

Outline of Survey on Trends of Land Transaction (First Survey) for FY2017

November, 2017

Ministry of Land, Infrastructure, Transport and Tourism,
Land Economy and Construction Industries 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: August 2017

6. Results of the collection

	No. of questionnaires distributed	No. of valid responses	Rate of valid responses
Listed companies	1,750 companies	609 companies	34.8%
Unlisted companies	1,750 companies	840 companies	48.0%
Total	3,500 companies	1,449 companies	41.4%

7. Implementing agency of the survey: Advanced Solutions Technology Japan, 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.

① Judgment of current land transaction situation (DI)

"Tokyo", increased by 7.3 points to +31.7 points, "Osaka" increased by 4.9 points to +20.0 points, "Other regions" increased by 2.2 points to +3.6 points (Chart 1).

② Forecast of land transaction situation one year later (DI)

"Tokyo" increased by 8.4 points to +24.2 points, "Osaka" increased by 1.2 points to +7.0 points, "Other regions" increased by 2.3 points to -3.5 points (Chart 2).

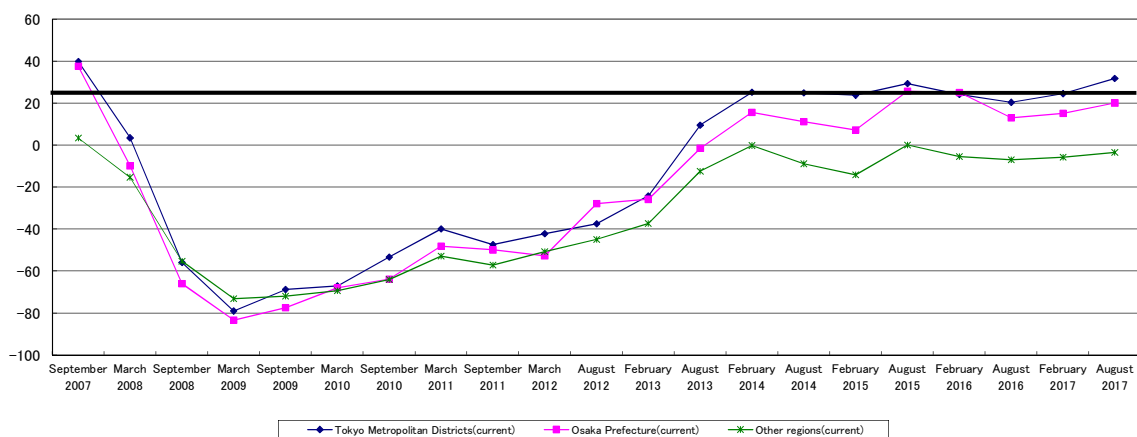
③ Judgment of current land transaction situation (Answer)

"Active" has increased by 6.3 points in "Tokyo", 1.4 points in "Osaka", and 2.4 points in "other areas". "Inactivity" has decreased by 1.0 points in "Tokyo" and 3.5 points in "Osaka" (Chart 3).

④ Forecast of land transaction situation one year later (Answer)

"Active" has increased by 6.4 points in "Tokyo" and by 4.2 points in "other areas". "Inactive" decreased by 2.0 points for "Tokyo", 1.5 points for "Osaka", and 1.9 points for "other areas" (Chart 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)

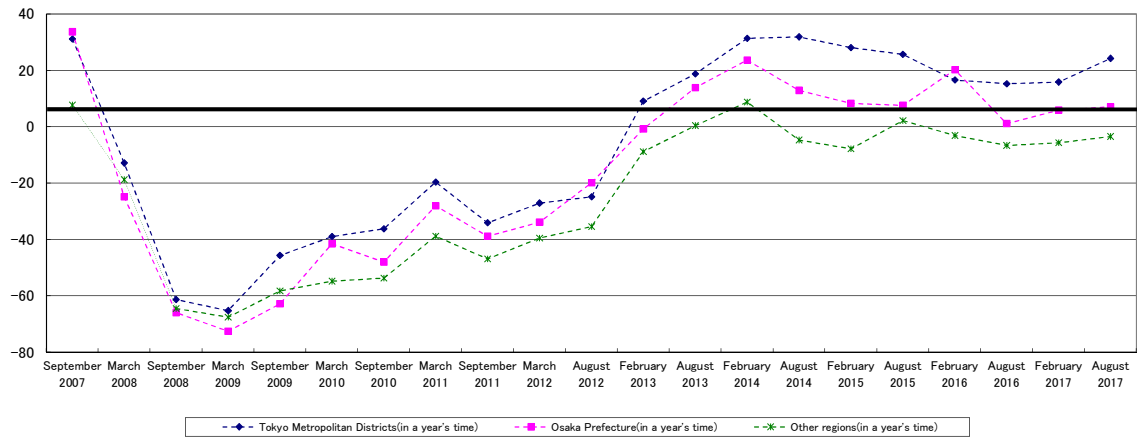


Figure 3 Judgments of the current land transaction situation (by location of headquarters)

