Research Report
Japan Real Estate
Fourth Quarter 2016

October 2016

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1 Executive Summary

— **Macro Economy:** The unfavourable currency exchange rate remains a drag on the Japanese manufacturing and high street retail sectors with this trend intensifying following the “Brexit” vote at the U.K. referendum in June, while the Japanese yen is seen as a safe heaven. Real GDP is now expected to grow only 0.7% in 2016 while external concerns over China’s slowdown remain a key risk. In September, the Bank of Japan announced it would turn its monetary policy emphasis away from quantity of money towards interest rates as new policy instruments. The yield curve steepened accordingly. Core CPI declined to -0.5% in August 2016 due to weak consumer demand and cyclical exogenous factors, including energy prices.¹

— **Capital and Investment Market:** Cap rates remain under pressure on the back of the negative interest rate policy while transaction volumes declined due to a lack of assets on the market and also due to rich valuations in Central Tokyo. Capital flowing into environs and regional cities were not strong enough to fill the gap. Listed REITs remain attractive investment products for investors as the average J-REIT dividend yield spread over the 10 year government bond yield widened to 360 basis points in August, with four new J-REIT listings in the third quarter of 2016. Accordingly listed J-REITs became the dominant purchaser group in the investment market.²

— **Real Estate Market Fundamentals:** Leasing markets and real estate fundamentals were broadly healthy overall while a slow down trend was observed in some sectors such as high street retail. Office vacancy rates recovered in all major cities in Japan in the third quarter of 2016 whilst increasing in the industrial sector in Greater Tokyo and Greater Osaka. Rents painted a mixed picture, recording small but healthy growth in the office and the residential sectors while, they were broadly flat in the retail and logistics sectors.³

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¹ Bank of Japan, Cabinet Office, Deutsche Bank “Japan Economics Weekly.” As of Sept 2016
² Association for Real Estate Securitization, TMAX, Real Capital Analytics, Bloomberg, Nissay Asset Management, ARES, Nikkei Deutsche Asset Management. As of Sept 2016
³ Miki Shoji, Sanko Estate, Style Act, Real Estate Economic Institute, TAS Corporation, Leasing Management, IPD-RECRUIT Residential Index, Ichigo Real Estate Service, Deutsche Asset Management. As of Sept 2016
2 Macro Economy

Japan’s GDP grew preliminary seasonally adjusted, annualized at 0.7% in the second quarter of 2016 compared to the previous quarter or 0.8% on a year-on-year basis for the same period. The unfavourable currency exchange rate remains a drag on the economy in the manufacturing and retail sectors, with this trend intensifying following the “Brexit” vote at the U.K. referendum in June. GDP is now expected to grow only 0.7% in 2016.

Notes: E = preliminary estimate, F = forecast, there is no guarantee forecast growth will materialise. Please refer to Important Notes (see end of report). Past growth is not a reliable indicator of future growth.

Sources: Deutsche Bank “Japan Economics Weekly.” As of Sept 2016

Past performance is not a reliable indicator of future performance.

Japan’s corporate sector is also affected by these uncertainties. The latest results of the Diffusion Index (DI) of the Tankan Survey conducted by the Bank of Japan remained flat with a reading of 12 points from June 2016 to September, the worst level in three years - and the near term outlook remains soft with an indication of 11 for December 2016. Due to the unfavourable currency exchange rate, the manufacturing sector recorded a lower DI at 6 in September 2016 compared to the service sector at 18 in the same period.

Notes: Past performance is not a reliable indicator of future performance.

Sources: Bank of Japan, Japan’s Cabinet Office, Deutsche Asset Management. As of Sept 2016

Past performance is not a reliable indicator of future performance.
The Nikkei 225 index declined about 13.6% in the first nine months of 2016. The short slump in the stock market is in line with the appreciation of the Japanese yen in the currency exchange rate, which was traded at 100.9 for a US dollar in September 2016, a 16% appreciation since the end of 2015.

