Average rents set new record highs in four areas; available space in Tokyo extremely tight as Shinjuku's vacancy rate reaches 0.0%

▶ ±0.0pp Q-o-Q
Ginza Vacancy Rate

▲ +0.7% Q-o-Q
Ginza Average Rent

▼ −0.8pp Q-o-Q
Shinsaibashi Vacancy Rate

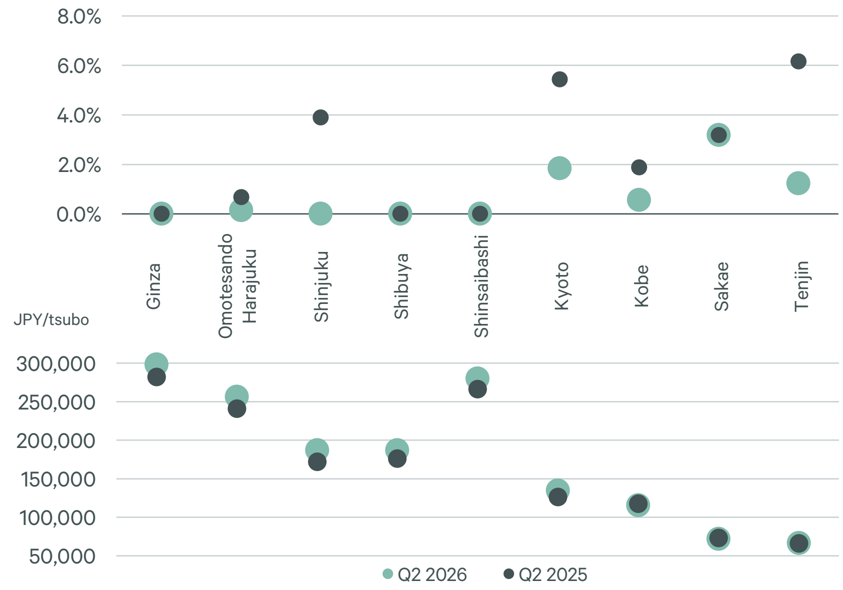
▲ +1.8% Q-o-Q
Shinsaibashi Average Rent

▼ −0.3pp Q-o-Q
Sakae Vacancy Rate

▶ ±0.0% Q-o-Q
Sakae Average Rent

- In Q2 2026, average rents rose q-o-q in five of the ten surveyed areas (four areas in Tokyo and Shinsaibashi), with average rents in four of the five (excluding Shinjuku) setting new record highs. The remaining four areas (Umeda, Kyoto, Sakae, and Tenjin) recorded no change in rents, while Kobe saw rents decline.
- Prime area vacancy rates fell q-o-q in six areas (Omotesando/Harajuku, Shinjuku, Shinsaibashi, Kyoto, Kobe, and Sakae), while those in the other three areas were unchanged. Shinjuku's vacancy rate fell to 0.0%, bringing all four Tokyo areas — including Omotesando/Harajuku at 0.1% — to near-zero availability, leaving street-level retail supply across the capital extremely tight.
- Leasing demand was led by outdoor and sporting goods and health and beauty (fragrance and cosmetics) retailers. With available units increasingly limited, the quarter saw a number of cases in which retailers secured locations through means other than conventional leasing, including direct property acquisition.
- Given retailers' broadly robust appetite for new store openings, average high street rents are expected to continue their upward trend. The range of retail sectors and nationalities among retailers willing to accept higher rents is becoming increasingly diverse. Retailers are pursuing flagship store openings in Ginza and Shinsaibashi, which could serve as a further catalyst for average rent growth in the coming quarters.

Figure 1: Vacancy rate (upper graph) & average rent (lower graph)



Source: CBRE, Q2 2026.

Nationwide occupier trends

Retailers increasingly acquiring or developing properties

Floor space for new store openings and leases signed in prime areas nationwide was 2,731 tsubo in Q2 2026, down 38.1% q-o-q. Outdoor and sporting goods retailers accounted for the largest share of newly opened or leased floor space, with multiple transactions completed in areas within Tokyo as well as Shinsaibashi. Health and beauty (fragrance and cosmetics) brands ranked second, with activity this quarter including an overseas brand committing to opening a new store in Tokyo.

With available units on high streets increasingly limited, this quarter saw multiple cases of retailers securing locations through means other than conventional leasing. These included a retailer competing against investors and developers to acquire a property, and another retailer pursuing integrated redevelopment by leasing land adjacent to its existing store. As the number of retailers exploring both leasing and acquisition options continues to grow, the frequency of retailers opening a store by means other than conventional leasing is likely to increase.

