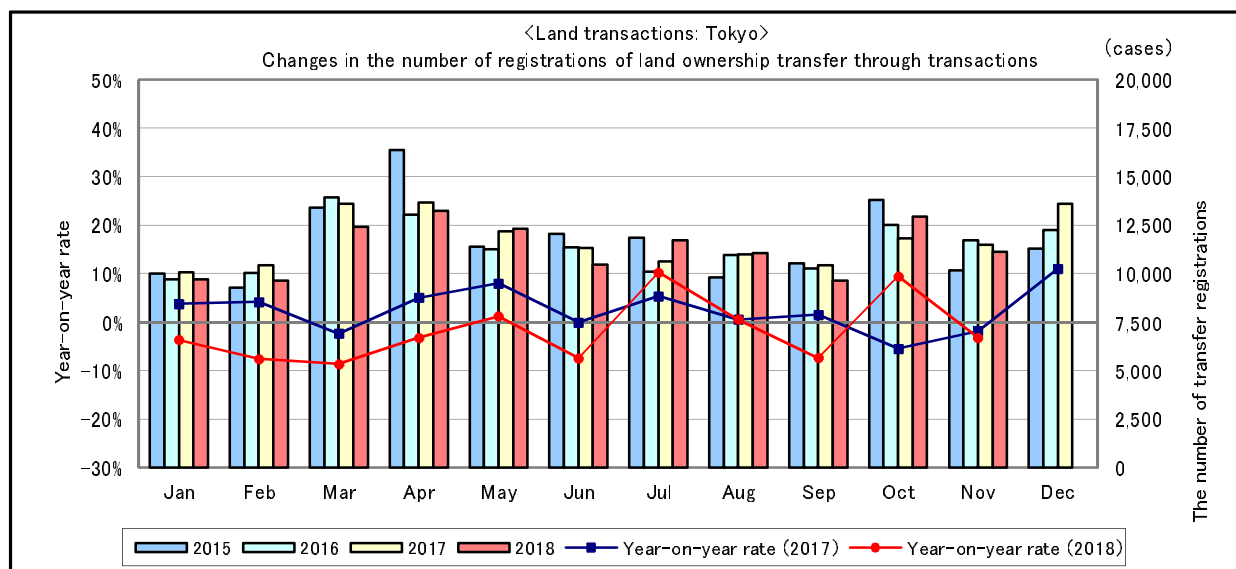
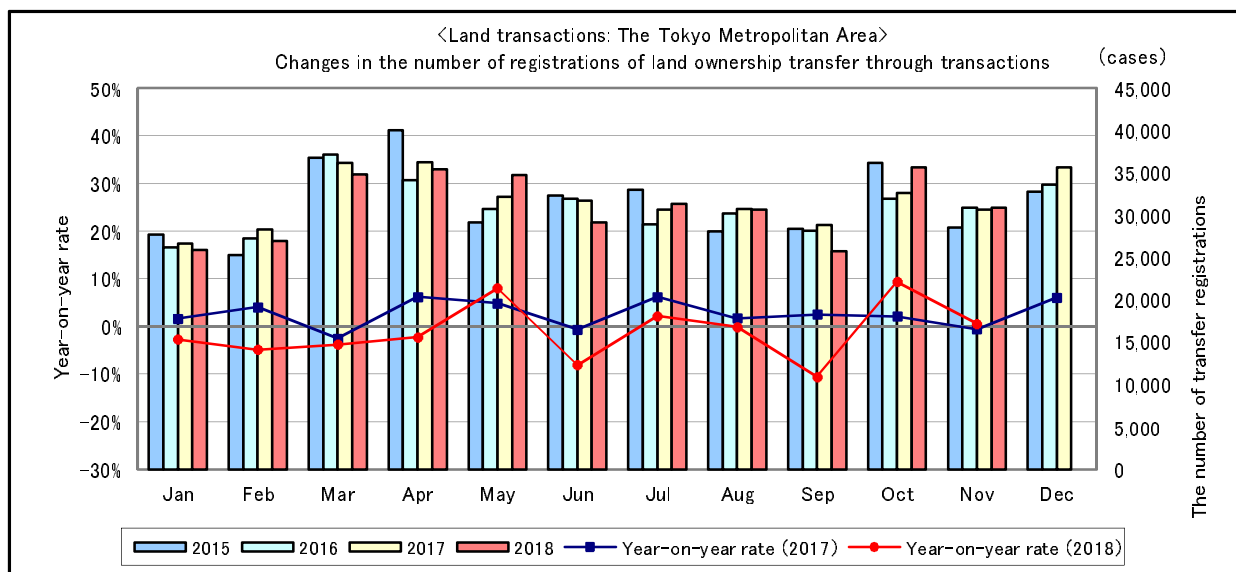


1. Trends in Land Ownership Transfer

【The Tokyo Metropolitan Area: Number of registrations of land ownership transfer through transactions】

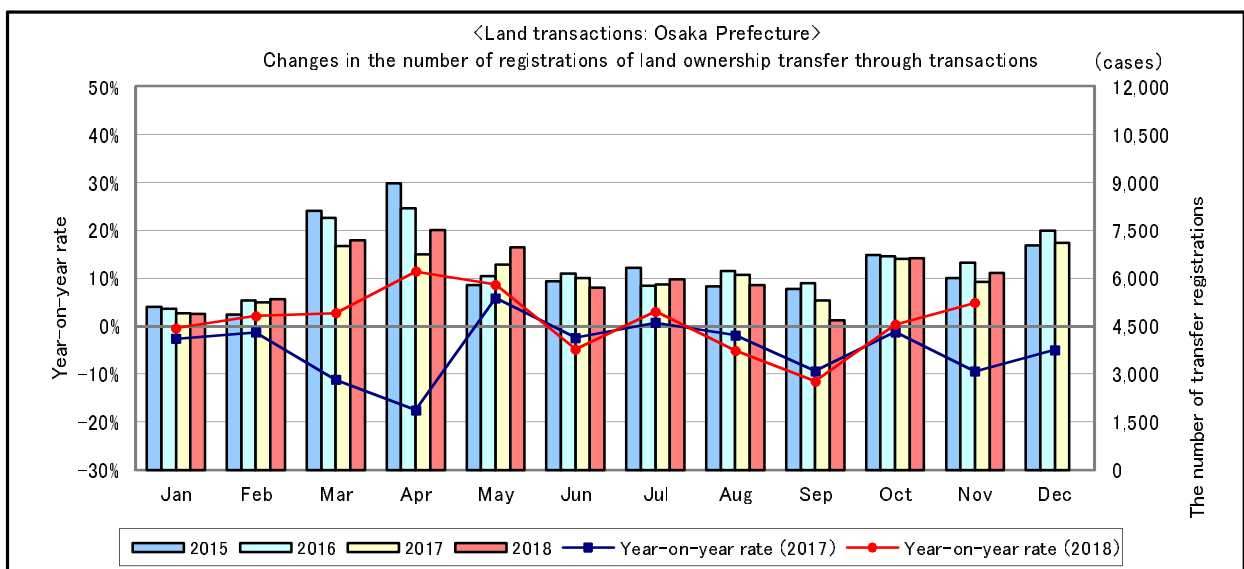
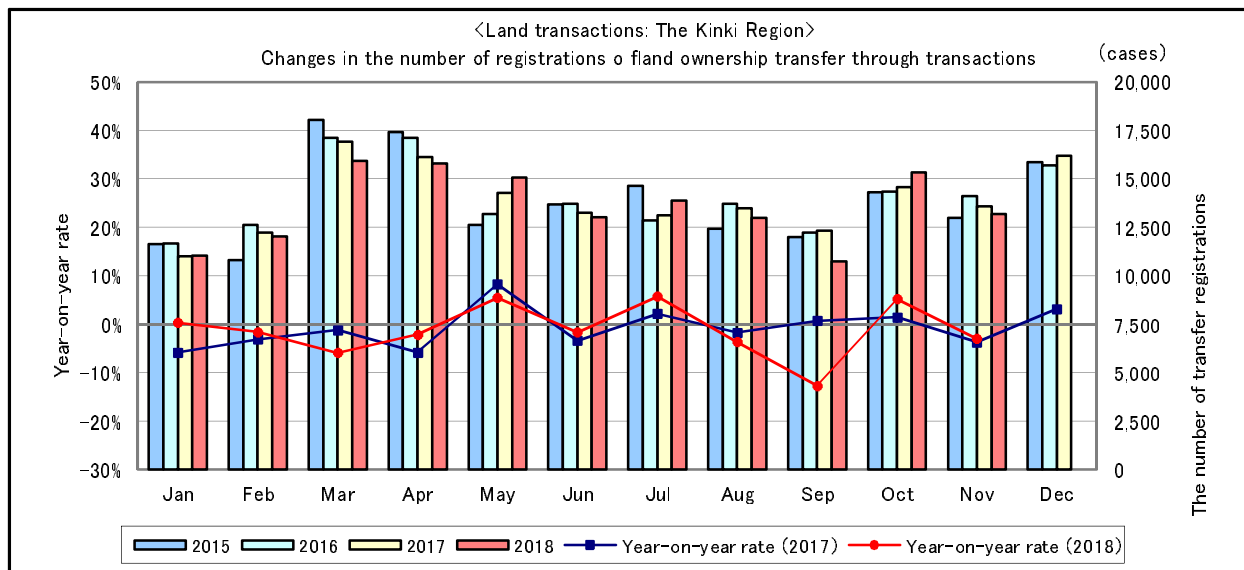
- The Tokyo Metropolitan Area
 - The number of registrations of land ownership transfer through transactions in November totaled 30,859, a year-on-year increase of 0.5%.
 - The figure has increased year-on-year for 2 consecutive months.
- Tokyo
 - The number of registrations of land ownership transfer through transactions in November totaled 11,104, a year-on-year decrease of 3.2%.
 - The figure decreased year-on-year for the first time in 2 months.



Source: "Monthly Legal Statistics Report," Ministry of Justice

【The Kinki Region: Number of registrations of land ownership transfer through transactions】

- The Kinki Region
 - The number of registrations of land ownership transfer through transactions in November totaled 13,184 ,a year-on-year decrease of 3.0%.
 - The figure decreased year-on-year for the first time in 2months.
- Osaka Prefecture
 - The number of registrations of land ownership transfer through transactions in November totaled 6,162, a year-on-year increase of 4.8%.
 - The figure has increased year-on-year for 2 consecutive months.



Source: "Monthly Legal Statistics Report," Ministry of Justice

2. Trends in the Housing Market

1) Trends in housing starts

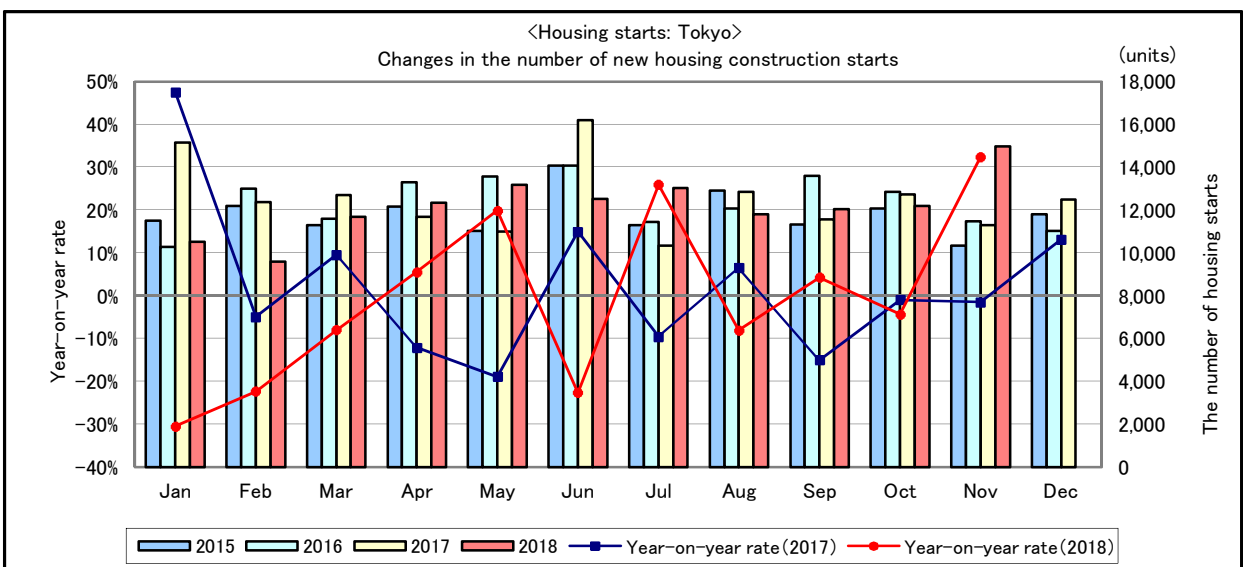
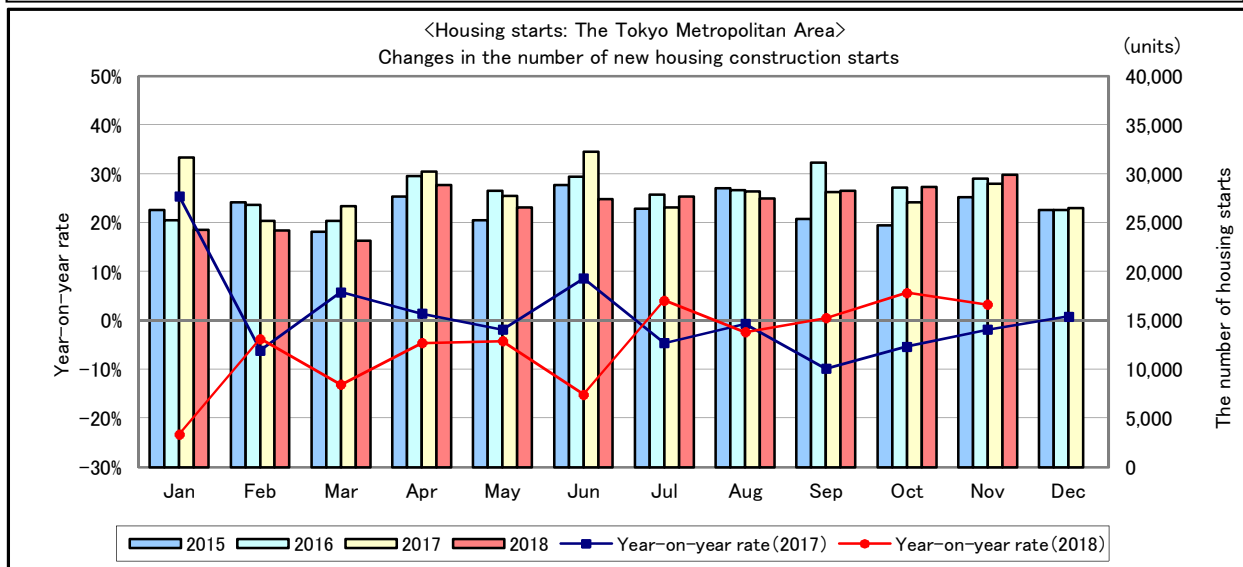
【The Tokyo Metropolitan Area: Number of new housing starts】

○ The Tokyo Metropolitan Area

- The number of new housing starts in November totaled 29,908 units, a year-on-year increase of 3.3%.
- The figure has surpassed the previous year's results for 3 consecutive months.

○ Tokyo

- The number of new housing starts in November totaled 14,964 units, a year-on-year increase of 32.4%.
- The figure surpassed the previous year's results for the first time in 2 months.



Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

【The Tokyo Metropolitan Area: Breakdown of housing starts by use】

○ The Tokyo Metropolitan Area

• Owned houses increased year-on-year for 3 consecutive months, surpassing the previous year's results by 0.9%. Rental houses decreased by 6.5% year-on-year, falling below the previous year's results for the first time in 2 months.

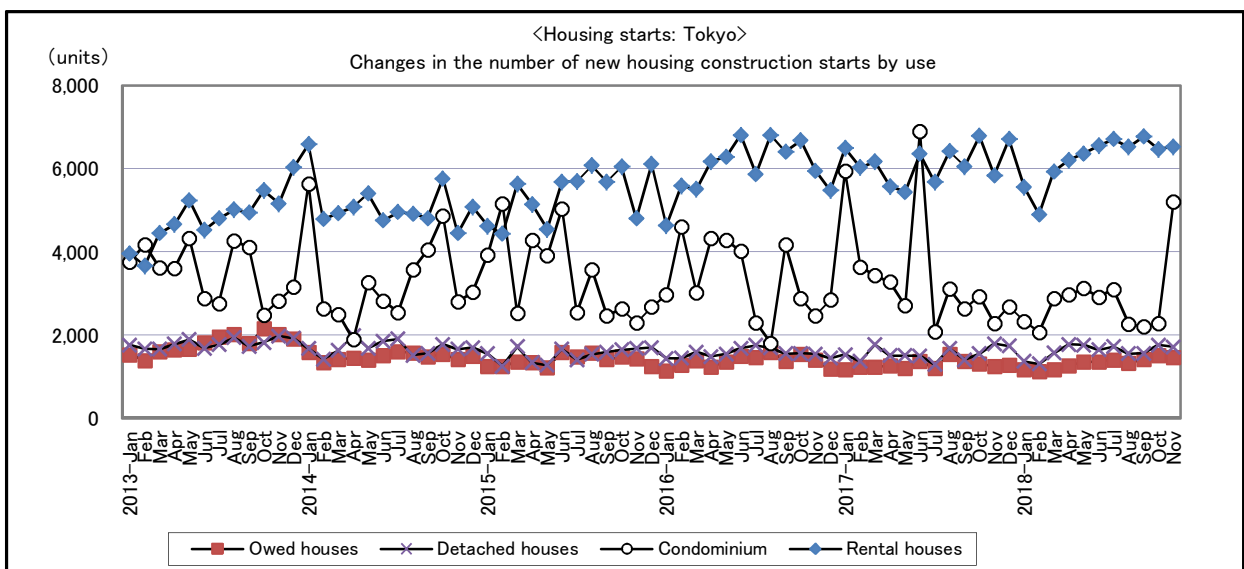
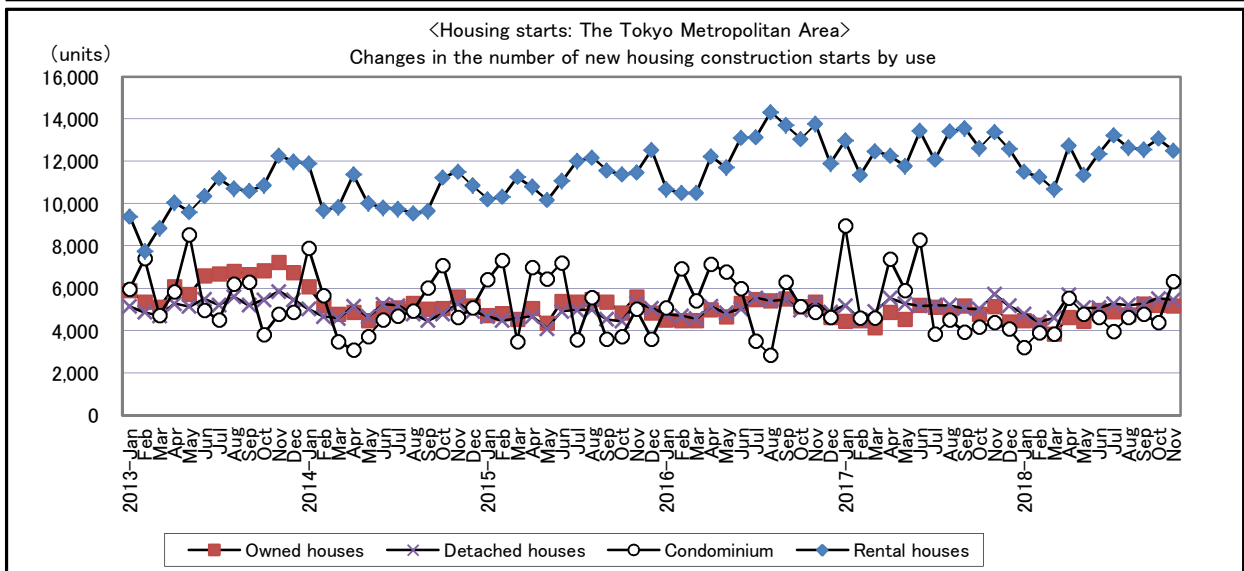
Houses built for sale increased by 15.9% year-on-year, surpassing the previous year's results for 5 consecutive months. Among houses built for sale, detached houses decreased by 4.7% year-on-year, falling below the previous year's results for the first time in 5 months. Condominiums increased by 44.3% year-on-year, surpassing the previous year's results for 5 consecutive months.

