Japan Logistics

Japan 2026
Cold Storage Update

Demand Emerges for Refrigerated Transportation to Urban Locations

VIEWPOINT

JAPAN'S COLD STORAGE MARKET IS EXPANDING, DRIVEN BY DEMAND FOR LOCAL DISTRIBUTION HUBS. DEVELOPERS SHOULD TAILOR FACILITY SPECIFICATIONS TO SUPPORT EFFICIENT INBOUND AND OUTBOUND LOGISTICS OPERATIONS.

CBRE RESEARCH
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Executive Summary

Japan's cold storage market (freezing or refrigerated warehouses) continues to steadily expand, with the results of CBRE Japan's Logistics Occupier Survey also indicating that leasing demand is becoming more widespread.

As in several other regional markets, Japan's modern large-scale leased cold storage facilities function primarily as local distribution hubs for finished products, rather than as static long-term warehouses. With such operations requiring frequent truck movements, tenants typically prioritize leasing facilities that offer efficient transportation access and can facilitate smooth inbound and outbound logistics flow.

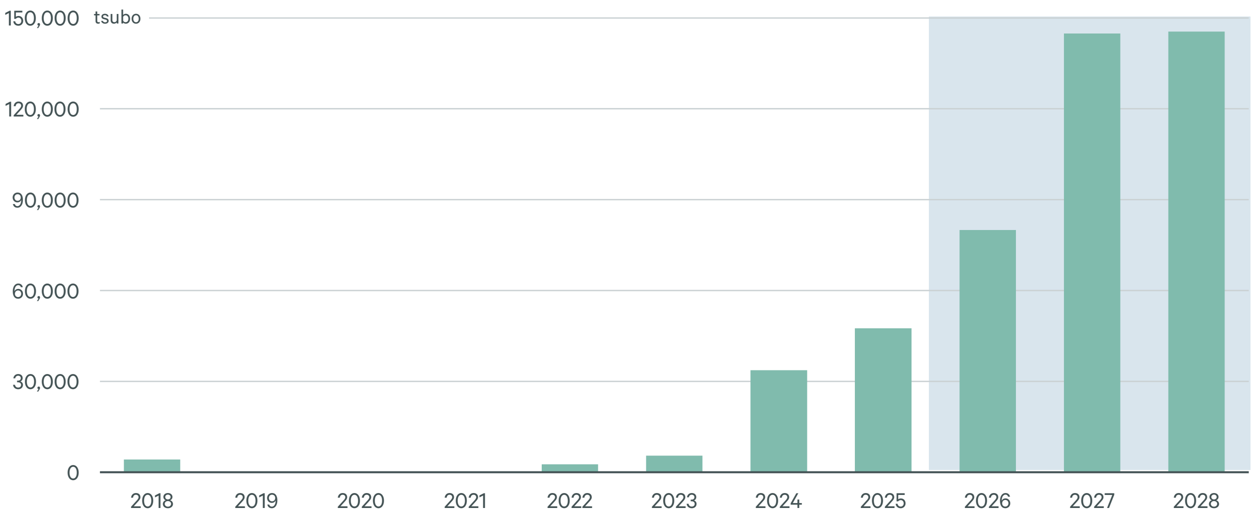
By developing a clear understanding of their target users' operational needs, developers can better align facility specifications with market demand and, in turn, contribute to the growth of the segment.

1. Supply Trends

New supply of multi-tenant cold storage facilities (freezing or refrigerated warehouses developed for lease) in Japan will increase significantly over the coming years. While the total floor area of leased cold storage space developed nationwide stood at just 93,000 tsubo as of 2025, supply is projected to expand rapidly, with annual new completions approaching 150,000 tsubo in each of 2027 and 2028 (Figure 1).

Development is diversifying in terms of format and specification. Although standalone cold storage facilities built on relatively small sites continue to account for the majority of new developments, hybrid schemes that incorporate freezing or refrigeration functions in dedicated floors or sections of large multi-tenant logistics facilities are becoming more commonplace.

