



Outline of the 2020 Prefectural Land Price Survey

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- In the 2020 Prefectural Land Price Survey (as of July 1), the average land prices fell for the first time in three years across Japan due to the impact of COVID-19, with a sharp decline in foreign visitors to Japan and restrictions on action following the state of emergency.
- Land prices increased in the first half of the study period (H2 2019: July.1.2019 to January.1.2020), but fell in the second half (H1 2020: January.2.2020 to June.30.2020). The decline was particularly large in the second half of the year (the first half of 2020) in the downtown areas of major cities (Tokyo Shinjuku and Osaka Shinsaibashi) and in tourist areas where there were many foreign visitors to Japan (Tokyo Asakusa and Kanazawa).
- Places with rising land prices accounted for 21% of the total (33% last year) and 60% (48% last year) of the decline.
- The increase in land prices in Okinawa Prefecture was significant. Of the top 10 places with the highest rate of increase, eight are in residential areas and seven in commercial areas in Okinawa.
- Among residential areas, the largest rate of decline was at a point in Hino City, which was designated as a landslide warning zone in 2018.

1. Land Prices Fell for the First Time in Three Years

- § The nationwide average land price fell for the 29th consecutive year in residential areas, the first decline in five years in commercial areas, and the third straight year of increases in industrial areas.
- § The Tokyo metropolitan area saw an increase, while the Osaka metropolitan area was unchanged, and the Nagoya metropolitan area was down.
- § Table1: Land Price Trends Based on the Prefectural Land Price Survey

	Residential Area			Commercial Area			Industrial Area			All		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Nationwide	▲ 0.3	▲ 0.1	▲ 0.7	1.1	1.7	▲ 0.3	0.5	1.0	0.2	0.1	0.4	▲ 0.6
Metropolitan area	0.7	0.9	▲ 0.3	4.2	5.2	0.7	2.1	2.9	1.2	1.7	2.1	0.0
Tokyo	1.0	1.1	▲ 0.2	4.0	4.9	1.0	2.9	3.2	1.7	1.8	2.2	0.1
Osaka	0.1	0.3	▲ 0.4	5.4	6.8	1.2	1.7	3.4	1.2	1.4	1.9	0.0
Nagoya	0.8	1.0	▲ 0.7	3.3	3.8	▲ 1.1	0.5	0.7	▲ 0.6	1.5	1.9	▲ 0.8
Regional area	▲ 0.8	▲ 0.5	▲ 0.9	▲ 0.1	0.3	▲ 0.6	0.0	0.4	▲ 0.1	▲ 0.6	▲ 0.3	▲ 0.8

Source: Land Economy and Construction Industries Bureau, the same as below

Chart 1: Land Price Change by Use

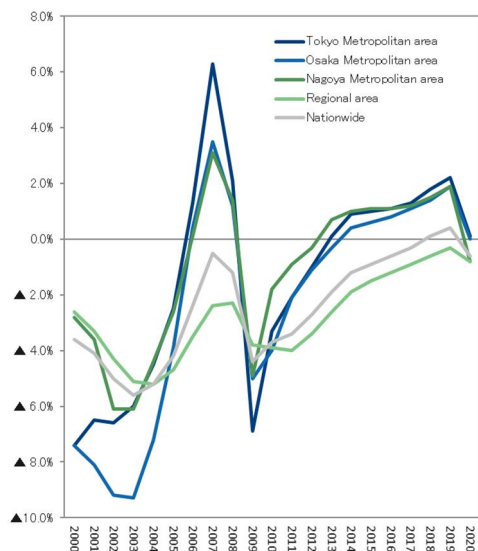
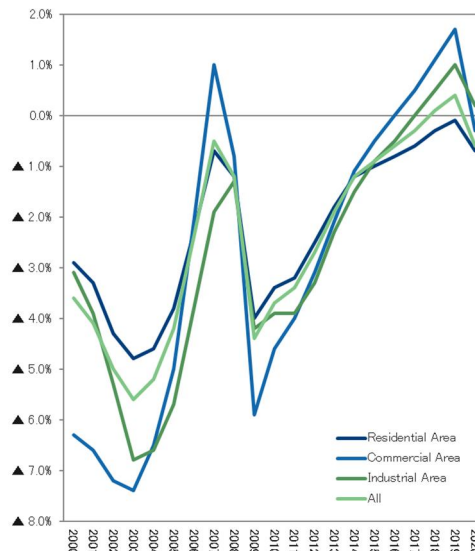