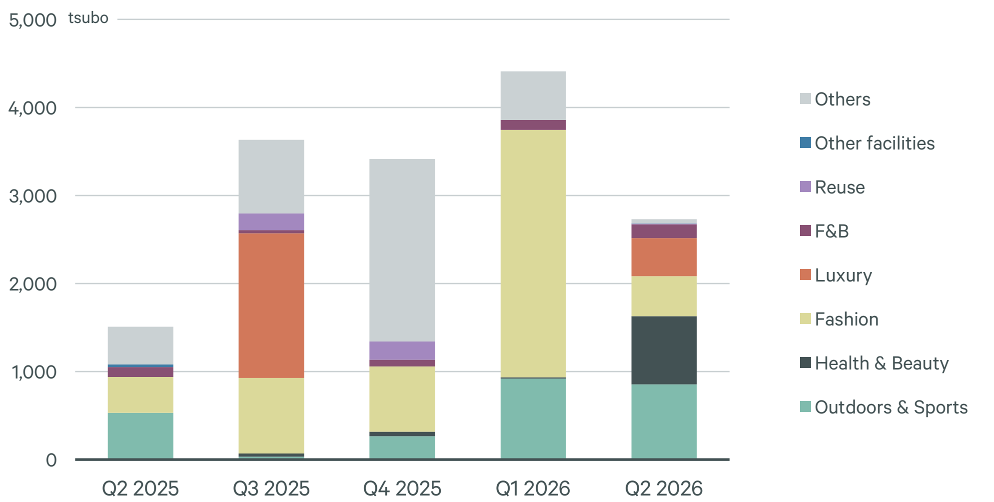
Tokyo

Tokyo rents continue to rise; Shinjuku vacancy rate hits 0.0%

In **Ginza**, new storefront lease contracts were signed this quarter by multiple luxury brands in the prime area, a mobile device retailer in the secondary area, and a reuse retailer in the peripheral area. Interest was also observed for available units across the high street (including those not yet available for immediate occupancy) from apparel, sporting goods, home appliance, and reuse retailers. The prime area vacancy rate (immediately available units) remained at 0.0% for the sixth consecutive quarter.

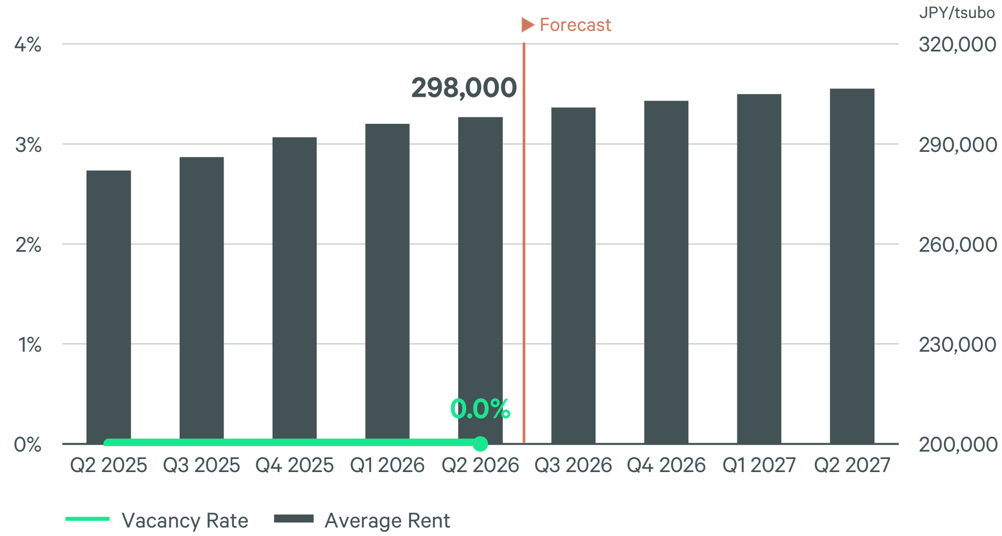
Average rents (assumed achieved rents for a standard 60-tsubo unit) rose 0.7% q-o-q to JPY 298,000, setting a new record high for the fourth consecutive quarter. As in previous quarters, the primary driver of average rental growth in Q2 2026 was the rise in rents along Marronnier-dori, where achieved rents for a unit that attracted competing bids from multiple retailers exceeded the prevailing market level. From next quarter onwards, leasing activity is expected to gain momentum across multiple units along Chuo-dori and other streets. Retailer demand for store openings in Ginza is becoming increasingly diverse not only in terms of sector but also nationality, expanding beyond Japan, Europe, and the U.S. to include Korea and China. Asian retailers are demonstrating a strong appetite for flagship store openings, with more groups accepting higher rents. Should enquiries from these retailers be concentrated on available units and result in competitive bidding, rents could rise further in the coming quarters. CBRE forecasts average rents to increase 2.9% from current levels over the next 12 months.

