

2025 VOL. 40

DAIWA REAL ESTATE MARKET REPORT

English

Disclaimer

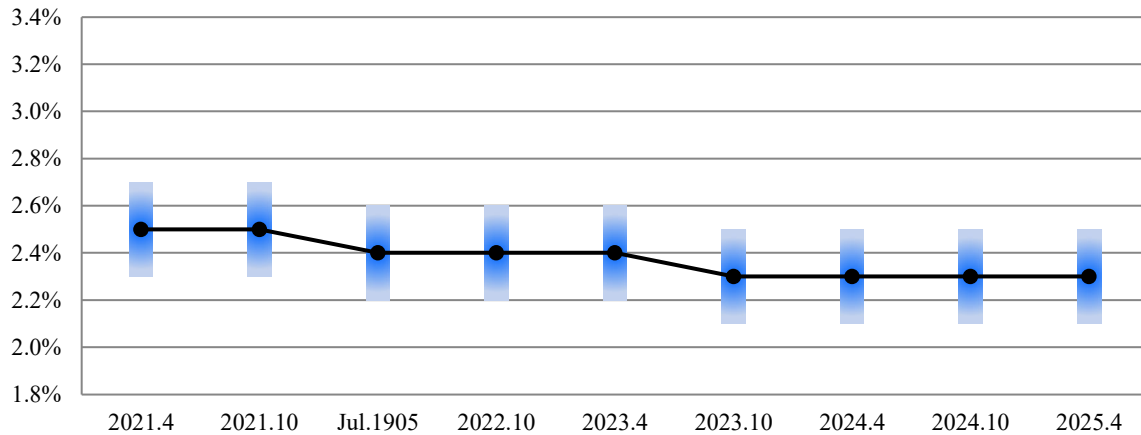
- The DAIWA REAL ESTATE MARKET REPORT is aimed solely at providing information to those who utilize the information. It is not aimed at selling products, including financial instruments, services or rights, and neither is it aimed at serving as an offer, solicitation, mediation, brokering, etc., for other transactions.
 - Daiwa Real Estate Appraisal Co., Ltd. makes no warranty regarding the accuracy of the information in the DAIWA REAL ESTATE MARKET REPORT and shall not be responsible whatsoever for any loss incurred by those who utilize the information.
 - Daiwa Real Estate Appraisal Co., Ltd. may decide on its own accord to update, add, change, delete or make partial revisions and deletions without prior notice to the users of this information.
 - For inquiries, please use an inquiry form on our website.
<https://daiwakantei.co.jp/eng/contact>
-

Index

■ Daiwa's Cap Rate Trend by Property Segment	1
■ J-REIT Report	
■ Office	3
■ Residence	4
■ Retail	5
■ Logistics	6
■ Hotel	7
■ Healthcare	8
■ Major Acquisition Transactions	9

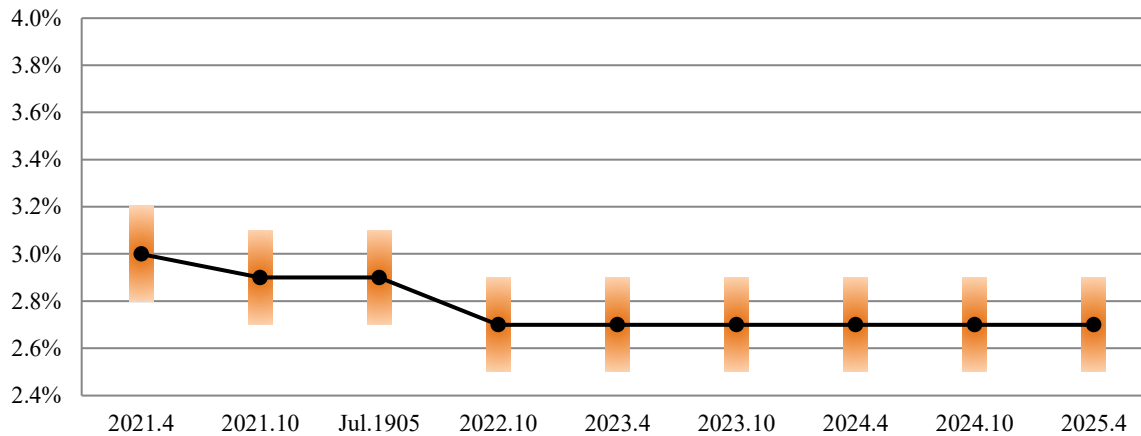
● Daiwa's Cap Rate Trend by Property Segment

■ Office Cap Rate Trend



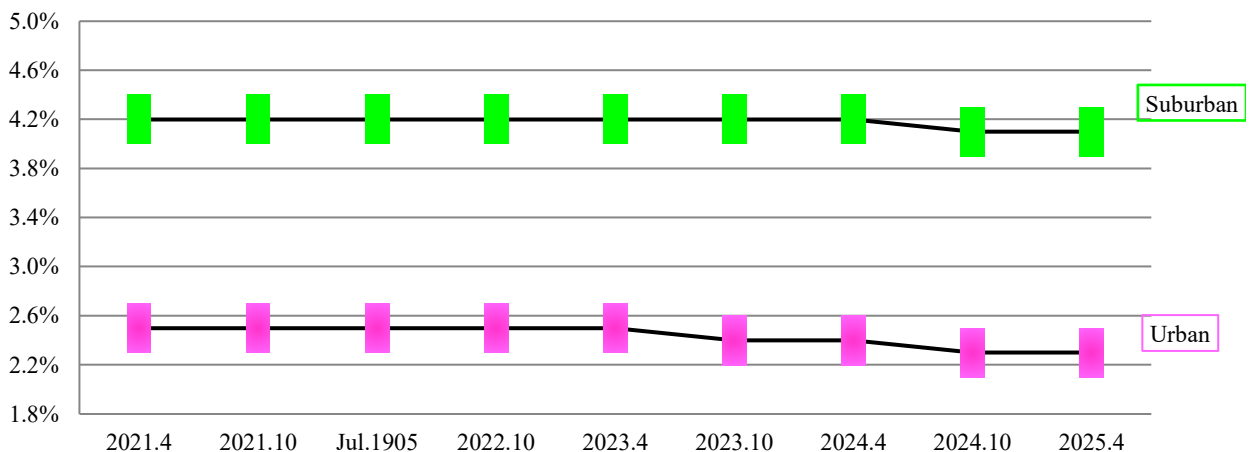
* The trend of Cap Rate for Grade-A offices in Marunouchi, Otemachi, and Yurakucho areas

