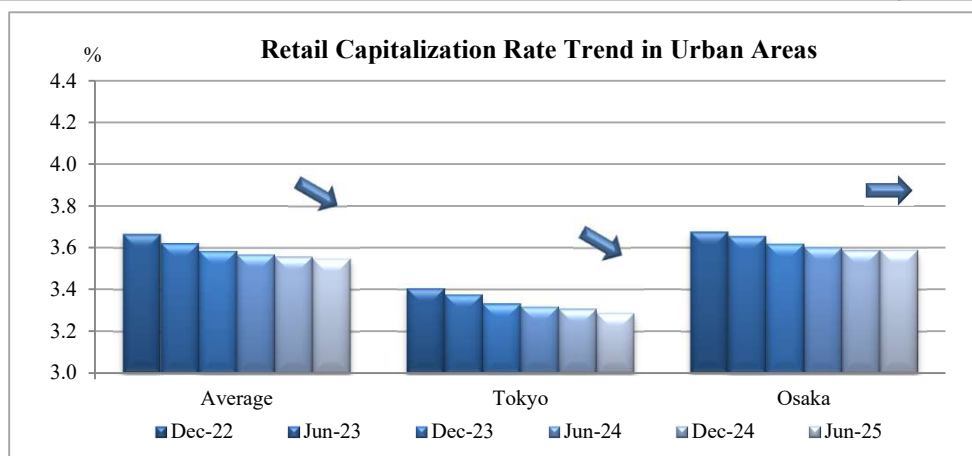
	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	11,900	12,000	12,000	12,200	+200
Sendai	6,600	6,700	6,700	6,700	±0
Tokyo	13,400	13,500	13,600	13,800	+200
Nagoya	7,700	7,700	7,600	7,500	-100
Osaka	9,000	9,100	9,200	9,300	+100
Fukuoka	6,800	6,800	6,900	6,900	±0



## Capitalization Rate (Urban)

## Retail

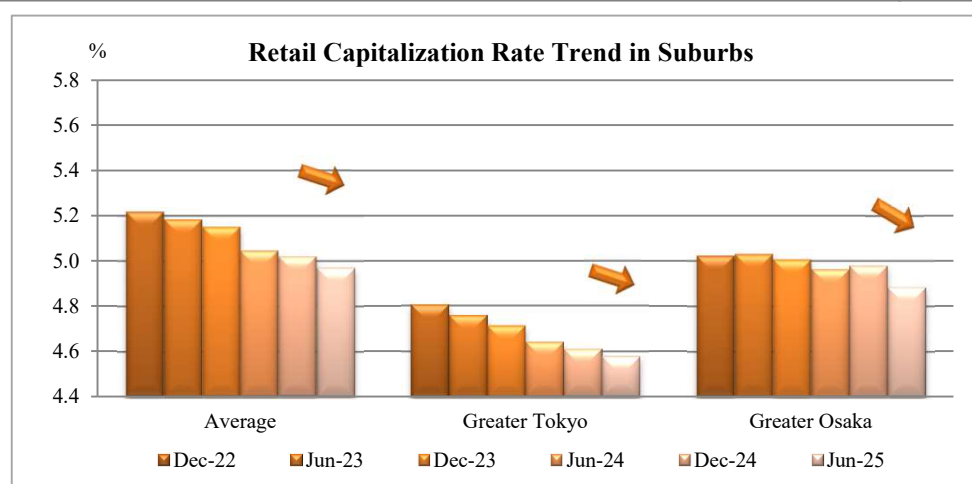
	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	3.67	3.62	3.59	3.57	3.56	3.55	-0.01
Tokyo	3.41	3.38	3.33	3.32	3.31	3.29	-0.02
Osaka	3.68	3.66	3.62	3.60	3.59	3.59	±0.00



## Capitalization Rate (Suburb)

## Retail

	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	5.22	5.18	5.15	5.05	5.02	4.97	-0.05
Greater Tokyo	4.81	4.76	4.71	4.64	4.61	4.58	-0.03
Greater Osaka	5.02	5.03	5.01	4.97	4.98	4.88	-0.10

