

# MARKETBEATS

**0.0%**

METROPOLITAN BAYSIDE  
PRIME RENT  
GROWTH(YoY)

**4.4%**

KANAGAWA INLAND  
PRIME RENT  
GROWTH(YoY)

**-2.5%**

ECONOMIC GROWTH  
(ANNUALIZED)

## WHAT'S NEXT

## HIGHLIGHTS

### Short-term drop in exports due to disasters

In the third quarter of 2018, airport closure caused by natural disasters led to a dip in exports. In addition, Japan's GDP recorded a negative growth because of the slowdown in consumer spending, along with a fall in inbound tourist spending. However, we anticipate exports to rebound as the decline due to the disasters are likely to be temporary. Moreover, in the logistics sector, operation cost continues to rise due to manpower needs and the increase in energy price.

### Demand expansion owing to the completion of Gaikan Road Chiba Section continues

While retailers attempt to capture last-minute demand before the consumption tax rise, seasonal demand such as reinforcement of delivery hub for year-end shipment stayed firm in 4Q 2018. However, with supply-demand dynamics in equilibrium, rents remained unchanged. Demand in the Chiba remains sustained after the completion of Gaikan Road (Expressway). Signs of demand spillover from the Nagareyama area to Matsudo area are observed as well.

### Logistics sector moves to a new stage

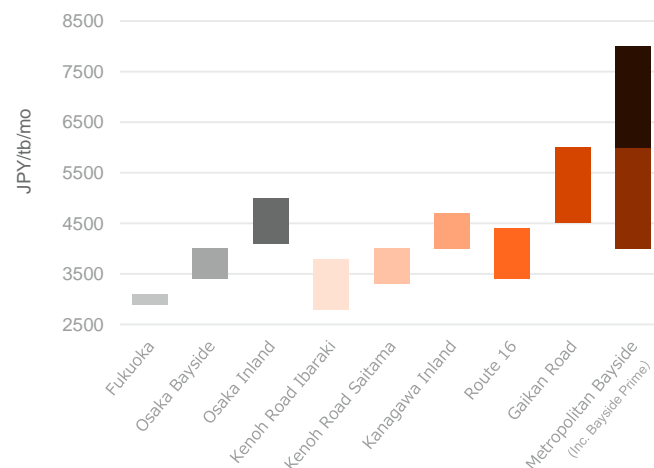
Manpower shortage has prompted the logistics industry to develop new technologies and these initiatives have started to come to fruition. Japan Post carried out drone deliveries beyond visual range of up to 9 km in Fukushima while Hitachi Transport System, DMM.com, Sagawa Express started 3D printing services in their collaborative logistics facilities. In addition, the Ministry of Land, Infrastructure, Transport and Tourism of Japan (MLIT) are working to bring in double-trailer trucks to usher the sector to a new phase.

### MACROECONOMY (JAPAN)

	Q2 18	Q3 18	12 Months Forecast
Real GDP Growth	2.8%	-2.5%	▲
Core CPI Growth	0.8%	1.0%	▲
Unemployment Rate	2.4%	2.3%	■

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)

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Research Publication

DATA  
INTO  
ACTION

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## PRIME RENT

Area	JPY/TS/MO	USD/SF/YR	Annual Change	Forecast
<b>Metropolitan Bayside</b>	8,000	24.47	0.0%	▲
<b>Gaikan Road</b>	6,000	18.35	0.0%	▲
<b>Route 16</b>	4,400	13.46	0.0%	▲

USD/JPY = 110.275

(Source : Cushman & Wakefield)

## MAJOR NEW LOGISTICS FACILITIES

Facility Name	Date	Area	Size (m <sup>2</sup> )	Size (sq ft)
<b>MFLP Prologis Park Kawagoe</b>	Oct 2018	Kawagoe	131,272	1,413,000
<b>GLP Goka</b>	Nov 2018	Ibaraki	140,000	1,506,947

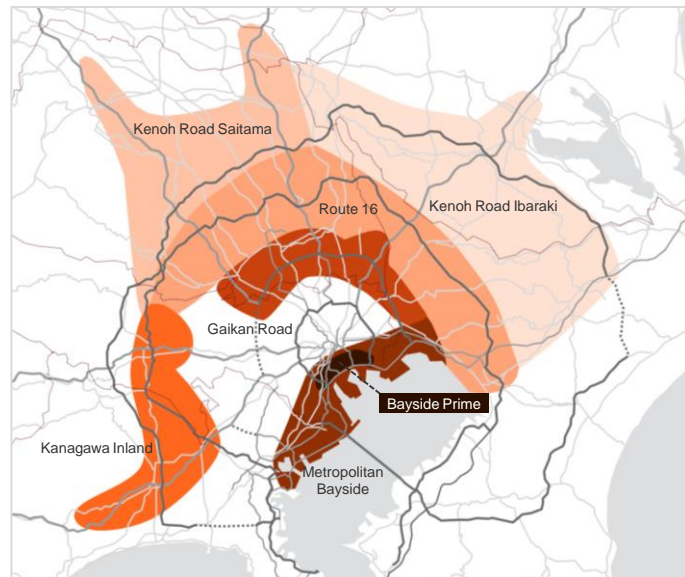
(Source : LNEWS)

## NEW OPENINGS

Tenant Name	Expected Date	Area	Property Name
<b>Hitachi Transport System</b>	Dec 2018	Kashiwa	Kashiwa Platform Center
<b>Yamato Transport</b>	Nov 2018	Chiba	Nagareyama Base
<b>JA ZEN-NOH</b>	Dec 2018	Okayama	JA Zen-noh Koiki Chushikoku Logistics Center

(Source : LNEWS)

## METROPOLITAN LOGISTICS MAP



(Source: Cushman & Wakefield)

MFLP Prologis Park Kawagoe



GLP Goka



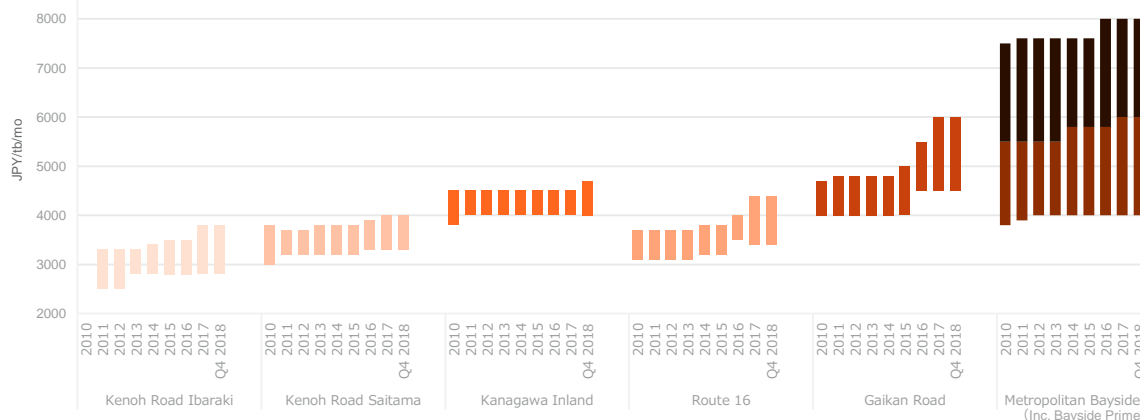
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## ASKING RENT BY SUBMARKET



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