

Outline of Survey on Trends of Land Transaction (Second Survey) for FY2014

April, 2015

Ministry of Land, Infrastructure, Transport and Tourism,
Land Economy and Construction and Engineering Industry Bureau,
Real Estate Market Division

<Survey method, etc.>

1. Purpose of the survey

This is a survey of major companies which appear to have a great influence on land market trends, and is carried out to understand and organize their short-term intentions regarding land transactions, etc. with an aim to develop and provide simple and clear leading indicators.

2. Coverage of the survey

Listed companies (including over-the-counter trading) and unlisted companies with capital of 1 billion yen or more.

3. Survey items

(1) Judgments about the land transaction situation

(2) Judgments about land price levels

(3) Intentions to purchase or sell land

(4) Intentions to increase or decrease land and buildings for own company use

4. Survey method: Questionnaire survey (sending and collecting by mail)

5. Date of the survey: February 2015

6. Results of the collection

| | No. of questionnaires distributed | No. of valid responses | Rate of valid responses |
|--------------------|-----------------------------------|------------------------|-------------------------|
| Listed companies | 2,000 companies | 501 companies | 25.1% |
| Unlisted companies | 2,000 companies | 846 companies | 42.3% |
| Total | 4,000 companies | 1,347 companies | 33.7% |

7. Implementing agency of the survey: Central Research Services, Inc.

(1) Judgments about the land transaction situation

Judgments about the land transaction situation in general terms were sought from companies whose headquarters are located in each region.

a. Judgments about the current land transaction situation (DI)

“Tokyo” is almost flat as the last survey, +23.7 points, “Osaka” decreased by 3.9 points to +7.1 points, and “Other regions” decreased to -14.3 points. (Figure 1)

b. Forecasts of the land transaction situation in a year’s time (DI)

Similarly to the current situation, “Tokyo” is decreased by 3.8 points to 28.0 points, “Osaka” decreased by 4.6 points to +8.2 points, and “Other regions” decreased by 3.1 points to -7.9 points. (Figure 2)

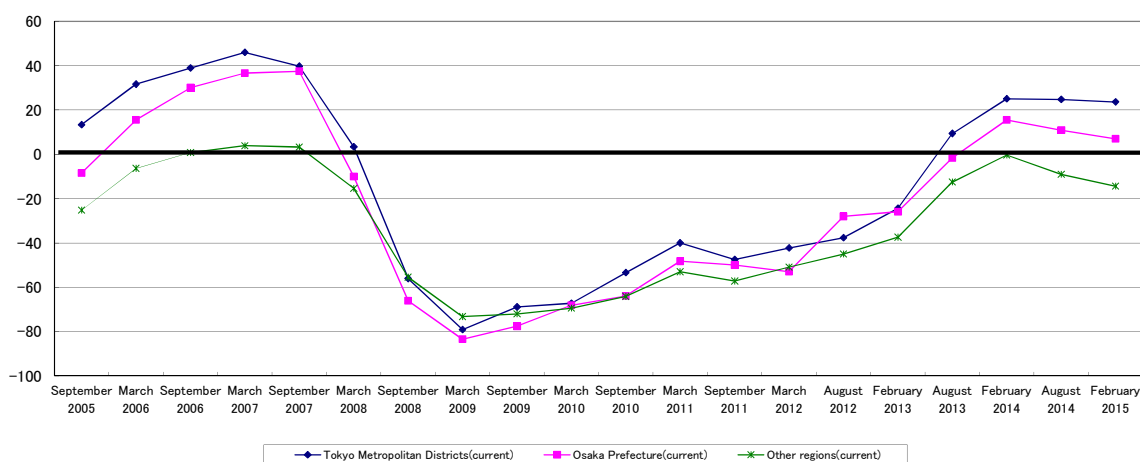
c. Judgments about the current land transaction situation (Responses)

“Tokyo” showed decreases for both “active” and “sluggish.” “Osaka” showed no big change for “active,” increase for “sluggish.” “Other regions” showed a decrease for “active,” but an increase for “sluggish.” (Figure 3)

d. Forecasts of the land transaction situation in a year’s time (Responses)

“Tokyo” showed a decrease for “active,” but an increase for “sluggish.” “Osaka” showed an increase for “sluggish,” but no change for “active.” “Other regions” showed a decrease for “active,” but no change for “sluggish.” (Figure 4)

Figure 1 DI about judgments of the current land transaction situation (by location of headquarters)



Note: DI = Rate of (Active)–(Sluggish). The unit is points.