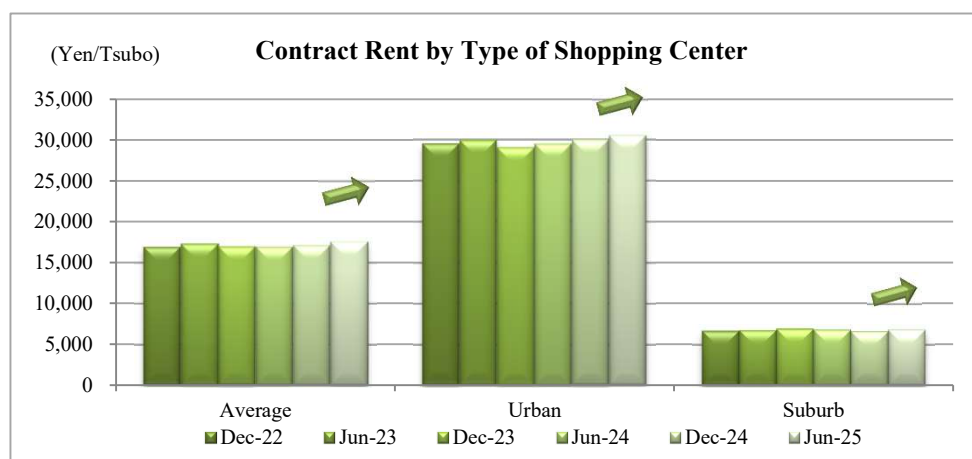


## Contract Rent

## Retail

Unit : Yen/Tsubo, Monthly

	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	16,888	17,284	16,939	16,886	17,103	17,516	+412
Urban	29,535	29,941	29,032	29,470	29,989	30,495	+506
Suburb	6,685	6,790	6,931	6,819	6,620	6,793	+174

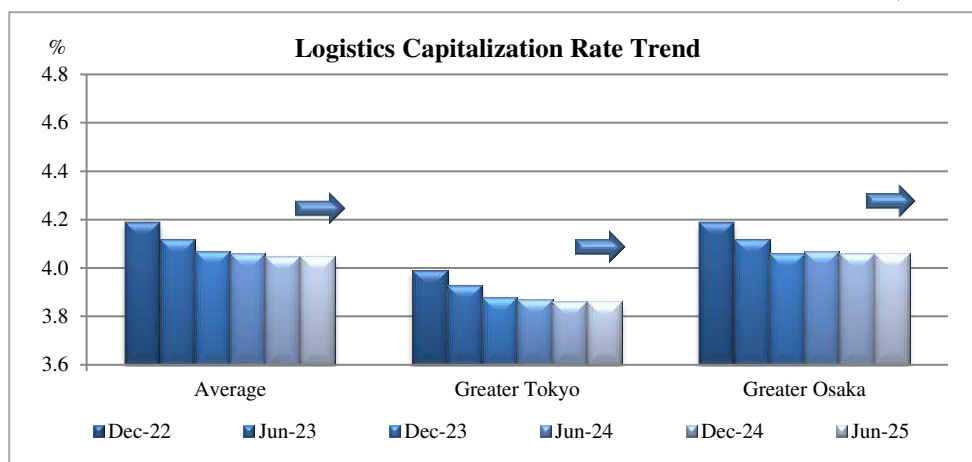


## ● J-REIT Report Logistics

### Capitalization Rate

### Logistics

	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	4.19	4.12	4.07	4.06	4.05	4.05	±0.00
Greater Tokyo	3.99	3.93	3.88	3.87	3.86	3.86	±0.00
Greater Osaka	4.19	4.12	4.06	4.07	4.06	4.06	±0.00