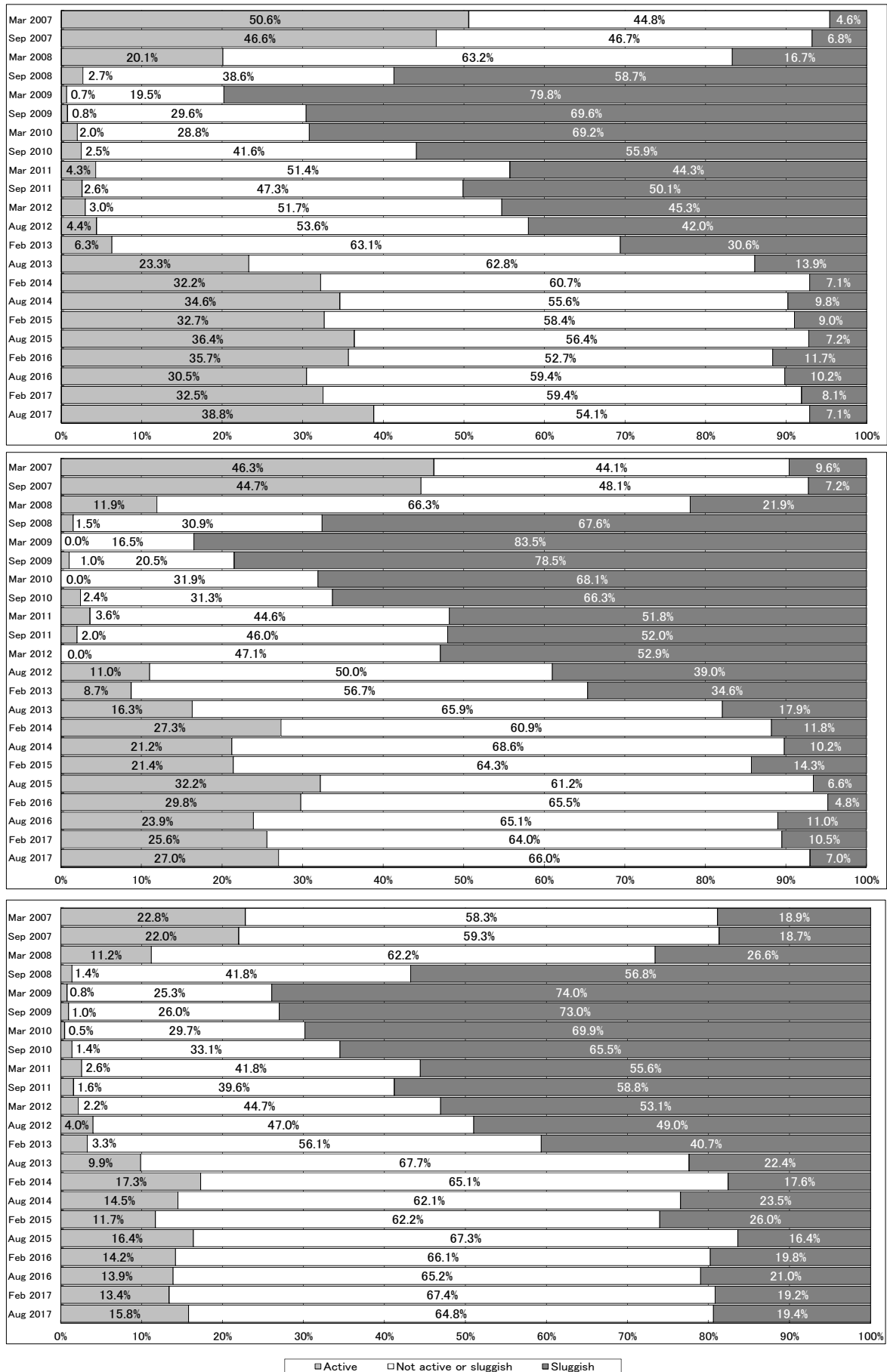
