

Trend Monthly

2018
October

Mitsui Fudosan Realty Co.,Ltd.



Table of Contents

| | | |
|---|-----------|-----|
| 1. Housing market | • • • • • | P3 |
| (1). Listing volume | | |
| 1. REINS registered properties | • • • • • | P4 |
| 2. REINS inventory | • • • • • | P4 |
| (2). Contracts concluded | | |
| 1. REINS contracts concluded | • • • • • | P5 |
| 2. Registered transfer of titles due to purchase and sale | • • • • • | P5 |
| (3). Price trends | | |
| 1. REINS contract unit price, Unit price per sqm | • • • • • | P6 |
| 2. Officially published land prices | • • • • • | P7 |
| 3. JREI home price indices | • • • • • | P8 |
| 4. Property price indices | • • • • • | P9 |
| (4). New home market | | |
| 1. Condominiums for sale in Greater Tokyo area | • • • • • | P10 |
| 2. Contract conclusion rate and inventory of condominiums in Greater Tokyo area | • • • • • | P10 |
| 3. Average price of condominiums in Greater Tokyo area | • • • • • | P11 |
| 4. New home construction starts | • • • • • | P11 |
| (5). Mortgage interest rates | • • • • • | P12 |
| 2. Office building and new construction markets | • • • • • | P13 |
| (1). Office leasing | | |
| 1. Vacancy rates of office buildings in central 5 wards of Tokyo | • • • • • | P14 |
| 2. Rents of office buildings in central 5wards of Tokyo | • • • • • | P14 |
| (2). Construction | | |
| 1. Value of construction orders received | • • • • • | P15 |
| 2. Construction materials price index, Construction cost deflator | • • • • • | P15 |
| (3). Investment | | |
| 1. TSE REIT index | • • • • • | P16 |
| List of sources | • • • • • | P17 |

1. Housing market

| Summary | | | As of | Results | Year-on-year, Month-on-month change | |
|-------------------------|---|---|-------------------------|---------|-------------------------------------|-----------|
| Listing volume | REINS information content | Registered properties | September | 27,857 | Year-on-year change | 5.01% ↑ |
| | | Unsold inventory | September | 81,727 | Year-on-year change | 9.05% ↑ |
| Contracts concluded | REINS contracts concluded | Condominiums | September | 3,244 | Year-on-year change | 0.68% → |
| | | Land/Detached Houses | September | 1,632 | Year-on-year change | 1.12% ↑ |
| | | Total (units) | September | 4,876 | Year-on-year change | 0.83% → |
| | Registered transfer of titles due to purchase and sale (Nationwide) | | August | 57,668 | Year-on-year change | 3.85% ↑ |
| Price trends | REINS average contract price | Condominiums (10,000 yen) | September | 3,292 | Month-on-month change | △ 0.78% → |
| | | Detached houses (10,000 yen) | September | 3,044 | Month-on-month change | △ 4.07% ↓ |
| | | Land (10,000 yen) | September | 3,026 | Month-on-month change | △ 3.01% ↓ |
| | REINS contracts concluded | Condominiums (10,000 yen/sqm) | September | 51.4 | Month-on-month change | △ 1.36% ↓ |
| | Unit price sqm | Land (10,000 yen/sqm) | September | 21.1 | Month-on-month change | △ 2.68% ↓ |
| | JREI home price indices * (December 1, 2000 = 100)(Greater Tokyo area) | | July | 90.4 | Month-on-month change | 0.34% → |
| | Property price indices(Residential) (2010 average = 100)(Nationwide) | | May | 140.4 | Month-on-month change | △ 0.97% → |
| | Officially published land prices | Residential land | January, 2018 | - | Year-on-year | 1.00% ↑ |
| | | Commercial land | January, 2018 | - | Year-on-year | 3.70% ↑ |
| New home market | New home construction starts | Nationwide (dwellings) | August | 81,860 | Year-on-year change | 1.61% ↑ |
| | Condominiums in Greater Tokyo area | Condominiums supplied (units) | September | 3,372 | Year-on-year change | 13.23% ↑ |
| | | Contract conclusion rate | September | 66.5% | Year-on-year change | 1.60pt ↑ |
| | | Inventory (units) | September | 6,050 | Month-on-month change | 0.45% → |
| | | Unsold inventory after completion (units) | September | 2,888 | Month-on-month change | △ 4.31% ↓ |
| | | Average price (10,000 yen) | September | 5,136 | Month-on-month change | △ 4.18% ↓ |
| | | Average sqm unit price (10,000 yen/sqm) | September | 80.0 | Month-on-month change | 1.52% ↑ |
| | | | | | | |
| Mortgage interest rates | Bank variable interest rate (%) (Sumitomo Mitsui Banking Corporation) | | as of October 1 | 2.475% | Month-on-month change | 0.00pt → |
| | Bank (10-year) fixed rate (%) (Sumitomo Mitsui Banking Corporation) | | as of October 1 | 3.400% | Month-on-month change | 0.00pt → |
| | JHFA standard interest rate(%) * | | as of October 1 | 1.290% | Month-on-month change | 0.00pt → |
| | Long-term prime rate (%) | | as of October 1 | 1.00% | Month-on-month change | 0.00pt → |
| | Official discount rate (%) | | as of December 19, 2008 | 0.30% | Month-on-month change | 0.00pt → |

* ↓ Minus 1% or lower → Higher than minus 1% to under 1% ↑ 1% or higher
 ↓ Minus 0.01pt or lower → Higher than minus 0.01pt to under 0.01pt ↑ 0.01pt or higher

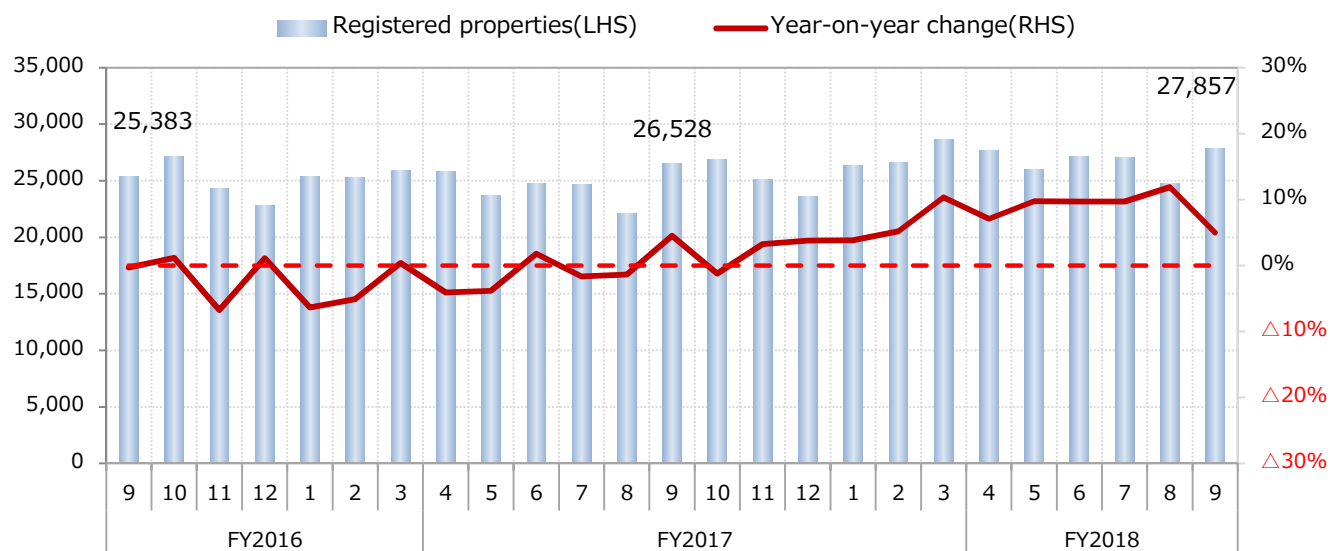
* JREI : Japan Real Estate Institute

* JHFA : Japan Housing Finance Agency

(1). Listing volume; 1. REINS registered properties

(Unit: units)

