

Sanko Estate Co., Ltd.



OFFICE RENTDATA 2026

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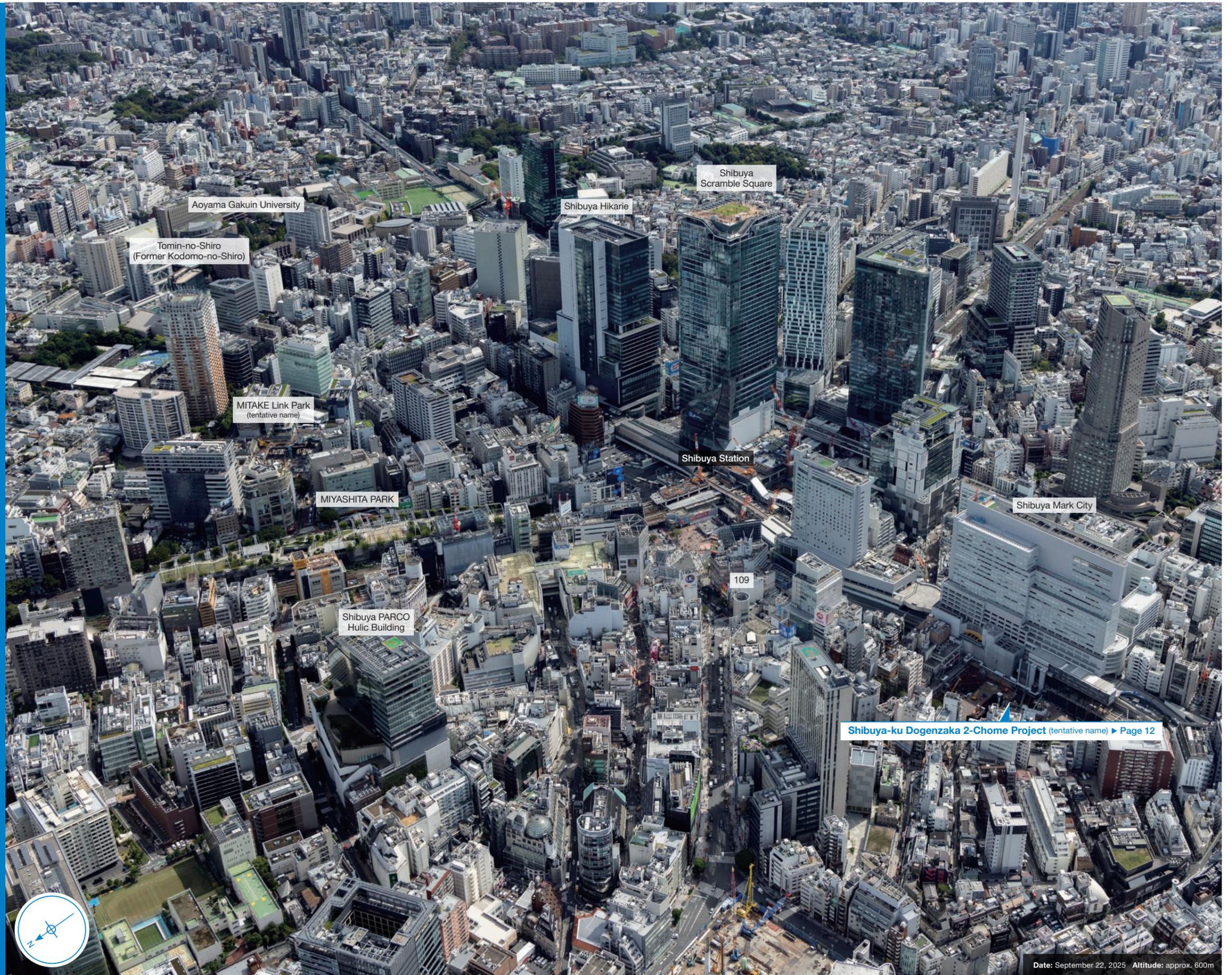


**OFFICE
RENTDATA**

2026

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Date: September 22, 2025 Altitude: approx. 600m

READING GUIDE

About the Survey

Survey time (rent, vacancy rate)

December 31 each year
(as of September 30 in 2025)

Subject buildings

Office Buildings that were seeking tenants during the above period

Building class (area per floor)

- Large-scale buildings: 200 tsubo or more
 - Medium/large-scale buildings: 100 to less than 200 tsubo
 - Medium-scale buildings: 50 to less than 100 tsubo
 - Small-scale buildings: 20 tsubo to less than 50 tsubo
- *1 tsubo \approx 3.3 sq. m \approx 35.58 sq. feet

About the Terminology

Area per floor

The maximum leasable area on a standard office floor (3rd floor or higher) for each building

Rent (including common area maintenance (CAM) charge)

Average value of asking rent for each individual property

Vacancy rate

Ratio of currently vacant space to the total leasable space

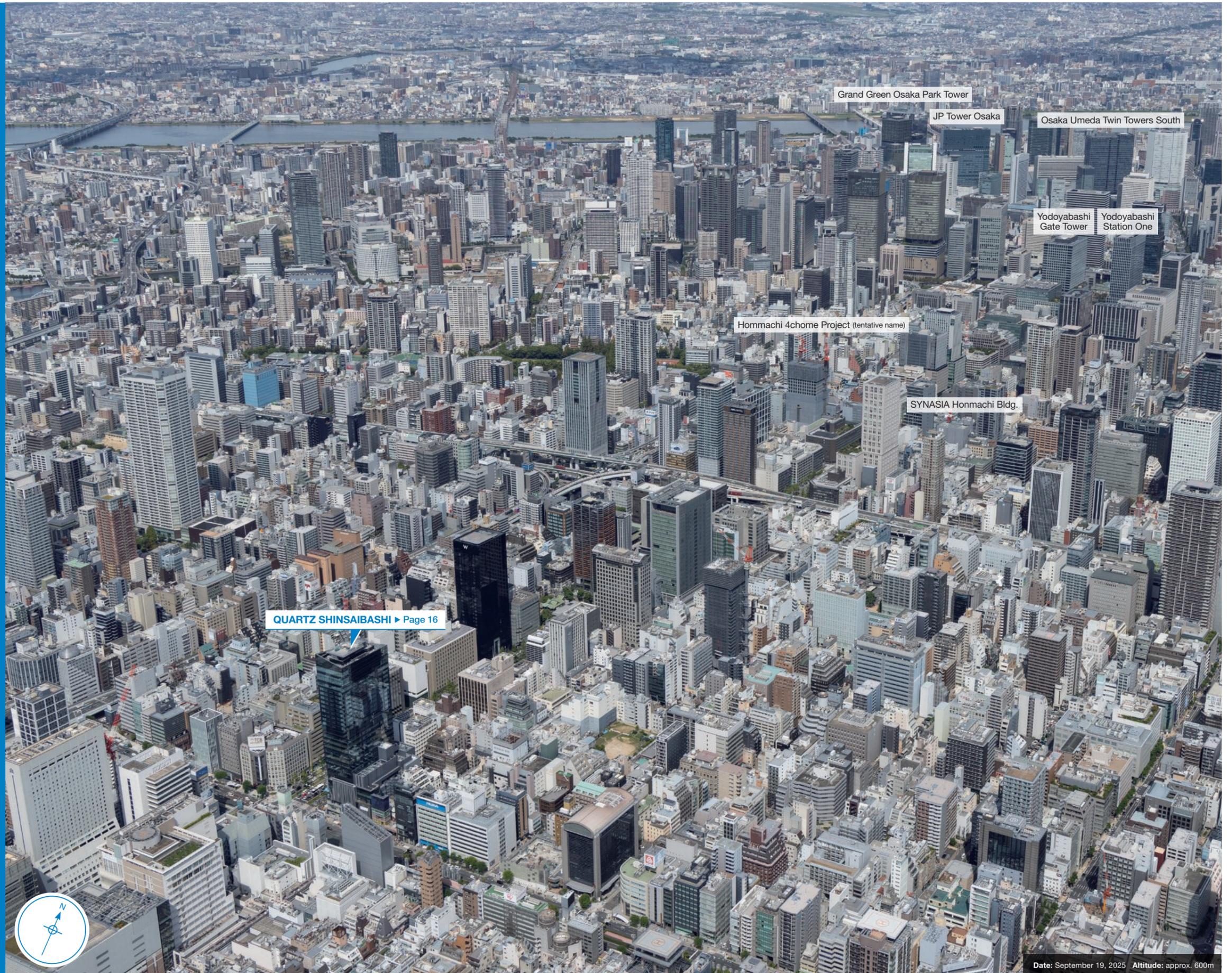
Potential vacancy rate

Ratio of currently vacant space and space to be vacant by termination of the lease contract to the total leasable space

New supply

Total leasable floor space in new buildings completed during the data collection period

Building/project names, completion times, structure, etc. may change depending on the progress of future work.