Figure 2 DI about forecasts of the land transaction situation in a year's time (by location of headquarters)

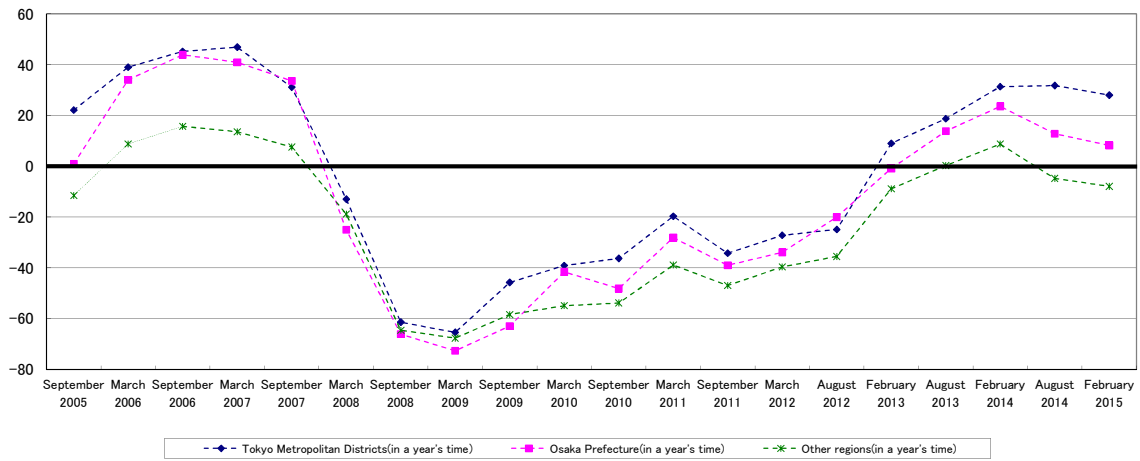


Figure 3 Judgments of the current land transaction situation (by location of headquarters)