(Unit: %)



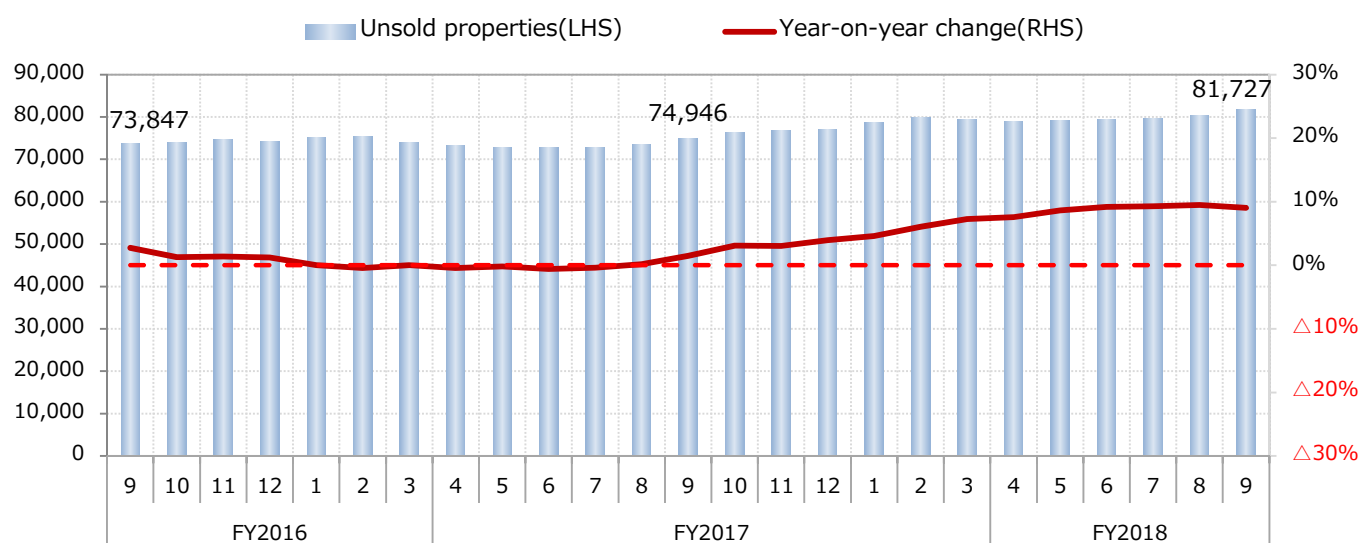
*Sales of new homes and condo.'s are excluded.

*Land: Sales of land within a range of 100 to 200 sqm are counted.

(1). Listing volume; 2. REINS inventory

(Unit: units)

(Unit: %)



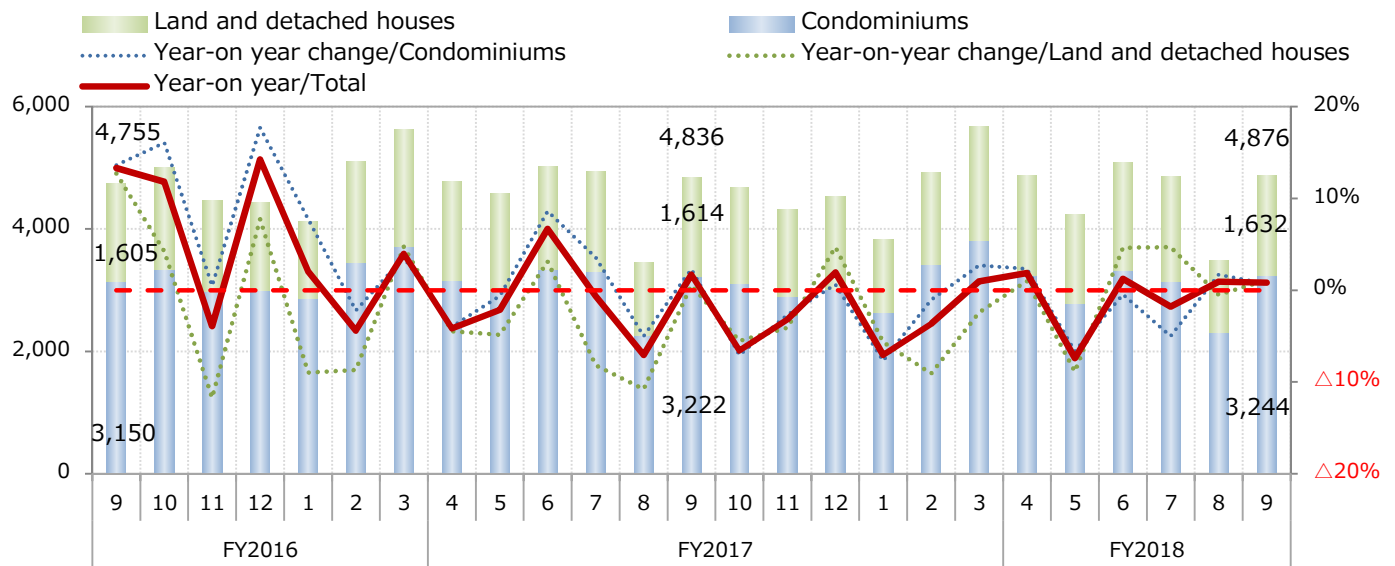
*Sales of new homes and condo.'s are excluded.

*Land: Sales of land within a range of 100 to 200 sqm are counted.

(2). Contracts concluded; 1. REINS contracts concluded

(Unit: units)

(Unit: %)



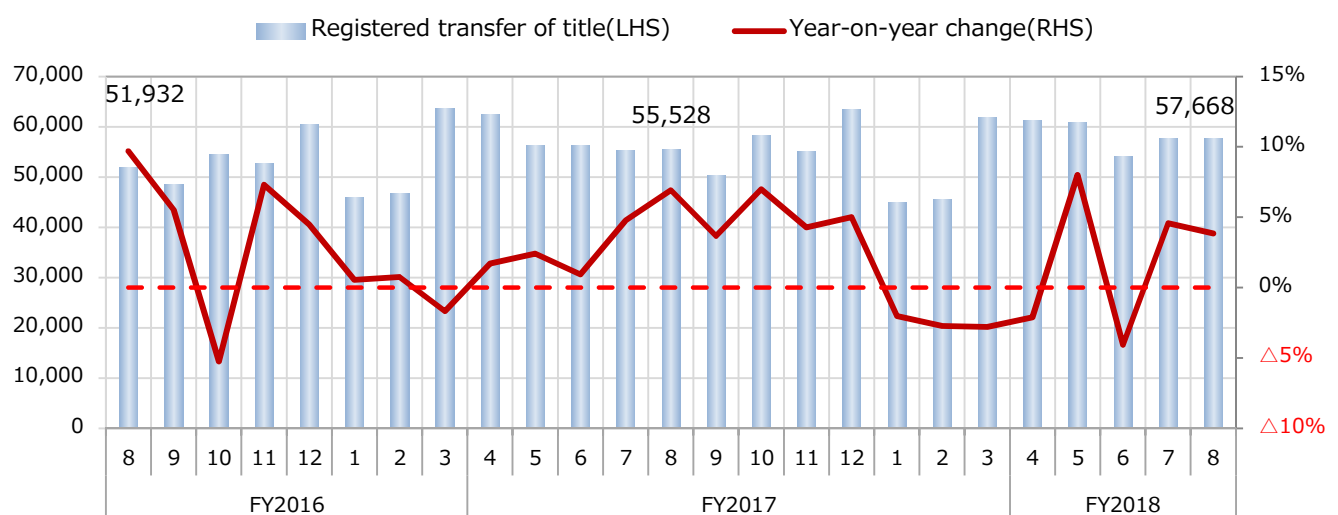
*Sales of new homes and condo.'s are excluded.