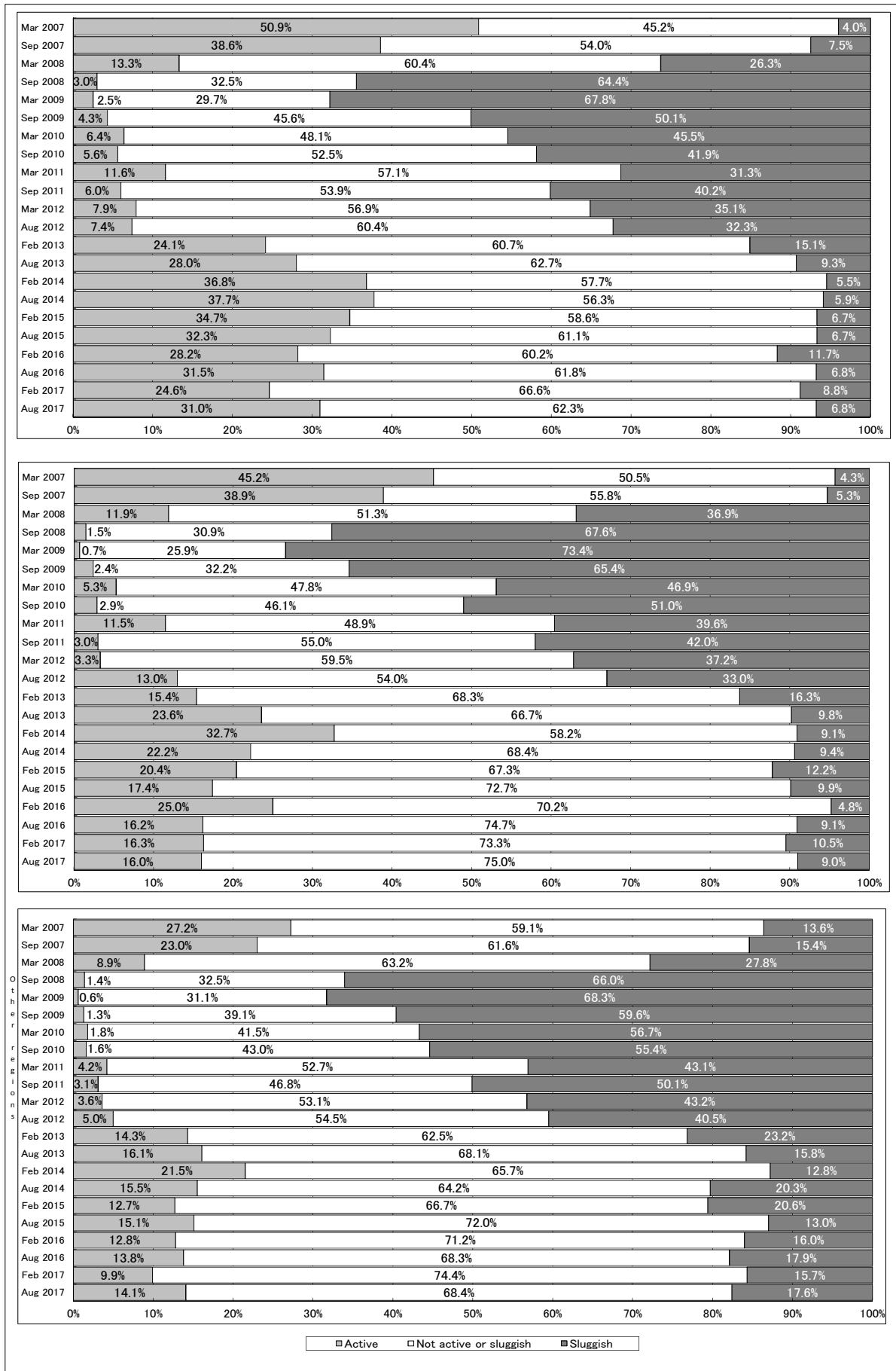