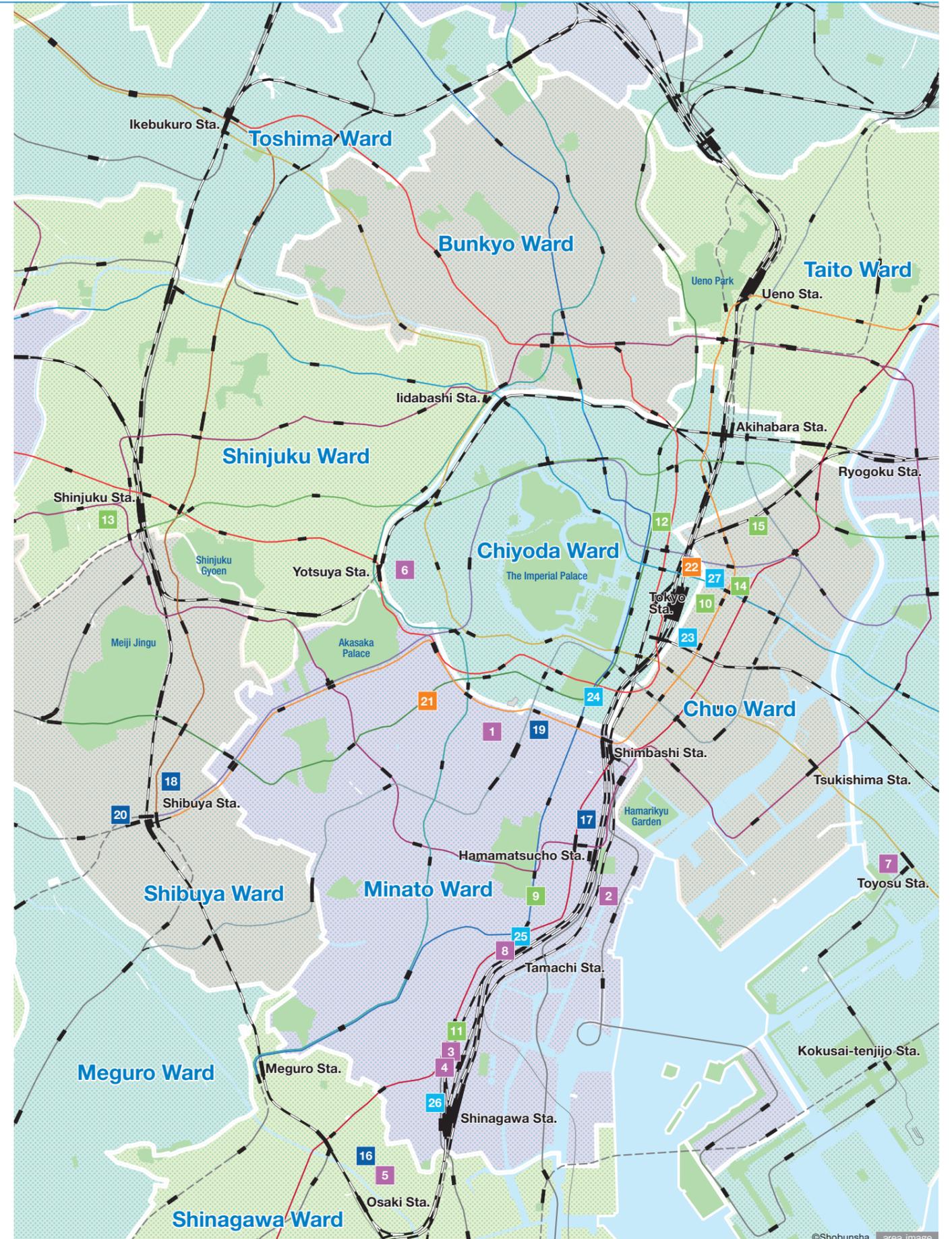


Completion Timeline

2025-2029 Current as of December 10, 2025

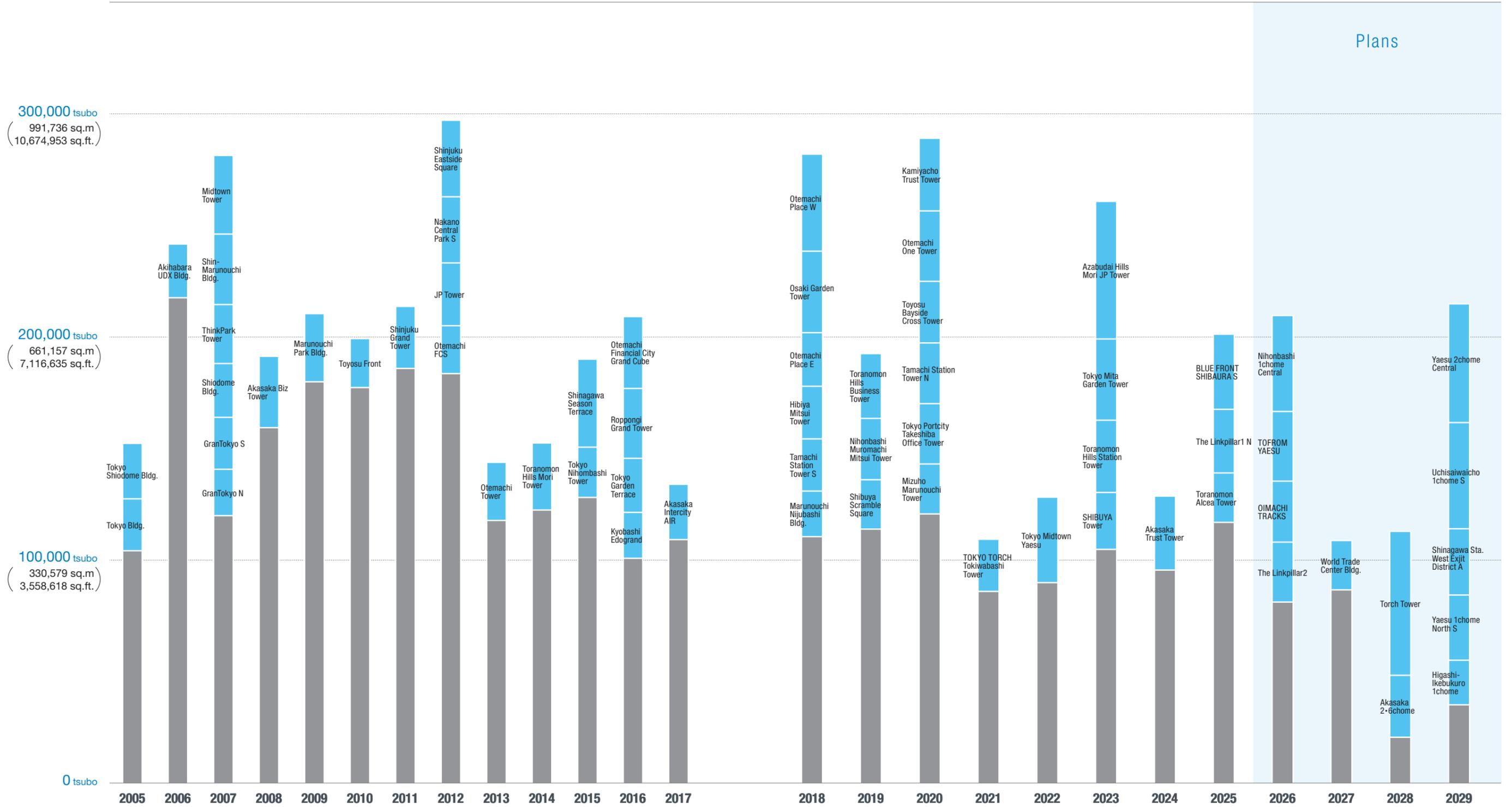
- Scale refers to the number of floors above ground, and one floor refers to the standard floor area in tsubo.
 - 1 tsubo ≈ 3.3 sq. m ≈ 35.58 sq. feet
 - Building/project names with asterisks (*) are tentative. The names, completion times, structure, etc. may change depending on the progress of future work.
 - Abbreviations are used in some parts.

				Scale	1Floor	
2025	1	Feb	Toranomon Alcea Tower	Minato Ward / Toranomon 2	38/B2	1,054
	2	Feb	BLUE FRONT SHIBAURA TOWER S	Minato Ward / Shibaura 1	43/B3	1,559
	3	Mar	THE LINKPILLAR 1 NORTH	Minato Ward / Takanawa 2	29/B3	1,500
	4	Mar	THE LINKPILLAR 1 SOUTH	Minato Ward / Takanawa 2	30/B3	1,030
	5	Apr	Sumitomo Fudosan Osaki Twin Bldg. West	Shinagawa Ward / Higashigotanda 2	14/B1	504
	6	Jun	Kojimachi Kousai Bldg.	Chiyoda Ward / Kojimachi 5	12/B2	670
	7	Jun	Toyosu Sail Park Bldg.	Koto Ward / Toyosu 2	15/B1	1,321
	8	Aug	Mitamachi Terrace	Minato Ward / Shiba 5	20/B3	583
2026	9	Jan	Sumitomo Shibakoen Bldg.	Minato Ward / Shiba 2	21/B2	411
	10	Feb	TOFROM YAESU TOWER	Chuo Ward / Yaesu 1	51/B4	825
	11	Mar	THE LINKPILLAR 2	Minato Ward / Takanawa 2	31/B5	1,175
	12	Jul	Otemachi Gate Building	Chiyoda Ward / Uchikanda 1	26/B3	698
	13	Aug	Meiji Yasuda Shinjuku Building*	Shinjuku Ward / Nishi-Shinjuku 1	23/B4	820
	14	Sep	Nihonbashi 1-chome Central District Project C*	Chuo Ward / Nihombashi 1	52/B5	1,900
	15	Nov	Nomura Fudosan Nihombashi Honcho Bldg.*	Chuo Ward / Nihombashi Honcho 2	17/B1	511
2027	16	Feb	OSAKI Co.Re PROJECT*	Shinagawa Ward / Higashigotanda 2	20/B2	775
	17	Mar	World Trade Center Building Main Tower	Minato Ward / Hamamatsucho 2	46/B3	848
	18	Jun	MITAKE Link Park*	Shibuya Ward / Shibuya 1	14/B2	783
	19	Oct	TORANOGATE	Minato Ward / Toranomon 1	29/B4	854
	20	Nov	Shibuya-ku Dogenzaka 2-Chome Project*	Shibuya Ward / Dogenzaka 2	31/B2	478
	2028	21	Mar	Akasaka 2・6chome Development PJ.East*	Minato Ward / Akasaka 2	40/B4
22		-	Torch Tower	Chiyoda Ward / Otemachi 2	62/B4	2,017
2029		23	Jan	Yaesu 2chome Central District Project*	Chuo Ward / Yaesu 2	43/B3
	24	Mar	Uchisaiwaicho 1chome South District PJ.*	Chiyoda Ward / Uchisaiwaicho 1	46/B3	1,400
	25	Mar	Tamachi Mita Station Project*	Minato Ward / Shiba 5	24/B2	990
	26	-	Shinagawa Station West Exit Area District A New Construction Plan*	Minato Ward / Takanawa 3	29/B4	1,979
	27	-	Yaesu 1chome North District Project*	Chuo Ward / Yaesu 1	44/B3	860



New Supply TOKYO

- Buildings of 50 tsubo (165 sq.m) or more per floor
- Leasable Floor Area of 20,000 tsubo (66,000 sq.m) or more
- 1 tsubo ≈ 3.3 sq.m ≈ 35.58 sq.ft.
- Abbreviations are used in some parts.