*Land: Sales of land within a range of 100 to 200 sqm are counted.

(2). Contracts concluded; 2.Registered transfer of titles due to purchase and sale (Nationwide)

(Unit: units)

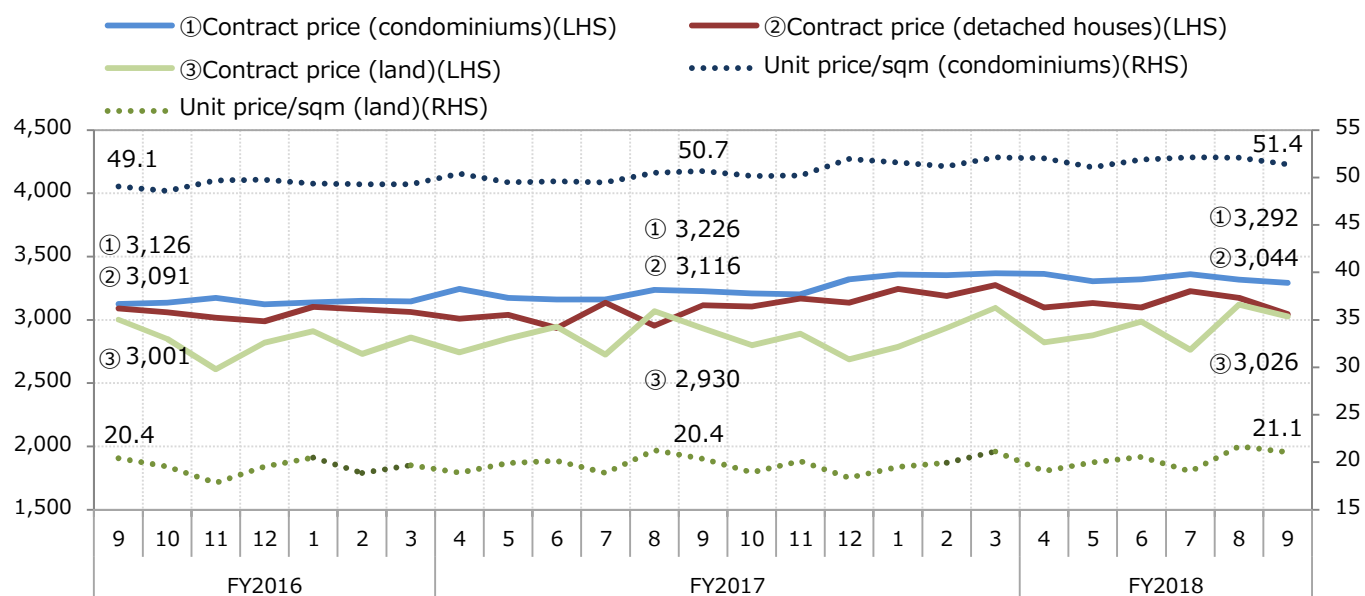
(Unit: %)



(3). Price trends; 1. REINS contract unit price, Unit price per sqm

(Unit: 10,000 yen)

(Unit: 10,000 yen/sqm)

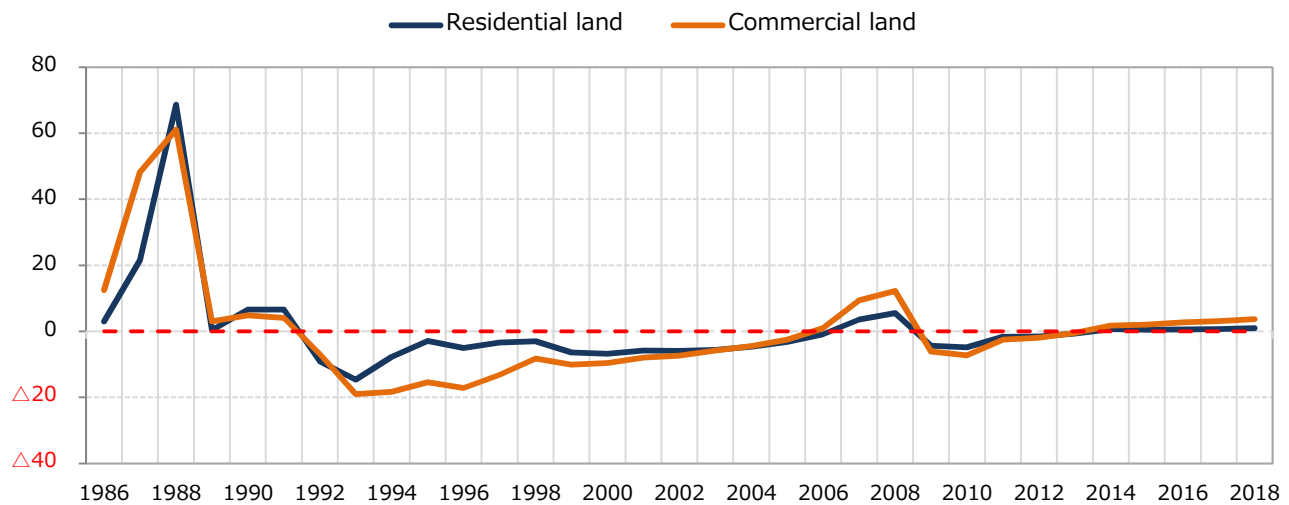


*Sales of new homes and condo.'s are excluded.

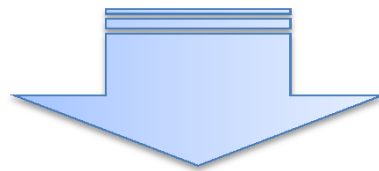
*Land: Sales of land within a range of 100 to 200 sqm are counted.

(3). Price trends; 2. Officially published land prices (Greater Tokyo area)

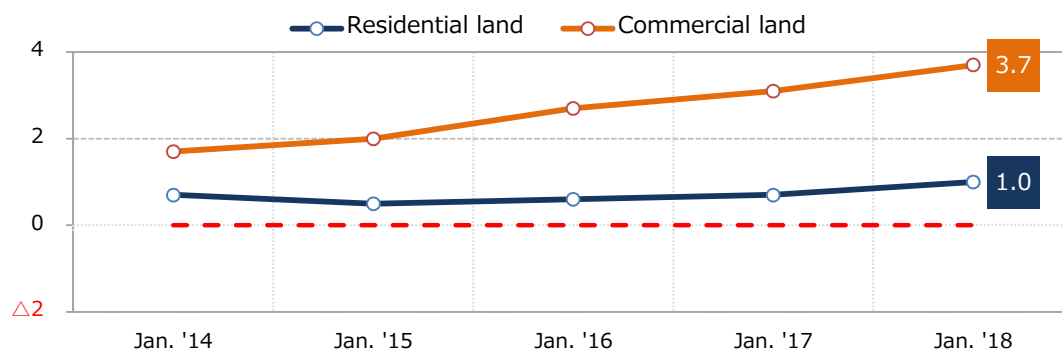
(Unit: %)



*Officially published land prices are the prices of standardized values published late March annually by the Land Appraisal Committee of the Ministry of Land, Infrastructure, Transport and Tourism in accordance with the Public Notice of Land Prices Act. The Land Appraisal Committee determines and publishes normal prices based on appraisals by real estate appraisers and others of benchmark locations selected across the nation as of January 1 each year.