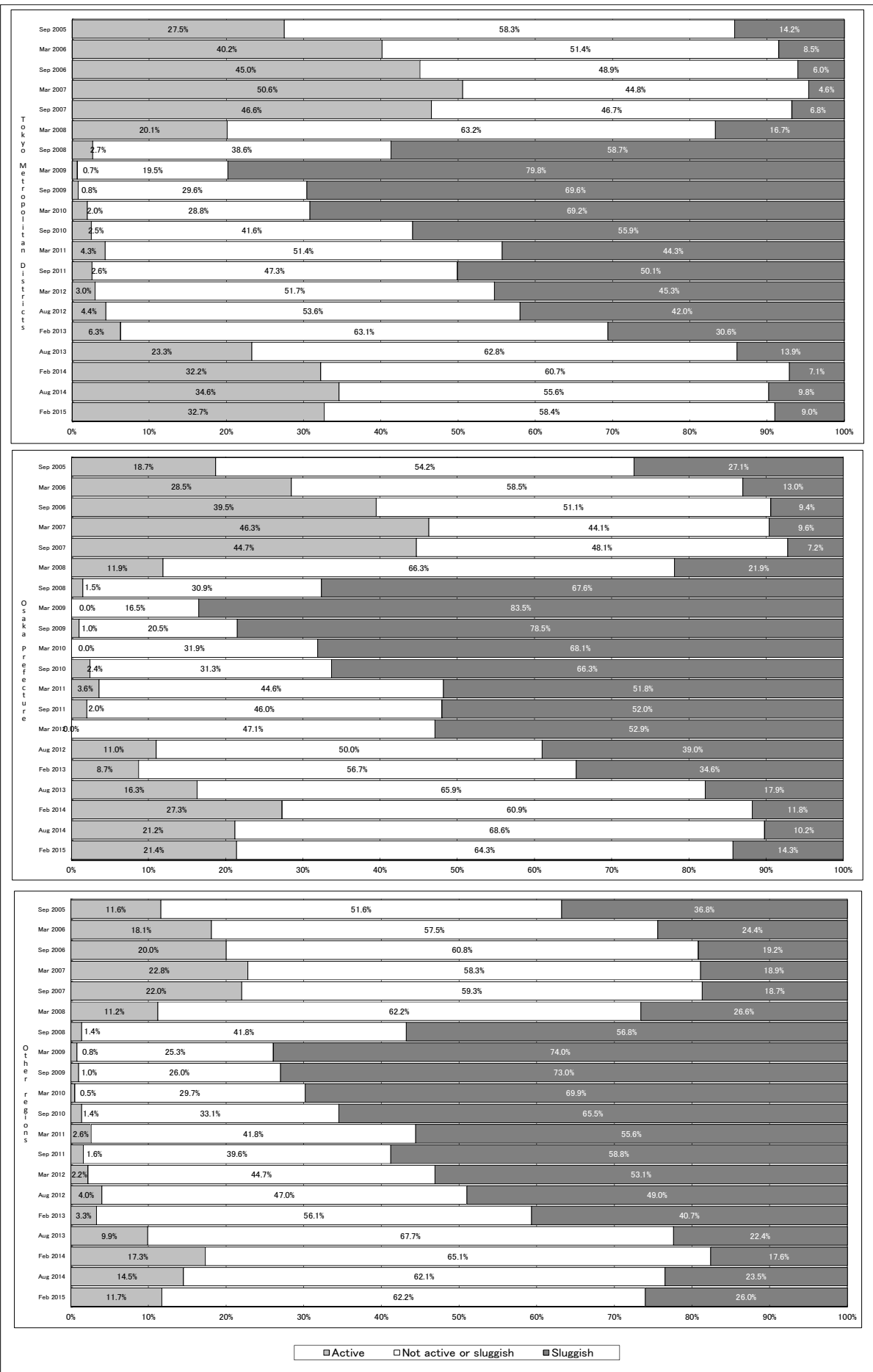
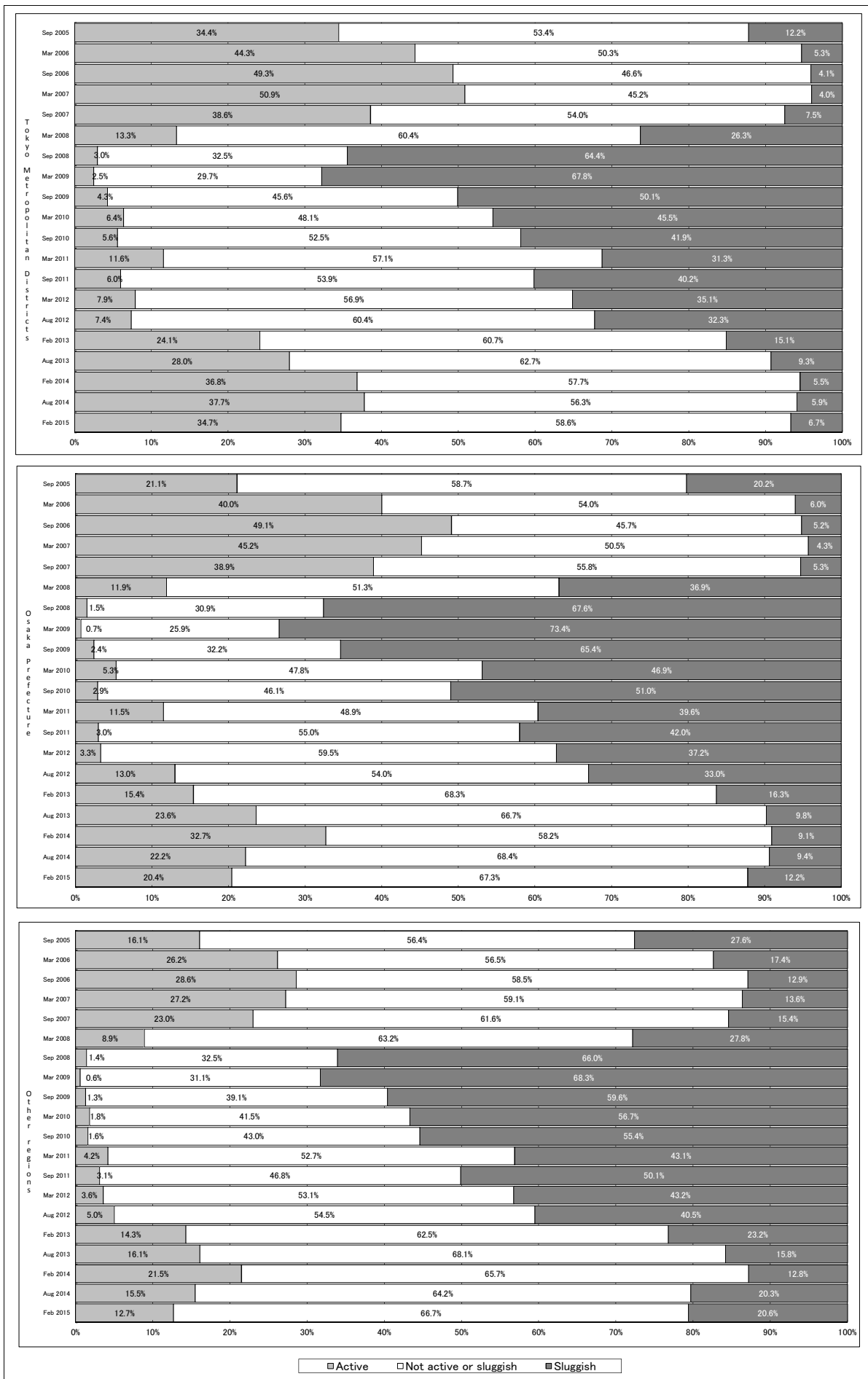