In September, the Bank of Japan announced in its monetary policy meeting it would turn its monetary policy emphasis away from quantity of money and towards interest rates as new policy instruments. The yield curve steepened accordingly and 10 year government bonds (JGB) rose to 0% in September from -0.25% in June in accordance with the bank’s announcement, while the long term viability of the yield curve control remains not unclear. Core CPI declined to -0.5% in August 2016 due to weak consumer demand and cyclical exogenous factors, including energy prices.

Notes: F = forecast, there is no guarantee rates forecasted will materialise. JGB = Japanese Government Bond. CPI = Consumer Price Index. Please refer to Important Notes (see end of report).

Sources: The Bank of Japan, Japan’s Cabinet Office, Deutsche Bank. As of Sept 2016
Past performance is not a reliable indicator of future performance.
3 Capital and Investment Market

3.1 Lending

The Bank of Japan’s Diffusion Index for lending attitudes of banks to the real estate industry (orange line in Exhibit 5) was an index value of 26 as of September 2016, a marginal drop from the previous quarter. The credit conditions remain reasonably accommodative from an historical perspective, with banks still accepting 50% to 60% loan-to-values (LTVs) for core income producing assets. Lending volumes for new projects jumped by 25% in the latest survey as at the end of June 2016.

Exhibit 5 — Real Estate Lending by Japanese Banks

The volume of commercial real estate transactions in Japan in the rolling 12 months to September 2016 was JPY4.2 trillion on a preliminary basis, around a 19% drop from the same period last year. Transaction volumes declined due to a lack of assets on the market and also due to rich valuations in Central Tokyo, while capital flow into environs and regional cities were not strong enough to fill the gap.

Exhibit 6 — Real Estate Transaction Volume and Lending Attitude DI

Notes: E = preliminary estimate. Please refer to Important Notes (see end of report).
Sources: Urban Research Institute, Bank of Japan, Real Capital Analytics, Deutsche Asset Management. As of Sept 2016
Past performance is not a reliable indicator of future performance
3.2 Pricing

Office appraisal cap rates in Tokyo declined to a preliminary 3.7% in the second quarter of 2016, a 20 basis point drop from a year earlier. Cap rates still remain under pressure on the back of continuous investment demand in the real estate market. The average office yield spread — the difference between the cap rates and 10 year bond yields — sharply widened to 490 basis points in Tokyo in the second quarter of 2016 triggered by the negative government bond yield, highlighting the relative attractiveness of the market.

The capital value for grade-A office in Central Tokyo was JPY7.5 million per tsubo in June 2016, a 13% decline from the third quarter of 2015, the recent peak of the capital value. The unit price of office buildings usually follows about one year behind the listed J-REIT index, and a mild value increase could be possible given the recently widened gap between these two indices.

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4 Tsubo is a Japanese unit of area. It is equivalent to 3.3 square metres (35.6 square feet)
3.3 Transactions

Exhibit 9 shows major real estate transactions completed or announced since July 2016 where listed J-REITs remained the dominant buyers in most sectors except for retail. The largest transaction was the acquisition of a portfolio of Top REIT which was merged with Nomura Real Estate Master Fund (J-REIT) for JPY172 billion for its 19 assets, followed by nine logistics properties acquired by Mitsui Fudosan Logistics Park (J-REIT) for JPY76 billion at its initial public offering. Other big portfolio deals include the acquisitions by Sakura Sogo REIT and Samty Residential both of which were over JPY50 billion. A single largest transaction was a partial sale of Harumi Island Triton Square Tower Y by Idera Capital Management for JPY50 billion.

