

OSAKA CITY | Supply of New Office Space 2019

December 12, 2018

Xymax Real Estate Institute (hereinafter, "Xymax REI") hereby releases a report on the **Supply of New Office Space 2019** covering **Osaka City**. The volume of new office supply, which is an aggregation of rentable areas of offices that will be newly constructed in the coming years (hereinafter, "new supply"), indicates the future direct impact of supply on the market balance. Xymax REI aggregates the rentable areas of office space in buildings that are mainly for office-use with a gross floor area of more than 3,000 tsubo completed in the Tokyo 23 Wards and Osaka City each year. The Tokyo 23 Wards version*¹ has been released on the same day.

*1 "TOKYO 23 WARDS | Supply of New Office Space 2019" December 12, 2018

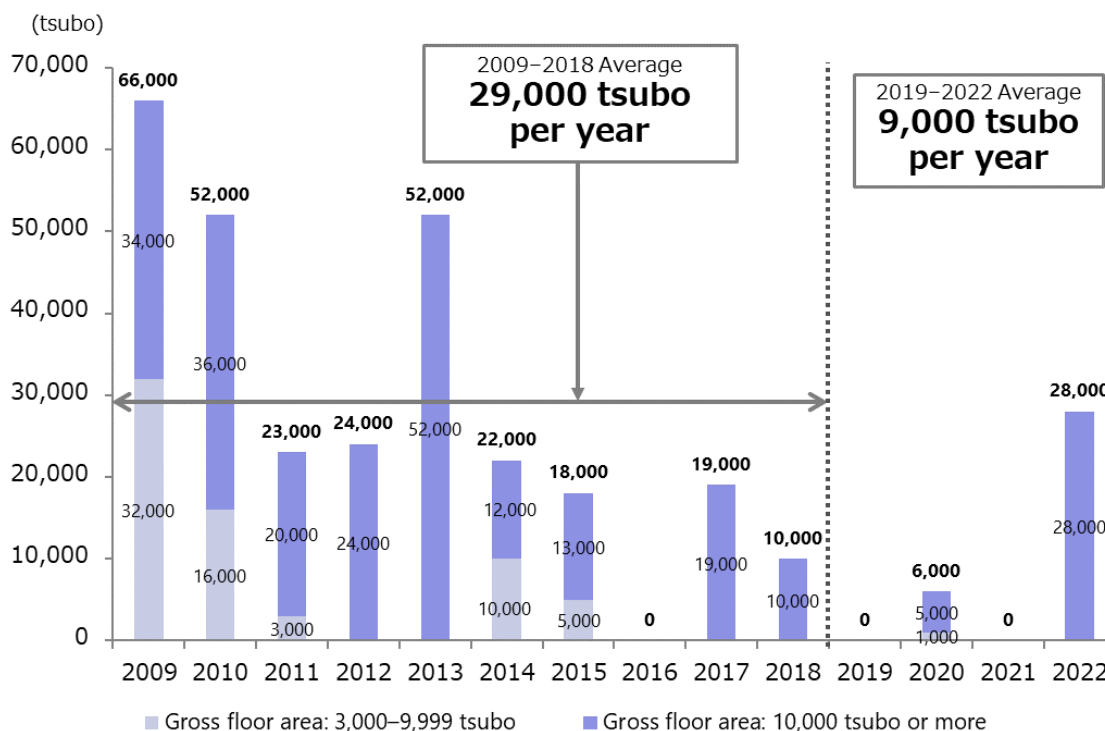
https://www.xymax.co.jp/english/news_research/?type=research

1 tsubo = approx. 3.3 sqm

SUMMARY OF RESULTS

- ✓ No supply is scheduled in 2019 or 2021 (**Figure 1**).
- ✓ The average annual new supply in 2019–2022 is 9,000 tsubo. This is less than a third of 29,000 tsubo, the average annual volume of the past 10 years.
- ✓ The average annual new supply in 2019–2022 in Osaka City (9,000 tsubo) is one-fifteenth of that in the Tokyo 23 Wards (138,000 tsubo).
- ✓ The new supply rate (new supply in 2019–2022 versus office stock at year-end 2018) is expected to be approx. 1.3% (annual average: 0.3%) in Osaka City.

