

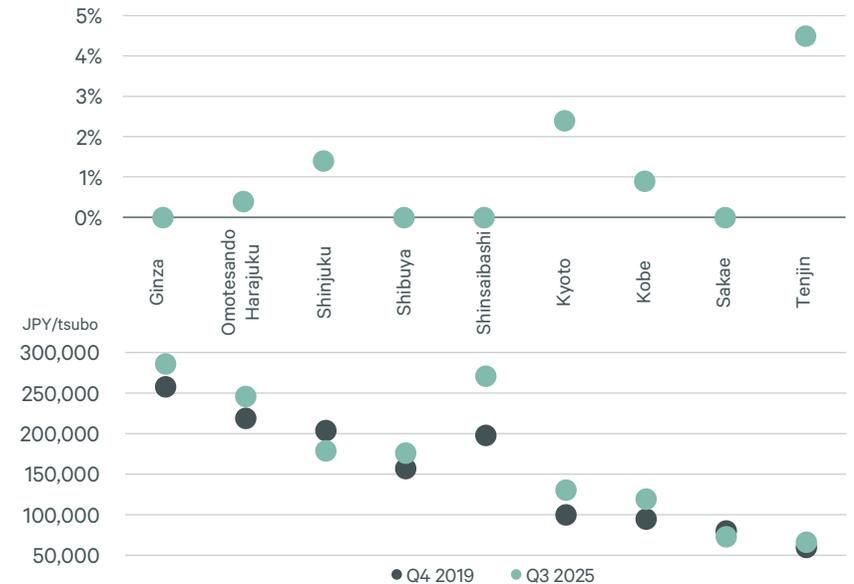
Average rents set new record highs in six areas; Shinjuku vacancy rate falls to the 1% range

▶ $\pm 0.0\text{pp}$ Q-o-Q ▲ $+1.4\%$ Q-o-Q ▶ $\pm 0.0\text{pp}$ Q-o-Q ▲ $+1.9\%$ Q-o-Q ▶ $\pm 0.0\text{pp}$ Q-o-Q ▶ $+0.0\%$ Q-o-Q

Ginza Vacancy Rate Ginza Average Rent Shinsaibashi Vacancy Rate Shinsaibashi Average Rent Sakae Vacancy Rate Sakae Average Rent

- Average rents rose q-o-q in seven of the 10 surveyed areas in Q3 2025, remaining unchanged in the other three. The number of areas with rents above pre-pandemic levels was unchanged from the previous quarter, standing at seven. Rents in six areas (Ginza, Omotesando/Harajuku, Shinsaibashi, Kyoto, Kobe, and Tenjin) rose to the highest levels since CBRE’s surveys began.
- The number of areas with a 0.0% vacancy rate in the prime area remained at four (Ginza, Shibuya, Shinsaibashi, and Sakae). Shinjuku saw the steepest drop in vacancy, falling by 2.5 pp q-o-q to 1.4%, primarily due to the absorption of a large vacant unit.
- Outdoors/sporting goods and fashion drove demand this quarter. During the period, retailers of sporting goods in Shinjuku and apparel in Kyoto decided to open large stores.
- Rents are projected to continue rising nationwide. In Ginza, average rents should be supported by burgeoning demand from diverse retailers with ample financial capacity. Additionally, multiple retailers are seeking relocation following the expiration of leases due to renovation or rebuilding. Retailers who urgently need to secure relocation space to maintain sales volume may be willing to accept the high rent levels demanded by landlords.

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



Source: CBRE, Q3 2025

Nationwide occupier trends

Store openings expand to peripheral areas

New store openings and lease contracts signed in prime areas nationwide increased by 19.5% q-o-q to 1,702 tsubo in Q3 2025, with outdoors/sporting goods and fashion retailers accounting for 60% of the total. Store floor space was particularly large for new leases observed in Shinjuku and Kyoto.

Retailer interest and new storefront contracts continued to be observed in the peripheral areas of Ginza, Harajuku, and Sakae this quarter. In Ginza, a retailer urgently seeking relocation due to the reconstruction of its existing store secured a new unit in the peripheral area. In Harajuku, strong retailer demand led to cases where contracted rent exceeded asking rent even in the peripheral area.