Figure 1: New Nationwide Multi-Tenant Cold Storage Supply

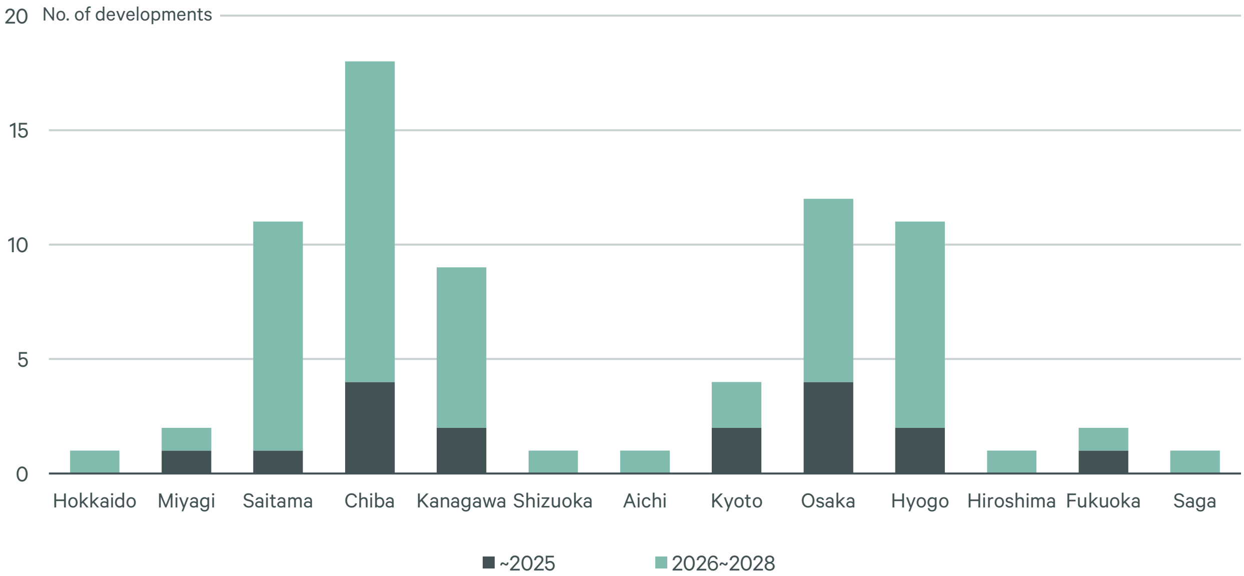


Source: CBRE Research, June 2026.

By region, Greater Tokyo and Greater Osaka account for 88% of all cold storage developments, including projects completed as well as projects planned through the end of 2028 (Figure 2). While Greater Osaka led the way in terms of new supply in the years to 2025, Greater Tokyo will spearhead new stock between 2026 and 2028, with the region accounting for 54% of new developments over this period.

Outside of Japan's main metropolitan areas, existing and planned facilities in regional cities are limited in number, with only one or two per city. However, the upcoming projects are distributed throughout the nation, ranging from Hokkaido all the way down to Kyushu.

Figure 2: New Nationwide Multi-Tenant Cold Storage Supply by Prefecture



Source: CBRE Research, June 2026.

Several factors are driving the increase in cold storage development in Japan.

As profit margins for conventional logistics facility developments come under pressure amid rising construction costs, cold storage is attracting greater attention as an alternative asset class capable of supporting higher rental rates and generating more attractive returns. This environment is luring more developers to the segment.

Rising development costs are also attracting new market entrants, many of whom are drawn to the relatively modest scale of cold storage projects compared with large-scale logistics facilities.

Favorable demand-side fundamentals are strengthening the sector's growth prospects. Consumption of frozen food products in Japan continues to increase, raising expectations for long-term growth in demand for temperature-controlled warehouses, further stimulating investment and development activity.