Figure 4 Forecasts of land transaction situation in a year's time (by location of headquarters)



(2) Judgments about land price levels

Judgments about land price levels at the locations of headquarters were sought from companies whose headquarters are located in each region.

a. Judgments of the current land price levels (DI)

“Tokyo” increased by 2.4 points to +39.0 points, “Osaka” decreased by 13.5 points to -9.2 points, and “Other regions” decreased by 1.3 points to -16.8 points. (Figure 5)

b. Forecasts of land price levels in a year’s time (DI)

“Tokyo” decreased by 3.0 points to +50.3 points, “Osaka” increased by 5.6 points to +30.6 points, and “Other regions” decreased by 4.4 points to -2.6 points. (Figure 6)

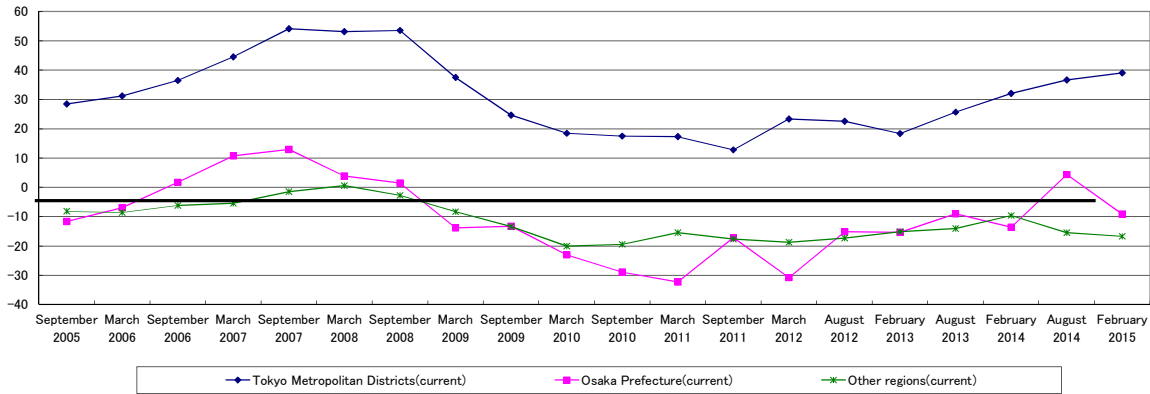
c. Judgments of the current land price levels (Responses)

“Tokyo” showed increases for “high” and “low.” “Osaka” showed decreases for “high” and increases for “low.” “Other regions” showed no big change for “high” and “low.” (Figure 7)

d. Forecasts of land price levels in a year’s time (Responses)

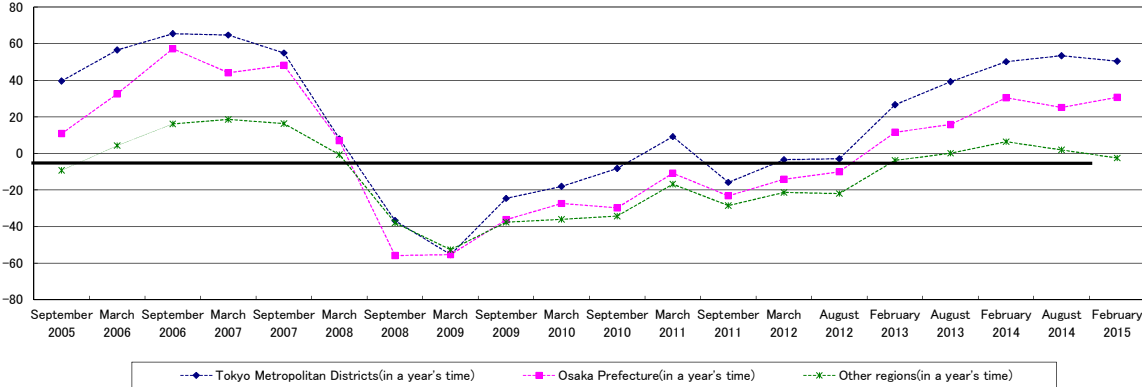
In responses of “expect to rise,” “Tokyo” showed a decrease, but “Osaka” showed an increase. “Other regions” showed a slight decrease for “expect to rise,” but an increase for “expect to decline.” (Figure 8)

Figure 5 DI about Judgments of the current land price levels (by location of headquarters)



Note: DI = Rate of (High)–(Low). The unit is points.