Chart2: Land Price Change by Region



- § Average land prices for all uses in the nine major cities (Table2) also either shrank compared to 2019.
- § The cities with the largest average rate of increase were Sapporo for residential areas and Fukuoka for commercial and industrial areas.
- § The rate of decline in Nagoya (and the Nagoya area) appears to have been largely influenced by deteriorating business confidence in regional industries such as automobiles.
- § The Bank of Japan's Nagoya branch's Tankan survey for June showed that the auto industry in the three Tokai prefectures was -86, lower than -85 for accommodation and food services.
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Table2: Land Price Change by Use in Major Cities

		Residential Area			Commercial Area			Industrial Area			All		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Metropolitan Area	Wards of Tokyo	4.3	4.6	1.4	7.2	8.4	1.8	4.3	4.4	2.1	5.8	6.5	1.6
	Yokohama City	1.1	1.1	▲ 0.4	3.3	3.8	0.9	2.3	3.4	1.0	1.8	2.0	0.1
	Osaka City	0.6	1.0	0.3	8.4	13.1	2.6	0.2	0.7	0.0	4.3	6.9	1.4
	Kyoto City	2.0	2.0	0.1	12.5	11.5	1.4	2.9	6.8	3.7	5.7	5.5	0.6
	Nagoya City	1.6	2.1	▲ 0.8	6.5	7.5	▲ 1.5	0.5	0.9	▲ 1.5	3.8	4.6	▲ 1.1
Regional Area	Sapporo City	3.9	6.1	6.1	10.0	11.0	6.6	1.7	2.4	3.7	5.8	7.6	6.2
	Sendai City	5.7	6.0	3.7	9.9	10.5	6.9	3.4	5.7	5.6	7.5	7.8	5.1
	Hiroshima City	2.0	2.2	0.8	4.8	5.7	2.8	0.8		4.2	2.9	3.4	1.5
	Fukuoka City	4.4	5.3	3.5	11.1	12.8	7.5	6.3	7.0	6.3	6.7	7.8	4.9

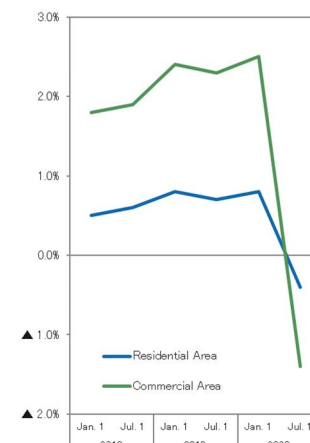
2. Land Prices Fell Significantly in the First Half of 2020

- § After rising in the second half of 2019, land prices fell sharply in the first half of 2020 as a result of a sharp decline in foreign visitors due to measures taken to prevent the spread of the coronavirus, and a slowdown in economic activity as a result of the state of emergency, which led to restraint on going out and doing business.
- § The price declines were greater in commercial areas than in residential areas, and were more severe in metropolitan areas than in rural areas.