Transition in Office Rents and Economic Trends

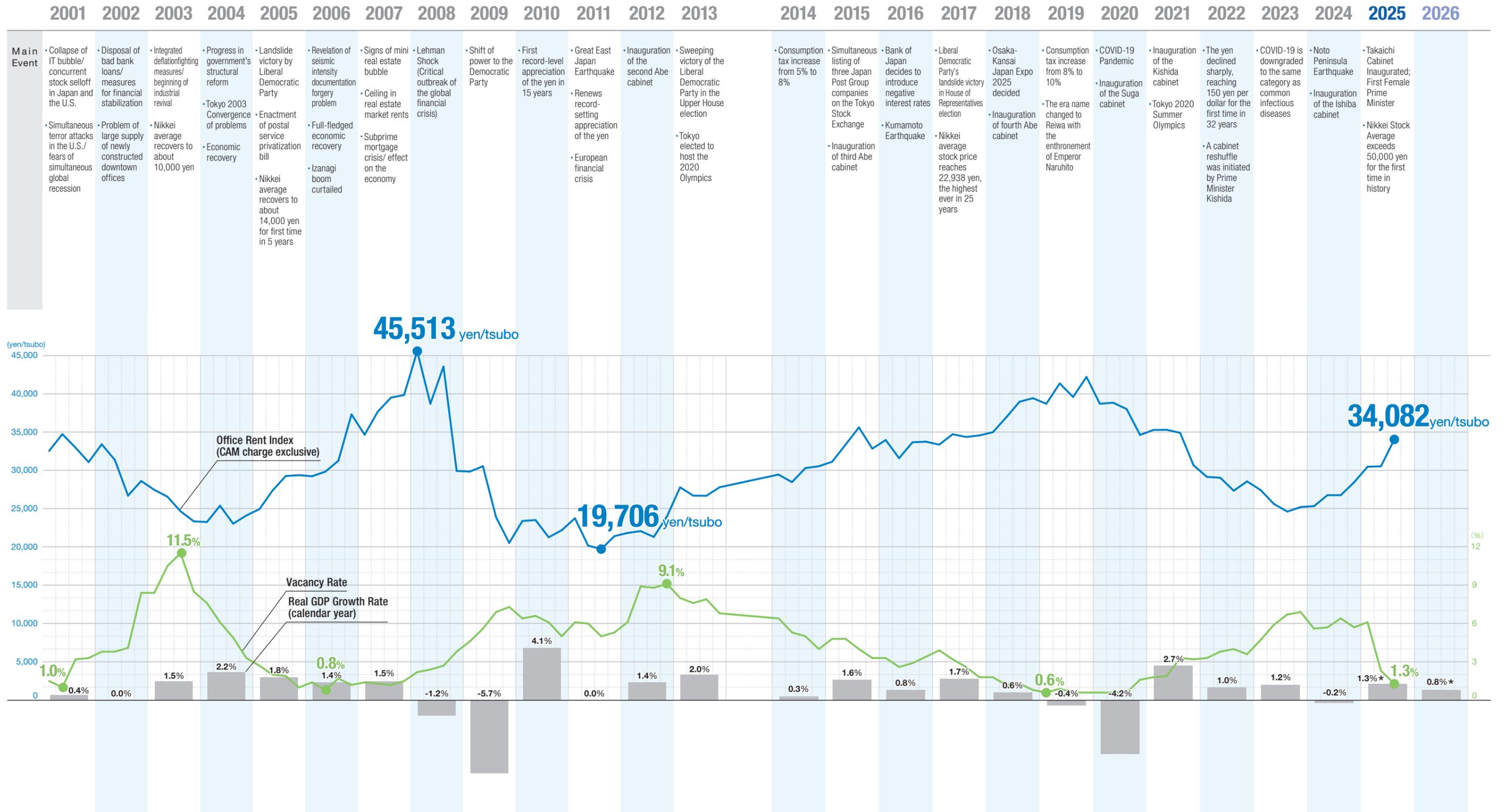
Class A Buildings in Central Tokyo

Office Rent Index
 Vacancy Rate
 Real GDP Growth Rate (calendar year)
 Source: Cabinet Office, SNA (System of National Accounts)
 Projected values source: NLI Research Institute

Class A Building Guidelines

- Tokyo Central 5 Wards and major business districts
- Total floor area is 10,000 tsubo or more
- 300 tsubo or more/standard floor
- Completed within 15 years
- Ceiling height 2.7m or more, individual air conditioning, high anti-seismic and environment performance

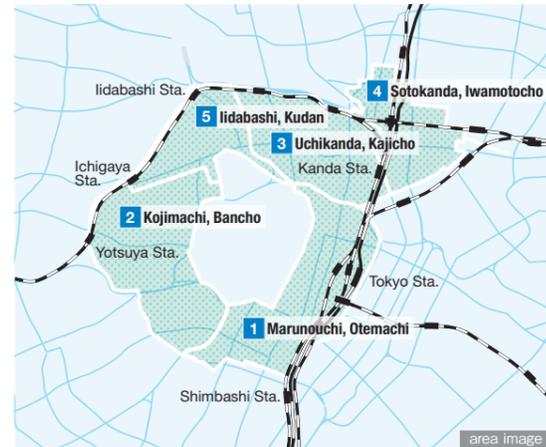
※ 1 tsubo = 3.3 sq.m = 35.58 sq.feet



* Values for 2025 and 2026 are projections.

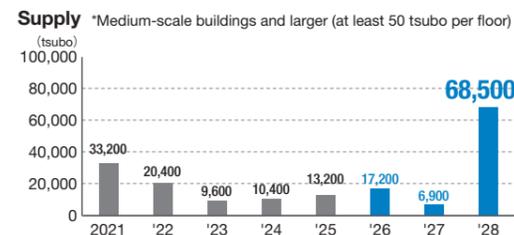
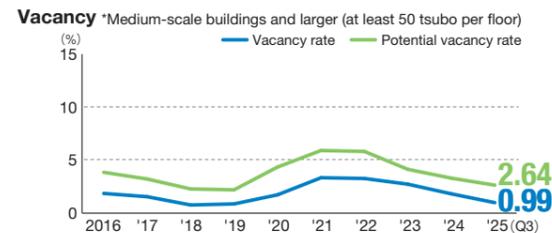
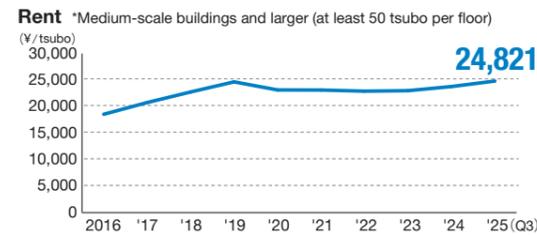
Chiyoda Ward

The vacancy rate and the potential vacancy rate have continued to decline, with the vacancy rate falling below 1%, an exceptionally low level. Although asking rents remained flat following the COVID-19 pandemic, they have begun to rise as supply-demand conditions tighten.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Marunouchi, Otemachi	43,972	30,400	-	32,000
2	Kojimachi, Bancho	26,391	23,561	19,319	17,254
3	Uchikanda, Kajicho	28,278	22,659	18,112	16,132
4	Sotokanda, Iwamotocho	28,871	21,014	17,186	15,284
5	Iidabashi, Kudan	26,167	20,729	16,311	15,314



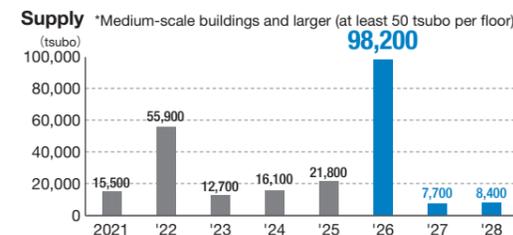
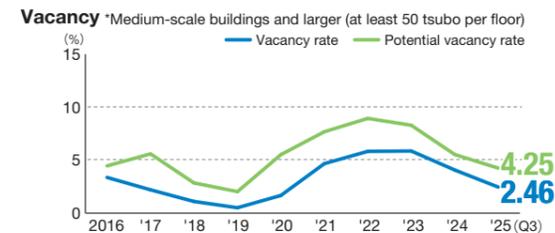
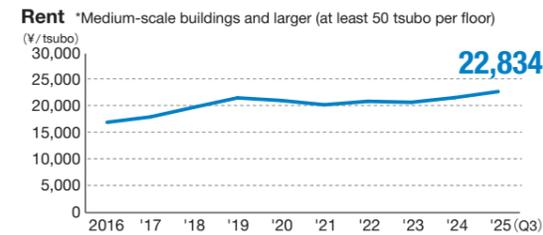
Chuo Ward

Both the vacancy rate and the potential vacancy rate have continued to trend downward, with the latest vacancy rate remaining in the low 2% range. Asking rents, which had previously been flat, have shifted to an upward trend, reaching the 22,000 yen per tsubo range.



