

MARKETBEAT RETAIL SNAPSHOT



TOKYO, JAPAN

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ECONOMIC OVERVIEW

The previous quarter saw an unexpected negative GDP growth of 0.5% (quarter-on-quarter, seasonally adjusted), as private consumption failed to recover and private residential investment fell by 6.8% which

significantly dragged the GDP growth down. However, the Japanese economy is forecast to see an uplift, driven by the gradual recovery of domestic investment activity, exports and private consumption. In particular, the current consumption activities in metropolises are sustained partly by the increasing momentum of tourist shopping activity. This was spurred by the enforcements of consumption tax exemption on October 1 against personal consumption items such as food, beverages, drugs and cosmetics — an expansion from the existing duty-free list of home electronic appliances, clothing and handbags. This is witnessed by consecutive record-breaking monthly sales of duty-free goods, which increased year-on-year by 118% in October and 156% in November according to Japan Department Store Association (JDSA).

Nonetheless, effective stimulus packages are expected so that the overall private consumption can get back on a recovery track.

RETAIL MARKET OVERVIEW

The market saw new openings

The number of visits to Japan year-to-date in November 2014 jumped by 28% year-on-year and reached 12.2 million, and this year's annual visits are expected to be over 13 million according to a press release by Japan National Tourism Organization (JNTO). Visits in November recorded over 1 million for nine consecutive months. Due to the expansion of items exempted from consumption tax, coupled with a weakening Japanese Yen, visits obviously increased especially from Asian countries such as China. However, according to the latest press release by JDSA, nationwide sales had decreased for eight consecutive months by 1.0% year-on-year in November, reaching JPY558.1 billion due to a slump in clothing sales. On the other hand, Tokyo's sales during the same period were offset by the increasing momentum of tourist shopping activity and marginally increased by 0.3% year-on-year to JPY145.9 billion.

Thereafter, the negative impact of the hike in consumption tax in April stood out in consumption data. For example, the top eight automotive companies revised their domestic sales targets down in the first and second quarters of 2014. Total sales were revised

down from 5,030,000 in the beginning of the accounting period to 4,860,000 by -3.3%.

Nevertheless, major retail markets in Tokyo remained robust thus far. Behind the scenes, global retailers continually struggled to occupy prime premises, which are rarely coming onto the market. In the fourth quarter, which is traditionally the best season for new openings, we saw new openings one after another especially in Omotesando and Aoyama, although tenants were more selective in searching for the right premise and rental level than ever before. In November, Burberry relocated to Omotesando, as part of its expansion plans. This directly managed and stunningly designed shop on the high street has one of the best ranges of collections in Japan. COS, the high-end brand of H&M group, opened its first Japan store along the Miyuki Dori in Minami Aoyama. Following May's opening of Rakuten Café, LINE FRIENDS STORE specializing in LINE goods opened on Harajuku Meiji Dori in December. New openings of physical stores by IT firms have been actualized in line with their business strategy. Such new players, other than conventional brands and apparel, are anticipated to continually secure premises on the high streets.

OUTLOOK

The high streets in Tokyo remained less liquid markets with fewer leasing activities due to the drop in construction completions against the backdrop of the surge in rebuilding costs and issues pertaining to contracts of existing tenants. However, buildings on the Chuo Dori in Ginza are promoted to be earthquake-resistant by the government as Chuo Dori is assigned to be the key transport road in the event of disaster.

Going forward, Chuo Dori is anticipated to change and slowly be associated with rebuildings aimed at investment returns by risk-taking investors who are motivated by the Tokyo 2020 Summer Olympic Games.

ECONOMIC INDICATORS

NATIONAL	2012	2013	2014F
GDP Growth	1.8%	1.6%	1.1%
CPI Growth	-0.04%	0.4%	2.6%
Private Final Expenditure Growth	2.3%	2.1%	-0.9%
Govt. Final Expenditure Growth	1.7%	1.9%	0.2%

Source: Cabinet Office, Govt. of Japan, Roubini Global Economics

PRIME RETAIL RENTS

MAIN STREETS	JPY TSUBO*/MO	EURO SF/YR	US\$ SF/YR	Q-Q CHANGE	Y-Q-Y CHANGE
GINZA	310,000	713.56	868.81	0.0%	6.9%
Omotesando	250,000	575.46	700.66	0.0%	0.0%
Shinjuku	220,000	506.40	616.58	0.0%	0.0%
Shibuya	150,000	345.27	420.39	0.0%	0.0%

NOTE: * I Tsubo is approximately 3.3sqm and 35.58sqft

I Euro =146.509 JPY, I US\$ =120.329 JPY as at Dec. 23 2014

% changes are calculated on the basis of JPY

Source: Cushman & Wakefield Research

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	*SQUARE FEET	COMPLETION DATE
Q Plaza Harajuku	Harajuku	N/A	Mar. 2015
LOG ROAD DAIKANYAMA	Daikanyama	20,451.4	Spring 2015
Lala Port Fujimi	Fujimi City	861,112.0	Spring 2015

NOTE: * Shop Area

SIGNIFICANT LEASING TRANSACTIONS

TENANT	LOCATION	PROPERTY	*SQUARE FEET
Tiffany	Shinjuku	Shijuku Yoshihiko Bldg.	3,552.1
BURBERRY	Omotesando	Koshin Bldg.	N/A
COS	Minami Aoyama	Shuloss Aoyama Bldg.	3,336.8