Table3: Half-yearly Price Change by Use and Region

Use	Area	2018		2019		2020	
		As of Jan. 1	As of Jul. 1	As of Jan. 1	As of Jul. 1	As of Jan. 1	As of Jul. 1
Residential	Nationwide	0.5%	0.6%	0.8%	0.7%	0.8%	▲ 0.4%
	Tokyo Metropolitan area	0.7%	0.8%	0.9%	0.9%	0.8%	▲ 0.7%
	Osaka Metropolitan area	0.2%	0.2%	0.3%	0.4%	0.4%	▲ 0.4%
	Nagoya Metropolitan area	0.7%	0.7%	1.0%	0.7%	0.9%	▲ 1.2%
	Regional area	0.5%	0.7%	0.8%	0.8%	1.0%	▲ 0.1%
Commercial	Nationwide	1.8%	1.9%	2.4%	2.3%	2.5%	▲ 1.4%
	Tokyo Metropolitan area	2.2%	2.5%	3.0%	2.8%	3.1%	▲ 1.6%
	Osaka Metropolitan area	3.2%	3.3%	5.0%	5.0%	4.7%	▲ 2.2%
	Nagoya Metropolitan area	1.7%	2.1%	2.1%	2.0%	2.0%	▲ 2.7%
	Regional area	1.1%	1.1%	1.3%	1.3%	1.5%	▲ 0.7%

Chart3: National Trends



- § The areas that saw larger declines in the first half of 2020 compared to the second half of 2019 were Shinjuku and Shinsaibashi, among the downtown areas of major cities, and Asakusa, Kanazawa, Gion, Kyoto, and Takayama, a tourist destination that also had many visitors to Japan.
- § For example, Shinsaibashi fell sharply from +18% to -19% (-5% annually), and Asakusa went from +15% to -11% (+3% annually).
- § As the coronavirus moves toward convergence, land prices are expected to gradually recover as the economy bottoms out, but the region's heavy reliance on foreign tourists is likely to remain uncertain until inbound demand picks up.

Chart4: The Top Three Areas with High Volatility

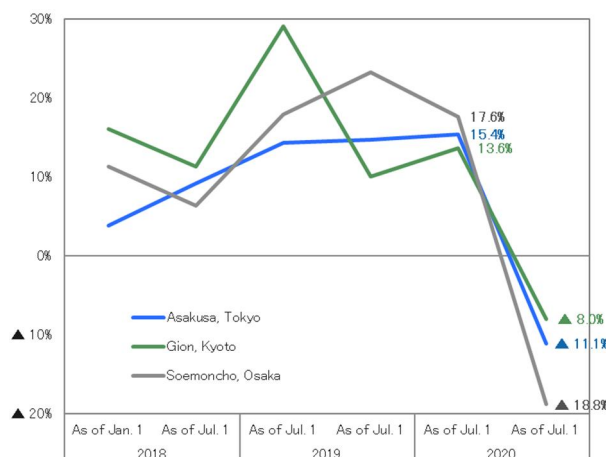


Table4: The Main Areas of High Volatility

Areas	Reference Point Name	2020	
		As of Jul. 1	As of Jul. 1
Chuo-ku, Sapporo	SapporoChuo5-2	9.6%	0.9%
Shinjuku-ku, Tokyo	Shinjuku5-10	3.7%	▲ 6.7%
Asakusa, Tokyo	Taito5-17	15.4%	▲ 11.1%
Kanazawa City, Ishikawa	Kanazawa5-4	4.5%	▲ 8.7%
Takayama City, Gifu	Takayama5-4	6.2%	▲ 7.2%
Naka-ku, Nagoya	Naka5-5	10.5%	▲ 6.3%
Gion, Kyoto	Hlgashlyama5-1	13.6%	▲ 8.0%
Yodogawa-ku, Osaka	Yodogawa5-3	27.0%	▲ 9.8%
Soemoncho, Osaka	OsakaChuo5-3	17.6%	▲ 18.8%
Chuo-ku, Fukuoka	FukuokaChuo5-13	17.5%	▲ 1.7%
Naha City, Okinawa	Naha5-4	11.1%	0.0%

3. Composition Ratio of Up, Flat and Down Sites

- § In 2020, the composition of rising sites decreased to 21% of all continuously assessed sites (compared to 33% in the previous year), while the composition of falling sites increased to 60% (compared to 48% in the previous year).
- § Industrial areas made up the largest proportion of the rise, at 29%, while residential and commercial areas made up 19% and 28%, respectively.
- § Land prices did not increase in residential areas in Tottori prefecture, and in commercial areas in Aomori, Yamanashi, Tottori, Tokushima and Miyagi prefectures.

