

2024 VOL. 39

DAIWA REAL ESTATE MARKET REPORT

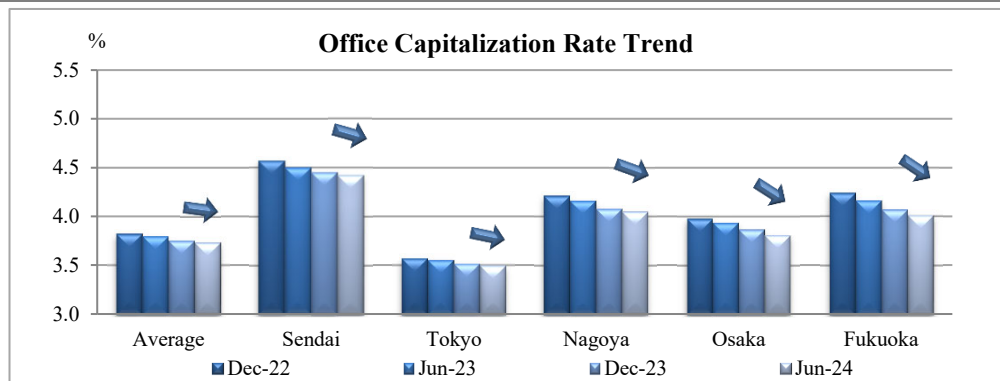
Summary

English

Capitalization Rate

Office

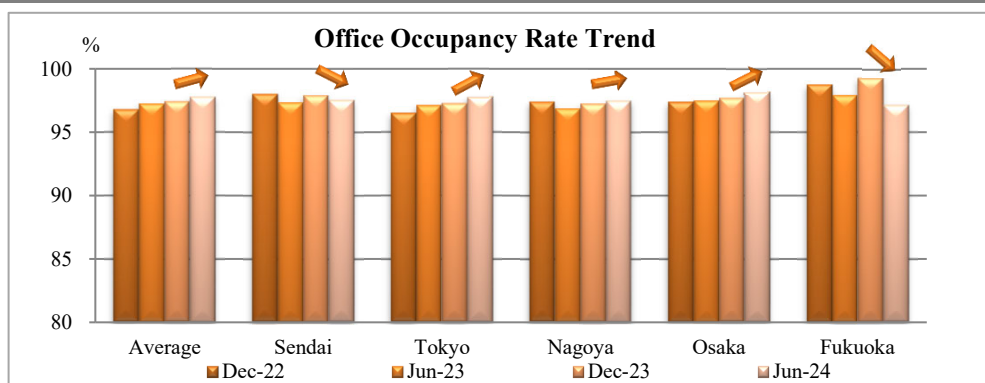
	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	3.82	3.80	3.75	3.73	-0.02
Sendai	4.57	4.50	4.45	4.42	-0.03
Tokyo	3.57	3.56	3.52	3.50	-0.02
Nagoya	4.21	4.16	4.08	4.05	-0.03
Osaka	3.98	3.94	3.87	3.81	-0.06
Fukuoka	4.24	4.16	4.07	4.01	-0.06



Occupancy Rate

Office

	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	96.79	97.23	97.41	97.76	+0.35
Sendai	98.01	97.36	97.92	97.53	-0.39
Tokyo	96.51	97.10	97.25	97.78	+0.53
Nagoya	97.42	96.87	97.25	97.47	+0.22
Osaka	97.38	97.49	97.69	98.19	+0.50
Fukuoka	98.74	97.92	99.25	97.13	-2.12