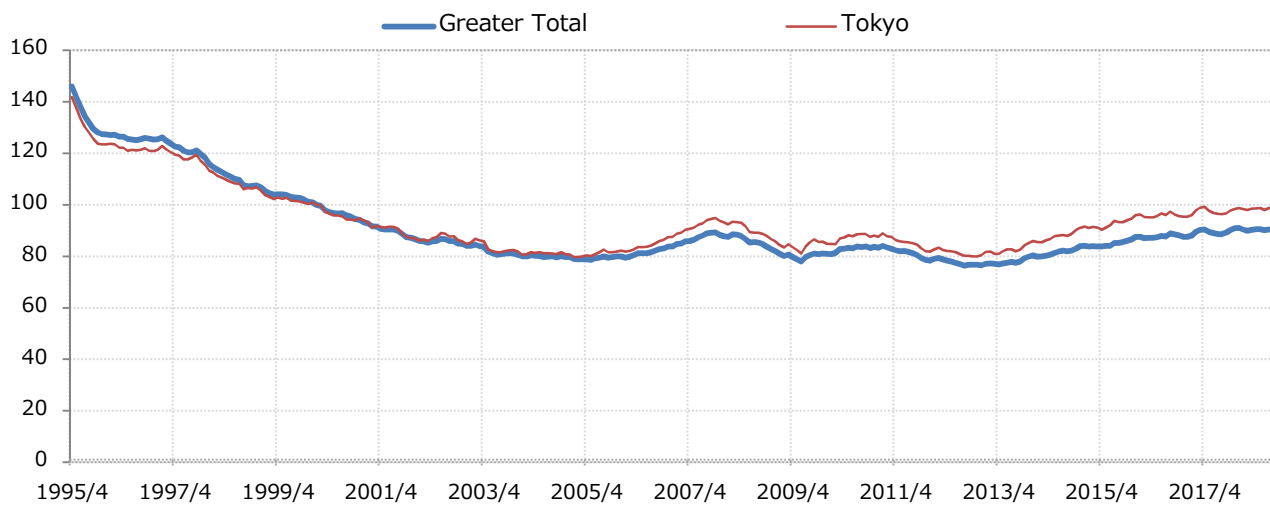


■ Changes over the last five years.

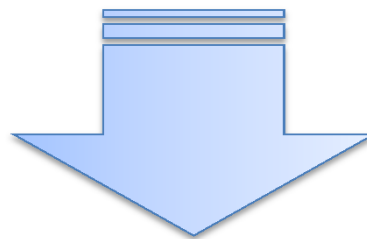


(3). Price trends; 3. JREI home price indices

(January 2000 = 100)

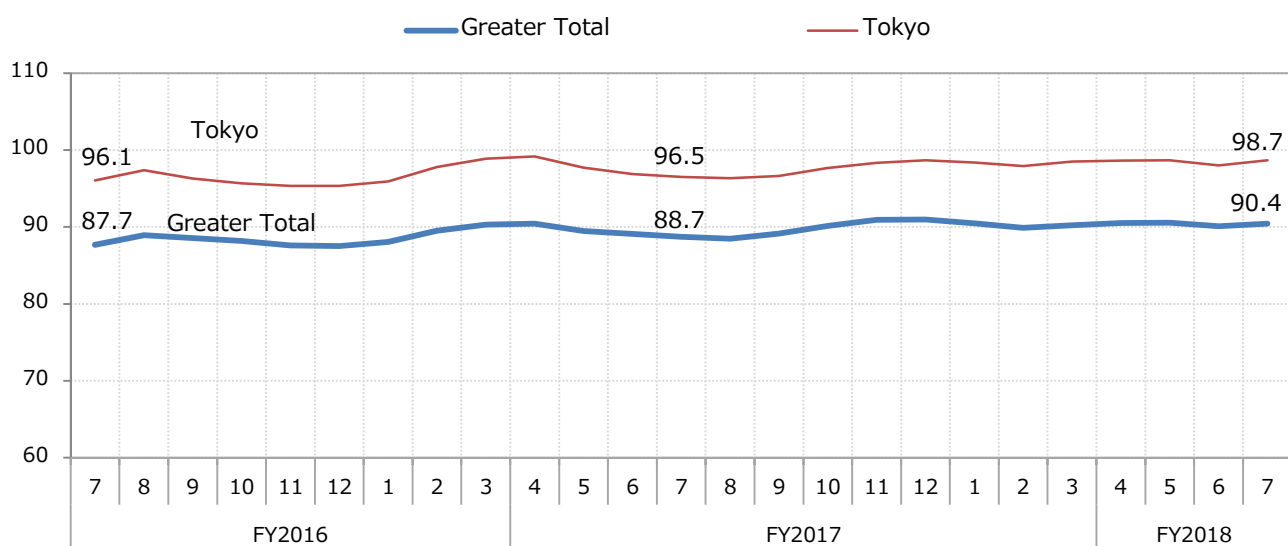


※Total : Average of Greater Tokyo area (Tokyo • Kanagawa • Chiba • Saitama)



■ Changes over the last two years.

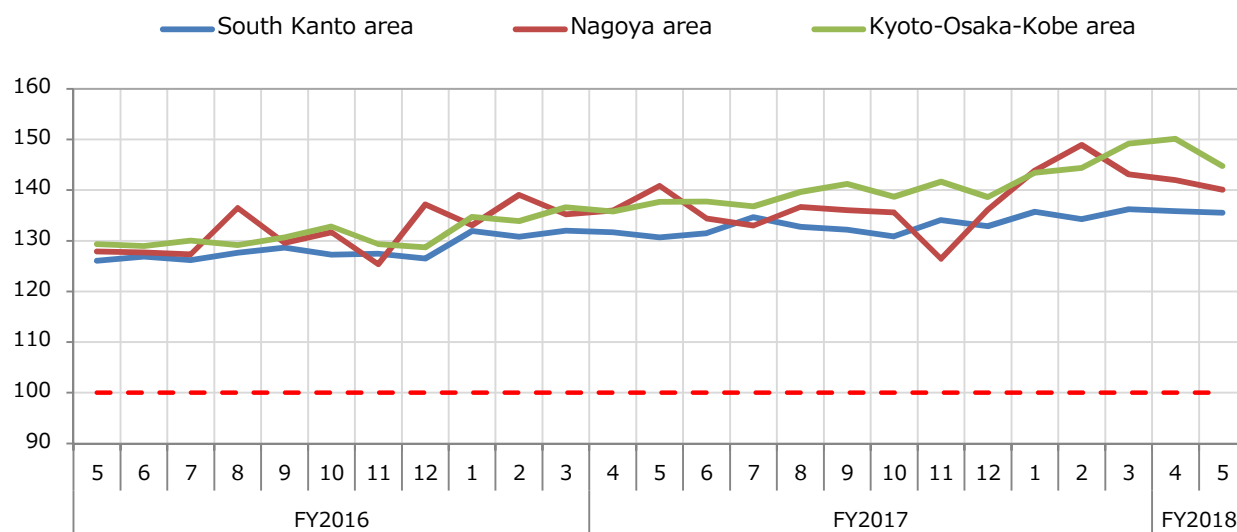
(January 2000 = 100)



※Total : Average of Greater Tokyo area (Tokyo • Kanagawa • Chiba • Saitama)

(3). Price trends; 4. Real estate price index (mansion) (South Kanto area • Nagoya • Kyoto-Osaka-Kobe area)

(2010 average = 100)



*Real estate prices indexed monthly, classified nationally, by block and by metropolitan area based on price data of almost 300,000 dwelling and condominium transactions conducted over 12 months.