Figure 2: New openings and lease contracts in prime areas



* Total floor space for all new openings or new contracts. Includes all available space in prime areas on high streets nationwide (nine areas in total) for immediate occupancy or for occupancy within 18 months of the survey date (including incomplete developments).
Source: CBRE, Q2 2026.

Figure 3: Ginza



Source: CBRE, Q2 2026.

Tokyo (cont.)

In Q2 2026, new storefront lease contracts were signed in the **Omotesando/Harajuku** prime area by a luxury brand in Omotesando and by cosmetics, sporting goods, and apparel retailers in Harajuku. In the peripheral area, multiple apparel brands committed to opening new stores. Interest was also seen for available units across the high street from handbag, footwear, apparel, and sporting goods retailers. The prime area vacancy rate fell 0.1 pp q-o-q to 0.1%, setting a new record low for the third consecutive quarter.

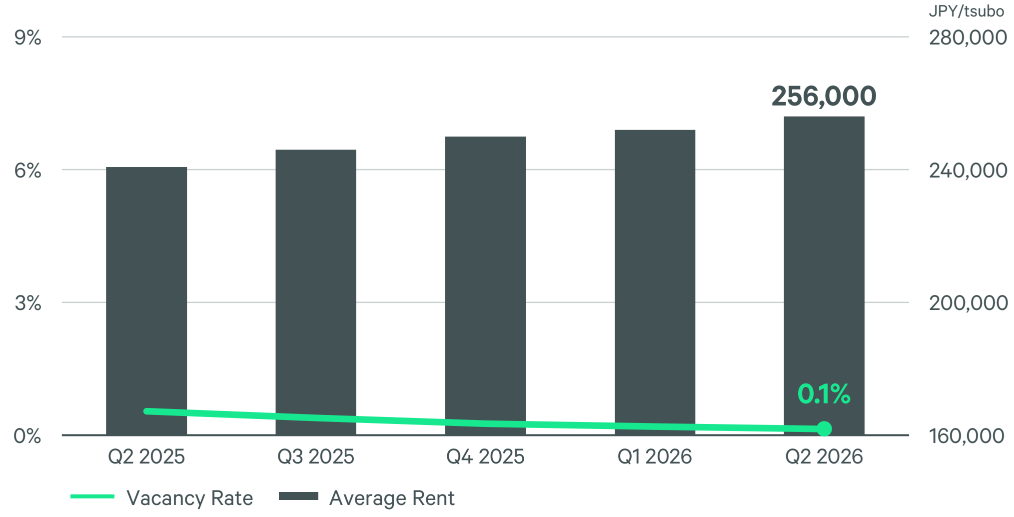
Average rents rose 1.6% q-o-q to JPY 256,000, setting a new record high for the sixth consecutive quarter. As in previous quarters, the primary driver of average rental growth in Q2 2026 was the rise in rents near Jingumae Crossing, where applications and lease signings for available units along Meiji-dori pushed up overall rent levels. Leasing demand in the Harajuku area was primarily driven by retailers targeting young shoppers and inbound visitors, with sporting goods and character goods retailers leading activity. Apparel retailers' improved rental affordability and greater acceptance of higher rents is also contributing to the rise in average rents in the district.

In Q2 2026, new storefront lease contracts were signed in the **Shinjuku** secondary area by a sporting goods retailer and a reuse retailer. Available units across the high street generated interest from a diverse range of retailers, including those in the luxury, apparel, cosmetics, home appliance, and character goods categories. The prime area vacancy rate fell 0.4 pp q-o-q to 0.0%, marking the first time it has reached zero since CBRE's surveys commenced in Q3 2020. During the quarter, the last remaining vacant property was demolished as part of a redevelopment plan by a retailer.

Average rents rose 2.2% q-o-q to JPY 187,000, with the primary driver being the rise in rents near Shinjuku Station's East and South exits. At the East exit, multiple sporting goods brands opened new stores, pushing up overall rents through the improved attractiveness of the area as a retail location. Near the South exit, an apparel retailer with strong appetite for new store openings submitted an application at above-market rent, pushing up prevailing rents.