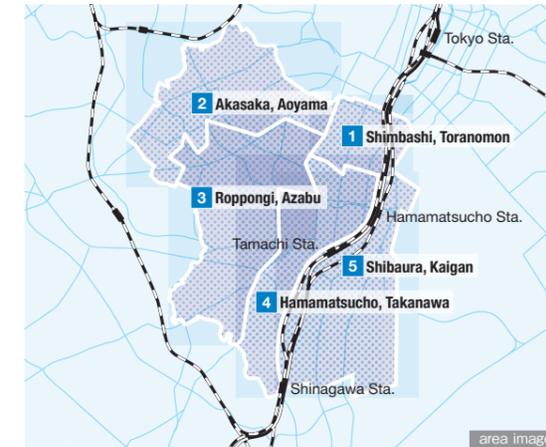
Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Kyobashi, Yaesu, Nihombashi	44,607	29,126	28,000	20,988
2	Ginza	31,500	27,844	23,390	21,928
3	Nihombashi-Honcho, Nihombashi-Muromachi	37,111	26,063	19,944	19,174
4	Tsukiji, Shintomi, Kayabacho	22,871	22,340	18,305	15,644
5	Higashi-Nihombashi, Shinkawa	20,059	17,414	15,920	14,978



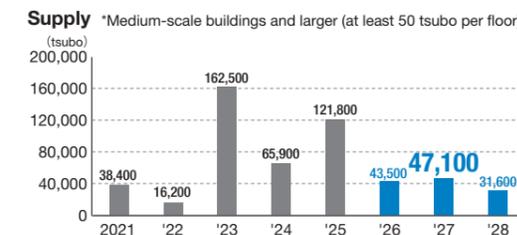
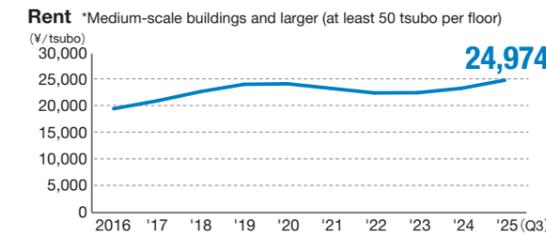
Minato Ward

Both the vacancy rate and the potential vacancy rate have declined significantly from the previous year, reflecting the absorption of vacancies in newly built and recently completed buildings. Asking rents are trending upward, approaching the 25,000 yen per tsubo level.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Shimbashi, Toranomon	32,175	25,067	22,171	18,308
2	Akasaka, Aoyama	33,919	23,922	23,953	20,946
3	Roppongi, Azabu	30,673	24,582	18,601	18,066
4	Hamamatsucho, Takanawa	30,121	20,703	19,701	16,443
5	Shibaura, Kaigan	23,375	15,400	16,602	13,253



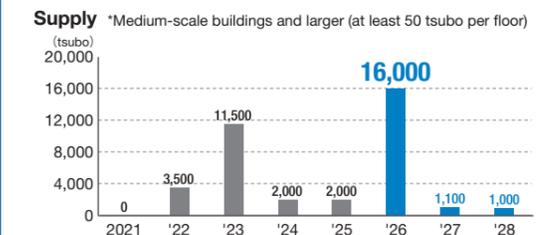
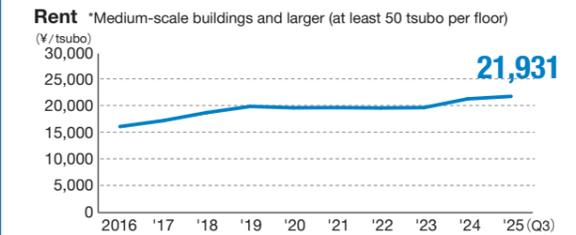
Shinjuku Ward

Both the vacancy rate and the potential vacancy rate have been trending downward. The latest vacancy rate has fallen to a very low level in the 1% range. Asking rents had remained flat after peaking in 2019 but have since turned upward, recently rising to the high 21,000 yen per tsubo range.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Nishi-Shinjuku	28,598	23,164	16,371	18,349
2	Shinjuku, Kabukicho	31,111	24,667	21,884	15,511
3	Yotsuya, Ichigaya	23,357	19,455	15,255	15,716
4	Takadanobaba, Okubo	22,000	18,040	12,916	14,337
5	Waseda, Kagurazaka	25,667	17,258	13,904	14,149



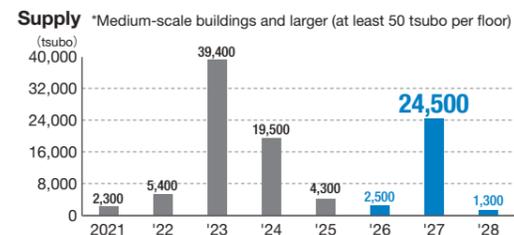
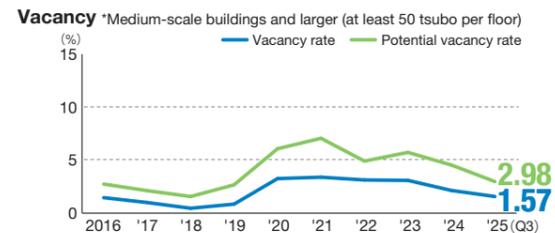
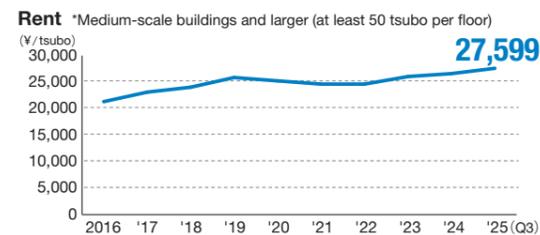
Shibuya Ward

Both the vacancy rate and the potential vacancy rate continue to trend downward. The latest vacancy rate is at a very low level in the 1% range. Asking rents, on an upward trend supported by a tight supply-demand balance, have recently risen to the mid 27,000 yen per tsubo range.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Shibuya, Dogenzaka	34,105	31,594	27,506	25,255
2	Sakuragaoka, Nanpeidai	39,571	29,083	23,113	20,111
3	Yoyogi, Sendagaya	27,664	24,679	21,915	20,826
4	Ebisu, Hiroo	34,250	28,571	25,547	22,010
5	Hatsudai, Honmachi, Sasazuka	18,750	16,474	16,825	16,245



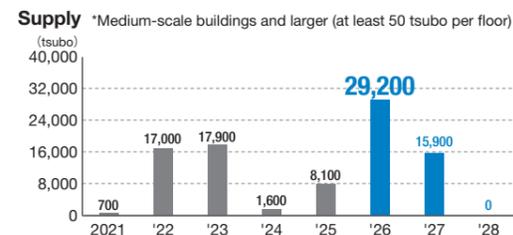
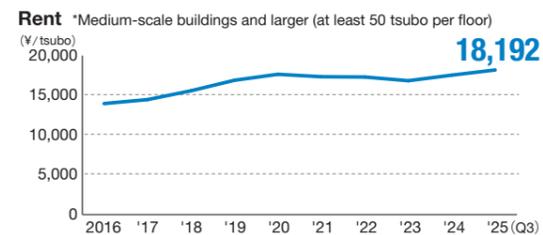
Shinagawa Ward / Ota Ward

Both the vacancy rate and the potential vacancy rate continue to decline, with the latest vacancy rate falling to the 4% range, the lowest since 2022. Asking rents, which had remained flat after peaking in 2020, are beginning to show signs of an upward trend.



Rent : ¥/tsubo (CAM charge inclusive)

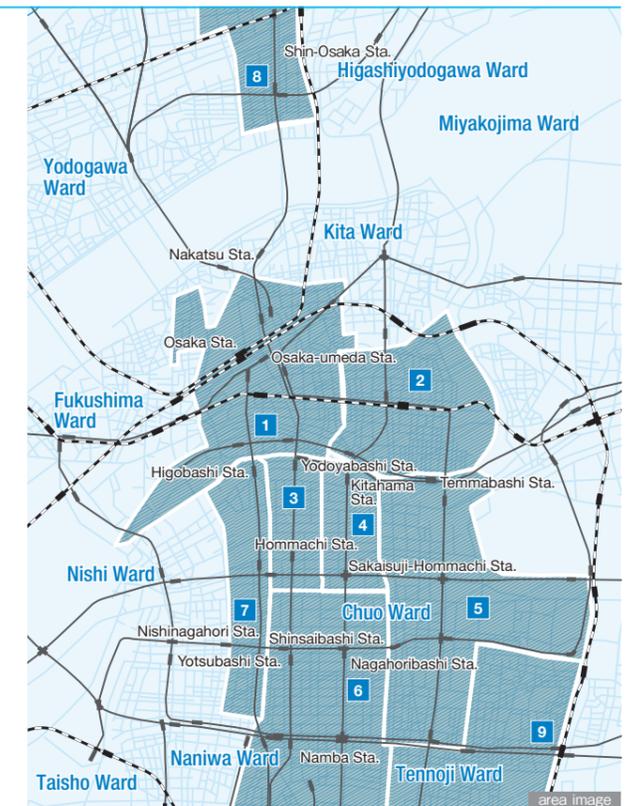
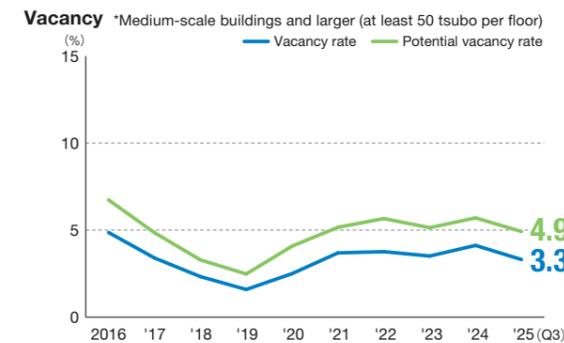
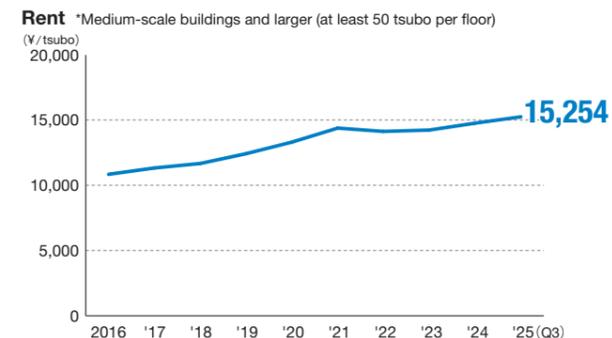
	Scale	Large	Medium/Large	Medium	Small
1	Gotanda, Osaki	24,741	18,700	19,217	14,687
2	Kita-Shinagawa, Higashi-Shinagawa	18,982	14,500	14,196	15,680
3	Omori, Kamata	15,500	17,742	14,490	13,635