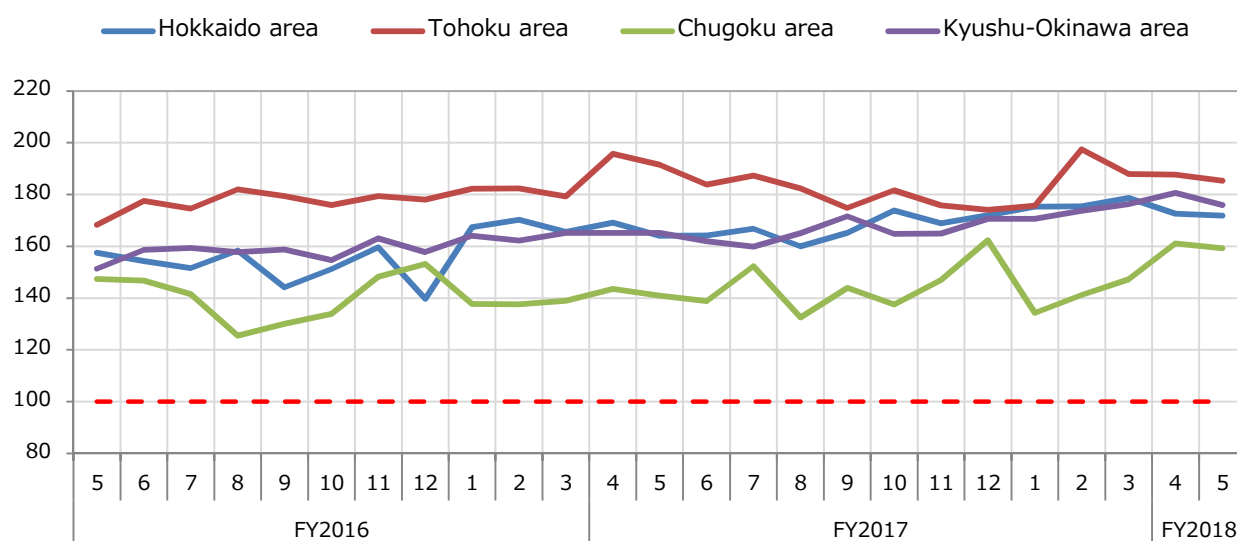
※South Kanto area : Tokyo • Kanagawa • Chiba • Saitama

※Nagoya : Aichi • Gifu • Mie

※Kyoto-Osaka-Kobe area : Osaka • Hyogo • Kyoto

(3). Price trends; 4. Real estate price index (mansion) (Hokkaido • Tohoku • Chugoku • Kyushu)

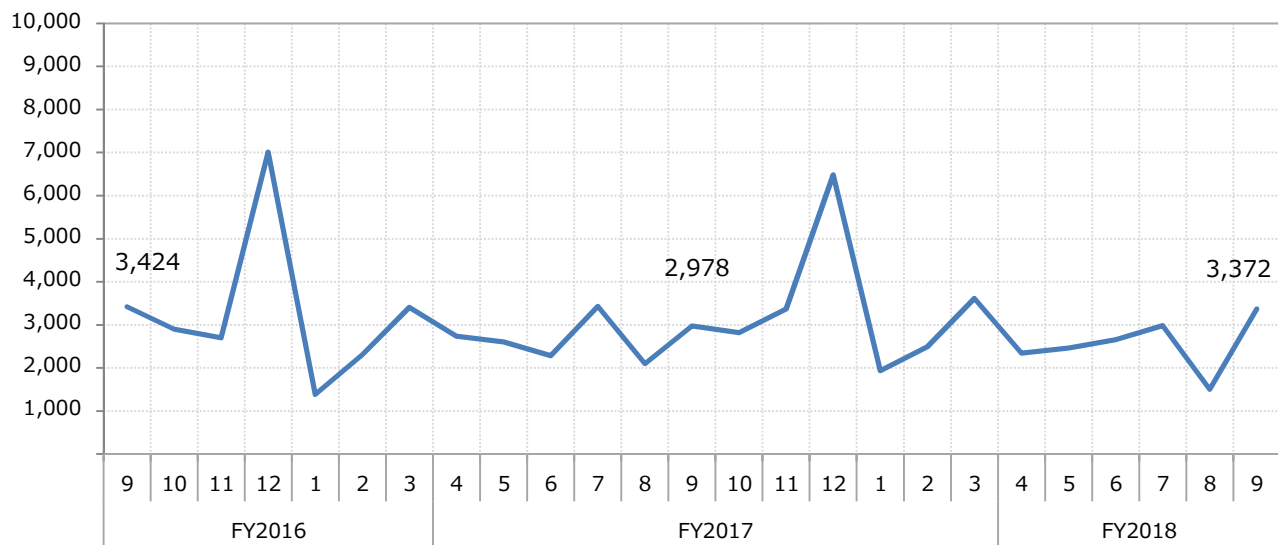
(2010 average = 100)



*Real estate prices indexed monthly, classified nationally, by block and by metropolitan area based on price data of almost 300,000 dwelling and condominium transactions conducted over 12 months.

(4). New home market; 1. Condominium sales in Greater Tokyo area

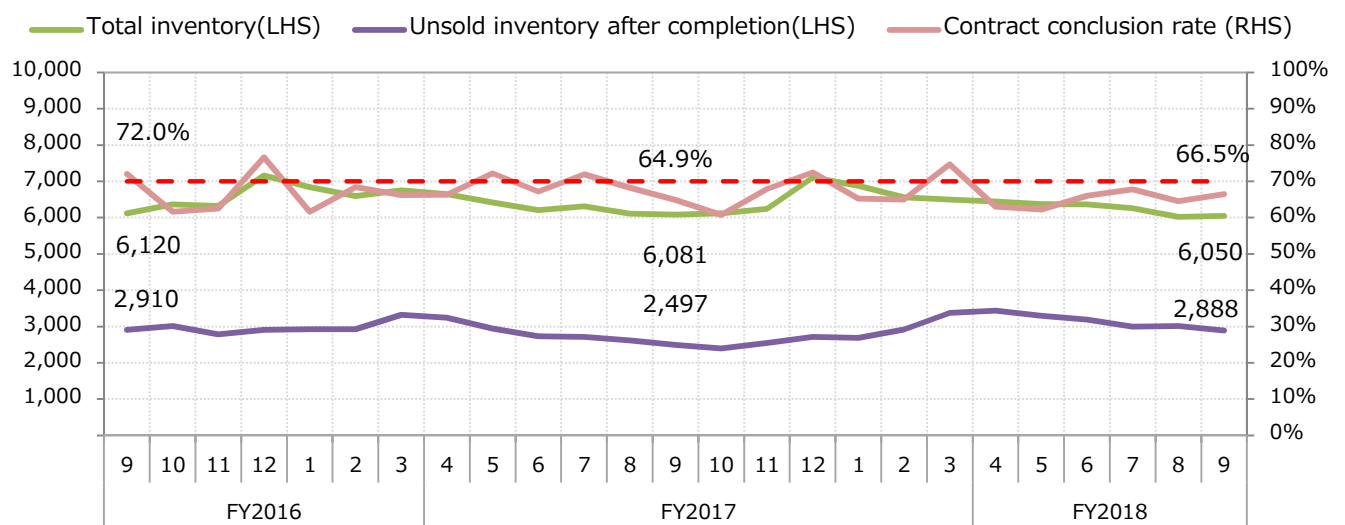
(Unit: units)



(4). New home market; 2. Contract conclusion rate and inventory of condominiums in Greater Tokyo area

(Unit: units)