Figure 4 Forecasts of land transaction situation in a year's time (by location of headquarters)



(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.

① Judgment of current land price level (DI)

"Tokyo" increased by 4.1 points to +57.8 points, "Osaka" increased by 1.8 points to +15.1 points, "Other regions" decreased by 4.2 points to -2.5 points (Chart 5).

② Forecast of land price level one year later (DI)

"Tokyo" increased by 5.2 points to +40.4 points, "Osaka" increased by 3.5 points to +21.3 points, "Other regions" decreased by 2.6 points to -1.5 points (Chart 6).

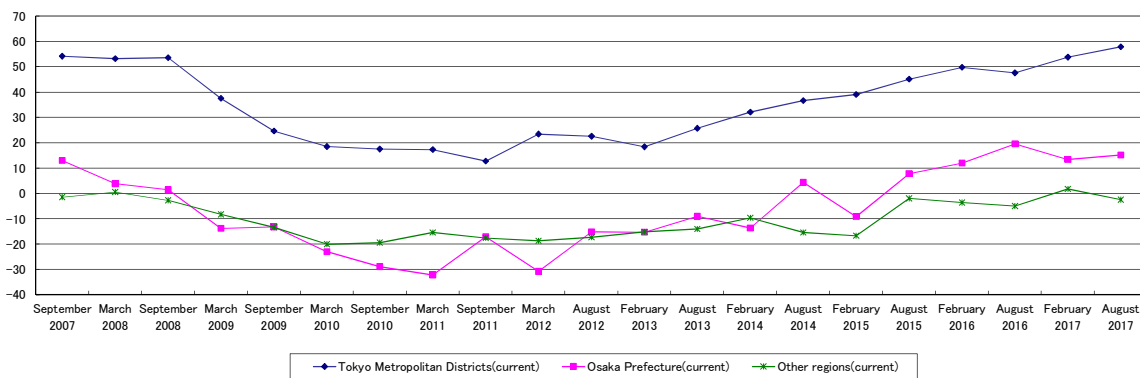
③ Judgment of current land price level (Answer)

"High" increased by 2.2 points in "Tokyo", by 4.9 points in "Osaka", "Low" in "Other areas" increased by 4.5 points. (Chart 7).

④ Forecast of land price level one year later (Answer)

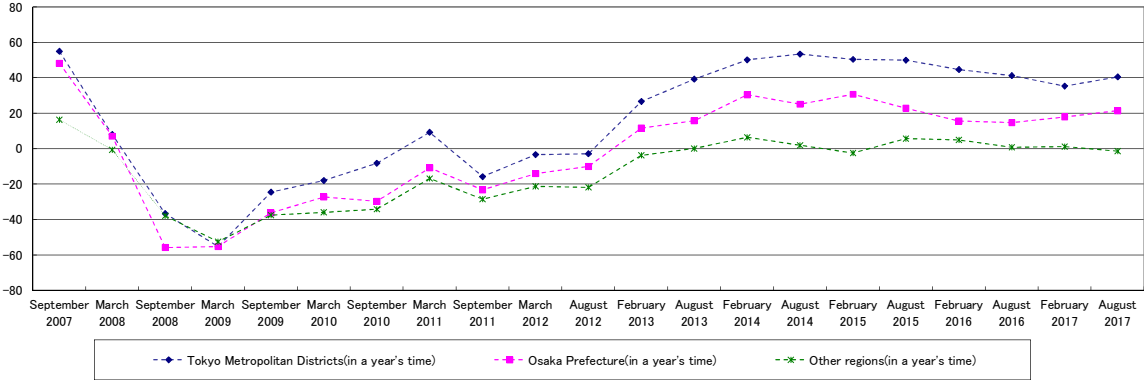
"Expected to rise" increased by 4.2 points in "Tokyo", 6.3 points by "Osaka", and 1.3 points by "other regions". "Falls expected" decreased 1.0 points in "Tokyo", but it increased by 2.8 points in "Osaka" and by 3.9 points in "Other regions" (Chart 8).

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)

