Greater Tokyo vacancy rate falls to 7.8%; rents up 1.5% q-o-q with Tokyo Bay area up 5.3% and Gaikando area up 2.6%

▼ –1.4pp Q-o-Q
Greater Tokyo
LMT* Vacancy Rate in Q1

▲ +0.2pp Q-o-Q
Greater Osaka
LMT* Vacancy Rate in Q2

▼ –0.9pp Q-o-Q
Greater Nagoya
LMT* Vacancy Rate in Q2

▲ +3.1pp Q-o-Q
Greater Fukuoka
LMT* Vacancy Rate in Q2

* Large Multi-Tenant logistics facilities

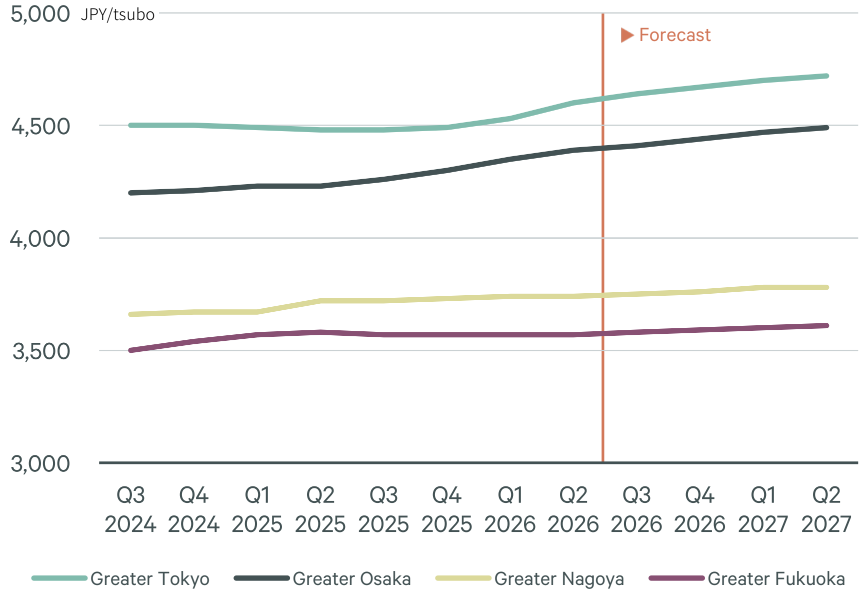
– The vacancy rate for Large Multi-tenant Logistics Facilities (LMT) in **Greater Tokyo** stood at 7.8%, down 1.4 pp q-o-q. Among the five newly completed properties, the occupancy rate at completion exceeded 50%, while multiple large-scale leases were signed at existing properties. As a result, net absorption significantly surpassed the five-year average. Effective rents reached JPY 4,600, rising 1.5% q-o-q. Rents increased across all four submarkets, with particularly notable gains recorded in the two inner areas.

– The vacancy rate in **Greater Osaka** stood at 2.4%, up 0.2 pp q-o-q. Of the three newly completed properties, one was fully pre-leased. Vacancy absorption progressed steadily at existing properties, with one property that had carried vacancies for some time reaching full occupancy. Effective rents increased to JPY 4,390, up 0.9% q-o-q. Top-spec facilities in the high-rent Central area continued to lead rental growth.

– The vacancy rate in **Greater Nagoya** stood at 15.9%, down 0.9 pp q-o-q. While the two new properties were delivered with significant vacancies, absorption was seen across several existing properties, with four properties reaching full occupancy. Effective rents remained flat q-o-q at JPY 3,740.

– The vacancy rate in **Greater Fukuoka** stood at 11.4%, up 3.1 pp q-o-q. Of the three newly completed properties, one was fully occupied upon completion, but some existing properties are experiencing prolonged vacancies. Effective rents remained flat q-o-q at JPY 3,570.