Chart5: Composition Ratio Shift

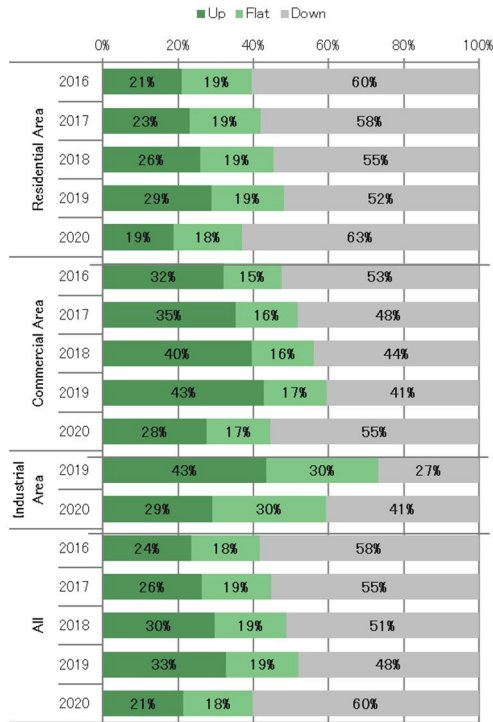


Chart6: Composition Ratio By Region

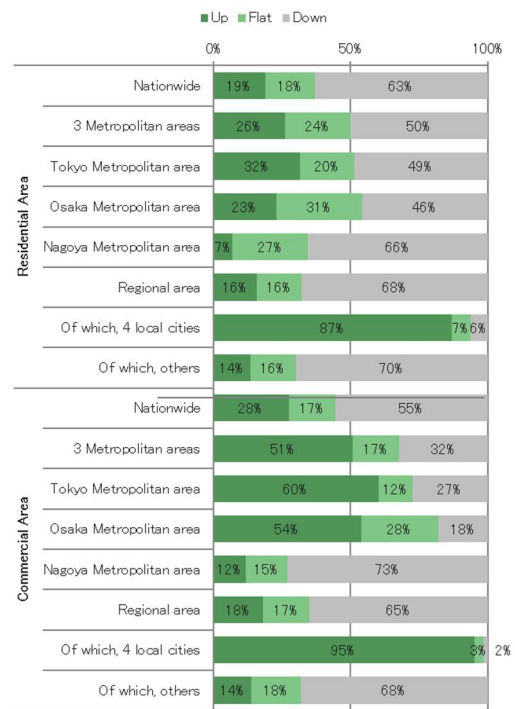
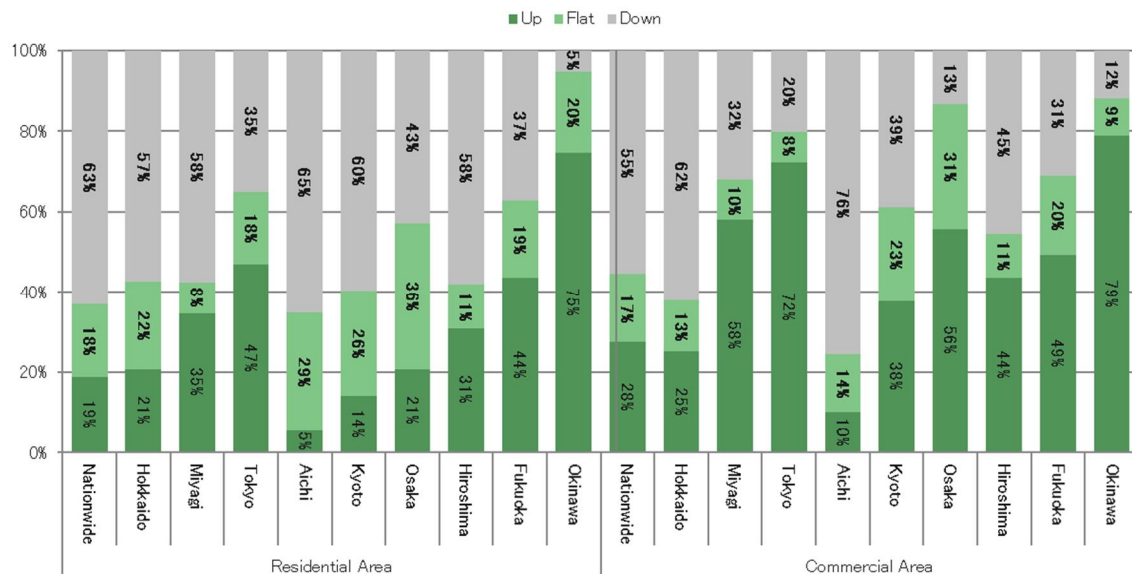