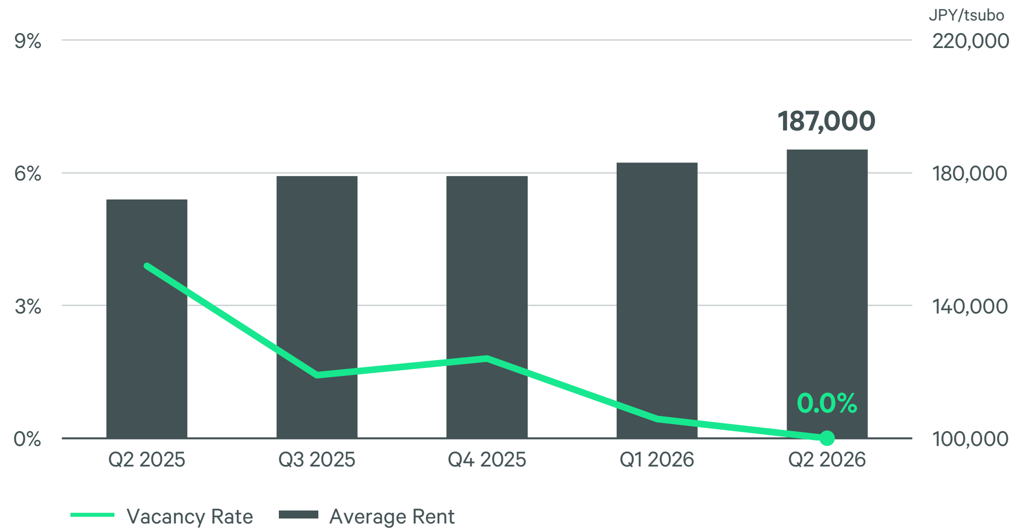
The tightening supply-demand balance in Shinjuku is driving an upward trend in secondary area rents. For one available unit leased this quarter, competing applications from multiple retailers resulted in an achieved rent above the prevailing secondary area market level. The successful retailer recorded strong sales at its existing store in a retail facility, and its strong interest in opening its first street-level store in Shinjuku contributed to the retailer's acceptance of higher rents.

Figure 4: Omotesando/Harajuku



Source: CBRE, Q2 2026.

Figure 5: Shinjuku



Source: CBRE, Q2 2026.

Tokyo (cont.)

While no new storefront lease contracts were signed in **Shibuya** this quarter, interest was observed for available units across the high street from mobile device, sporting goods, apparel, wristwatch, and reuse retailers. With the prime area vacancy rate remaining at 0.0%, average rents rose 2.7% q-o-q to JPY 187,000. The former remained at a record low while the latter reached a new record high for the sixth consecutive quarter. The primary driver of average rental growth was the rise in rent levels along Inokashira-dori.

The closure of another large-scale retail facility was announced this quarter, with Hands Shibuya scheduled to close in November 2026. According to media reports, a major developer plans to redevelop the site into a facility centered on a hotel.

Kansai

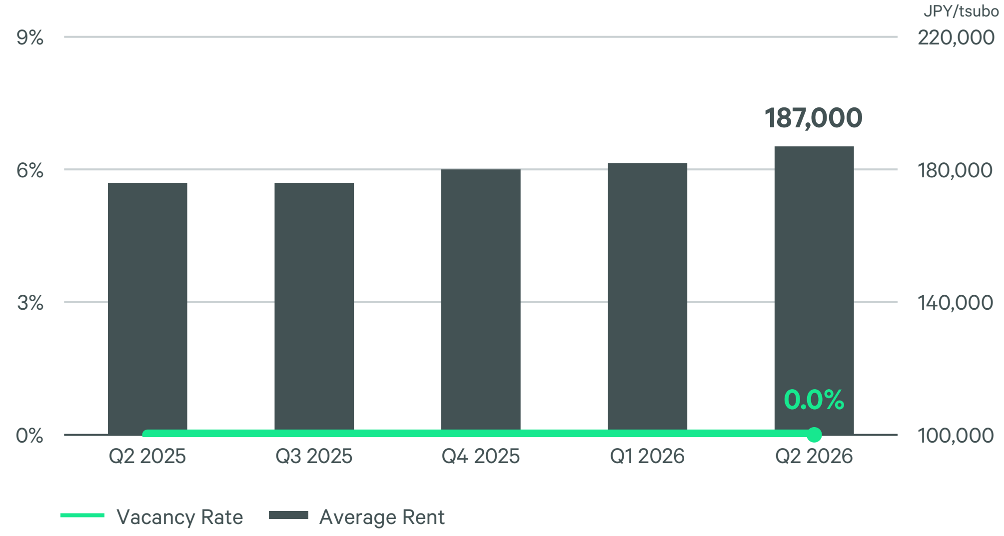
Shinsaibashi vacancy rate returns to 0.0%; rents set new record high