Figure 1: Effective rent index (4 Major Metropolitan Areas)



Source: CBRE, Q2 2026

Greater Tokyo

Vacancy rates decline in all four sub-markets; Tokyo Bay area records all-time high rent growth of +5.3%

The vacancy rate for Large Multi-tenant Logistics Facilities (LMT) in Greater Tokyo stood at 7.8% in Q2 2026, down 1.4 pp q-o-q. This marks the first time the vacancy rate has fallen below 8.0% since Q4 2022, when it stood at 5.6%. Five new properties totaling 98,000 tsubo were delivered with occupancy rates exceeding 50%, while net absorption reached 189,000 tsubo, significantly surpassing the five-year average of 134,000 tsubo. Large-scale leases were signed by tenants in the e-commerce and food sectors, and backfilling of vacancies due to tenant departures also progressed. While new supply is scheduled at 202,000 tsubo in Q3 and 87,000 tsubo in Q4, the pipeline is expected to narrow to 133,000 tsubo for the full year of 2027. With pre-leasing advancing steadily for future properties, the vacancy rate should maintain a downward trend through 2027.

Effective rents rose 1.5% q-o-q to JPY 4,600. Rent growth was particularly pronounced in the two inner submarkets of Tokyo Bay and Gaikando, with the pace of escalation continuing to accelerate.

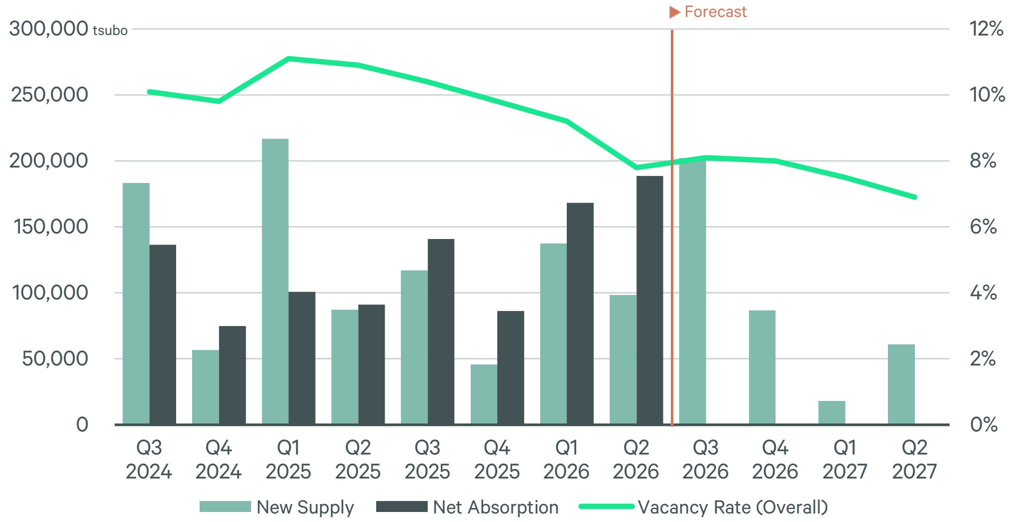
The vacancy rate in the **Tokyo Bay area** stood at 3.2%, down 0.9 pp q-o-q. One property was delivered fully occupied upon completion. With no further development pipeline and absorption progressing at existing properties, supply-demand conditions are tightening further. Effective rents rose 5.3% q-o-q to JPY 8,490, marking the highest quarterly growth on record. The new property was the driver of rental growth, pushing rents up at existing high-spec properties.

The vacancy rate in **the Gaikando area** stood at 2.4%, declining 1.2 pp q-o-q. There was no new supply this quarter, while vacancies in existing properties were absorbed. Only four properties have space available. Although the vacancy rate is likely to rise due to 77,000 tsubo of new supply scheduled for Q3, the increase is anticipated to remain muted. Effective rents rose 2.6% q-o-q to JPY 5,590. Steady leasing progress at recently completed properties in Saitama Prefecture, as well as at properties scheduled for completion in 2027, is driving rental growth.

The vacancy rate in **the Route 16 area** stood at 7.6%, declining 1.3 pp q-o-q. Of the three new properties delivered in inland Kanagawa Prefecture, two were completed with high occupancy. At existing properties, strong tenant demand was observed across a broad range of industries — including manufacturing, apparel, and daily necessities — particularly in inland Kanagawa, resulting in significant vacancy absorption. Effective rents rose 0.4% q-o-q to JPY 4,580. Rents continued to rise in Chiba Prefecture and the Tama region of Tokyo, where the availability of space is limited.

