

# NEWS & RELEASE

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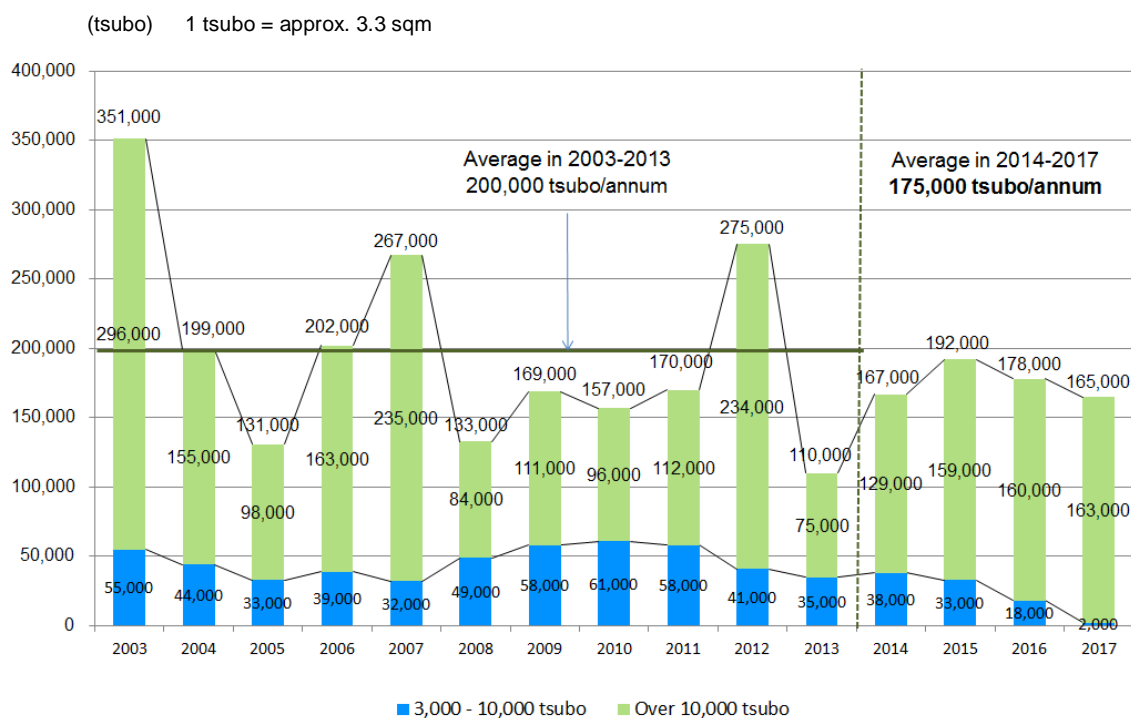
## New Office Supply Survey 2014

### **Supply of large office buildings continues into 2014 and beyond in Tokyo 23 Wards.**

Xymax Real Estate Institute surveyed the rentable office spaces of buildings expected to be completed in the coming years in Tokyo 23 Wards and released the results as New Office Supply Survey 2014. The rentable space in this survey is the actual new addition (including our estimate) to the office space market. The owner-occupied spaces are excluded from the calculation. New office buildings with over 3,000 tsubo gross floor area are the subject of this survey. New supply is a direct influence on supply and demand balance. Xymax Real Estate Institute plans to release reports on fundamental data like this on a regular basis.

New supply in Tokyo 23 Wards in 2014-2017 is expected to be 175,000 tsubo per annum on average. The data suggests that the concern for the large volume of single-year new supply previously expected for 2016 has been solved with changes in construction schedule (Figure 1). Considering more development projects of less than 10,000 tsubo buildings will be added later, the average annual new supply is expected to be at around 200,000 tsubo, the same level as in 2003-2013.

