

Monthly Market Overview

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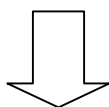
Translation: Yoshie

The "Koji-kakaku" ^{note1)} (estimated land price) of 2001 was announced by the Ministry of Land, Infrastructure, and Transport, on March 23, 2001.

According to this report, the decline of estimated residential land price of major cities has finally slowed down, and for the commercial land, the decline has slowed down for second continuous year, creating expectation for early economic recovery. Due to the people's movement back to city center and cheaper land price, the price of some areas in Tokyo have increased. However, these trends can only be seen in the well located and profitable lands.

The differences between good properties and bad properties are widening, and "polarization" is increasing.

- As a whole, the residential and commercial lands have both declined.
- In the major cities, decline slowed down in many areas (compared to previous research) - for the commercial land, the decline has slowed down for second continuous year
- In greater Tokyo and greater Nagoya, decline slowed down in most areas - price increased in some areas
- In greater Osaka, price declined dramatically in most areas.



Further polarization of land price according to location and profitability

Note 1: The Ministry of Land, Infrastructure, and Transport announces the "koji-kakaku", the land price, on January 1 every year, calculated from the standard lands (31,000 areas) per square meter. The land price is calculated as an index of standard transactions (not for investment purposes), used for ordinary transactions, transaction of government lands, inheritance taxes, and fixed property taxes.

Are the differences between lands widening?

Looking at the trend of real estate transaction and office building market, the polarization according to the location and profitability is no doubt widening. I would like to study the transition of the "Koji-kakaku" from 1997.

Transition of "Koji-kakaku" (1997 to 2001)

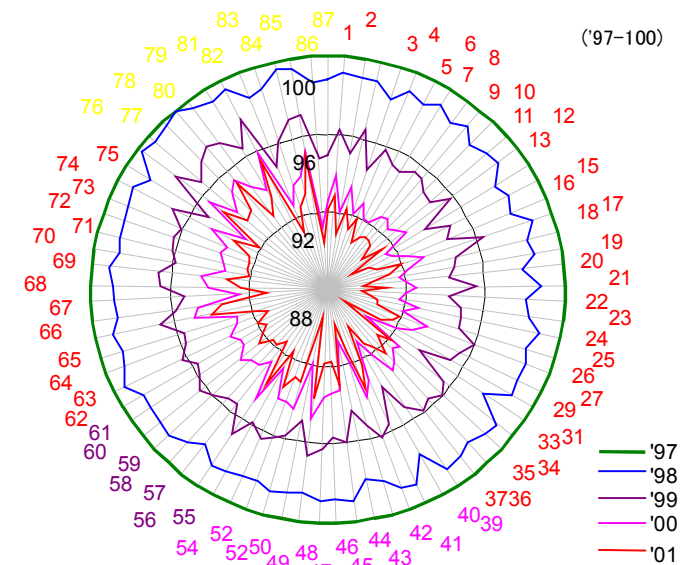
Residential area - Suginami-ku, Tokyo

- 1) Large declining ratio: "Chuo Line"; Small declining ratio: "Seibu Shinjuku Line"
- Area by it's order which showed large declining ratio were: "JR Chuo Line", "Keio Inogashira Line", "Keio Line", "Marunouchi Line", and "Seibu Shinjuku Line".
- 2) Small decline (compared to previous year): "Seibu Shinjuku Line"; Large decline: "Chuo Line"
- Area which showed small decline by it's order were: "Seibu Shinjuku Line", "Keio Inogashira Line", "Keio Line", "Marunouchi Line", and "JR Chuo Line".



- Differences between the lines are narrowing down, i.e. standardization
- Price is moving towards reasonable rental income.
- Decrease in demand due to the high cost of properties.
- Price of properties with not good location (e.g. narrow road) continue to decline.

Graph 1



<Area>
 Orange: JR Chuo line Pink: Keio Inokashira line Purple: Keio line
 Red: TRTA Marunouchi line Yellow: Seibu Shinjuku line

KEY

- Land price of 1997 = 100
- Suginami-ku is used here as a standard residential area since there are five train lines (JR and 4 other lines)
- Number inside the circle indicates the ratio, (please see page 4 & 5 for the numbers outside the circle).

Commercial area - Chiyoda-ku, Tokyo

Graph 2

1) Price increase some 4% in Marunouchi and Otemachi area

- Large number of large-scale office buildings
- > Office building demands from IT related companies and foreign capital companies are continuously increasing.