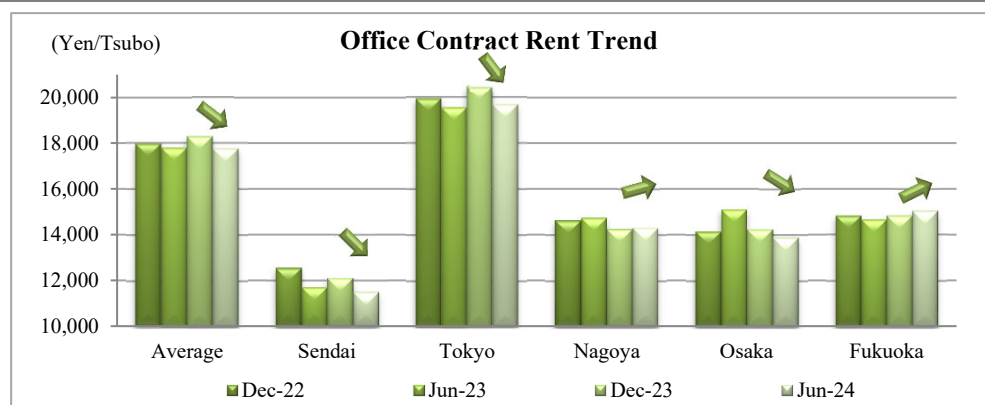


Contract Rent

Office

Unit: Yen/Tsubo, Monthly

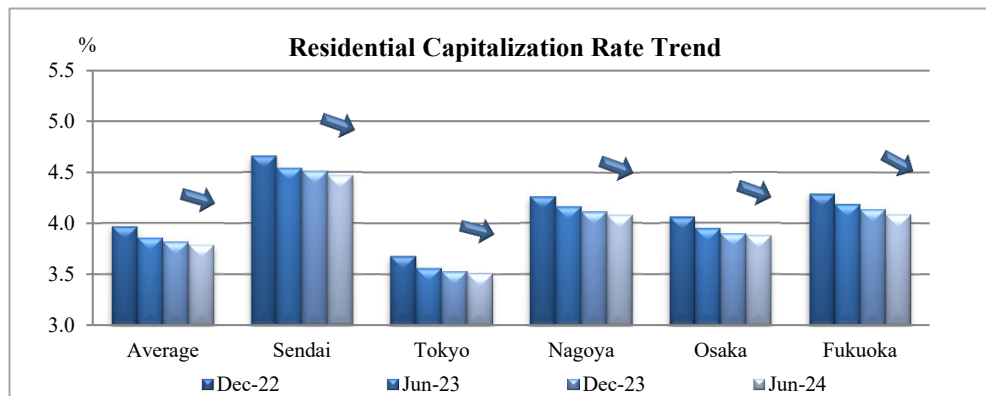
	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	17,971	17,789	18,277	17,746	-531
Sendai	12,542	11,711	12,099	11,505	-594
Tokyo	19,930	19,535	20,454	19,662	-792
Nagoya	14,631	14,744	14,266	14,321	+55
Osaka	14,163	15,107	14,243	13,886	-357
Fukuoka	14,825	14,653	14,825	15,013	+188



Capitalization Rate

Residential

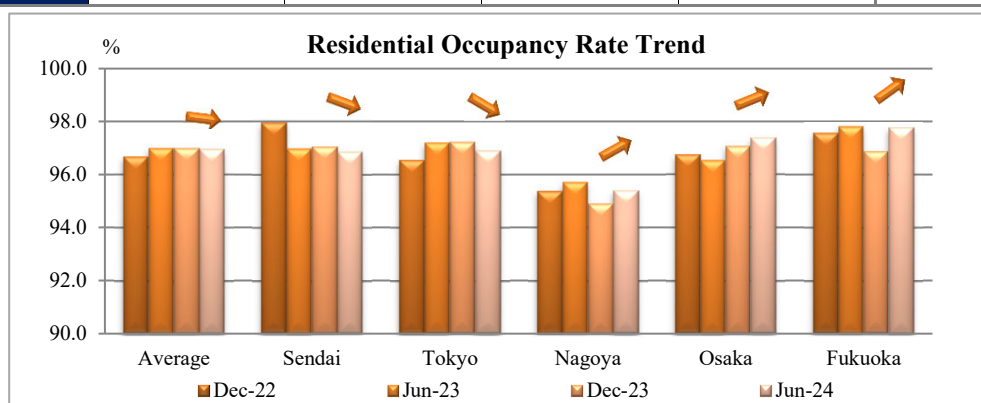
	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	3.97	3.86	3.82	3.79	-0.03
Sendai	4.66	4.54	4.51	4.47	-0.04
Tokyo	3.68	3.56	3.53	3.51	-0.02
Nagoya	4.26	4.16	4.11	4.08	-0.03
Osaka	4.06	3.95	3.90	3.88	-0.02
Fukuoka	4.29	4.19	4.14	4.09	-0.05



Occupancy Rate

Residential

	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	96.67	96.99	96.99	96.95	-0.04
Sendai	97.96	96.99	97.06	96.86	-0.20
Tokyo	96.55	97.20	97.22	96.90	-0.32
Nagoya	95.37	95.70	94.91	95.39	+0.48
Osaka	96.74	96.53	97.06	97.37	+0.31
Fukuoka	97.57	97.80	96.88	97.77	+0.89