■ 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

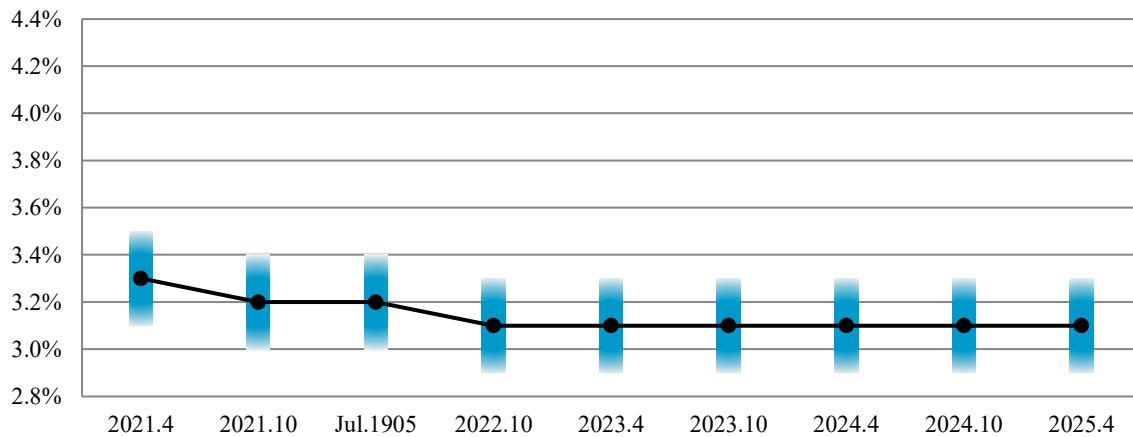
■ Retail (Urban and Suburban areas) Cap Rate Trend



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

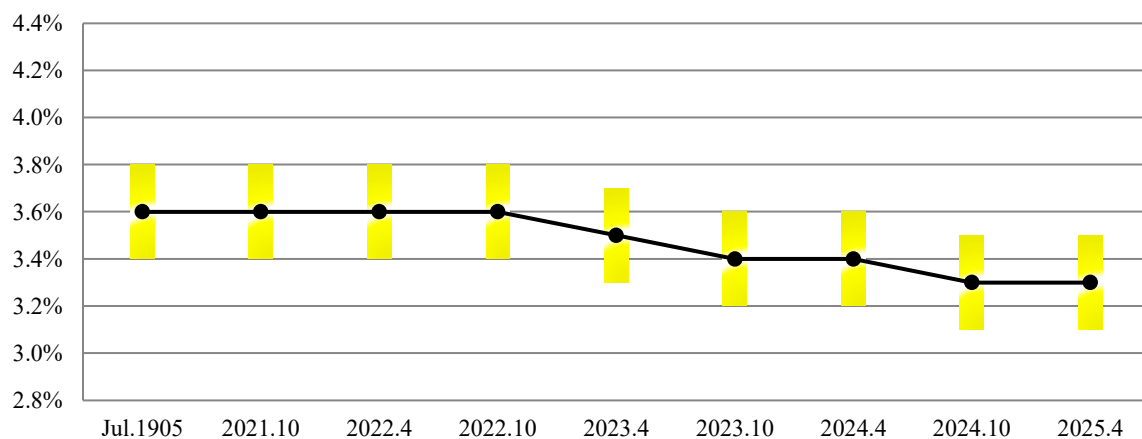
* Suburban: the trend of Cap Rate for large-size shopping centers with gross building area of 30,000 m² and over in Tokyo

Logistics Cap Rate Trend



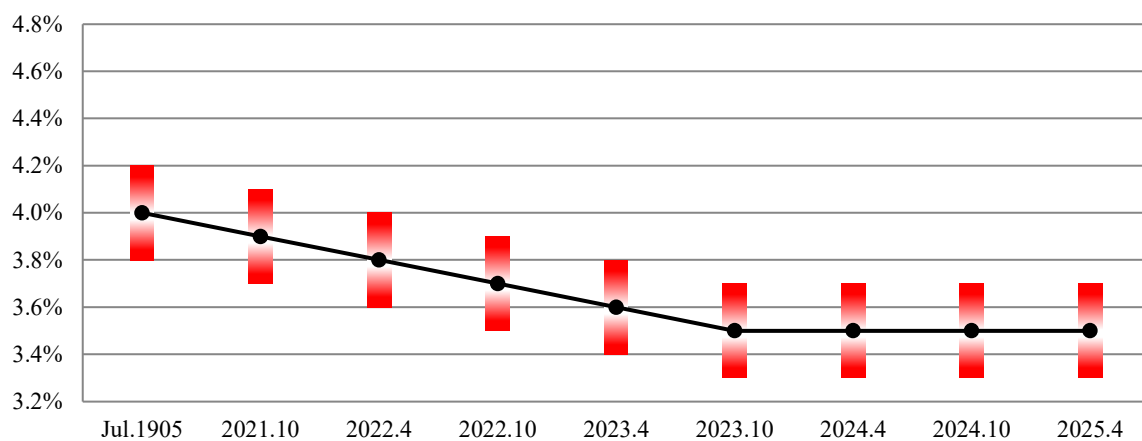
* The trend of Cap Rate for logistics with gross building area of 15,000 m² and over in the waterfront area in Greater Tokyo