Exhibit 9 — Major Transactions in the Third Quarter 2016

<table>
<thead>
<tr>
<th>Type</th>
<th>Asset</th>
<th>Price (JPY bn)</th>
<th>Unit price (JPY/m²)</th>
<th>Cap rate</th>
<th>Location</th>
<th>Month</th>
<th>Acquired by</th>
<th>Investor Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>NEC HQ etc. (19 Props, merger of Top REIT)</td>
<td>172</td>
<td>0.75</td>
<td>3.9%</td>
<td>Tokyo</td>
<td>Sep-16</td>
<td>Nomura Master Fund</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Harumi Island Triton Square Tower Y (3F-15F)</td>
<td>Est50</td>
<td>1.01</td>
<td>-</td>
<td>Tokyo</td>
<td>Jul-16</td>
<td>Idera-Fosun</td>
<td>China</td>
</tr>
<tr>
<td></td>
<td>Sharp Tanabe Bldg</td>
<td>14</td>
<td>0.38</td>
<td>-</td>
<td>Osaka</td>
<td>Oct-16</td>
<td>Sharp</td>
<td>Japan</td>
</tr>
<tr>
<td></td>
<td>Umeya Gate Tower (5-20FL)</td>
<td>19</td>
<td>1.56</td>
<td>4.3%</td>
<td>Osaka</td>
<td>Sep-16</td>
<td>Actvia</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Ochanomizu Sissalyst</td>
<td>15</td>
<td>-</td>
<td>3.9%</td>
<td>Tokyo</td>
<td>Oct-16</td>
<td>Hulic REIT</td>
<td>J-REIT</td>
</tr>
<tr>
<td>Retail</td>
<td>Aeon Mall Higashiyama etc. (2 Props)</td>
<td>15</td>
<td>-</td>
<td>0.25%</td>
<td>Saitama</td>
<td>Aug-16</td>
<td>Frontier REIT</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Shinniku Higashiguchi Bldg</td>
<td>13</td>
<td>2.59</td>
<td>-</td>
<td>Tokyo</td>
<td>Sep-16</td>
<td>Fuyo General Lease</td>
<td>Japan</td>
</tr>
<tr>
<td></td>
<td>Shin-Ku Logistcs Center</td>
<td>15</td>
<td>0.31</td>
<td>5.0%</td>
<td>Tokyo</td>
<td>Jul-16</td>
<td>Japan Logistics Fund</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>S-Fort etc. (20 Props)</td>
<td>52</td>
<td>-</td>
<td>5.3%</td>
<td>Osaka etc.</td>
<td>Jul-16</td>
<td>Sanity Residential</td>
<td>J-REIT</td>
</tr>
<tr>
<td>Logistics</td>
<td>MPF Kuki etc. (9 Props)</td>
<td>76</td>
<td>-</td>
<td>-</td>
<td>Saitama etc.</td>
<td>Sep-16</td>
<td>Mitsui Fudosan Logistics</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>GLP Abugi 2 etc. (4 Props)</td>
<td>43</td>
<td>0.27</td>
<td>4.7%</td>
<td>Kanagawa etc.</td>
<td>Sep-16</td>
<td>GLP</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Shin-Ku Logistcs Center</td>
<td>15</td>
<td>0.31</td>
<td>5.0%</td>
<td>Tokyo</td>
<td>Jul-16</td>
<td>Japan Logistics Fund</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Hotel Vista Grande Osaka etc. (3Props)</td>
<td>47</td>
<td>-</td>
<td>5.0%</td>
<td>Osaka etc.</td>
<td>Jul-16</td>
<td>Osaka Hotel REIT</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Ocedo Onsen Reoma Resort etc. (9 Props)</td>
<td>27</td>
<td>-</td>
<td>4.9%</td>
<td>Kagawa etc.</td>
<td>Sep-16</td>
<td>Ocedo Onsen REIT</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Next Hotel Osaka Shinshasabashi etc. (10 Props)</td>
<td>27</td>
<td>-</td>
<td>-</td>
<td>Osaka etc.</td>
<td>Aug-16</td>
<td>Ichigo Hotel REIT</td>
<td>J-REIT</td>
</tr>
<tr>
<td>Portfolio</td>
<td>Seishin Building etc. (18 Props)</td>
<td>57</td>
<td>-</td>
<td>-</td>
<td>Tokyo etc.</td>
<td>Sep-16</td>
<td>Sakura Sogo REIT</td>
<td>J-REIT</td>
</tr>
<tr>
<td></td>
<td>Aritsu Sendai etc. (17 Props)</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>Miyagi etc.</td>
<td>Aug-16</td>
<td>Marimo Regional REIT</td>
<td>J-REIT</td>
</tr>
</tbody>
</table>

Notes: Acquisitions by foreign managers are highlighted in gray and by J-REITs in yellow. This table is prepared solely for information purposes and not intended to recommend or endorse any specific company's shares or other products. Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such.