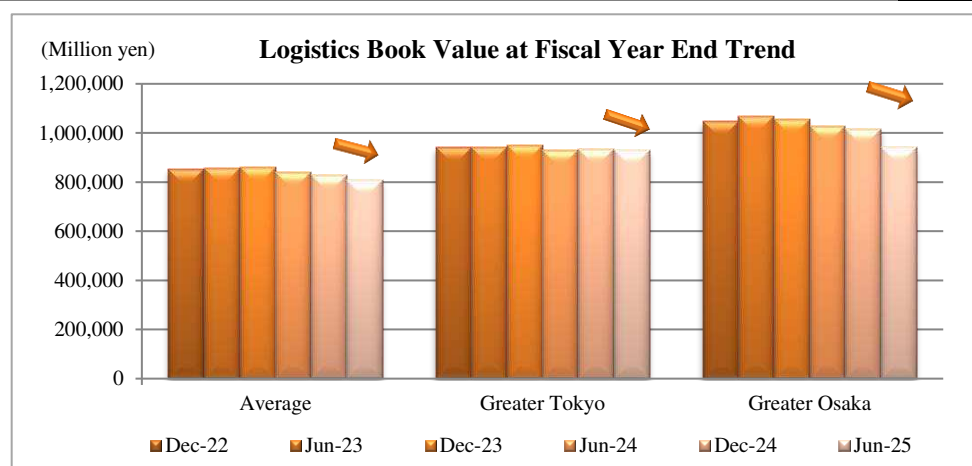


### Book Value at Fiscal Year End

### Logistics

Unit: Million yen

	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25	compared to previous period
Average	852,660	857,446	861,068	839,777	826,437	808,694	-17,743
Greater Tokyo	939,057	941,055	949,655	927,572	932,771	929,759	-3,012
Greater Osaka	1,047,114	1,066,415	1,054,854	1,025,848	1,016,965	939,184	-77,781



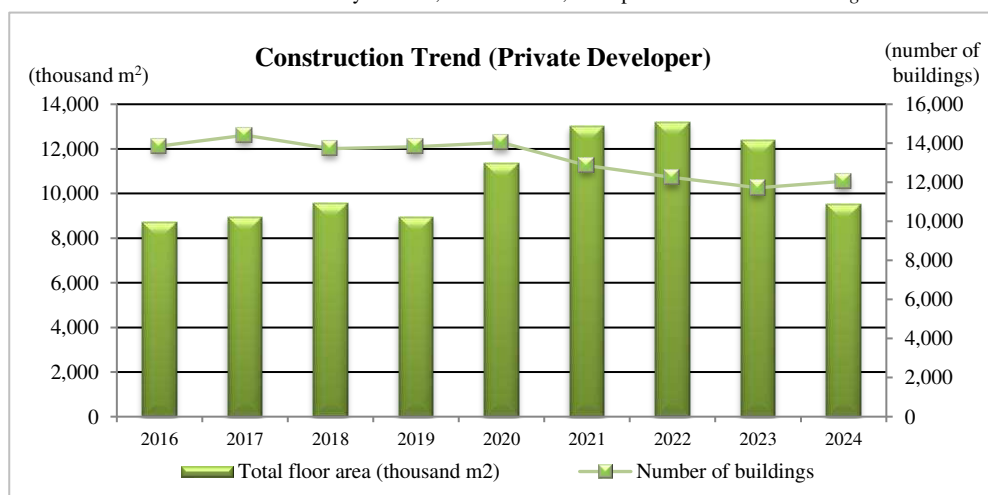
### Construction Trend

### Logistics

#### Building construction starts

	2016	2017	2018	2019	2020	2021	2022	2023	2024	YoY
Total floor area (thousand m <sup>2</sup> )	8,693	8,943	9,555	8,956	11,348	13,025	13,191	12,380	9,529	-2,851
Number of buildings	13,856	14,416	13,732	13,832	14,044	12,861	12,248	11,724	12,053	+329