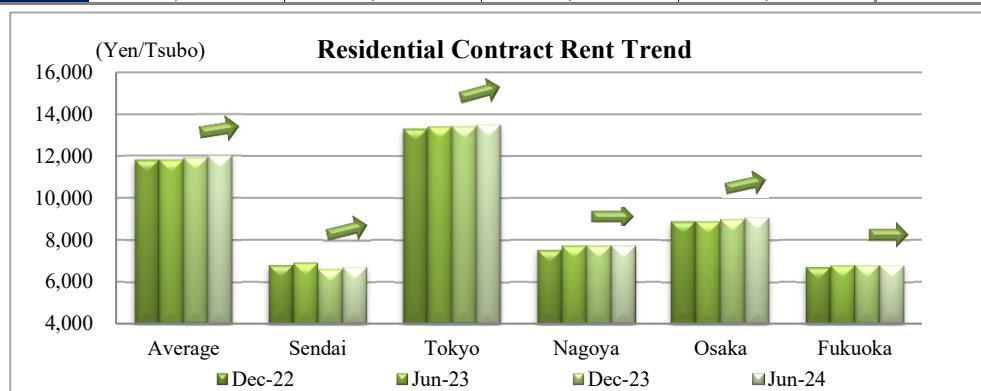


Contract Rent

Residential

Unit: Yen/Tsubo, Monthly

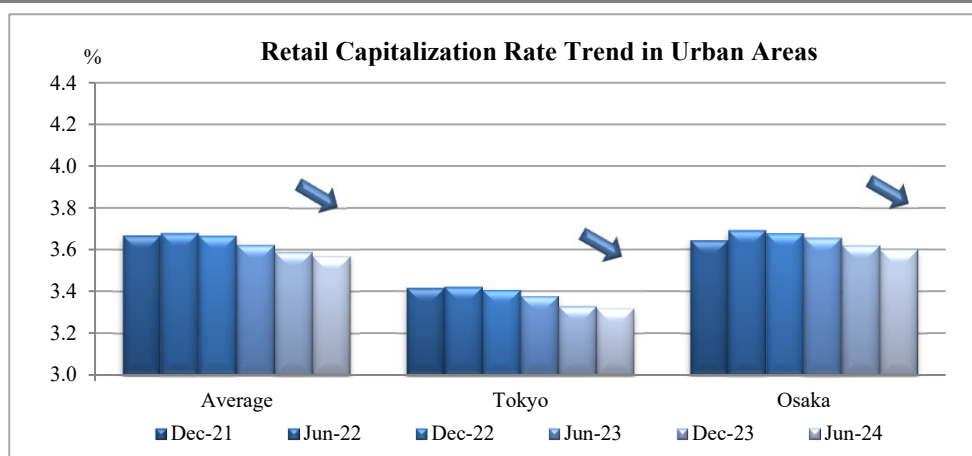
	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	11,800	11,800	11,900	12,000	+100
Sendai	6,800	6,900	6,600	6,700	+100
Tokyo	13,300	13,400	13,400	13,500	+100
Nagoya	7,500	7,700	7,700	7,700	±0
Osaka	8,900	8,900	9,000	9,100	+100
Fukuoka	6,700	6,800	6,800	6,800	±0



Capitalization Rate (Urban)

Retail

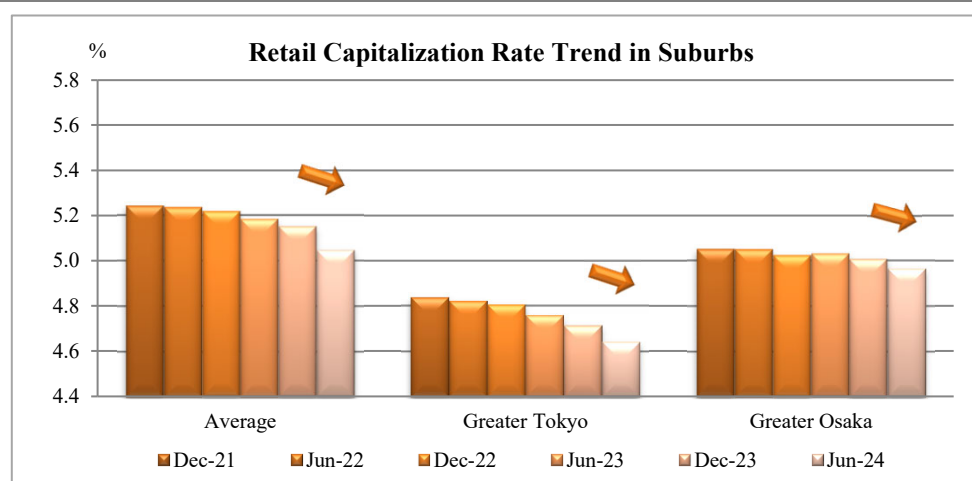
	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	3.67	3.68	3.67	3.62	3.59	3.57	-0.02
Tokyo	3.42	3.42	3.41	3.38	3.33	3.32	-0.01
Osaka	3.64	3.69	3.68	3.66	3.62	3.60	-0.02