Source: Real Capital Analytics; Deutsche Asset Management, Sept 2016

Tokyo’s volume of commercial real estate transactions for the rolling 12-month period ended September 2016 was US$23.3 billion, flat from the previous periods ended June 2016. It overtook Paris and ranked fifth among global cities and kept the first position in the Asia Pacific region. According to our own estimates 38% of transactions in Tokyo were purchases by listed J-REITs and 13% by foreign capital respectively. Osaka reported US$4.6 billion for the same period, ranking ninth in Asia Pacific with slightly smaller transaction volumes than Beijing and Seoul.

Exhibit 10 — Real Estate Transaction Volume by City (12 months rolling)

Notes: Commercial real estate transactions exclude non-income producing assets, such as development site transactions.
Sources: Real Capital Analytics, Deutsche Asset Management, As of Sept 2016
3.4 Performance

The average annual total return for unlevered direct real estate investment in Japan rose to preliminary 9.0% in May 2016 (the latest period available), from 8.4% a year earlier. Among property sectors, the industrial sector made the highest annual return of 9.7% during the period, followed by residential (8.1%), office (8.0%) and then retail (7.7%) sectors respectively.

Exhibit 11 — Real Estate Total Returns in Japan (unlevered)

Total Return by Component

Total Return by Sector

Notes: There is a time lag because of raw data being collected through semi-annual reports. Past performance is not indicative of future results.
Sources: MSCI Real Estate - IPD, Deutsche Asset Management. As of Sept 2016

3.5 J-REITs

J-REITs remain a popular product among yield seeking investors while it has traded soft in the last six months since the rate hike probability in the United States. As of mid October 2016, J-REIT stock traded at a 2.1% premium since the beginning of the year, while the Nikkei 225, a broader stock market, experienced a decline of 11% in the same period.

Exhibit 12 — J-REIT Index and Long-Term Global Comparison

J-REIT Index and Nikkei 225 (5-year)

Global REIT Comparison (10-year)

Notes: Past performance is not indicative of future results. Tokyo Stock Exchange REIT Index (J-REIT), FTSE NAREIT All Equity REITs Index (US-REIT), S&P/ASX 200 A-REIT Index (A-REIT), FTSE ST REIT Index (S-REIT)
Sources: Bloomberg, Deutsche Asset Management. As of Sept 2016
On average, the J-REIT dividend yield was 3.54% overall and 3.15% for office REITs in August 2016. The spread over the 10 year government bond yield remained at an attractive level of 360 basis points in Japan in August 2016, compared to 250-270 basis points spreads for the U.K. and U.S. REITs.

Notes: Past performance is no guarantee of future results. JGB = Japanese Government Bond.
Sources: Bloomberg, Deutsche Asset Management. As of Sept 2016

The amount of capital raised by J-REITs was JPY412 billion in the trailing six months ended September 2016, a 20% increase from the previous period ended March 2016. The J-REIT market enjoyed an influx of capital due to multiple new initial public offerings (IPOs) in the period including Marimo Regional Revitalization REIT in July, Ooedo Onsen REIT and Mitsui Fudosan Logistics Park in August, together with Sakura Sogo REIT in September.

The Ooedo Onsen REIT is the world’s first REIT specializing in spa resort facilities while Marimo Regional and Sakura Sogo have substantial concentration in regional markets respectively. This reflects the recent trend of diversification in the investment market in the country, i.e. expansion in geography and also the emergence of new sectors.

Notes: Commercial real estate transactions exclude non-income producing assets, such as development site transactions. This table is prepared solely for information purposes and not intended to recommend or endorse any specific company’s shares or other products. Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such.
Sources: Nissay Asset Management, ARES, Nikkei, Deutsche Asset Management. As of Sept 2016
The preliminary volume of commercial real estate transactions in Japan in the six months to September 2016 was JPY 1.4 trillion, a 30% decline from the same period the previous year. Acquisitions by J-REITs accounted for more than 50% of all reported transactions in the same six months, on the back of multiple REIT IPOs reported in the period.

