

# Office Market Forecast Report

## Tokyo Central 5 Wards / 3 Year Forecast

Q2 2020 (Apr - Jun)

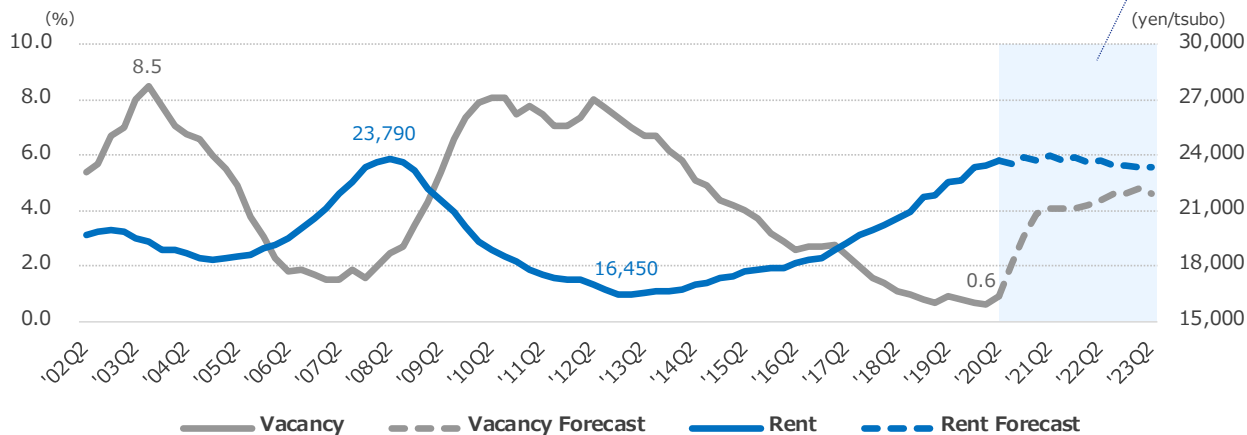
### Vacancy

Vacancy rate keeps going up to 4.1% in the next 1 year, followed by a gradual rise in the 4% range.

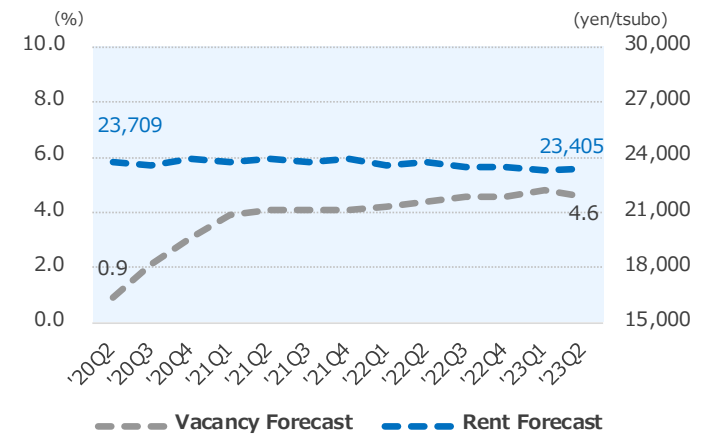
### Asking Rent

Asking rent is leveling off in the upper 23,000 yen/tsubo range, followed by a gradual downward trend.

