



Japan Property Outlook

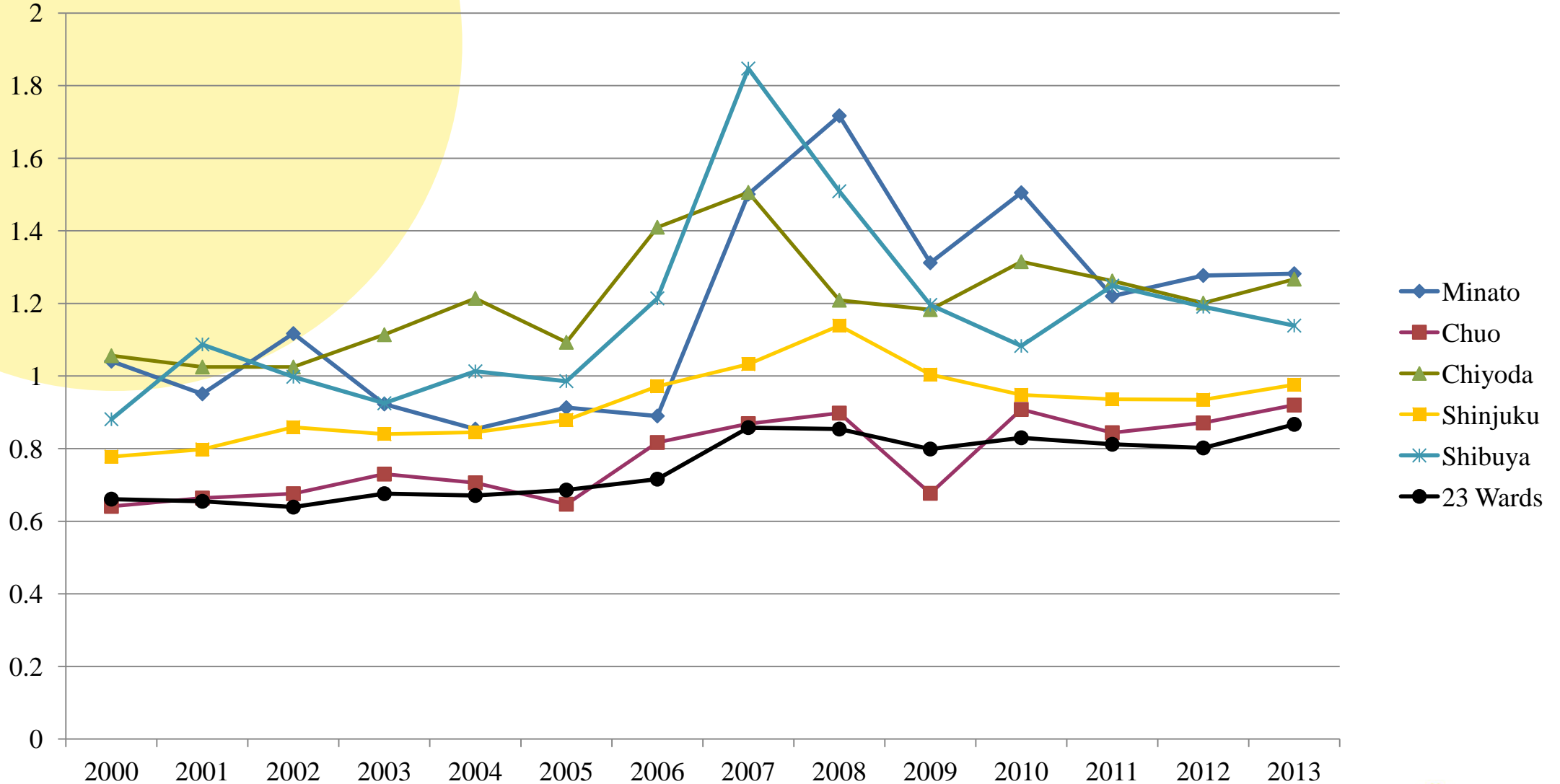
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Price per square metre in Tokyo's 5 major wards

Million JPY



*Source: Real Estate Economic Institute Co., Ltd.

Factors pushing up prices in Tokyo

① Construction cost affect selling prices

- Demand for construction labour and materials ever-increasing
 - ✓ Priority given to Tokyo 2020 Summer Olympics
 - ✓ Tohoku reconstruction work still on-going
- Weaker yen causing prices of construction materials to increase further

