

TOKYO, February 10

Sanko Estate – NLI Research Institute release

“Office Rent Index” for Q4 2020 (Oct – Dec)

Sanko Estate announces Q4 2020 Office Rent Index of Class A, B and C* in central Tokyo**. This innovative index, developed jointly with NLI Research Institute, is based on the contracted rent instead of the asking rent which is commonly referred to monitor market trend.

Summary for Q4 2020

Class A office rent in central Tokyo plunges and spreads cautious views on the market.
Class B office rent continues a downward trend and records five consecutive Q-O-Q declines.
Class C office rent shows significant Q-O-Q declines for three consecutive quarters.

* Class A, B and C: Refer each guideline on page 2, 3 and 4 respectively
 ** Central Tokyo: Tokyo Central 5 Wards and major business districts in surrounding areas
 *** CAM: Common Area Maintenance
 **** 1 tsubo ≙ 3.3 sq m ≙ 35.58 sq ft

“Office Rent Index” for Q4 2020 (Oct – Dec)

Class A	Rent (excluding CAM*** fees) 34,669 yen/tsubo**** Q-O-Q 3,379 yen/tsubo ▼
	Vacancy 1.6 % Q-O-Q 1.0 points ▲
Class B	Rent (excluding CAM fees) 20,432 yen/tsubo Q-O-Q 961 yen/tsubo ▼
	Vacancy 1.5 % Q-O-Q 0.7 points ▲
Class C	Rent (excluding CAM fees) 16,882 yen/tsubo Q-O-Q 1,291 yen/tsubo ▼
	Vacancy 2.9 % Q-O-Q 1.0 points ▲

This release data (PDF) of Office Rent Index is available on;
www.sanko-e.co.jp/en (English) www.sanko-e.co.jp (Japanese)

Methodology

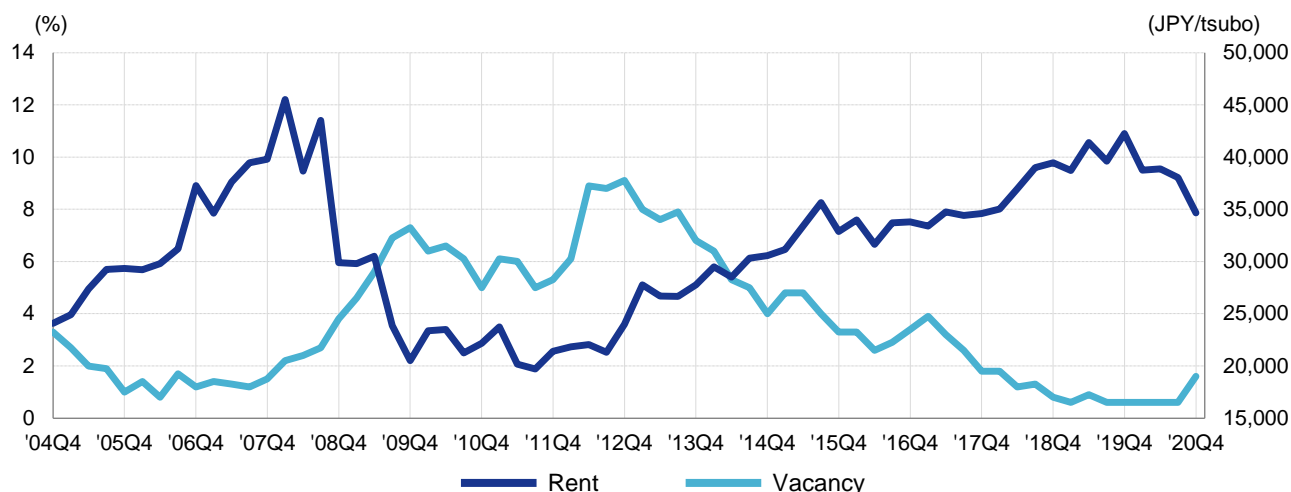
Office Rent Index is constructed on the bases of contracted rent data collected by Sanko Estate. NLI Research Institute receives the anonymous data excluding detailed address and applies statistical analysis, the multi-variable hedonic regression modeling. Sanko Estate releases monthly rent (JPY/tsubo) and its Y-O-Y change every quarter by three building categories namely Class A, Class B and Class C.