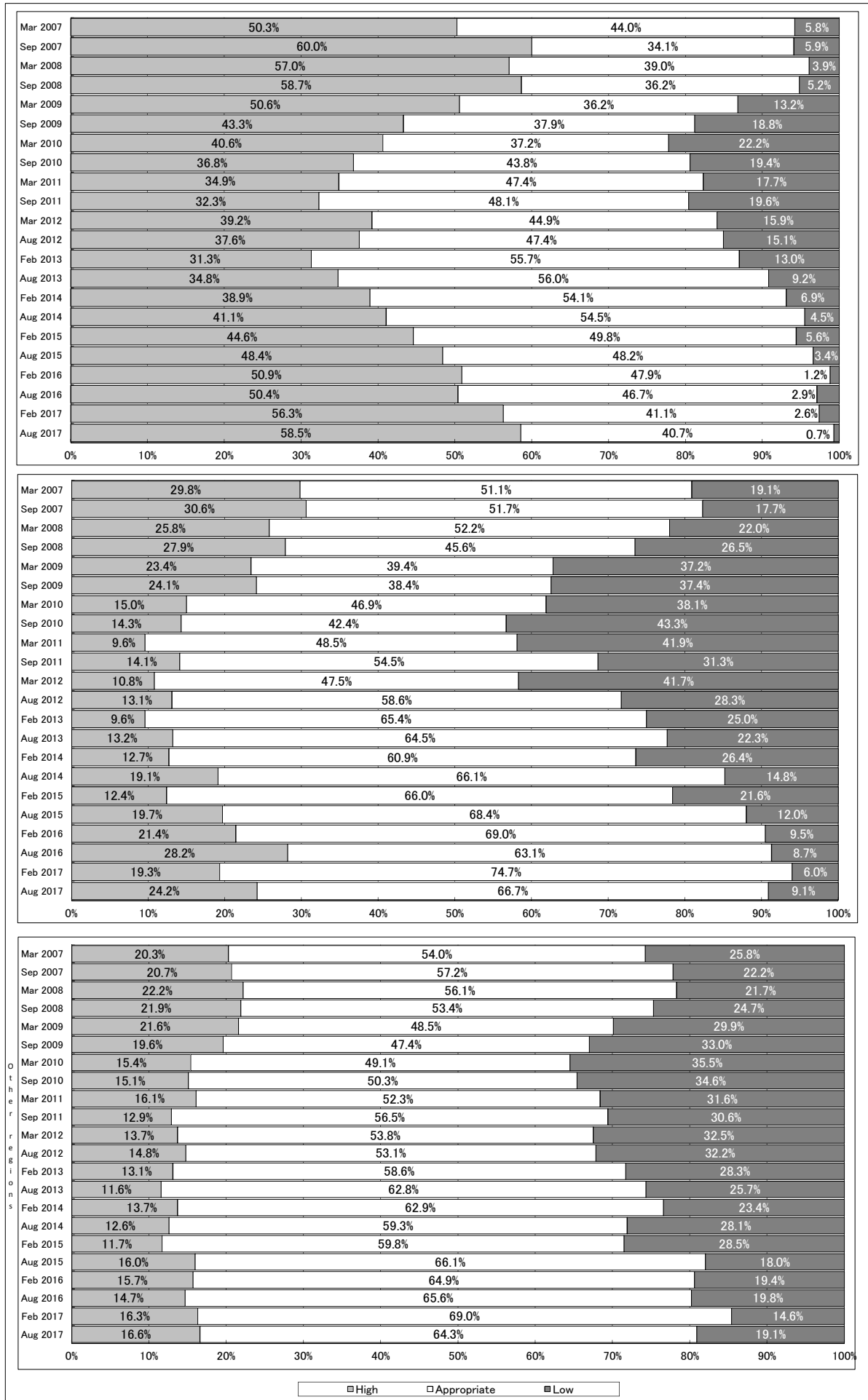