In Q2 2026, new storefront lease contracts were signed in **the Shinsaibashi** prime area by sporting goods, eyewear, and handbag retailers. Demand was recorded for available units across the high street from a diverse range of retailers, including character goods, apparel, footwear, wristwatch, and drugstore retailers. The prime area vacancy rate fell 0.8 pp q-o-q to 0.0%.

Average rents rose 1.8% q-o-q to JPY 280,000, setting a new record high, with the primary driver again being the rise in rent levels along Shinsaibashisuji Shopping Street. The rise in rents was driven by a retailer that had temporarily closed its existing store for redevelopment committing to reopening its store. The retailer signed the lease contract after edging out retailers of apparel and character goods for the same space. While this quarter witnessed other examples where the landlord agreed to lower rents, the achieved rent remained within the prevailing market range.

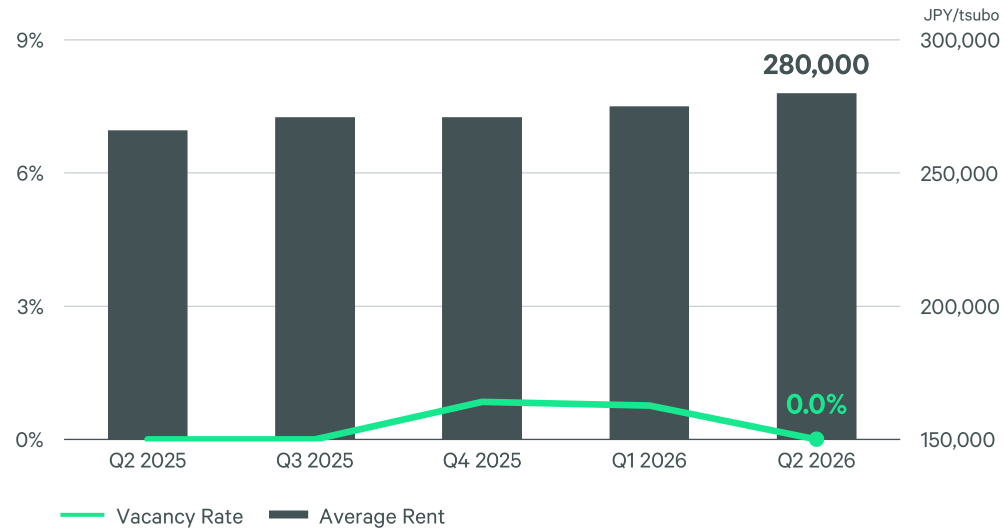
Average rents are likely to continue to rise in the coming quarters. Applications for available units in Q2 2026 included an overseas brand opening its first store in the area and a retailer relocating its existing store offering above-market rents. These available units are expected to be leased during H2 2026.

Figure 6: Shibuya



Source: CBRE, Q2 2026.

Figure 7: Shinsaibashi



Source: CBRE, Q2 2026.

Kansai (cont.)

In Q2 2026, new storefront lease contracts were signed in **Umeda** by footwear and apparel retailers. Average rents were flat q-o-q at JPY 129,000. In Chayamachi, a major sporting goods retailer announced the opening of a flagship store in August, which is expected to increase foot traffic in the area.

This quarter also saw a number of tenant replacements at large-scale retail facilities, including new store openings by domestic brands. Luxury brands continued to open new stores and expand their existing presence. Following the opening of Hankyu Umeda Main Store in March, a luxury brand expanded and relaunched its existing street-level store in May.

Although no new storefront lease contracts were signed in **Kyoto** this quarter, interest was seen for available units across the high street from apparel, footwear, and big-box retailers. The prime area vacancy rate fell 0.6 pp q-o-q to 1.8% after a retailer acquired a property with a vacant unit. Average rents were flat q-o-q at JPY 134,500, remaining at a record high.