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

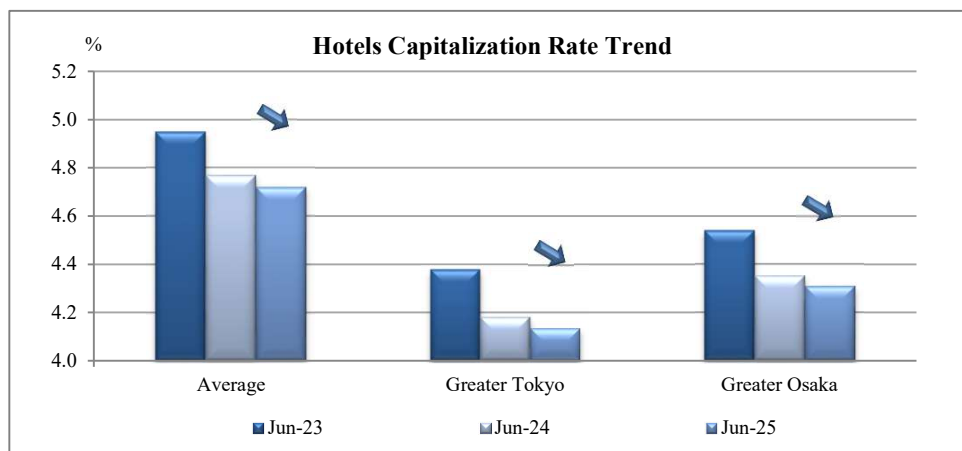




## Capitalization Rate

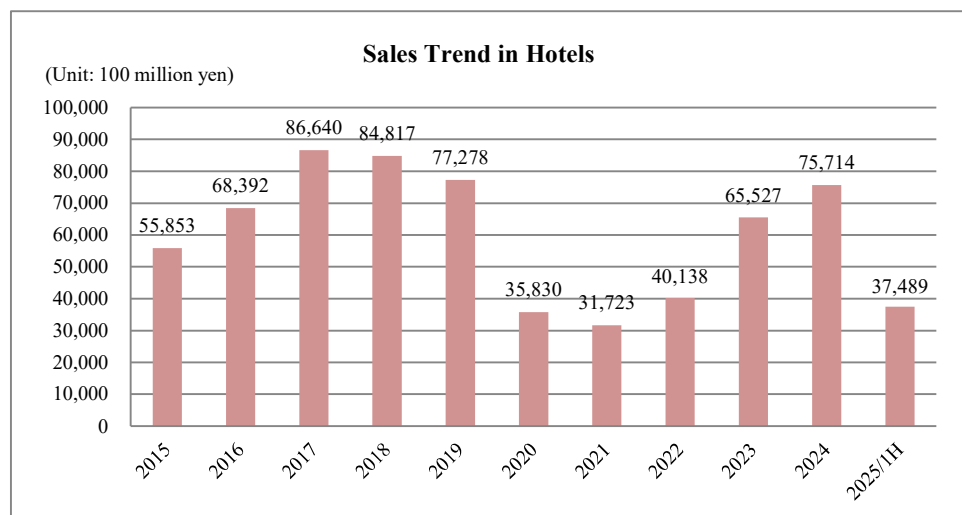
## Hotel

	Jun-23	Jun-24	Jun-25	compared to previous period
Average	4.95	4.77	4.72	-0.05
Greater Tokyo	4.38	4.18	4.14	-0.05
Greater Osaka	4.54	4.35	4.31	-0.04