○ Tokyo

• Owned houses increased year-on-year for 3 consecutive months, surpassing the previous year's results by 17.2%.

Rental houses increased by 11.8% year-on-year, surpassing the previous year's results for the first time in 2 months.

Houses built for sale increased by 69.9% year-on-year, surpassing the previous year's results for the first time in 4 months. Among houses built for sale, detached houses decreased by 4.6% year-on-year, falling below the previous year's results for the first time in 3 months. Condominiums increased by 127.6% year-on-year, surpassing the previous year's results for the first time in 4 months.



Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

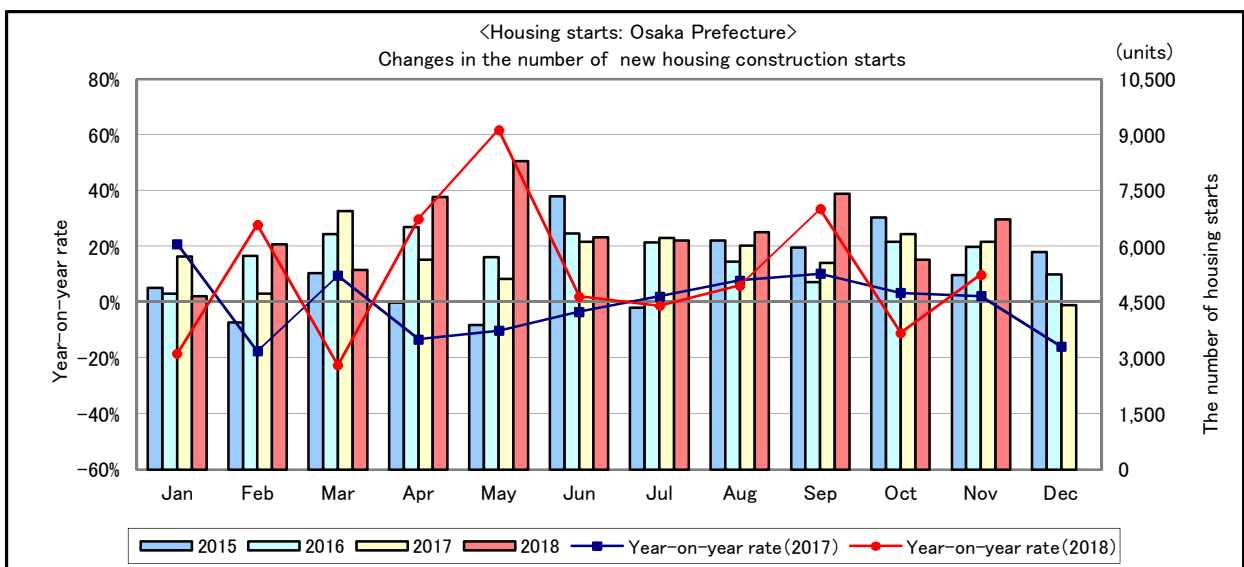
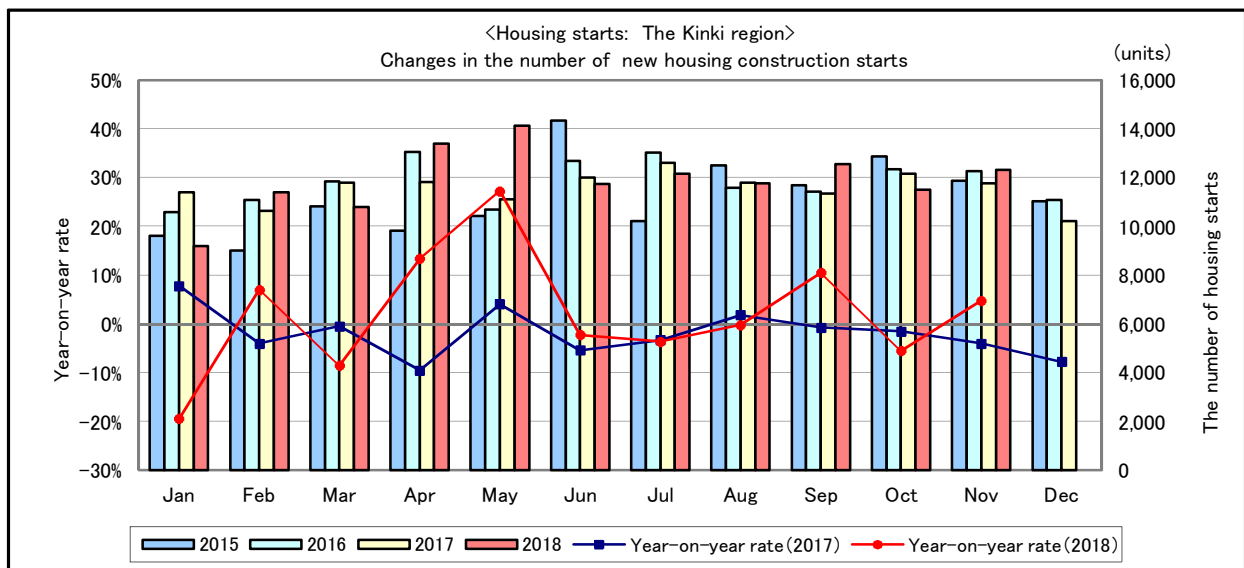
【The Kinki Region: Number of new housing starts】

○ The Kinki Region

- The number of new housing starts in November totaled 12,329 units, a year-on-year increase of 4.8%.
- The figure surpassed the previous year's results for the first time in 2 months.

○ Osaka Prefecture

- The number of new housing starts in November totaled 6,729 units, a year-on-year increase of 9.9%.
- The figure surpassed the previous year's results for the first time in 2 months.



Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

【The Kinki Region: Breakdown of housing starts by use】

○ The Kinki Region

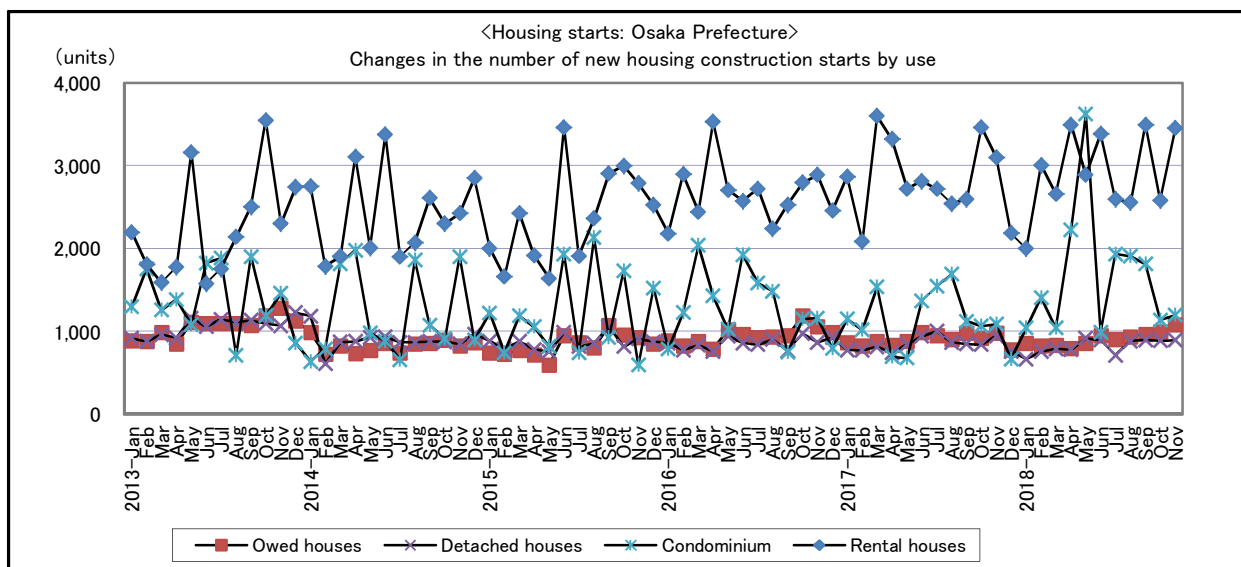
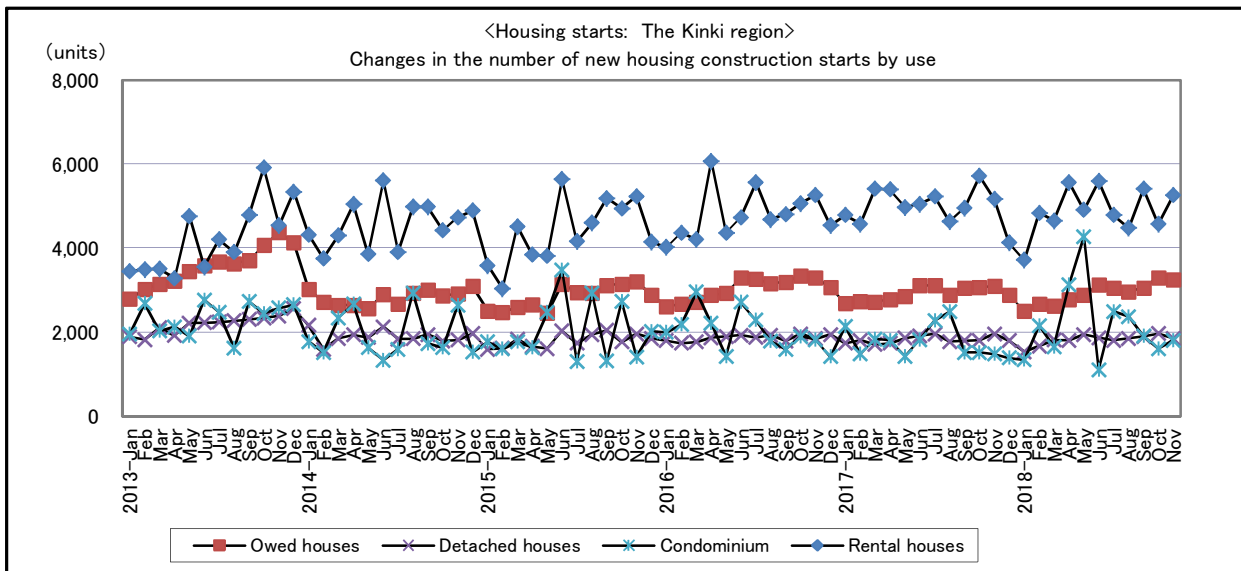
• Owned houses increased year-on-year for 4 consecutive months, surpassing the previous year's results by 5.0%.

Rental houses increased by 1.9% year-on-year, surpassing the previous year's results for the first time in 2 months. Houses built for sale increased by 6.3% year-on-year, surpassing the previous year's results for the 5 consecutive months. Among houses built for sale, detached houses decreased by 5.6% year-on-year, falling below the previous year's results for the first time in 4 months. Condominiums increased by 22.2% year-on-year, surpassing the previous year's results for 3 consecutive months.

○ Osaka Prefecture

• Owned houses increased year-on-year for 2 consecutive months, surpassing the previous year's results by 10.5%. Rental houses increased by 11.4% year-on-year, surpassing the previous year's results for the first time in 2 months.

Houses built for sale increased by 3.5% year-on-year, surpassing the previous year's results for 5 consecutive months. Among houses built for sale, detached houses decreased by 5.6% year-on-year, falling below the previous year's results for the first time in 4 months. Condominiums increased by 10.1% year-on-year, surpassing the previous year's results for 5 consecutive months.

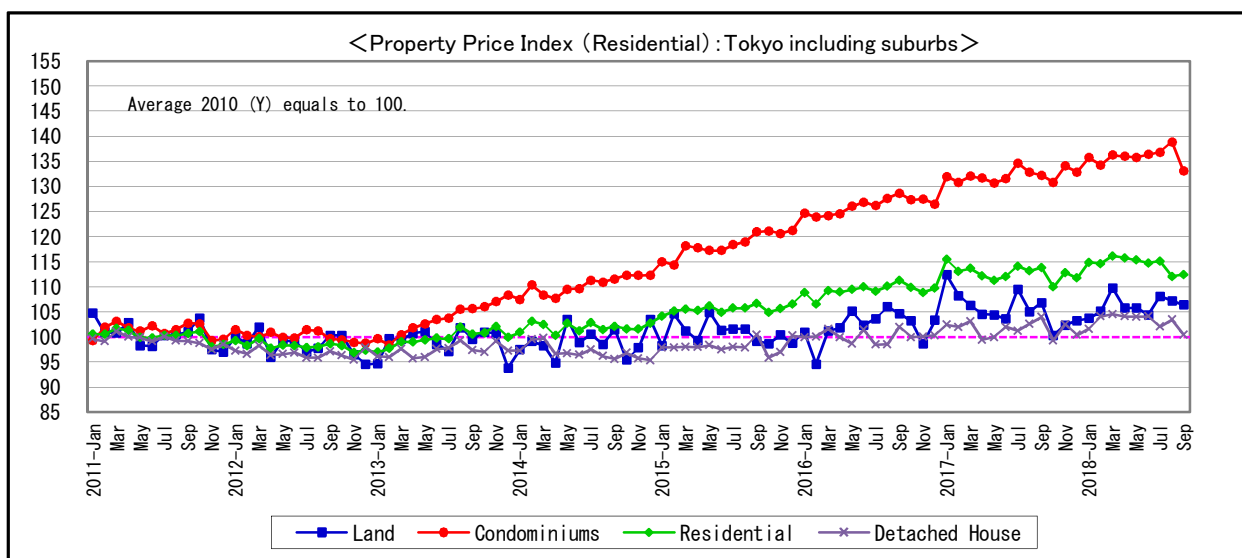
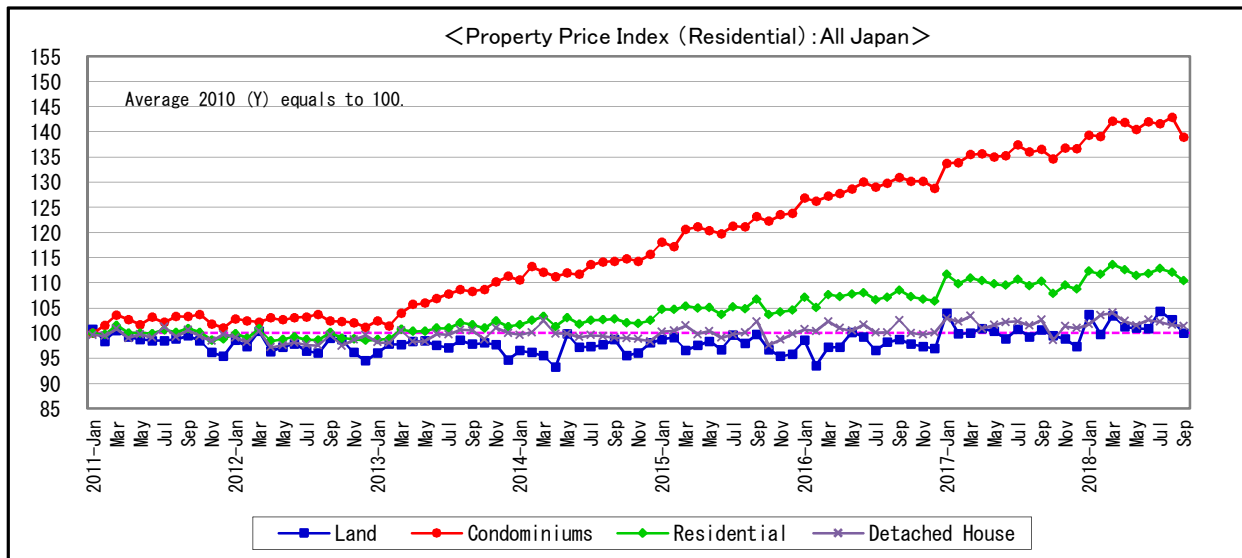


Source: "Statistics of Building Construction Starts," Ministry of Land, Infrastructure, Transport and Tourism

2) Property Price Index (Residential)

【Property Price Index (Residential) All Japan・Tokyo including suburbs】

○ All Japan
•The residential index for September (Average 2010(Y) equals = 100) increased by 0.1% year-on-year to 110.4. The figure has surpassed the previous year's results for 46 consecutive months.
•The land index for September (Average 2010(Y) equals = 100) decreased by 0.6% year-on-year to 100.1. The figure fell below the previous year's results for the first time in 7 months.
•The detached house index for September (Averaged 2010(Y) equal = 100) decreased by 1.1% year-on-year to 101.5. The figure fell below the previous year's results for the first time in 2 months.
•The condominiums index for September (Average 2010(Y) equals = 100) increased by 1.8% year-on-year to 138.9. The figure has surpassed the previous year's results for 67 consecutive months.
○ Tokyo including suburbs
•The residential index for September (Average 2010(Y) equals = 100) decreased by 1.2% year-on-year to 112.4. The figure has fallen below the previous year's results for 2 consecutive months.
•The land index for September (Average 2010(Y) equals = 100) decreased by 0.4% year-on-year to 106.4. The figure fell below the previous year's results for the first time in 2 months.
•The detached house index for September (Averaged 2010(Y) equal = 100) decreased by 3.4% year-on-year to 100.5. The figure fell below the previous year's results for the first time in 8 months.
•The condominiums index for September (Average 2010(Y) equals = 100) increased by 0.6% year-on-year to 133.0. The figure has surpassed the previous year's results for 67 consecutive months.



Source: "Property Price Index (Residential)" Ministry of Land, Infrastructure, Transport and Tourism

(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

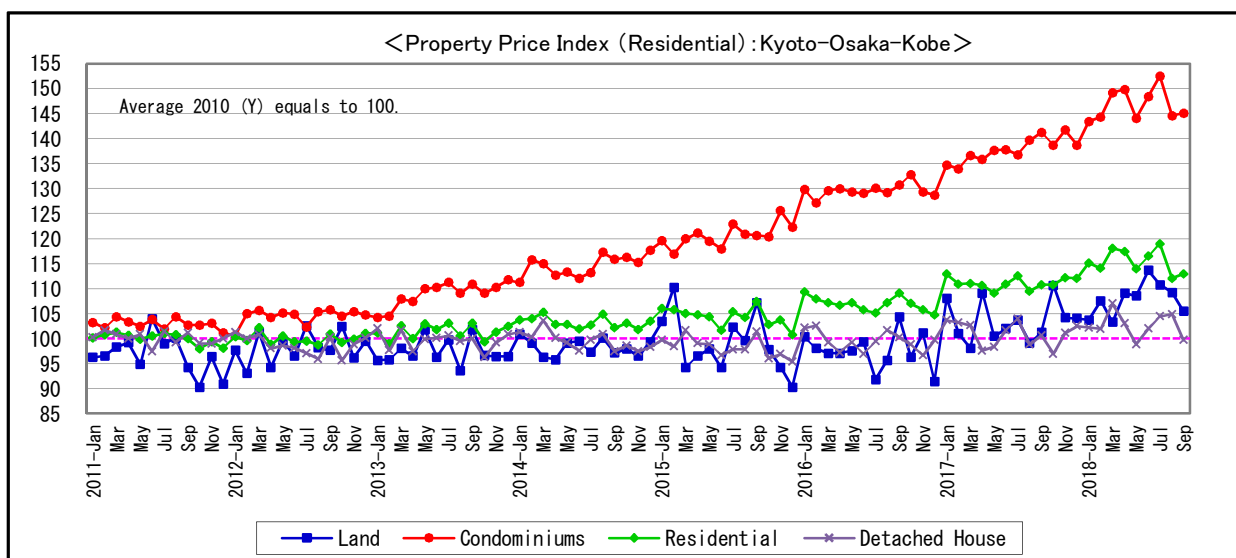
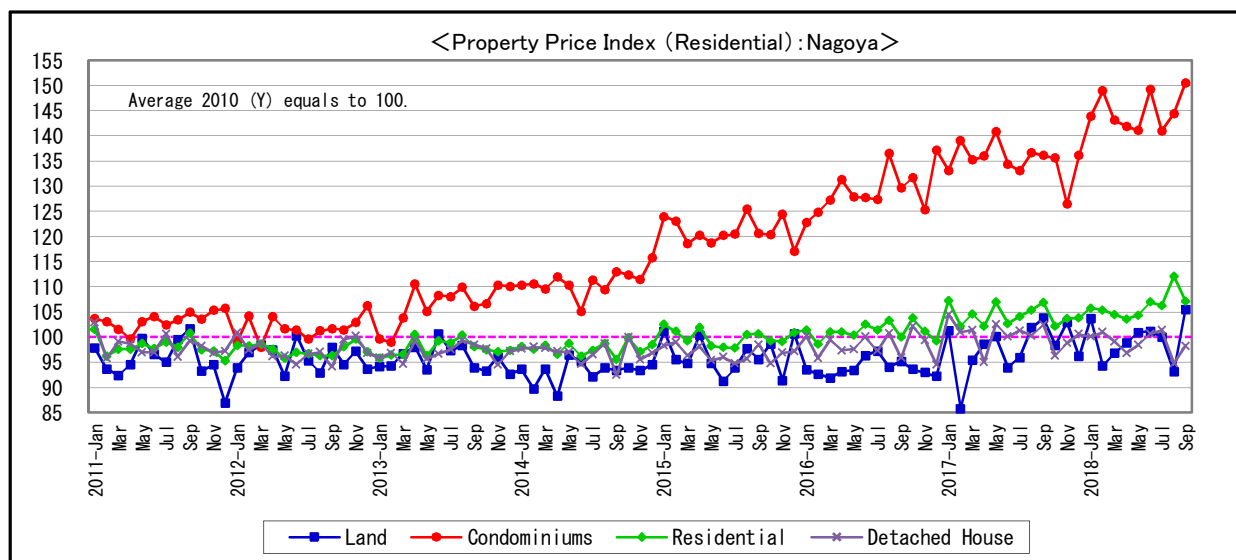
【Property Price Index (Residential) Nagoya・Kyoto-Osaka-Kobe】

○ Nagoya

- The residential index for September (Average 2010(Y) equals = 100) increased by 0.3% year-on-year to 107.2. The figure has surpassed the previous year's results for 4 consecutive months.
- The land index for September (Average 2010(Y) equals = 100) increased by 1.7% year-on-year to 105.5. The figure surpassed the previous year's results for the first time in 2 months.
- The detached house index for September (Averaged 2010(Y) equal = 100) decreased by 4.1% year-on-year to 98.3. The figure has fallen below the previous year's results for 2 consecutive months.
- The condominiums index for September (Average 2010(Y) equals = 100) increased by 10.6% year-on-year to 150.6. The figure has surpassed the previous year's results for 9 consecutive months.