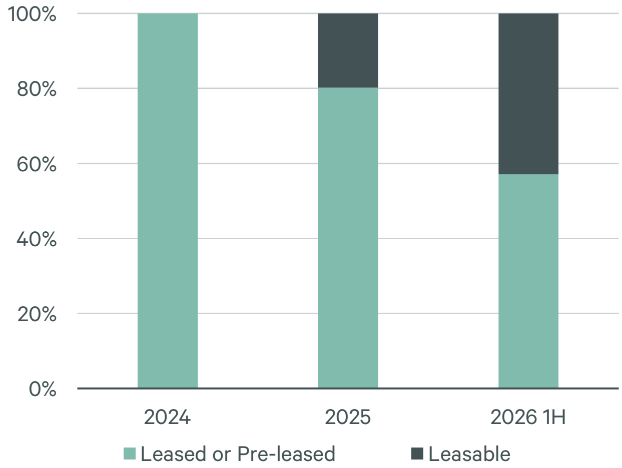
2. Demand Trends

1. Landlords make steady progress in securing tenants

Figure 3 shows the leasing status of completed cold storage developments in Greater Tokyo and Greater Osaka as of June 2026. Although the several properties completed in 2024 were developed speculatively, all succeeded in securing tenants and being fully leased around the time of completion. This provided early evidence of solid occupier demand for leased cold storage facilities.

Leasing activity has remained steady ever since. Approximately 80% of floor area in facilities completed in 2025 and 57% of floor area completed in H1 2026 had secured tenants by June 2026. While some units within these facilities have remained vacant for extended periods, leasing momentum continues to increase.

Figure 3: Leasing Status of Cold Storage Facilities by Year of Completion (Greater Tokyo and Greater Osaka; by area)



Source: CBRE Research, June 2026.

2. Logistics operators focused on daily distribution dominate tenant demand

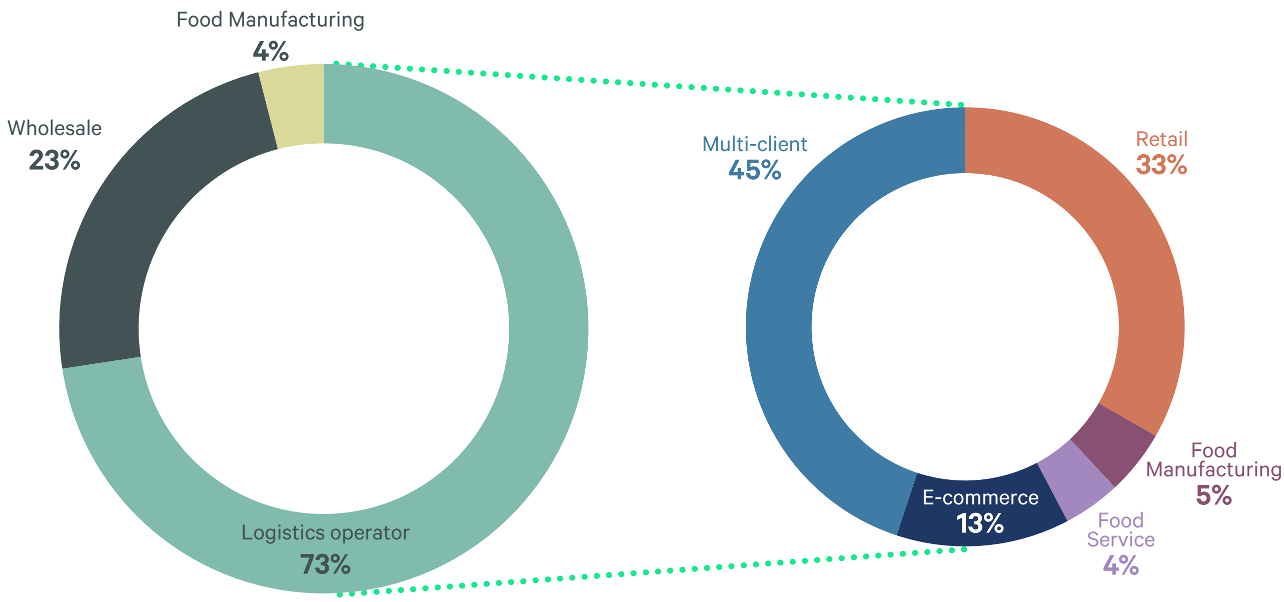
Logistics companies account for the majority of cold storage tenants, representing 73% of leased cold storage space in Greater Tokyo and Greater Osaka. Wholesalers account for 23%, while food manufacturers comprise the remaining 4% (Figure 4).