## Hotel Sales

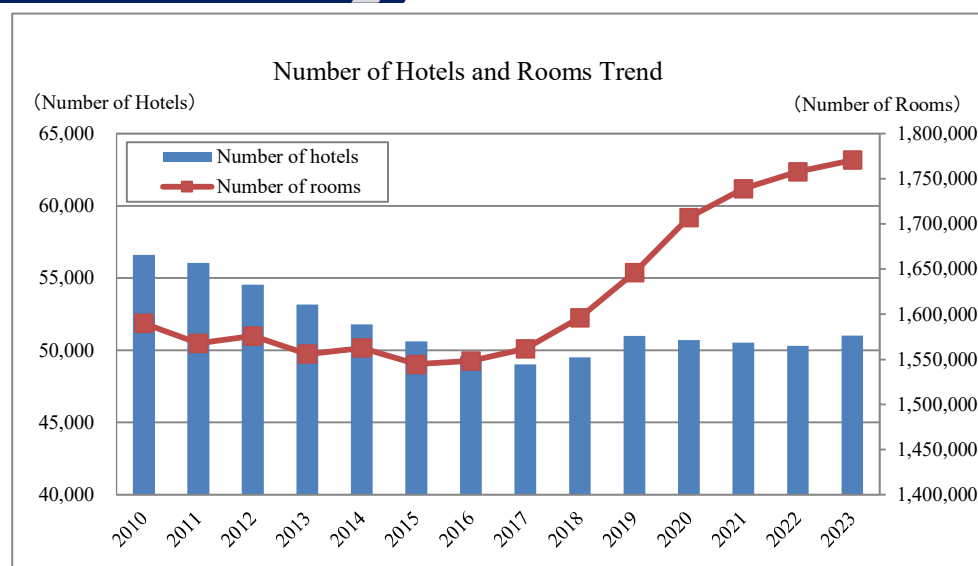
## Hotel



Source: Policy Research Institute, Ministry of Finance Japan

## Number of Hotels and Rooms

## Hotel



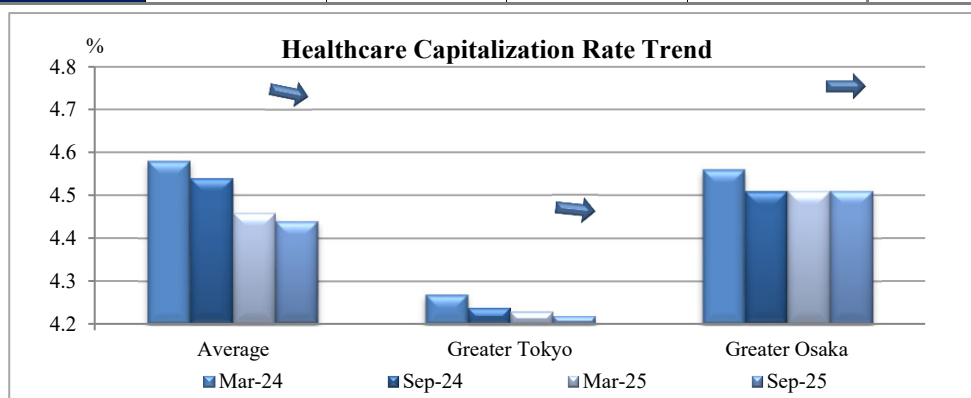
Source: Ministry of Health "Report on Public Health Administration and Services"

## ● J-REIT Report Healthcare

### Capitalization Rate

### HealthCare

	Mar-24	Sep-24	Mar-25	Sep-25	compared to previous period
Average	4.58	4.54	4.46	4.44	-0.02
Greater Tokyo	4.27	4.24	4.23	4.22	-0.01
Greater Osaka	4.56	4.51	4.51	4.51	±0.00



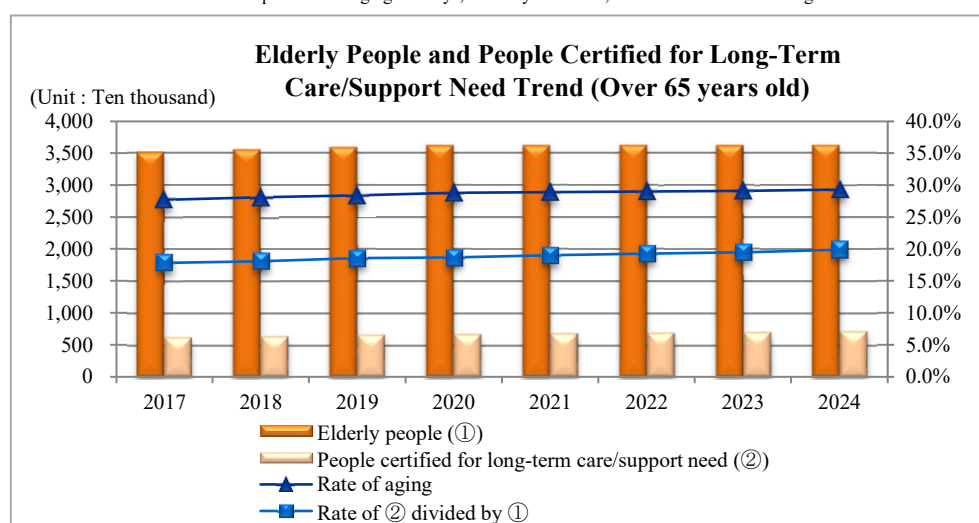
### Elderly People and People Certified for Long-Term Care/Support Need

### HealthCare

①&② Unit: ten thousand

	2017	2018	2019	2020	2021	2022	2023	2024	YoY
Elderly people (①)	3,515	3,558	3,589	3,619	3,621	3,624	3,623	3,624	+1
People certified for long-term care/support need (②)	627	642	667	676	688	698	706	722	+16
Rate of aging	27.7%	28.1%	28.4%	28.8%	28.9%	29.0%	29.1%	29.3%	+0.2%
Rate of ② divided by ①	17.8%	18.0%	18.6%	18.7%	19.0%	19.3%	19.5%	19.9%	+0.4%