Figure 6 DI about Forecasts of land price levels in a year's time (by location of headquarters)



Note: DI = Rate of (Rise)–(Decline). The unit is points.

Figure 7 Judgments of the current land price levels (by location of headquarters)

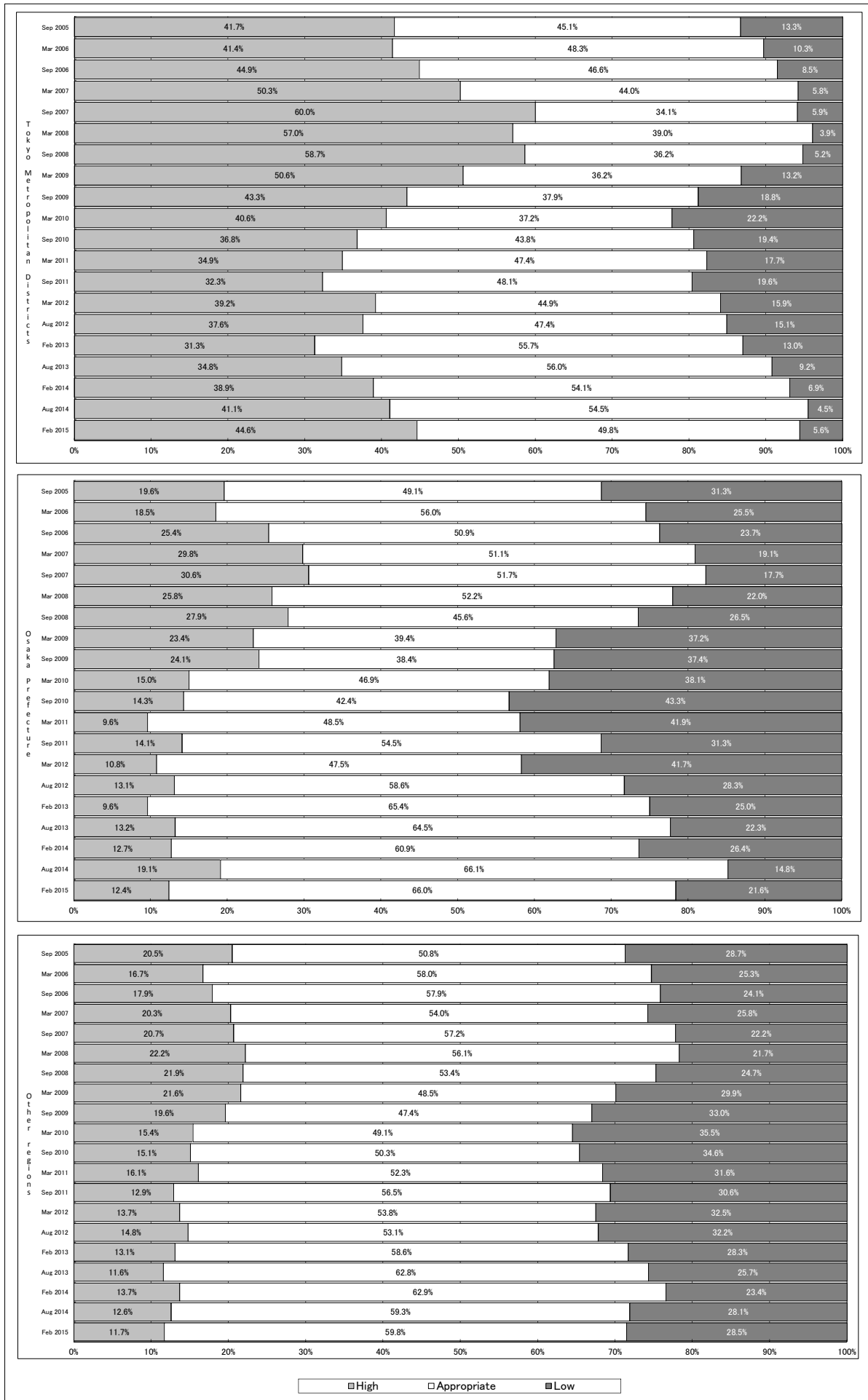
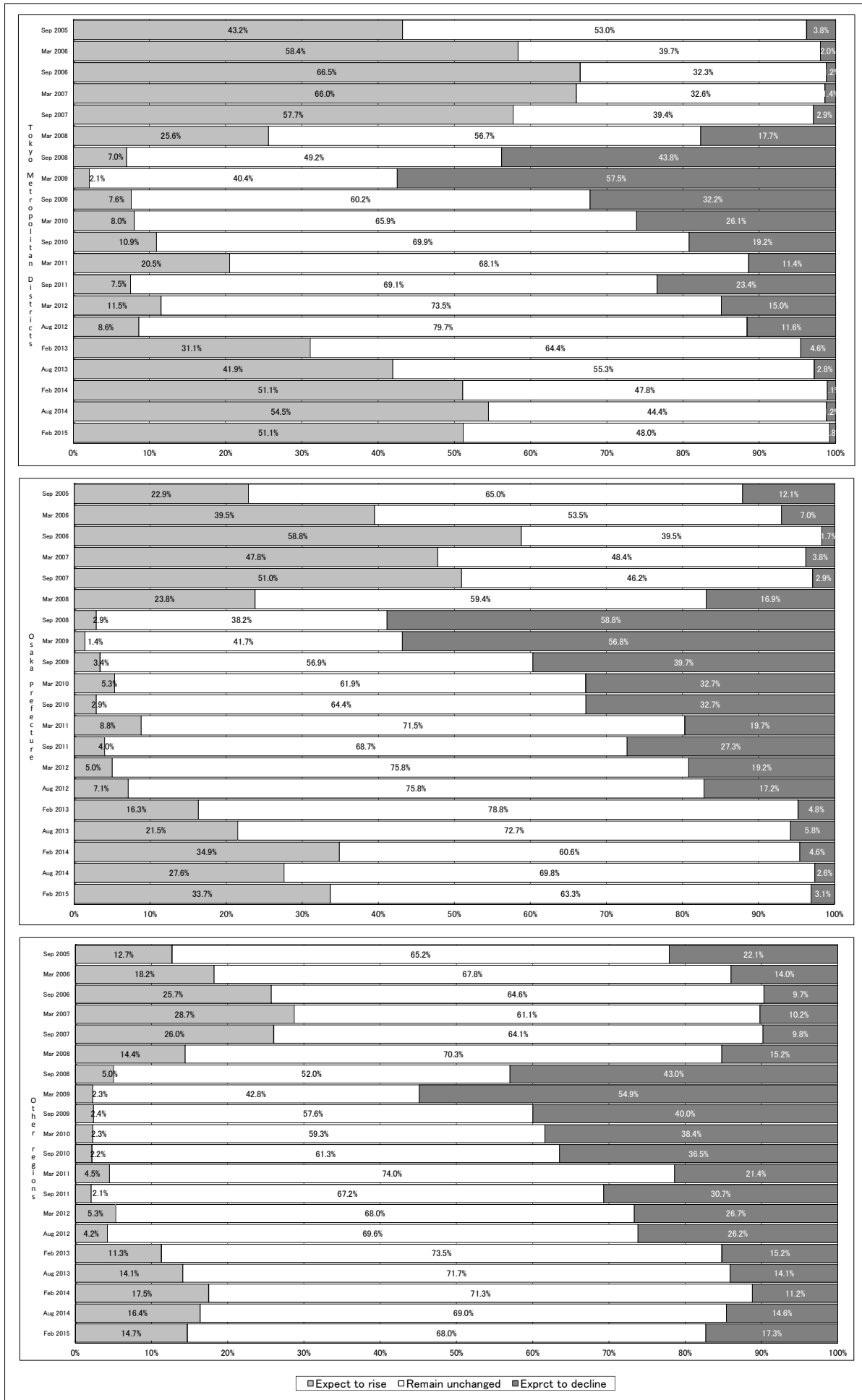


Figure 8 Forecasts of land price levels in a year's time (by location of headquarters)