<Marunouchi, Otemachi, and Yurakucho areas>

- Vacancy rate: 0.9 to 1.8%
- Asking rent: 31,710 to 32,330 yen/tsubo

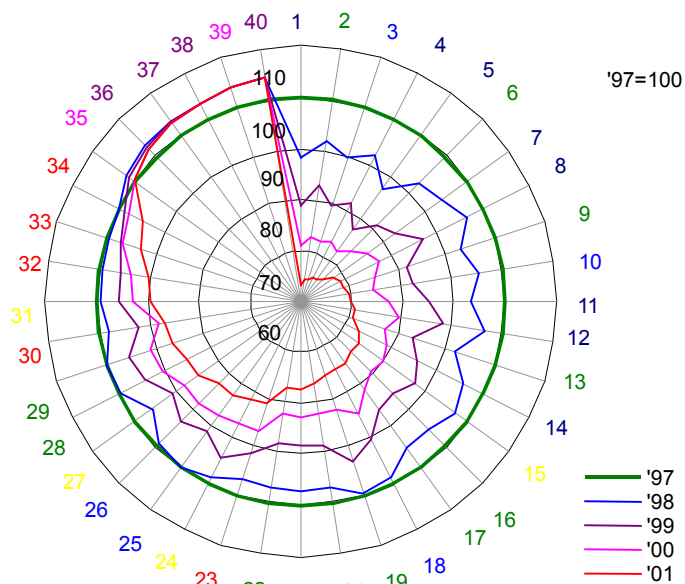
2) Price decrease some 35% in Kanda area

- Large number of old buildings
- > Small-medium size buildings without sufficient facilities are experiencing a hard time even though rest of the office building market is performing well.

<Iwamoto-cho, Higashi-Kanda, Sotokanda area note 2) >

- Vacancy rate: 5.0 to 6.1%
- Asking rent: 12,070 to 12,320 yen/tsubo

Note2: Office building data is from Ikoma CB Richard Ellis (2000).



<Submarket> data source: Ikoma CB Richard Ellis

Dark blue: Iwamotocho, Higashi-kanda, Soto-kanda, Blue: Uchi-kanda, Kanda-sudamachi Green: Kanda-jimbocho, Knnda-ogawamachi Yellow: Iidabashi, Fujimi, Kudan, Orange: Bancho Red: Kojimachi, Hirakawacho-Kioicho

KEY

- Land price is divided by the floor area ratio

Residential area - Suginami-ku, Tokyo

No	Address	Line	Station	Distance	No	Address	Line	Station	Distance	No	Address	Line	Station	Distance
1	Koenji-Minami 5	JR Chuo Line	Nakanon	950m	31	Izumi 3	Keio Inogashira Line	Eifuku-cho	600m	62	Higashi-Minami 1	Marunouchi Line	Higashi-Koenji	190m
2	Koenji-Kita 3		Koenji	440m	33	Eifuku 3		Nishi-Eifuku	300m	63	Wada 3			390m
3	Koenji-Kita 2			450m	34	Hamadayama 3			380m	64	Higashi-Minami 2			500m
4	Koenji-Minami 3			550m	35	Eifuku 4			800m	65	Wada 2			900m
5	Asagaya-Minami 1		Asagaya	350m	36	Omiya 2			550m	66	Umesato 1		210m	
6	Asagaya-Kita 1			400m	37	Narita-Higashi 1			1,200m	67	Higashi-Minami 3		460m	
7	Asagaya-Minami 3			420m	39	Hamadayama 1			500m	68	Matsunoki 3		850m	
8	Asagaya-Kita 2			500m	40	Hamadayama 4		500m	69	Matsunoki 2	1,100m			
9	Asagaya-Kita 3			900m	41	Takaido-Higashi 4		870m	70	Narita-Higashi 5	300m			
10	Asagaya-Kita 5			900m	42	Narita-Nishi 2		1,300m	71	Narita-Higashi 3	750m			
11	Honamanuma 1		Ogikubo	1,400m	43	Takaido-Higashi 2		350m	72	Narita-Nishi 3	1,000m			
12	Amanuma 3			550m	44	Takaido-Nishi 1		500m	73	Honan 2	350m			
13	Minami-Ogikubo 4			650m	45	Takaido-Nishi 3		850m	74	Izumi 4	650m			
15	Ogikubo 3			950m	46	Ogikubo 1		1,100m	75	Horiuchi 1	1,200m			
16	Honamanuma 3			1,100m	47	Miyamae 2		1,400m	76	Asagaya-Kita 6	Saginomiya 900m			
17	Shimizu 2			1,100m	48	Shimo-Takaido 2		1,000m	77	Shimoegusa 3	Shimoigusa		330m	
18	Honamanuma 2		1,300m	49	Miyamae 4	Kugayama		400m	78	Iguza 1			400m	
19	Shoan 3		450m	51	Kugayama 5			600m	79	Iguza 2			500m	
20	Shoan 2		880m	52	Kugayama 3			750m	80	Shimoegusa 4			660m	
21	Minami-Ogikubo 2		1,300m	52	Kugayama 1	950m		81	Kamiigusa 2	Logi	650m			
22	Kamiogi 3		1,300m	54	Kugayama 4	Mitakadai		410m	82		Iguza 5		750m	
23	Nishiogi-Minami 4		550m	55	Honan 1			Sasazuka	550m		83		Shimizu 3	900m
24	Nishiogi-Kita 2		750m	56	Izumi 1	Daitabashi		700m	84	Imakawa 2	1,600m			
25	Nishiogi-Kita 3		280m	57	Shimo-Takaido 1	Sakurajosui		500m	85	Kamiigusa 3	Kamiigusa		750m	
26	Nishiogi-Kita 5		780m	58	Shimo-Takaido 2			570m	86	Kamiigusa 4			1,100m	
27	Miyamae 3		1,200m	59	Shimo-Takaido 5			Kamikitazawa	600m	87	Zenfukuji 3		1,200m	
29	Zenfukuji 1		1,300m	60	Shimo-Takaido 4	720m			Rokakoen					
				61	Shimo-Takaido 1	300m								