Osaka City

Osaka City Major 3 Wards - Kita, Chuo, and Nishi Wards

The vacancy rate and the potential vacancy rate had been relatively stable with only minor fluctuations, but have recently begun to decline. Positive relocation demand across a wide range of industries is supporting the market, and the shortage of available space is becoming increasingly pronounced amid strong leasing activity in key areas. Although asking rents had remained flat in the low 14,000 yen per tsubo range since 2021, they have shown an upward trend from 2024 onward.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
1	Umeda, Dojima, Nakanoshima	25,625	17,470	17,298	14,303
2	Minamimorimachi	14,760	11,946	11,673	10,797
3	Yodoyabashi, Hommachi	20,907	14,524	12,932	12,019
4	Kitahama, Sakaisuji Hommachi	15,375	13,406	10,922	10,616
5	Temmabashi, Tanimachi	12,667	12,125	10,274	9,533
6	Shinsaibashi, Nagahoribashi, Namba	17,605	15,875	14,195	11,366
7	Higobashi, Nishi Ward Hommachi, Yotsubashi	14,459	12,353	11,528	10,678
8	Shin-Osaka	16,352	14,147	10,979	11,229
9	Tennoji	19,000	11,500	11,214	9,620



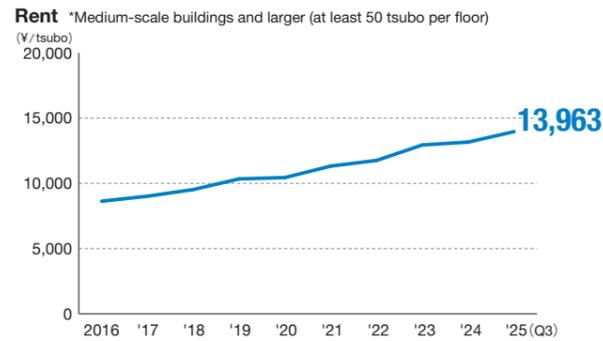
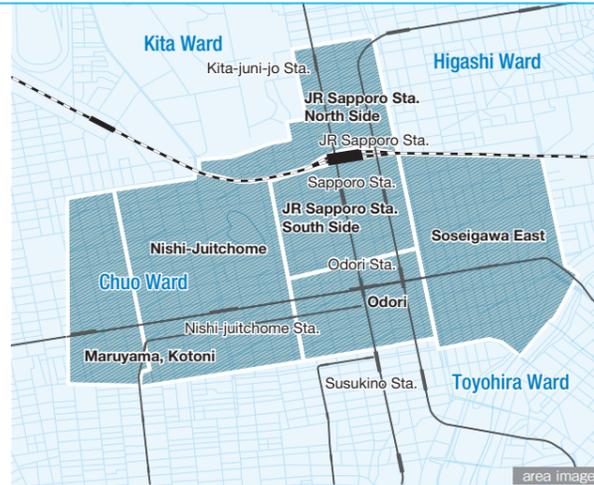
QUARTZ SHINSAIBASHI

Inspiring Shinsaibashi
— a landmark of retail, hospitality, and business

Location	Minamisenba 3, Chuo-ku, Osaka
Access	Directly connected to Shinsaibashi Station
Completion	March 2026
Scale	2 basement floors and 28 above-ground floors
Area per floor	269 tsubo
Project entity	Hulic Co., Ltd. / Takenaka Corporation / JR West Real Estate & Development Company / Shinsaibashi Development Special Purpose Company (L. Catterton Real Estate and J. FRONT CITY DEVELOPMENT Co., Ltd.)

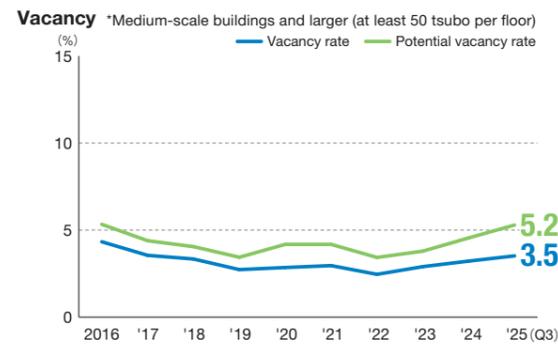
Sapporo City

Both the vacancy rate and the potential vacancy rate remain at low levels. While some newly built and under-construction buildings are taking longer to attract tenants, overall office demand remains strong across a wide range of industries. Asking rents are on an upward trajectory, reaching their highest level since statistics began. New supply in 2026 is expected to total 13,000 tsubo, marking the fourth consecutive year since 2023 in which large-scale supply has exceeded 10,000 tsubo.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
JR Sapporo Sta. South Side		19,825	16,182	15,389	15,663
JR Sapporo Sta. North Side		18,250	16,367	14,016	10,010
Odori		18,510	16,863	14,529	14,100
Nishi-Juitchome		11,967	11,838	11,129	9,197
Soseigawa East		16,600	15,300	10,694	10,253
Maruyama, Kotoni		8,000	8,100	7,091	7,491



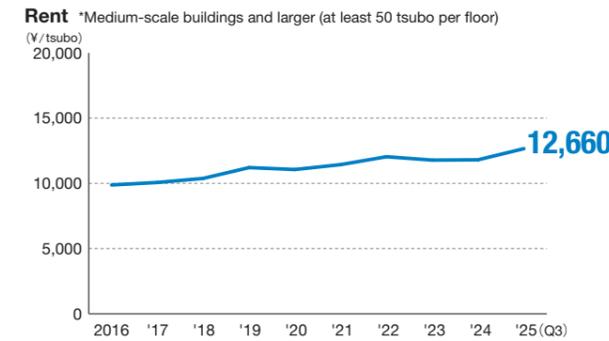
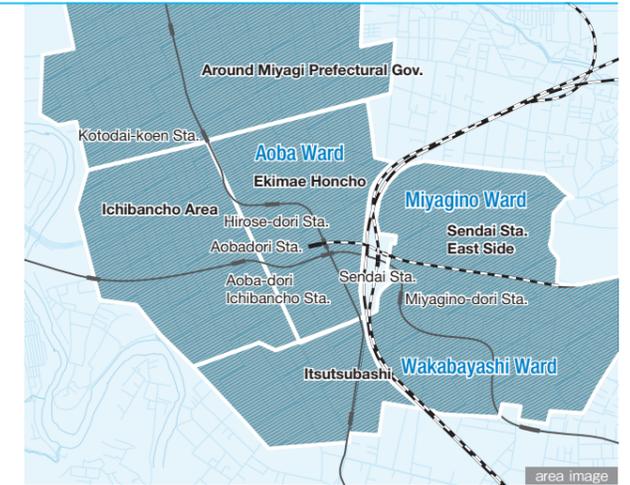
Urbannet Sapporo Link Tower

A next-generation workplace for the future of business

Location	Kita 1-jo Nishi 5, Chuo-ku, Sapporo
Access	6-minute walk from Odori Station
Completion	June 2026
Scale	2 basement floors and 26 above-ground floors
Area per floor	530 tsubo
Project entity	NTT Urban Development Corporation

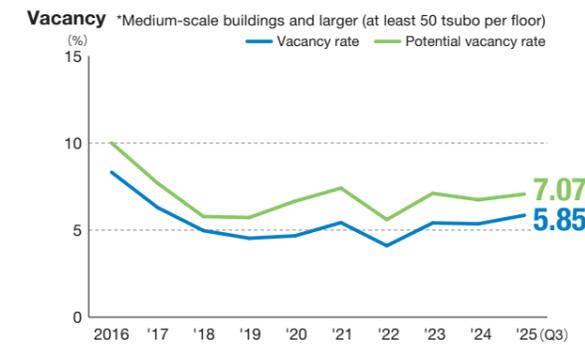
Sendai City

The vacancy rate, which was in the 8% range in 2016, continued to decline and had fallen to the 4% range by 2018. Since then, it has remained at a relatively low 4-5% level, with the potential vacancy rate also staying low. Office demand has been solid across a wide range of industries, and key areas are experiencing a shortage of available space. While major building owners have begun tightening leasing terms, asking rents have remained around 12,000 yen per tsubo. New supply is expected to remain limited over the next three years.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
Ekimae Honcho		17,070	15,455	12,436	10,333
Ichibancho Area		14,700	10,244	11,389	7,910
Around Miyagi Prefectural Gov.		13,000	10,293	9,158	8,558
Itsutsubashi		13,500	8,750	9,625	-
Sendai Sta. East Side		17,333	13,167	10,563	10,000