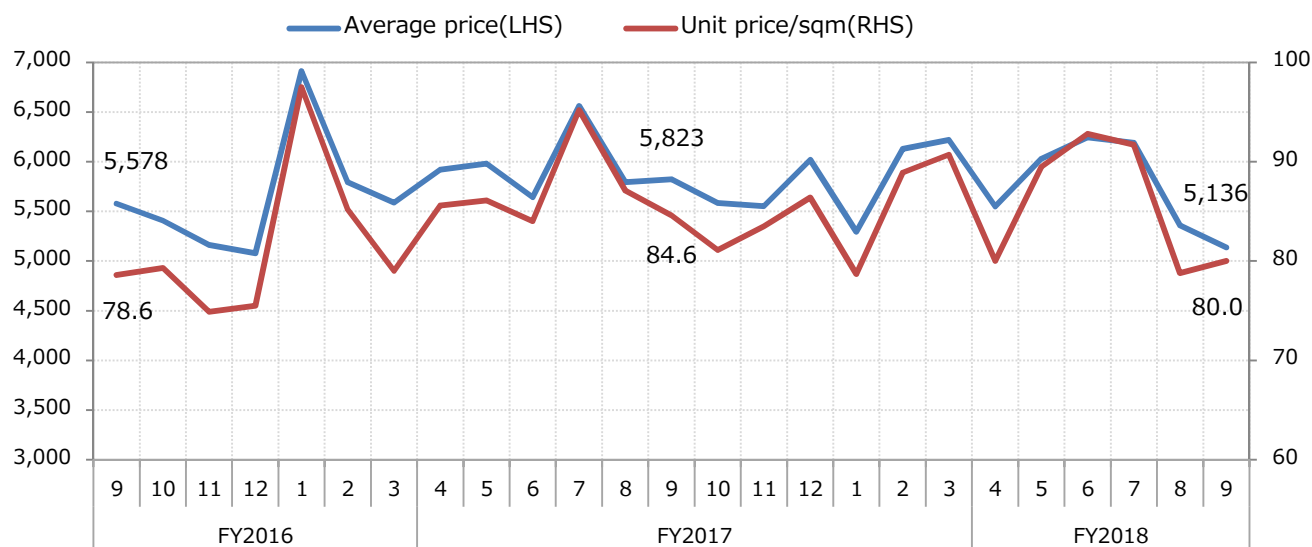
(Unit: %)



(4). New home market; 3. Average price of condominiums in Greater Tokyo area

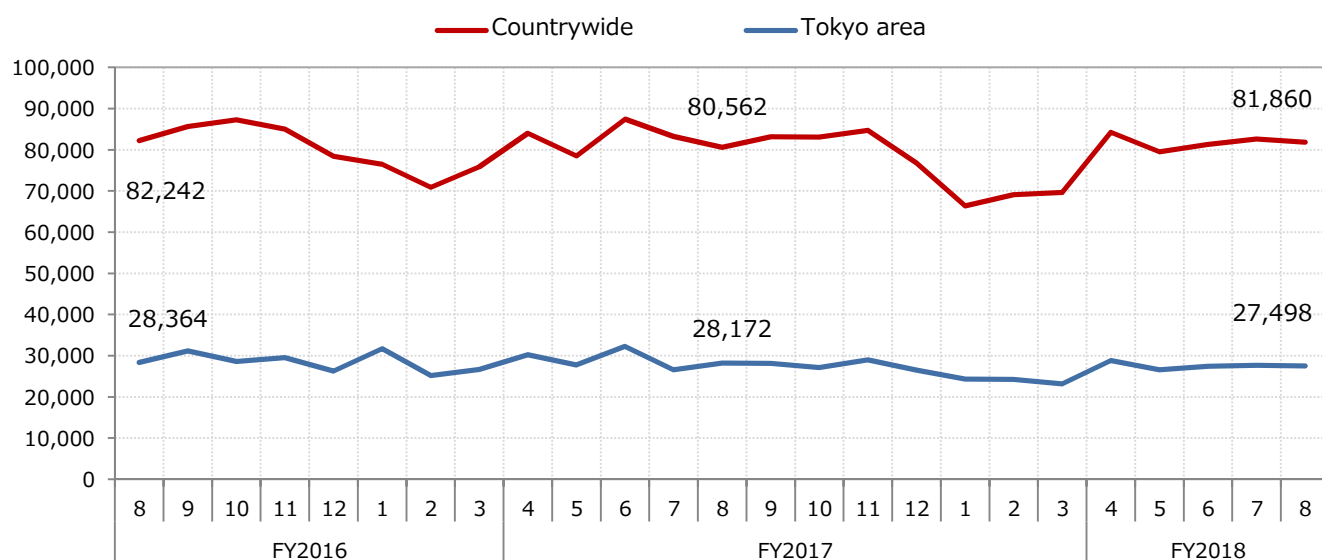
(Unit: 10,000 yen)

(Unit: 10,000 yen/sqm)



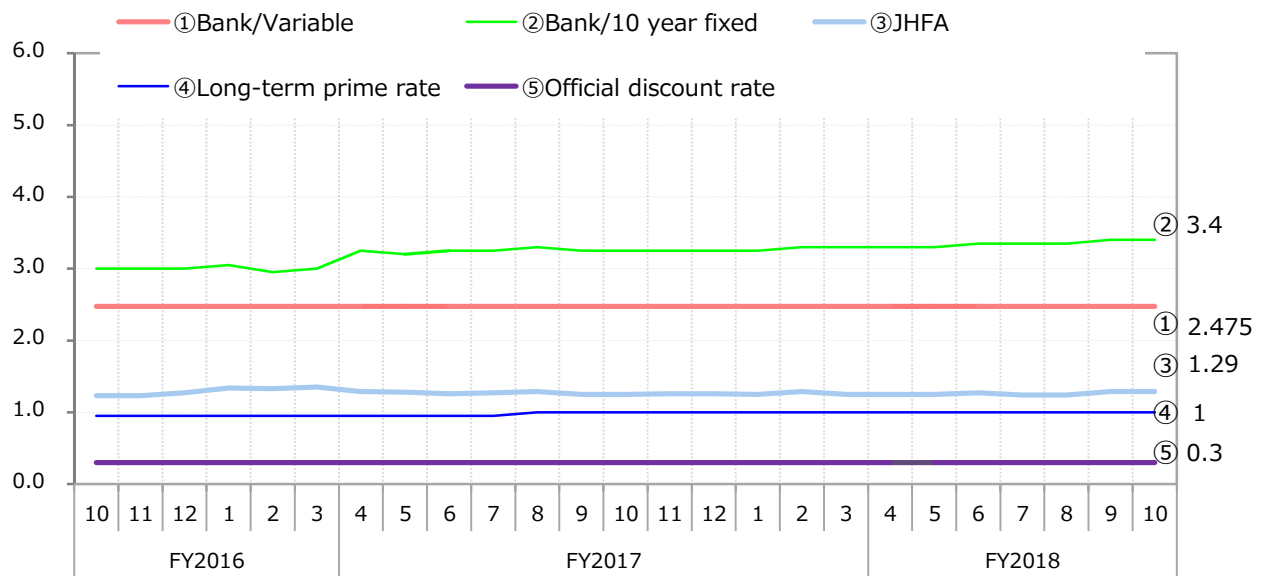
(4). New home market; 4. Transition of new housing construction work starting (Countrywide · Tokyo area)

(Unit: units)



(5). Mortgage interest rates

(Unit: %)



*Bank interest rates: Those by Sumitomo Mitsui Banking Corporation are shown here.

