

Real Estate Market Trends

– Spring 2025 –

Research & Consulting Department
Nomura Real Estate Solutions Co., Ltd.



NEW VALUE, REAL VALUE — N.R.E. Group

NOMURA REAL ESTATE SOLUTIONS

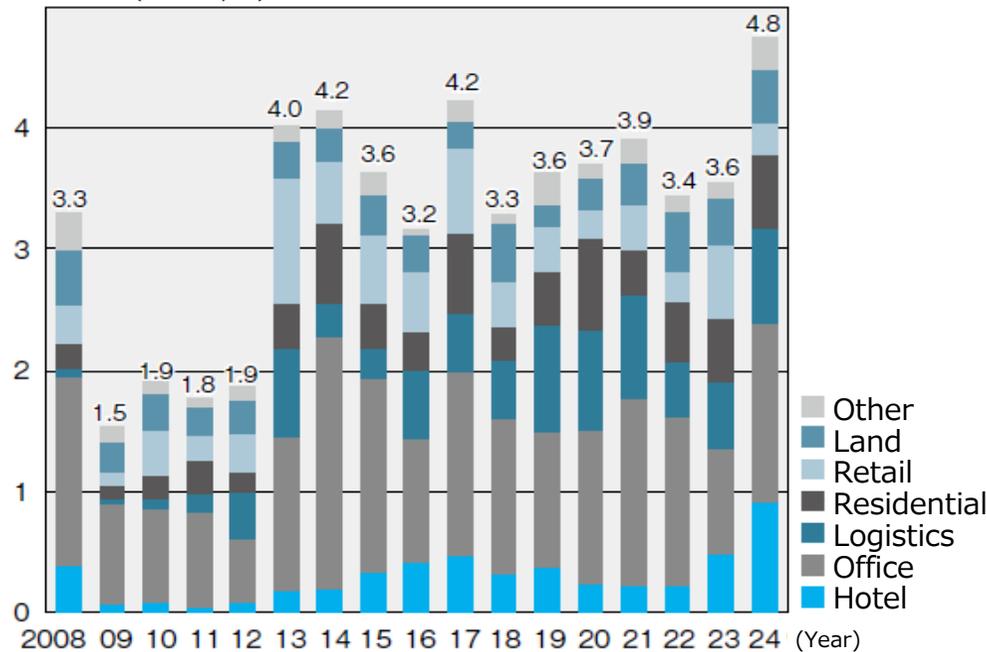


1 Commercial Real Estate Transactions (offices, hotels, stores, etc.)

- Real estate transactions for 2024 (full year) was 4.8 trillion yen (+36% YoY), the highest since the 2008 financial crisis.
- Hotel and office acquisitions by foreign capital are notable. Increased J-REIT property sales (2024: 662.3 billion yen, +87% YoY) contributed to the increase in transactions.
Reference: 2024 J-REIT acquisitions was 1.3 trillion yen (+22% YoY.)

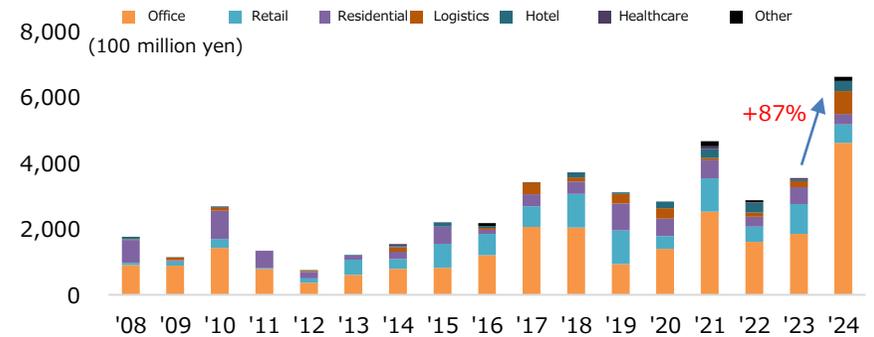
Real estate transactions

Transactions (Trillion yen)



Source:
Nikkei Real Estate Market Report - Reprinted Feb. 2025

J-REIT property sales



Source: Prepared by Nomura Real Estate Asset Management from ARES

Examples of high-value real estate transactions

Name of property	Timing	Estimated amount	Notes
Tokyo Garden Terrace Kioicho	Dec.	About 400.0 billion yen	Blackstone acquired from Seibu Group
Shibuya Sakura Stage	Feb.	About 100.0 billion yen	Some office floors. Acquired by institutional investors, Tokyu Land funds, etc.
Grand Nikko Tokyo Daiba (Hotel)	Oct.	About 107.0 billion yen	Angelo Gordon and Kenedix acquired from Hulic

Source: Prepared by Nomura Real Estate Asset Management from various articles (excerpts)
Note: Confirmed transactions only. Timing is at the time of confirmation, contract, or delivery.

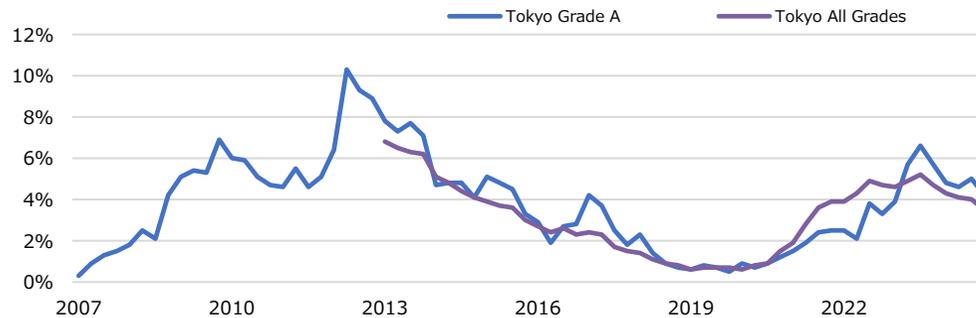


2-1 Office Trends in Major Cities (Tokyo)

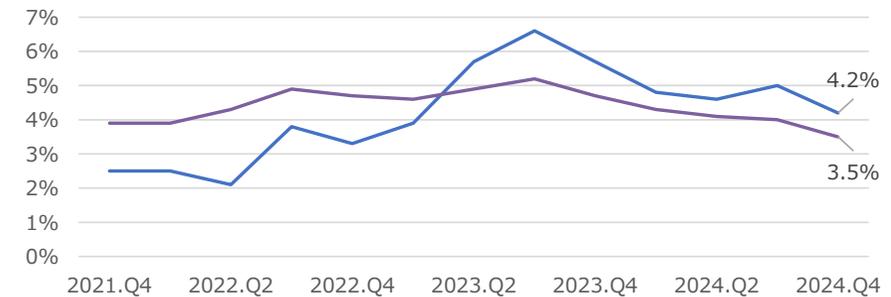
[Tokyo] The Grade A vacancy rate fell by 0.8 points q-o-q to 4.2%, and rents rose by 2.0% q-o-q to 36,450 yen per tsubo. Grade A rent revenue is expected to continue rising, but at a slower rate. It is expected to increase by 4.1% over the next year. The vacancy rate of all grades fell by 0.5 points q-o-q to 3.5%, and rents rose by 0.7% q-o-q to 21,780 yen per tsubo. The vacancy rate fell below 4% for first time in three years. New demand is 50,000 tsubo, approximately 20% above the historical average. In addition to moving to higher grade properties, location improvements, and expansions, there were also relocations from company-owned buildings and opening of new branch offices.

Area		2024.Q1	2024.Q2	2024.Q3	2024.Q4
Tokyo Grade A	Vacancy rate (%)	4.8%	4.6%	5.0%	4.2%
	Assumed achievable rent (yen)	34,900	35,350	35,750	36,450
Tokyo All Grades	Vacancy rate (%)	4.3%	4.1%	4.0%	3.5%
	Assumed achievable rent (yen)	21,370	21,480	21,620	21,780

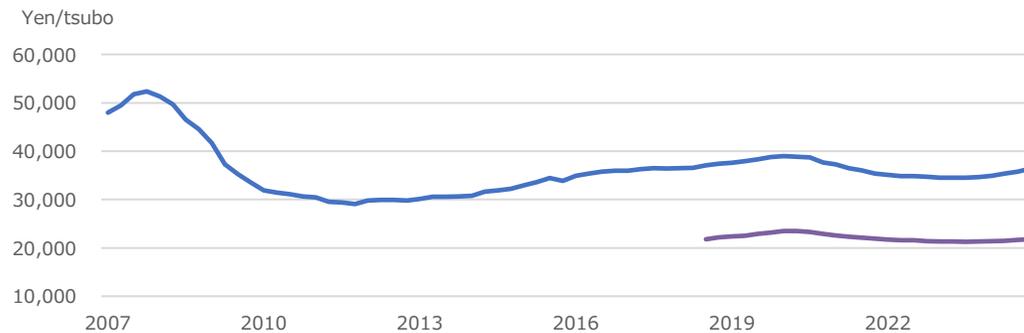
■ Vacancy rate (Long-term changes: from Q1 2007) * Data from Q1 2013 for Tokyo All Grades



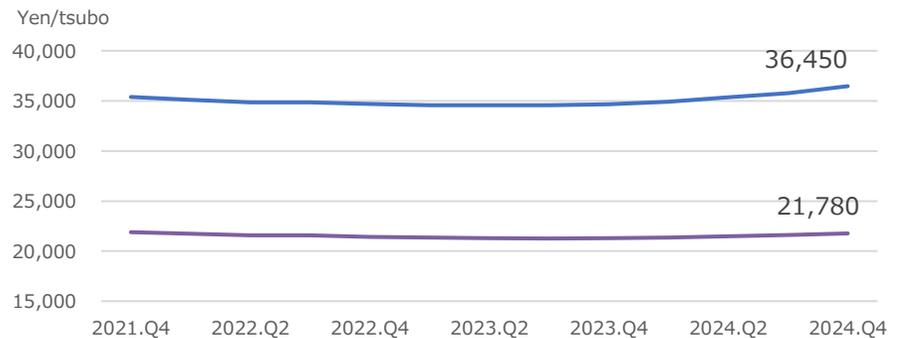
■ Vacancy rate (Short-term changes: from Q4 2021)



■ Rent revenue (Long-term changes: from Q1 2007) * Data from Q3 2018 for Tokyo All Grades



■ Rent revenue (Short-term changes: from Q4 2021)



Source: Prepared by Nomura Real Estate Solutions based on "Japan Office Market View" by CBRE

2-2 Office Trends in Major Cities (Osaka)

[Osaka] The Grade A vacancy rate fell by 0.7 points q-o-q to 4.9%, and rents rose by 0.4% q-o-q to 24,150 yen per tsubo.

As vacancy rates are forecast to trend downwards, rents are also expected to continue to trend slightly upwards. Grade A rents are forecast to increase 1.7% over the next year.

The All Grades vacancy rate fell by 0.3 points q-o-q to 3.1%, and rents rose by 0.3% q-o-q to 14,310 yen per tsubo.