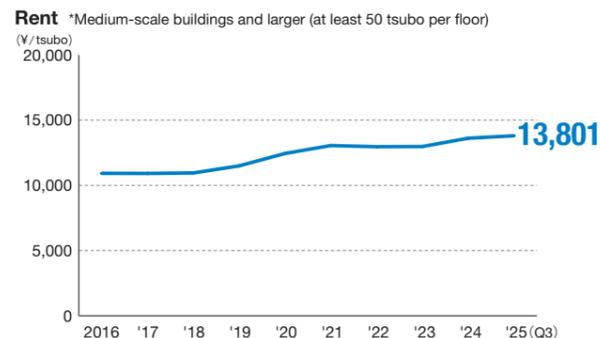
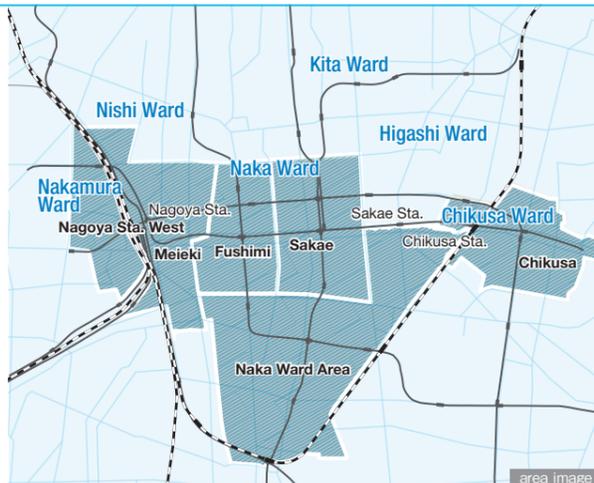
S-GATE Sendai Ichibancho (tentative name)

A cutting-edge office designed to boost workplace performance

Location	Ichibancho 2, Aoba-ku, Sendai
Access	7-minute walk from Subway Sendai Station
Completion	The end of April 2027
Scale	1 basement floor and 12 above-ground floors
Area per floor	211 tsubo
Project entity	The Sankei Building Co., Ltd.

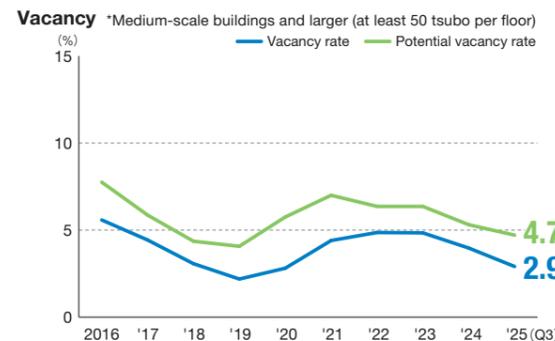
Nagoya City

Both the vacancy rate and the potential vacancy rate have been trending downward. The most recent vacancy rate has declined to the 2% range, and a sense of tight supply has intensified across all floor plate sizes in newly built, recently completed, and well-located, high-quality existing buildings. Asking rents have been on an upward trend, reaching the upper 13,000 yen per tsubo range. While new supply in 2026 and 2027 is expected to exceed 10,000 tsubo, supply in 2028 is projected to remain at a low level.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
Meieki		23,724	17,534	14,120	12,830
Nagoya Sta. West		17,833	16,133	11,894	10,807
Sakae		16,582	13,400	12,488	11,844
Fushimi		16,525	13,179	11,862	10,643
Naka Ward Area		12,375	10,847	10,684	9,109
Chikusa		12,750	10,333	9,774	9,700



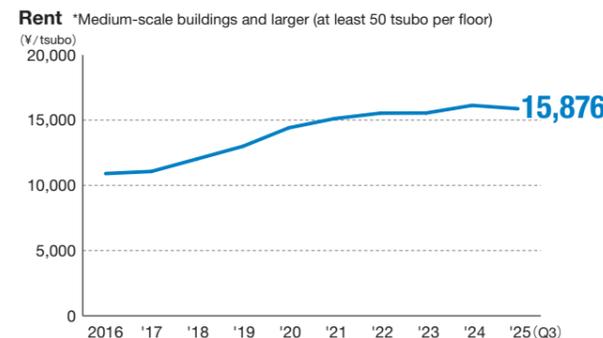
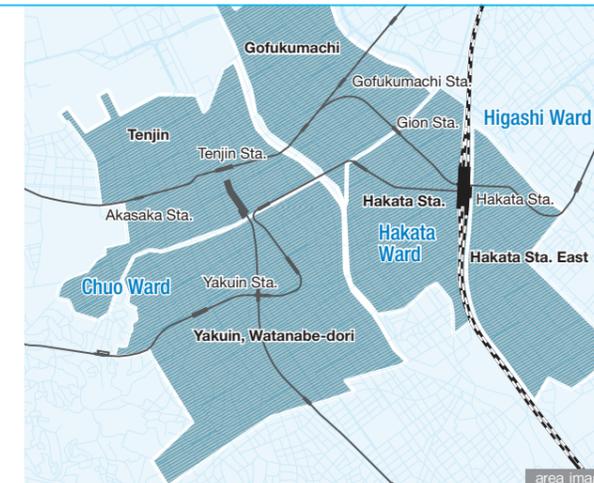
The Landmark Nagoya Sakae

A new landmark tower directly linked to Sakae Station's concourse — the tallest building in the Sakae area

Location	Nishiki 3, Naka-ku, Nagoya
Access	Directly connected to Sakae Station
Completion	March 2026
Scale	4 basement floors and 41 above-ground floors
Area per floor	480 tsubo
Project entity	MITSUBISHI ESTATE CO., LTD. / J. FRONT CITY DEVELOPMENT Co.,Ltd. / JAPAN POST REAL ESTATE Co., Ltd. / Meiji Yasuda Life Insurance Company/ The Chunichi Shimibun

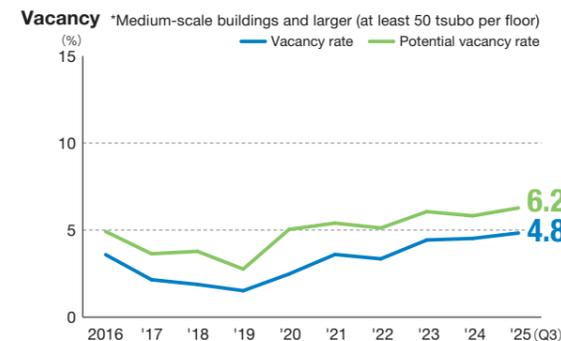
Fukuoka City

Although both the vacancy rate and the potential vacancy rate have been trending upward since bottoming out in 2019, office demand remains active, with positive developments such as upgrades to building grade. Asking rents had continued to rise due to the supply of high-priced newly built buildings and the tight availability of leasable space, but more recently they have begun to level off at around 16,000 yen per tsubo.



Rent : ¥/tsubo (CAM charge inclusive)

	Scale	Large	Medium/Large	Medium	Small
Hakata Sta.		19,326	16,057	14,659	15,413
Hakata Sta. East		15,208	14,677	13,607	12,750
Gofukumachi		16,840	16,360	13,363	12,594
Tenjin		21,694	17,314	14,749	14,810
Yakuin, Watanabe-dori		20,800	17,180	13,970	13,202



Tenjin Business Center II

Directly connected to Tenjin Station, with exceptional shared facilities such as a sauna and fitness gym. A new way of working begins here.

Location	Tenjin 1, Chuo-ku, Fukuoka
Access	Directly connected to Tenjin Station
Completion	June 2026
Scale	2 basement floors and 18 above-ground floors
Area per floor	Approx. 785 tsubo
Project entity	Fukuoka Jisho Co., Ltd. / Tenjin 1-Chome 761 Project GK* <small>*A special purpose company jointly established by Fukuoka Jisho Co., Ltd., Kyushu Electric Power Co., Inc., and Kraftia Corporation.</small>

Special Report

Japan External Trade Organization (JETRO) compiled the “JETRO Invest Japan Report 2025,” which is a comprehensive report on direct investments in Japan, for the purpose of providing information and reference materials to foreign and foreign-affiliated companies. This section provides a commentary based on the contents of the report.

Trends in FDI Flow to Japan

According to the Ministry of Finance (MOF) and the Bank of Japan (BOJ)'s Balance of Payments Statistics (the asset/liability principle), inward FDI to Japan (net flows) in 2024 amounted to 2.5 trillion yen, down 13.6% year-on-year. Equity capital has declined by more than 50% for the second consecutive year; factors such as heightened global geopolitical risks, monetary tightening, and inflation concerns have likely caused more cautious capital movements. On the other hand, reinvested earnings have remained robust; internally retained capital provides stable support for the overall level of FDI in Japan.

Trends in FDI Stock in Japan

At the end of 2024, FDI stock in Japan (the asset/liability principle) stood at 53.3 trillion yen, up 4.5% from the previous year, representing 8.7% of GDP. By capital type, equity capital increased 2.7% year-on-year, reinvested earnings rose 8.2%,

and debt instruments increased 5.1%.

Looking at the composition ratios, equity capital decreased by 17.8 percentage points, and reinvested earnings fell by 4.1 percentage points, whereas debt instruments saw a substantial increase of 21.9 percentage points. [Chart 1](#)

Inward FDI to Japan by Industry

In 2024, inward FDI to Japan (net flows [values], the directional principle) by industry sector decreased 31.0% from the previous year to 2.0 trillion yen. By major industry category, manufacturing recorded 600 billion yen (down 58.4% year-on-year), while non-manufacturing stood at 1.5 trillion yen (down 7.8%), resulting in a sharp decline in manufacturing, reversing the trend seen in 2023.