Figure 1: Osaka City's Supply of New Office Space (Net Rentable Area)



1. OSAKA CITY | Supply of New Office Space

New supply of office buildings with a gross floor area of more than 3,000 tsubo is expected to be 34,000 tsubo in Osaka City in 2019–2022, an average of 9,000 tsubo per year. Since no supply is scheduled in 2019 or 2021, this is less than a third of 29,000 tsubo, the average annual volume in 2009–2018. However, since 28,000 tsubo will be supplied in 2022, the average annual volume in 2019–2022 will increase from our previous study in 2017*2 for 2018–2021 (4,000 tsubo).

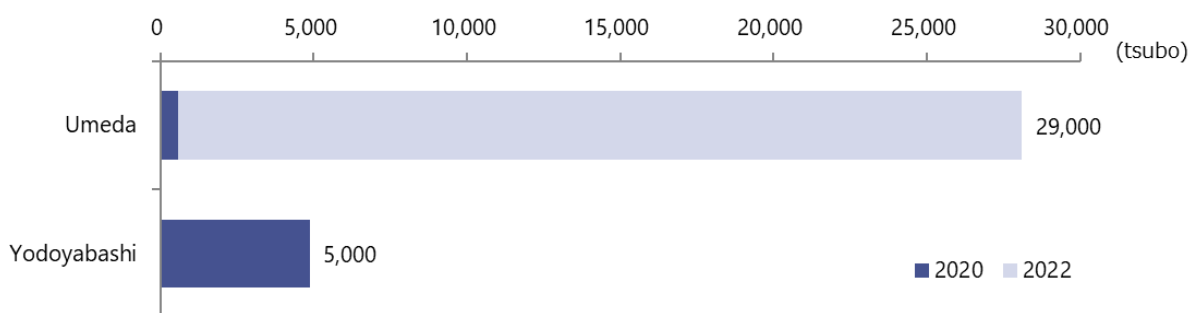
In comparison to the new supply in the Tokyo 23 Wards, Osaka City’s average annual new supply of 9,000 tsubo for 2019–2022 is one-fifteenth of that of the Tokyo 23 Wards (138,000 tsubo). The new supply rate, which is the percentage of new supply in 2019–2022 to the office stock at year-end 2018, is 1.3% (annual average: 0.3%) in Osaka City. This is a third of 4.4% (annual average: 1.1%) of the Tokyo 23 Wards.

*2 " OSAKA CITY | Supply of New Office Space 2018 & Office Stock Pyramid 2018" December 7, 2017
https://www.xymax.co.jp/english/news_research/?type=research

2. New Supply by Area

By area, new office space will be supplied in the Umeda and Yodoyabashi areas (Figure 2).

Figure 2: New Supply by Area (2019–2022)



Survey Overview	
Survey date	November 2018
Area	Osaka City
Target properties	Properties with a gross floor area of 3,000 or more that are used mainly as office space (excluding owner-occupied buildings)
Target data	Rentable office area (tsubo)
Method	Primarily through publicly available information such as newspaper articles, in addition to on-site surveys and interviews with developers

* The target of this survey is the floor area of buildings to be newly supplied. Note that this is not a complete survey.

* Published rentable areas are used in the study, wherever they are available. Where not, the study uses the area estimated from gross floor area based on a formula derived from the joint development with Naoki Kato Lab, Architecture and Architectural Engineering, Kyoto University Graduate School of Engineering.

* The new supply estimated in this survey is the estimated amount as of the date of the survey. The figures of new supply change as information is added and updated on a daily basis.

Contact for inquiries on this report

Xymax Real Estate Institute
<https://soken.xymax.co.jp>
 TELEPHONE: +81 3 3596 1477 | FAX: +81 3 3596 1478 | E-MAIL: info-rei@xymax.co.jp