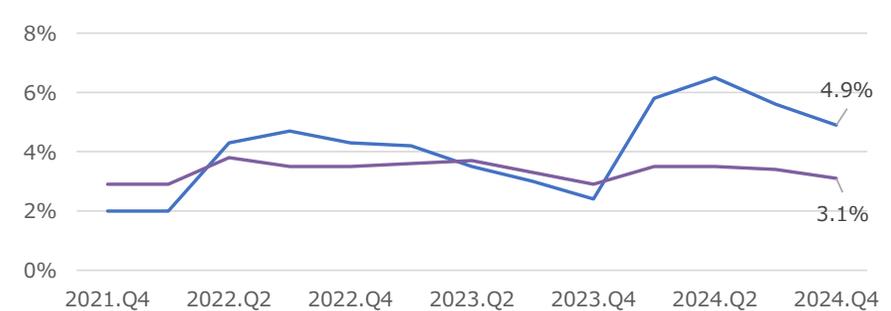
Annual new demand was 81,000 tsubo, the largest since the survey began. Rents will continue to increase in All Grades as in the previous quarter.

Area		2024.Q1	2024.Q2	2024.Q3	2024.Q4
Osaka Grade A	Vacancy rate (%)	5.8%	6.5%	5.6%	4.9%
	Assumed achievable rent (yen)	23,900	23,950	24,050	24,150
Osaka All Grades	Vacancy rate (%)	3.5%	3.5%	3.4%	3.1%
	Assumed achievable rent (yen)	14,220	14,240	14,270	14,310

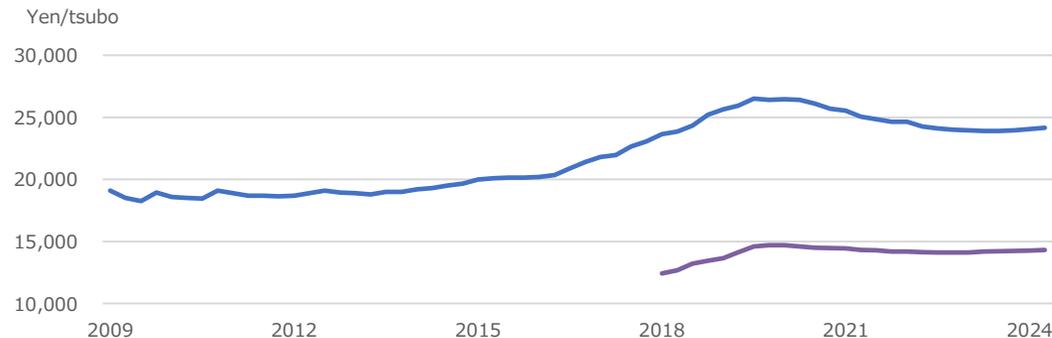
■ Vacancy rate (Long-term changes: from Q1 2007) * Data from Q2 2014 for Osaka All Grades



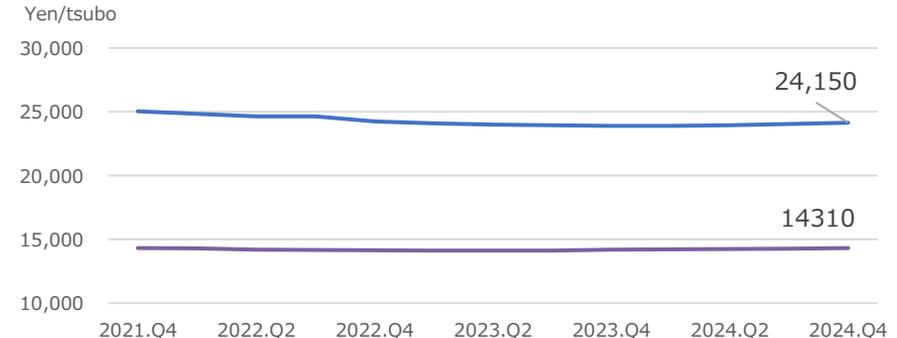
■ Vacancy rate (Short-term changes: from Q4 2021)



■ Rent revenue (Long-term changes: from Q3 2009) * Data from Q3 2018 for Osaka All Grades



■ Rent revenue (Short-term changes: from Q4 2021)



Source: Prepared by Nomura Real Estate Solutions based on "Japan Office Market View" by CBRE

2-3 Office Trends in Tokyo's Five Central Wards

- The average vacancy rate in the five central wards of Tokyo was 3.86% as of March (down 0.08 points from February). Large scale cancellations were seen, but vacancy across the entire Tokyo business district decreased by about 4,400 tsubo in the past month due to contract signings for location improvements and expansions. For newly constructed buildings, vacancy rates declined as two large-scale buildings were completed and were either fully occupied or at generally high occupancy. Existing buildings also saw large-scale cancellations due to relocations to company-owned buildings or newly constructed buildings, but there were also contracts signed for large buildings as well as small and medium-scale contracts signed.
- In addition to companies continuing to relocate or expand to secure/retain human resources, a reduction in WFH (introduced during the COVID-19 pandemic) and strengthened efforts to encourage employees back to the office have also contributed to a decline in vacancy rates.
- Average asking rents in the central five wards of Tokyo rose for the 15th consecutive month to 20,641 yen as of March (up 0.78% from February).

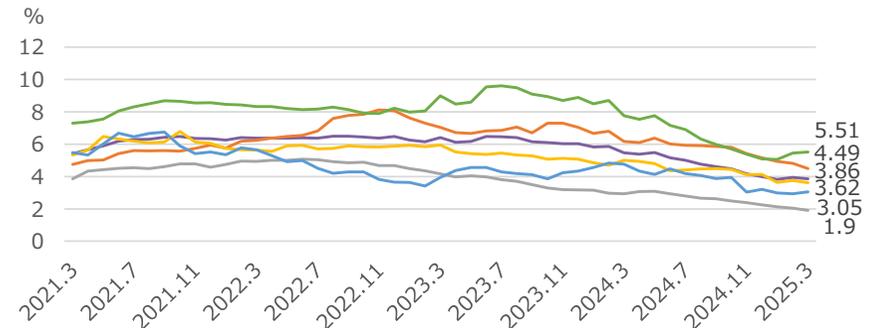
■ Average office vacancy rates (Long-term changes: from January 2009)



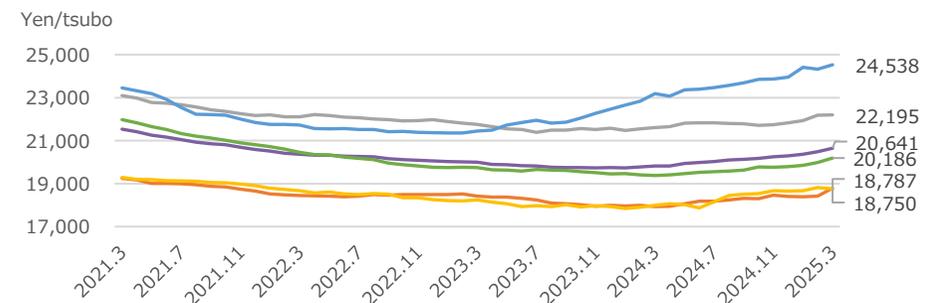
■ Average office asking rents by central wards (Long-term changes: from January 2009)



■ Average office vacancy rates (Short-term changes: from March 2021)



■ Average office asking rents by central wards (Short-term changes: from March 2021)

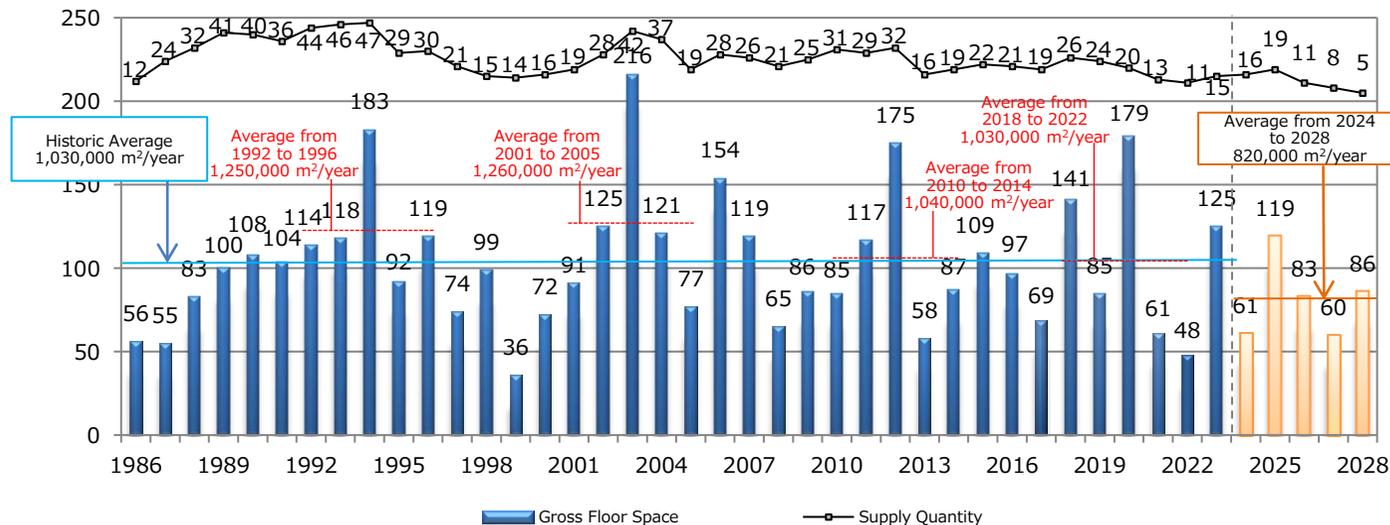


Source: Prepared by Nomura Real Estate Solutions based on data from Miki Shoji * Area and building standard covered by the survey: major office buildings for rent in the Tokyo business district (central five wards of Tokyo) with standard floor area of 100 tsubo or more, central five wards of Tokyo = Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward

2-4 Trends of Large-scale Offices in Tokyo's 23 Wards

- Regarding the supply of large office buildings in **Tokyo's 23 wards**, the average supply over the next five years from **2024 through 2028 (0.82 million m²/year)** is expected to fall below the historical average (1.03 million m²/year, from 1986 to 2023). In addition, the five-year average before and after years with high supply in the past was 1.25 million m² for 1994, 1.26 million m² for 2003, 1.04 million m² for 2012, and 1.03 million m² for 2020, and the impact from future supply on the office market is expected to be limited.
- Regarding the supply of large office buildings in **Tokyo's five central wards** (Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, and Shibuya Ward), the average supply in the next five years is expected to be **0.67 million m² per year, below the past 10-year average (0.86 million m²/year)**. Of the supply in Tokyo's 23 wards, the supply in the five central wards will account for 83% for the next five years, around the same level as the past 10-year average (85%).
- New demand for large office buildings in **Tokyo's 23 wards** in 2023 significantly increased to exceed the average level before the COVID-19 pandemic (2000 to 2019). **The vacancy rate at the end of 2023 fell 0.1 points to 5.8%, a decrease for the first time in four years since 2019.**
- The vacancy rate in major business districts was seen to be increasing but has fallen since 2024. Against the backdrop of firm needs for location and building grade improvement, it is expected that the vacancy rate will continue to improve.