Figure 1: New Office Supply in Tokyo 23 Wards

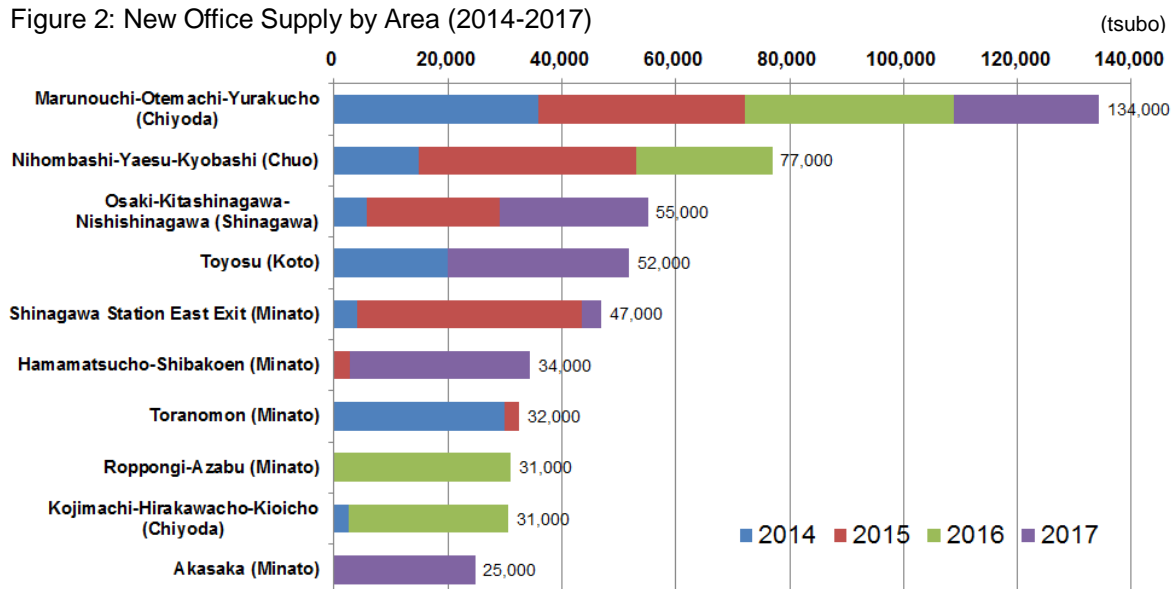


## Major New Supply by Area

About 70% of the total new supply will be in the central three wards (Chiyoda, Chuo and Minato) (Figure 2).

- ✧ The Marunouchi-Otemachi-Yurakucho area, the core office market in central Tokyo, will have the largest new supply of about 140,000 tsubo. A series of redevelopments continues and supply of large buildings is constantly expected in this area.
- ✧ Similarly, large redevelopments also continue on the other side of Tokyo Station, in the Nihombashi-Yaesu-Kyobashi area.
- ✧ Large developments of mix-use buildings (retail-office, residential-office) are expected in the Osaki Station area (Shinagawa Ward) and the Toyosu Station area (Koto Ward).
- ✧ Major office areas in Minato Ward including Shinagawa Station East Exit, Hamamatsucho-Shibakoen, Toranomom, Roppongi-Azabu and Akasaka will see constant new supply each year. The aggregated total for Minato Ward is about 170,000 tsubo.

Figure 2: New Office Supply by Area (2014-2017)



### Survey on New Supply of Large Office Buildings in Tokyo 23 Wards (as of December 2013)

Subject Area: Tokyo 23 Wards  
 Subject Building: 3,000 tsubo or larger gross floor area; mainly office use.  
 Subject Data: Rentable office space in tsubo (1 tsubo = approx. 3.3 sqm)

- The data is based on publicly available sources such as newspaper articles. Site inspections and interviews with developers were conducted for some of them. Owner-occupied buildings are not the subject of this survey. Only the newly added spaces are the subject of this survey; therefore the office spaces existed before the demolition of the building for reconstruction etc. are not considered. Please also note that this survey does not encompass all the new supply.
- If the size of the rentable space is publicly available, that size is used in this survey; if not, the rentable space is estimated based on the gross floor area with the formula Xymax Real Estate institute jointly developed with the laboratory of Dr. Naoki Katoh, Professor of Kyoto University Graduate School of Engineering.
- The new supply in this survey was estimated as of the date of the survey. Actual new supply changes as new information becomes available.