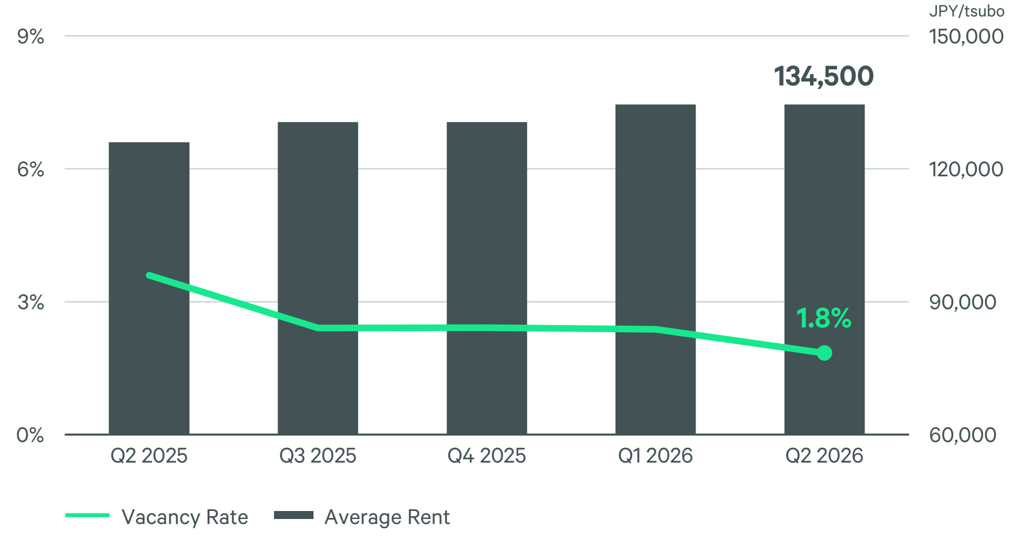
Sales at high street stores, which were primarily driven by domestic customers before the pandemic, have trended upward in recent years alongside a rising share of inbound visitors. This shift in clientele appears to have led retailers to upgrade their sales projections for new stores. As a result, fashion retailers and amusement facility operators are now exhibiting demand for large-format space.

Multiple closures of large-scale retail facilities were recorded along Shijo-dori this quarter. One was the closure of Fujii Daimaru ahead of redevelopment, and the other was the temporary closure of an existing store by a major luxury brand for renovation. These closures may impact foot traffic in the area in the coming quarters.

In Q2 2026, new storefront lease contracts were signed in the **Kobe** prime area by jewelry and reuse retailers, and in the secondary area by a convenience store. Interest was also observed for available units across the high street from wristwatch and apparel retailers. The prime area vacancy rate fell 0.3 pp q-o-q to 0.6%.

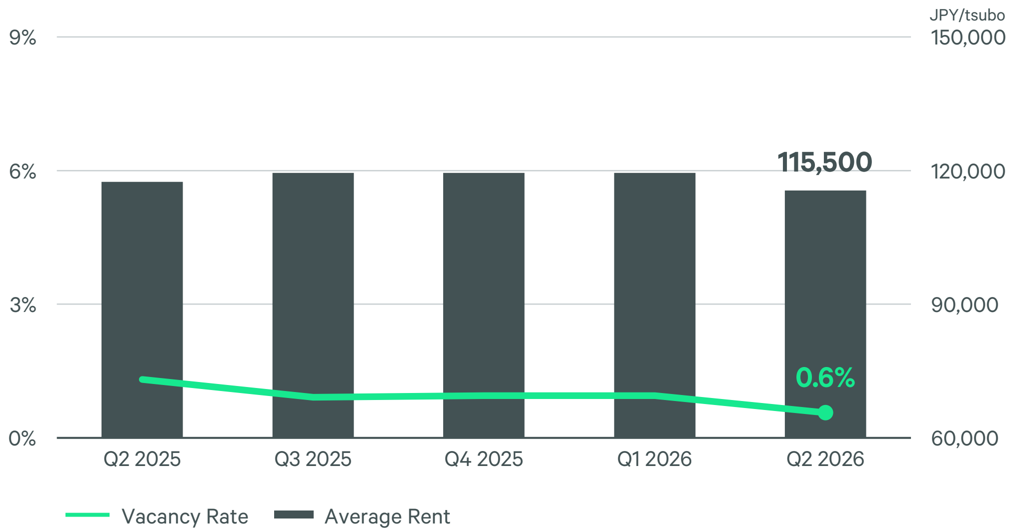
Average rents fell 3.3% q-o-q to JPY 115,500, with the primary driver being the decline in rent levels along Flower Road near Kobe Sannomiya Station. During the quarter, redevelopment around Kobe Sannomiya Station led to the closure of pedestrian bridges and walkways, reducing foot traffic and dampening retailers' appetite for new store openings in the area. However, many retailers recorded robust sales at their existing stores in areas such as Sannomiya Center-gai, and the sole retailer that committed to opening a store this quarter did so to expand and relocate its existing store. Should competing applications emerge for available units coming to market from next quarter onward, average rents could rise again later this year.