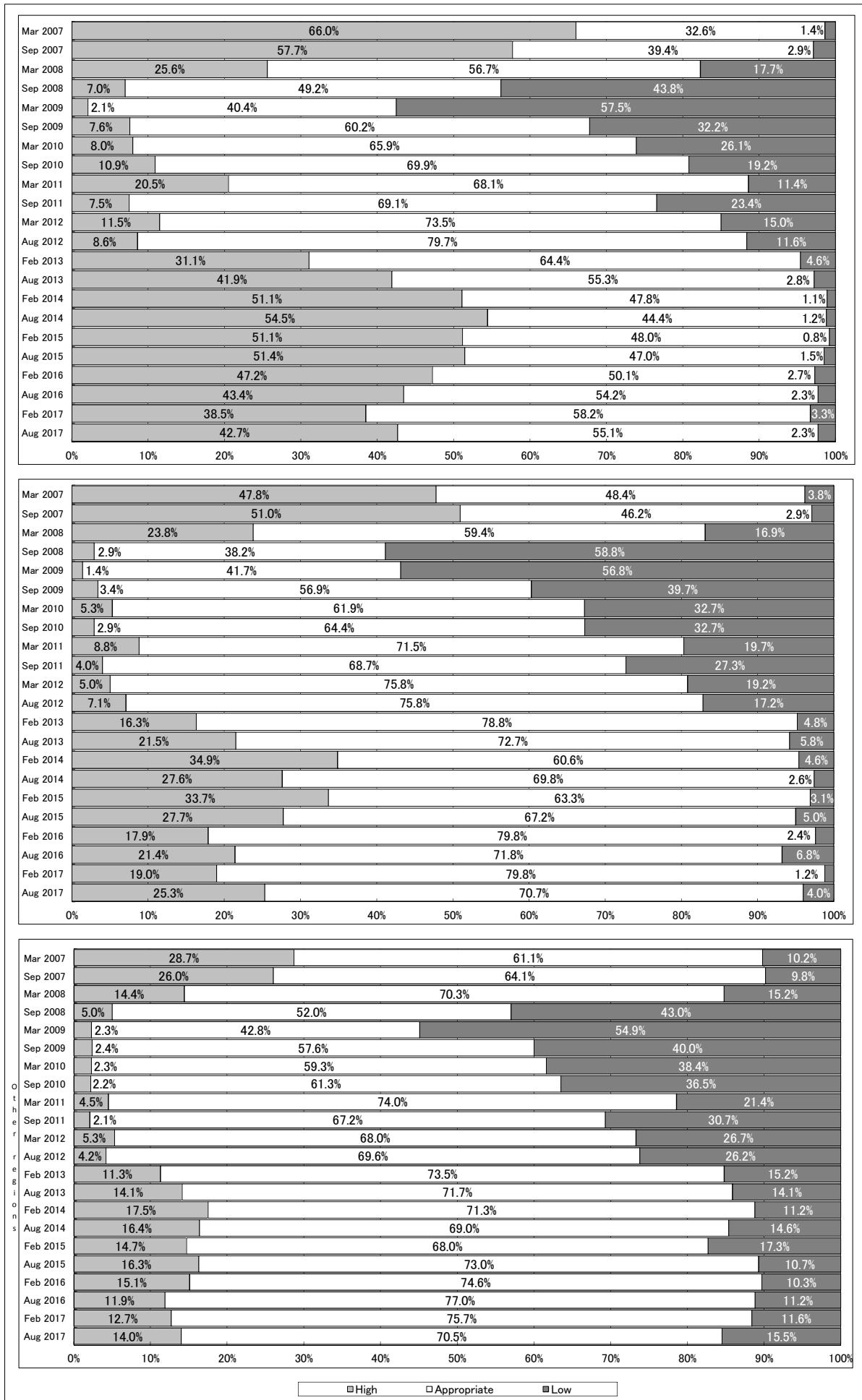