Demand for confirmed new store openings this quarter was the strongest in Ginza, followed by Shinsaibashi and Harajuku. Apparel retailers drove demand in all areas, while diverse demand was also observed in other sectors, including luxury goods in Ginza, handbags and sporting goods in Shinsaibashi, and smartphone accessories and character goods in Harajuku.

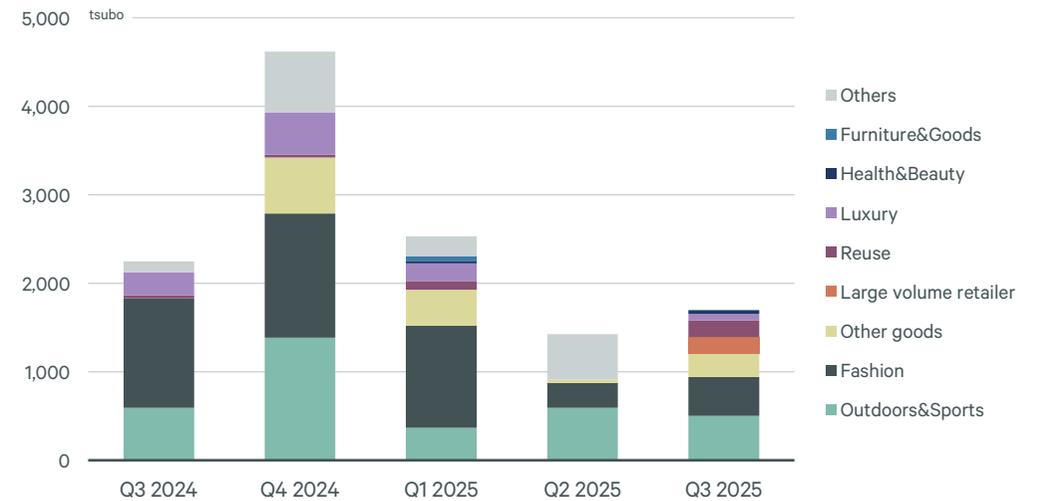
Tokyo

Ginza vacancies remain nonexistent for third consecutive quarter; Shinjuku sees significant drop in vacancy

New storefront lease contracts were signed this quarter in **Ginza** by eyewear and footwear retailers in the secondary area, and a sporting goods retailer and a showroom operator in the peripheral area. Interest was seen in other available high street properties (including those excluded from CBRE's vacancy data as they are not yet available for immediate occupancy) from retailers of luxury goods, apparel, handbags, cosmetics, and fragrances. The prime area vacancy rate (based on units available for immediate occupancy) remained at 0.0% for the third consecutive quarter.

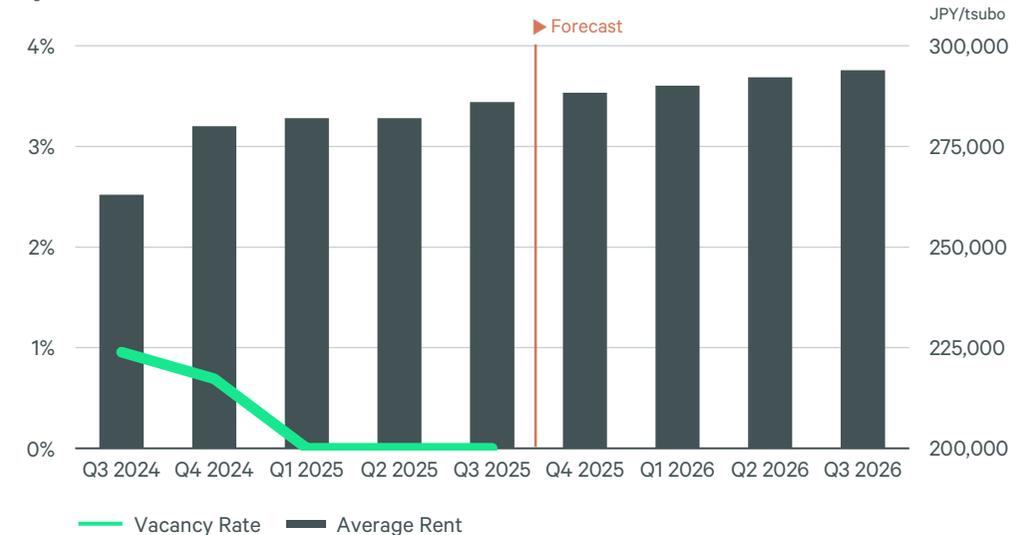
Average rents increased by 1.4% q-o-q to JPY 286,000, setting a new all-time high. This was primarily due to an increase in retailers' willingness to pay higher rent on Matsuya-dori and Marronnier-dori. The opening of multiple new stores on Matsuya-dori this year, which raised retailer evaluations of the street, also contributed to this quarter's rental increase.