Hotel Cap Rate Trend



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

Healthcare Cap Rate Trend

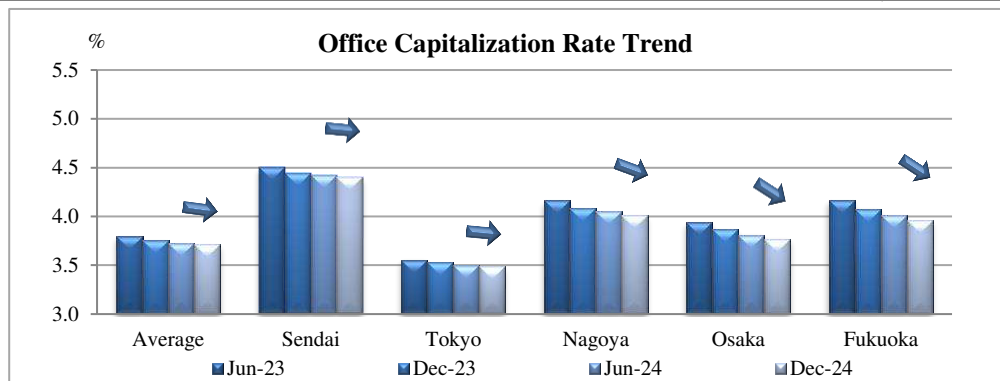


* The trend of Cap Rate for private nursing homes in 23 wards of Tokyo

Capitalization Rate

Office

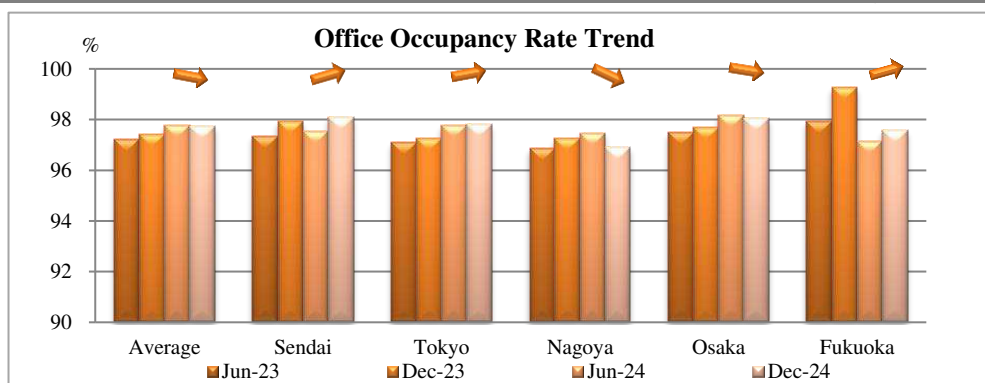
	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	3.80	3.75	3.73	3.71	-0.02
Sendai	4.50	4.45	4.42	4.40	-0.02
Tokyo	3.56	3.52	3.50	3.49	-0.01
Nagoya	4.16	4.08	4.05	4.01	-0.04
Osaka	3.94	3.87	3.81	3.77	-0.04
Fukuoka	4.16	4.07	4.01	3.96	-0.05



Occupancy Rate

Office

	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	97.23	97.41	97.76	97.73	-0.03
Sendai	97.36	97.92	97.53	98.07	+0.54
Tokyo	97.10	97.25	97.78	97.80	+0.02
Nagoya	96.87	97.25	97.47	96.90	-0.57
Osaka	97.49	97.69	98.19	98.03	-0.16
Fukuoka	97.92	99.25	97.13	97.57	+0.44

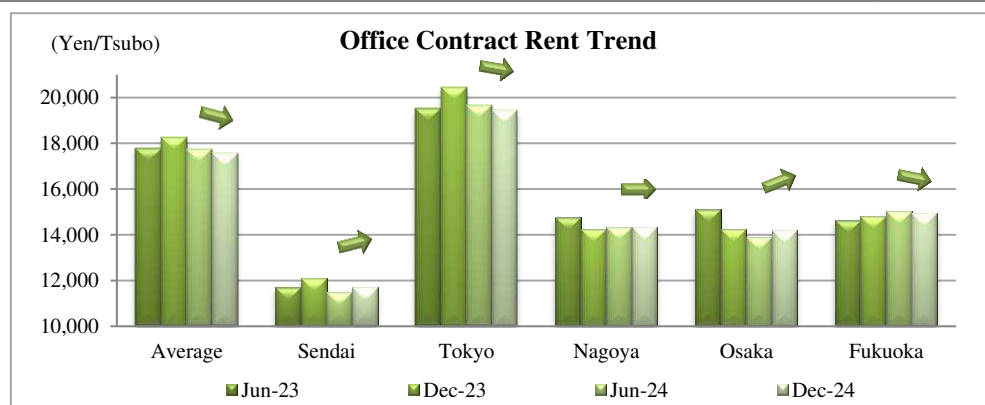


Contract Rent

Office

Unit: Yen/Tsubo, Monthly

	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	17,789	18,277	17,746	17,574	-172
Sendai	11,711	12,099	11,505	11,705	+200
Tokyo	19,535	20,454	19,662	19,450	-212
Nagoya	14,744	14,266	14,321	14,313	-8
Osaka	15,107	14,243	13,886	14,187	+301
Fukuoka	14,653	14,825	15,013	14,930	-83