as of October 1, 2018

*Rate as of 1st of each month

2. Office building and new construction markets

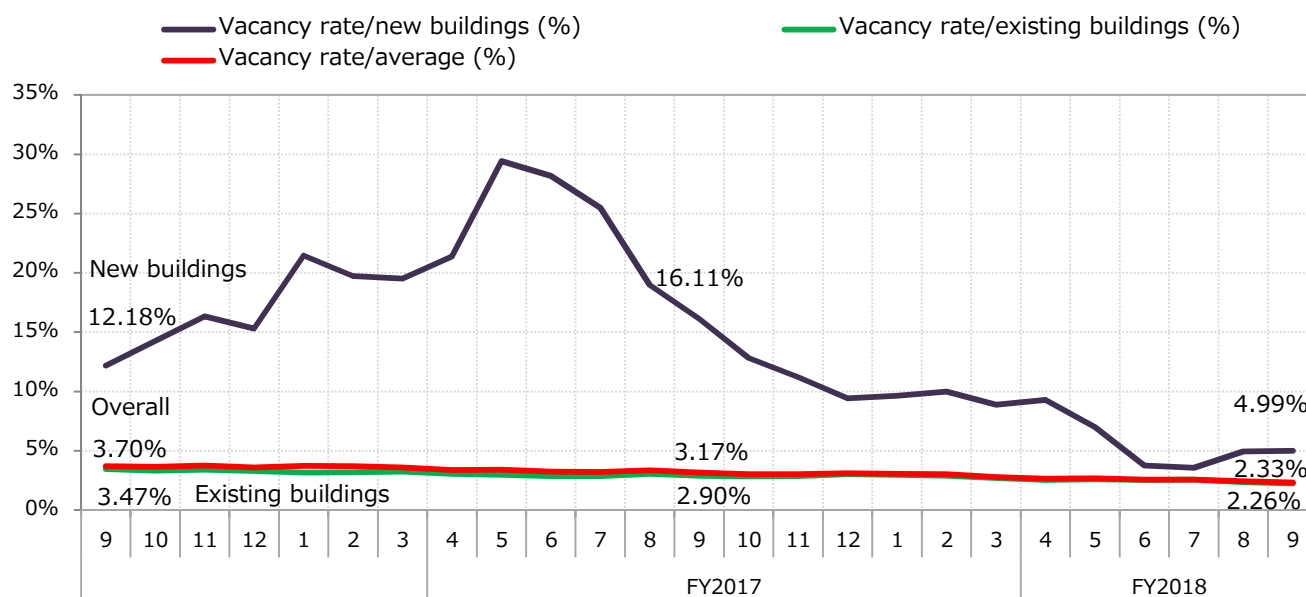
■ Office building, new construction markets

| Summary | | | Month, year | Results | Year-on-year, Month-on-month change | |
|--------------|---|----------------------------------|-------------|---------|-------------------------------------|------------|
| Leasing | Vacancy rate in central 5 wards of Tokyo | New buildings (%) | September | 4.99% | Month-on-month change | 0.04pt ↑ |
| | | Existing buildings (%) | September | 2.26% | Month-on-month change | △ 0.11pt ↓ |
| | | Overall average (%) | September | 2.33% | Month-on-month change | △ 0.12pt ↓ |
| | Average rent | New buildings (yen/3.31sqm) | September | 29,065 | Year-on-year change | 7.22% ↑ |
| | | Existing buildings (yen/3.31sqm) | September | 20,171 | Year-on-year change | 7.44% ↑ |
| | | Overall average (yen/3.31sqm) | September | 20,438 | Year-on-year change | 7.60% ↑ |
| Construction | Value of construction orders received (million yen) | | August | 939,004 | Year-on-year change | 0.55% → |
| | Construction Materials Price Index (FY2010 = 100) | | September | 110.8 | Month-on-month change | 0.09% → |
| | Construction Cost Deflator(FY2011 = 100) | | July | 113.9 | Month-on-month change | △ 0.61% → |
| Investment | TSE REIT Index | | September | 1,777 | Month-on-month change | 1.40% ↑ |

* ↓ Minus 1% or lower → Higher than minus 1% to under 1% ↑ 1% or higher
 ↓ Minus 0.01pt or lower → Higher than minus 0.01pt to under 0.01pt ↑ 0.01pt or higher

(1). Office leasing; 1. Vacancy rate in central 5 wards of Tokyo

(Unit: %)

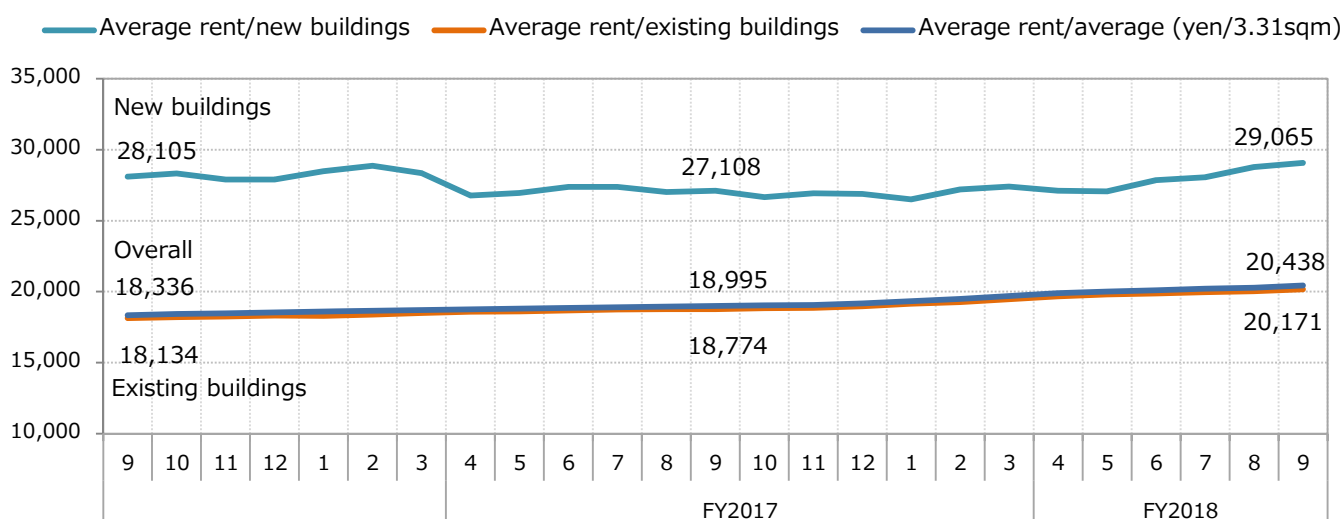


*Survey subject: Large rental office buildings with standard floor space exceeding 331sqm in Tokyo business district (Chiyoda ward, Chuo ward, Minato ward, Shinjuku ward, and Shibuya ward)

*New buildings: Buildings completed less than one year ago.

(1). Office leasing; 2.Rents in central 5 wards of Tokyo

(Unit: yen/3.31sqm per month)



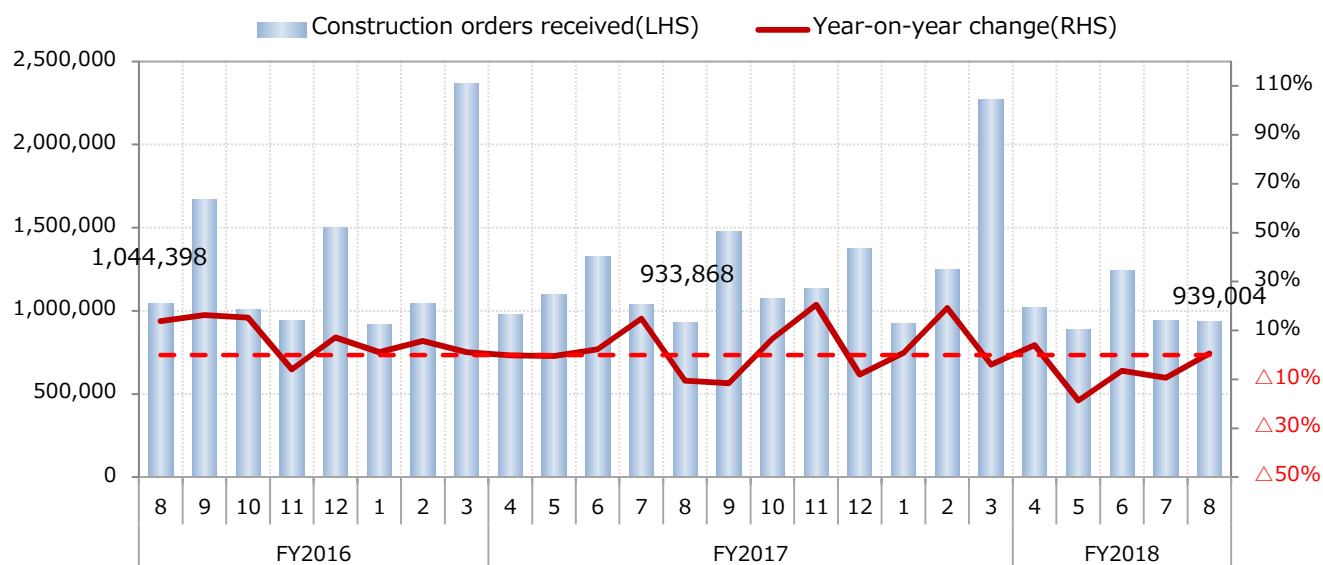
*Survey subject: Same as above.