Large office building supply trends in Tokyo's 23 wards



1986-2023
 (1) Properties supplied: 990
 (2) Gross floor space: 39,040,000 m²

2024-2028
 (1) Properties supplied: 59
 (2) Gross floor space: 4,080,000 m²

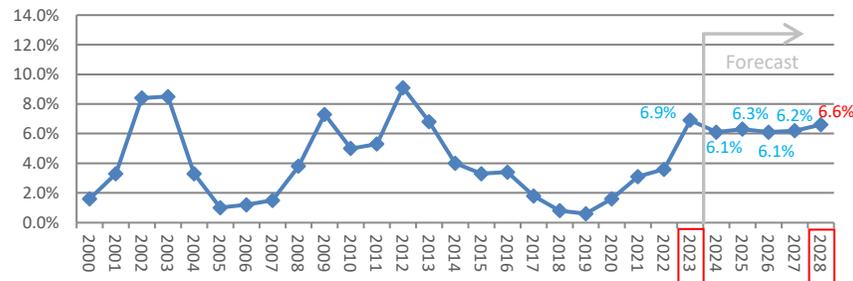
* The survey covered office buildings with a gross floor area of 10,000 m² or more (constructed after 1986) in Tokyo's 23 wards
 Source: Prepared by Nomura Real Estate Solutions based on data from Mori Building "Market Trends for Large-scale Office Buildings in Tokyo's 23 Wards in 2024"

2-5 Forecasts for the Office Market in the Three Major Metropolitan Areas

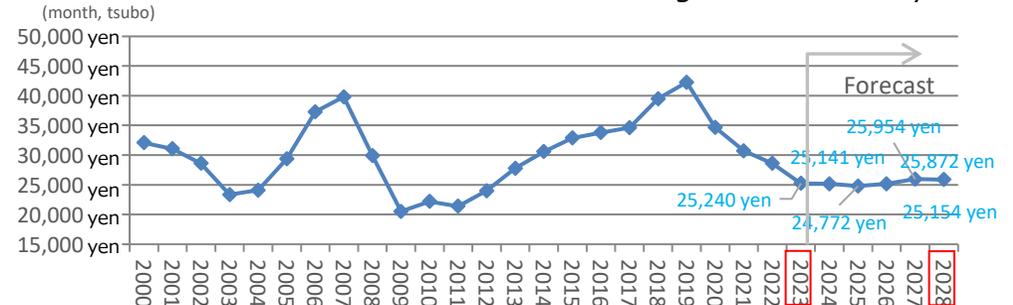
- New supply floor area of the Class-A buildings in central Tokyo will remain high supported by the demand to improve office environment on the back of labor shortage, etc. and **a rise in the vacancy rate is expected to be limited.**
- The achievable rent of Class-A buildings in central Tokyo **is expected to be at the 25,000 yen level**, the same as the current level (Q4 2023)
- The achievable office rent in Osaka is forecast to see a falling trend in line with supply and demand easing. Assuming that the rent in 2023 is "100," it is forecast to fall to "97" in 2024 and "93" in 2028.
- The achievable office rent in Nagoya is expected to hover around the current level due to a stable vacancy rate. Assuming that the rent in 2023 is "100," the rents in 2024 and 2025 are forecast to be "100" and "99" in 2028.
- Regarding these forecasts, Nomura Real Estate Solutions set the economic outlook, referring to the ESP Forecast Survey.

Source: NLI Research Institute estimated the actual values based on the "Office Rent Index" released by Sanko Estate and NLI Research Institute and the future outlook based on the "Office Rent Index" and others.

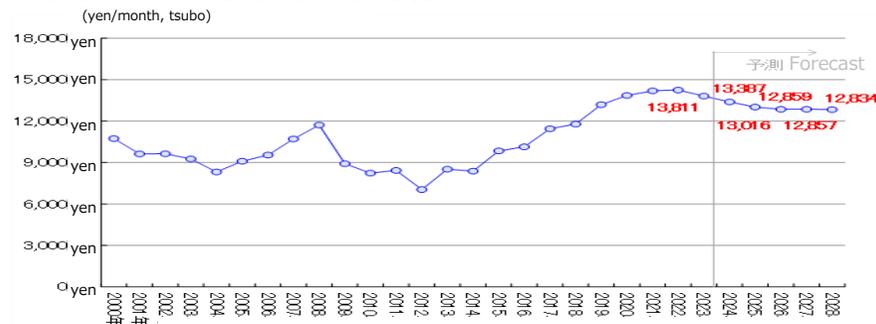
■ Vacancy rate outlook for Class-A buildings in central Tokyo



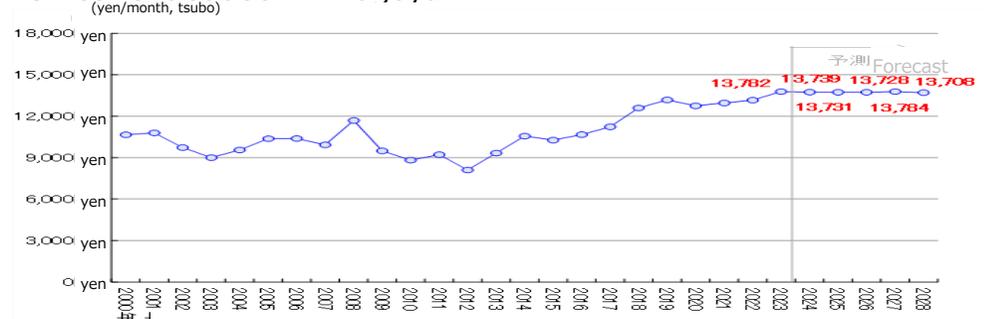
■ Achievable rent outlook for Class-A buildings in central Tokyo



■ Office rent outlook in Osaka



■ Office rent outlook in Nagoya



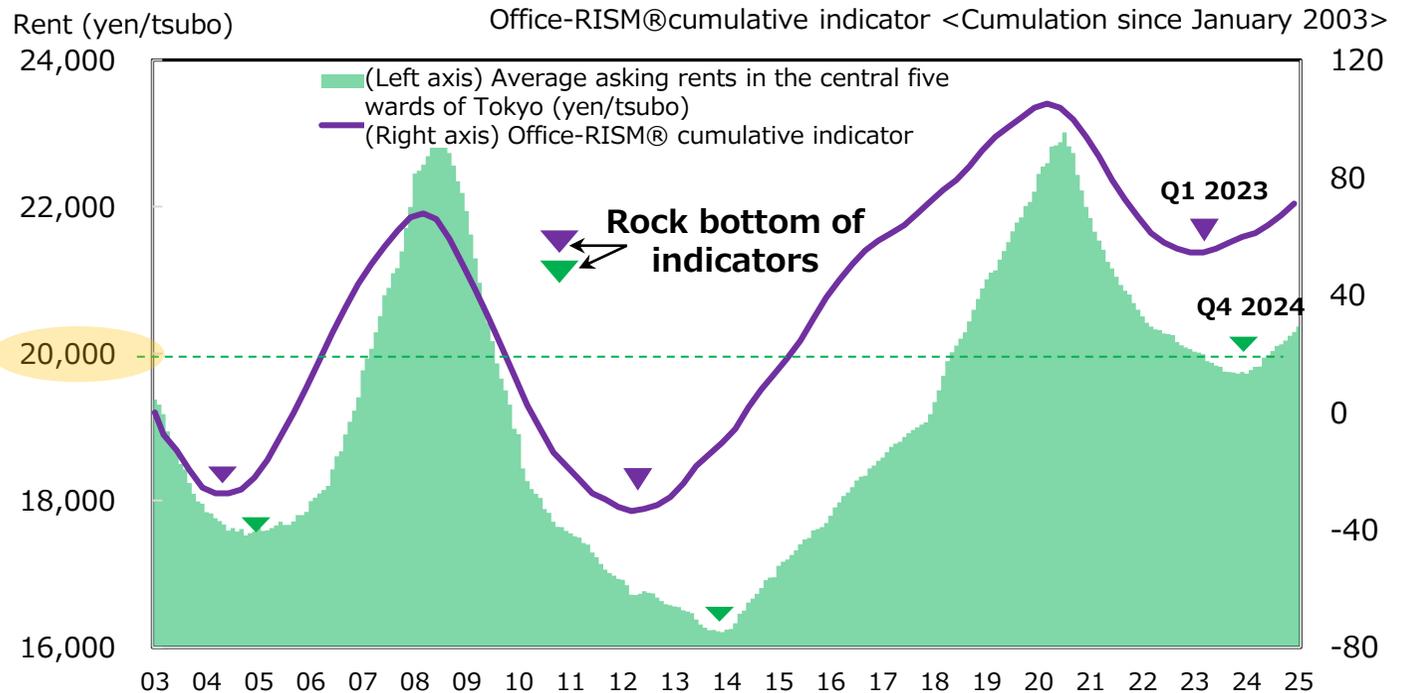
Source: NLI Research Institute estimated the actual values based on the "Office Rent Index" released by Sanko Estate and NLI Research Institute and the future outlook based on the "Office Rent Index" and others.

Note: The annual estimated values for Tokyo are published in the 4th quarter of each year. For Osaka and Nagoya, the values are published in the 2nd half of each year.

2-6 Office-RISM®* (Office leasing market indicator)

- Office-RISM (a cumulative indicator)** is a leading indicator to monitor the rent fluctuation.
- This indicator hit rock bottom in Q1 2023 and rose from there. Rents rebounded after hitting rock bottom in Q4 2023 less than a year later.
- Rents are likely to continue to rise.

■ Relationship between Office-RISM and rent



Office-RISM

- A unique indicator developed by Nomura Real Estate Asset Management.
- Intended to monitor and grasp comprehensively the office leasing market.
- The higher the indicator, the better the market conditions.
- The cumulative indicator comprises six indicators that show office supply and demand, business sentiment, and leasing conditions.

* Office-RISM® is a registered trademark of Nomura Real Estate Asset Management.