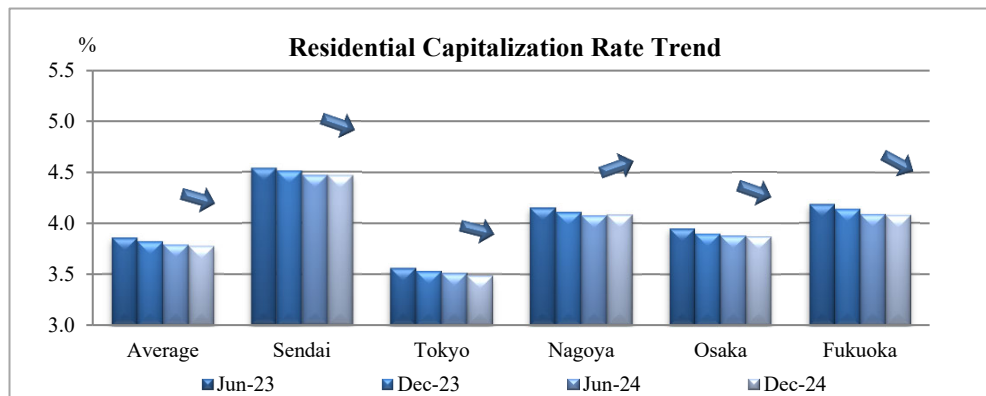


● J-REIT Report Residence

Capitalization Rate

Residential

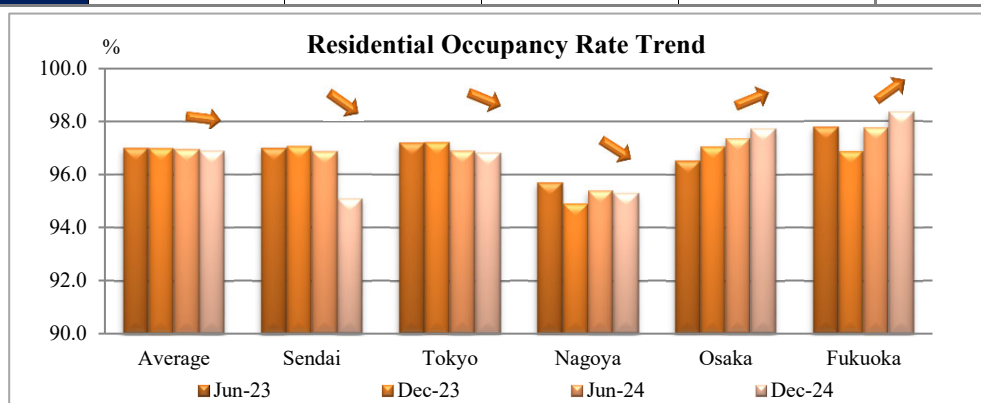
	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	3.86	3.82	3.79	3.77	-0.02
Sendai	4.54	4.51	4.47	4.46	-0.01
Tokyo	3.56	3.53	3.51	3.49	-0.02
Nagoya	4.16	4.11	4.08	4.09	+0.01
Osaka	3.95	3.90	3.88	3.87	-0.01
Fukuoka	4.19	4.14	4.09	4.08	-0.01



Occupancy Rate

Residential

	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	96.99	96.99	96.95	96.89	-0.06
Sendai	96.99	97.06	96.86	95.09	-1.77
Tokyo	97.20	97.22	96.90	96.82	-0.08
Nagoya	95.70	94.91	95.39	95.29	-0.10
Osaka	96.53	97.06	97.37	97.73	+0.36
Fukuoka	97.80	96.88	97.77	98.36	+0.59

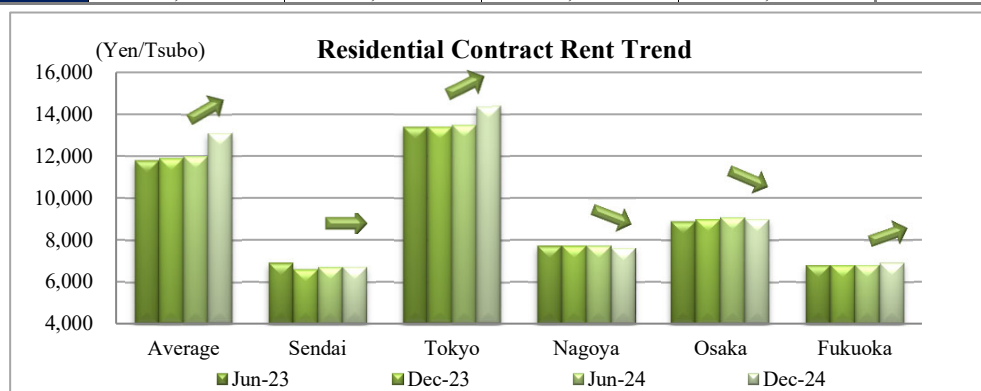


Contract Rent

Residential

Unit: Yen/Tsubo, Monthly

	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	11,800	11,900	12,000	13,100	+1,100
Sendai	6,900	6,600	6,700	6,700	±0
Tokyo	13,400	13,400	13,500	14,400	+900
Nagoya	7,700	7,700	7,700	7,600	-100
Osaka	8,900	9,000	9,100	9,000	-100
Fukuoka	6,800	6,800	6,800	6,900	+100



Capitalization Rate (Urban)

Retail

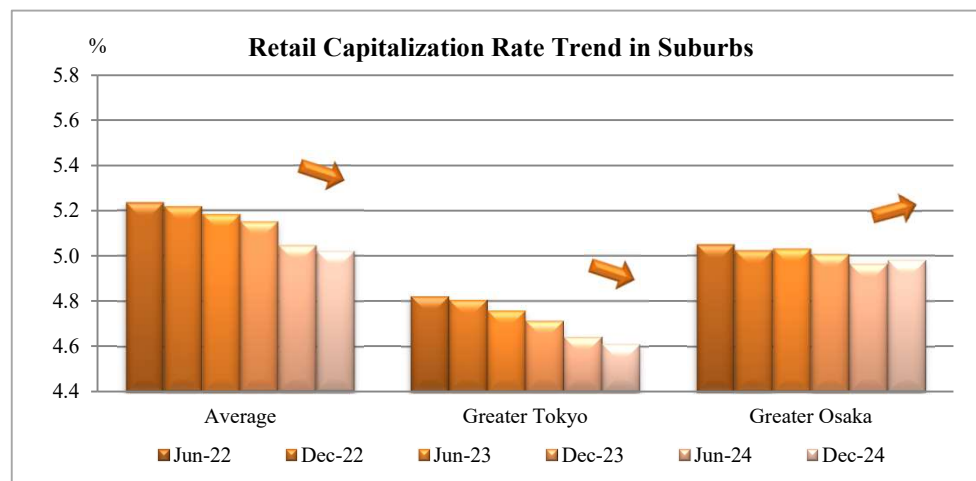
	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	3.68	3.67	3.62	3.59	3.57	3.56	-0.01
Tokyo	3.42	3.41	3.38	3.33	3.32	3.31	-0.01
Osaka	3.69	3.68	3.66	3.62	3.60	3.59	-0.01



Capitalization Rate (Suburb)