Exhibit 15 — Real Estate Transactions in Japan and J-REIT Share

Notes: E = preliminary estimate. Commercial real estate transactions exclude non-income producing assets, such as development site transactions
Sources: ARES, Urban Research Institute, Real Capital Analytics, Deutsche Asset Management. As of Sept 2016
4 Market Fundamentals

4.1 Office

The average office vacancy rate in Tokyo’s central five wards recovered to 3.9% in August 2016, from 4.3% in March 2016. No large sized buildings were brought to market in the recent months while a couple of sizable assets are in the pipeline in the final quarter of this year, including Roppongi Grand Tower and Kyobashi Edogrand. The average vacancy rate at twenty six newly-developed buildings completed within the last 12 months in Tokyo recovered from 29.4% to 16.7% in the same period.

Despite the gradual recovery in the vacancy rate, the average rent free period offered to office tenants recovered only mildly from 3.2 months in March 2016 to 2.8 months in June 2016. This reflects the current occupier market trend where landlords still need to provide decent amount of incentives to attract new tenants even with the tight vacancy rate, and therefore increasing rents would not be an easy negotiation.
Historically, office rental growth rates have correlated inversely to the vacancy rate. The vacancy rate for buildings with floor plates of 200 tsubos (660 square metres) or more was only 2.15% in Tokyo in June 2016, well below the pivotal 5% threshold associated with rental growth. Average office rents grew by a mild 3.3% accordingly in the period according to Sanko Estate.

The all-class average asking rent recorded a mild growth of 3.0% in August 2016 from a year earlier, a continuous recovery since 2014. Prime CBD rents rose to JPY 42,667, an 11.5% increase from the same period last year while the average rent at newly developed offices also increased by 0.8% from a year earlier but declined marginally from the previous quarter. The sentiment in the corporate sector felt headwinds from the strengthening of the Japanese yen which remains a concern for occupier demand in the near future.

Notes: F = forecast, there is no guarantee forecast rents will materialise. Please refer to Important Notes (see end of report)
*Tsubo is a Japanese unit of area. It is equivalent to 3.3 square metres (35.6 square feet).
Sources: Miki Shoji, Sanko Estate, Deutsche Asset Management. As of Sept 2016
Vacancy rates have continued to recover in major regional cities in the period ended August 2016. It decreased to 3.9% in Sapporo, 5.2% in Fukuoka, 6.0% in Osaka and 6.7% in Nagoya, respectively recovering from the previous quarter. There were no new completions of significant office buildings in any of these regional markets in the third quarter of 2016 and the vacancy rate was at the lowest level in more than 20 years in Sapporo.

**Exhibit 20 — Office Vacancy Rates in Major Cities in Japan (all grades)**

![Office Vacancy Rates in Major Cities in Japan (all grades)](image_url)

**Supply Pipeline in Regional Cities**

<table>
<thead>
<tr>
<th>Building</th>
<th>Date</th>
<th>Floors</th>
<th>GFA (sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dai Nagoya Bldg</td>
<td>Oct-15</td>
<td>34</td>
<td>65,000</td>
</tr>
<tr>
<td>JP Tower, Nagoya</td>
<td>Nov-15</td>
<td>40</td>
<td>80,000</td>
</tr>
<tr>
<td>JRJP Hakata Bldg (Fukuoka)</td>
<td>Apr-16</td>
<td>12</td>
<td>44,000</td>
</tr>
<tr>
<td>Symphony Toyota Bldg (Nagoya)</td>
<td>Jun-16</td>
<td>25</td>
<td>15,444</td>
</tr>
<tr>
<td>JR Gate Tower (Nagoya)</td>
<td>2017</td>
<td>46</td>
<td>45,030</td>
</tr>
<tr>
<td>Nakanoshima Fes Twr W (Osaka)</td>
<td>2017</td>
<td>41</td>
<td>67,750</td>
</tr>
<tr>
<td>Global Gate West (Nagoya)</td>
<td>2017</td>
<td>36</td>
<td>157,000</td>
</tr>
<tr>
<td>Global Gate East (Nagoya)</td>
<td>2017</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>MM21 32 Office 1 (Yokohama)</td>
<td>2017</td>
<td>15</td>
<td>55,578</td>
</tr>
<tr>
<td>MM21 32 Office 2 (Yokohama)</td>
<td>2017</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Shin Nankai Kakan (Osaka)</td>
<td>2018</td>
<td>21</td>
<td>45,586</td>
</tr>
<tr>
<td>Sousei 111 (Sapporo)</td>
<td>2018</td>
<td>28</td>
<td>35,112</td>
</tr>
<tr>
<td>Umeda 3 chome (Osaka)</td>
<td>2019</td>
<td>40</td>
<td>120,000</td>
</tr>
<tr>
<td>Umeda 1 chome (Osaka)</td>
<td>2022</td>
<td>42</td>
<td>270,000</td>
</tr>
</tbody>
</table>