** Office-RISM cumulative indicator is a value cumulated and adjusted quarterly from the deviation from the base value (50)

Source: Prepared by Nomura Real Estate Asset Management based on materials of Miki Shoji and others

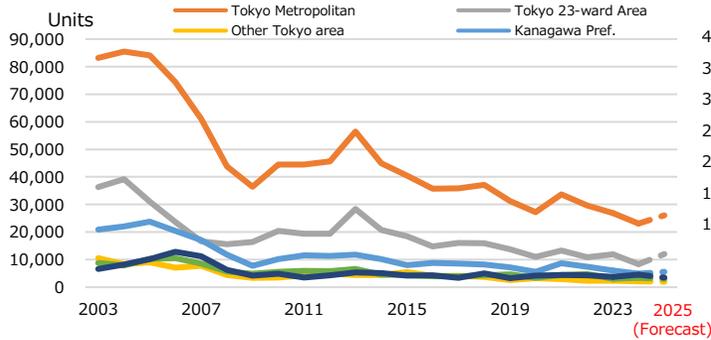


3. Residential for Sale

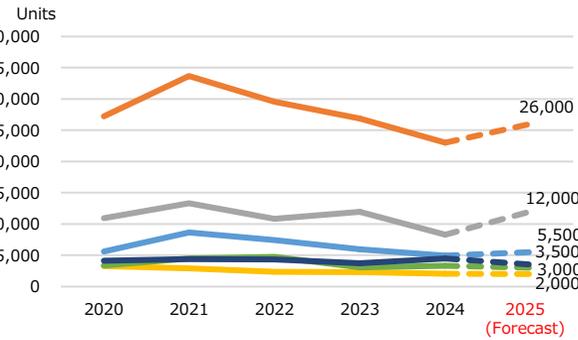
3 Supply and Price Trends of Residential for Sale in the Tokyo Metropolitan and Osaka Areas

- [Tokyo Metropolitan Area]** The supply of residential in the Tokyo Metropolitan area in 2025 is forecast to be 26,000 units (increase by 13.0% over the previous year). The Tokyo 23-ward area saw major growth. Large-scale high-rise projects in the Tokyo 23-ward area continue to be popular and once again lead the market. Inventory is stable at around 5,000 units. Construction starts from April have shown significant recovery within Tokyo. Attention is on popular areas in central Tokyo and its surrounding areas. Large-scale towers lead the market in nearby areas. The impact of rising interest rates is limited, but demand in suburbs may see decline due to price hikes.
- [Osaka Area]** The supply of residential in the Osaka area in 2025 is forecast to be 15,500 units (increase by 2.4% over the previous year). There is an increased shift to suburban areas, including high-rise and investment properties. Inventories and completed inventories continue to trend downward. Construction starts from January to October 2024 decreased 13.1% YoY. There are concerns about the impact on sale trends due to rising unit prices.

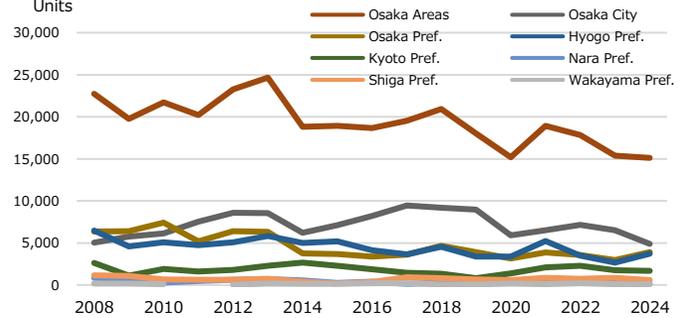
■ Supply trend: Tokyo Metropolitan Area



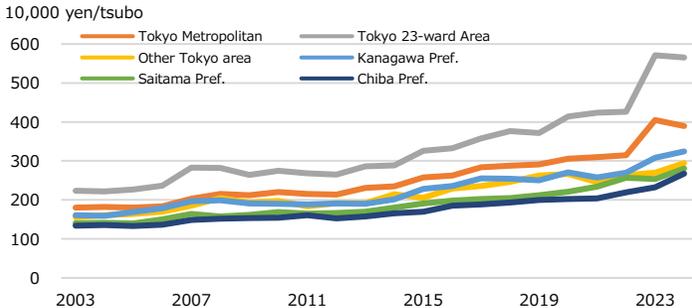
■ Supply trend: Tokyo Metropolitan Area (Short-term changes: from 2020)



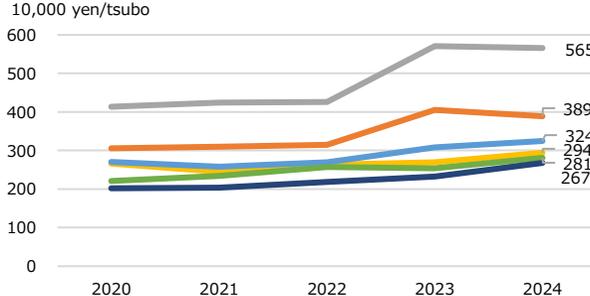
■ Supply trend: Osaka Area



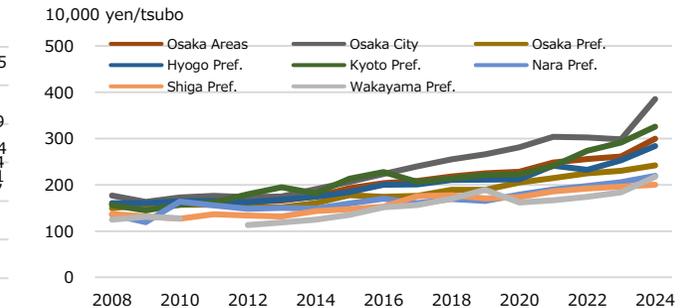
■ Price trend: Tokyo Metropolitan Area



■ Price trend: Tokyo Metropolitan Area (Short-term changes: from 2020)



■ Price trend: Osaka Area



Source: Compiled by Nomura Real Estate Solutions from the "Forecast of the Condominium Market in the Tokyo Metropolitan and the Osaka Areas," "Market Trends for Condominiums in the Tokyo Metropolitan" and "Market Trends for Condominiums in the Osaka Area" published by Real Estate Economic Institute

*No supply in Wakayama Pref. in 2011

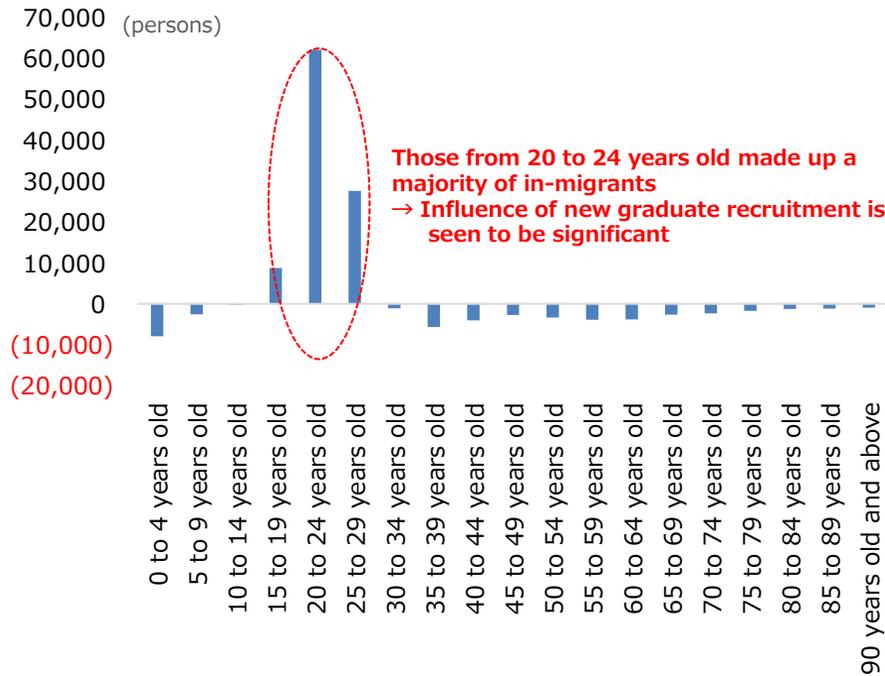


4. Residential for Rent

4-3 Trend of Residential for Rent (Trend of Net Number of Relocations and New Graduate Recruitment for Tokyo 23-ward Area)

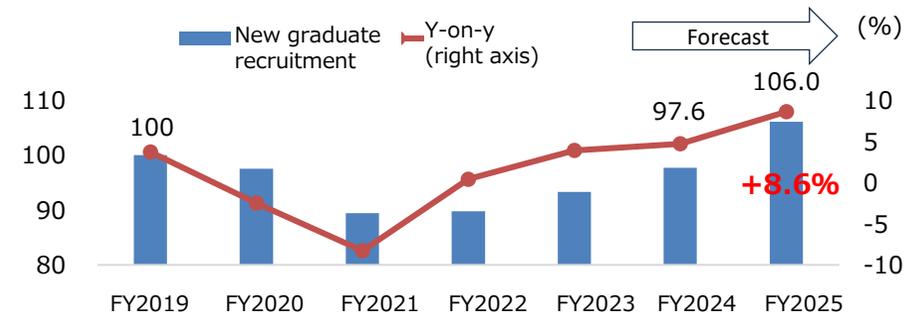
- By age, those from 20 to 24 years old made up a majority of Tokyo 23-ward area's net number of relocations, and the influence of new graduate recruitment was significant.
- The planned new graduate recruitment for fiscal 2025 (joining April 2025 to March 2026) continued to increase with an increase 8.6% compared to the previous year.
- Therefore, it is expected that Tokyo 23-ward area's net number of relocations will increase again from spring 2025.

■ Breakdown of Tokyo 23-ward area's net number of relocations (2023)



Source: Prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
Note: Includes foreigners

■ Trend of new graduate recruitment (FY2019 = 100)



Source: Prepared by NREAM based on "TANKAN" from Bank of Japan

■ Net number of relocations to Tokyo 23-ward area (12-month moving average)

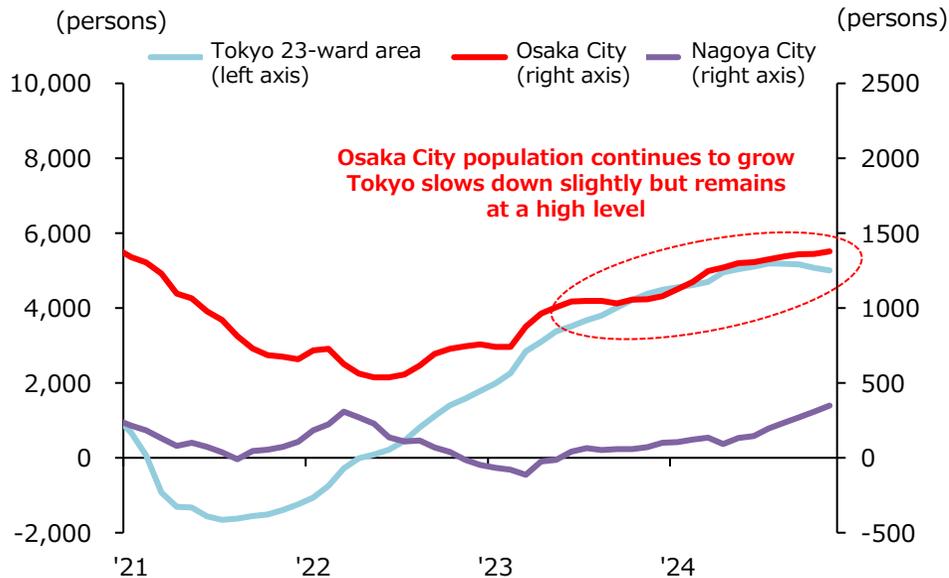


Source: Prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
Note: Includes foreigners

4-4 Trend of Residential for Rent (Trend of Net Number of Relocations and Rate of Discrepancy with Past 5-year Average of New Supply)

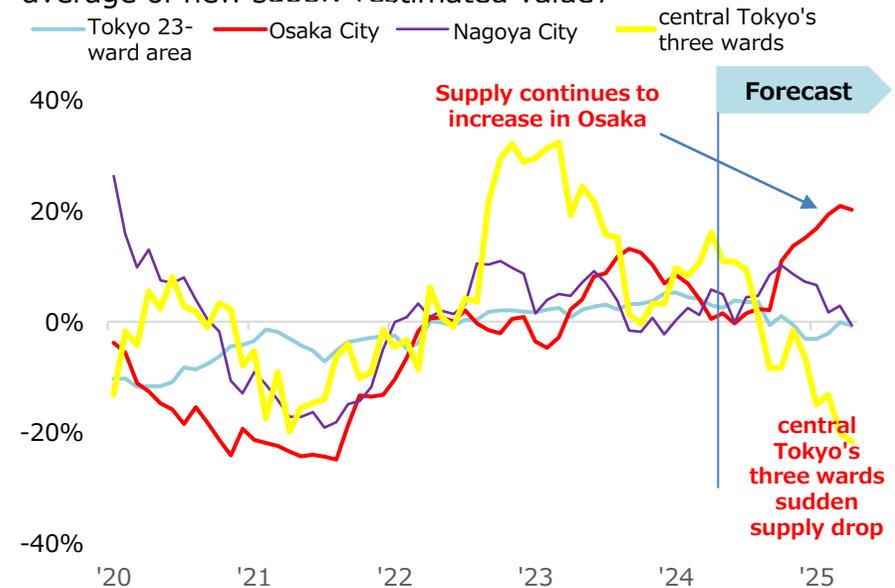
- The population of the Tokyo 23-ward area has continued to increase with a slight slowdown, and the population of Osaka continues to increase. Nagoya City is also growing.
- Supply for central Tokyo's three wards saw a sudden drop. On the other hand, a high level of new supply is expected for Osaka City in 2025.