Retail

	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	5.23	5.22	5.18	5.15	5.05	5.02	-0.03
Greater Tokyo	4.82	4.81	4.76	4.71	4.64	4.61	-0.03
Greater Osaka	5.05	5.02	5.03	5.01	4.97	4.98	+0.02

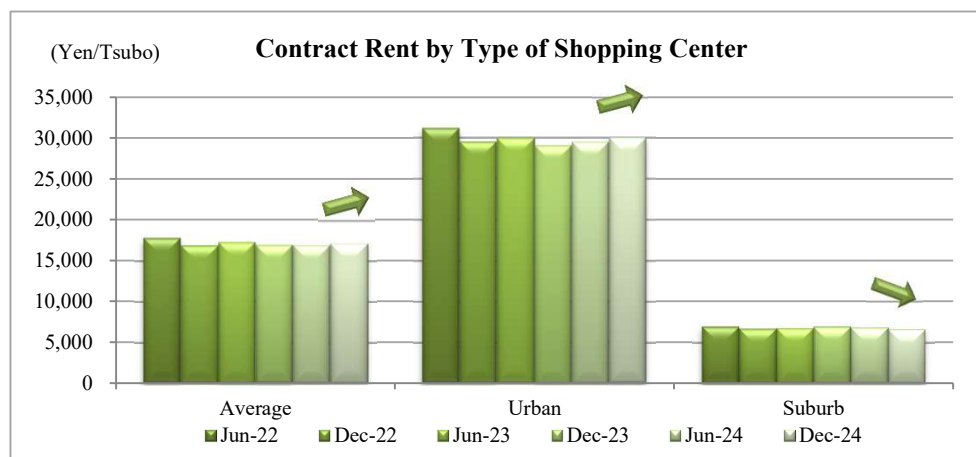


Contract Rent

Retail

Unit : Yen/Tsubo, Monthly

	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	17,793	16,888	17,284	16,939	16,886	17,103	+217
Urban	31,150	29,535	29,941	29,032	29,470	29,989	+520
Suburb	6,974	6,685	6,790	6,931	6,819	6,620	-199

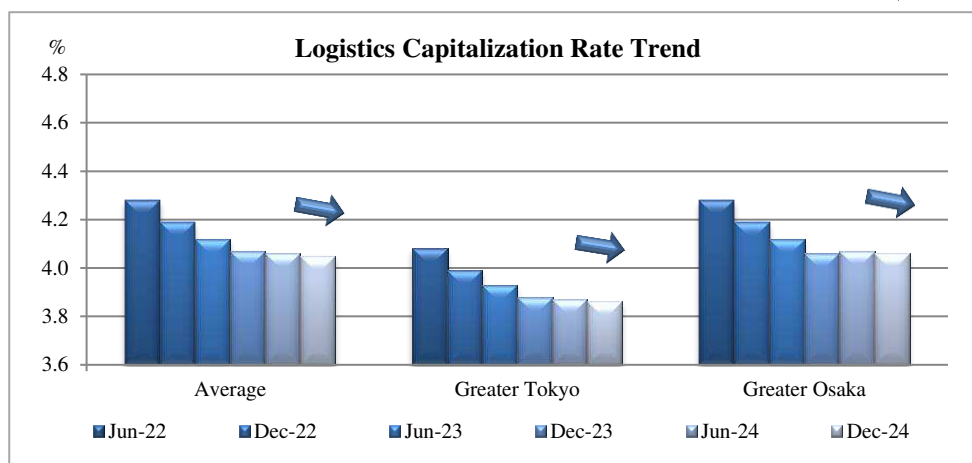


● J-REIT Report Logistics

Capitalization Rate

Logistics

	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	4.28	4.19	4.12	4.07	4.06	4.05	-0.01
Greater Tokyo	4.08	3.99	3.93	3.88	3.87	3.86	-0.01
Greater Osaka	4.28	4.19	4.12	4.06	4.07	4.06	-0.01

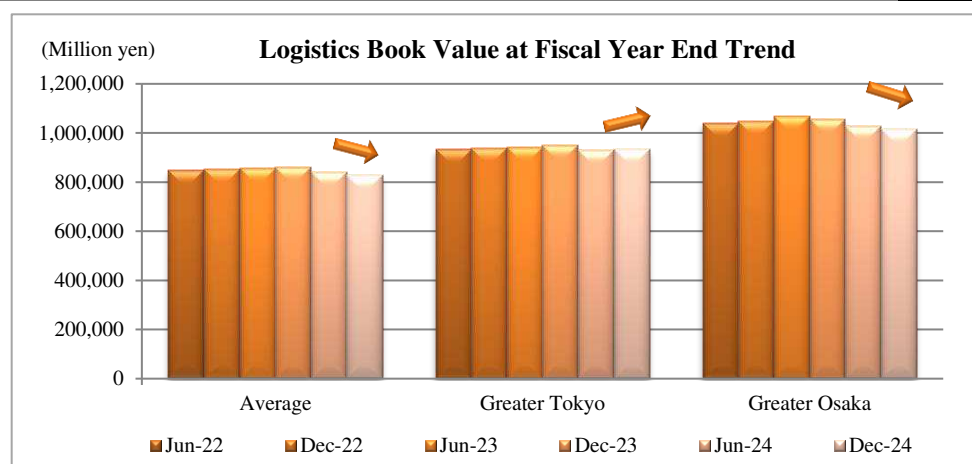


Book Value at Fiscal Year End

Logistics

Unit: Million yen

	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	compared to previous period
Average	848,228	852,660	857,446	861,068	839,777	826,437	-13,340
Greater Tokyo	932,287	939,057	941,055	949,655	927,572	932,771	+5,199
Greater Osaka	1,041,348	1,047,114	1,066,415	1,054,854	1,025,848	1,016,965	-8,883