Capitalization Rate (Suburb)

Retail

	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	5.24	5.23	5.22	5.18	5.15	5.05	-0.10
Greater Tokyo	4.84	4.82	4.81	4.76	4.71	4.64	-0.07
Greater Osaka	5.05	5.05	5.02	5.03	5.01	4.97	-0.04

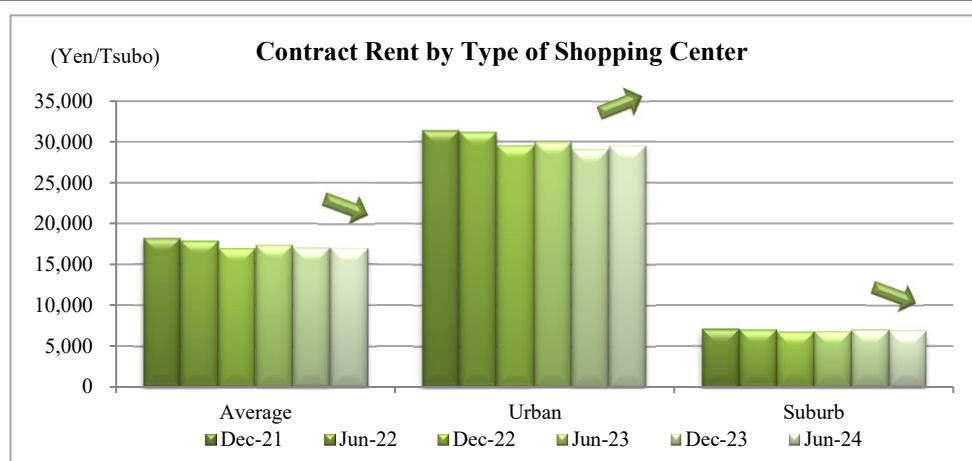


Contract Rent

Retail

Unit : Yen/Tsubo, Monthly

	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	18,090	17,793	16,888	17,284	16,939	16,886	-53
Urban	31,352	31,150	29,535	29,941	29,032	29,470	+438
Suburb	7,039	6,974	6,685	6,790	6,931	6,819	-112

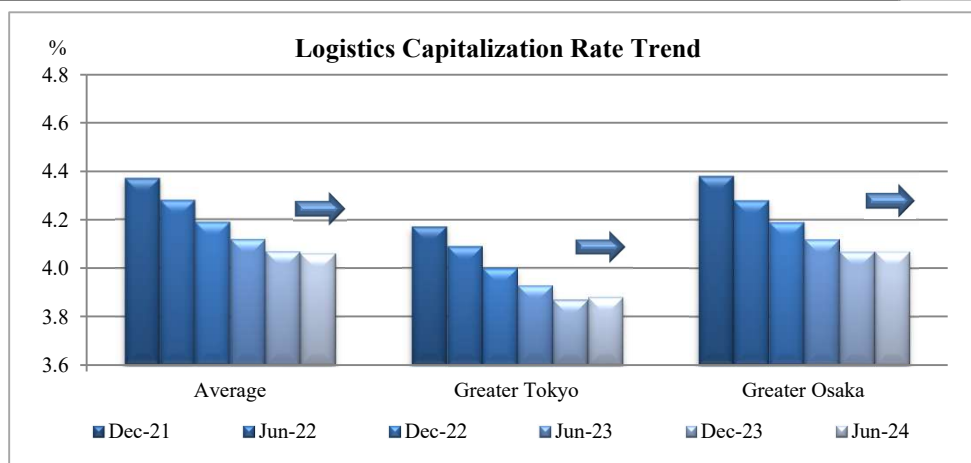


● J-REIT Report Logistics

Capitalization Rate

Logistics

	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	4.37	4.28	4.19	4.12	4.07	4.06	-0.01
Greater Tokyo	4.17	4.09	4.00	3.93	3.87	3.88	+0.01
Greater Osaka	4.38	4.28	4.19	4.12	4.07	4.07	±0.00