#### Vacancy and Asking Rent



#### Forecast

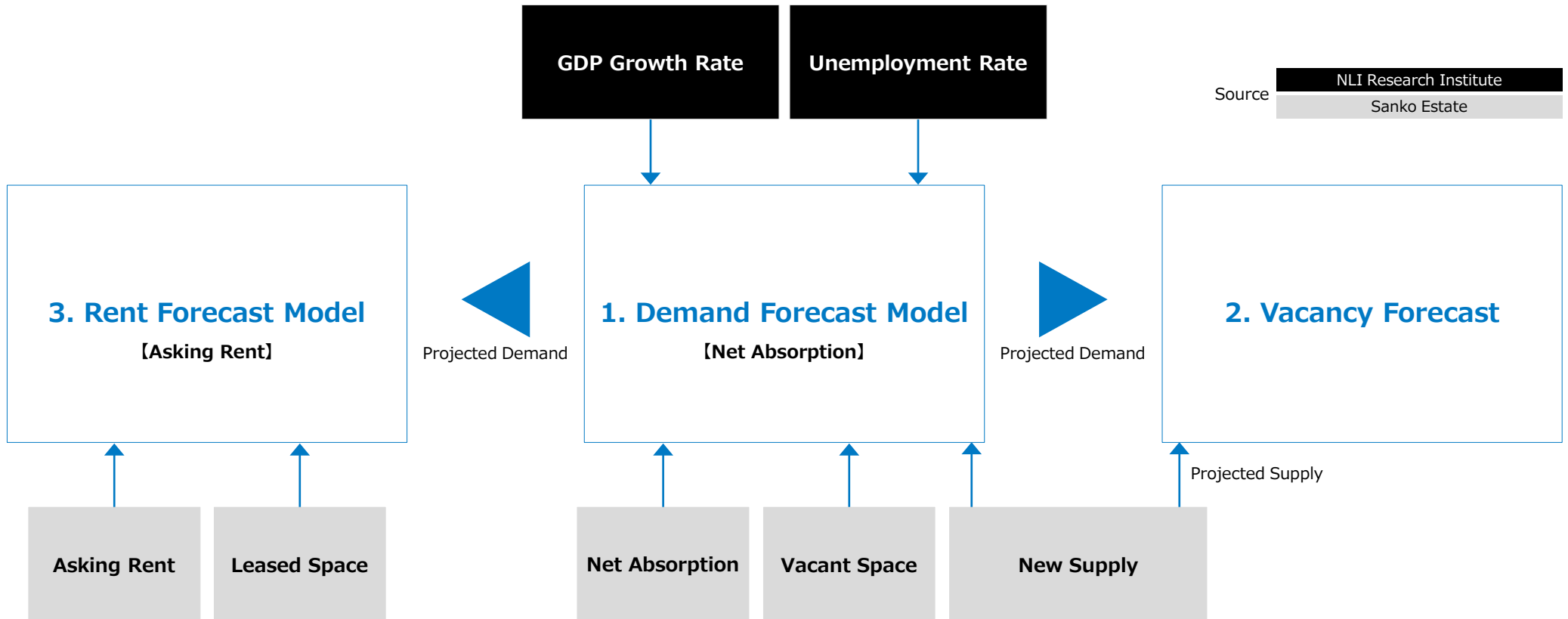


	→ Forecast													
	'20Q1	'20Q2	'20Q3	'20Q4	'21Q1	'21Q2	'21Q3	'21Q4	'22Q1	'22Q2	'22Q3	'22Q4	'23Q1	'23Q2
<b>Vacancy (%)</b>	0.6	0.9	2.1	3.1	3.9	4.1	4.1	4.1	4.2	4.4	4.6	4.6	4.8	4.6
<b>Asking Rent (including CAM* fees, yen/tsubo**)</b>	23,416	23,709	23,579	23,892	23,742	23,972	23,739	23,892	23,612	23,732	23,465	23,455	23,333	23,405
<b>Asking Rent Q-Q-Q change (%)</b>	-	1.3	-0.5	1.3	-0.6	1.0	-1.0	0.6	-1.2	0.5	-1.1	0.0	-0.5	0.3
<b>New Supply (tsubo)</b>	114,900	54,600	55,300	7,400	26,200	50,600	9,300	5,700	8,300	20,000	55,000	3,300	123,200	18,100
<b>Net Absorption (tsubo)</b>	102,300	-29,500	-43,000	-81,000	-44,700	27,500	16,400	4,400	-1,800	2,600	32,800	5,300	98,500	35,800

\*CAM: Common Area Maintenance  
 \*\*1 tsubo ≅ 3.3 sq. m. ≅ 35.58 sq. ft.

## Methodology

Commercial Property Research Institute's market forecast uses both NLI Research Institute's economic projections and Sanko Estate's office market data, including detailed estimates of new supply. This forecast model projects net absorptions and estimates vacancy rates for the next 12 quarters. Projected net absorptions are also used to run an auto-regressive model to forecast asking rents. The effect of demolition is not taken into account.



Subject Area : Tokyo Central 5 Wards (Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, and Shibuya Ward)

Subject Building Size : 50 tsubo or larger leasable area per standard floor

## About Commercial Property Research Institute, Inc.

Commercial Property Research Institute provides comprehensive office market research and consulting services as a member of Sanko Estate Group. Sanko Estate is regarded as the leading provider of real estate services in Japan since 1977.

<http://www.officesoken.jp>