○ Kyoto-Osaka-Kobe

- The residential index for September (Average 2010(Y) equals = 100) increased by 2.0% year-on-year to 113.0. The figure has surpassed the previous year's results for 26 consecutive months.
- The land index for September (Average 2010(Y) equals = 100) increased by 4.2% year-on-year to 105.5. The figure has surpassed the previous year's results for 8 consecutive months.
- The detached house index for September (Averaged 2010(Y) equal = 100) decreased by 1.0% year-on-year to 99.7. The figure fell below the previous year's results for the first time in 7 months.
- The condominiums index for September (Average 2010(Y) equals = 100) increased by 2.7% year-on-year to 145.1. The figure has surpassed the previous year's results for 67 consecutive months.



Source: "Property Price Index (Residential)" Ministry of Land, Infrastructure, Transport and Tourism

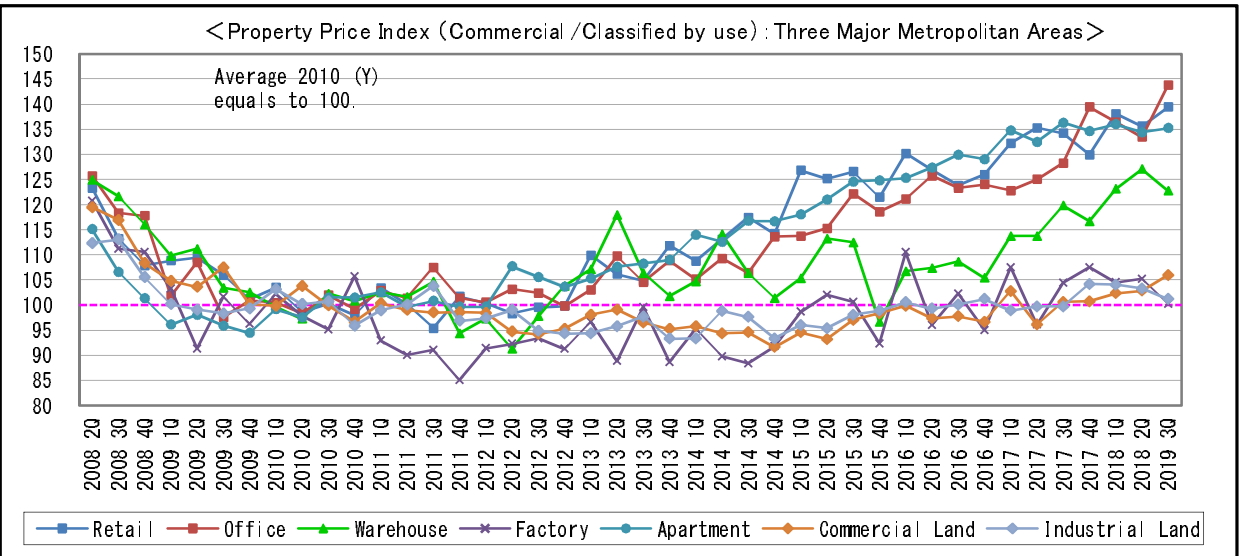
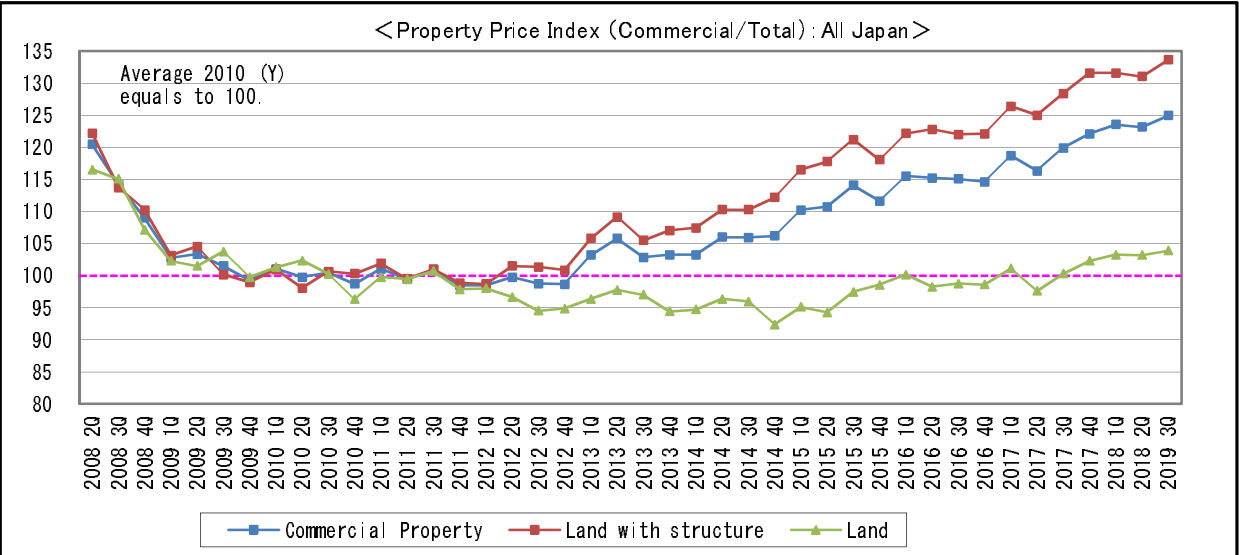
(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

3) Property Price Index (Commercial)

【Property Price Index (Commercial) All Japan】

- All Japan(Total)
 - The commercial index for the third quarter of the fiscal year (Average 2010(Y) equals = 100) increased by 4.2% year-on-year to 124.9. The figure has surpassed the previous year's results for 24 consecutive quarter terms.
 - The land with structure index for the third quarter of the fiscal year (Average 2010(Y) equals = 100) increased by 4.1% year-on-year to 133.6. The figure has surpassed the previous year's results for 26 consecutive quarter terms.
 - The land index for the third quarter of the fiscal year (Average 2010(Y) equals = 100) increased by 3.6% year-on-year to 103.9. The figure has surpassed the previous year's results for 5 consecutive quarter terms.
- All Japan(Classified by use)
 - The retail index for the third quarter of the fiscal year increased by 3.9% year-on-year to 139.4. The figure has surpassed the previous year's results for 8 consecutive quarter terms.
 - The office index for the third quarter of the fiscal year increased by 12.1% year-on-year to 143.8. The figure has surpassed the previous year's results for 5 consecutive quarter terms.
 - The warehouse index for the third quarter of the fiscal year increased by 2.5% year-on-year to 122.7. The figure has surpassed the previous year's results for 8 consecutive quarter terms.
 - The factory index for the third quarter of the fiscal year decreased by 4.0% year-on-year to 100.3. The figure fell below the previous year's results for the first time in 2 quarter terms.
 - The apartment index for the third quarter of the fiscal year decreased by 0.8% year-on-year to 135.2. The figure fell below the previous year's results for the first time in 21 quarter terms.
 - The commercial land index for the third quarter of the fiscal year increased by 5.4% year-on-year to 106.0. The figure has surpassed the previous year's results for 2 consecutive quarter terms.
 - The industrial land index for the third quarter of the fiscal year increased by 1.5% year-on-year to 101.2. The figure has surpassed the previous year's results for 4 consecutive quarter terms.



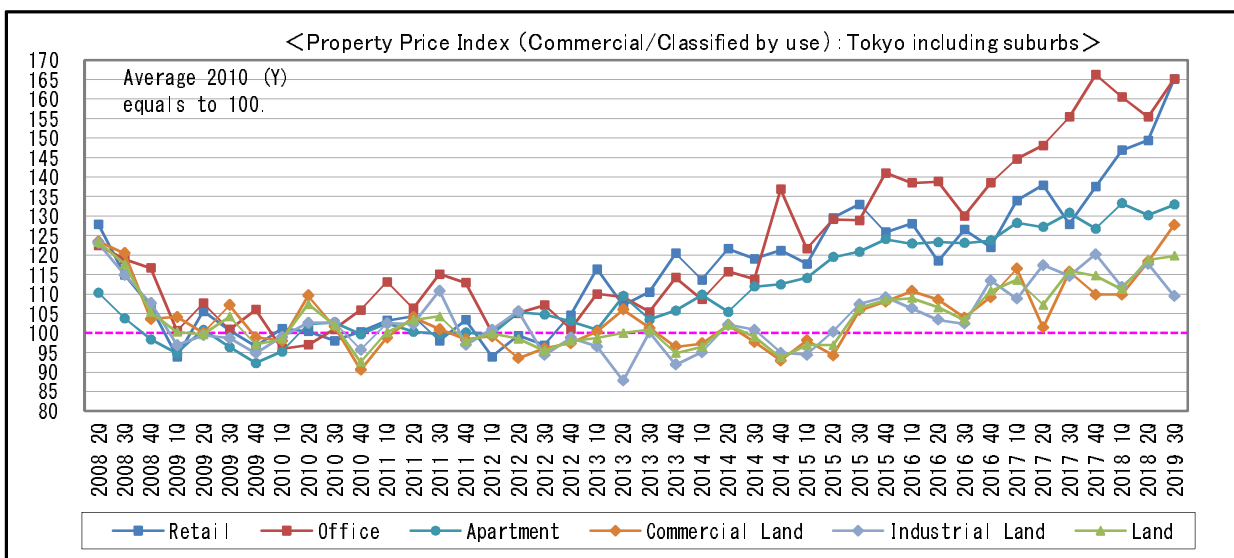
Source: "Property Price Index (Commercial)" Ministry of Land, Infrastructure, Transport and Tourism

(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

【Property Price Index (Commercial) Tokyo including suburbs】

- Tokyo including suburbs(Classified by use)
- The retail index for the third quarter of the fiscal year increased by 29.2% year-on-year to 165.2. The figure has surpassed the previous year's results for 7 consecutive quarter terms.
 - The office index for the third quarter of the fiscal year increased by 6.3% year-on-year to 165.1. The figure has surpassed the previous year's results for 7 consecutive quarter terms.
 - The apartment index for the third quarter of the fiscal year increased by 1.6% year-on-year to 132.9. The figure has surpassed the previous year's results for 7 consecutive quarter terms.
 - The commercial land index for the third quarter of the fiscal year increased by 10.4% year-on-year to 127.7. The figure has surpassed the previous year's results for 2 consecutive quarter terms.
 - The industrial land index for the third quarter of the fiscal year decreased by 4.5% year-on-year to 109.4. The figure fell below the previous year's results for the first time in 8 quarter terms.
 - The land index for the third quarter of the fiscal year increased by 3.4% year-on-year to 119.8. The figure has surpassed the previous year's results for the 2 consecutive quarter terms.



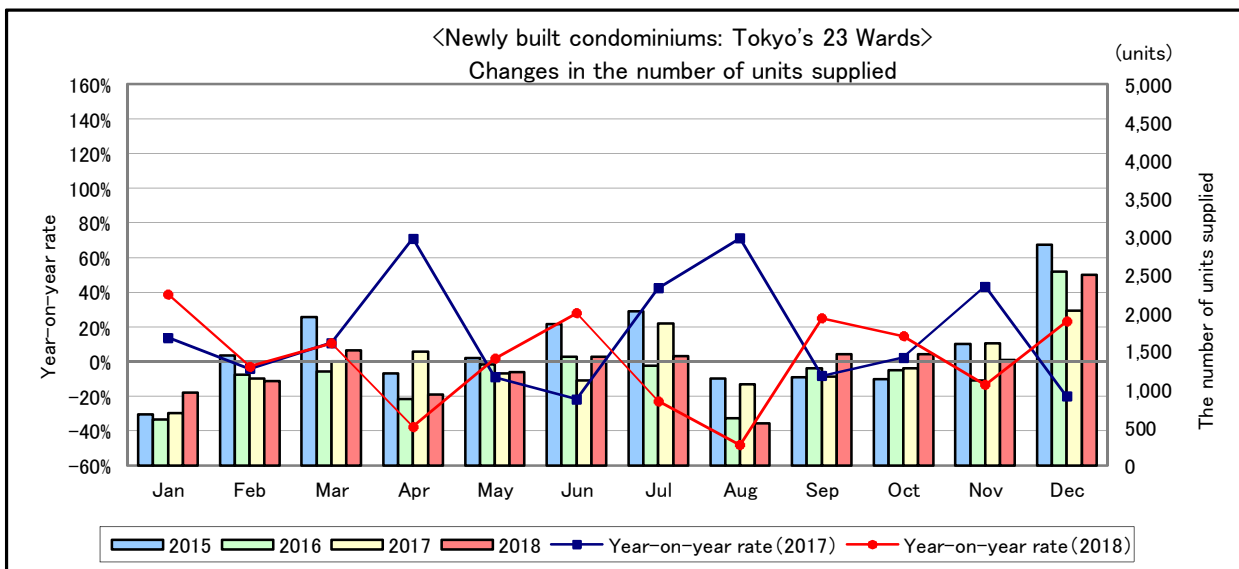
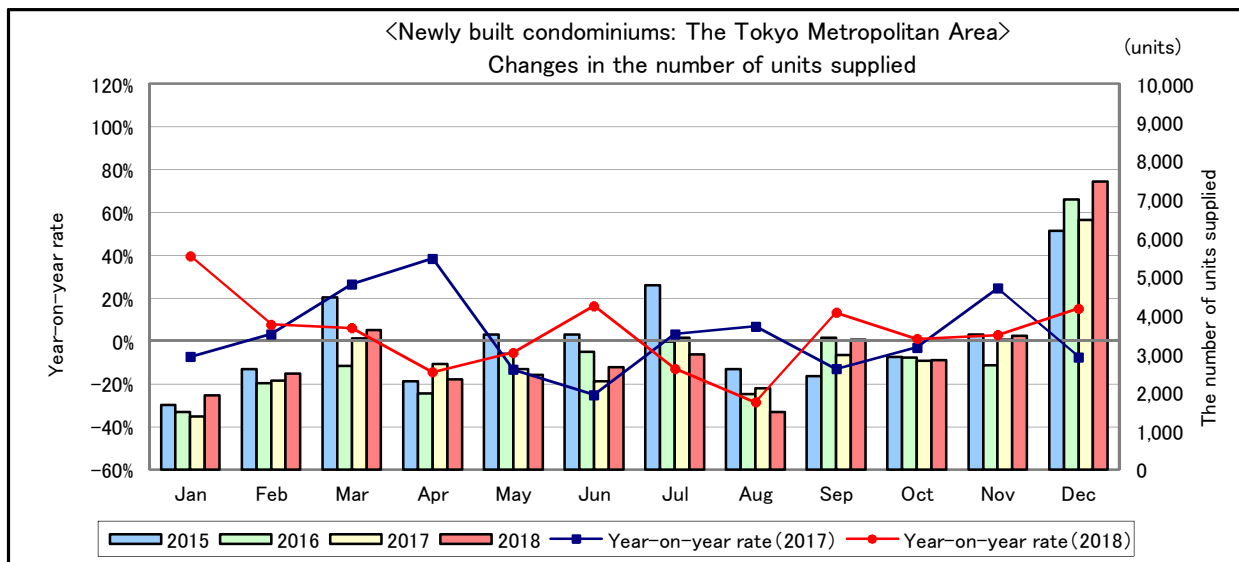
Source: "Property Price Index (Commercial)" Ministry of Land, Infrastructure, Transport and Tourism

(*1) Monthly indexation by average 2010(Y) equals to 100.

(*2) Extracting the temporal market change rate of residential properties by using "hedonic regression method" which adjusts the quality variation of individual properties.

4) Trends in the new supply of the condominium market
【The Tokyo Metropolitan Area: Number of units supplied】

- The Tokyo Metropolitan Area
 - The number of units supplied in December totaled 7,462 units, increasing by 15.2% year-on-year. The figure has surpassed the previous year's results for 4 consecutive months.
- Tokyo's 23 Wards
 - The number of units supplied in December totaled 2,504 units, increasing by 23.2% year-on-year. The figure surpassed the previous year's results for the first time in 2 months.



Source: "Monthly Real Estate Economic Survey Report," "National Condominium Market Report," Real Estate Economic Institute Co., Ltd.

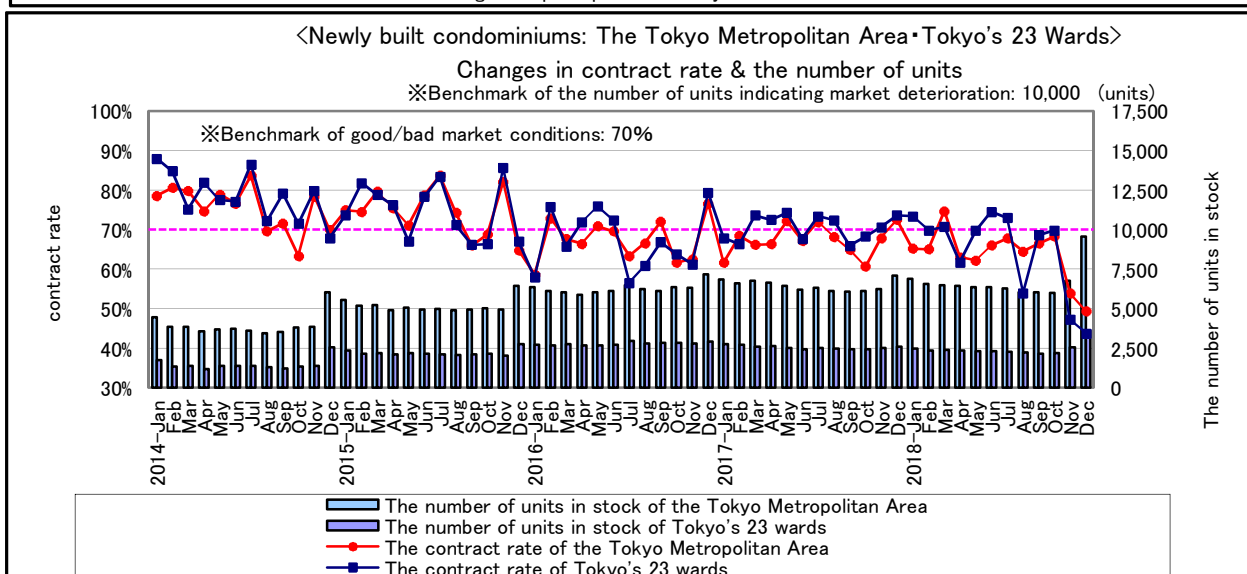
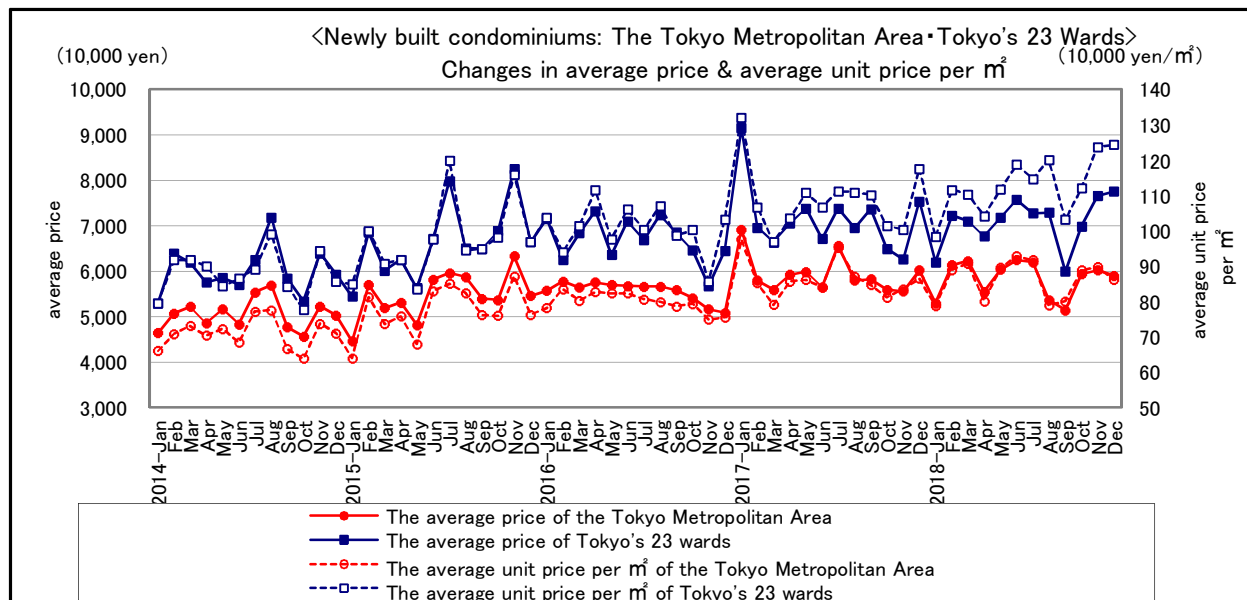
【The Tokyo Metropolitan Area: Average price, unit price per m², initial month sales contract rate, and number of units in stock】

○ The Tokyo Metropolitan Area

- The average price in December was 58,960,000 yen, decreasing by 2.0% year-on-year.
- The unit price per square meter in December was 862,000 yen/m², decreasing by 0.2% year-on-year.
- The initial-month contract rate in December was 49.4%, falling below 70% – the benchmark of good/bad market conditions – results for 9 consecutive months.
- The number of units in stock as of the end of December totaled 9,552 units, increasing month-on-month for 2 consecutive months, falling below 10,000 units – the benchmark for a deteriorating market – for 119 consecutive months. The figure has increased by 34.4% year-on-year, surpassing the previous year's results for 2 consecutive months.