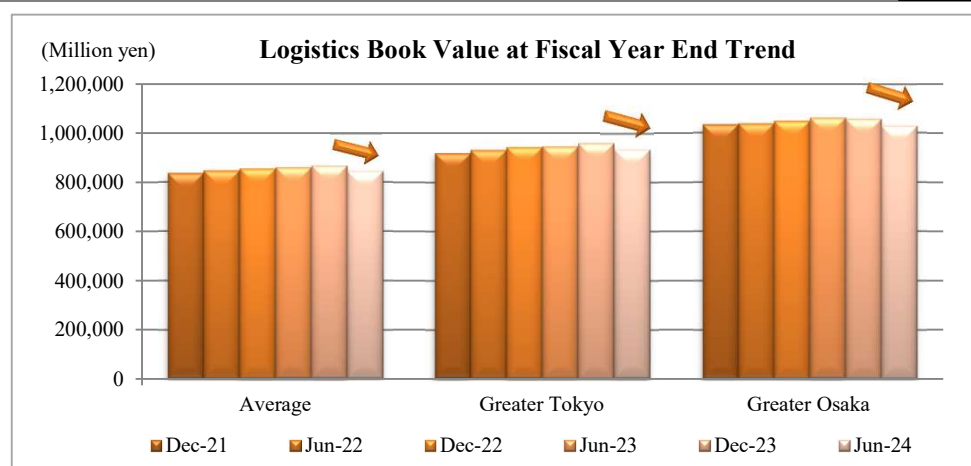


Book Value at Fiscal Year End

Logistics

Unit: Million yen

	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	compared to previous period
Average	835,539	845,862	854,247	858,451	865,435	843,222	-22,213
Greater Tokyo	918,402	932,280	942,979	946,635	958,706	933,136	-25,570
Greater Osaka	1,033,727	1,037,725	1,047,941	1,060,645	1,055,898	1,026,865	-29,033



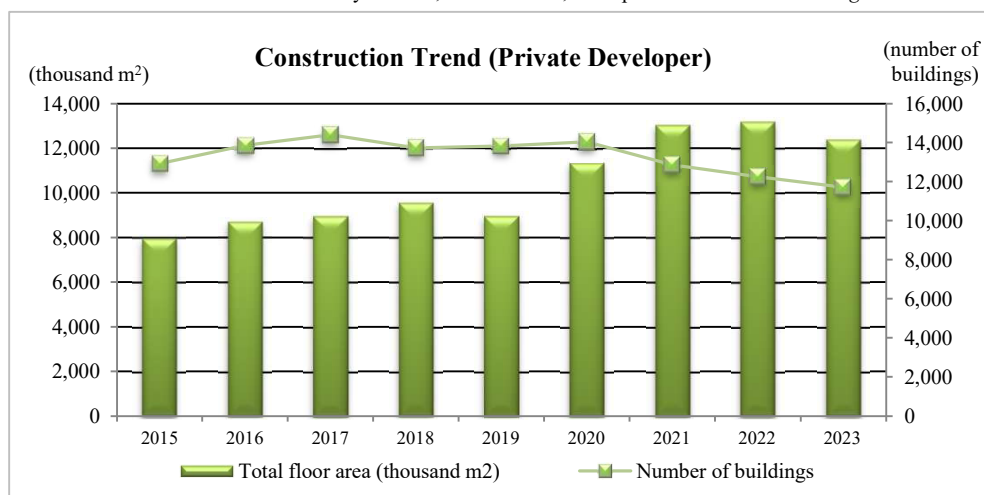
Construction Trend

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

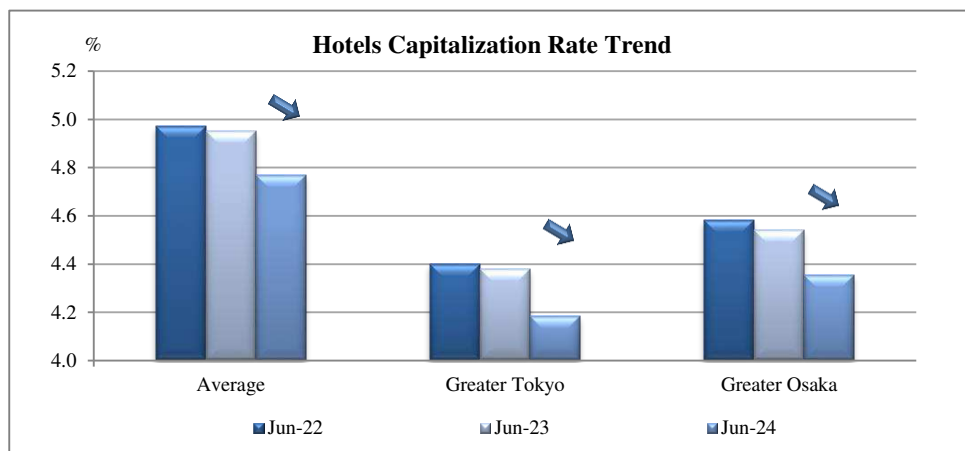
Source: Ministry of Land, Infrastructure, Transport and Tourism "Building starts statistical survey"