Chart7: Ratio of Up, Flat, and Down Points in Major Prefectures



4. Area with Large Price Fluctuations

- § The area with the largest increase in land prices was in Okinawa Prefecture, with the residential and commercial areas of Miyakojima coming in first. The rise in land prices on Miyako Island is likely to have been driven by strong out-of-prefecture demand and the opening of the Miyako Shimojishima Airport terminal in March 2019.
- § The No. 1 drop in residential land prices was at a point in Hino City, Tokyo, due to a significant drop in demand due to fears of disaster risk after it was designated as a landslide alert zone in 2018. Three of the top five locations for residential land declines were in areas affected by the 2019 torrential rains.
- § The No. 1 drop in commercial land was at a point in Okuhida Onsenkyo in Takayama City, Gifu Prefecture, where demand for foreign visitors to Japan has disappeared due to the spread of infection.

Table5: Top 5 and Bottom 5 Areas of Volatility

Top Five Areas of Price Growth.					Worst Five Areas of Price Decline				
Use	Rank	Reference Point Name	Address	Change Rate	Use	Rank	Reference Point Name	Address	Change Rate
Residential Area	#1	Miyakojima-8	Hora Village, Shirobe Aza, Miyakojima City, Okinawa	37.3%	Residential Area	#1	Hino-10	Hirayama 6, Hino City, Tokyo	▲ 18.4%
	#2	Itoman-2	3 Nishizaki-cho, Itoman City, Okinawa	37.3%		#2	Nagano-24	Toyono-cho, Nagano City, Nagano	▲ 13.1%
	#3	KUCHI-AN-2	Kabayama, Kutchan-cho, Hokkaido	29.2%		#3	Koriyama-26	Jukkangawara, Koriyama City, Fukushima	▲ 12.6%
	#4	Miyakojima-3	Nishizato Arava, Hirara, Miyakojima City, Okinawa	19.8%		#4	Date-3	Yanagawa-cho, Date City, Fukushima	▲ 12.2%
	#5	Tomigusuku-5	2-chome, Yibo, Tomigusuku City, Okinawa	17.2%		#5	Fukagawa-2	2 Osamunaicho, Fukagawa City, Hokkaido	▲ 9.1%
Commercial Area	#1	Miyakojima 5-1	Hiraranishinakasone, Miyakojima City, Okinawa	38.9%	Commercial Area	#1	Takayama 5-5	Okuhida Onsenkyo, Takayama City, Gifu	▲ 9.3%
	#2	Naha 5-13	Maejima 2-chome, Naha City, Okinawa	34.8%		#2	Yubari 5-1	Kiyomizawa 3, Yubari-shi, Hokkaido	▲ 9.2%
	#3	Kutchan 5-1	Kutchan-cho, Hokkaido	32.0%		#3	Koriyama 5-3	Kubota, Tomikuyama-cho, Koriyama City, Fukushima	▲ 9.1%
	#4	Hakuba 5-2	Hakuba Village, Nagano	30.3%		#4	Chippubetsu 5-1	Chippubetsu, Uryugun, Hokkaido	▲ 8.9%
	#5	Miyakojima 5-2	Hiraranishizato, Miyakojima City, Okinawa	30.2%		#5	Naka 5-11	Sakae 3, Naka-ku, Nagoya City, Aichi	▲ 8.9%

Note: Shaded indicates the areas affected by heavy rainfall in 2019.