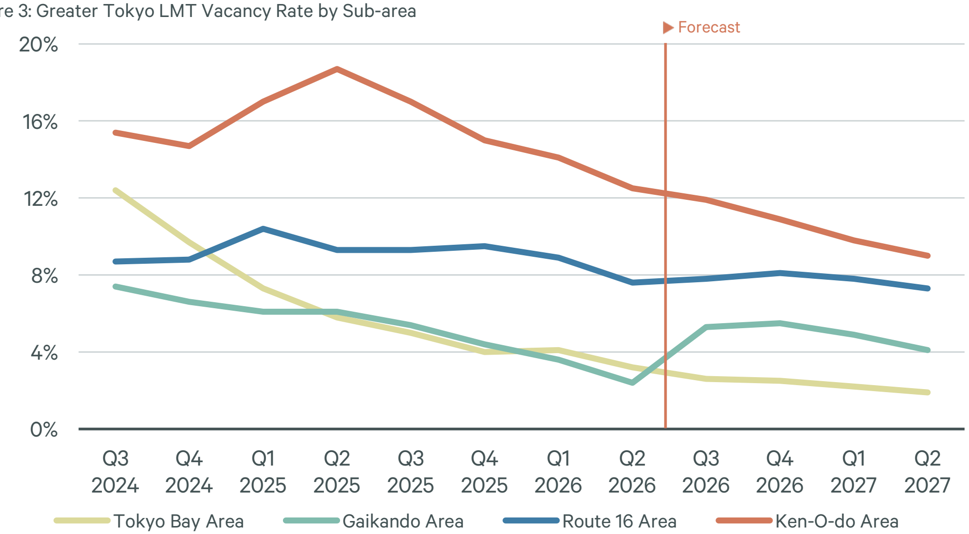
The vacancy rate **in the Ken-O-do Area** stood at 12.5%, declining 1.6 pp q-o-q. One new property was delivered in Saitama Prefecture, which completed with significant vacancies. Meanwhile, space was absorbed across multiple existing properties in Ibaraki Prefecture. Large, high-quality facilities with competitive rent levels have been successful in capturing tenant demand. Effective rents rose 0.9% q-o-q to JPY 3,550, marking an increase for two consecutive quarters.