Within the manufacturing sector, particularly in precision machinery, chemicals and pharmaceuticals, and electric machinery, the three industries together recorded a total decline of about 900 billion yen. Looking at the leading

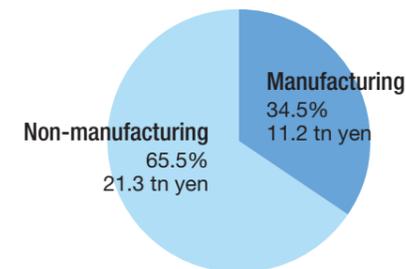
industries, finance and insurance, communications, and services — with the top three all being non-manufacturing — accounted for over 70% of the total.

FDI Stock in Japan by Industry

At the end of 2024, inward FDI stock in Japan by industry sector (the directional principle) totaled 32.5 trillion yen, up 2.8% from the previous year.

By major industry category, manufacturing was down 1.3% year-on-year (34.5% of the total), while non-manufacturing was up 5.1% year-on-year (65.5% of the total). Looking at details of industries, the finance and insurance industry was the largest, followed by chemicals and pharmaceuticals, and transportation equipment, maintaining the same ranking as in 2023. The industries showing the most notable growth rates were real estate (up 18.3% year-on-year) and communications (up 12.3%). [Chart 2](#) [Chart 3](#)

Chart 2 FDI Stock in Japan by Industry (end of 2024)



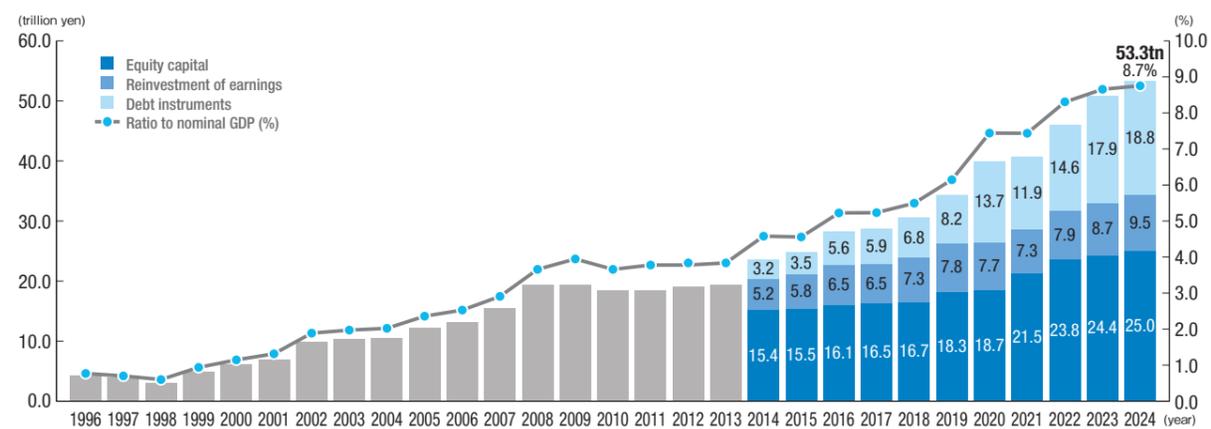
Source: Based on "International Investment Position of Japan" by MOF and BOJ. Copyright©2025 JETRO. All rights reserved.

Chart 3 FDI Stock in Japan: Top 10 Industries (end of 2024)

Ranking	Sector	Stock (100 million yen)	Growth rate (YoY)	Share (%)
1	Finance and insurance	120,503	4.4	37.1
2	Chemicals and pharmaceuticals	32,045	0.5	9.9
3	Transportation equipment	31,780	4.0	9.8
4	Communications	28,515	12.3	8.8
5	Electric machinery	25,626	-5.0	7.9
6	Services	15,955	12.6	4.9
7	Transportation	14,089	3.3	4.3
8	Real estate	6,951	18.3	2.1
9	General machinery	6,093	3.4	1.9
10	Glass and ceramics	4,746	-1.5	1.5
—	Others	38,643	-6.7	11.9
Total		324,946	2.8	100.0

Source: Based on "International Investment Position of Japan" by MOF and BOJ. Copyright©2025 JETRO. All rights reserved.

Chart 1 Trends in FDI Stock in Japan



Note : Since 2014, Japan has shifted its Balance of Payments Manual (BPM) standards from the fifth edition (the directional principle) to the sixth edition (the asset/liability principle with gross recording). As a result, loan and borrowing positions are now recorded separately as assets and liabilities. In particular, liability-type capital such as borrowings newly appears as distinct outstanding amounts. Therefore, caution is required when comparing time-series data across the break in 2014, as continuity and consistency may not be maintained.

Source : Based on "International Investment Position of Japan" by MOF and BOJ and "National Accounts of Japan" by the Cabinet Office. Copyright©2025 JETRO. All rights reserved.

JETRO's Support

JETRO provides consistent one-stop service for establishing a base or expanding business in Japan.

1 Support for Establishing/ Expanding Businesses in Japan

Information Service

- Providing information on the Japanese market, industries, regulations and relevant legal systems, national and regional incentives, etc.

Facilities

- Offering free office space for a certain period of time at JETRO's Invest Japan Business Support Centers (IBSCs)
- Providing temporary office rental support

Introduction of Government and Other Networks

- The government and related ministries and agencies
- Local governments
- Business partners and opportunities for interaction
- Experts (Judicial scriveners, attorneys, tax accountants, certified social insurance labor consultants, etc.)
- Universities interested in partnerships with foreign-affiliated companies

2 Support for Collaboration between Japanese and Foreign Companies

- Providing opportunities for substantive business alliance formation through a business platform, "J-Bridge"

3 JETRO's Effort for Promoting Investment in Japan

- Holding Invest Japan Symposiums, offline and online seminars, and other events in Japan
- Providing information on Japan's business environment, markets, and industries.

JETRO's Website

<https://www.jetro.go.jp/en/invest>

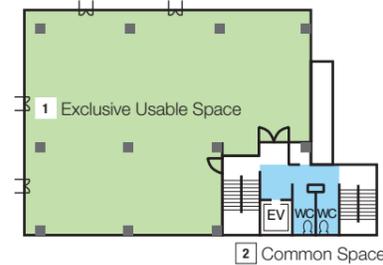
The following are some of the terms unique to the Japanese office market that you may find useful to know.

Important Terms

Contracted Space

契約面積

This term may apply to exclusive usable space, or to both exclusive usable space and a part of the common space (1 green part only, or 1 + 2 blue part).



1 Exclusive Usable Space

[専有面積]

This term refers to the space used exclusively by the tenant; it is measured from wall center to wall center.

2 Common Space

[共用面積]

This term refers to space used in common by two or more tenants. It might include elevator halls, corridors, restrooms, kitchenettes, and the like.

Unit of Space

[面積單位]

The official unit used to measure floor space is the square meter, but many property owners still use the older term “tsubo” in their floor plans and advertisements.

(1 tsubo ≙ 3.3 sq. m ≙ 35.58 sq. feet)

Deposit Money

保証金・敷金

The terms “Hoshokin” and “Shikikin” are both used to mean “deposit money.” Though they have slightly different meanings, they essentially refer to a sum which is paid to the owner as a non-interest deposit when signing the lease contract. Legally this money could be classified as “guarantee money” against any liability that the tenant might incur against his duties as a tenant.

Return Period

The deposit money will be returned to the tenant after the “surrender by the lessee of the leased premises to the lessor.” Any unpaid rent or damages recoverable from the lessee will first be deducted from the deposit, and the difference will be refunded.

Sum

As a normal rule, 10-12 months’ rent will be charged as deposit money.

Depreciation Fee

[償却費]

Owners of small-sized buildings often demand that tenants pay a depreciation fee. This is deducted as a percentage from the deposit (usually 10% to 20%) when the contract ends, and the deposit minus the fee is then returned to the lessee. The term “depreciation” is used here, but there is

no direct relationship between the fee and building depreciation.

Rent

賃料

Beginning of Rent

In general, two periods are included in a term of the lease. The one is for interior finish work before a tenant move in the leased premise, and the other one is for restoration work. And rent starts on the beginning date of the term of the lease. A tenant is required to complete a restoration work by the termination of the term of the lease.

Rental Payments Due

The common practice is to pay rent a month in advance, with the payment for the following month coming due at the end of the current month (between the 25th and the last day of the month).

Method of Payment

In general bank transfers or postal transfers have become the most common way to pay one’s rent.

Increases in Rent (Case of regular lease contract)

Three basic reasons for rent increases during the contract period or signing a new lease contract.

1. Taxes on the land or on the building itself have increased.
2. There has been a sharp increase in the general cost of living due to inflation, etc.
3. The rent is shown to be lower than rents for similar facilities in the same neighborhood.

Such increases can be implemented with the agreement of both parties.

Other Expenses

In addition to monthly rent and common area maintenance charges, the following expenses may be incurred. It will depend on the operating systems of the building and several reasons. Please check each time.

- Parking lot fees
- Gas charge
- Fees for the use of building signboards
- Cleaning charge
- Air-conditioning & heating
- Electric charge
- Water charge, etc.

Common Area Maintenance (CAM) Charge

共益費

In most cases, a fee is charged monthly in addition to the actual rent. This fee is calculated on the basis of the running costs of the building, such as electric charge, water charge, gas charge, cleaning charge, air-conditioning & heating charge for the common space such as entrance hall, elevator, toilet, etc. Generally the fee is between 3,000 yen and 7,000 yen per tsubo. Recently there have been cases of the common area maintenance charges being included in the rent.