Figure 8 Forecasts of land price levels in a year's time (by location of headquarters)

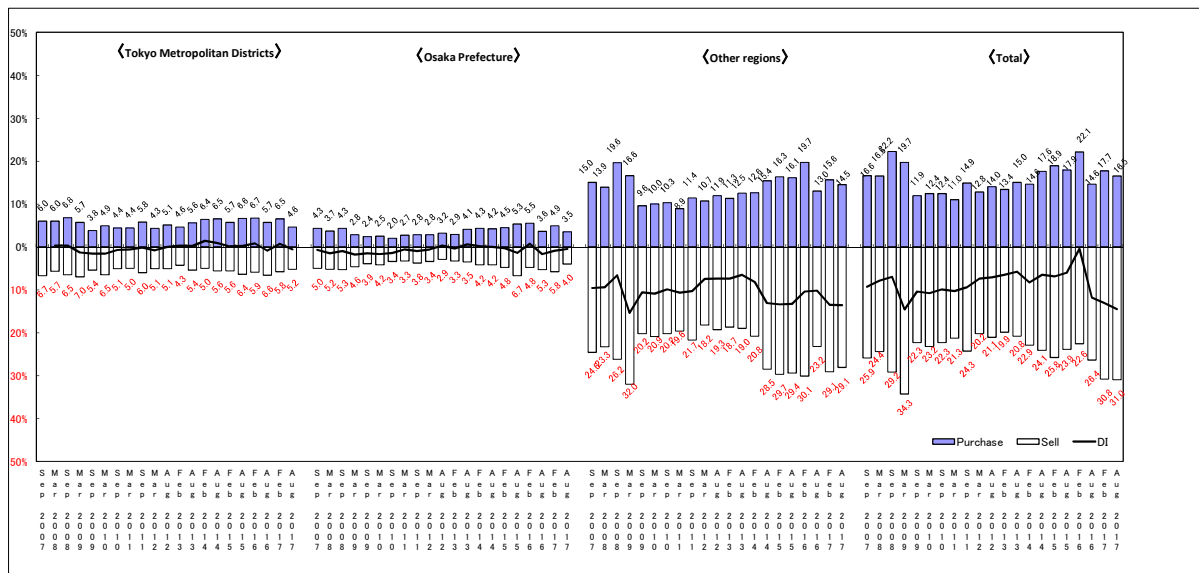


(3) Intentions to purchase or sell land

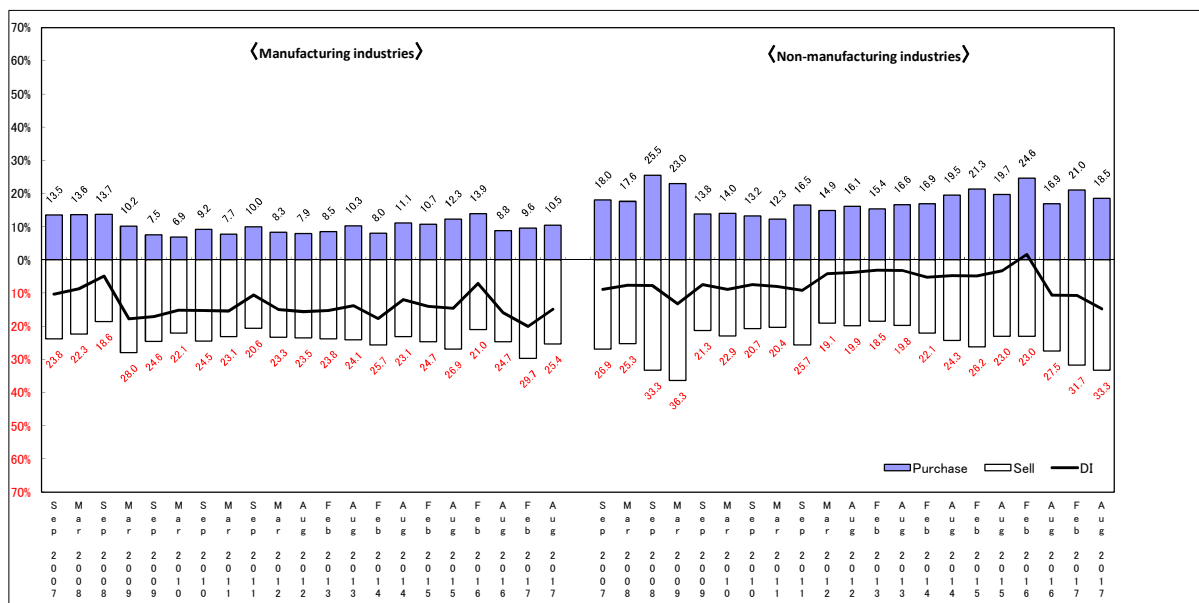
Regarding "Intention to purchase and sell land over the next year", both "purchase" and "sale" have decreased in all regions. DI ("Purchase" - "Sale") decreased by 1.3 points in "Tokyo", 0.1 points by "Other regions", and 0.4 points by "Osaka".

By industry, DI increased by 5.2 points as "purchased" increased by 0.9 points and "sold" decreased by 4.3 points for "manufacturing industry". In the "non-manufacturing industry", DI decreased by 4.1 points (Chart 9), as "Purchase" decreased by 2.5 points and "Sale" increased by 1.6 points.

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



(by industry)