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, Q3 2025.

Figure 3: Ginza



Source: CBRE, Q3 2025.

Tokyo (cont.)

CBRE projects average rents to rise by 2.8% over the next 12 months, bringing them to 13.9% above the pre-COVID-19 levels of Q4 2019. While luxury brands are likely to maintain a cautious stance in opening new stores, rents are expected to continue rising, supported by active retailers in other sectors. Several retailers are also seeking to relocate owing to the expiry of their existing contracts due to renovation or rebuilding. Retailers who urgently need to secure relocation space to maintain sales volume may be willing to accept the high rent levels demanded by landlords.

New storefront lease contracts were signed this quarter in **Omotesando** in the prime area by a general goods retailer targeting inbound tourists, and in the secondary area by an apparel retailer. In **Harajuku**, new storefront contracts were signed by apparel, footwear, and character goods retailers in the prime area, and by an outdoor goods retailer in the secondary area. The prime area vacancy rate (based on units available for immediate occupancy) fell by 0.1 pp q-o-q to 0.4% by quarter-end.

Average rents rose by 2.2% q-o-q to JPY 246,000, setting a record high for the third consecutive quarter. This was primarily due to rising rents near Jingumae Crossing and Harajuku Station, where several available units witnessed retailers signing or applying for the space at higher rent levels than the previous market rates.

Leasing activity in the peripheral area was also robust among retailers of reused items, apparel, and footwear, which drove rent levels higher. In Harajuku, Korean and Chinese brands signed contracts for their first street-level stores in Japan or their second store in the area.

In **Shinjuku**, new storefront contracts were signed this quarter by sporting goods and eyewear retailers in the prime area, and by apparel and entertainment stores in the secondary area. Interest was also observed in other available high street units from apparel, sporting goods, jewelry, and character goods retailers. The prime area vacancy rate (based on units available for immediate occupancy) fell by 2.5 pp q-o-q to 1.4%, primarily due to the absorption of a large unit.

Average rents rose by 4.1% q-o-q to JPY 179,000. This was the first rise in two quarters, as the contracted rent level near Shinjuku Station exceeded the conventional level. The retailer who secured this new store will be opening their second street-level store, following its first in Harajuku. This retailer's aggressive storefront strategy pushed up overall rents this quarter.

In the prime area, strong demand from retailers led to flagship store openings and consolidations of existing stores in large available units. As a result, the cumulative number of contracts signed and/or store openings up to Q3 2025 surpassed the number recorded for the entire year of 2024.

Figure 4: Omotesando/Harajuku



Source: CBRE, Q3 2025.

Figure 5: Shinjuku



Source: CBRE, Q3 2025.

Tokyo (cont.)

In **Shibuya**, a new storefront contract was signed this quarter by a footwear retailer in the prime area. Interest was also seen in other available high street properties from a broad range of retailers, including reused items, eyewear, apparel, outdoor goods, sporting goods, and the entertainment industry. The prime area vacancy rate (based on units available for immediate occupancy) remained unchanged q-o-q at 0.0%. Average rents also remained unchanged q-o-q at JPY 176,000, maintaining the highest level since CBRE’s surveys began.

Whilst retailer demand is robust, there are no units available for immediate occupancy. Consequently, retailers' options are limited to existing properties where tenant replacement is likely to occur, or newly completed buildings. The earliest availability of such units is 2027. Since retailers prioritize location in their storefront strategies, they are showing less interest in the peripheral area where the mix of retailers has become more disorganized. As a result, retailer interest is focused on available units in the prime area, leading to one case where 10 companies competed for a single unit.

Kansai

Average rents in three major areas maintain record highs

In **Shinsaibashi**, new storefront contracts were signed this quarter by luxury and apparel retailers in the prime area, and by a reused items retailer, among others, in the secondary area. Interest was also seen in other available high street properties from a diverse range of retailers, including sporting goods, jewelry, eyewear, and character goods. The prime area vacancy rate (based on units available for immediate occupancy) remained unchanged q-o-q at 0.0%.