○ Tokyo's 23 Wards

- The average price in December was 77,510,000 yen, increasing by 2.9% year-on-year.
- The unit price per square meter in December was 1,243,000 yen/m², increasing by 5.8 year-on-year.
- The initial-month contract rate in December was 43.7%, falling below 70% – the benchmark of good/bad market conditions – results for 5 consecutive months.
- The number of units in stock as of the end of December totaled 3,608 units, increasing month-on-month for 3 consecutive months. The figure has increased by 38.2% year-on-year, surpassing the previous year's results for 2 consecutive months.



Source: "Monthly Real Estate Economic Survey Report," "National Condominium Market Report," Real Estate Economic Institute Co., Ltd.

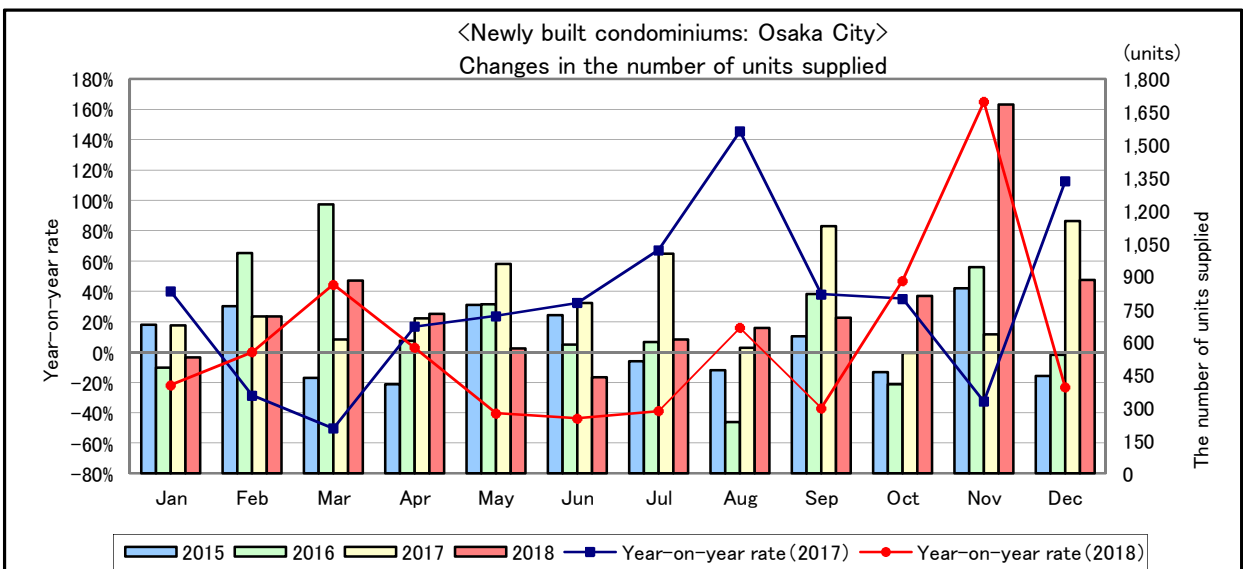
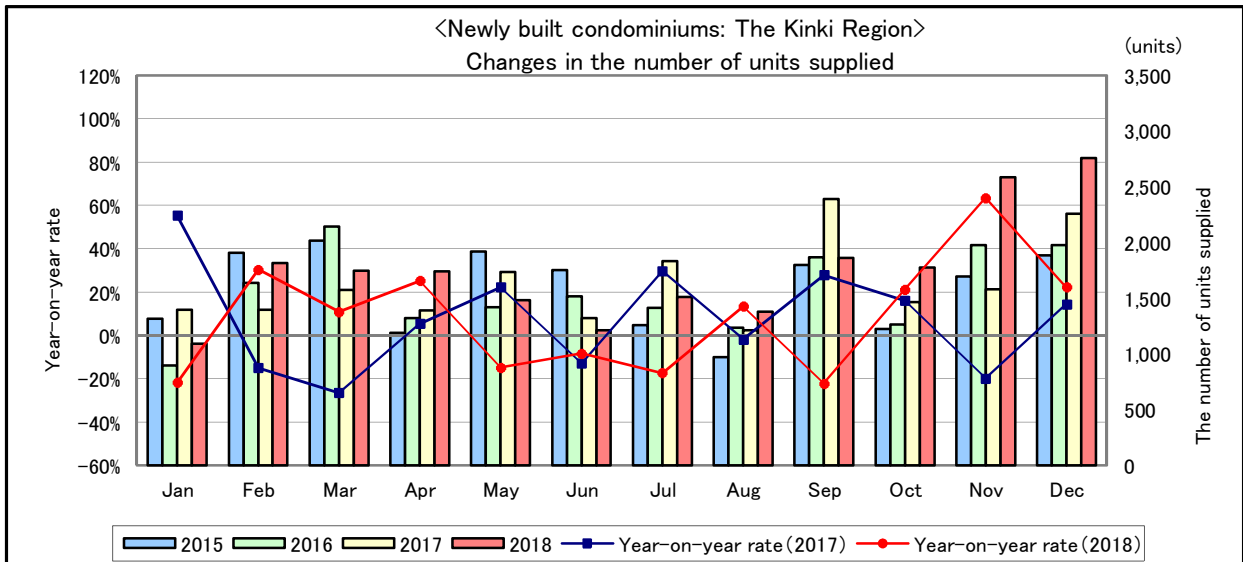
【The Kinki Region: The number of units supplied】

○ The Kinki Region

• The number of units supplied in December totaled 2,760 units, increasing by 22.2% year-on-year. The figure has surpassed the previous year's results for 3 consecutive months.

○ Osaka City

• The number of units supplied in December totaled 883 units, decreasing by 23.2% year-on-year. The figure fell below the previous year's results for the first time in 3 months.



Source: "Monthly Real Estate Economic Survey Report," "National Condominium Market Report," Real Estate Economic Institute Co., Ltd.

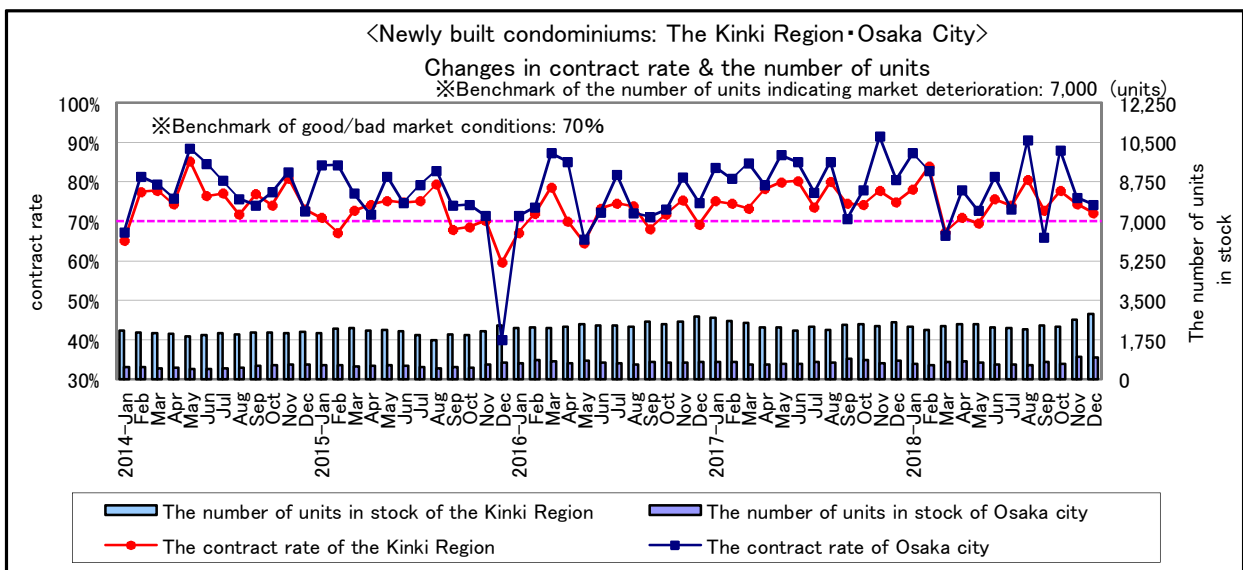
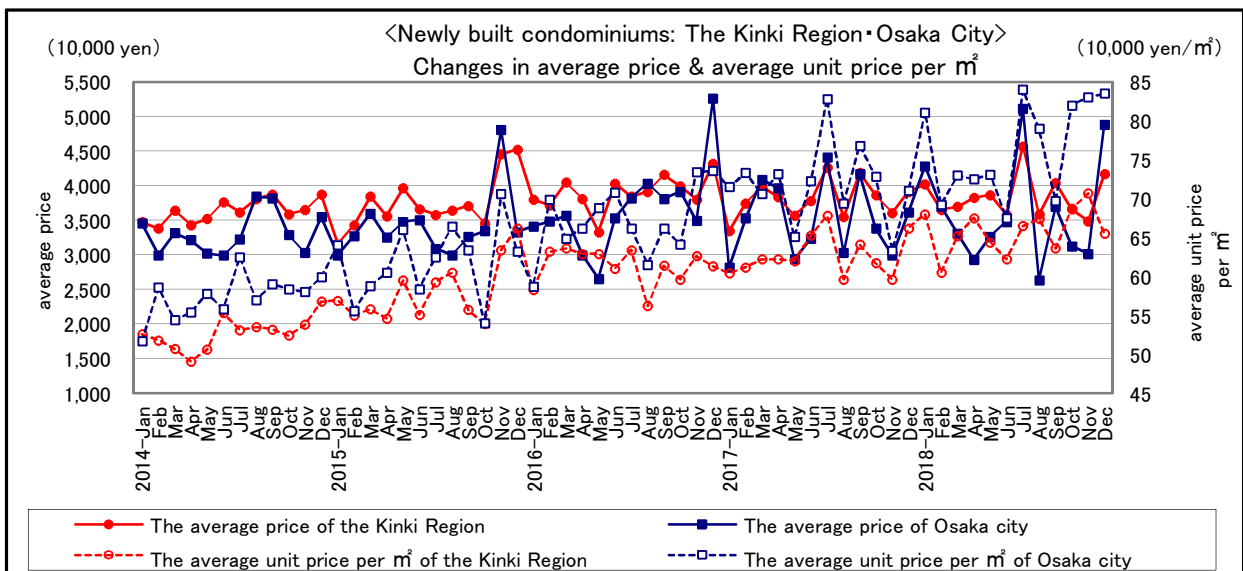
【The Kinki Region: Average price, unit price per m², initial month sales contract rate, and number of units in stock】

○ The Kinki Region

- The average price in December was 41,670,000 yen, increasing by 6.5% year-on-year.
- The unit price per square meter in December was 655,000 yen/m², decreasing by 1.1% year-on-year.
- The initial-month contract rate in December was 72.1%, surpassing 70% – the benchmark of good/bad market conditions – for 7 consecutive months.
- The number of units in stock as of the end of December totaled 2,907 units, increasing month-on-month for 2 consecutive months. The figure has increased by 14.5% year-on-year, surpassing the previous year's results for 2 consecutive months.

○ Osaka City

- The average price in December was 48,840,000 yen, increasing by 35.3% year-on-year.
- The unit price per square meter in December was 835,000 yen/m², increasing by 17.6% year-on-year.
- The initial-month contract rate in December was 74.2%, surpassing 70% – the benchmark of good/bad market conditions – for 3 consecutive months.
- The number of units in stock as of the end of December totaled 984 units, decreasing month-on-month for the first time in 2 months. The figure has increased by 20.4% year-on-year, surpassing the previous year's results for 2 consecutive months.



5) Trends in the existing condominium market

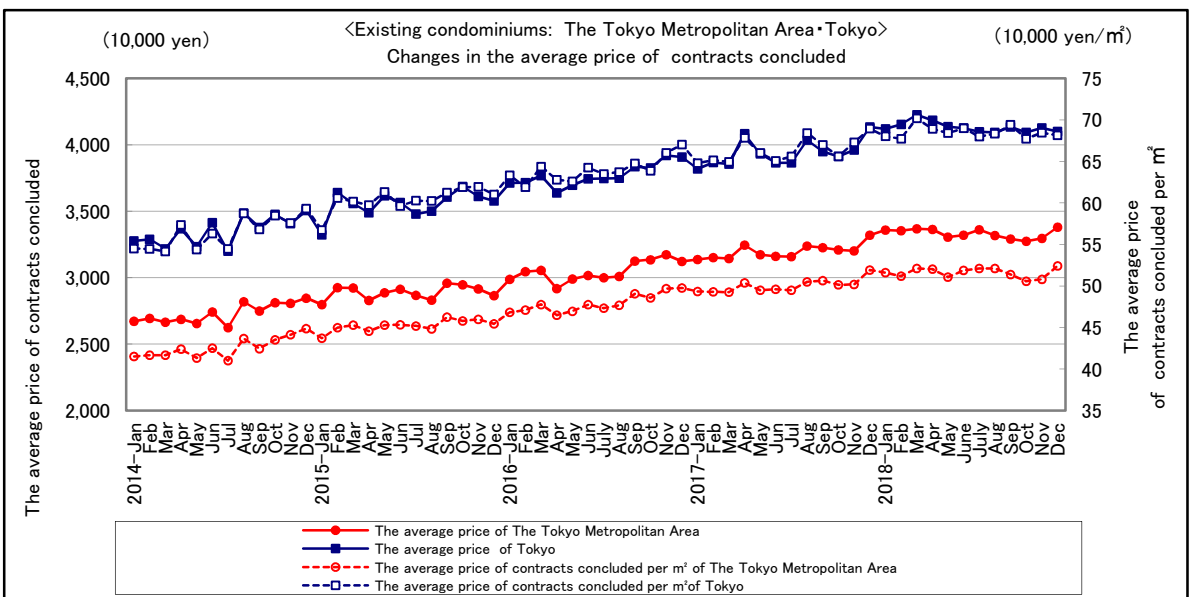
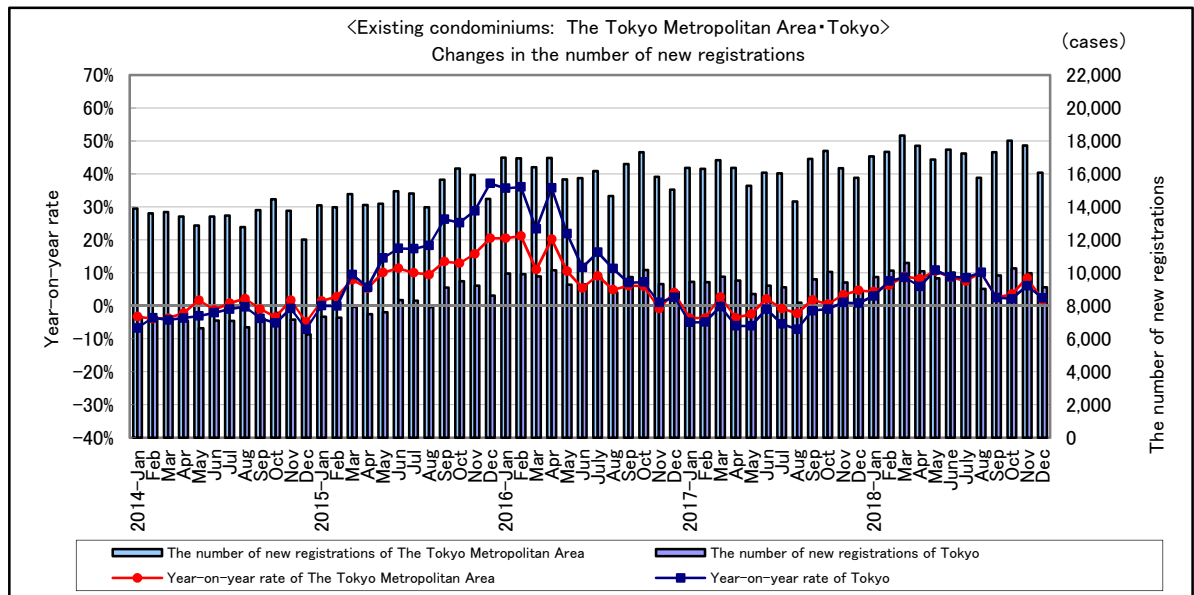
【The Tokyo Metropolitan Area: Number of new registrations for sales, average price of sales contracts concluded, and unit price per m²】

○ The Tokyo Metropolitan Area

- The number of new registrations in December increased by 1.9% year-on-year to 16,064 cases. The figure has surpassed the previous year's results for 16 consecutive months.
- The average price of contracts concluded was 33,800,000 yen, a year-on-year increase of 1.8%, surpassing the previous year's results for 72 consecutive months. The price of contracts per square meter was 524,100 yen/m², a year-on-year increase of 0.9%, surpassing the previous year's results for 70 consecutive months.

○ Tokyo

- The number of new registrations in December increased by 2.4% year-on-year to 9,119 cases. The figure has surpassed the previous year's results for 14 consecutive months.
- The average price of contracts concluded was 41,010,000 yen, a year-on-year decrease of -0.8%, fell below the previous year's results for the first time in 53 months. The price of contracts per square meter was 681,600 yen/m², a year-on-year decrease of 1.1%, fell below the previous year's results for the first time in 4 months.