■ Net number of relocations to Tokyo, Osaka, Nagoya (12-month moving average)



Source: Figures for net number of relocations prepared by NREAM based on data from the Ministry of Internal Affairs and Communications
Note: Includes foreigners

■ Trend of rate of discrepancy with past 5-year average of new supply (estimated value)



Source: Statistics for building starts from the Ministry of Land, Infrastructure, Transport and Tourism

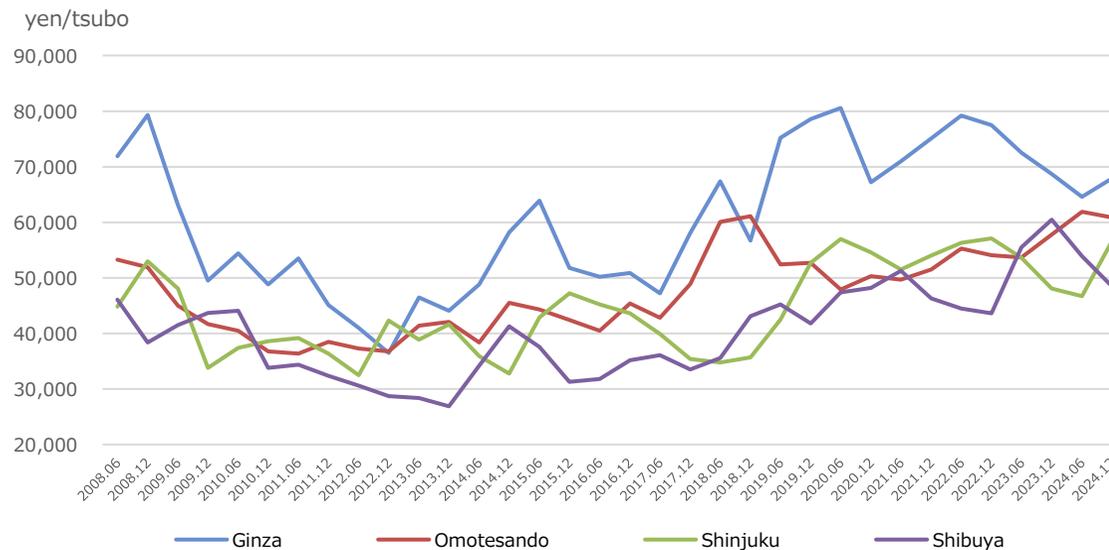
Note: Rate of discrepancy calculated based on rental housing constructions started (units) (12-month moving average); shown with a 1-year delay taking into account the period from building start to completion



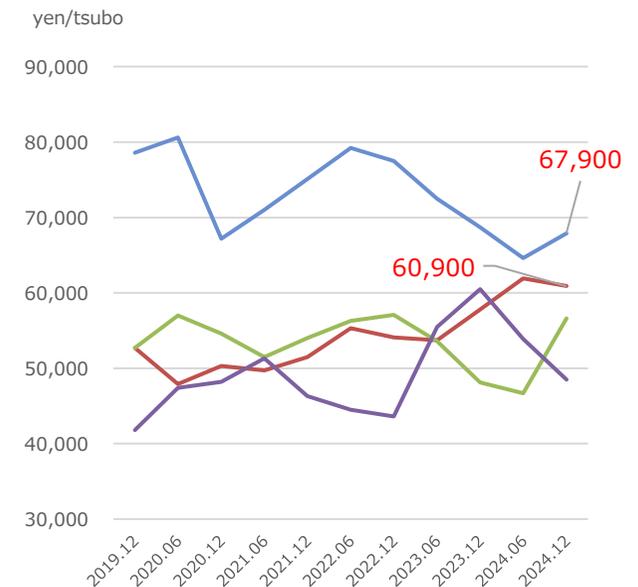
5-1 Trend of Retail (Tokyo)

- **[Ginza area]** Offered rents increased slightly q-o-q. Vacancies are declining with the number of offers trending downwards. The trend of high rents is expected to continue as long as property supply remains limited.
- **[Omotesando area]** Ground-floor offered rents decreased slightly q-o-q. Number of offers continues to decline. Rents differ for each street, but vacancies are declining on the whole.
- **[Shinjuku area]** Ground-floor offered rents experiencing transient rapid increase. Supply and demand will balance out after offers settle down. Various industries/businesses continue movement.
- **[Shibuya area]** Ground-floor offered rents were down from the first half, but balanced out after the number of offers settled down. Inbound tourists continue to increase, keeping Shibuya strong. Property supply is low, and rents are expected to remain at a high level.

■ Offered rent of ground-floor stores in Tokyo (1st half 2008 to 2nd half of 2024)



■ Offered rent of ground-floor stores in Tokyo (1st half 2019 to 2nd half of 2024)

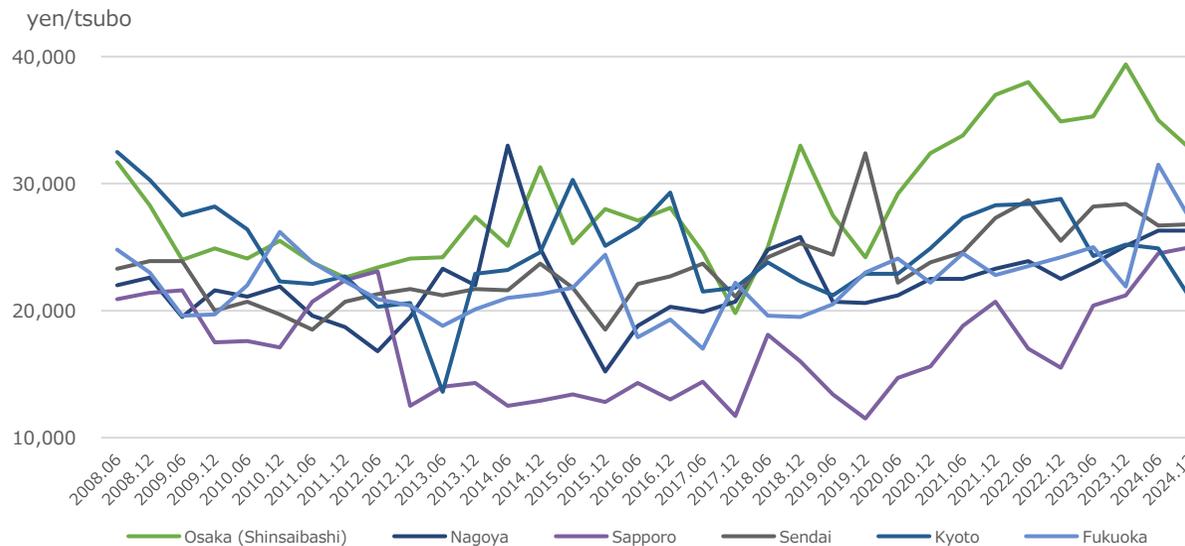


Source: "Store Rent Trends" published by Japan Real Estate Institute, BAC Urban Project and Style Act Co., Ltd. (compiled by Nomura Real Estate Solutions)

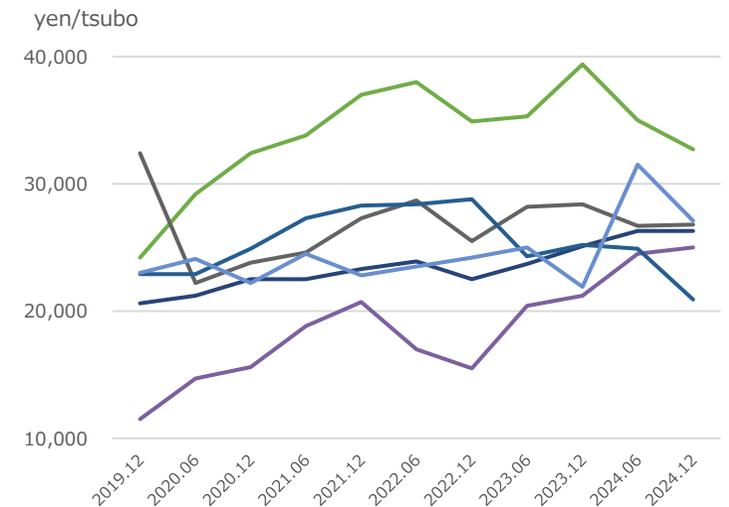
5-2 Trend of Retail (Osaka, Etc.)

- **[Osaka area]** Ground-floor offered rents fell rapidly from the first half of 2024, but have recently been recovering on a quarterly basis. The number of offers has also declined. Supply and demand has reached a balance across all areas. Economic effects of Expo 2025 Osaka and increased tourism have led to unleashing the full power of the city. Rents are expected to remain high with continuing supply shortages.
- **[Nagoya area]** Ground-floor rents have not seen the same rises as other areas. A ripple effect on the surrounding streets centered on Otsu-dori is possible.
- **[Sapporo area]** Rises have been seen for all floors. Ground-floor rents are maintaining a higher level than past trends. New store openings are proceeding in the Tanukikoji and Susukino areas, eliminating vacancies. Rents also expected to remain high.
- **[Sendai area]** There were no major changes in the number of offers or rent. There are moves toward reconstruction and redevelopment, but stagnation has been seen due to rising costs.
- **[Kyoto area]** Low store vacancies continue in prime areas. Major increases in domestic/international tourism are expected, and new store openings will continue in anticipation of tourist consumption.
- **[Fukuoka area]** The number of offers remained flat and rents remained at a high level. Opening of new luxury brand stores may lead to an upward trend in rents.