Capitalization Rate

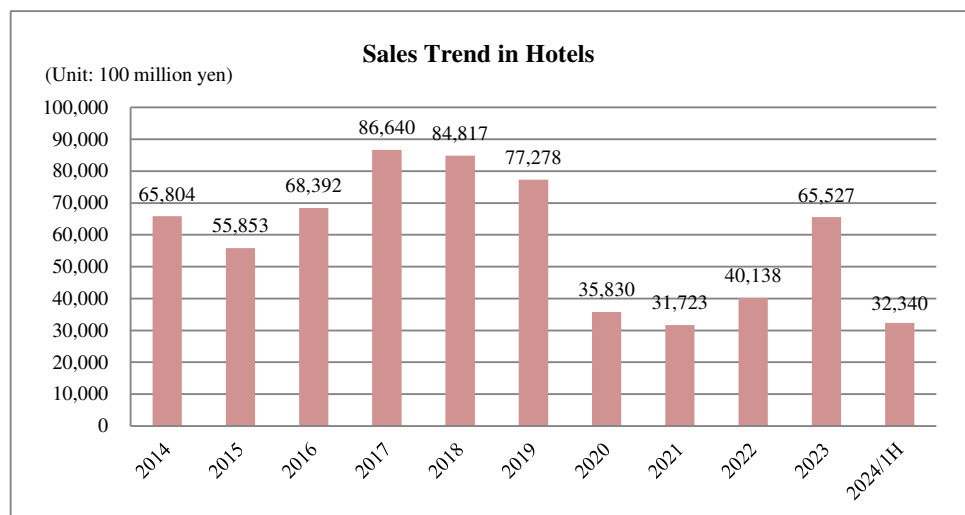
Hotel

	Jun-22	Jun-23	Jun-24	compared to previous period
Average	4.97	4.95	4.77	-0.18
Greater Tokyo	4.40	4.38	4.18	-0.20
Greater Osaka	4.58	4.54	4.35	-0.19