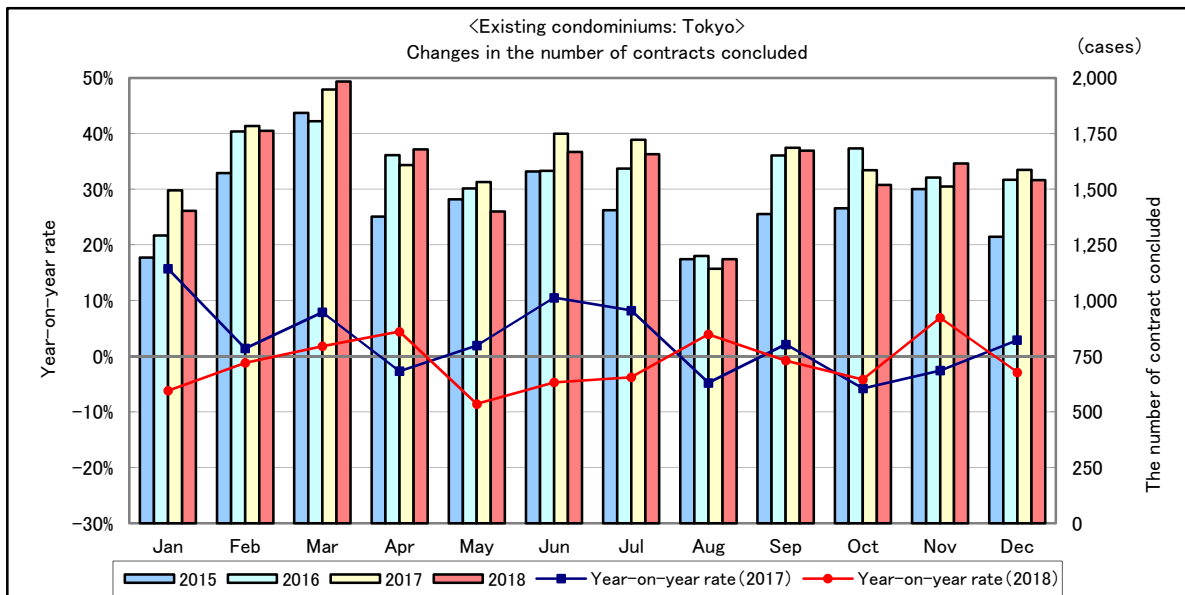
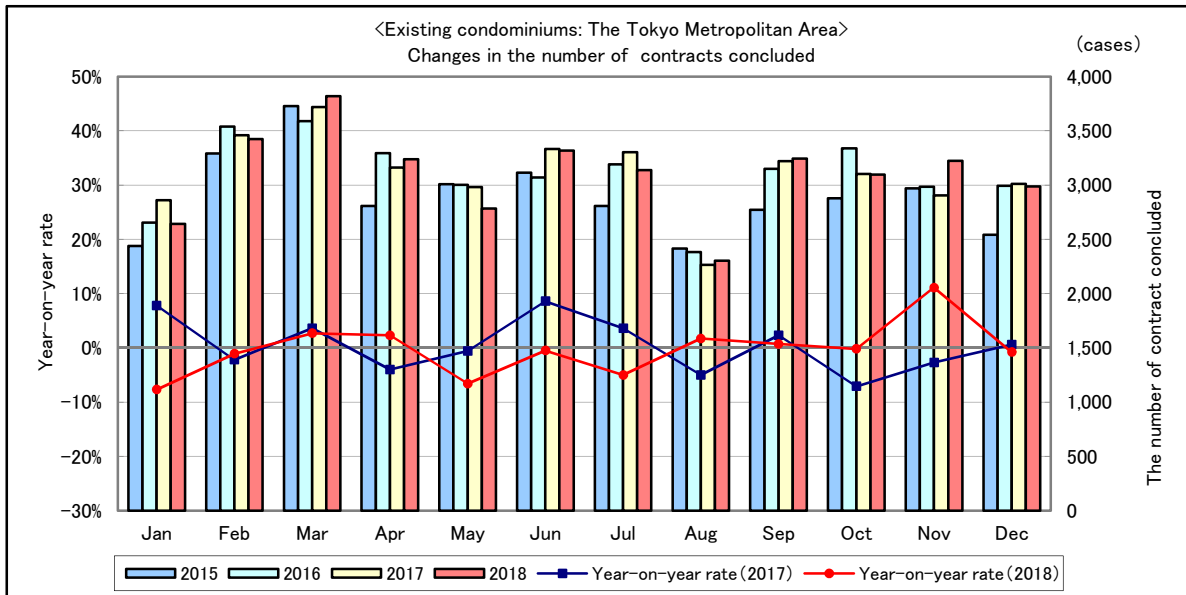


Source: "Market Watch," Real Estate Information Network for East Japan

【The Tokyo Metropolitan Area: Number of contracts concluded】

- The Tokyo Metropolitan Area
 - The number of contracts concluded in December decreased by 0.8% year-on-year to 2,987 cases.
 - The figure fell below the previous year's results for the first time in 2 months.

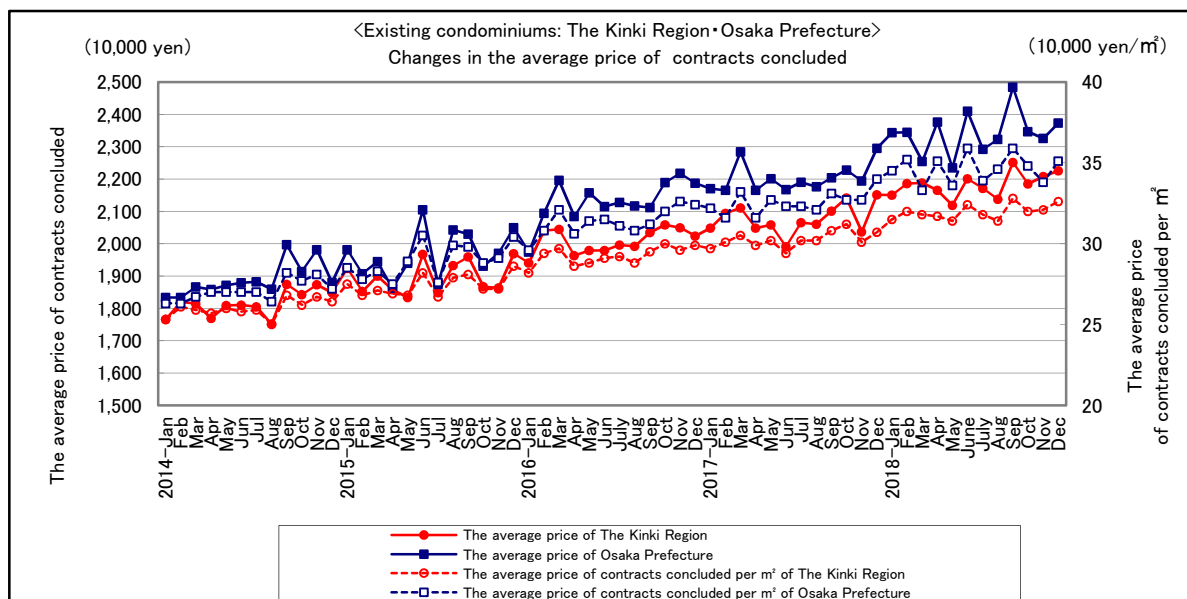
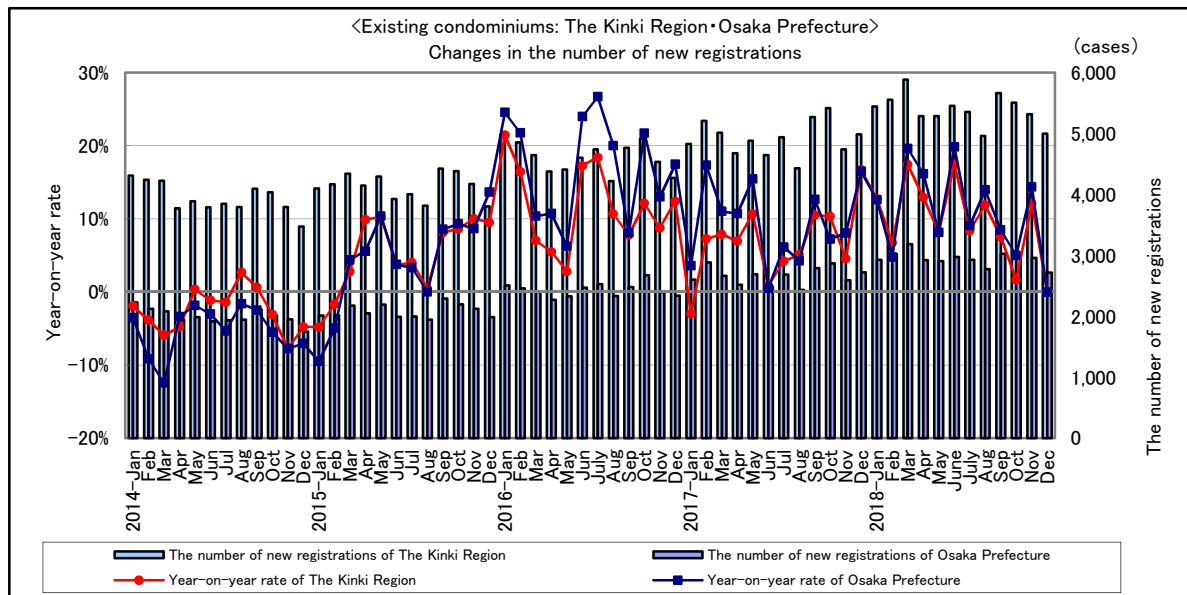
- Tokyo
 - The number of contracts concluded in December decreased by 2.9% year-on-year to 1,541 cases.
 - The figure fell below the previous year's results for the first time in 2 months.



Source: "Market Watch," Real Estate Information Network for East Japan

【The Kinki Region: Number of new registrations for sales, average price of sales contracts concluded, and unit price per m²】

- The Kinki Region
 - The number of new registrations in December increased by 0.1% year-on-year to 4,995 cases. The figure has surpassed the previous year's results for 23 consecutive months.
 - The average price of contracts concluded was 22,250,000 yen, a year-on-year increase of 3.4%, surpassing the previous year's results for 13 consecutive months. The price of contracts per square meter was 326,000yen/m², a year-on-year increase of 6.2%, surpassing the previous year's results for 48 consecutive months.
- Osaka Prefecture
 - The number of new registrations in December decreased by 0.1% year-on-year to 2,719 cases. The figure fell below the previous year's results for the first time in 40 months.
 - The average price of contracts concluded was 23,730,000 yen, a year-on-year increase of 3.4%, surpassing the previous year's results for 9 consecutive months. The price of contracts per square meter was 351,000yen/m², a year-on-year increase of 3.2%, surpassing the previous year's results for 48 consecutive months.



Sources: "Real Time Eyes," Kinki Real Estate Information Network System

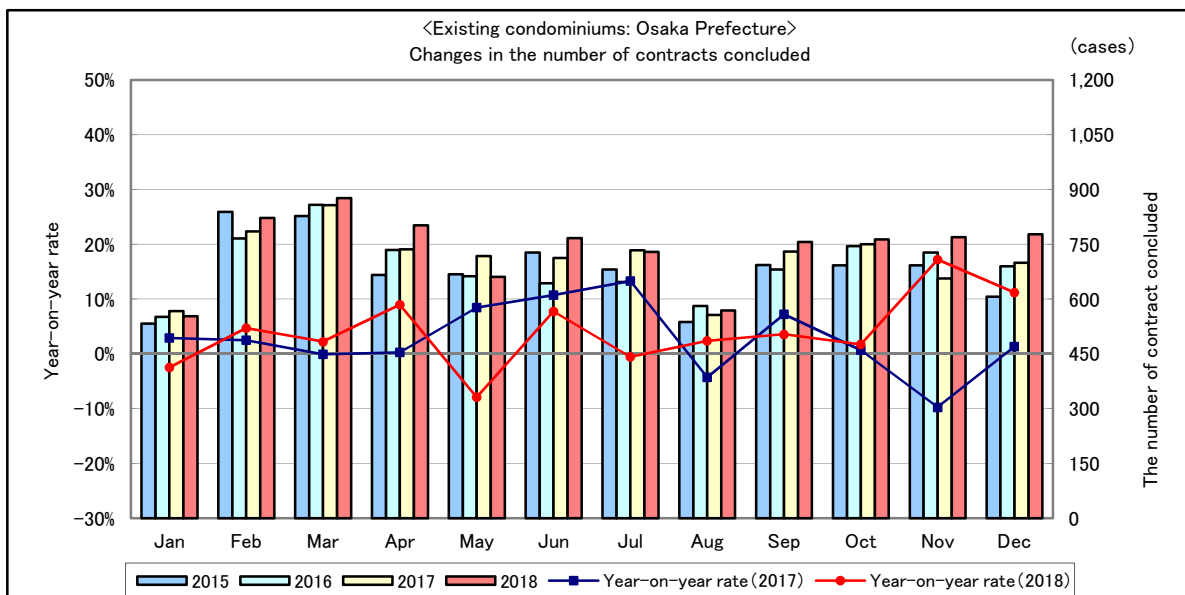
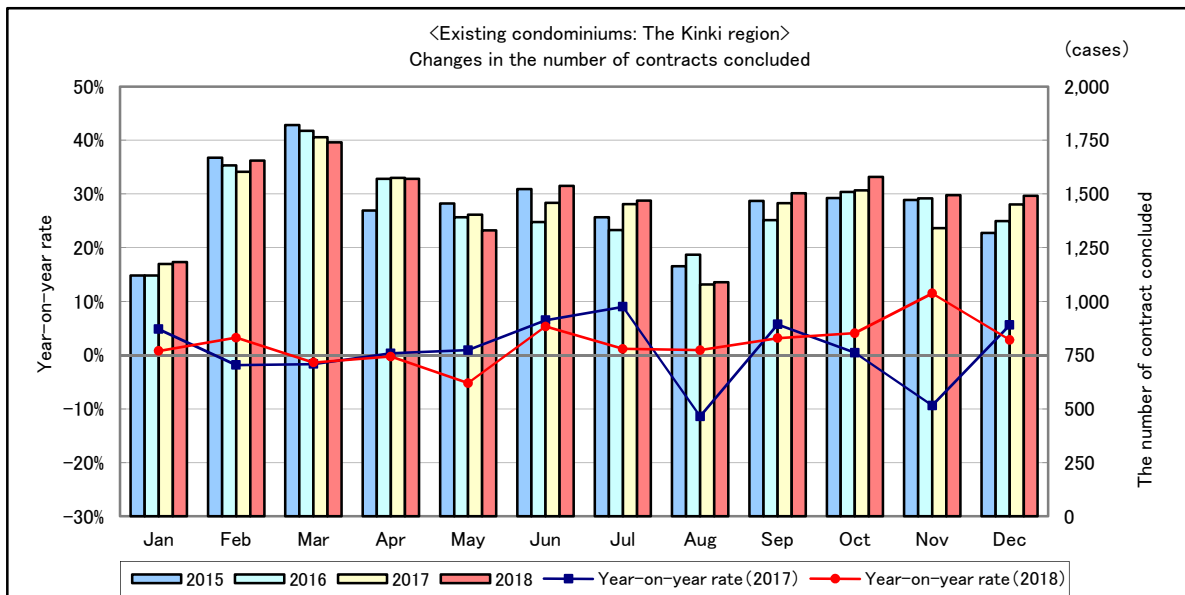
【The Kinki Region: Number of contracts concluded】

○ The Kinki Region

- The number of contracts concluded in December increased by 2.8% year-on-year to 1,492 cases.
- The figure has surpassed the previous year's results for 7 consecutive months.

○ Osaka Prefecture

- The number of contracts concluded in December increased by 11.2% year-on-year to 777 cases.
- The figure has surpassed the previous year's results for 5 consecutive months.



Sources: "Real Time Eyes," Kinki Real Estate Information Network System

3. Trends in the Rental Office Market

【Tokyo: Vacancy rate and average offered rent】

○ Large Buildings

(Tokyo's 5 Central Wards: Buildings with a standard floor of 100 tsubo or more)

- The vacancy rate of large buildings in Tokyo's 5 central wards in December decreased by 0.10 points month-on-month to 1.88%, falling for 5 consecutive months. The figure fell below 5% – the benchmark of supply and demand balance – for 42 consecutive months. On a year-on-year basis, the figure has fallen below the previous year's results for 75 consecutive months.

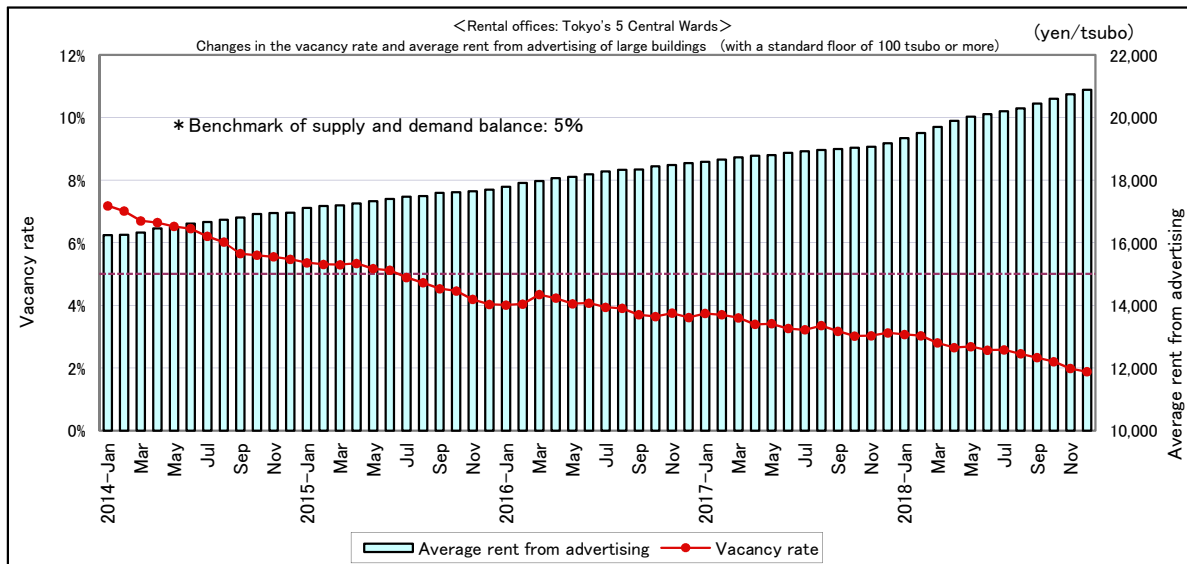
- The average rent from advertising in December was 20,887 yen/tsubo, a month-on-month increase of 0.69%, rising for 60 consecutive months. The figure increased by 8.94% year-on-year, surpassing the previous year's results for 56 consecutive months.

○ Newly Built Buildings

(Tokyo's 5 Central Wards: Buildings with a standard floor of 100 tsubo or more)

- The vacancy rate of newly built buildings in December decreased by 0.38 points month-on-month to 3.07%, falling for 3 consecutive months. On a year-on-year basis, the figure has fallen below the previous year's results for 15 consecutive months.

- The average rent from advertising in December remained unchanged from the previous month's result at 29,804 yen/tsubo. The figure increased by 10.85% year-on-year, surpassing the previous year's results for 9 consecutive months.



【Tokyo: By size: Vacancy rate】

○ The Vacancy Rates by Size (Tokyo's 5 Central Wards)

- The vacancy rate of very large buildings in December was 0.69%, a month-on-month increase of 0.02 points, rising for the first time in 23 months.
- The vacancy rate of large buildings in December was 0.53%, a month-on-month decrease of 0.02 points, falling for 3 consecutive months.
- The vacancy rate of medium-sized buildings in December was 1.94%, a month-on-month decrease of 0.13 points, falling for the first time in 2 months.
- The vacancy rate of small buildings in December was 2.83%, a month-on-month decrease of 0.12 points, falling for 4 consecutive months.

