

MARKETBEATS

0.0%

Metropolitan Bayside
Prime Rent Growth (YoY)

4.4%

Kanagawa Inland
Prime Rent Growth (YoY)

3.0%

Economic Growth
(Annualized)WHAT'S
NEXT

HIGHLIGHTS

Economic growth bounced back

The Japanese economy, which dipped temporarily in the first quarter of 2018 with a -0.9% growth after eight consecutive quarters of positive growth, bounced back strongly to grow 3% (second preliminary result) in the second quarter, lifted by private sector capital spending. While food growth slowed, energy led to grow 0.8% in the Core Consumer Price Index (Core CPI). It was also reported that the government has started a discussion whether to make an official announcement on the end of the prolonged deflationary economy.

Expanded Nagareyama demand thanks to the completed Gaikan Road

After a lackluster fiscal year end in the second quarter, demand for logistics facilities revived in the third quarter. The completed Gaikan Road (Expressway) in Chiba has successfully shortened travel times between Kouya JCT and Misato JCT/Kawaguchi JCT by about 26 minutes. The improvement in convenience contributed to the expansion of demand in the Nagareyama area.

Demand change by natural disaster in Osaka Bayside

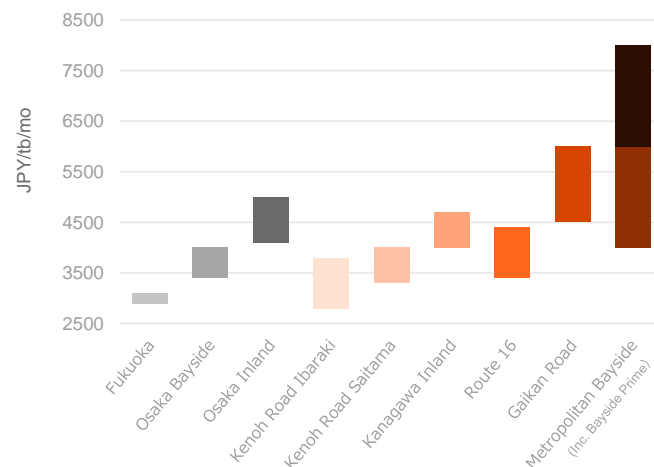
Damage to distribution facilities caused by typhoons in September has slightly altered demand for logistics facilities in Osaka. Some tenants in affected facilities are taking relocation. In addition, the disaster has in some cases triggered a review of distribution networks through the consolidation and relocation of tenants. In particular, a gradual absorption of long-standing vacancy is being observed in the Osaka Bayside area.

A Cushman & Wakefield
Research PublicationDATA
INTO
ACTION

MACROECONOMY (JAPAN)

	Q1 18	Q2 18	12 Months Forecast
Real GDP Growth	1.6%	-0.6%	▲
Core CPI Growth	0.9%	0.8%	▲
Unemployment Rate	2.7%	2.5%	▼

Source: Cabinet Office, Statistics Bureau. GDP growth is annualized based on the real seasonally-adjusted quarterly figure & Core CPI is YoY figure, seasonally-adjusted.

ASKING RENT: LOGISTICS MARKETS
IN JAPAN

(Source: Cushman & Wakefield)
Note: Large Multi-tenant Logistics Facilities (above 15,000 tsubo), except Fukuoka (above 5,000 tsubo)

Ken Maeda

Logistics & Industrial Services
Tel: +81 (0)3 3596 7168
ken.maeda@cushwake.com

Hideaki Suzuki, PhD FRICS

Research
Tel: +81 (0)3 3596 7804
hideaki.suzuki@cushwake.com

PRIME RENT

Area	JPY/TS/MO	USD/SF/YR	Annual Change	Forecast
Metropolitan Bayside	8,000	23.73	0.0%	■
Gaikan Road	6,000	17.80	0.0%	▲
Route 16	4,400	13.05	0.0%	▲

USD/JPY = 113.70

(Source : Cushman & Wakefield)

MAJOR NEW LOGISTICS FACILITIES

Facility Name	Date	Area	Size (㎡)	Size (sq ft)
Keihin Truck Terminal DynaBASE	Jul 2018	Heiwajima	c.96,860	c.1,042,587
ESR Kuki Distribution Center © ESR LTD.	Sep 2018	Kuki	151,504	1,630,775

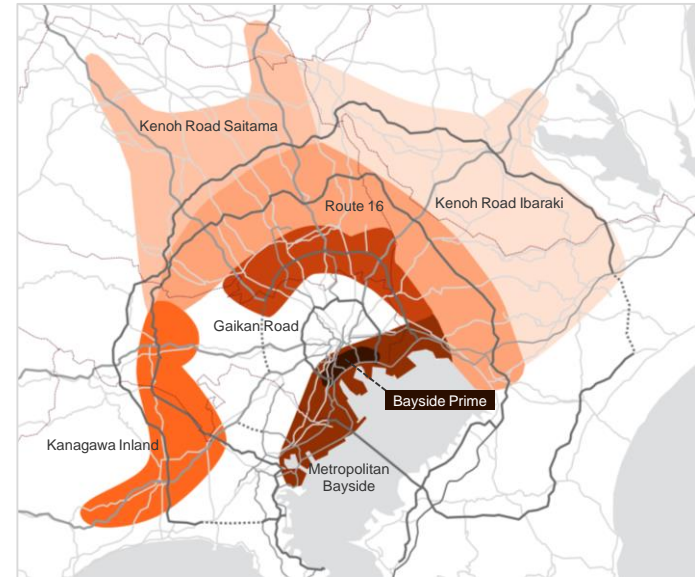
(Source : LNEWS)

NEW OPENINGS

Tenant Name	Expected Date	Area	Property Name
Rakuten	Jul 2018	Nagareyama	GLP Nagareyama II
Start Today	Sep 2018	Tsukuba	Prologies Tsukuba 1-A
Suzuken	Oct 2018	Saitama	Iwaki Medical Terminal

(Source : LNEWS)

METROPOLITAN LOGISTICS MAP



(Source: Cushman & Wakefield)

**DATA
INTO
ACTION**

A Cushman & Wakefield
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, advisory and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com

Keihin Truck Terminal DynaBASE



ESR Kuki Distribution Center © ESR LTD.



ASKING RENT BY SUBMARKET



Note: Large Multi-tenant Logistics Facilities (above 15,000 tsbu) (Source: Cushman & Wakefield)