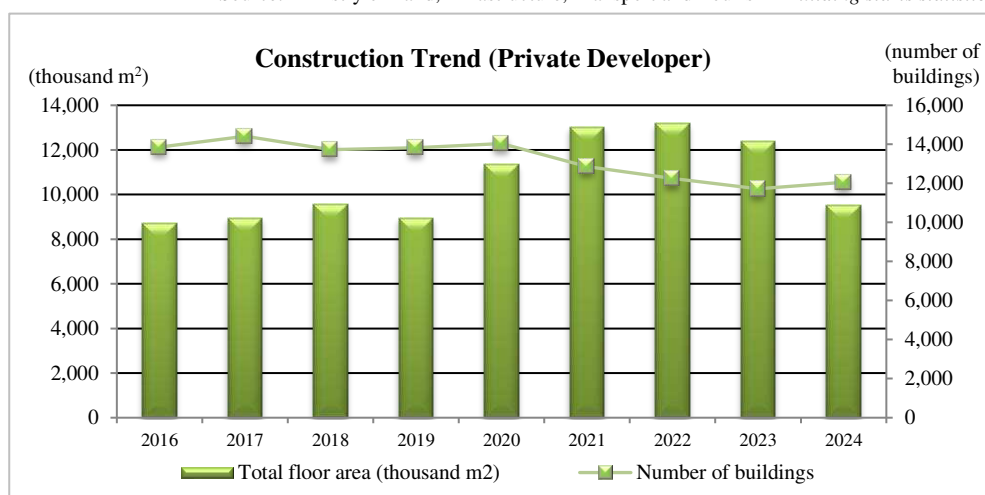
Construction Trend

Logistics

Building construction starts

	2016	2017	2018	2019	2020	2021	2022	2023	2024	YoY
Total floor area (thousand m ²)	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

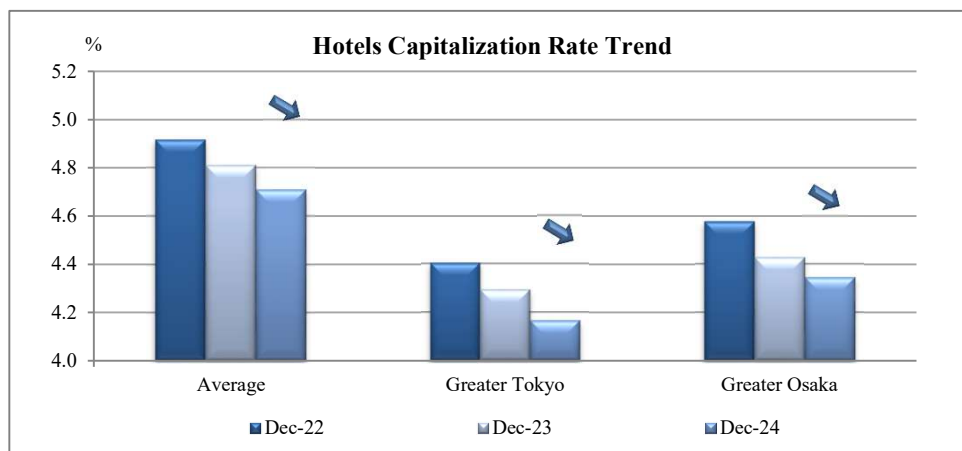
Source: Ministry of Land, Infrastructure, Transport and Tourism "Building starts statistical survey"



Capitalization Rate

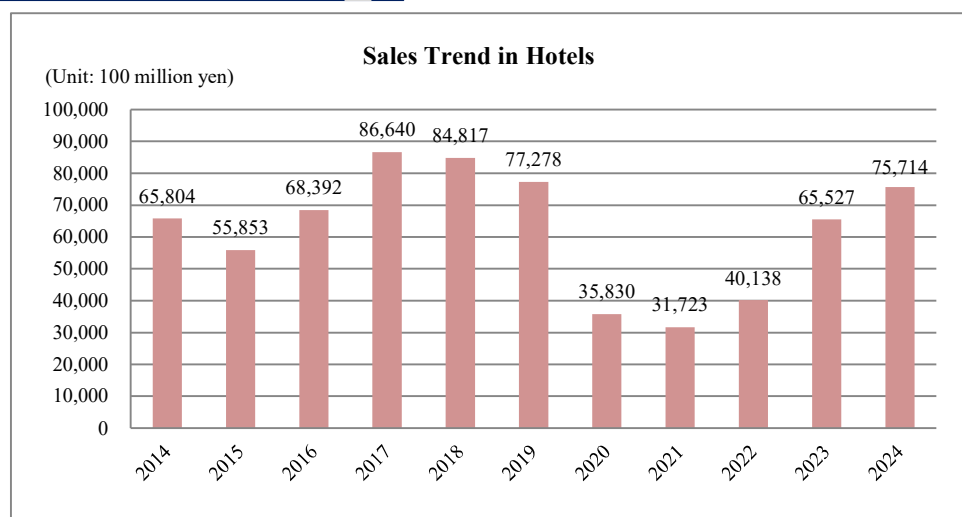
Hotel

	Dec-22	Dec-23	Dec-24	compared to previous period
Average	4.92	4.81	4.71	-0.10
Greater Tokyo	4.40	4.29	4.17	-0.13
Greater Osaka	4.57	4.43	4.34	-0.08