○ The Vacancy Rates by Size (Tokyo's 23 Wards)

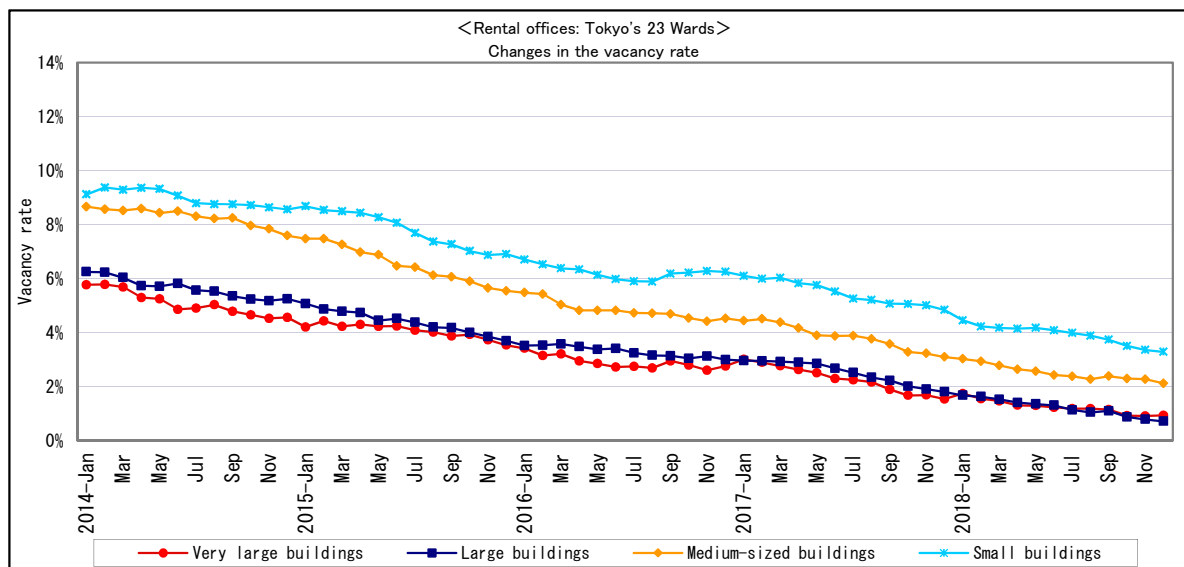
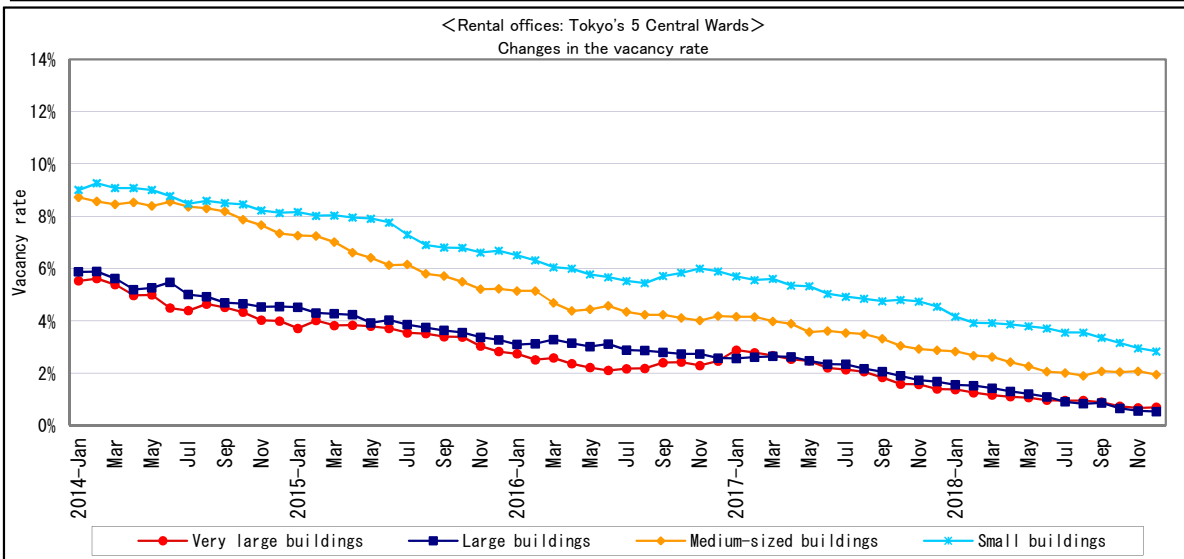
- The vacancy rate of very large buildings in December was 0.94%, a month-on-month increase of 0.03 points, rising for the first time in 11 months.
- The vacancy rate of large buildings in December was 0.72%, a month-on-month decrease of 0.07 points, falling for 3 consecutive months.
- The vacancy rate of medium-sized buildings in December was 2.12%, a month-on-month decrease of 0.16 points, falling for 3 consecutive months.
- The vacancy rate of small buildings in December was 3.29%, a month-on-month decrease of 0.07 points, falling for 7 consecutive months.

* Very large buildings: Buildings with a standard floor of 200 tsubo or more

Large buildings: Buildings with a standard floor of 100 tsubo through 200 tsubo

Medium-sized buildings: Buildings with a standard floor of 50 tsubo through 100 tsubo

Small buildings: Buildings with a standard floor of 20 tsubo through 50 tsubo



【Tokyo: Very Large Buildings: Average offered rent】

○ Rent Displayed in Advertising of Very Large Buildings

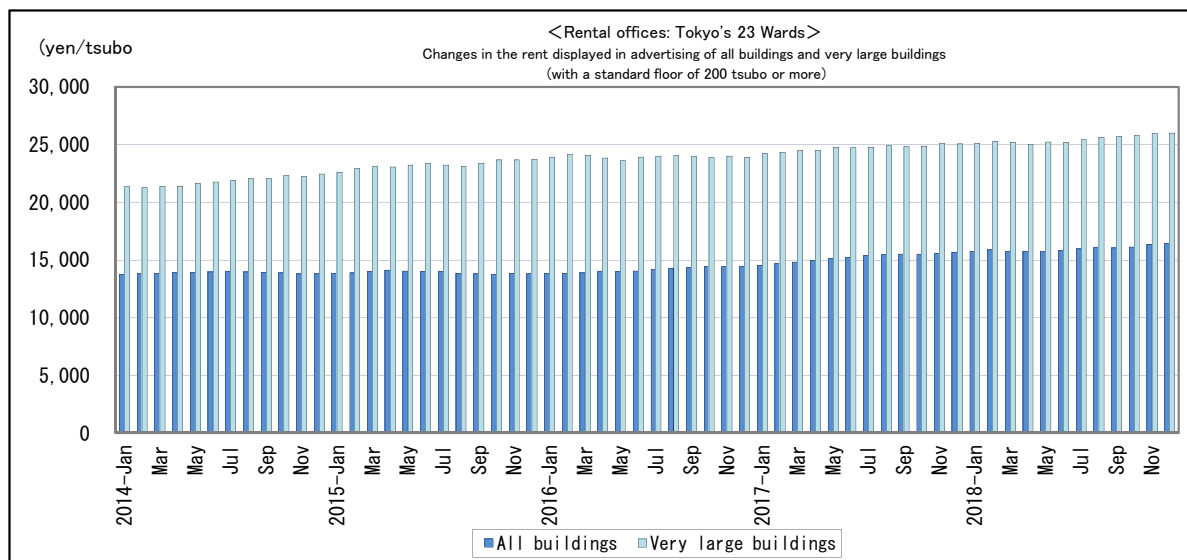
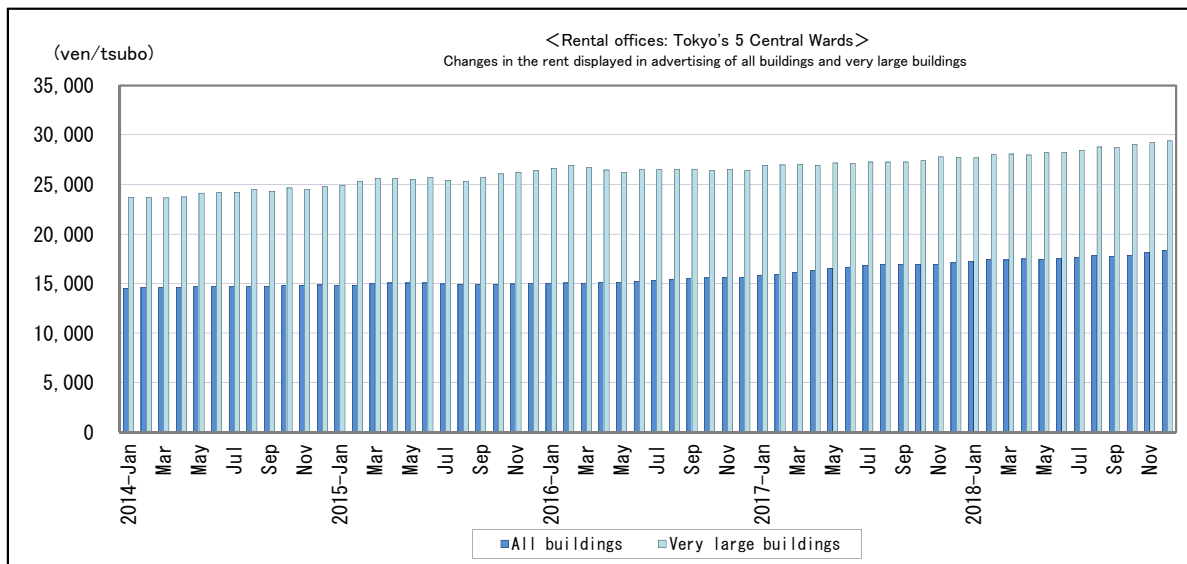
(Tokyo's 5 Central Wards: Buildings with a standard floor of 200 tsubo or more)

•The rent displayed in advertising in December was 29,387 yen/tsubo, a month-on-month increase of 0.57%, rising for 3 consecutive months. The figure increased by 6.00% year-on-year, surpassing the previous year's results for 24 consecutive months.

○ Rent Displayed in Advertising of Very Large Building

(Tokyo's 23 Wards: Buildings with a standard floor of 200 tsubo or more)

•The rent displayed in advertising in December was 26,018 yen/tsubo, a month-on-month increase of 0.25%, rising for 6 consecutive months. The figure increased by 3.80% year-on-year, surpassing the previous year's results for 68 consecutive months.



Sources: "Monthly Office Market Survey DATA BOOK," Sanko Estate Co., Ltd.

【Osaka: Vacancy rate and average offered rent】

○ Office Buildings

(Osaka's 6 Major Districts: Buildings with a total floor area of 1,000 tsubo or more)

•The vacancy rate of office buildings in Osaka's 6 major districts in December decreased by 0.03 points month-on-month to 2.83%, falling for 2 consecutive months. The figure fell below 5% – the benchmark of supply and demand balance – for 24 consecutive months. On a year-on-year basis, the figure has fallen below the previous year's results for 59 consecutive months.

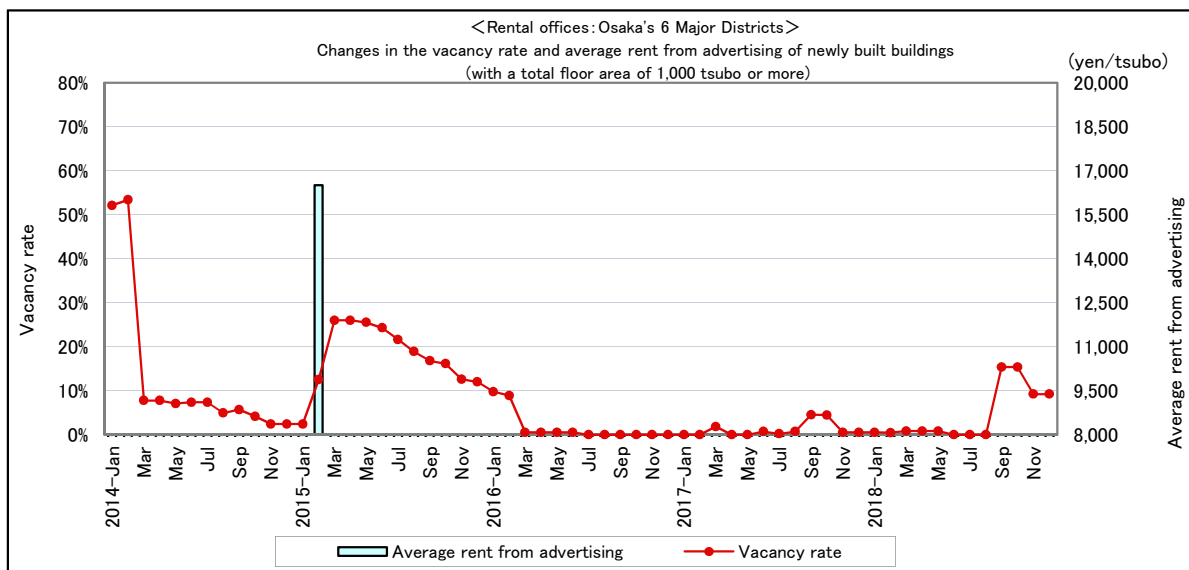
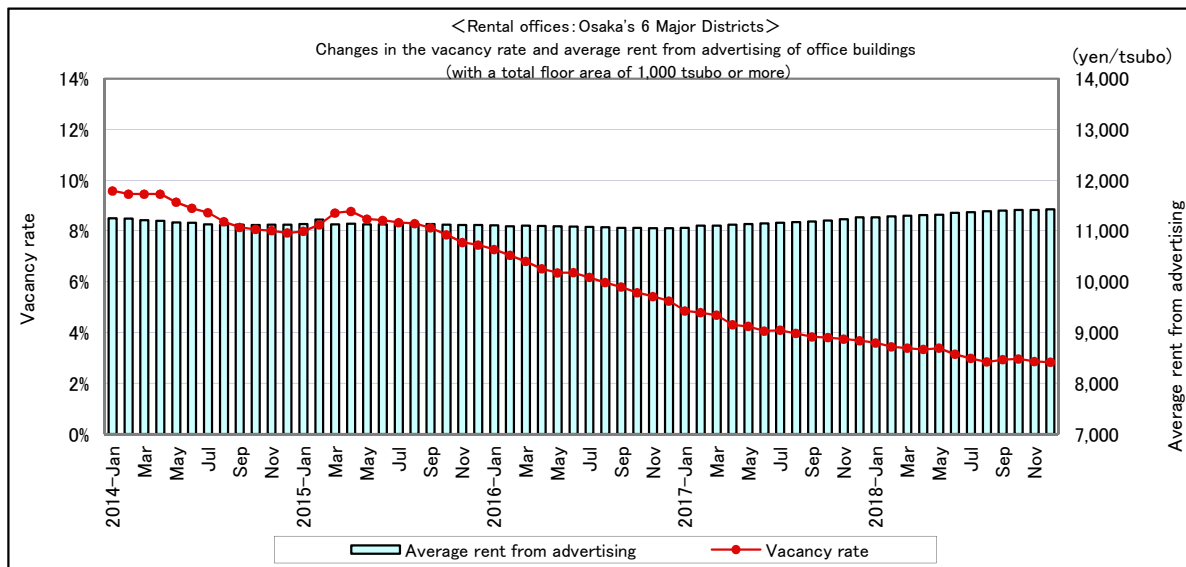
•The average rent from advertising in December was 11,423 yen/tsubo, a month-on-month increase of 0.08%, rising for 24 consecutive months. The figure increased by 1.38% year-on-year, surpassing the previous year's results for 23 consecutive months.

○ Newly Built Buildings

(Osaka's 6 Major Districts: Buildings with a total floor area of 1,000 tsubo or more)

•The vacancy rate of newly built buildings in Osaka's 6 major districts in December remained unchanged from the previous month's result at 9.24%.

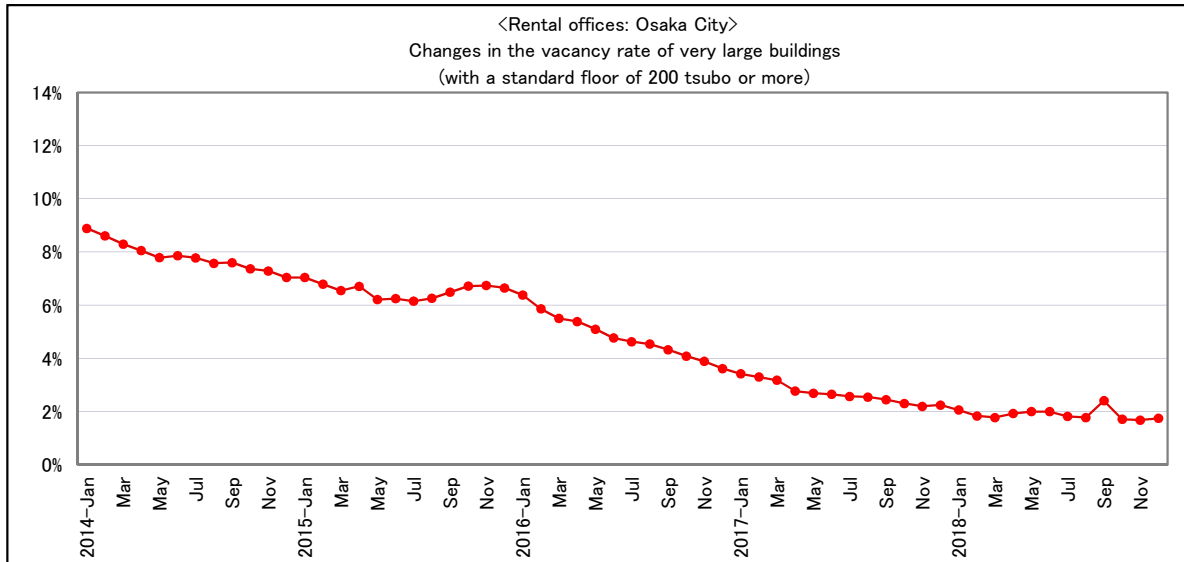
•The average rent from advertising in December was not disclosed.



○ Very Large Buildings

(Osaka City: Buildings with a standard floor of 200 tsubo or more)

•The vacancy rate of very large buildings in Osaka City in December increased by 0.07 points month-on-month to 1.75%, rising for the first time in 3 months. The figure fell below 5% – the benchmark of supply and demand balance – for 31 consecutive months. On a year-on-year basis, the figure has fallen below the previous year's results for 59 consecutive months.



Sources: "Monthly Office Market Survey DATA BOOK," "OFFICE MARKET REPORT," Sanko Estate Co., Ltd.

【Nationwide: Vacancy rate and average offered rent】

○The vacancy rates and average rents from advertising in December in major cities and their changes from the previous month are as follows:

Tokyo's 5 central wards: The vacancy rate was 1.88%, a month-on-month decrease of 0.10 points, falling for 5 consecutive months. The average rent from advertising was 20,887 yen/tsubo, a month-on-month increase of 0.69%, rising for 60 consecutive months.

Osaka: The vacancy rate was 2.83%, a month-on-month decrease of 0.03 points, falling for 2 consecutive months. The average rent from advertising was 11,423 yen/tsubo, a month-on-month increase of 0.08%, rising for 24 consecutive months.

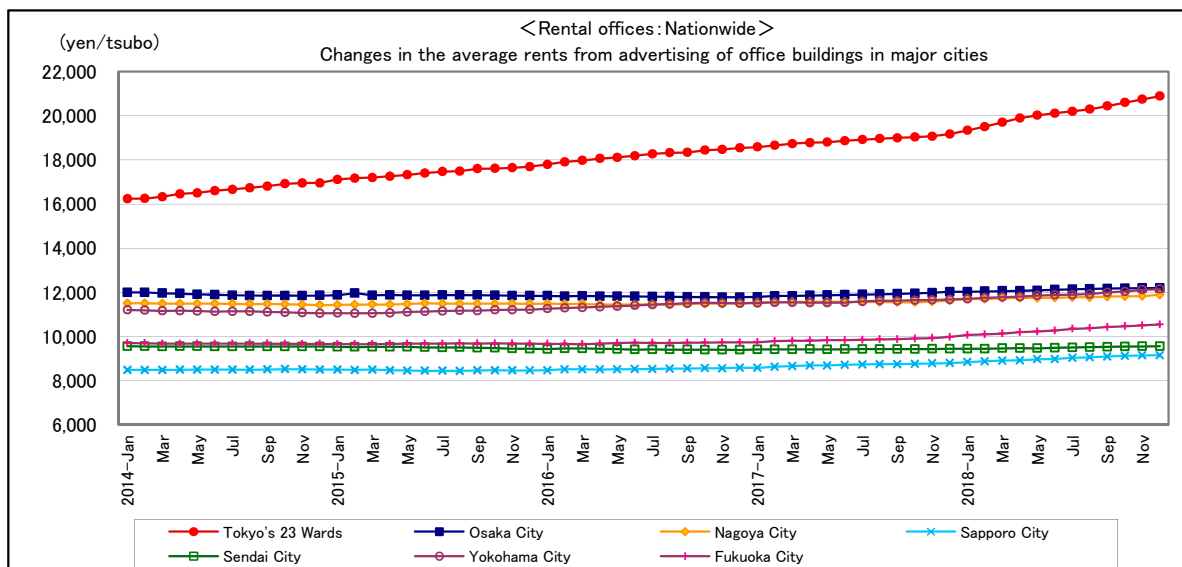
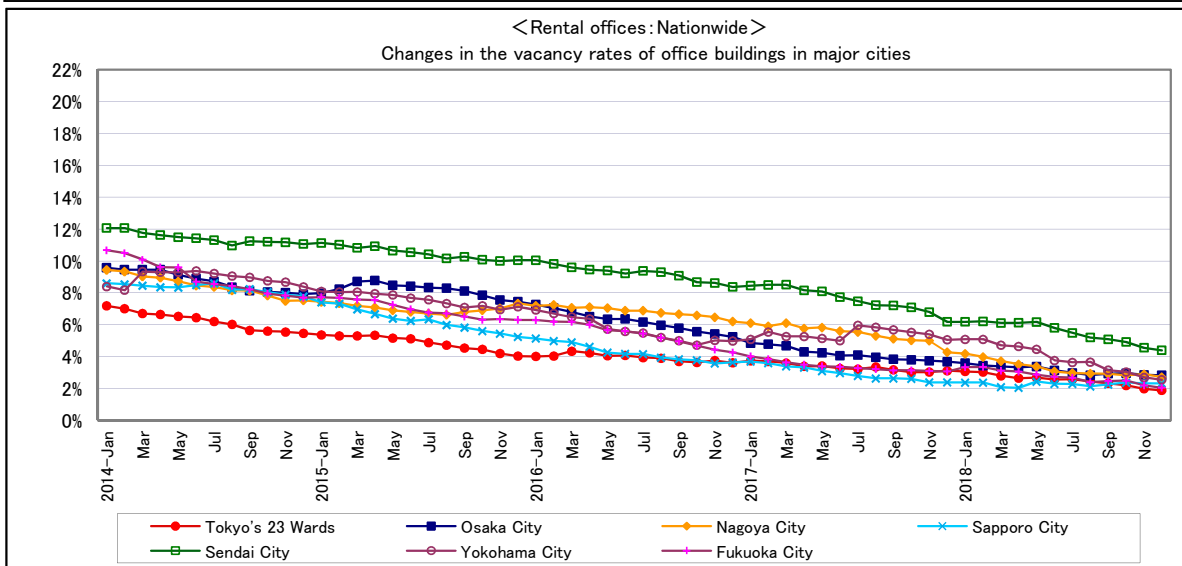
Nagoya: The vacancy rate was 2.72%, a month-on-month decrease of 0.18 points, falling for the first time in 2 months. The average rent from advertising was 11,152 yen/tsubo, a month-on-month increase of 0.50%, rising for 7 consecutive months.