Chart8: Changes in the 1st Rate of Rise and 1st Rate of Fall

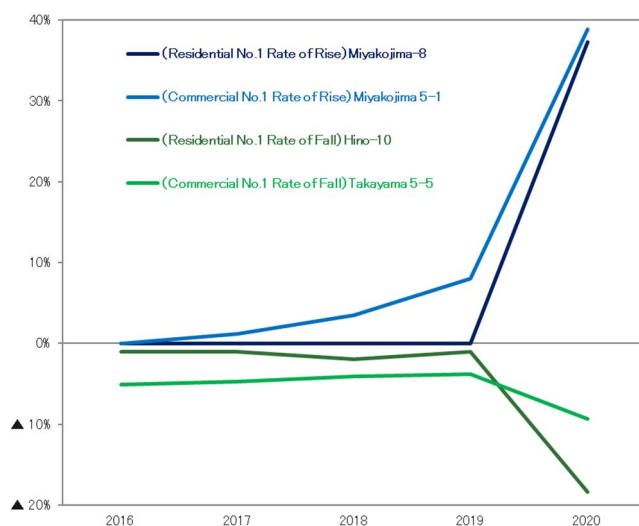


Table6: Reason for Change

Section	Reference Point Name	Rising and Falling Factors
No.1 Rate of Rise	(Residential Area) Miyakojima-8	Increased demand from off-island has affected the price increase.
	(Commercial Area) Miyakojima 5-1	Strong demand for tourism has led to an increase in investment from off-island, and demand is firm even after Corona, influenced by the opening of the new airport terminal in March 2019.
No.1 Rate of Fall	(Residential Area) Hino-10	The steep, north-facing slope of the terrain has led to a significant decrease in demand due to fears of landslides since the area was designated as a landslide warning zone in the spring of 2008.
	(Commercial Area) Takayama 5-5	Prior to the COVID-19, foreign visitors to Japan have been doing well, but due to measures to prevent the spread of infection, no new tourist facilities have been opened and investment has fallen dramatically.

Note: Based on newspaper and published appraisal reports

5. Land Prices in Areas Affected by Heavy Rainfall Disasters

- § For the second year in a row, areas hit by heavy rains and typhoons in the previous year's floods and landslides have been among the lowest in land price declines. The areas along the Abukuma River in Koriyama City, Fukushima, which was hit by Typhoon No. 19 in 2019, has fallen sharply.
- § However, even though land prices fell sharply in disaster-affected areas, land prices recovered the following year. Due to the torrential rains in 2018, the Kurashiki area, which had a large decline in the previous year's survey, saw an increase in the rate of change this year.
- § Torrential rains in July 2020 have caused disaster damage in the Kuma River basin in Kumamoto Prefecture, and may affect land prices in these areas in the future.
- § In general, with the recent increase in damage from natural disasters, land prices are expected to fall due to reduced demand in residential areas with high disaster risk, such as in river basins and near steep slopes.

Table7: Land Prices Fluctuations in Disaster Areas

Section	Prefecture	City	Use	Reference Point Name	Change Rate		
					2018	2019	2020
2019 Disaster Areas	Nagano	Nagano	Residential	Nagano-24	0.0%	0.0%	▲ 13.1%
			Residential	Koriyama-26		1.4%	▲ 12.6%
	Fukushima	Koriyama	Commercial	Koriyama5-3	0.5%	0.9%	▲ 9.1%
			Industrial	Koriyama9-2	2.0%	2.5%	▲ 17.1%
			Residential	Iwaki-54	3.2%	1.4%	▲ 8.1%
		Date	Date-3		0.0%	▲ 12.2%	
	Kanagakawa	Yokohama	Industrial	Kanazawa9-1	4.8%	7.3%	▲ 2.5%
2018 Disaster Areas	Okayama	Kurashiki	Residential	Kurashiki-40	▲ 0.6%	▲ 16.1%	0.7%
			Commercial	Kurashiki5-17	▲ 0.7%	▲ 15.5%	0.7%
	Hiroshima	Mihara	Residential	Mihara-6	▲ 5.0%	▲ 15.8%	▲ 3.8%
			Commercial	Mihara5-4	▲ 3.8%	▲ 12.0%	▲ 3.0%