Hotel Sales

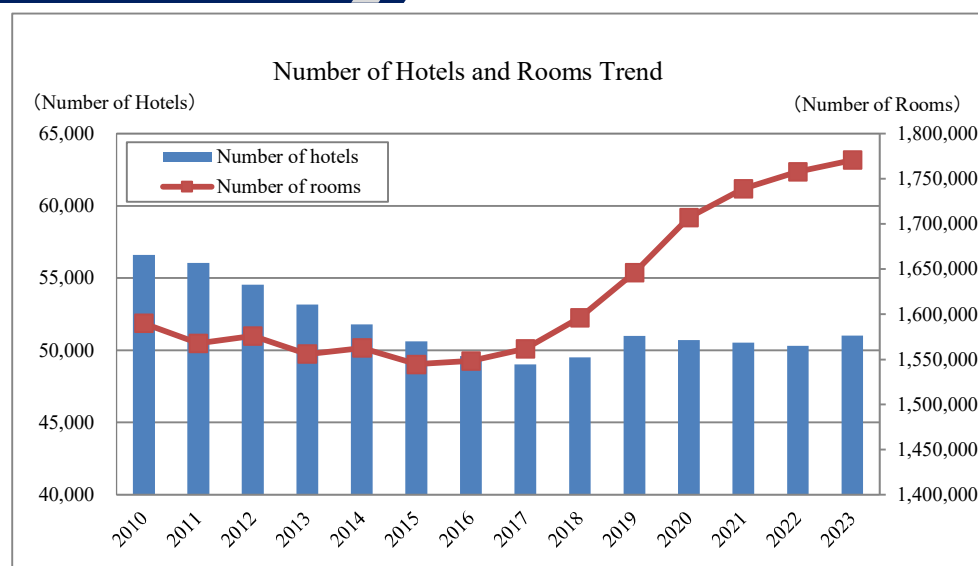
Hotel



Source: Policy Research Institute, Ministry of Finance Japan

Number of Hotels and Rooms

Hotel



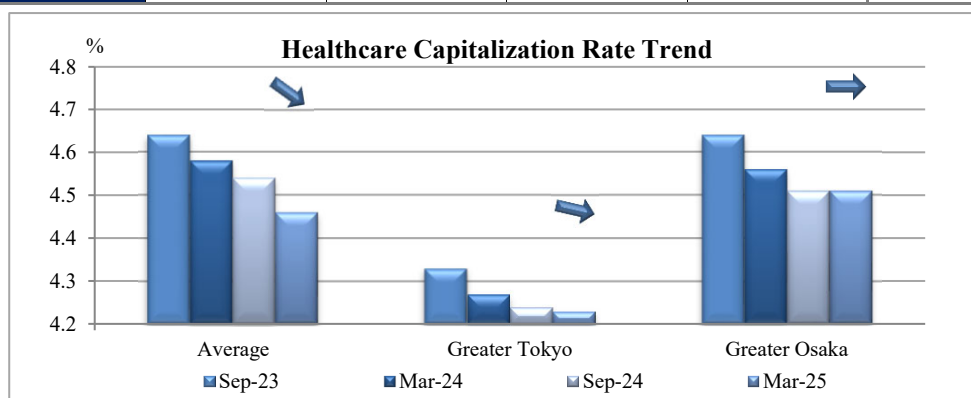
Source: Ministry of Health "Report on Public Health Administration and Services"

● J-REIT Report Healthcare

Capitalization Rate

HealthCare

	Sep-23	Mar-24	Sep-24	Mar-25	compared to previous period
Average	4.64	4.58	4.54	4.46	-0.08
Greater Tokyo	4.33	4.27	4.24	4.23	-0.01
Greater Osaka	4.64	4.56	4.51	4.51	±0.00



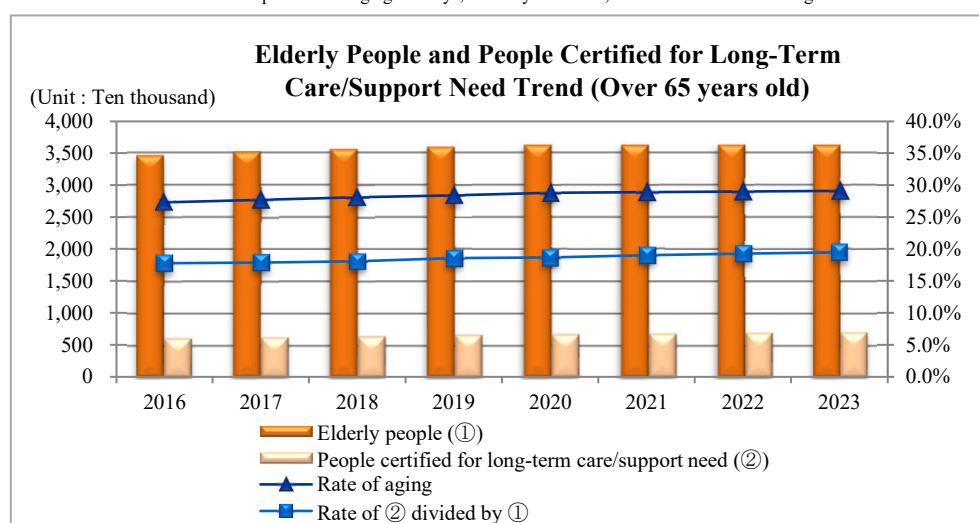
Elderly People and People Certified for Long-Term Care/Support Need

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"

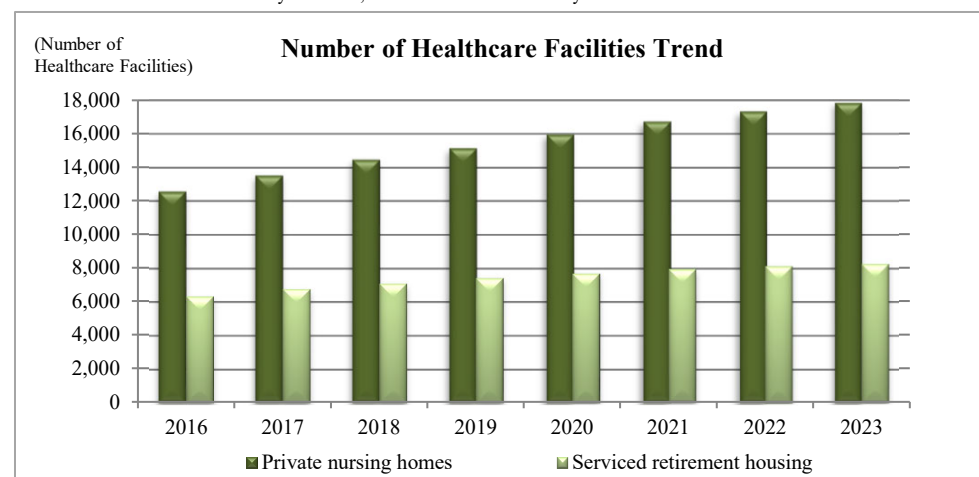


Healthcare Facilities

HealthCare

	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 (%)
JMF	JMF-Bldg. Nagoya Sakae 01	Naka-ku,Nagoya-shi,Aichi	Sep-08	Dec-24	9,689	3,567	3.7%
JRE	Hachioji First Square	Hachioji-shi, Tokyo	Jul-96	Dec-24	255	1,682	4.5%
TRI	AIG Kyoto Building	Shimogyo-ku,Kyoto-shi, Kyoto	Sep-01	Dec-24	1,510	1,888	4.0%