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

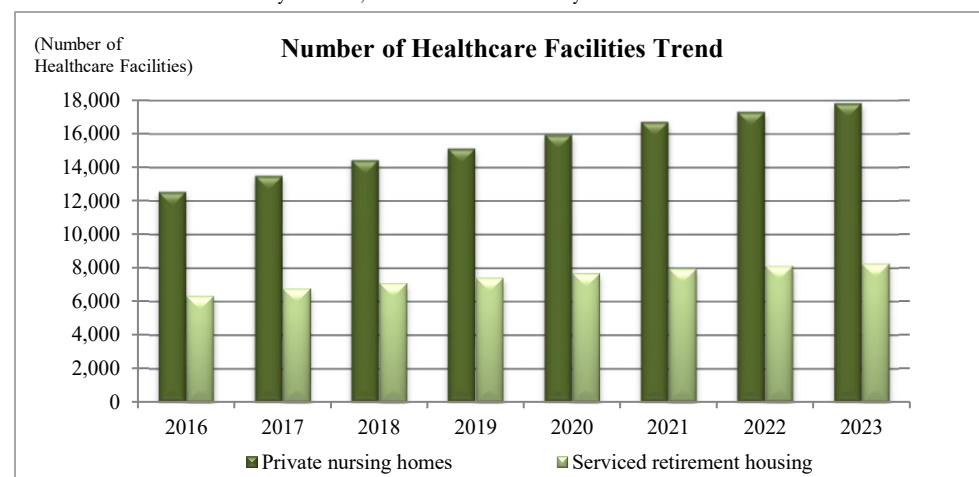


### Healthcare Facilities

### HealthCare

	2016	2017	2018	2019	2020	2021	2022	2023	YoY
Private nursing homes	12,570	13,525	14,454	15,134	15,956	16,724	17,327	17,833	+506
Serviced retirement housing	6,342	6,786	7,107	7,425	7,697	7,956	8,130	8,248	+118

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 (%)
HFR	HF KYOMACHIBORI BUILDING	Nishi-ku, Osaka-shi, Osaka	Mar-88	Jun-25	3,385	3,292	3.6%
HLC	Hulie Shinjuku Building	Shinjuku-ku, Tokyo	Oct-14	Jun-25	26,350	34,334	2.4%
NBF	D-TOWER TOYAMA	Ushijima-cho, Toyama-shi, Toyama	Feb-24	Jun-25	9,000	2,786	4.6%

## Residential

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
NRT	Urbanex TOGOSHI-GINZA	Shinagawa-ku, Tokyo	May-06	May-25	2,700	4,215	3.1%
SHR	Esty Maison UrawaII	Urawa-ku, Saitama-shi, Saitama	Apr-25	May-25	1,430	3,661	3.5%
DLI	Gran Casa Takaida	Higashiosaka-shi, Osaka	Sep-23	Jul-25	3,200	2,219	3.9%

## Retail

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
JMF	CROSS MUKOGAOKA	Tama-ku, Kawasaki-shi, Kanagawa	Nov-23	Apr-25	4,800	2,343	3.8%
HHR	AEON MALL INAGAWA	Kawabe-gun, Hyogo	Apr-98	Apr-25	11,500	612	5.1%

## Logistics

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
MFL	i Missions Park Yoshikawa-Minami (50% co-ownership interest)	Yoshikawa-shi, Saitama	Sep-23	May-25	3,019	—	3.8%
NPR	Shimotsuma Freezing and Refrigeration Distribution Center	Shimotsuma-shi, Ibaraki	Apr-11	Jul-25	785	1,088	4.6%

## Hotel

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
UUR	the b ochanomizu	Chiyoda-ku, Tokyo	Aug-99	Jun-25	2,780	5,275	4.0%
KHR	seven x seven Ishigaki	Ishigaki-shi, Okinawa	May-24	Aug-25	18,700	3,636	4.9%
OJR	Hotel Universal Port	Konohana-ku, Osaka-shi, Osaka	Mar-18	Mar-25	35,000	4,636	3.9%

## HealthCare

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
HCM	Hoshigaoka Doctors Building	Meito-ku, Nagoya-shi, Aichi	Apr-05	Sep-25	820	657	4.0%
HCM	Sunny Life Funabashi	Funabashi-shi, Chiba	Apr-13	Sep-25	2,133	1,186	4.3%
UUR	Charm Suite Kitabatake	Abeno-ku, Osaka-shi, Osaka	Jan-23	Jun-25	2,894	3,088	4.0%

\*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)

2022		2023		2024	
Company's name	Revenue (Thousand yen)	Company's name	Revenue (Thousand yen)	Company's name	Revenue (Thousand yen)
<b>Daiwa Real Estate Appraisal</b>	<b>4,626,002</b>	<b>Daiwa Real Estate Appraisal</b>	<b>5,383,026</b>	<b>Daiwa Real Estate Appraisal</b>	<b>5,438,450</b>
Japan Real Estate Institute	9,687,733	Japan Real Estate Institute	10,861,569	Japan Real Estate Institute	11,005,526
Tanizawa Sogo Appraisal	3,233,486	Tanizawa Sogo Appraisal	3,760,112	Tanizawa Sogo Appraisal	3,711,242
MU Real Estate Appraisal	1,843,643	JLL Morii Valuation & Advisory	2,002,101	JLL Morii Valuation & Advisory	2,381,145
JLL Morii Valuation & Advisory	1,766,435	MU Real Estate Appraisal	1,812,588	CBRE	1,742,749
CBRE	1,665,409	CBRE	1,649,468	MU Real Estate Appraisal	1,691,305
SMBC Real Estate Appraisal Services	1,376,740	SMBC Real Estate Appraisal Services	1,409,033	Sanyu Appraisal	1,435,367
Sanyu Appraisal	1,242,329	Sanyu Appraisal	1,342,605	SMBC Real Estate Appraisal Services	1,377,598
TOKYO KANTEI	989,446	TOKYO KANTEI	1,015,857	TOKYO KANTEI	1,233,134
COSMO SYSTEM	745,263	COSMO SYSTEM	927,920	COSMO SYSTEM	1,034,380