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Central Tokyo Class A Office Rent and Vacancy



(Rent:excluding CAM fees)

Class A	'17Q4	'18Q1	'18Q2	'18Q3	'18Q4	'19Q1	'19Q2	'19Q3	'19Q4	'20Q1	'20Q2	'20Q3	'20Q4
Rent (JPY/tsubo)	34,599	35,013	36,952	39,003	39,468	38,733	41,392	39,624	42,242	38,739	38,871	38,048	34,669
Vacancy (%)	1.8	1.8	1.2	1.3	0.8	0.6	0.9	0.6	0.6	0.6	0.6	0.6	1.6

Source: Sanko Estate (Vacancy Rate), Sanko Estate · NLI Research Institute (Office Rent)

Class A office guidelines

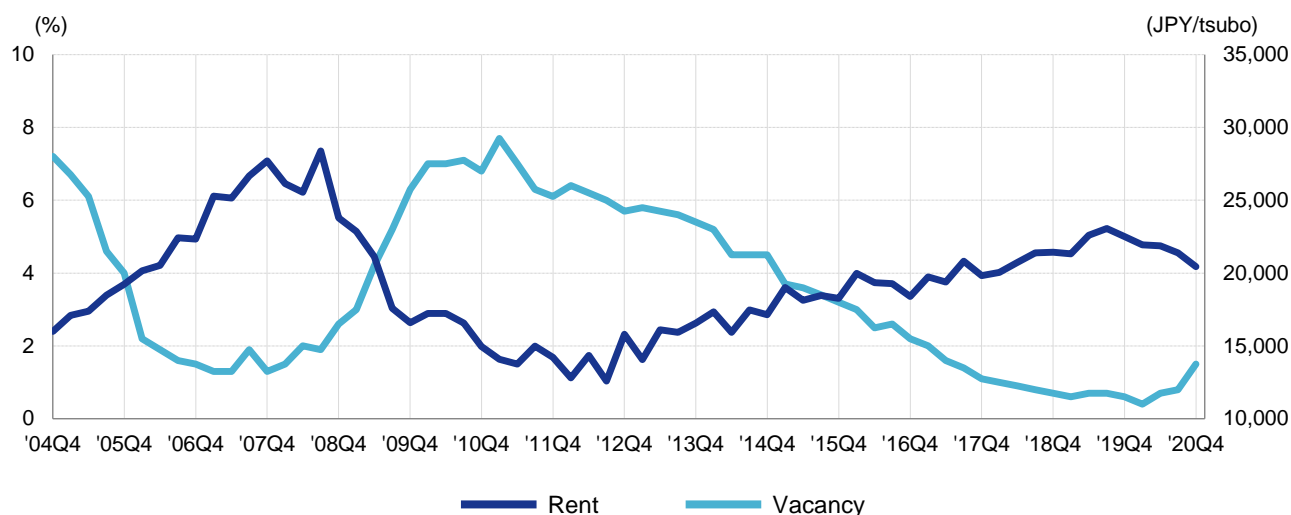
Subject areas: Tokyo Central 5 Wards and major business districts in surrounding areas (such as Osaki, Meguro, and Iidabashi)

Total floor area: 10,000 tsubo or larger / Area per standard floor: 300 tsubo or larger

Years since construction: 15 years maximum, while major refurbishment is also considered.

Facilities (as a general rule): Ceiling height 2.7m or more, individual air conditioning, high anti-seismic and environmental performance

Central Tokyo Class B Office Rent and Vacancy



(Rent:excluding CAM fees)

Class B	'17Q4	'18Q1	'18Q2	'18Q3	'18Q4	'19Q1	'19Q2	'19Q3	'19Q4	'20Q1	'20Q2	'20Q3	'20Q4
Rent (JPY/tsubo)	19,824	20,044	20,732	21,387	21,429	21,312	22,609	23,060	22,521	21,941	21,883	21,393	20,432
Vacancy (%)	1.1	1.0	0.9	0.8	0.7	0.6	0.7	0.7	0.6	0.4	0.7	0.8	1.5

Source: Sanko Estate (Vacancy Rate), Sanko Estate · NLI Research Institute (Office Rent)