■ Nationwide trend of offered rents of stores on the ground floor (1st half 2008 to 2nd half of 2024)



■ Nationwide trend of offered rents of stores on the ground floor (1st half 2019 to 2nd half of 2024)



Source: "Store Rent Trends" published by Japan Real Estate Institute, BAC Urban Project and Style Act Co., Ltd. (compiled by Nomura Real Estate Solutions)

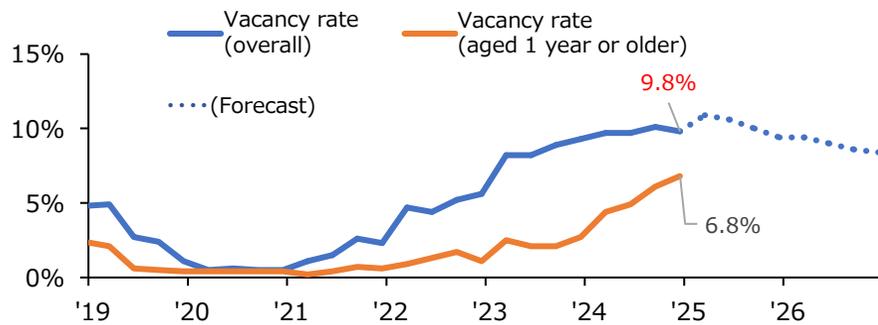


6. Logistics Facilities

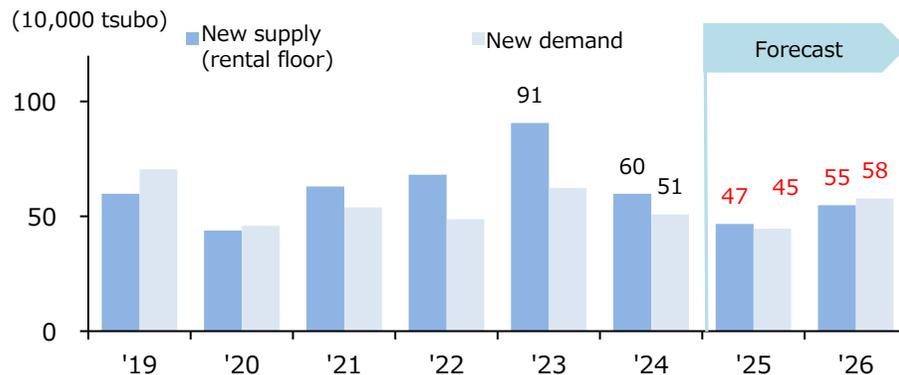
6-1 Trend of Logistics Facilities (Tokyo Metropolitan Area)

- The vacancy rate in the Tokyo Metropolitan Area remained high at 9.8% due to delays in filling vacancies following a large supply. Excess supply in parts of the Ken-O Expressway area is holding the other areas back. Demand in the other areas is adequate.
- Only the Ken-O Expressway area continues to see a decline in recent real rent (achievable). Other areas are either increasing or remain flat.

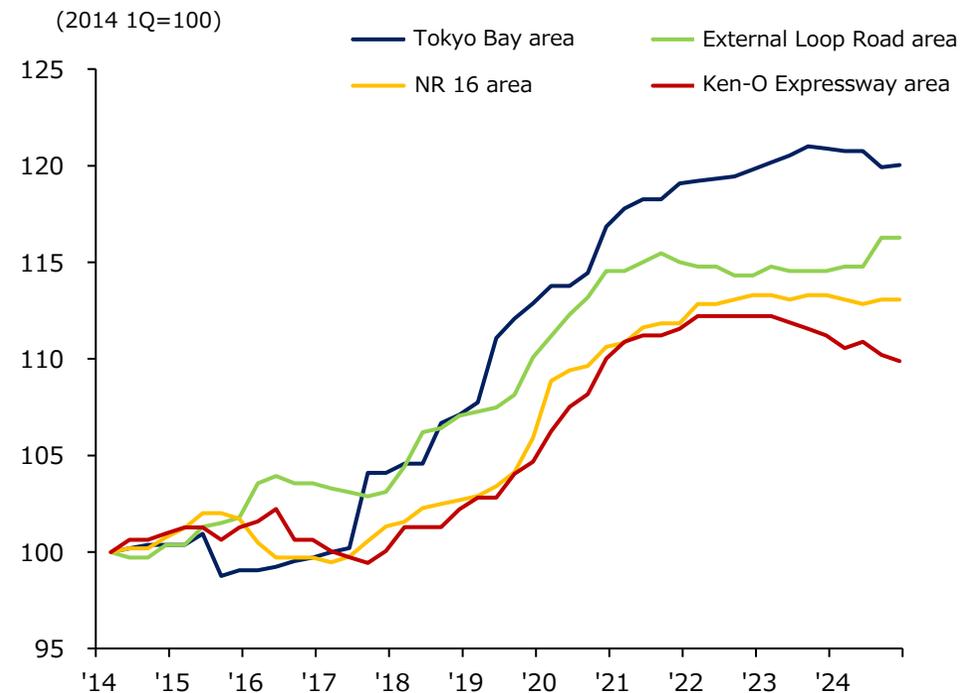
■ Trend of vacancy rate (as of December 31 of each year)



■ New supply and new demand



■ Trend of rent level Trend of real rent (achievable) level



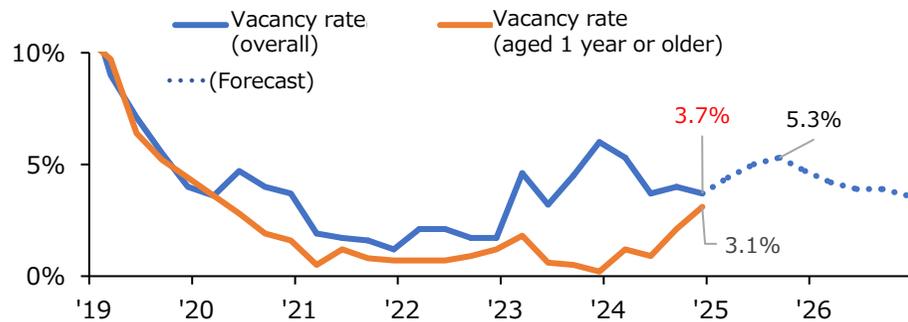
Source: Prepared by NREAM based on data from CBRE

Note: These are data on logistics facilities which have a gross floor area of at least 10,000 *tsubo* and suppose more than one tenant.

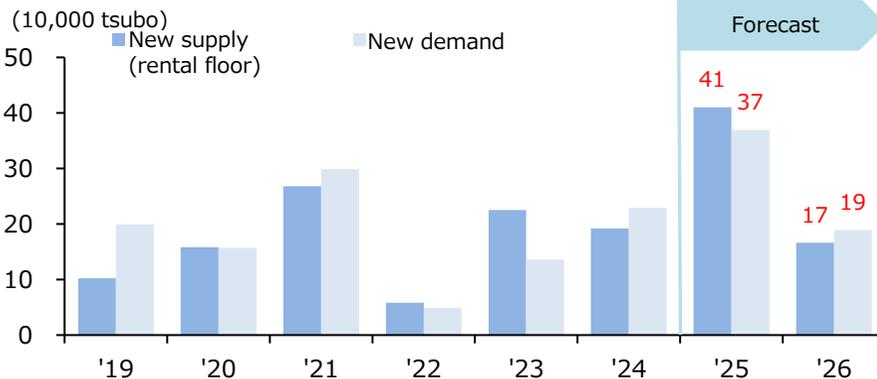
6-2 Trend of Logistics Facilities (Osaka Area)

- The vacancy rate in the Osaka area improved to 3.7% (-30bps q-o-q) due to overall strong demand.
- Although supply will increase in 2025, it will be in areas with strong demand. The vacancy rate is expected to remain slightly over 5%.
- Recent real rent (achievable) is either rising or flat, with no areas seeing drops.

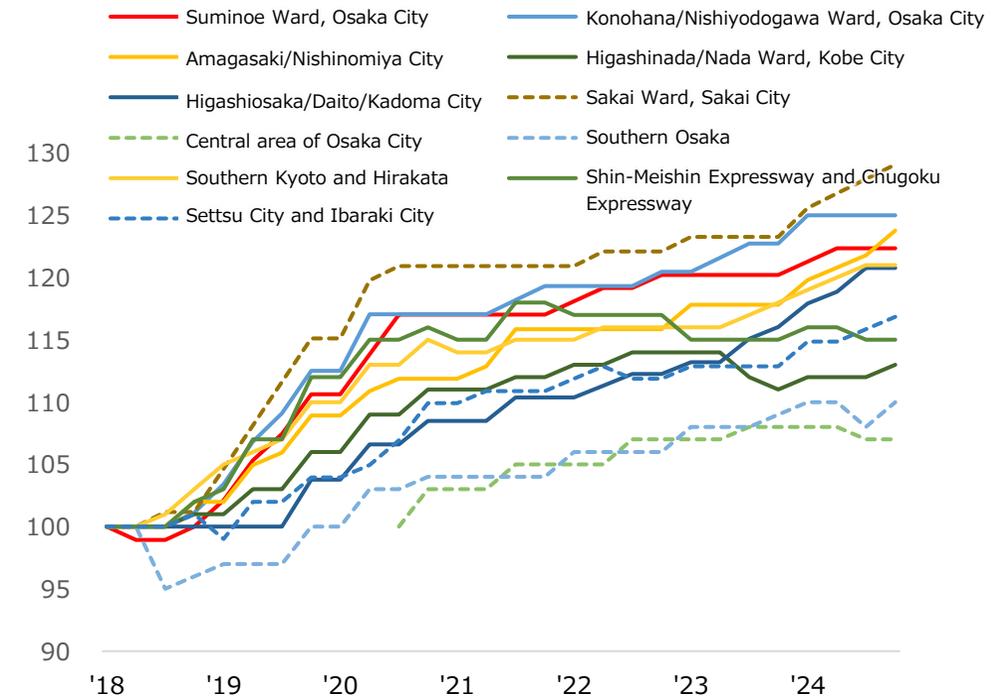
■ Trend of vacancy rate (as of December 31 of each year)



■ New supply and new demand



■ Trend of rent level (2018 1Q=100)



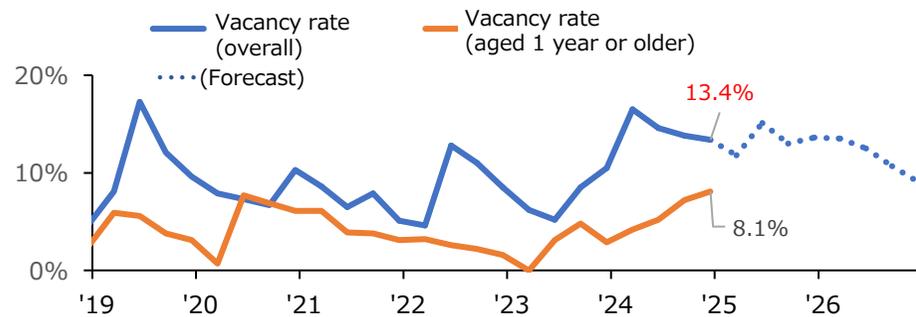
Source: Prepared by NREAM based on data from CBRE

Note: These are data on logistics facilities which have a gross floor area of at least 10,000 tsubo and suppose more than one tenant.