Sapporo: The vacancy rate was 2.33%, a month-on-month increase of 0.01 points, rising for the first time in 2 months. The average rent from advertising was 8,757 yen/tsubo, a month-on-month increase of 0.06%, rising for 15 consecutive months.

Sendai: The vacancy rate was 4.40%, a month-on-month decrease of 0.15 points, falling for 7 consecutive months. The average rent from advertising was 9,109 yen/tsubo, a month-on-month increase of 0.04%, rising for 7 consecutive months.

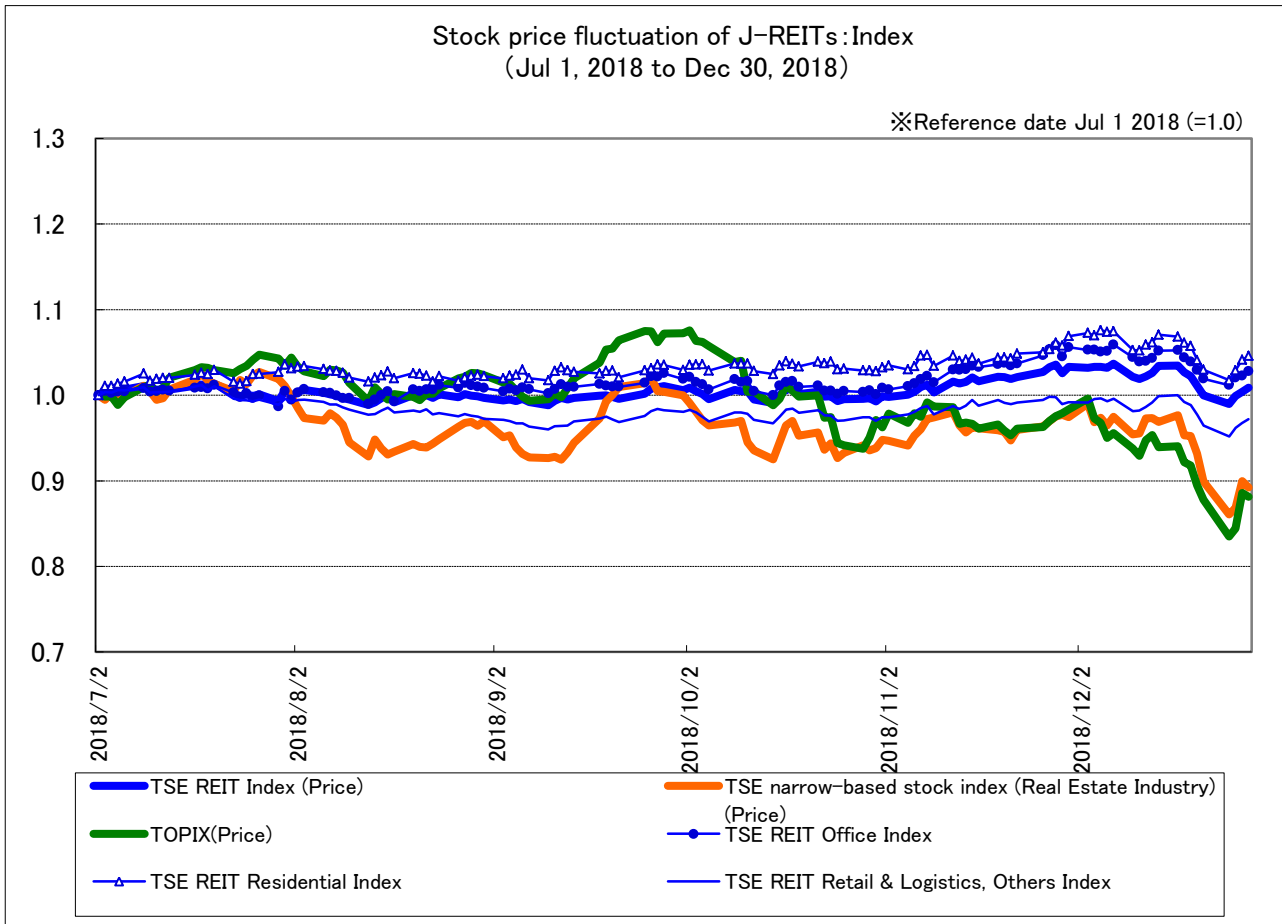
Yokohama: The vacancy rate was 2.55%, a month-on-month decrease of 0.15 points, falling for 4 consecutive months. The average rent from advertising was 11,377 yen/tsubo, a month-on-month increase of 0.24%, rising for 15 consecutive months.

Fukuoka: The vacancy rate was 2.04%, a month-on-month decrease of 0.16 points, falling for 2 consecutive months. The average rent from advertising was 9,974 yen/tsubo, a month-on-month increase of 0.36%, rising for 18 consecutive months.



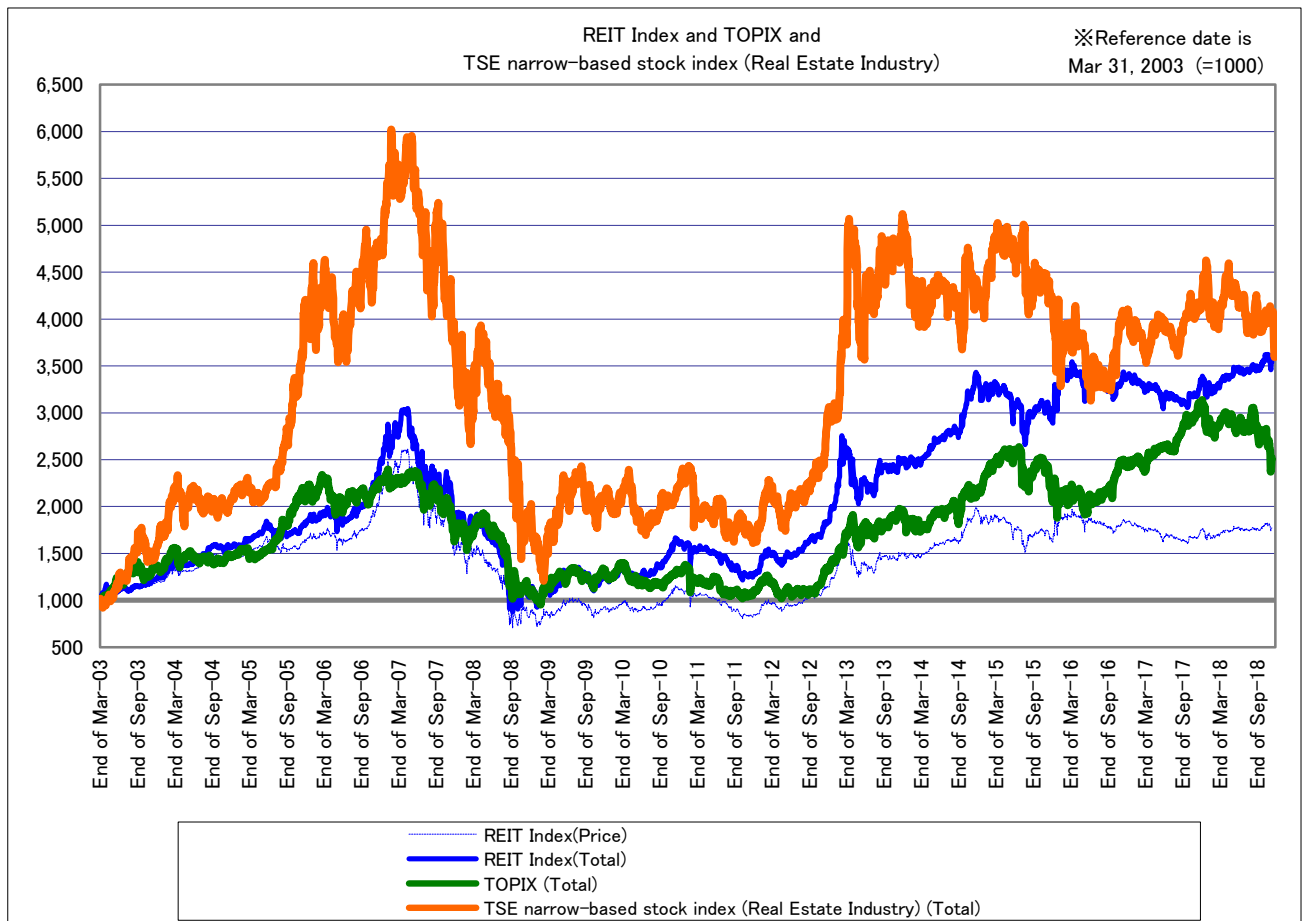
4. Trends in the Real Estate Securitization Market

【Stock price fluctuation of J-REITs】



Source: Tokyo Stock Exchange Group

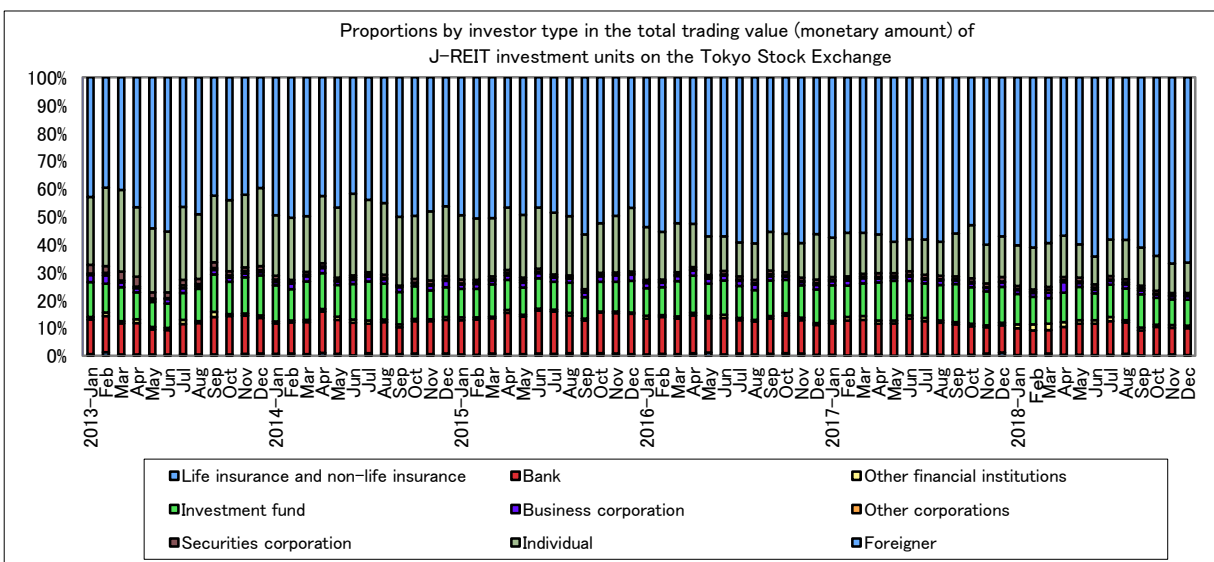
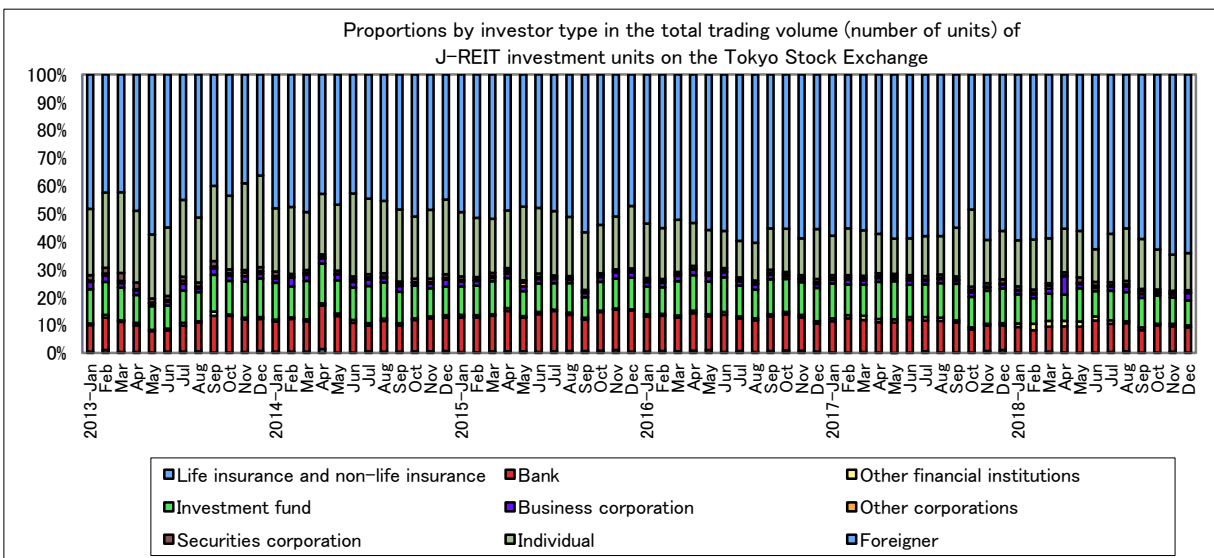
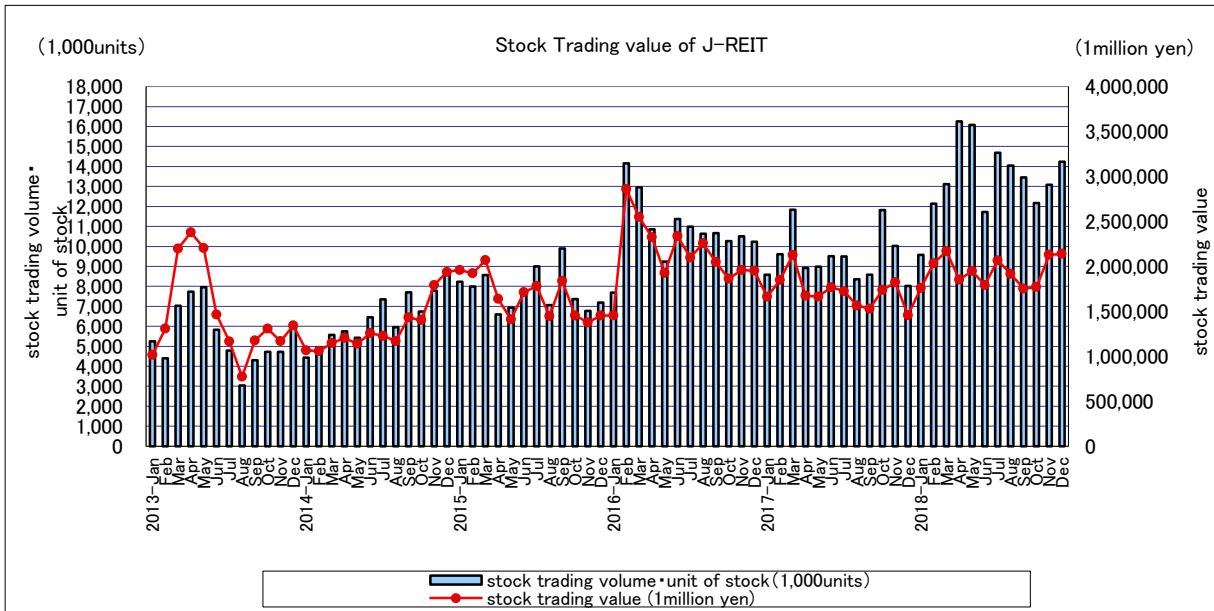
【Stock price index】

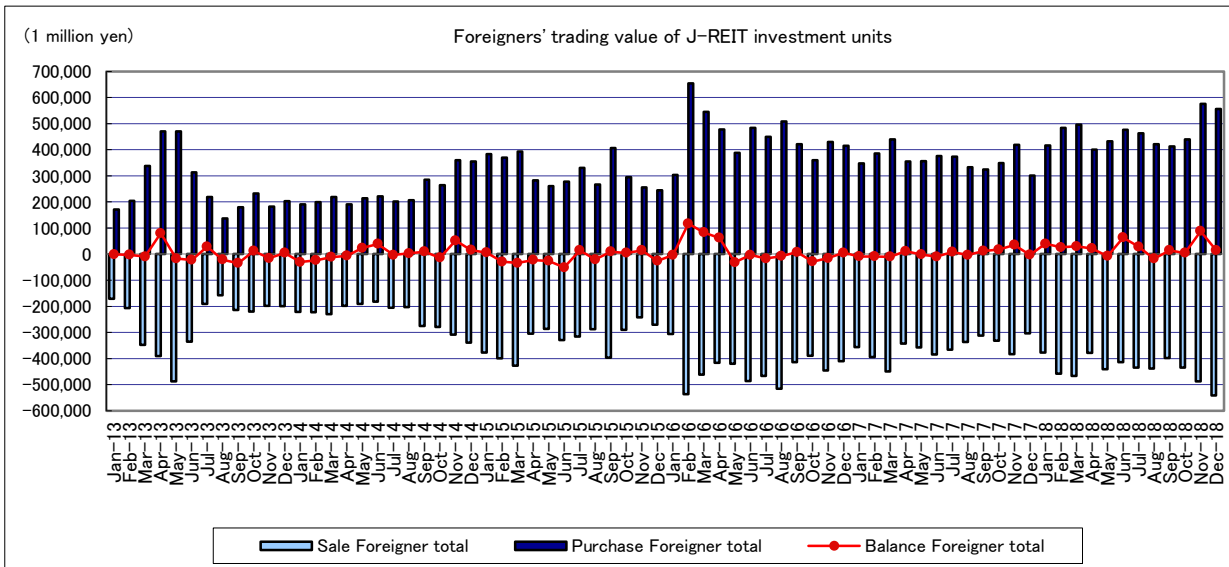
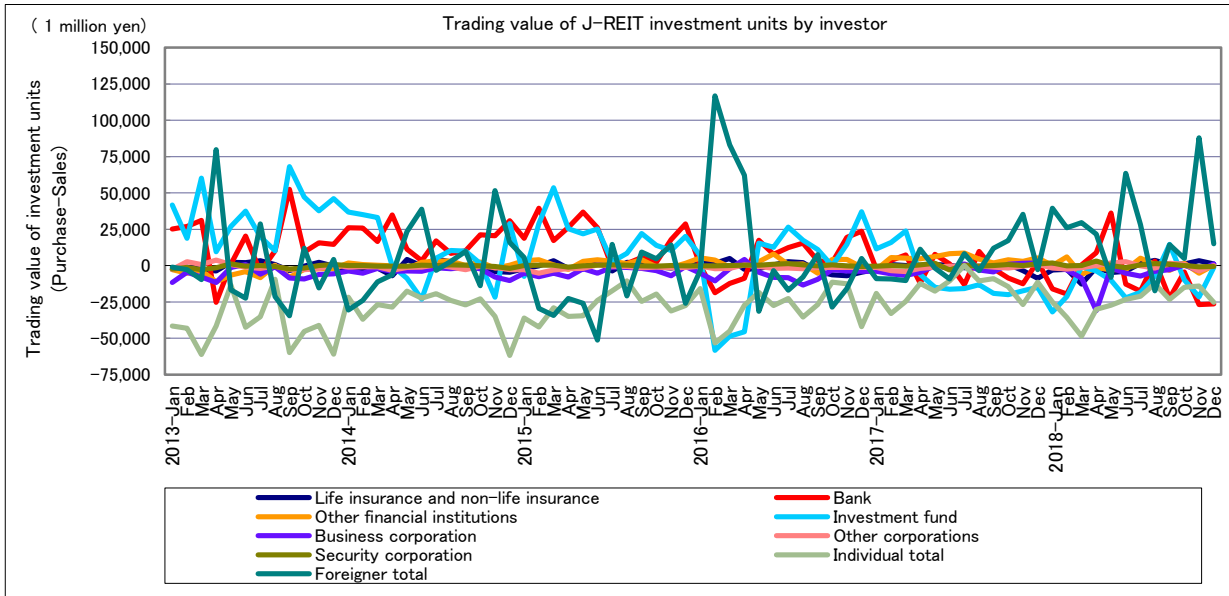


Source: Tokyo Stock Exchange Group, Inc., Bloomberg L.P.