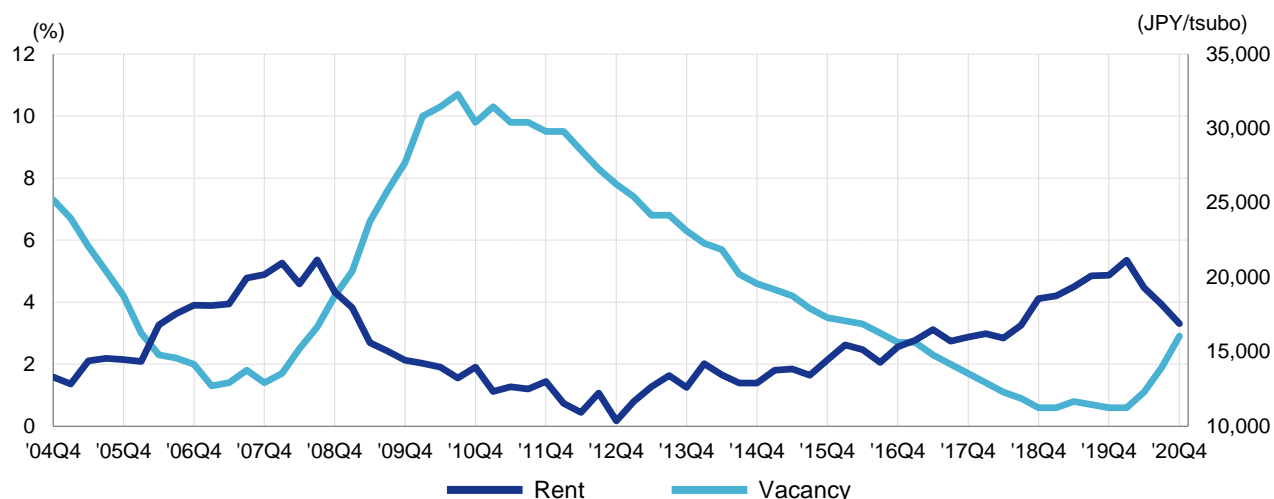
Class B office guidelines

Excluding the buildings classified as Class A, Class B includes all the remaining buildings with 200 tsubo or larger area per standard floor including ex-Class A.

Subject areas: the same as Class A

Years since construction: No limitation

Central Tokyo Class C Office Rent and Vacancy



(Rent: excluding CAM fees)

Class C	'17Q4	'18Q1	'18Q2	'18Q3	'18Q4	'19Q1	'19Q2	'19Q3	'19Q4	'20Q1	'20Q2	'20Q3	'20Q4
Rent (JPY/tsubo)	15,978	16,212	15,919	16,782	18,564	18,761	19,366	20,111	20,133	21,152	19,301	18,173	16,882
Vacancy (%)	1.7	1.4	1.1	0.9	0.6	0.6	0.8	0.7	0.6	0.6	1.1	1.9	2.9

Source: Sanko Estate (Vacancy Rate), Sanko Estate · NLI Research Institute (Office Rent)

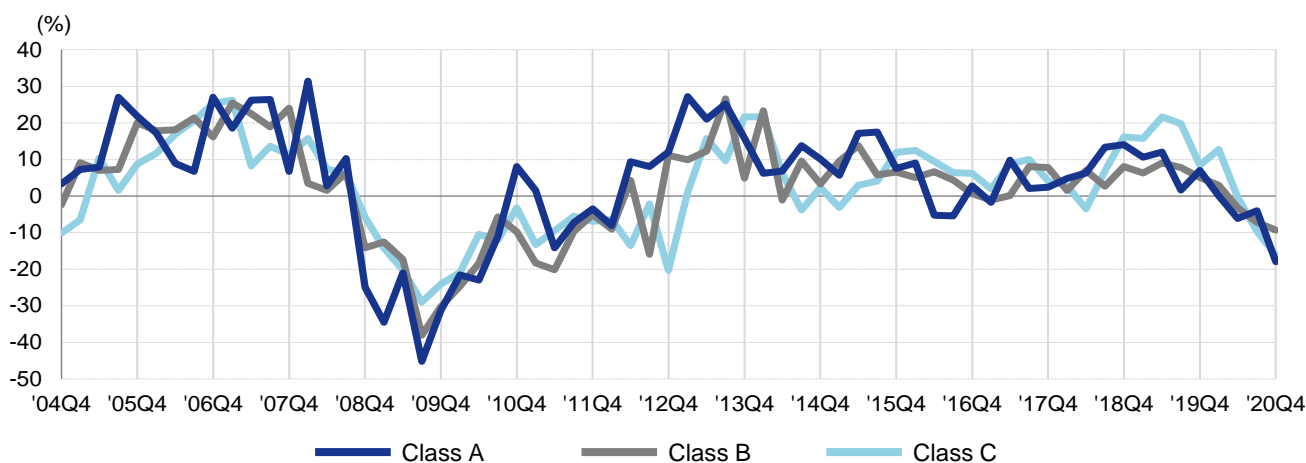
Class C office guidelines

Class C includes all the buildings with 100 to less than 200 tsubo area per standard floor.

Subject areas: the same as Class A

Years since construction: No limitation

Central Tokyo Class A, B, and C Office Rent Index Y-O-Y Change



	'17Q4	'18Q1	'18Q2	'18Q3	'18Q4	'19Q1	'19Q2	'19Q3	'19Q4	'20Q1	'20Q2	'20Q3	'20Q4
Class A	2.4%	4.8%	6.3%	13.4%	14.1%	10.6%	12.0%	1.6%	7.0%	0.0%	-6.1%	-4.0%	-17.9%
Class B	7.8%	1.5%	7.0%	2.7%	8.1%	6.3%	9.1%	7.8%	5.1%	3.0%	-3.2%	-7.2%	-9.3%
Class C	4.1%	2.8%	-3.5%	6.9%	16.2%	15.7%	21.7%	19.8%	8.5%	12.7%	-0.3%	-9.6%	-16.1%

Source: Sanko Estate · NLI Research Institute

About Sanko Estate

Sanko Estate is regarded as the leading provider of real estate services in Japan; consistently representing the largest percentage of office space transactions owned by major developers and landlords. Since 1977, Sanko Estate has helped thousands of foreign and domestic firms find the best office space throughout Japan for their needs and budgets. The company offers comprehensive real estate services including consulting and market research as well as office leasing services.