**Number of Appraisers**

(As of January 1 of each year)

2022		2023		2024	
Company's name	Number of Appraisers	Company's name	Number of Appraisers	Company's name	Number of Appraisers
<b>Daiwa Real Estate Appraisal</b>	<b>123</b>	<b>Daiwa Real Estate Appraisal</b>	<b>126</b>	<b>Daiwa Real Estate Appraisal</b>	<b>130</b>
Japan Real Estate Institute	269	Japan Real Estate Institute	268	Japan Real Estate Institute	269
Tanizawa Sogo Appraisal	80	Tanizawa Sogo Appraisal	79	Tanizawa Sogo Appraisal	90
JLL Morii Valuation & Advisory	49	JLL Morii Valuation & Advisory	55	JLL Morii Valuation & Advisory	61
Sanyu Appraisal	26	Japan Valuers	29	CBRE	31
CBRE	25	Sanyu Appraisal	25	Japan Valuers	30
Chuo Real Estate Appraisal	24	CBRE	25	Sanyu Appraisal	26
TOKYO KANTEI	24	TOKYO KANTEI	24	TOKYO KANTEI	26
Japan Valuers	22	Chuo Real Estate Appraisal	23	Chuo Real Estate Appraisal	24
Mitsubishi UFJ Trust Bank	21	Chuo-Nittochi Solutions	22	Chuo-Nittochi Solutions	22
Chuo Real Estate Appraisal	20	Mitsubishi UFJ Trust Bank	19	Mitsubishi UFJ Trust Bank	20
		Oshima Real Estate Appraisal	19		

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

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

#### Number of Appraisals

(As of September 30, 2025)

Types Appraisal Firms	Office	Residence	Retail	Hotel	Elderly Housing &Facilities	Logistics	Leased Fee Interests	Parking Lot	Others	Total
Japan Real Estate Institute	342	631	180	153	57	171	50	0	24	1,608
<b>Daiwa Real Estate Appraisal</b>	<b>345</b>	<b>443</b>	<b>90</b>	<b>76</b>	<b>44</b>	<b>33</b>	<b>26</b>	<b>1</b>	<b>6</b>	<b>1,064</b>
Tanizawa Sogo Appraisal	182	313	98	71	56	212	75	0	1	1,008
JLL Morii Valuation & Advisory	45	274	9	42	4	53	23	0	0	450
Chuo Real Estate Appraisal	38	155	4	5	1	0	2	0	0	205
Japan Valuers	38	159	36	45	5	22	1	0	0	306
Rich Appraisal Institute	11	30	2	24	8	0	0	0	0	75
CBRE	6	0	28	6	0	46	5	0	8	99
Assets R&D	0	19	0	0	0	0	0	0	0	19
Asset Research	0	11	0	0	0	0	0	0	0	11
ENRIX	8	10	0	0	0	0	0	0	0	18
Chuo-Nittochi Group	2	2	1	3	0	1	0	0	0	9
Aoyama Realty Advisors	9	10	0	0	0	0	0	0	0	19
Appraisal Firm A Square	2	0	0	0	0	0	0	0	0	2
Sanyu Appraisal	0	3	0	0	0	0	0	0	0	3
<b>Total</b>	<b>1,028</b>	<b>2,060</b>	<b>448</b>	<b>425</b>	<b>175</b>	<b>538</b>	<b>182</b>	<b>1</b>	<b>39</b>	<b>4,896</b>

### CASBEE for Real Estate

#### Number of Certified Buildings

(As of March 31, 2025)

Fiscal Year (Apr.1 - Mar.31)	Daiwa Real Estate Appraisal	Other Certification Bodies	Total	Share
2021	18	254	272	6.6%
2022	58	396	454	12.8%
2023	101	622	723	14.0%
2024	78	649	727	10.7%