In terms of the consignors served by logistics operators, facilities handling cargo for multiple consignors are the most common, followed by retailers and e-commerce companies. Many of these operators specialize in temperature-controlled distribution to urban areas and tend to be relatively small in scale. A limited number also provide home-delivery services. These findings suggest that leased cold storage facilities are primarily used for the daily packing, sorting, and distribution of finished food products, rather than for the long-term storage of raw materials.

One of the key reasons tenants focused on distribution rather than long-term storage choose to lease cold storage facilities is the declining operational efficiency of existing cold storage stock. Occupancy rates at frozen and chilled warehouses near Japan's major ports, including Tokyo, Yokohama, and Kobe, are close to full capacity, leaving limited room for operational flexibility. A major contributor to this trend is the growing volume of bulky, low-density products such as frozen foods. For operators handling the distribution of these goods, maintaining efficient storage systems has become increasingly challenging, leading to shipping bottlenecks, more complex sorting processes, and higher operating costs.

The sector is also at the forefront of warehouse automation, particularly given its potential to alleviate labor shortages and improve working conditions in low-temperature environments. At the same time, rising construction costs have made owner-occupied cold storage developments less economically attractive. Against this backdrop, leased cold-storage facilities, which allow for faster market entry and operational startup, are an increasingly appealing option for occupiers.

Figure 4: Cold Storage Tenants in Greater Tokyo and Greater Osaka, and Consignor Company Industry Breakdown (by area, for facilities completed between 2024 and H1 2026)

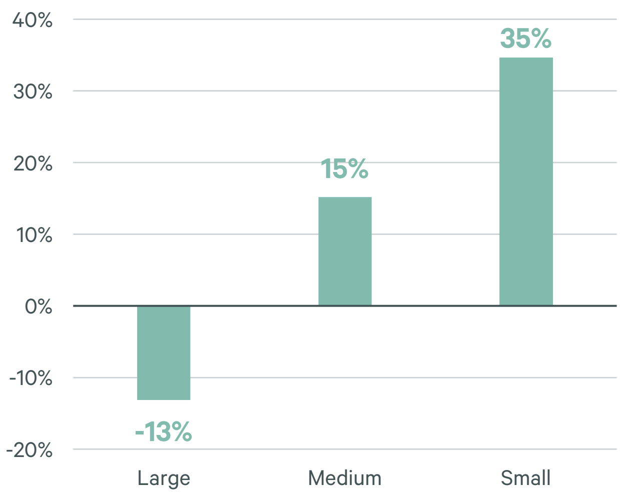


Source: CBRE Research, June 2026.

Structural changes in consumer behavior are also contributing to rising demand for cold storage facilities serving retail distribution. CBRE's analysis of supermarkets in Greater Tokyo as of June 2026 shows that, compared with December 2015, the number of large-format stores declined by 13%, while mid-sized and small-format stores increased by 15% and 35%, respectively (Figure 5). This suggests that major retailers are shifting toward smaller store formats and expanding their networks to better serve consumers seeking convenient access to local shops; a trend supported by the growth of dual-income and single-person households.

As the number of delivery destinations increases, the frequency and volume of refrigerated and frozen food deliveries within urban areas rises. This is driving demand for additional cold storage capacity located close to end consumers.