Chart9: Changes in Land Prices

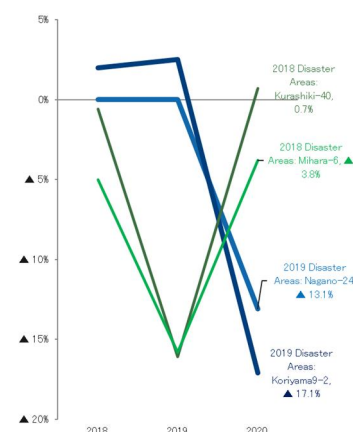


Table8: Major Typhoons, Heavy Rains and Earthquakes since 2015

Year	Date	Name	Details
2015	9 to 11 September	Kinugawa Floods	Torrential rain in the Kanto and Tohoku regions Record rainfall in Kanto and Tohoku. Kinugawa (Ibaraki Prefecture) and Shibui River (Miyagi Prefecture) overflowed. 8 people died or were missing, 80 were injured, and 39,366 houses were damaged.
2016	14 April	Kumamoto Earthquake	Mashiki cho (April 14 and 16) and Nishihara village (April 16) in Kumamoto prefecture suffered damage to houses and other structures, and a large landslide occurred. 273 people died or were missing, 2,809 were injured, and 220,271 houses were damaged.
2017	5 to 6 July	Torrential rainfall in northern Kyushu caused by the rainy season front and typhoon No. 3	Heavy rainfall in western Japan and eastern Japan. Record rainfall in western Japan. Flooding and landslides in Asakura City, Toho Village (Fukuoka Prefecture), and Hita City (Oita Prefecture). 44 people died or were missing, 34 were injured, and 3,414 houses were damaged.
2018	28 June to 8 July	Heavy rainfall due to a front and typhoon No. 7.	Record-breaking heavy rainfall across the country, mainly in western Japan. Landslides in Hiroshima Prefecture and Ehime Prefecture, and flooding in Mabi-cho, Kurashiki City (Okayama Prefecture). 245 dead or missing, 123 injured, and 50,470 houses damaged.
	3 to 5 September	Storm and high tide caused by Typhoon No. 21	Storms from western Japan to northern Japan. Kansai International Airport is flooded, resulting in power outages and closures, and a tanker collides with a bridge connecting the airport and breaks. 14 dead or missing, 984 injured, 50,869 houses damaged.
	6 September	Hokkaido Iburitobu earthquake	A 7.0 magnitude earthquake hits Atsuma town (Hokkaido), causing power outages in almost all areas of the prefecture due to the shutdown of one of the largest thermal power plants in Hokkaido (Tomatoh Atsuma Thermal Power Station). 42 dead or missing, 762 injured, 14,632 houses damaged.
2019	5 to 10 September	Boso Peninsula Typhoon No. 15, "Fakusai"	Damage caused by storms and other factors around the Boso Peninsula in Chiba Prefecture. One person died or is missing and 74,911 houses were damaged.
	10 to 13 October	Heavy rain and storms caused by Typhoon No. 19 and "Hagibis"	Damage caused by the flooding of large rivers due to the record-breaking rainfall in eastern Japan. 107 dead or missing, 384 injured, and 22,892 houses damaged.
2020	3 to 31 July	Kumamoto Heavy rain	Four days of record rainfall in Kyushu. Large rivers such as the Kuma River were inundated one after another. 84 dead or missing, 30 injured, and 17,679 houses damaged.