*New buildings: Same as above.

(2). Construction; 1. Value of construction orders received

(Unit: million yen)

(Unit: %)

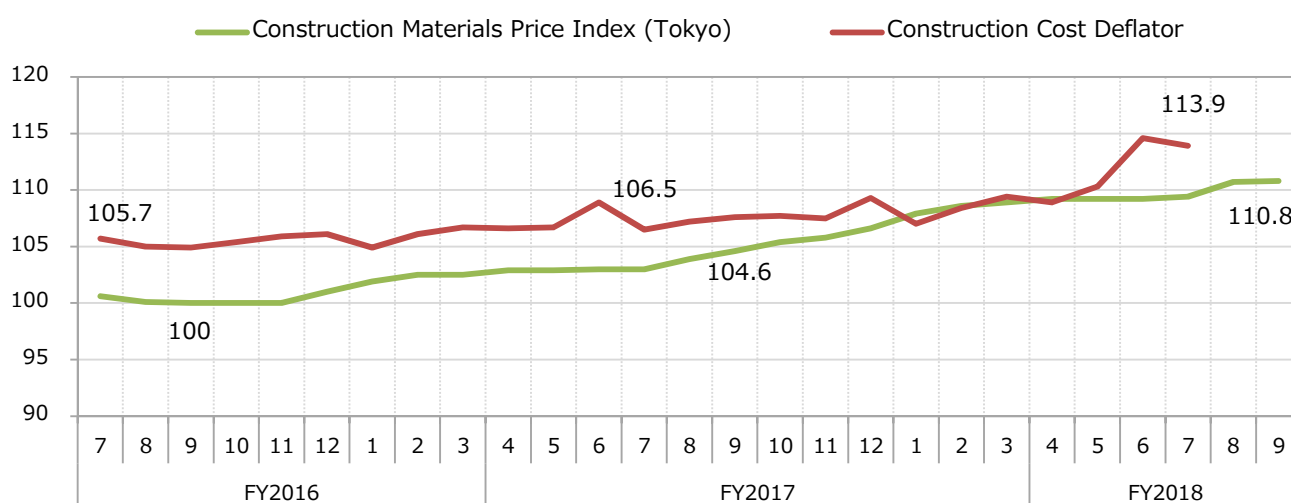


*Value of construction orders received: Total value of orders received by Japan's 50 largest construction companies. Both private sector construction and public works projects by national and local governments are included.

(2). Construction; 2. Construction Materials Price Index, Construction Cost Deflator

(Construction Materials Price Index: FY2010 average = 100)

(Construction Cost Deflator: FY2011 average = 100)

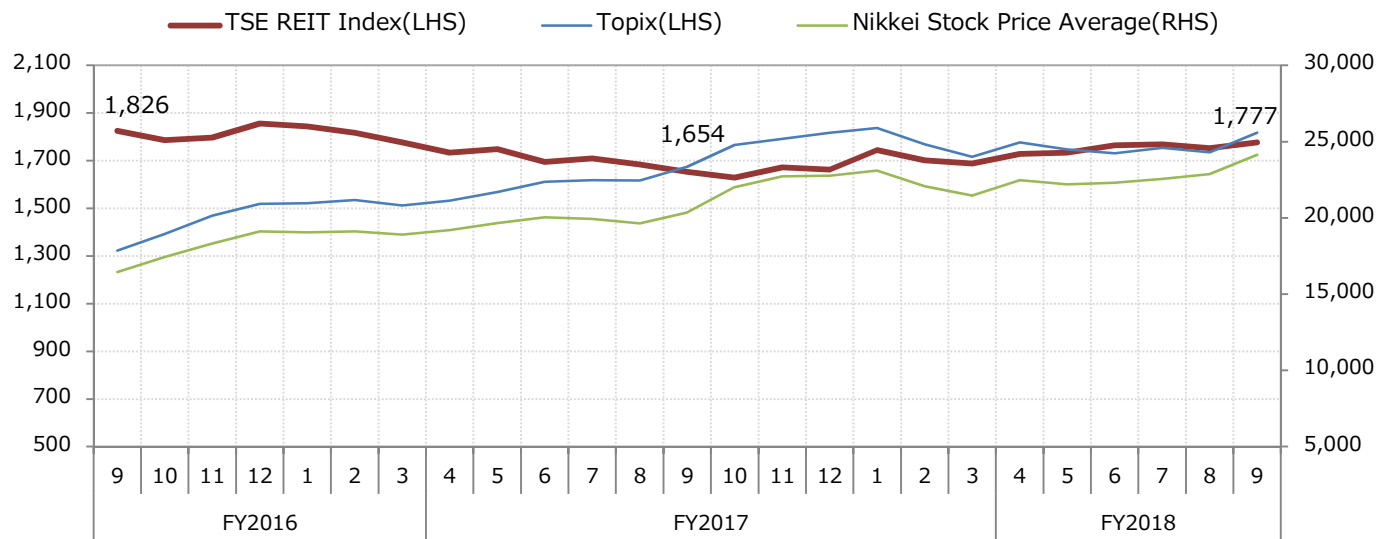


*Construction Cost Deflator: An index prepared by the Ministry of Land, Infrastructure, Transport and Tourism to convert nominal construction cost into real construction cost. This is also used as a construction cost index.

(3). Investment; 1. TSE REIT Index (reference data: Topix, Nikkei Stock Price Average)

(TSE REIT Index: End of March 2003 = 1,000; Topix: Jan. 4, 1968 = 100)

(Nikkei Stock Price Average values: yen)



List of sources

| | |
|--|--|
| REINS registered properties, Stocks, Contracts concluded, Average contract price | : "Market Watch" by Real Estate Information Network for East Japan |
| Registered transfer of titles due to purchase and sale | : Registration Statistics by Ministry of Justice |
| Officially published land prices | : Official Posting of Land Prices by Ministry of Land, Infrastructure, Transport and Tourism |
| Property Price Index (Residential) | : Property Price Index by Ministry of Land, Infrastructure, Transport and Tourism |
| JREI Home Price Index | : JREI Home Price Index by Japan Real Estate Institute |
| Mortgage interest rates | : Various financial institutions. Sumitomo Mitsui Banking Corporation for Bank interest rates |
| Condominium sales, Price, Contracts conclusion rate, Stocks | : Trends in Development of Condominiums and Homes for Sale by Real Estate Economic Institute Co., Ltd. |
| New home construction starts of dwellings | : Statistics on Construction Undertaken by Ministry of Land, Infrastructure, Transport and Tourism |
| Office vacancy rates/rents | : Office Market Report by Miki Shoji Co., Ltd. |
| Value of construction orders received | : Current Survey of Orders Received for Construction (Top 50 Contractors) by Ministry of Land, Infrastructure, Transport and Tourism |
| Construction Materials Price Index | : Construction Materials Price Index by Economic Research Association |
| Construction Cost Deflator | : Construction Cost Deflator by Ministry of Land, Infrastructure, Transport and Tourism |
| TSE REIT Index | : Tokyo Stock Exchange, Inc. |