Lease Type and Terms

契約形態・契約期間

Lease terms in Japan generally fall into two categories.

One is a regular or standard lease that usually runs for 2-3 years but can be automatically renewed unless either party wishes to terminate the contract. Under this lease, tenants wanting to vacate before the end of the lease period can usually give written notice, typically six months in advance, and then vacate without incurring penalties.

A second type of lease being increasingly adopted by owners of Class A buildings is the fixed term lease. Such leases run for 2-5 years, and at the end of the lease period, tenants cannot renew. Tenants wishing to remain in the property must renegotiate a new contract with the owner. Also, tenants wishing to vacate ahead of the lease expiry date must pay a penalty equivalent to the number of months’ rent remaining in the contract.

Renewal Fee

更新料

Some landlords demand a renewal fee when lease contracts are renewed, and this fee is usually one month’s rent at the rate stipulated in the new lease contract.

Explanation of Important Lease Conditions

重要事項説明書

Based on Article 35 of the Land and House Lease Law, Sanko Estate will explain lease terms and conditions in writing (“Important Lease Conditions”) prior to signing of the Lease agreement.

Repair Fees

修繕費

The following types of repair fees are the most commonly encountered.

Obligations of the Property Owner

1. Repairs on the building itself
2. Repairs on office ceilings, walls, floors, and other structural members that are a part of the building itself
3. Repairs for the common areas of the building
4. Repairs for equipment and machinery

Obligations of the Tenant

1. Repainting or papering of ceilings, walls, floors, and other space inside the office
 2. Replacing or repairing fixtures, blinds, glass, lighting, switches, or electrical outlets inside the office
 3. Repair any partitions, fixtures, special-use equipment, or the like that the tenant has installed in the office.
- Check your contract carefully for any other obligations that may be faced by the tenant.

Interior Finish Work

内装工事

A tenant is required to submit a plan of interior finish

work in the leased premise to the building owner, and need to obtain the owner’s consent in advance to avoid having troubles related with the body of the building.

Prohibitions, etc.

禁止事項

In general, the lessee may not

1. Reassign the lease of the leased premises or sublet the leased premises in any form
2. Assign or offer the leased premises as security to third parties including any of the rights under the contract
3. Transfer any of the rights under the contract to any person other than the lessee through assignment of business, merger, or other such transactions

In addition, without the lessor’s consent, the lessee may not co-occupy the leased premises with another person/party or use any name other than that of the lessee as the name of occupant. It may be permissible for the leased premises be co-occupied with the prior consent of the lessor if the other party is financially related to the lessee.

Restoring to Original Condition

原状回復

The lessee is under obligation to restore the leased premises to the original condition by the termination of the contract.

The standard for offices usually entail

- Replacement of carpet tile flooring
- Wallpaper renewal
- Painted walls
- Sound-absorbent plates on the ceiling and fluorescent lighting

At the termination of the contract, the lessee removes at his own expense the fixtures and equipment installed or added at his expense and the property owned by him prior to delivering the leased premises to the lessor. If the lessee fails to restore the leased premises to its original condition at the termination of the contract, the lessor may restore the leased premises and charge the expenses to the lessee. It must be done by contractors the owner designates or approves of, and the tenant bears all construction costs. The construction work must be completed within the contracted period.

Cancellation Notice of Contract (Case of regular lease contract)

解約予告

If the lessee desires to terminate the contract at any time during the term of the lease, it is stipulated that the lessee must present advance notice of cancellation to the lessor in the time designated by the lessor (usually within 6 months prior to the lessee’s expected day of the termination, with the need to restore to the original state). If the lessee wants to cancel the contact without prior notice, the lessee is obliged to pay a penalty for cancellation of contract equivalent to the 6 month’s rent, as stipulated in the article of advance notice. However, in principle, early cancellation of a fixed-term lease contract is not possible.

Commission

仲介手数料

In Japan, at the time of contracting for new space, it is the tenant and not the landlord who pays the introducer, the agent, a fee equal to one month's rent. This practice gives the tenant important advantages by ensuring that the agent represents the tenant only while diligently maintaining the tenant's position and acting in the tenant's best interests in all negotiations.

Building Rules and Regulations

管理規則

Most buildings have their own "Administrative Regulations" concerning daily administration and management of the building such as opening and closing times (regular hours) of the building, regular air-conditioning and heating hours, use of the building beyond the regular hours, working hours of janitors, and stipulations concerning keys, etc. It is recommended that the regulations be confirmed with the lessor in advance, since each building has its own set of regulations.

Seismic Performance

耐震性能

Earthquake-resistant structure

[耐震構造]

Structure designed and built to withstand earthquakes, wind and other forces.

Seismic Engineering Approaches



Vibration-controlling structure

[制振構造]

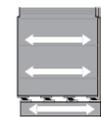
Structure equipped with devices such as dampers to control and curb vibration energy.



Seismically-isolated structure

[免震構造]

Structure mitigates the effect of earthquakes with devices that reduce swaying, commonly rubber bearings and dampers placed between the building and its foundation that move flexibly horizontally.



Emergency Power Supply

非常時における電源供給

Office buildings equipped with emergency power generation systems

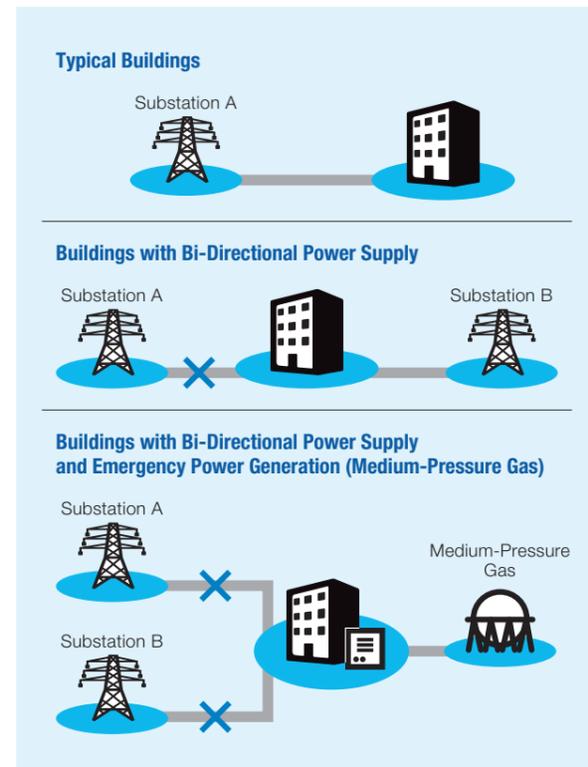
Typical office buildings have uni-directional power supply systems that receive power from a single transformer substation, so if the supply from a substation is cut off during an incident or disaster, it takes time to restore power to the building.

In contrast, office buildings with bi-directional power supply systems receiving power from another transformer substation on a separate network can continue to provide power to the building's exclusive areas even if the supply from one substation is cut off.

Recently an increasing number of high-spec buildings are

making this bi-directional power supply system even more safe and BCP*-ready by adding emergency power generation systems powered by medium-pressure gas and oil tanks installed in the buildings.

*BCP: Business Continuity Planning



Serviced Offices**

サービスオフィス

"Serviced offices" typically refers to rental spaces that come equipped with the desks, chairs, and other furniture required in offices, along with internet access, conference rooms, and so forth. Many serviced offices also provide reception and secretarial services at the request of tenants. The advantage of serviced offices may be summed up as the ease with which tenants can move in and move out. More specifically, the advantages include the following:

1. Moving in is possible with lower initial costs than a standard rental office.
 - Small deposit
 - Office infrastructure such as communications-related services and utilities are already set up
 - Interior construction work is not required
2. Short interval between when the decision to move in is made and actual move in.
3. In the case of companies entering the Japanese market for the first time, it is often possible to use the serviced office's address for company registration.
4. Depending on the vacancy conditions at the time, it may be possible to adjust the lease duration and leased floor area to suit the tenant's needs.

In recent times, serviced offices have become available at a wide range of building types, from high-rises to medium/small-scale buildings, increasing the choices available to companies.

**Including co-working offices, shared offices, flexible offices, etc.

COMPANY OUTLINE

Sanko Estate Co., Ltd.

Established May 17, 1977

President Shojiro Fukushima

Capital ¥100,000,000

Employees 278 (461 for entire group)

Company Services
• Office Leasing Services
• Project Management Services
• Workplace Consulting Services

Licenses
• Real Estate Agent: License authorized by Minister of Land, Infrastructure, Transport, and Tourism (11) No. 3105
• First-Class Architect Office Registration: Governor of Tokyo No. 61819
• Special Construction Business: License authorized by Governor of Tokyo (Toku-3) No. 154415

Professional Affiliations
• Tokyo Real Estate Brokers Association
• National Real Estate Guarantee Association
• Japan Facility Management Association
• The Tokyo Chamber of Commerce in Japan
• Japan Association of New Economy
• Tokyo Building Owners and Management Association
• The American Chamber of Commerce in Japan
• The British Chamber of Commerce in Japan
• The Swedish Chamber of Commerce and Industry in Japan

Group Companies
Sanko Office Management Co., Ltd.
Sanko Asset Management Co., Ltd.
MS Building Support Co., Ltd.
Commercial Property Research Institute, Inc.

Office Location
Ginza Sanwa Bldg., 4-6-1 Ginza, Chuo-ku, Tokyo
[Head Office]



If you have any inquiries, please contact International Services. (Head Office)

Tel: +81-3-3564-8051 E-mail: contact@sanko-e.co.jp

Website: www.sanko-e.co.jp/en