Hotel Sales

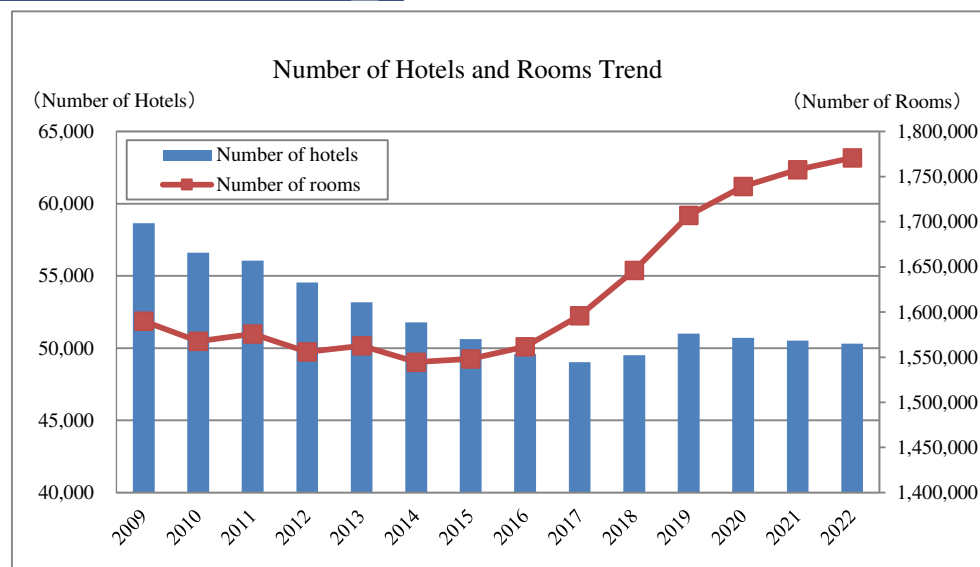
Hotel



Source: Policy Research Institute, Ministry of Finance Japan

Number of Hotels and Rooms

Hotel



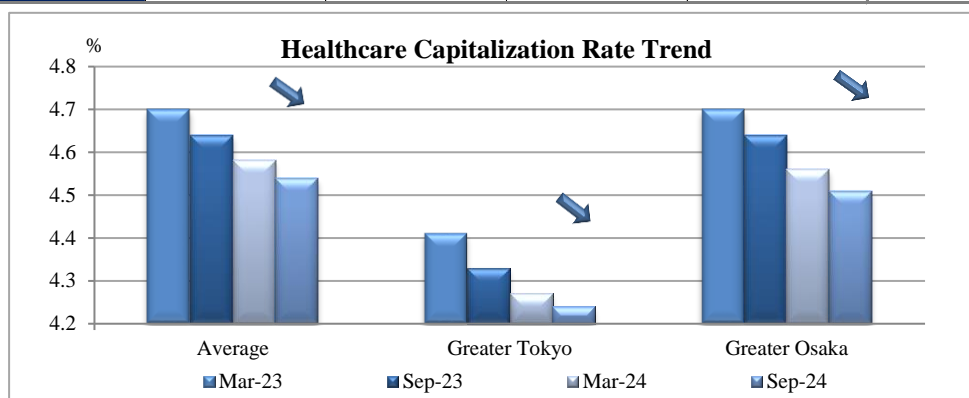
Source: Ministry of Health "Report on Public Health Administration and Services"

● J-REIT Report Healthcare

Capitalization Rate

HealthCare

	Mar-23	Sep-23	Mar-24	Sep-24	compared to previous period
Average	4.70	4.64	4.58	4.54	-0.04
Greater Tokyo	4.41	4.33	4.27	4.24	-0.03
Greater Osaka	4.70	4.64	4.56	4.51	-0.05



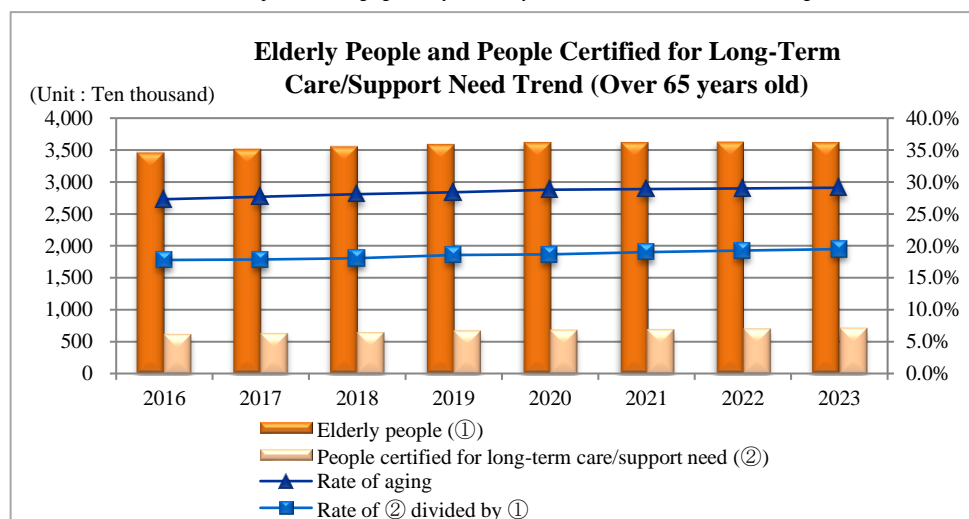
Elderly People and People Certified for Long-Term Care/Support Need

HealthCare

①&② Unit: ten thousand

	2016	2017	2018	2019	2020	2021	2022	2023	YoY
Elderly people (①)	3,459	3,515	3,558	3,589	3,619	3,621	3,624	3,623	-1
People certified for long-term care/support need (②)	615	627	642	667	676	688	698	706	+8
Rate of aging	27.3%	27.7%	28.1%	28.4%	28.8%	28.9%	29.0%	29.1%	+0.1%
Rate of ② divided by ①	17.8%	17.8%	18.0%	18.6%	18.7%	19.0%	19.3%	19.5%	+0.2%