NOTE: * Shop Area

SIGNIFICANT PROJECTS COMING ONTO THE MARKET

PROPERTY	LOCATION	*SQUARE FEET	COMPLETION DATE
KIRARITO GINZA	Ginza	178,492.2	Oct. 2014
Lalaport Izumi	Osaka City	1.8 million	Oct. 2014
GRANDTREE MUSASHIKOSUGI	Kawasaki City	1.1 million	Nov. 2014
Aeon Mall Okayama	Okayama City	2.7 million	Dec. 2014

NOTE: * Gross Floor Area

ECONOMIC OVERVIEW

前期の GDP 成長率は、予想外の-0.5%（対前四半期比、季節調整済み）とマイナス成長となった。民間消費が回復せず個人の住宅取得が-6.8%と大きく低下し GDP 成長率を押し下げた為である。しかし、今期は企業による投資活動並びに輸出や民間消費の緩やかな回復にけん引され、GDP 成長率の持ち直しが予想されている。殊に昨今の大都市の消費活動の一部は、勢いを増す外国人観光客の購買活動に支えられている。その勢いは 10 月 1 日施行の外国人観光客による消費を対象とした消費税非課税枠の拡大によって拍車を掛けられた。従来の非課税対象商品（家電、衣服、鞆など）に加え、個人消費商品（食品、飲料、薬品、化粧品）が新たに非課税となった。その証拠に 10 月、11 月の外国人観光客による売上が前年同月比で各々118%、156%の増加となり連続して過去最高を記録した（日本百貨店協会）。そうは云えども、民間消費全体を正常な回復軌道に戻す為には、効き目のある景気刺激策が期待される。

RETAIL MARKET OVERVIEW

新規オープンが続くリテール不動産市場

日本政府観光協会が発表した 2014 年 1~11 月の訪日外国人客数は前年同期比 28%増の約 1,218 万人だった。単月の訪日客は 9 ヶ月連続で 100 万人を突破し、年 1,300 万人を上回る勢いで伸びている状況である。10 月に免税対象品が広がったことや円安による割安感効果もあり、中国を始めアジアからの訪日客が顕著に増えている。

一方で、日本百貨店協会が発表した全国百貨店売上高概況では、11 月は約 5,581 億円で前年同月比-1.0%（8 ヶ月連続マイナス）となった。今シーズンは特に衣料の販売不振が影を落としている。東京地区百貨店売上高は約 1,459 億円で前年同月比 0.3%増となり、前述の訪日外国人による売上増と相殺の構図となったものの、前年対比で微増を確保した。消費税増税のネガティブインパクトも消費の統計データ上でも浮き彫りとなってきた。例えば、自動車業界では、乗用車 8 社が 4~9 月期決算では 2014 年度の国内販売計画を下方修正する企業が相次ぎ、期初の合計 503 万台から 486 万台に 3.3%下方修正している。

このような景況感はあるものの、東京都内の主要商業地のリテール不動産マーケットは、今のところ堅調で、むしろ上昇を続けている。数少ない出店のチャンスにグローバルプレイヤーを中心に物件の争奪戦が水面下で繰り広げられる状況が続いている。物件選定や賃料に関する見方はシビアになってきているものの、オープンのベストシーズンとなった今期は、特に表参道・青山にてグローバルプレイヤーのオープンが相次いだ。表参道では、バーバリーが最新デザインと国内最大級のコレクションを取り揃えた直営の路面店を 11 月に拡張移転オープンさせた。南青山では、H&M グループの高価格帯の姉妹ブランドの『COS』が日本一号店を南青山のみゆき通り沿いにオープンさせている。また、LINE が LINE グッズの路面店『LINE FRIENDS STORE』を原宿明治通りに 12 月にオープンさせた。楽天がカフェ渋谷公園通りに 5 月にオープンさせているが、このような IT 関連企業によるリアルストアの出店の動きはそれぞれのビジネス戦略において、具体化してきており、従来のブランドやアパレル以外のこのような新興プレイヤーが今後も目抜き通りの路面店舗を確保する動きが続くものと予想される。

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OUTLOOK

主要商業地のハイストリートの物件は、引き続き流動性に乏しい状況である。背景にあるのは、既存入居テナントの契約・移転の問題や建て替えた場合の建築費の高騰などが上げられる。しかしながら、特に銀座の中央通りに関しては、『緊急輸送道路』に指定されている為、行政側にて沿道の耐震化を促進している。この促進の中で、今後耐震補強や建て替えが進んでいき、とりわけ東京オリンピック開催というモチベーションもあるため、不動産開発については、リスクをとったプレイヤーによって時間をかけながらも建て替えが進み、街並みが徐々に変化していくことが予想される。

レポートに関するお問合せは以下にご照会ください。

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Profile

Keisuke began his career at a construction company designing shopping malls. After he got a Master's degree in the UK, Keisuke joined Mizuho Trust & Banking where he got hands on experience in the Japanese property securitization market. Following that he moved to CBRE and analyzed the investment market and various property indexes.

(Visiting researcher of Waseda University, Member of the Japanese Association of Real Estate Financial Engineering, First Class Architect)

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当社入社前は三井不動産にて東京ミッドタウンやらぽーとなど商業施設事業拡大に貢献。現在、ブランドレプレゼンテーション、リーシング分野での拡大および C&W グループのグローバル・リテール・ネットワークを活用したわが国リテーラーの海外進出支援を担う。

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Profile

Prior to joining C&W, Isao Suga played a significant role in the expansion of Mitsui Fudosan's retail shopping center business, including Mitsui's flagship LaLaport SC and Tokyo Midtown assets. Isao Suga now heads the Japan Retail Services team and is instrumental in building the brand representation and leasing businesses. Isao Suga also supports outbound services, which leverages C&W's global network to assist Japanese retailers expand internationally.

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