Figure 2: Greater Tokyo LMT Supply/Demand Balance



Source: CBRE, Q2 2026

Figure 3: Greater Tokyo LMT Vacancy Rate by Sub-area



Source: CBRE, Q2 2026

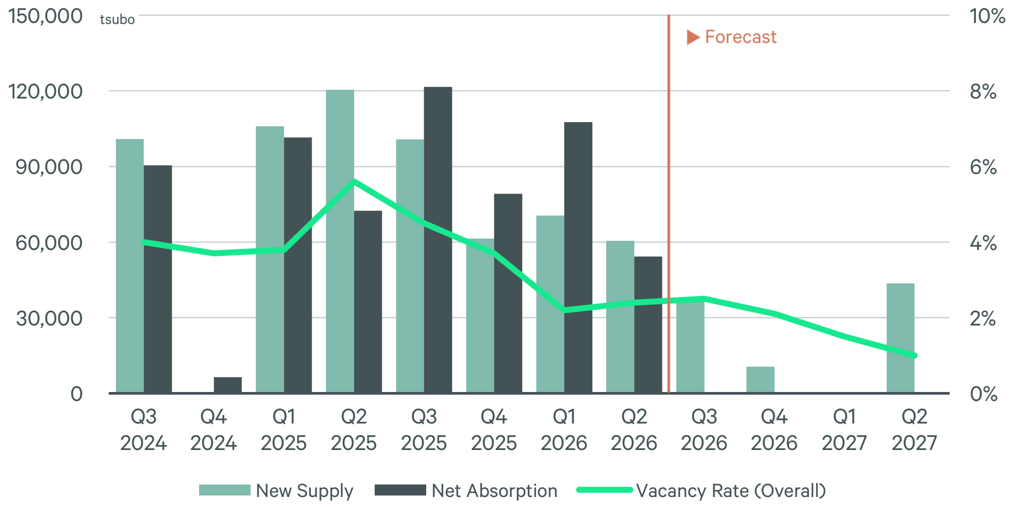
Greater Osaka

Rent growth across all areas, led by high-spec properties in prime locations

The vacancy rate in Greater Osaka stood at 2.4% in Q2 2026, up 0.2 pp q-o-q. Three properties were completed, of which one was fully occupied upon delivery. At existing properties, vacancies were absorbed at several relatively new properties, and one facility in Osaka Prefecture that had carried vacancies for some time achieved full occupancy. On the demand side, leasing activity by e-commerce operators remained robust, while leases were also signed by several logistics operators. In the Central area, there are no properties with significant vacancies, and pre-leasing for properties scheduled for completion in 2027 has already gained momentum. The new supply pipeline for the coming twelve months is limited to five properties totaling 92,000 tsubo, significantly lower than the 389,000 tsubo of new supply recorded for the full year in 2025, with tenant pre-commitments understood to be progressing across all properties. As a result, the vacancy rate is expected to remain at a low level.

Effective rents reached JPY 4,390, up 0.9% q-o-q. With supply-demand conditions remaining tight across Greater Osaka, rents are rising in all submarkets. High-quality, double-ramped properties in the high-rent Central area continued to lead rental growth.

Figure 4: Greater Osaka LMT Supply/Demand Balance



Source: CBRE, Q2 2026

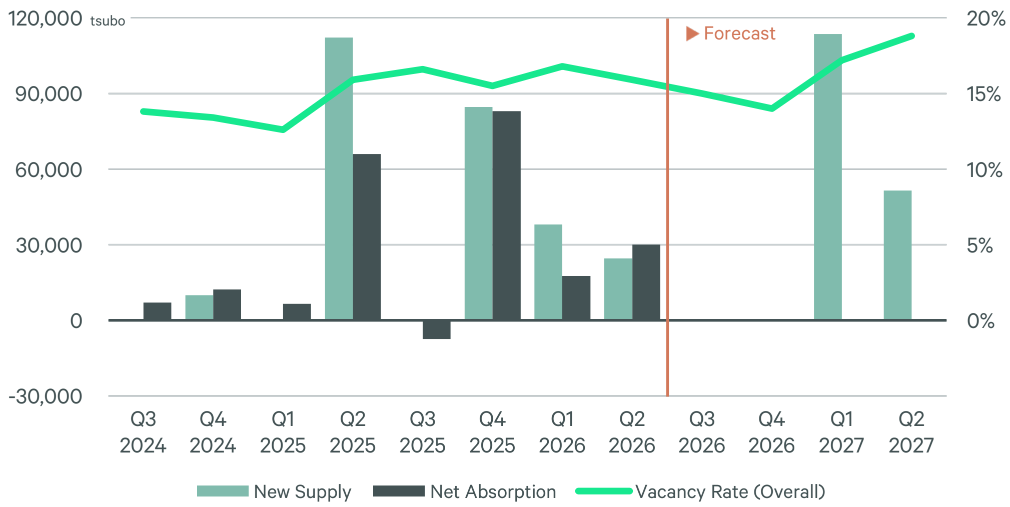
Greater Nagoya

Vacancy rate declining as absorption progresses at existing properties

The vacancy rate in Greater Nagoya stood at 15.9% this quarter, declining 0.9 pp q-o-q. Two properties were completed; tenants were secured for some of the units, but significant space remained vacant upon delivery. Meanwhile, vacancies were absorbed across several existing properties, with four properties reaching full occupancy. Net absorption for the quarter totaled 30,000 tsubo, surpassing the five-year quarterly average of 28,000 tsubo. On the demand side, leases were signed by logistics operators, as well as tenants in the manufacturing and beverage sectors. With no new supply scheduled for Q3 or Q4 2026, and new vacancies in existing properties having largely run their course, the vacancy rate is expected to decline through Q4 2026.

Effective rents remained flat q-o-q at JPY 3,740. As tenants increasingly prioritize convenience — including location and quality of facilities — divergence in rent performance has been observed across individual properties.

