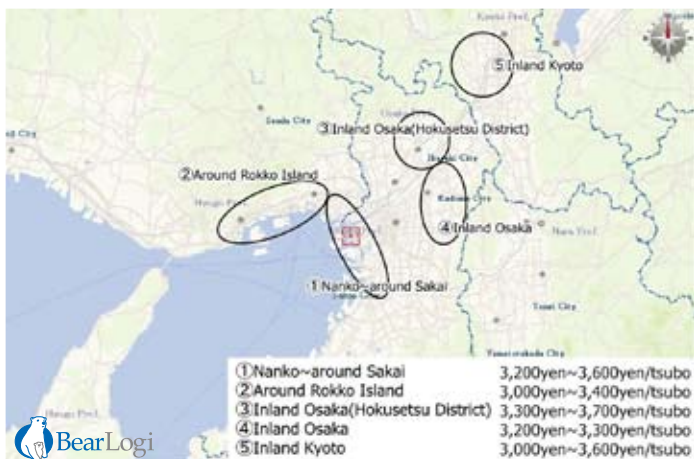




Rents: Q4 2010 Greater Tokyo



Rents: Q4 2010 Greater Nagoya



Rents: Q4 2010 Greater Osaka

Market Rents

Greater Tokyo: A large fall in rents of between 5-20% was recorded in the greater Tokyo area from the peak in the third quarter of 2007. However, the gradual economic recovery and lack of large-scale warehouse space means that rent levels have bottomed in and around the popular metropolitan areas. This is partly as a result of a boost in demand for space from tenants taking advantage of lower rents and consolidating to reduce costs. New demand was approximately 600,000 sqm last year.

Greater Nagoya: With the downturn in the auto industry Nagoya was severely impacted with demand and rents suffering 5-10% more than Tokyo. Recent recovery in exports has improved the demand side, but rents may not recover until late 2nd quarter 2011.

Greater Osaka: Like Nagoya, Osaka was heavily hit by the down turn in cargo volumes though the ports of Osaka and Kobe. Given more warehouse projects were put on hold in Osaka compared to Tokyo following the financial crisis, latent demand could see rents recover reasonably quickly in Osaka, Japan's second largest city. However this recovery will depend on the performance of key Osaka manufacturers like Daikin, Sharp, Panasonic, Kyocera and their suppliers.

1 Tsubo = 3,306sq m or 35.58sq ft



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