

Office Market Forecast Report

Tokyo Central 5 Wards / 3 Year Forecast

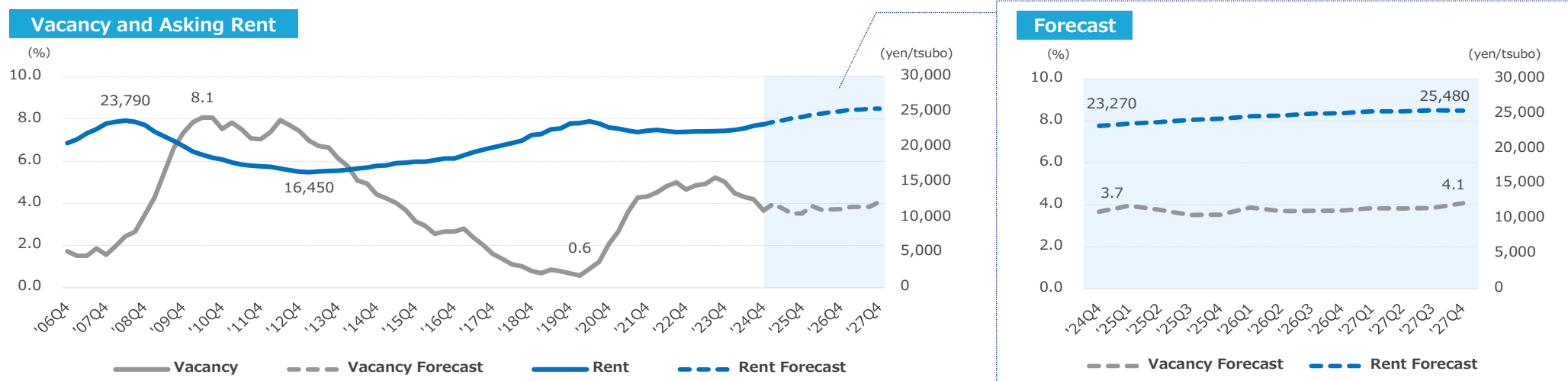
Q4 2024 (Oct - Dec)

Vacancy

Vacancy rate will continue to level off in the upper 3% range after 2026.

Asking Rent

Asking rent has increased for 5 consecutive quarters and is forecast to rise by 9.5% over the next 3 years.



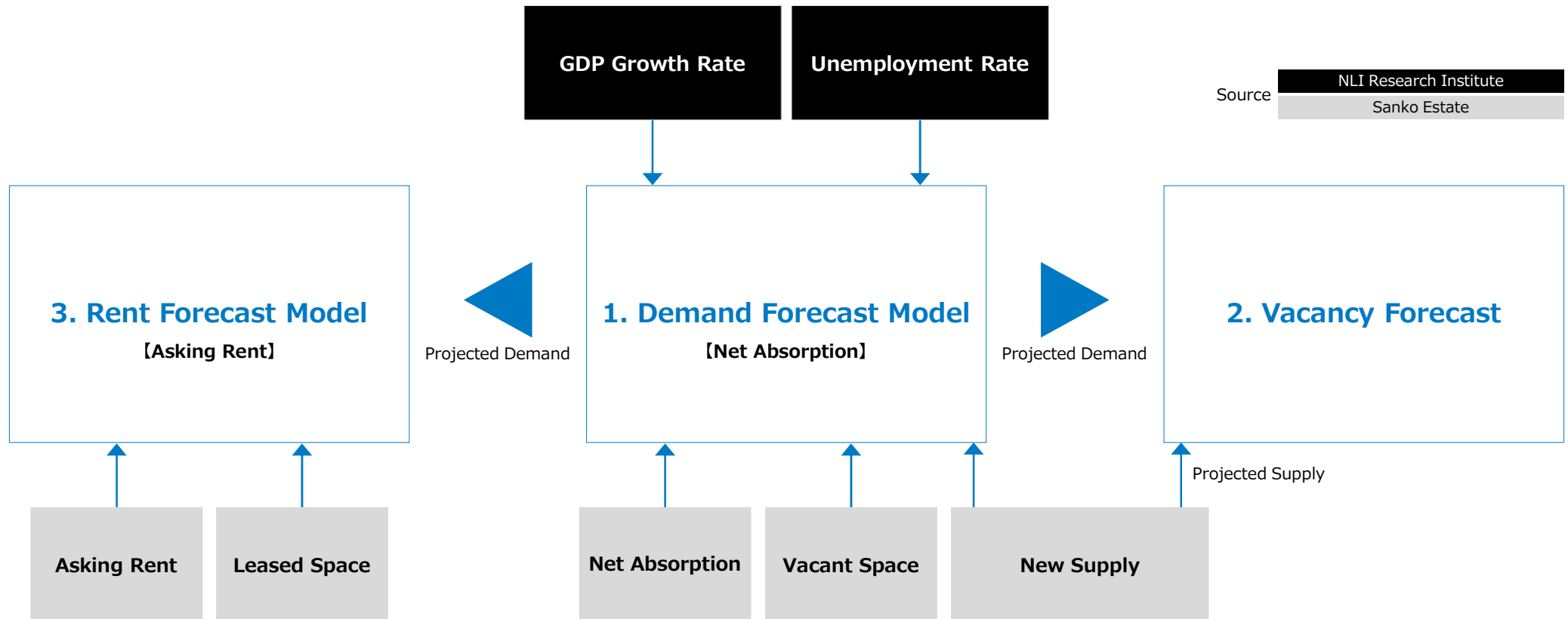
	→ Forecast													
	'24Q3	'24Q4	'25Q1	'25Q2	'25Q3	'25Q4	'26Q1	'26Q2	'26Q3	'26Q4	'27Q1	'27Q2	'27Q3	'27Q4
Vacancy (%)	4.2	3.7	4.0	3.8	3.5	3.5	3.9	3.7	3.7	3.7	3.8	3.8	3.9	4.1
Asking Rent (including CAM* fees, yen/tsubo**)	23,040	23,270	23,589	23,819	24,127	24,307	24,641	24,763	25,031	25,102	25,356	25,362	25,499	25,480
Asking Rent Q-Q-Q change (%)	1.5	1.0	1.4	1.0	1.3	0.7	1.4	0.5	1.1	0.3	1.0	0.0	0.5	-0.1
New Supply (tsubo)	55,400	7,900	112,100	30,700	25,200	40,400	90,800	6,400	30,500	21,000	33,200	9,100	5,900	35,300
Net Absorption (tsubo)	88,400	44,700	81,500	47,700	46,000	37,800	56,200	22,300	27,100	19,900	21,800	9,500	3,900	13,100

*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.

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