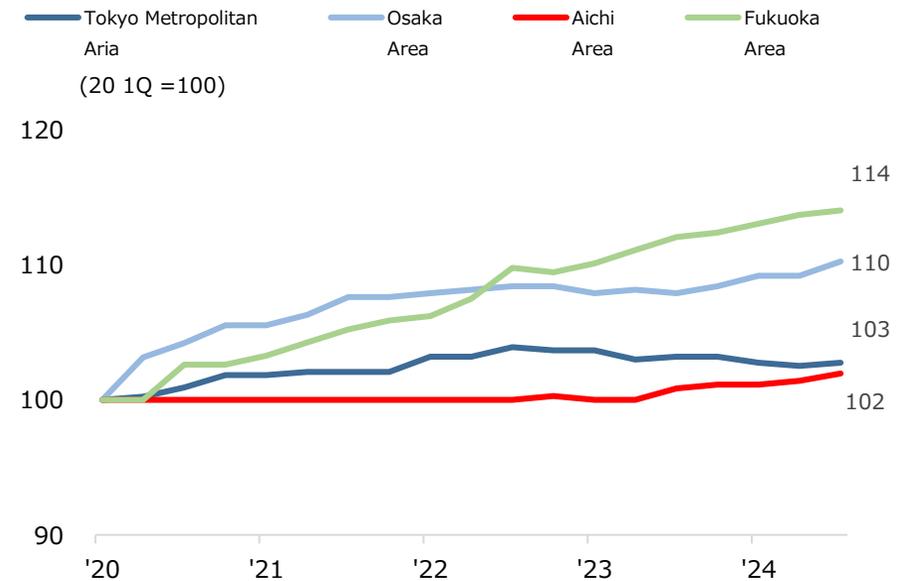
6-3 Trend of Logistics Facilities (Aichi Area)

- As the market for the Aichi area is small, the vacancy rate tends to fluctuate wildly due to new supply.
- Demand is firm. While the vacancy rate trended downward in 2024 due to low supply, it is increasing in 2025 due to increased supply.

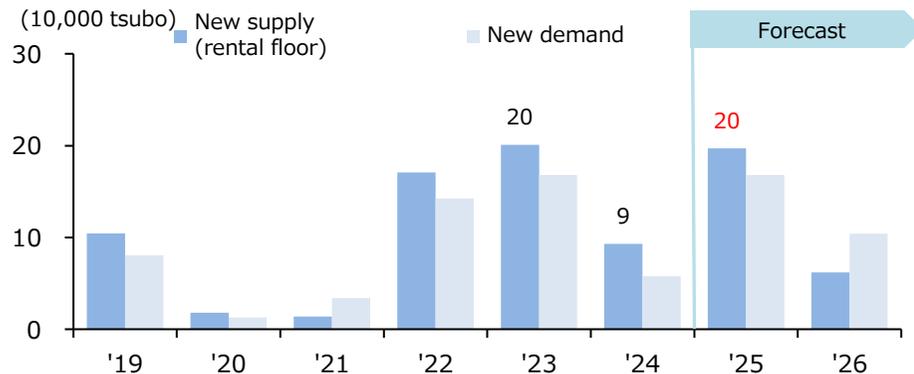
■ Trend of vacancy rate (as of December 31 of each year)



■ Trend of rent level (2020 1Q=100)



■ New supply and new demand



Source: Prepared by Nomura Real Estate Asset Management based on data from CBRE
 Note: In Aichi area only, data on logistics facilities which have a gross floor area of more than 5,000 tsubo and suppose more than one tenant.

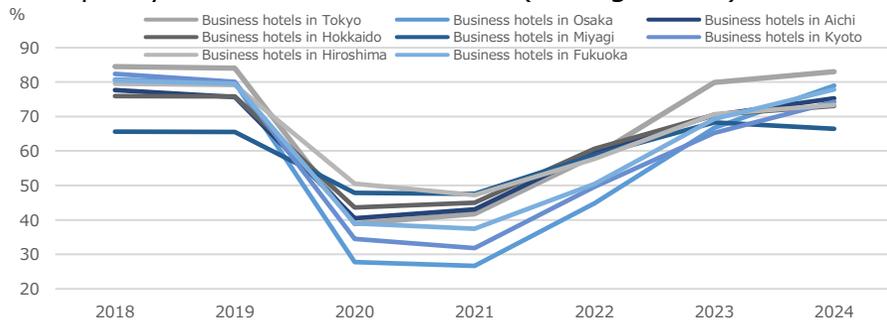


7. Hotels

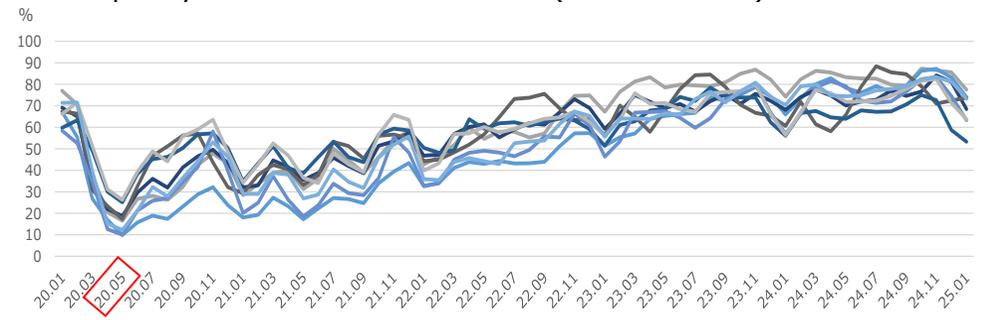
7-1 Hotel Trends (Occupancy Rates)

- The occupancy rates of hotels reached a low point in May 2020 in each of the cities surveyed and for each hotel type.
- The occupancy rates of business hotels in January 2025 were **77.5%** (85.6% in December) in **Tokyo**, 74.0% (83.2% in December) in **Osaka**, 68.4% (81.1% in December) in **Aichi**, 73.7% (72.4% in December) in **Hokkaido**, 53.3% (58.7% in December) in **Miyagi**, 63.3% (74.5% in December) in **Kyoto**, 63.7% (71.3% in December) in **Hiroshima**, and 73.2% (81.3% in December) in **Fukuoka**.
- The occupancy rates of city hotels in January 2025 were **70.2%** (78.5% in December) in **Tokyo**, 74.7% (80.6% in December) in **Osaka**, 65.7% (70.4% in December) in **Aichi**, 78.5% (74.6% in December) in **Hokkaido**, 54.5% (61.9% in December) in **Miyagi**, 61.9% (74.9% in December) in **Kyoto**, 60.8% (70.8% in December) in **Hiroshima**, and 65.6% (78.2% in December) in **Fukuoka**.

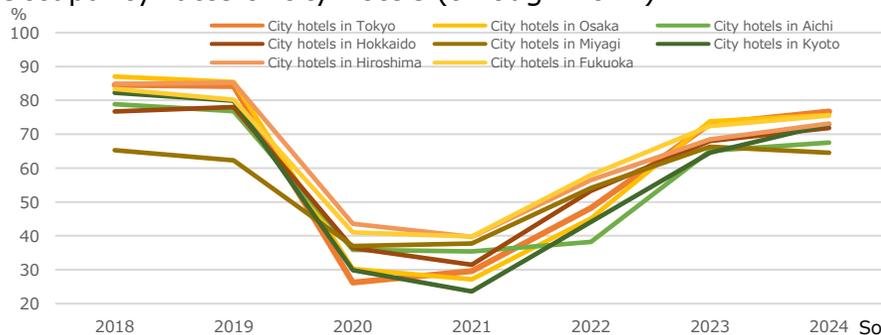
■ Occupancy rates of business hotels (through 2024)



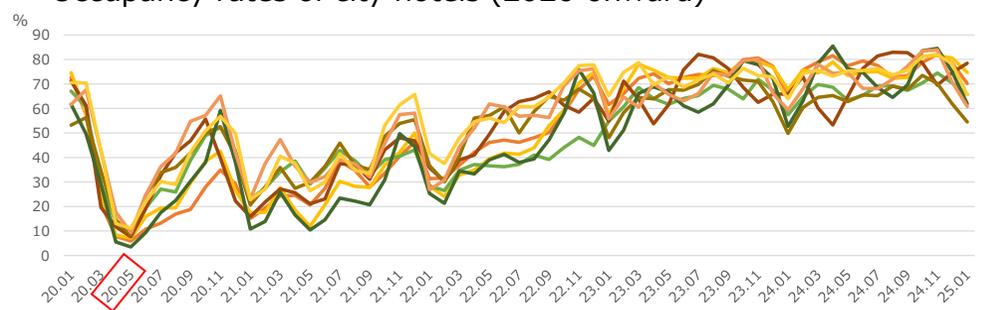
■ Occupancy rates of business hotels (2020 onward)



■ Occupancy rates of city hotels (through 2024)



■ Occupancy rates of city hotels (2020 onward)

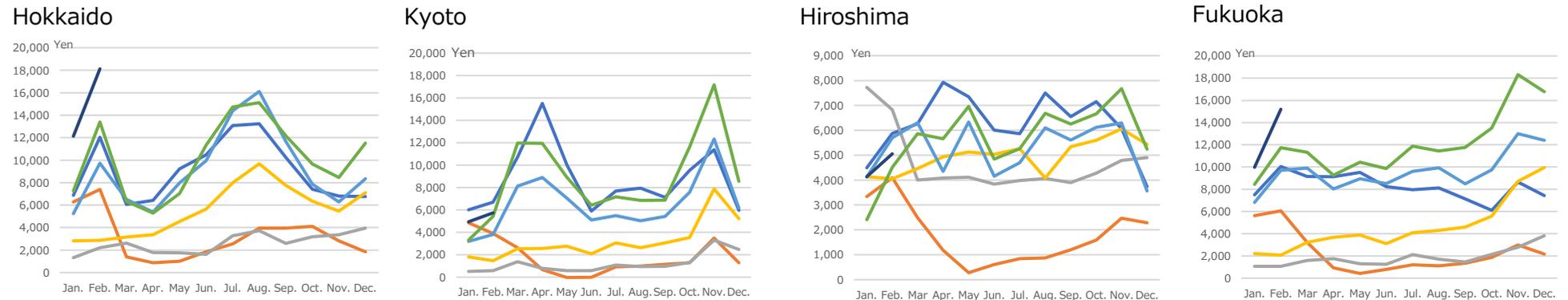
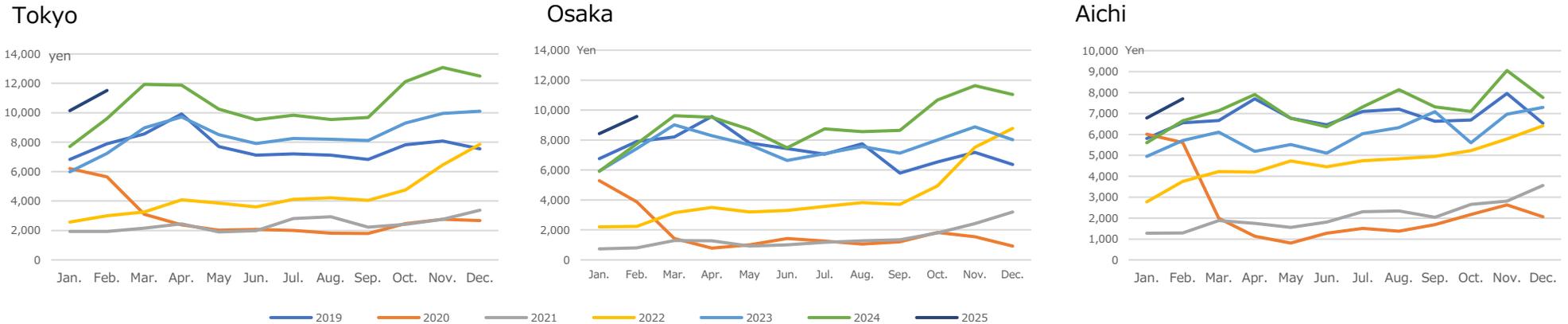