Residential

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
CRR	CAMPUS VILLAGE CHITOSE-KARASUYAMA	Setagaya-ku, Tokyo	Mar-23	Nov-24	4,126	3,552	3.9%
SRR	S-FORT Nishikujo	Konohana-ku, Osaka-shi, Osaka	Jan-09	Nov-24	657	1,923	3.9%
NHR	Oshiage Park Square	Sumida-ku, Tokyo	Sep-91	Dec-24	2,163	2,587	3.5%

Retail

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
JMF	G-Bldg. Jingumae 10	Shibuya-ku, Tokyo	May-12	Oct-24	7,020	8,528	4.0%
JMF	unimo chiharadai	Ichihara-shi, Chiba	Aug-07	Oct-24	30,000	2,080	4.8%
UUR	MALera Gifu	Motosu-shi,Gifu	Apr-06	Jan-25	1,800	1,596	4.9%

Logistics

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
MFL	i Missions Park Ichikawa-Shiohama	Ichikawa-shi, Chiba	Aug-19	Nov-24	24,300	1,479	3.5%
NPR	Prologis Park Yachiyo1	Yachiyo-shi, Chiba	Sep-22	Dec-24	39,000	972	3.8%
KDXR	KDX Logistics Ondabara	Shizuoka-shi,Shizuoka	May-24	Jan-25	12,400	898	4.2%

Hotel

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
HRR	KAI Poroto	Shiraoi-gun, Hokkaido	Oct-21	Jan-25	3,060	2,056	4.7%
JPR	The Royal Park Canvas Nagoya	Nakamura-ku,Nagoya-shi, Aichi	Oct-13	Oct-24	6,500	4,144	3.8%
TLR	QUINTESSA HOTEL SAPPORO	Chuo-ku, Sapporo-shi, Hokkaido	Apr-93	Sep-24	5,350	1,656	4.6%

HealthCare

REIT	Name of Property	Location	Construction Date	Transaction Date	Sales Price (Million yen)	@NRV (Thousand yen/Tsubo)	CR (%)
HCM	TSUKUI SUNSHINE YOKOHAMA TOTSUKA	Totsuka-ku, Yokohama-shi, Kanagawa	Jan-10	Dec-24	1,150	1,421	4.0%
KDXR	SOMPO Care LAVIERE Motosumiyoshi	Nakahara-ku, Kawasaki-shi, Kanagawa	Aug-24	Feb-25	3,730	3,103	3.7%
UUR	Rehabilitation Home Bonsejour Kita-Matsudo	Matsudo-shi,Chiba	Sep-16	Mar-25	1,128	1,568	4.2%

*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)
Daiwa Real Estate Appraisal	4,626,002	Daiwa Real Estate Appraisal	5,383,026	Daiwa Real Estate Appraisal	5,438,450
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
Daiwa Real Estate Appraisal	123	Daiwa Real Estate Appraisal	126	Daiwa Real Estate Appraisal	130
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 March 31, 2025)

Types Appraisal Firms	Office	Residence	Retail	Hotel	Elderly Housing &Facilities	Logistics	Leased Fee Interests	Parking Lot	Others	Total
Japan Real Estate Institute	355	630	189	134	65	155	51	0	24	1,603
Daiwa Real Estate Appraisal	353	444	93	70	55	25	25	1	1	1,067
Tanizawa Sogo Appraisal	167	315	96	62	76	187	73	0	2	978
JLL Morii Valuation & Advisory	43	275	10	38	9	50	17	0	0	442
Chuo Real Estate Appraisal	36	156	5	3	1	0	2	0	0	203
Japan Valuers	39	148	32	43	10	14	2	0	2	290
Rich Appraisal Institute	11	26	1	25	7	0	1	0	0	71
CBRE	5	1	28	2	4	40	5	0	8	93
Assets R&D	0	19	0	0	0	0	0	0	0	19
Asset Research	0	12	0	0	0	0	0	0	0	12
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	1,030	2,051	456	380	227	472	176	1	37	4,830

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.

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
Occupancy Rate It is the average occupancy rate of each area at the end of terms announced by investment corporations on their settle-ment.	OJR ORIX JREIT,Inc.	NRT Nippon REIT Investment Corporation
	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.
NRV Abbreviation for Net Rentable Value It is the unit price per tsubo for the rentable area.	MTR MORI TRUST Reit,Inc.	LLR Lasalle Logiport REIT
	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
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.	JLF Japan Logistics Fund,Inc.	MRR marimo Regional Revitalization REIT,Inc
	FRC Fukuoka REIT Co.,Ltd.	MFL Mitsui Fudosan Logistics Park Inc.
	KDXR KDX Realty Investment Corp.	NHR Nippon Hotel & Residential Investment Corporation (former Ooedo 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	EJR ESCON JAPAN REIT Investment Corporation
	JEI Japan Excellent,Inc.	SRE SANKEI REAL ESTATE Inc.
	NAF Nippon Accommodations Fund	CRR COMFORIA RESIDENTIAL REIT
	MHR MORI HILLS REIT INVESTMENT CORPORATION	NPR Nippon Prologis REIT
	IIF Industrial&Infrastructure Fund Investment Corporation	HRR Hoshino Resorts REIT,Inc.
	ADR Advance Residence Investment Corporation	SLR SOSiLA Logistics REIT,Inc
	API Activia Properties,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.	



DAIWA REAL ESTATE APPRAISAL CO.,LTD.
大和不動産鑑定株式会社

Tokyo Head Office Palace Side Building 3F 1-1-1, Hitotsubashi, Chiyoda-ku, Tokyo Postal cord:100-0003

☎+81-(0)3-5219-3210 📠+81-(0)3-5219-3220

Osaka Head Office ORIX Honmachi Building 11F 1-4-1, Nishi-Honmachi, Nishi-ku, Osaka Postal cord:550-0005

Other Offices Sendai / Yokohama / Nagoya / Kyoto / Nara / Fukuoka / Kita-Kyushu/ Kobe