Figure 8: Kyoto



Source: CBRE, Q2 2026.

Figure 9: Kobe



Source: CBRE, Q2 2026.

Nagoya

Vacancy rate declines as luxury mall HAERA opens with streel level units fully leased

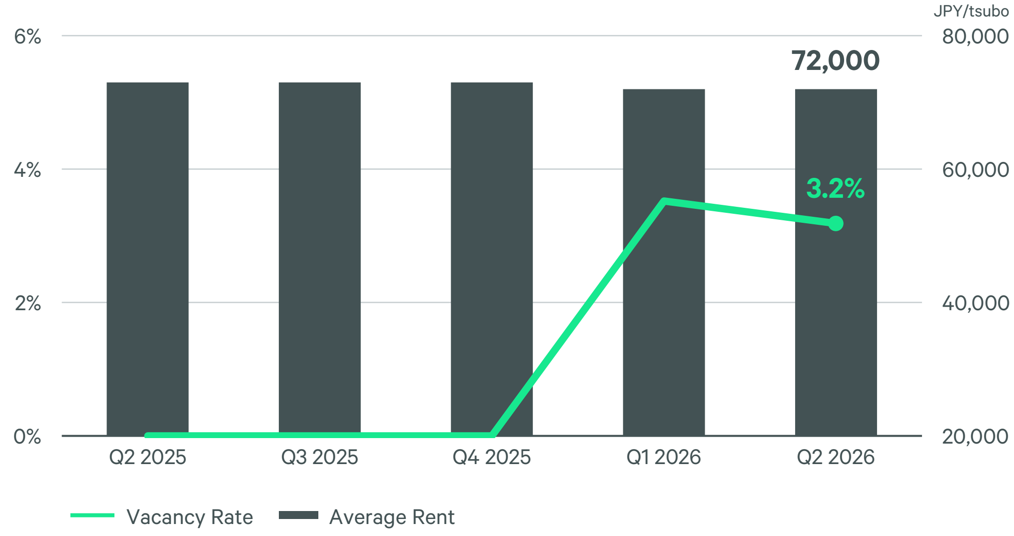
In Q2 2026, new storefront lease contracts were signed in the secondary area of **Sakae** by a book retailer, and in the peripheral area by an apparel retailer. The period also saw interest in available units across the high street from luxury, sporting goods, drugstore, and capsule toy retailers.

The prime area vacancy rate fell 0.3 pp q-o-q to 3.2%. The street-level units of "HAERA," the luxury mall within The Landmark Nagoya Sakae, opened fully leased during the period. No immediately available vacant units emerged this quarter.

In the prime area, multiple large-format units with leases approaching expiration are currently being marketed. While interest was subdued last quarter, retailers considering relocation within the area are now moving toward submitting applications. There are no signs of rents rising significantly beyond landlords' aggressive asking rents. This is likely because Sakae store sales are primarily driven by domestic consumers, making it difficult for retailers to project a substantial uplift in sales following relocation.

Average rents were flat q-o-q at JPY 72,000, with achieved rents generally remaining within the prevailing market range.

Figure 10: Sakae



Source: CBRE, Q2 2026.