Average rents rose by 1.9% q-o-q to JPY 271,000, marking a new record for the third consecutive quarter since CBRE’s surveys began. Rent levels were pushed up by competition among retailers for multiple available units on the Shinsaibashi-suji Shopping Street. The aggressive stance of retailers aiming to expand market share through additional store openings, and those urgently seeking relocation due to lease expiration, contributed to the rent increase.

The plan for the sale of Shinsaibashi OPA Main Building on the west side of Mido-suji was announced in September 2025, with the property’s existing tenant scheduled to cease operations in January 2026. Furthermore, the rebuilding plan for Shinsaibashi Building (formerly Kansai Urban Bank Headquarters) was announced in January 2025 in the same area. Changes in the retail sectors accumulating on the west side of Mido-suji are expected to improve circulation between the east and west sides of Mido-suji.

Figure 6: Shibuya



Source: CBRE, Q3 2025.

Figure 7: Shinsaibashi



Source: CBRE, Q3 2025.

Kansai (cont.)

This quarter, interest was seen in available units from a reused items retailer in **Umeda**. New demand was observed by footwear, sporting goods, and entertainment related retailers. Average rents remained unchanged q-o-q at JPY 129,000.

During the period, a major apparel retailer announced its plan to close a store and consolidate it with another store in Umeda to create a flagship store. Although the next tenant for the closed unit has not yet been announced, recent store openings in Umeda have been driven by casual apparel retailers targeting the younger generation.

In **Kyoto**, new storefront contracts were signed this quarter by apparel and big-box retailers in the prime area. Interest was also seen in other available high street properties from footwear and apparel retailers. The prime area vacancy rate (based on units available for immediate occupancy) fell by 1.2 pp q-o-q to 2.4%.

Average rents rose by 3.6% q-o-q to JPY 130,500, setting a record high for the first time in three quarters. The factors contributing to the rent increase were the rise in landlords' asking rents near Kawaramachi Crossing and the increasing willingness of some interested retailers to pay above-market rates.

In **Kobe**, new storefront contracts were signed this quarter by reused items and capsule toy retailers in the prime area, and by a cosmetics retailer in the secondary area. Interest was also seen in other available high street properties from luxury goods and apparel retailers. The prime area vacancy rate (based on units available for immediate occupancy) fell by 0.4 pp q-o-q to 0.9%, largely due to multiple smaller units being absorbed in Sannomiya Center-gai.

Average rents rose by 1.7% q-o-q to JPY 119,500, setting a new all-time high for the fourth consecutive quarter. This increase was primarily driven by rising rents near the Motomachi Dori Crossing, influenced by an increasing number of retailers accepting the rise in landlords' asking rents.

Inbound consumption is trending upwards in Kobe. According to the Japan Tourism Agency, the cumulative number of foreign overnight guests in Kobe City in Q2 2025 was approximately 220,000, representing a 37% y-o-y increase. Additionally, tourist consumption expenditure in Hyogo Prefecture (shopping costs, Q2 2025) amounted to JPY 6.8 billion, an increase of 20% y-o-y. The launch of international charter flights at Kobe Airport in April 2025 likely contributed to this trend.

Figure 8: Kyoto



Source: CBRE, Q3 2025.

Figure 9: Kobe



Source: CBRE, Q3 2025.

Nagoya

Retailer interest and store openings seen in the peripheral area

In **Sakae**, a new storefront contract was signed this quarter by a high-end supermarket in the secondary area. Interest was also seen in other available high street properties from apparel, wristwatch, and reused items retailers. The prime area vacancy rate (based on units available for immediate occupancy) remained unchanged q-o-q at 0.0%, and average rents also remained unchanged q-o-q at JPY 73,000 for the third consecutive quarter. Available units were scarce in the prime area, meaning no deals affected rental market rates.

Retailer interest and new store opening cases were also seen in peripheral areas this quarter. The sectors were mainly fashion, and the areas were invariably Isemachi Dori and Gofukumachi Dori. This is due to the presence of many properties with rent levels matching the expectations of cost-conscious retailers, and the clustering of fashion retailers.