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

<b>Capitalization Rate</b> It is the average capitalization rate of each area announced by investment corporations on their account settle-ments.	<b>NBF</b> Nippon Building Fund,Inc.	<b>ONE</b> One REIT,Inc.
	<b>JRE</b> Japan Real Estate Investment Corporation	<b>ARI</b> AEON REIT Investment Corporation
	<b>JMF</b> Japan Metropolitan Fund Investment Corporation	<b>HLC</b> Hulic REIT,Inc
	<b>OJR</b> ORIX JREIT,Inc.	<b>NRT</b> Nippon REIT Investment Corporation
<b>Occupancy Rate</b> It is the average occupancy rate of each area at the end of terms announced by investment corporations on their settle-ment.	<b>JPR</b> Japan Prime Realty Investment Corporation	<b>TSR</b> Tosei REIT,Inc.
	<b>NUD</b> NTT UD REIT Investment Corporation	<b>SHR</b> Sekisui House Reit,Inc.
	<b>TRE</b> TOKYU REIT,Inc.	<b>SRR</b> Samty Residential Investment Corporation
<b>Contract Rent</b> It is the average income from real eatate which is devided by floor area.	<b>GOR</b> Global One Real Estate Investment Corporation	<b>HCM</b> Healthcare & Medical Investment Corporation
	<b>UUR</b> United Urban Investment Corporation	<b>NMF</b> Nomura Real Estate Master Fund,Inc.
	<b>MTR</b> MORI TRUST Reit,Inc.	<b>LLR</b> Lasalle Logiport REIT
<b>NRV</b> Abbreviation for Net Rentable Value It is the unit price per tsubo for the rentable area.	<b>INV</b> Invincible Investment Corporation	<b>IHR</b> Ichigo Hotel REIT Investment Corporation
	<b>FRI</b> Frontier Real Estate Investment Corporation	<b>SAR</b> Star Asia Investment Corporation
	<b>HFR</b> HEIWA REAL ESTATE REIT,Inc.	<b>MIR</b> MIRAI Corporation
	<b>JLF</b> Japan Logistics Fund,Inc.	<b>MRR</b> marimo Regional Revitalization REIT,Inc
	<b>FRC</b> Fukuoka REIT Co.,Ltd.	<b>MFL</b> Mitsui Fudosan Logistics Park Inc.
<b>CR</b> 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.	<b>KDXR</b> KDX Realty Investment Corp.	<b>NHR</b> Nippon Hotel & Residential Investment Corporation (former Ooedo Onsen Reit Investment Corporation)
	<b>IOR</b> Ichigo Office REIT Investment Corporation	<b>MEL</b> Mitsubishi Estate Logistics REIT Investment Corporation
	<b>DOI</b> Daiwa Office Investment Corporation	<b>CRE</b> CRE Logistics REIT,Inc.
	<b>HHR</b> HankyuHanshin REIT,Inc.	<b>XYR</b> XYMAXREIT Investment Corporation
	<b>SPI</b> Starts Proceed Investment Corporation	<b>TLR</b> Takara Leben Real Estate Investment Corporation
	<b>JHR</b> Japan Hotel REIT Investment Corporation	<b>EJR</b> ESCON JAPAN REIT Investment Corporation
	<b>JEI</b> Japan Excellent,Inc.	<b>SRE</b> SANKEI REAL ESTATE Inc.
	<b>MAF</b> Mitsui Fudosan Accommodations Fund	<b>CRR</b> COMFORIA RESIDENTIAL REIT
	<b>MHR</b> MORI HILLS REIT INVESTMENT CORPORATION	<b>NPR</b> Nippon Prologis REIT
	<b>IIF</b> Industrial&Infrastructure Fund Investment Corporation	<b>HRR</b> Hoshino Resorts REIT,Inc.
	<b>ADR</b> Advance Residence Investment Corporation	<b>SLR</b> SOSiLA Logistics REIT,Inc
	<b>API</b> Activia Properties,Inc.	<b>KHR</b> Kasumigaseki Hotel REIT Investment Corporation
	<b>DHR</b> Daiwa House REIT Investment Corporation	
	<b>GLP</b> GLP J-REIT	
	<b>DLI</b> Daiwa Securities Living Investment Corporation	
Major transactions are compiled by our company using data from the Tokyo Stock Exchange etc.	<b>TRI</b> Tokaido REIT,Inc.	



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