Notes: There is no guarantee forecast rents will materialise. Please refer to Important Notes (end of report).

Sources: Miki Shoji, Nikkei Real Estate Market Report, Company information, Deutsche Asset Management. As of Sept 2016
4.2 Retail

Despite tourist consumption expanding by 7.2% in the second quarter of 2016 on a year-on-year basis, the growth rate is slowing down. High street retail rents were broadly flat in Japan over the first quarter of 2016. Rents rose slightly by 0.9% in Shinjuku, while they declined marginally in other submarkets including Omotesando, Ginza, Shibuya, Ikebukuro (all in Tokyo) and in Shinsaibashi (Osaka) respectively.

Sales at convenience stores in Japan increased by 0.5% in July and August in 2016 from the same period last year, while sales at other store types declined including chain stores (1.4% on nationwide) and shopping centers (1.5% in top 13 cities) in the same period. Sales at department stores declined most, by 3.1% in Tokyo and Osaka, due to the recent strengthening of the Japanese yen, causing a slowdown of luxurious goods sales among inbound foreign shoppers.

Source: Japan Council of Shopping Center, Japan Franchise Association, Japan Chain Store Association, Japan Department Store Association, Deutsche Asset Management, Sept 2016
4.3 Residential

Condominium sale prices remained elevated reflecting high land value, expensive construction costs and favourable mortgage rates. The average price per unit of newly-built condominiums sold in Greater Tokyo was JPY56.6 million in July and August 2016, 25% higher than the ten year average of JPY45 million. On the other hand the number of condo units sold has been declining since 2014, since demand for suburban areas is sensitive to the price change. Demand for higher end units, popular among Asian individual investors, was also adversely affected by the strong Japanese yen.

The price elevation among for-sale condominiums indicates healthy underlying demand for rental apartments in central, convenient areas. Rents increased marginally, 2.8%, for prime apartments in Central 3 ward in Tokyo (orange line) in the year to June 2016, while they rose by 2.4% in the broader 23 wards in Tokyo in the same period (brown line).

Sources: Real Estate Economic Institute, Deutsche Asset Management. As of Sept 2016

Sources: TAS Corporation with data from At Home Co. (23-ward vacancy), Leasing Management Consulting (5-ward asking rent), IPD-RECRUIT Residential Index (23-ward rent index), Miki Shoji. As of Sept. 2016
4.4 Industrial

Vacancy rates at multi-tenant logistics assets in Greater Tokyo recovered from 4.6% in March 2016 to 4.4% while they widened from 1.4% to 3.6% in Greater Osaka in the same period. The market is now experiencing an evolutionary change. Space demand for quality space is extremely strong while a record number of large scale logistics assets are being brought to market successively in both Greater Tokyo and Greater Osaka. Rents stayed flat in both markets in the quarter to June 2016.

The annual supply of logistics assets is expected to peak at 1.6 million square meters in 2016 in Greater Tokyo and at 0.8 million square meters in 2017 in Greater Osaka, all time high in the respective markets, to be followed by more moderate supply in the following years. The vacancy rates are expected to rise to high single digits in Greater Tokyo or even higher in Greater Osaka in the next 12 months, before stabilizing in 2017-18.
## Past Topics of This Report

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<th>Publication</th>
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