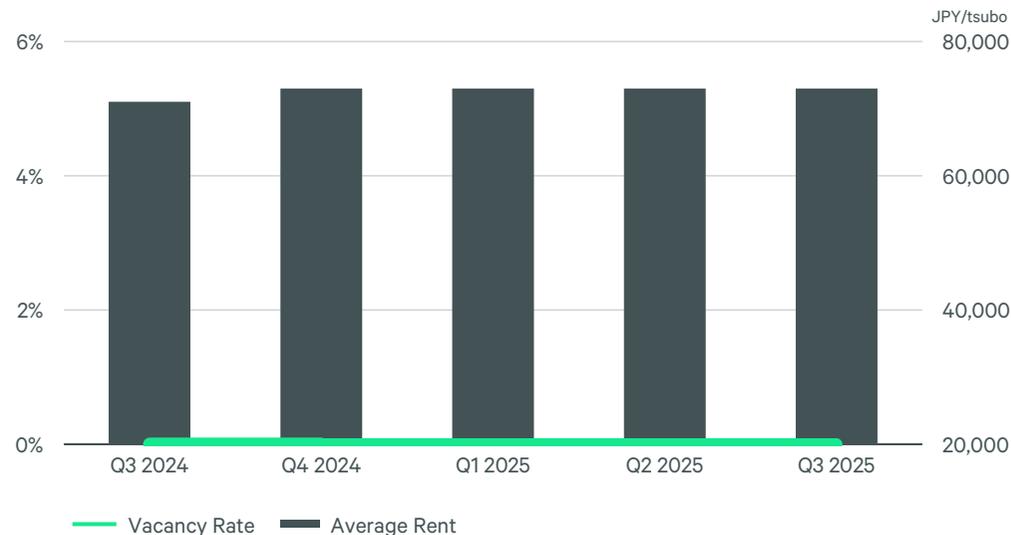
Fukuoka

Average rents up for the first time in three quarters, setting a new record

In **Tenjin**, new storefront contracts were signed this quarter by reused items and apparel retailers in the prime area, and by handbag and F&B retailers, and a showroom operator in the secondary area. Interest was also seen in other available high street properties from jewelry, apparel, and big-box retailers. The prime area vacancy rate (based on units available for immediate occupancy) fell by 0.4 pp q-o-q to 4.5% by quarter-end.

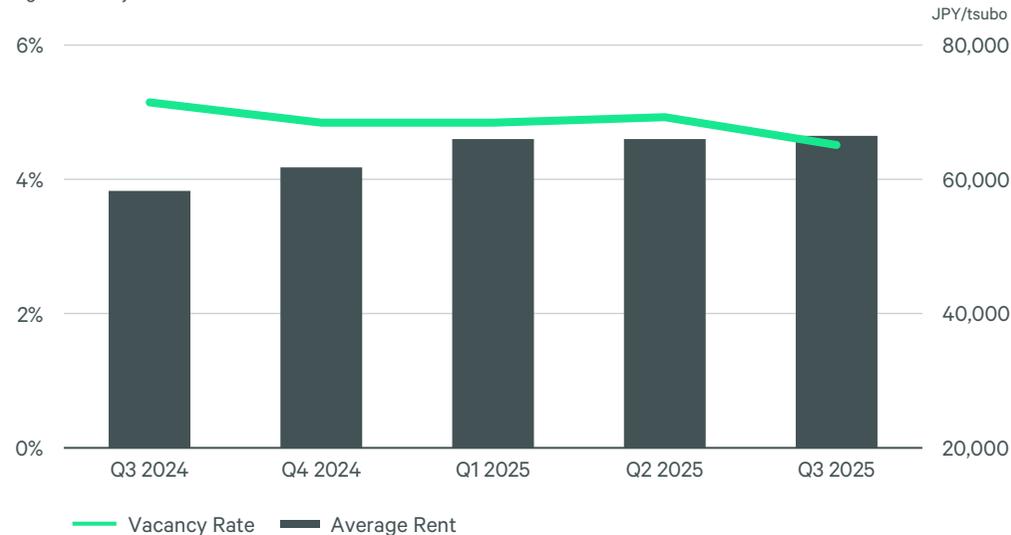
Average rents rose by 0.8% q-o-q to JPY 66,500, marking the first rise in two quarters, and setting a new all-time high since CBRE's surveys began. The rise in rents around Marronnier Dori was the result of several high-end wristwatch stores opening since the beginning of 2025, which drove the absorption of vacancies. Acceptable rent levels for retailers requiring multi-storey units over 100 tsubo are also trending upward. Demand for new large-scale store openings include relocation to larger premises and transfers from department stores or other commercial facilities. As sales at existing stores are strong and expected sales after relocation are high, retailers are becoming more willing to pay higher rents.