Commercial area - Chiyoda-ku, Tokyo

No	Location	Submarket	No	Location	Submarket	No	Location	Submarket
1	Soto-Kanda 5	Iwamotocho, Higashi-kanda, Soto-Kanda	16	Kanda-Nishikicho 2	Kojimachi, Hiragacho, Kioicho	31	Kudan-Kita4	Iidabashi, Fujimi, Kudan
2	Nishi-Kanda 3	Kanda-Jinbocho, Kanda-Ogawamachi	17	Kanda-Nishikicho 3	Uchi-Kanda, Kanda-Suwamachi	32	Nibancho3	Bancho
3	Kanda-Awajicho 2	Uchikanda, Kanda-Sudacho	18	Uchi-Kanda 3	Kanda-Jinbocho, Kanda-Ogawamachi	33	Kojimachi2	Kojimachi, Hiragacho, Kioicho
4	Higashi-Kanda3	Iwamotocho, Higashi-Kanda, Soto-kanda	19	Nishi-Kanda 2	Kojimachi, Hiragacho, Kioicho	34	Kojimachi4	Kojimachi, Hiragacho, Kioicho
5	Soto-Kanda 2	Iwamotocho, Higashi-Kanda, Soto-kanda	20	Hiragacho 1	Iidabashi, Fujimi, Kudan	35	Uchisaiwaicho 1	Uchisaiwaicho, Kasumigaseki, Nagatacho
6	Kanda-Jinbocho 1	Kanda-Jinbocho, Kanda-Ogawamachi	21	Kanda-Suwacho 1	Uchi-Kanda, Kanda-Suwamachi	36	Yurakucho 1	Marunouchi, Otemachi, Yurakucho
7	Iwamoto-cho 2	Iwamotocho, Higashi-Kanda, Soto-kanda	22	Nishi-Kanda 2	Uchi-Kanda, Kanda-Suwamachi	37	Otemachi 1	Marunouchi, Otemachi, Yurakucho
8	Soto-Kanda 3	Iwamotocho, Higashi-Kanda, Soto-kanda	23	Hiragacho 1	Iidabashi, Fujimi, Kudan	38	Otemachi 2	Marunouchi, Otemachi, Yurakucho
9	Hitotsubashi 2	Kanda-Jinbocho, Kanda-Ogawamachi	24	Kudan-Minami 2	Kanda-Jinbocho, Kanda-Ogawamachi	39	Uchisaiwaicho 1	Uchisaiwaicho, Kasumigaseki, Nagatacho
10	Sarugakucho 2	Kanda-Jinbocho, Kanda-Ogawamachi	25	Uchi-Kanda 1	Kanda-Jinbocho, Kanda-Ogawamachi	40	Marunouchi 3	Marunouchi, Otemachi, Yurakucho
11	Higashi-Kanda 2	Iwamotocho, Higashi-Kanda, Soto-kanda	26	Kajimachi 2	Yonbancho			
12	Kanda-Iwamotocho	Iwamotocho, Higashi-Kanda, Soto-kanda	27	Iidabashi 4	Kojimachi, Hiragacho, Kioicho			
13	Misakicho 2	Kanda-Jinbocho, Kanda-Ogawamachi	28	Kanda-Jinbocho 2	Uchi-Kanda, Kanda-Suwamachi			
14	Kanda-Sakumacho 3	Iwamotocho, Higashi-Kanda, Soto-kanda	29	Kanda-Nishikicho 2	Kanda-Jinbocho, Kanda-Ogawamachi			
15	Kudan-Kita 4	Iidabashi, Fujimi, Kudan	30	Sanbancho	Kojimachi, Hiragacho, Kioicho			