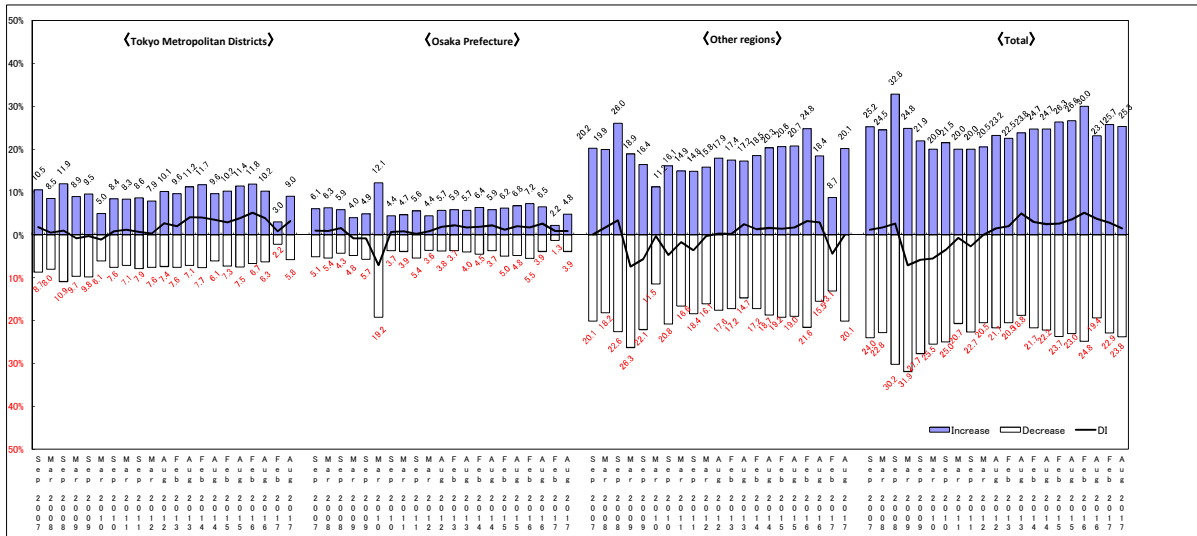
Notes 1: The figures of the intentions to purchase or sell are the ratios of companies which responded that they intend to purchase or sell land to the total number of valid responses (the total number of valid responses in each industry for intentions by industry).

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.

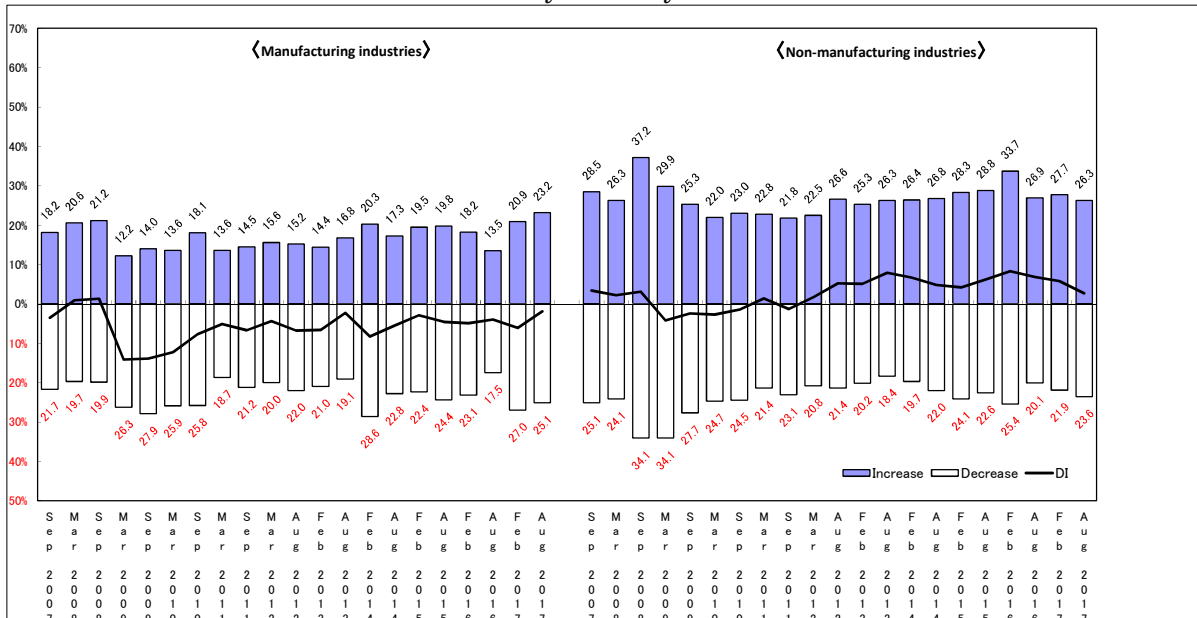
(4) Intentions to increase or decrease land and buildings for own company use
 "Intention to increase / decrease land and buildings for in-house use in the next year" has increased substantially in all areas. DI ("Increase" - "Decrease") by Property Location increased by 2.4 points in "Tokyo" and by 4.4 points in "Other Region", and "Osaka" is almost flat (Chart 10).
 According to industry type, "Manufacturing" increased by 4.2 points while "Nonmanufacturing" decreased by 3.1 points.

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).