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

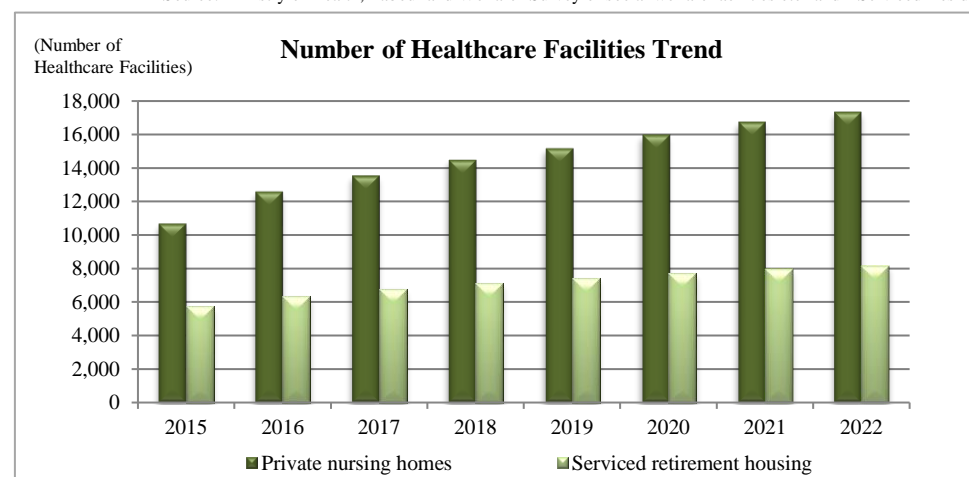


Healthcare Facilities

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 (%)
OJR	Tenjin North Front Building	Chuo-ku,Fukuoka-shi,Fukuoka	Jan-10	Aug-24	6,350	4,413	3.4%
IOR	Ichigo Gotanda West Building	Shinagawa-ku, Tokyo	Jan-85	May-24	3,950	4,846	3.5%
HFR	Kita Nijo Building	Chuo-ku,Sapporo-shi, Hokkaido	Feb-90	Jun-24	1,535	2,569	3.9%

Residential

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
SHR	Esty Maison Minamigyotoku	Ichikawa-shi, Chiba	Jun-08	May-24	950	2,827	3.7%
OJR	Cross Residence Kanda Jimbocho	Chiyoda-ku, Tokyo	Apr-24	May-24	2,275	6,430	3.0%
NMF	PRIME URBAN Nishi Nippori	Arakawa-ku, Tokyo	Feb-04	Jun-24	981	2,904	3.4%

Retail

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
TLR	Tecc Land Hachioji Takao	Hachioji-shi, Tokyo	Apr-17	Mar-24	4,710	1,374	4.5%
NMF	MEFULL CHITOSEKARASUYAMA	Setagaya-ku, Tokyo	Jan-21	Apr-24	1,880	5,456	4.0%
FRI	Yaoko Nishiomiya Store	Nishi-ku,Saitama-shi,Saitama	Jan-19	Jul-24	2,500	1,927	4.5%

Logistics

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
JLF	Settsu	Settsu-shi, Osaka	May-92	Jun-24	862	351	3.9%
KDO	KDX Logistics Ebina Chuo	Ebina-shi, Kanagawa	Mar-92	Jul-24	4,950	1,082	3.6%

Hotel

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
HRR	OMO7 Osaka	Naniwa-ku,Osaka-shi, Osaka	Nov-21	Jun-24	29,000	2,651	4.5%
JHR	Southern Beach Hotel & Resort OKINAWA	Itoman-shi, Okinawa	Apr-09	Jul-24	16,200	1,793	5.0%
SAR	KOKO HOTEL Tsukiji Ginza	Chuo-ku, Tokyo	Dec-20	Aug-24	17,000	9,233	3.8%

HealthCare

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
KDO	Irise Nerima Hikarigaoka	Nerima-ku, Tokyo	Dec-22	Jul-24	1,351	1,812	3.7%

*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	19
				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, 2024)

Types Appraisal Firms	Office	Residence	Retail	Hotel	Elderly Housing &Facilities	Logistics	Leased Fee Interests	Parking Lot	Others	Total
Japan Real Estate Institute	356	620	187	124	59	164	52	0	24	1,586
Daiwa Real Estate Appraisal	355	443	92	66	43	36	24	1	0	1,060
Tanizawa Sogo Appraisal	164	307	96	59	52	199	62	0	2	941
JLL Morii Valuation & Advisory	42	269	10	35	5	54	17	0	0	432
Chuo Real Estate Appraisal	37	153	5	2	1	0	2	0	0	200
Japan Valuers	41	144	30	39	5	15	2	0	0	276
Rich Appraisal Institute	11	24	1	25	7	0	1	0	0	69
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	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
Total	1,032	2,018	452	355	172	513	165	1	34	4,742

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%

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

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



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