Source: MLIT Japan Tourism Agency "Overnight Travel Statistics Survey" (compiled by Nomura Real Estate Solutions)

7-2 Hotel Trends (RevPAR)

- With the favorable effect of a weaker yen continuing, the number of foreign visitors to Japan in 2024 greatly exceeded the annual total for 2019. Consequently, the hotel market remains strong. On the other hand, with Expo 2025 Osaka, Kansai, Japan scheduled to be held in April–October 2025, there are concerns about a shortage of hotels on top of the shortage of labor that has been experienced since the COVID-19 pandemic.
- Domestic accommodation demand also remained steady, resulting in **2024 RevPAR of Tokyo and Fukuoka exceeding all the same months of the previous year and the same months in 2019**, and 2024 RevPAR of Aichi, Osaka, and Kyoto exceeding all same months in the previous year. Many areas are trending at high levels in 2025, in continuation of 2024.

■ RevPAR of business hotels (2019 onward)



Source: Prepared by Nomura Real Estate Solutions based on press releases from Invincible Investment Corporation and Ichigo Hotel REIT Investment Corporation, etc.



Reference: Trend of Land Prices in High-level Use Districts of Major Cities

- As same as the previous report, there were upward changes in all 80 areas, and no areas of little change and downward changes. Demand for residential in areas with excellent convenience and living environments was strong, and demand for stores and hotels also remained strong, resulting in increases in all residential and commercial areas for the fourth consecutive quarter (11th consecutive quarter for residential areas and fourth consecutive quarter for commercial areas).
- By change category (increase, unchanged, or decrease), 6 areas saw an increase of more than 3% and less than 6%, and 74 areas saw a less than 3% increase.

City	Area	23.1.1	23.4.1	23.7.1	23.10.1	24.1.1	24.4.1	24.7.1	24.10.1	City	Area	23.1.1	23.4.1	23.7.1	23.10.1	24.1.1	24.4.1	24.7.1	24.10.1		
		~ 23.4.1	~ 23.7.1	~ 23.10.1	~ 24.1.1	~ 24.4.1	~ 24.7.1	~ 24.10.1	~ 25.1.1			~ 23.4.1	~ 23.7.1	~ 23.10.1	~ 24.1.1	~ 24.4.1	~ 24.7.1	~ 24.10.1	~ 25.1.1		
23 wards of Tokyo	Marunouchi	→	→	↗	↗	↗	↗	↗	↗	Sendai	Chuo 1-chome	↗	↗	↗	↗	↗	↗	↗	↗	↗	
	Ginza, Chuo	↗	↗	↗	↗	↗	↗	↗	↗	Osaka	Shinsaibashi	↗	↗	↗	↗	↗	↗	↗	↗	↗	
	Yaesu	↗	↗	↗	↗	↗	↗	↗	↗	Nagoya	Nagoya Sta. front	↗	↗	↗	↗	↗	↗	↗	↗	↗	
	Toranomon	↗	↗	↗	↗	↗	↗	↗	↗	Kyoto	Kawaramachi	↗	↗	↗	↗	↗	↗	↗	↗	↗	
	Shinjuku 3-chome	↗	↗	↗	↗	↗	↗	↗	↗	Hiroshima	Kamiyacho	↗	↗	↗	↗	↗	↗	↗	↗	↗	
	Shibuya	↗	↗	↗	↗	↗	↗	↗	↗	Fukuoka	Around Hakata Sta.	↗	↗	↗	↗	↗	↗	↗	↗	↗	
Yokohama	W Exit Yokohama Sta.	↗	↗	↗	↗	↗	↗	↗	↗												
Saitama	W Exit Omiya Sta.	↗	↗	↗	↗	↗	↗	↗	↗												
Chiba	Chiba Sta. front	↗	↗	↗	↗	↗	↗	↗	↗												
Sapporo	Ekimae-dori	↗	↗	↗	↗	↗	↗	↗	↗												

Legend

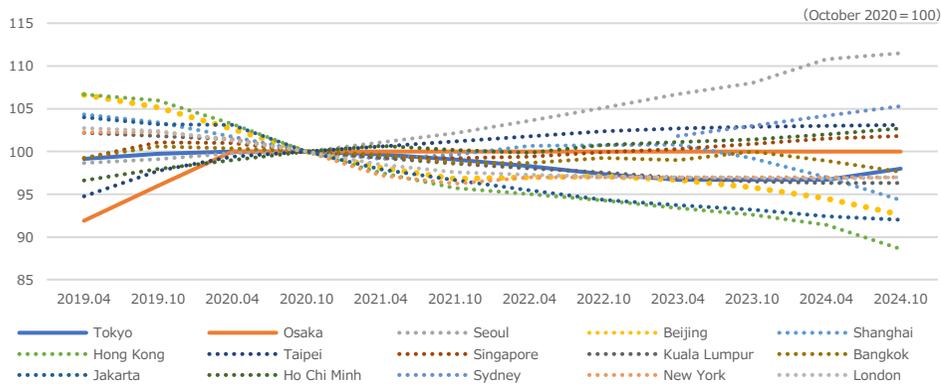
 : Increase (≥ 6%)
 : Increase (≥3%, <6%)
 : Increase (>0, <3%)
 : Unchanged (0%)
 : Decrease (≥0%, <3%)
 : Decrease (≥3%, <6%)
 : Decrease (≥6%, <9%)
 : Decrease (≥9%, <12%)
 : Decrease (≥12%)

Source: "Land value LOOK report" by the Ministry of Land, Infrastructure, Transport and Tourism (compiled by Nomura Real Estate Solutions)

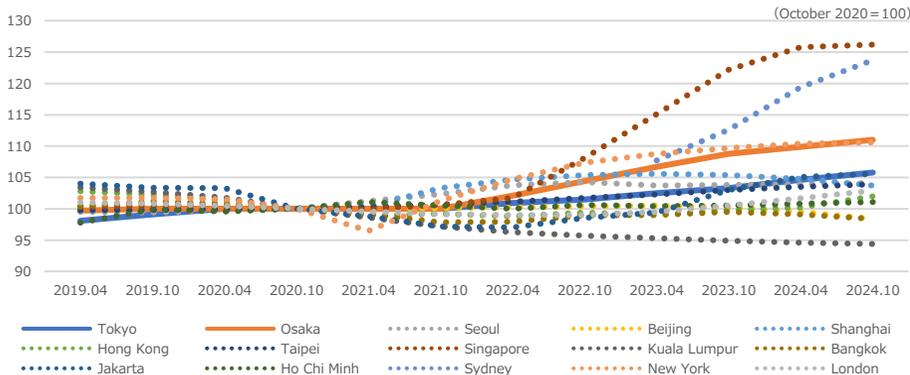
Reference: Rental Trends in Major International Cities

- **The rate of change in office rents turned positive in Tokyo** (had previously been flat). Office rents remained flat in Osaka for the ninth consecutive half-year period. Office vacancy rates remained high in Beijing, Shanghai, and Hong Kong, accelerating the decline in office rents. In addition, office prices continue to adjust in response to the economic downturn.
- Residential rents rose moderately in Sydney, as growth in household income failed to keep pace with rent increases. In Singapore, the sharp rise has slowed due to a large volume of supply recently. In Hong Kong, the rate of increase widened against a backdrop of intense competition among newly supplied properties and a shift from purchase demand to rental demand amid declining purchasing sentiment. In London, demand remained firm and rents rose despite the ongoing short supply of rental properties.

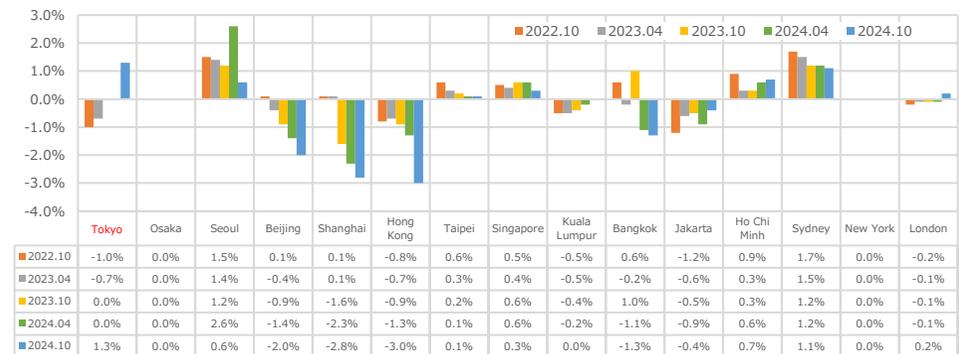
■ Changes in the office rent index



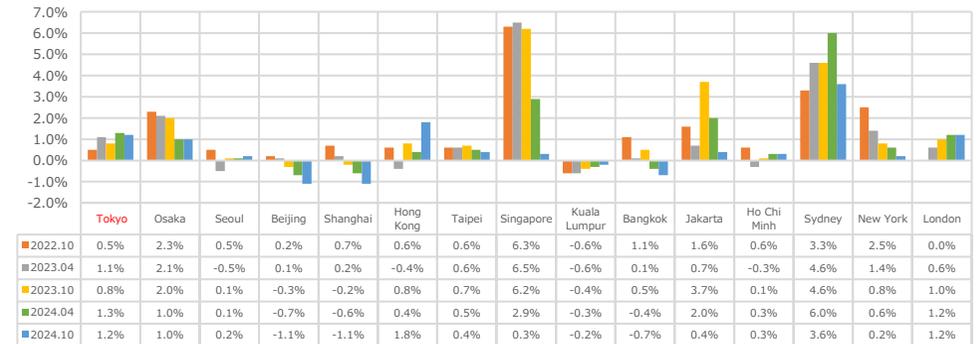
■ Changes in the residential rent index



■ Volatilities of the office rent index compared to the previous results



■ Volatilities of the residential rent index compared to the previous results



Source: Prepared by Nomura Real Estate Solutions based on "The Indices of International Real Estate Prices and Rents" by Japan Real Estate Institute