Source Japan Meteorological Agency and Cabinet Office

6. Areas with Distinctive Land Price Fluctuations

- § According to the 2020 Prefectural Land Price Survey, the following areas show significant changes in land prices: (1) areas with the highest prices, (2) residential areas with excellent transportation access, (3) areas where infrastructure development and redevelopment have progressed, (4) areas where demand for tourism has increased, and (5) areas where demand for logistics facilities has increased.
- § While the spread of the new coronavirus has had a significant impact on land prices, as in the previous year, land prices rose due to strong demand for housing in Okinawa Prefecture, demand for redevelopment areas in central cities, demand for vacation homes from foreign capital (such as Kutchan-cho in Hokkaido and Hakuba-mura in Nagano Prefecture), and demand for logistics facilities.

Table9: Areas with Significant Land Price Fluctuations

Section	Areas	Details	Note
Highest Value Land	Ginza, Tokyo	Ginza 1-chome Station nearby 41 Million Yen per sqm, down 5.1%	(#1 in the nation in price) Due to a sharp decline in the number of foreign tourists, sales at stores and other facilities fell sharply, and land prices began to decline.
	Umeda, Osaka	Near Osaka Station 2.36 Million Yen per sqm, up 8.8%	(#1 in the Osaka area) Supported by strong demand for office space, the Umeda area overtook Shinsaibashi to become the most expensive area.
Residential area with excellent access	Itoman City, Okinawa	Itoman City, Okinawa 103,000Yen per sqm, up 37.3%	(#2 growth rate in residential area of nationwide) The reclaimed landfill area in Itoman City has excellent access to Naha City due to the construction of Okinawa's West Coastal Road, and with relatively low prices, demand is strong.
Redevelopment Project Progress	Minato-ku, Tokyo	Close to Toranomon Hills Station 4.56 Million Yen per sqm, up 9.1%	(#1 growth rate in Tokyo's commercial areas) With the progress of the Toranomon district redevelopment project and the opening of Toranomon Hills subway station, demand for office space in the area was strong.
	Chuo Ward, Kumamoto City	Kumamoto Station 2.2km 856,000Yen per sqm, up 11.2% 855,000 Yen per sqm, up 9.6%	(#1, #2 growth rate in commercial areas of Kumamoto) In September 2019, "Sakura Machi Kumamoto", a large complex facility with a bus terminal, opened, and there was demand for shops and hotels.
Growing demand for tourism and resorts	Kutchan-cho, Hokkaido	[Residential land] 77,500Yen per sqm, up 29.2% [Commercial Land] 99,000Yen per sqm, up 32.0%	(#3 growth rate in commercial and residential areas of nationwide) Kutchan, a world-famous tourist destination, is experiencing strong demand from foreigners. Land prices continue to rise in anticipation of the extension of the Hokkaido Shinkansen line.
	Hakuba Village, Nagano	[Commercial Land] 24,500Yen per sqm, up 30.3%	(#4 growth rate in commercial areas of nationwide) Although the number of tourists, including foreigners, declined, demand for real estate, including foreign capital, was strong.
Rising demand for logistics facilities	Matsudo City, Chiba	[Industrial Area] Minoridai Station 1.3km 140,000Yen per sqm, up 11.1%	(#4 growth rate in industrial areas of nationwide) In the area along the Tokyo Outer Ring Road (Gaikando), access has improved with the opening of the Chiba Prefecture section (between Misato-minami Interchange and Takaya JCT) in June 2018.
	Tosu City, Saga	[Industrial Area] Tosu Station 1.5km 437,000Yen per sqm, up 12.1%	(#3 growth rate in industrial areas of nationwide) Demand is strong at Tosu JCT, a traffic nexus between the Kyushu Expressway, Nagasaki Expressway, and Oita Expressway, but supply is extremely limited.
	Tomigusuku City, Okinawa	[Industrial area] 83,000Yen per sqm, up 28.9%	(#1 growth rate in industrial areas of nationwide) Improved accessibility due to the widening of the 331 bypass (Tomigusuku Road and Itoman Road) to four lanes (March 2016 and March 2017). As the site is cheaper than the industrial areas around Naha Port, the demand for logistics facilities is strong.