Figure 10: Sakae



Source: CBRE, Q3 2025.

Figure 11: Tenjin



Source: CBRE, Q3 2025.

Figure 12: High Street Market

		Vacancy Rate													
		Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q-o-Q(pp)	Y-o-Y(pp)							
Tokyo	Ginza	1.0%	0.7%	0.0%	0.0%	0.0%	±0.0	-1.0							
	Omotesando/ Harajuku	0.8%	0.7%	0.8%	0.5%	0.4%	-0.1	-0.4							
	Shinjuku	3.0%	3.0%	2.5%	3.9%	1.4%	-2.5	-1.6							
	Shibuya	0.4%	0.4%	0.0%	0.0%	0.0%	±0.0	-0.4							
Kansai	Shinsaibashi	0.0%	0.0%	0.0%	0.0%	0.0%	±0.0	±0.0							
	Umeda	—	—	—	—	—	—	—							
	Kyoto	3.3%	4.5%	3.2%	3.6%	2.4%	-1.2	-0.9							
	Kobe	5.3%	2.1%	1.0%	1.3%	0.9%	-0.4	-4.4							
Nagoya	Sakae	0.0%	0.0%	0.0%	0.0%	0.0%	±0.0	±0.0							
Fukuoka	Tenjin	5.1%	4.8%	4.8%	4.9%	4.5%	-0.4	-0.6							
		Average Rent (JPY / Tsubo / Month)							Prime Rent (JPY / Tsubo / Month)						
		Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q-o-Q(%)	Y-o-Y(%)	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q-o-Q(%)	Y-o-Y(%)
Tokyo	Ginza	263,000	280,000	282,000	282,000	286,000	+1.4	+8.7	400,000	450,000	450,000	450,000	450,000	±0.0	+12.5
	Omotesando/ Harajuku	204,800	211,800	229,800	240,800	246,000	+2.2	+20.1	350,000	380,000	400,000	400,000	400,000	±0.0	+14.3
	Shinjuku	170,000	170,000	172,000	172,000	179,000	+4.1	+5.3	300,000	300,000	300,000	300,000	300,000	±0.0	±0.0
	Shibuya	151,000	151,000	161,000	176,000	176,000	±0.0	+16.6	300,000	300,000	330,000	350,000	350,000	±0.0	+16.7
Kansai	Shinsaibashi	250,000	250,000	258,000	266,000	271,000	+1.9	+8.4	380,000	380,000	380,000	380,000	380,000	±0.0	±0.0
	Umeda	127,000	129,000	129,000	129,000	129,000	±0.0	+1.6	200,000	200,000	200,000	200,000	200,000	±0.0	±0.0
	Kyoto	115,000	115,000	126,000	126,000	130,500	+3.6	+13.5	170,000	170,000	180,000	180,000	200,000	+11.1	+17.6
	Kobe	106,500	111,500	116,500	117,500	119,500	+1.7	+12.2	250,000	250,000	250,000	230,000	230,000	±0.0	-8.0
Nagoya	Sakae	71,000	73,000	73,000	73,000	73,000	±0.0	+2.8	100,000	110,000	110,000	110,000	110,000	±0.0	+10.0
Fukuoka	Tenjin	58,300	61,800	66,000	66,000	66,500	+0.8	+14.1	100,000	110,000	110,000	110,000	110,000	±0.0	+10.0

Source: CBRE, Q3 2025.

Terms and Definitions

Subject Area	High Street	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Vacancy rate cover all units for lease in prime areas. The number of properties is as follows: Ginza (149 properties), Omotesando/Harajuku (245 properties), Shinjuku (60 properties), Shibuya (68 properties), Shinsaibashi (181 properties), Kyoto (184 properties), Kobe (106 properties), Sakae (52 properties), Tenjin (196 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	<ul style="list-style-type: none"> The multiple survey points are set in High Street as locations to assume virtual vacant spaces. The assumed rental units on each point have an approximate floor area of 200m² per floor. The rent assumption applies only to the ground floor.
	Average Rent (High Street Rent)	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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

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