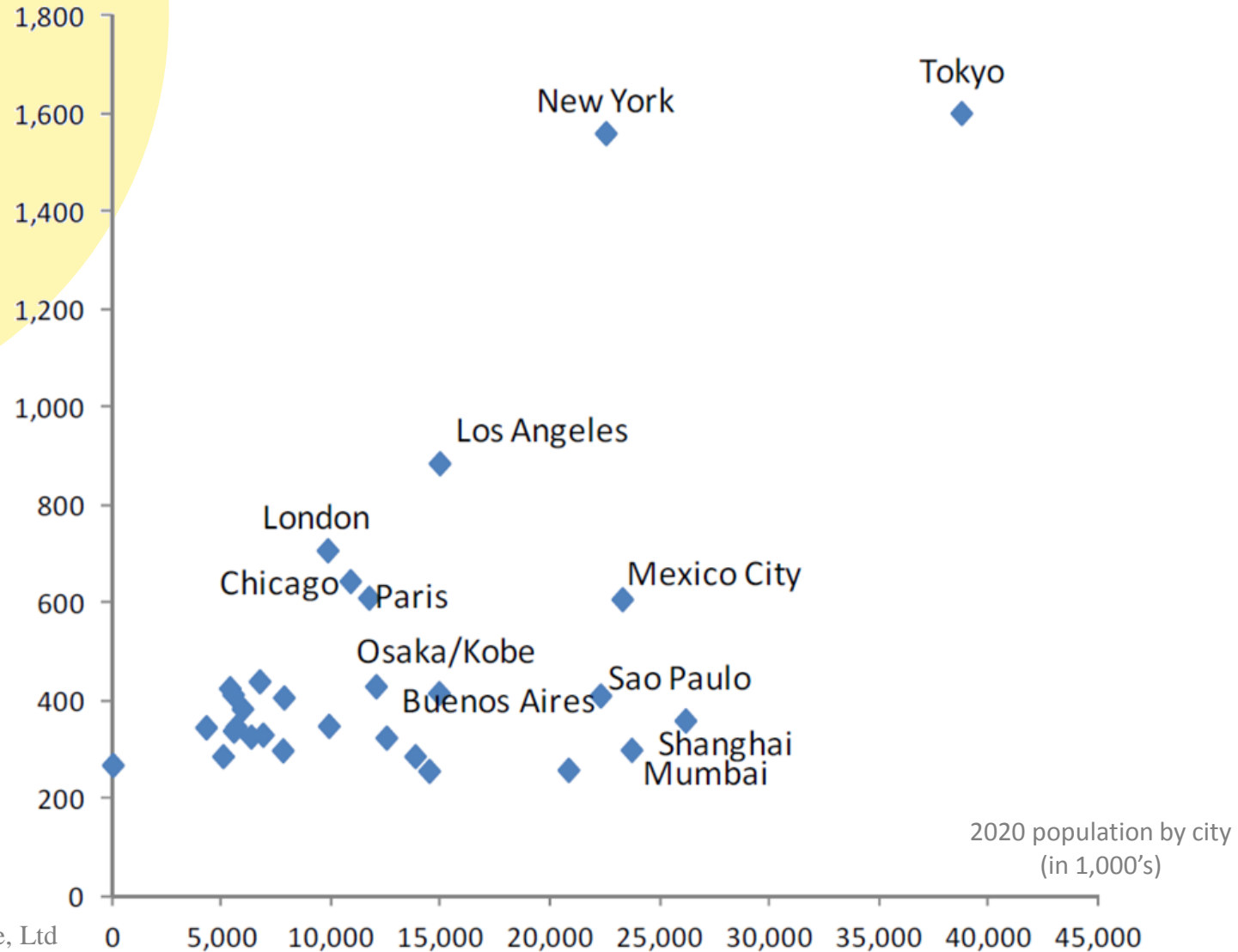
② Population Concentration

- Despite overall decrease in Japan, Tokyo continues to increase

③ Largest international city in terms of GDP

Tokyo continues to be world's largest city in terms of population and GDP compared to other cities

2020 GDP scale by city
(Billion USD)



*Source: 2013 Nomura Research Institute, Ltd

Cap Rate of Residential Property (Tokyo)

Type	Location / Feature	Expected Cap Rate	Market Cap Rate
Standard Studio Transit: Within ten min walk to nearest sta. Building age: Less than 5 years Average Unit Size: 25 – 30 sqm Total Units: abt 50 units	Southern Tokyo (Meguro & Setagaya wards) within 15min to nearest transit sta. to Shibuya or Ebisu sta.	5.2%	5.0%
	Eastern Tokyo (Sumida & Koto wards) within 15min to nearest transit sta. to Tokyo or Otemachi sta.	5.5%	5.3%
Standard Multifamily Transit: Within ten min walk to nearest sta. Building age: Less than 5 years Average Unit Size: 50 – 80 sqm Total Units: abt 50 units	Southern Tokyo (Meguro & Setagaya wards) within 15min to nearest transit sta. to Shibuya or Ebisu sta.	5.4%	5.1%
	Eastern Tokyo (Sumida & Koto wards) within 15min to nearest transit sta. to Tokyo or Otemachi sta.	5.6%	5.4%
High-End Multifamily for Expatriates Building Age or Years after Extensive Renovation: Less than five years	Low-Rise Azabu/Akasaka/Aoyama District, Minato ward Average unit size: 100 sqm or more Total Unit: appox 20	5.6%	5.5%
	High-Rise Azabu/Akasaka/Aoyama District, Minato ward Average unit size: 100 sqm or more Total storeys: more than 20	5.6%	5.5%

*Source: 2013 Japan Real Estate Institute

Cap Rate of Residential Property (Other Major Cities)

City	Studio	Multifamily
Sapporo	7.0%	7.2%
Sendai	7.0%	7.1%
Saitama	6.5%	6.5%
Chiba	6.5%	6.5%
Yokohama	6.0%	6.2%
Nagoya	6.4%	6.5%
Kyoto	6.5%	6.6%
Osaka	6.1%	6.3%
Kobe	6.5%	6.6%
Hiroshima	7.0%	7.2%
Fukuoka	6.5%	6.6%

*Source: 2013 Japan Real Estate Institute

World-Focus on Tokyo

- Economy performance
 - Abenomics
 - Devaluation of yen
- Tokyo 2020 Summer Olympics
 - New areas in the Tokyo Bay area further developing with improved infrastructure and amenities
- Casino effect
 - Exploring the option of having a casino with the potential of becoming the gaming hub of asia

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