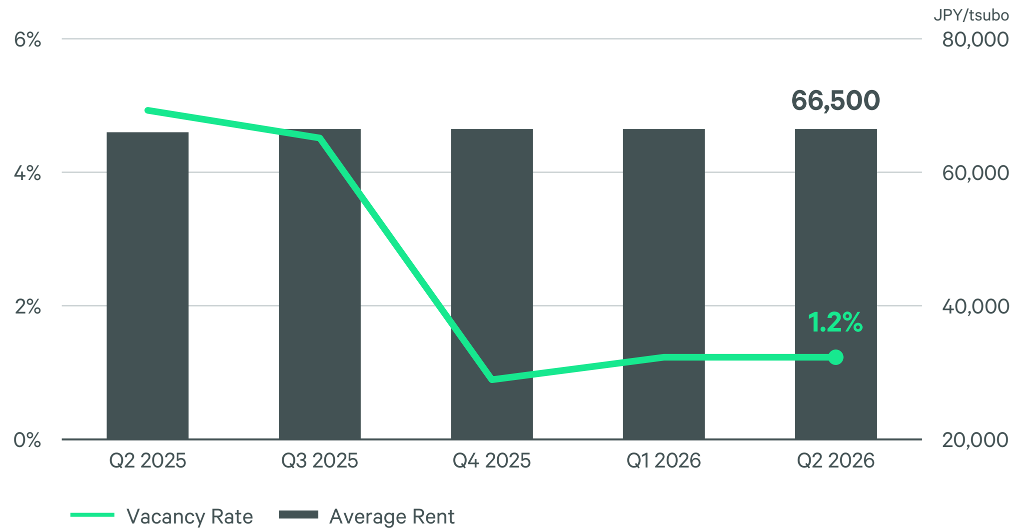
Fukuoka

Upward shift in retailers' acceptance of higher rents

In Q2 2026, new storefront lease contracts were signed in the **Tenjin** prime area by a wristwatch retailer and F&B operators, and in the secondary area by F&B operators. Available units across the high street also attracted interest from reuse, sporting goods, footwear, and apparel retailers, as well as F&B operators. The prime area vacancy rate was flat q-o-q at 1.2%.

Average rents were unchanged q-o-q at JPY 66,500, remaining at a record high, with achieved rents generally within the prevailing market range. During the period, an upward shift in retailers' acceptance of higher rents was observed for available units currently being marketed. For newly marketed units in the prime area, interest has been observed from retailers seeking either to relocate due to redevelopment or to open their first store in the area, despite above-market asking rents. In the secondary area, multiple available units are seeing competing interest from fashion brands with robust sales, driving an upward shift in rents.

Figure 11: Tenjin



Source: CBRE, Q2 2026.

Terms and Definitions

Subject Area	High Street	• High Street is an area on prominent city center streets where street-level retail stores are clustered. • High Street is divided into "prime area", "secondary area" and "peripheral area".
Vacancy Rate	Survey subjects	• Vacancy rate cover all units for lease in prime areas. The number of properties is as follows: Ginza (149 properties), Omotesando/Harajuku (246 properties), Shinjuku (60 properties), Shibuya (69 properties), Shinsaibashi (182 properties), Kyoto (179 properties), Kobe (105 properties), Sakae (51 properties), Tenjin (195 properties) • The target floors are rental units that are leased as street-level retail spaces with the entrance on the first floor (including upper floors). • Physically available for tenants at the time of survey (excluding newly constructed facilities that have not yet opened for business).
Rent	Survey subjects	• The multiple survey points are set in High Street as locations to assume virtual vacant spaces. • The assumed rental units on each point are regular-shaped and have an approximate floor area of 60 tsubo (200m²) per floor. • The rent assumption applies only to the ground floor.
	Average Rent (High Street Rent)	• Average of the upper rents and lower rents based on sample survey of the subject area at the end of the quarter, including CAM, and excluding any incentive such as free rent
	Prime Rent	• Highest rent based on sample survey of the subject area at the end of the quarter, including CAM, and excluding any incentive such as free rent

Tokyo
Meiji Yasuda Seimei Building
2-1-1 Marunouchi, Chiyoda-ku,
Tokyo

Kanazawa
J.NODE Kanazawa IV
3-3-11 Hirooka,
Kanazawa-shi Ishikawa

Osaka
Grand Front Osaka 4-20,
Ofuka-cho, Kita-ku, Osaka-shi,
Osaka

Nagoya
Chunichi Bldg. 21F, 4-1-1 Sakae,
Naka-ku, Nagoya-shi,
Aichi

Sapporo
Nihon Seimei Sapporo Building
4-1-1 Kitasanjonishi, Chuo-ku,
Sapporo-shi, Hokkaido

Hiroshima
Shishinyo Building 3-17
Fukuromachi, Naka-ku,
Hiroshima-shi, Hiroshima

Sendai
Sendai Mark One 1-2-3 Chuo,
Aoba-ku, Sendai-shi, Miyagi

Fukuoka
Tenjin Sumitomo Life FJ Business
Center 2-8-35 Tenjin, Chuo-ku,
Fukuoka-shi, Fukuoka

Contacts

Asuka Honda
Director
Retail Team Leader
asuka.honda@cbre.com

Chinatsu Hani
Senior Director
Head of Research
chinatsu.hani@cbre.com

To learn more about CBRE Research, or to access additional research reports, please visit the Insights & Research at Insights&Research