Note: Figures for the TOPIX and the TSE Stock Price Index by Industry (Real Estate) have been compiled into separate indices based on March 31, 2003, which is the base date of the REIT Index.

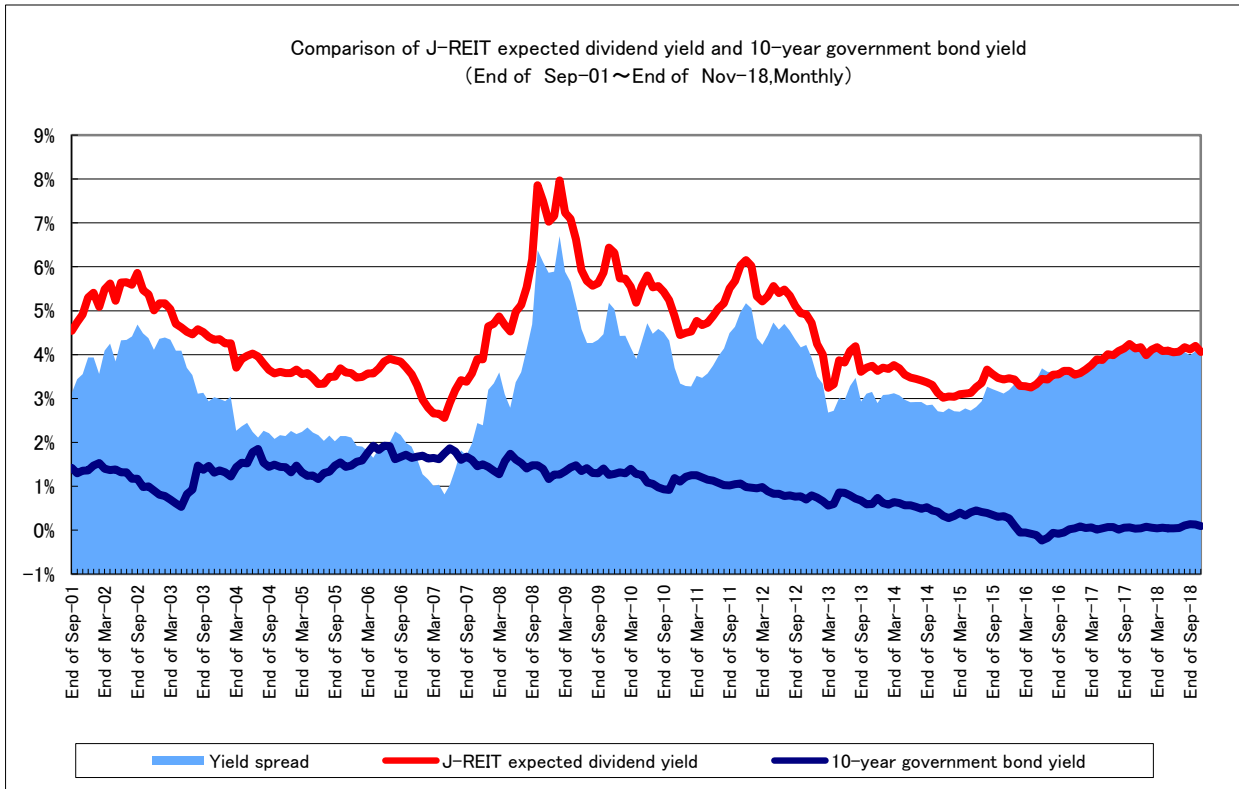
【Trading value of J-REIT investment units by investor】





Source: Tokyo Stock Exchange Group, Inc.

【Expected dividend yield of J-REITs】



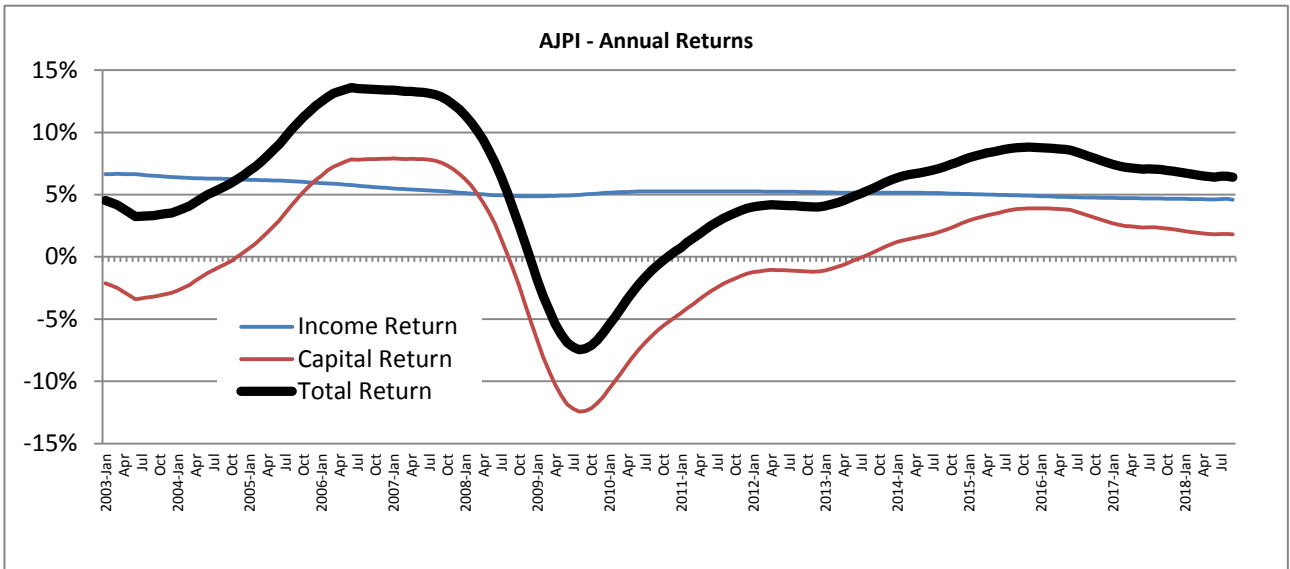
Sources: Sumitomo Mitsui Trust Research Institute Co., Ltd., Japan Bond Trading Co., Ltd.

Note: The yield spread is the difference between the 10-year government bond yield and the J-REIT expected dividend yield.

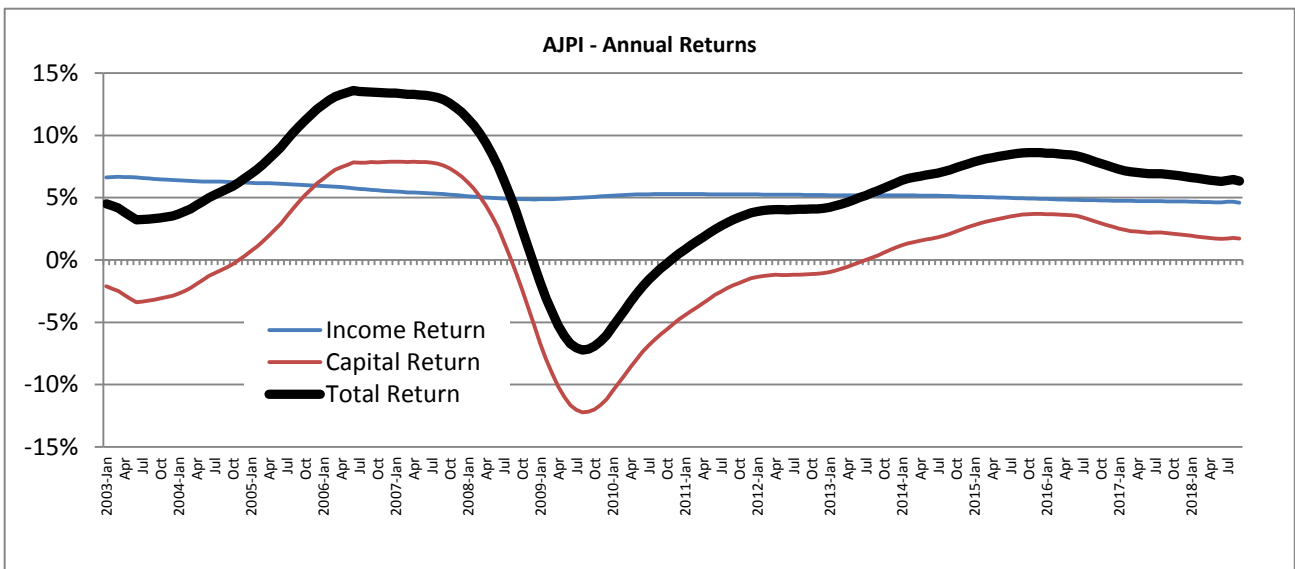


Sources: Sumitomo Mitsui Trust Research Institute Co., Ltd.

【AJPI - Annual Returns】
ARES J-REIT Property Index



ARES Japan Property Index



ARES J-REIT Property Index

J-REITの保有不動産データから作成したインデックス。

ARES Japan Property Index

J-REITの保有不動産データに私募・非上場不動産ファンドのデータを加えた統合インデックス。2012年10月から公表。

Source:The Association for Real Estate Securitization

Note: The data used for the AJPI – Annual Returns may be renewed retrospectively due to changes in the subjects of the data.

The graphs have been prepared using the latest figures announced by the data source.

5. Trends in Lending by Domestic Banks

【Outstanding of loans and new loans】

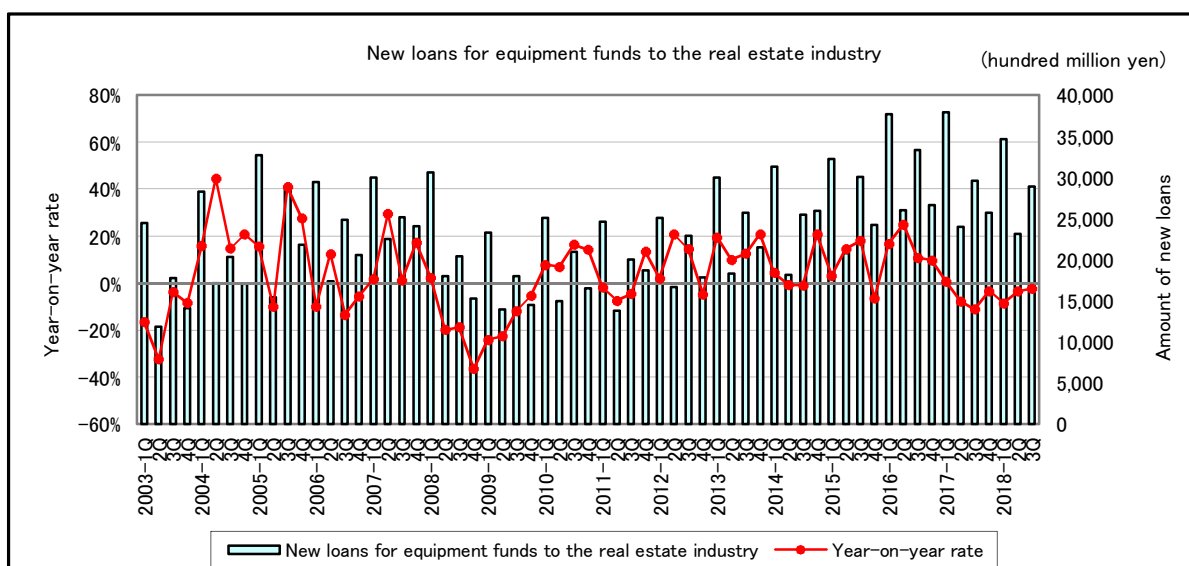
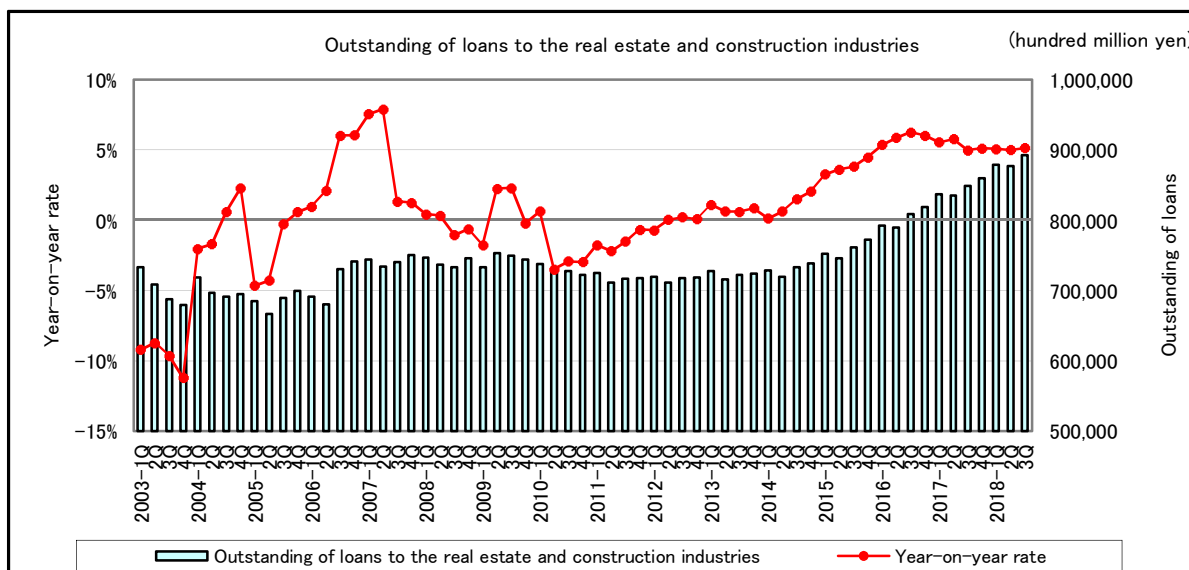
○ Outstanding of Loans

• The outstanding of loans to the construction industry for 3Q18 totaled 11,029.7 billion yen, a year-on-year increase of 1.1%, surpassing the previous year's results for 3 consecutive quarters.

• The outstanding of loans to the real estate industry for 3Q18 totaled 78,209.8 billion yen, a year-on-year increase of 5.7%, surpassing the previous year's results for 26 consecutive quarters.

○ New Loans for Equipment Funds

• New loans for equipment funds made to the real estate industry for 3Q18 totaled 2,890.4 billion yen, a year-on-year decrease of 2.4%, falling below the previous year's results for 6 consecutive quarters.



Source: Bank of Japan, Loans and Discounts Outstanding by Sector

Note1) Outstanding of loans at the end of each quarter is used for the calculation

Note2) New loans borrowed comprise two types: financing for equipment funds and working capital. With regard to the real estate industry, loans borrowed to fund rental buildings, land for construction of rental housing, and other leasing purposes are classified as financing for equipment funds, and those borrowed to purchase land for sale and to construct housing for sale are classified as working capital.

【Lending attitude】

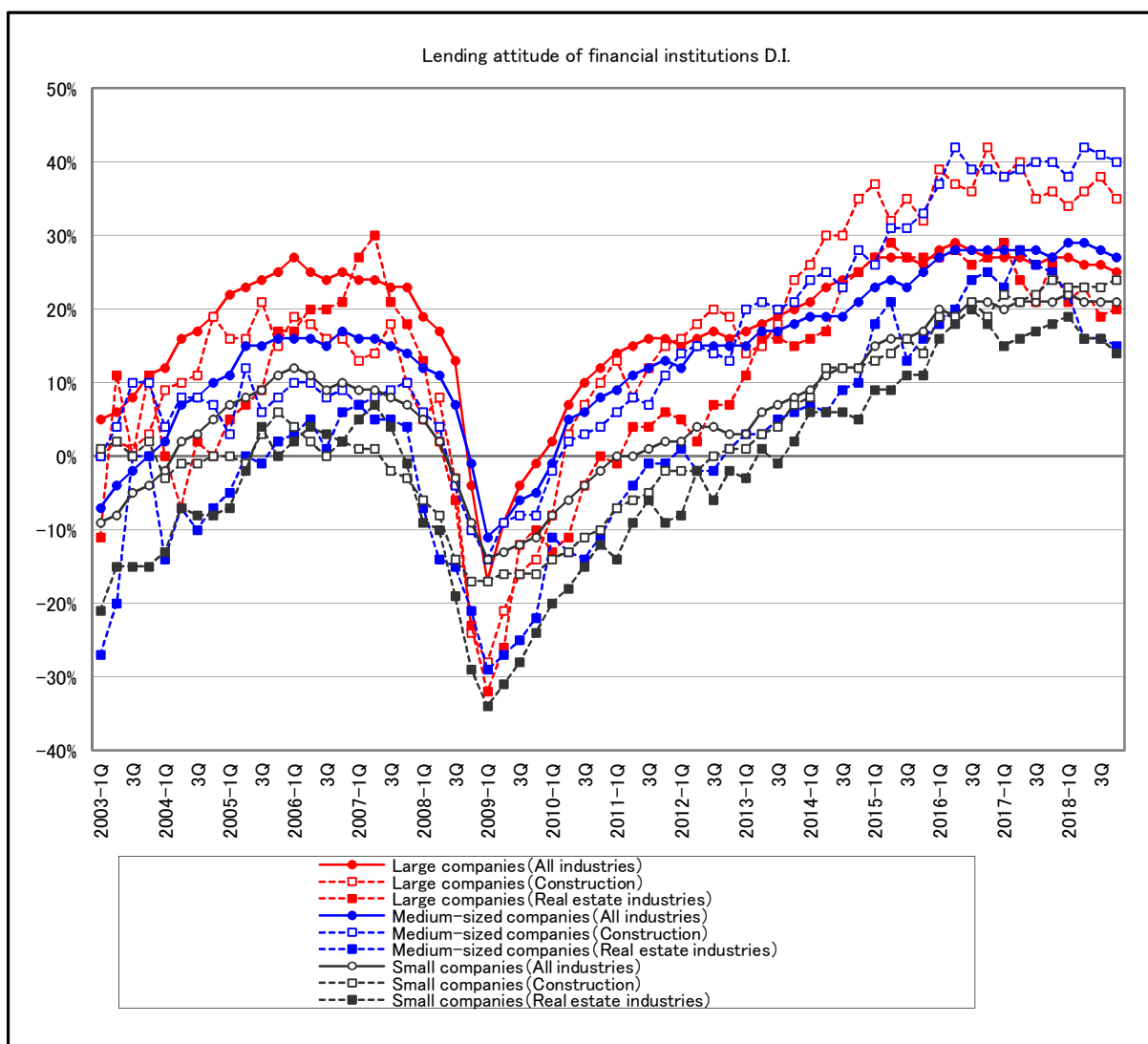
○ All Industries

• The lending attitude D.I. by all industries for 4Q18 was plus 25% point by large companies, plus 27% point by medium-sized companies, and plus 21% point by small companies. The figure worsened for large companies, and worsened for medium-sized companies, and unchanged for small companies, compared with 3Q18.

○ The Construction and Real Estate Industries

• The lending attitude D.I. by the construction industry for 4Q18 was plus 35% point by large companies, plus 40% point by medium-sized companies, and plus 24% point by small companies. The figure worsened for large companies, and worsened for medium-sized companies, and improved for small companies, compared with 3Q18.

• The lending attitude D.I. by the real estate industry for 4Q18 was plus 20% point by large companies, plus 15% point by medium-sized companies, and plus 14% point by small companies. The figure improved for large companies, and worsened for medium-sized companies, and worsened for small companies, compared with 3Q18.



Source: Bank of Japan, Short-term Economic Survey of Enterprises in Japan

Note: The figures have been calculated by subtracting the “Severe” ratio from the “Accommodative” ratio based on the responses. Large companies (capitalized at 1 billion yen or more), medium-sized companies (capitalized at 100 million yen or more and under 1 billion yen), small companies (capitalized at 20 million yen or more and under 100 million yen)

Due to a change in industry classifications, the construction and real estate industries, which were previously consolidated, have been separately classified from 1Q10 and are thus shown separately.