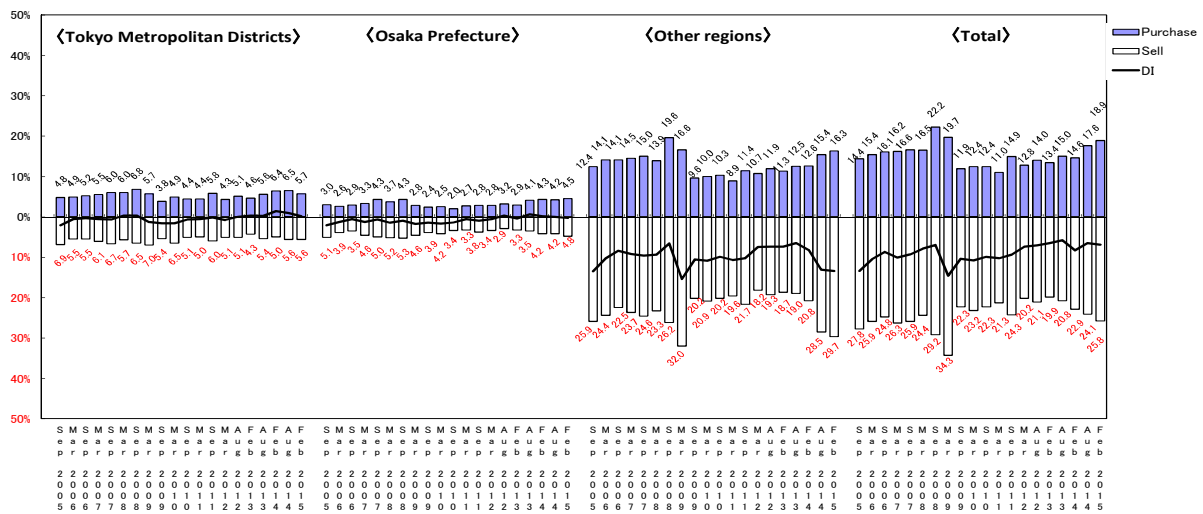


(3) Intentions to purchase or sell land

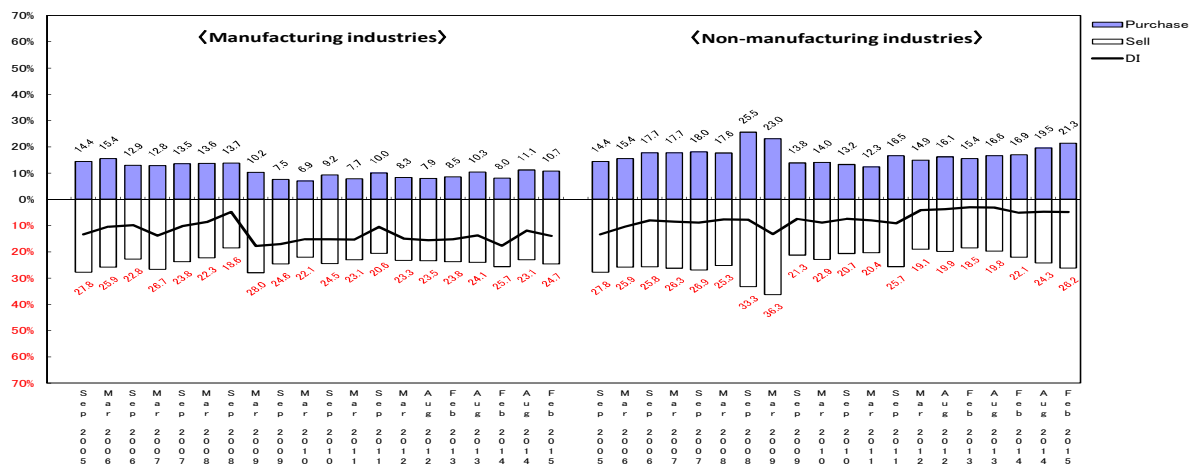
As for the “intentions to purchase or sell land within a year,” every location responses of “purchase” and “sell” increases slightly except “Tokyo,” The DIs (“purchase” – “sell”) declined slightly for every location.

The intentions by industry, The DIs of “manufacturing industries” declined slightly as the responses “purchase” decrease slightly, and “sell” increase slightly. The DIs of “non-manufacturing industries” remained almost flat as the responses increase both “purchase” and “sell.” (Figure 9)

Figure 9 Intentions to purchase or sell land within a year
(by location of properties)



(by industry)



Notes 1: The figures of the intentions to purchase or sell are the ratios of companies which responded that they intend to purchase or sell land to the total number of valid responses (the total number of valid responses in each industry for intentions by industry).

2: As for intentions by location of properties, multiple answers regarding regions are allowed for companies, so the totals may differ from the sums of each region.