Figure 5: Change in Number of Supermarkets in Greater Tokyo by Size (as of June 2026 compared with end-2015)



Source: Created by CBRE based on "Supermarkets in Statistics and Data", National Supermarket Association of Japan, June 2026.

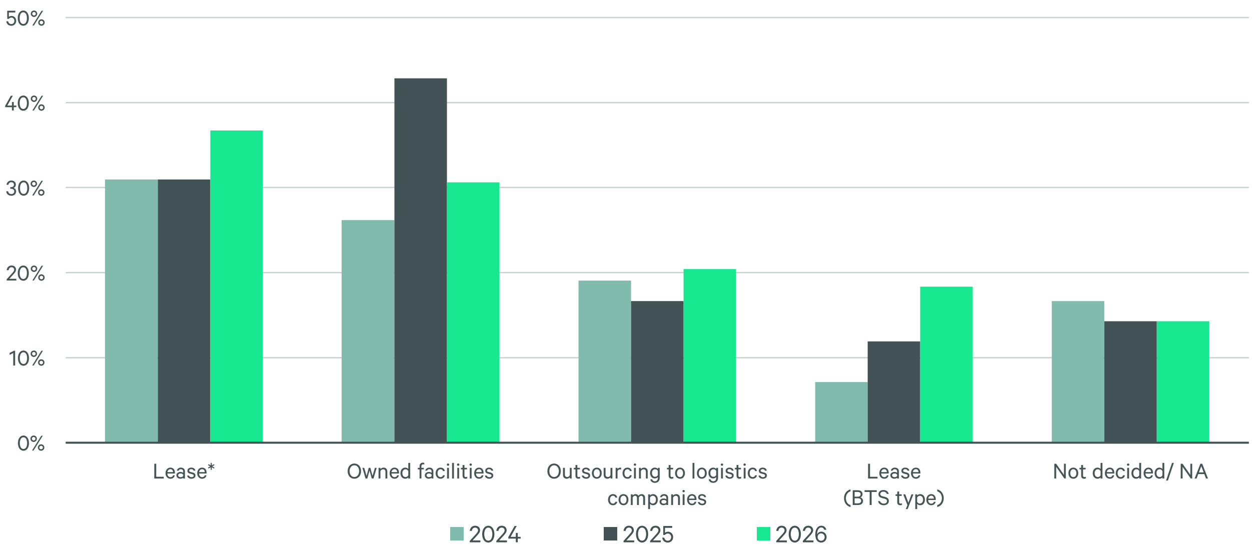
3 Growing Adoption of Leased Cold Storage Facilities

CBRE's 2026 Japan Logistics Occupier Survey also uncovered increasing interest in leased cold storage facilities.

When respondents were asked about their future cold storage strategies, leasing was the most cited option in 2024. In 2025, however, ownership of cold storage facilities became the preferred choice. This was possibly due to a certain level of dissatisfaction with the specifications and operational suitability of some early-generation leased facilities., resulting in many users to favor developing owner-occupied warehouses tailored to their specific requirements. However, the 2026 survey results show a renewed shift toward leasing, with leased facilities once again emerging as the most popular option and gaining a larger share of responses than in previous years.

Against this backdrop, CBRE expects the use of leased cold storage facilities in Japan to become increasingly widespread. With leasing set to become a more attractive option for a broader range of users, developers of cold storage facilities are recommended to obtain a better understanding of occupier requirements and deliver facilities designed for the distribution of refrigerated and frozen food products to urban areas.

Figure 6: Future Strategies Considered by Users of Cold Storage



*Rental (full or partial lease of existing or planned developments)
Source: 2026 Tenant Survey Regarding Logistics Facility Usage, CBRE Research, March 2026.

Contact

Kazuko Takahashi
Senior Director
Industrial Team Leader
kazuko.takahashi@cbre.com

Takashi Hirai
Associate Director
Industrial Team
takashi.hirai2@cbre.com

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