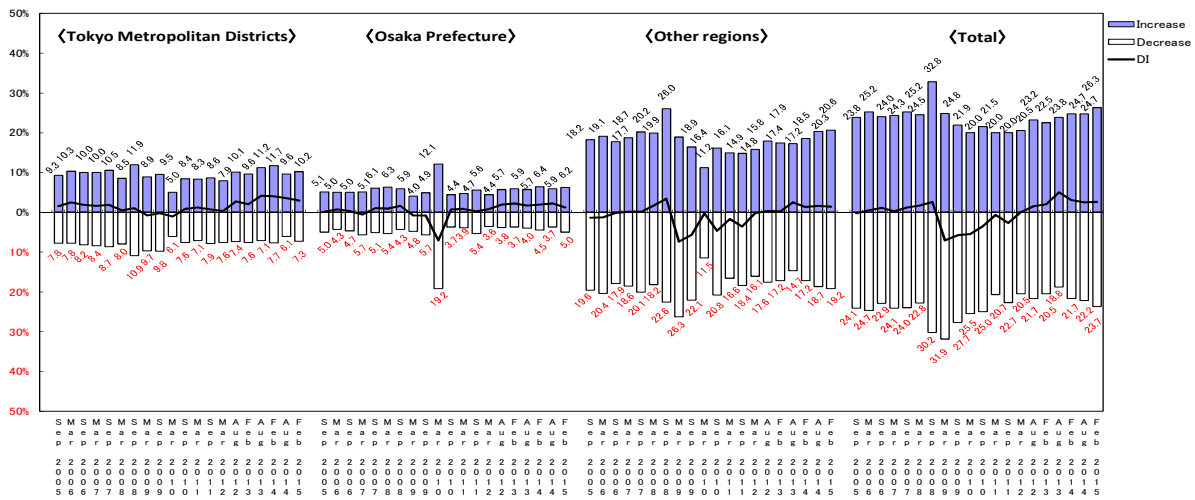
(4) Intentions to increase or decrease land and buildings for own company use

As for the “intentions to increase or decrease land and buildings for own company use within a year,” the DIs (“Increase” – “Decrease”) by location of properties are almost flat for every location.

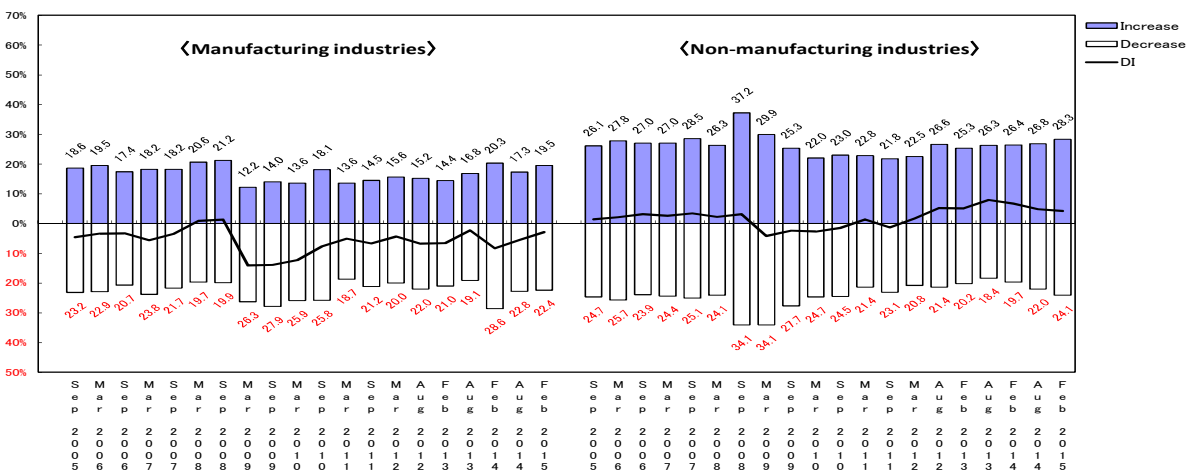
The DIs by industry, “manufacturing industries” are upward trend, “non-manufacturing industries” decreases. (Figure 10)

Figure 10 Intentions to increase or decrease land and buildings for own company use within a year

(by location of properties)



(by industry)



Notes 1: The intentions to increase or decrease land and buildings for own company use are as follows:

- Exclude the purpose of selling and lending to other companies and the purpose of investment
- Include the use of a building only (cases of moving into a rental building as a tenant, etc. also apply)
- Include “rent” or “terminate to rent,” not only to purchase or sell

2: The figures of the intentions to increase or decrease are the ratios of companies

which responded that they have intentions to increase or decrease land and building use to the total number of valid responses (the total number of valid responses in each industry for intentions by industry).