Figure 5: Greater Nagoya LMT Supply/Demand Balance



Source: CBRE, Q2 2026

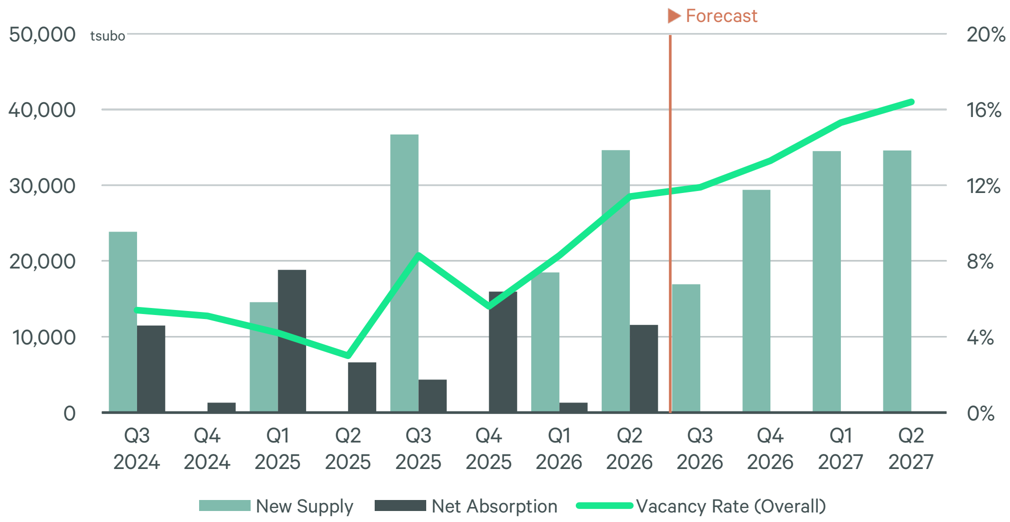
Greater Fukuoka

Vacancy rate rises to 11.4% with new supply set to continue

The vacancy rate in Greater Fukuoka stood at 11.4% in Q2 2026, rising 3.1 pp q-o-q. Of the three properties completed this quarter, one property in Koga City was taken up in full upon completion by a tenant handling foodstuffs, while the remaining two properties were delivered entirely vacant. In areas surrounding Fukuoka City, vacancy remains limited. In contrast, absorption has been slow at properties completed since 2025 in the Tosu and Ogori areas, with all properties continuing to carry vacancies. With nine properties scheduled for completion across Greater Fukuoka in the next twelve months, the vacancy rate is expected to rise further.

Effective rents remained flat q-o-q at JPY 3,570. With tenant activity remaining sluggish, conditions are not conducive to rent growth.

Figure 6: Greater Fukuoka LMT Supply/Demand Balance



Source: CBRE, Q2 2026

Other Areas

Consignors expanding regional distribution hubs

In Greater Sapporo, there was no new supply this quarter, while vacancies were absorbed across multiple existing properties by a logistics operator expanding space in their current premises, among others. Hokkaido's first multi-tenant cold storage facility project was announced, indicating the broadening of the Greater Sapporo market.

In Greater Sendai, one property of 12,000 tsubo was added. No new leases were signed this quarter, including at existing properties; however, inquiries from potential tenants have been reported. In Iwate Prefecture, one property of 6,000 tsubo was launched this quarter, while three properties totaling 25,000 tsubo are scheduled for completion in 2027, which will bring the Iwate market to represent approximately half of the total of Greater Sendai.

In Greater Okayama, there was no new supply, and tight market conditions continue.

In Greater Hiroshima, the market remains at full occupancy, while potential demand from the semiconductor industry has begun to emerge.

Rents rose in Greater Sapporo, Okayama, and Hiroshima, but remained flat in Greater Sendai.

Figure 7: Large Multi-Tenant Submarket Summary

		Vacancy Rate			Effective Rent Index (JPY/tsubo/month)			
		Q4 2025	Q1 2026	Q2 2026	Q4 2025	Q1 2026	Q2 2026	Q-o-Q
Greater Tokyo	Greater Tokyo	9.8%	9.2%	7.8%	4,490	4,530	4,600	+1.5%
	Tokyo Bay Area	4.0%	4.1%	3.2%	7,730	8,060	8,490	+5.3%
	Gaikando Area	4.4%	3.6%	2.4%	5,370	5,450	5,590	+2.6%
	Route 16 Area	9.5%	8.9%	7.6%	4,550	4,560	4,580	+0.4%
	Ken-O-do Area	15.0%	14.1%	12.5%	3,480	3,520	3,550	+0.9%
Greater Osaka		3.7%	2.2%	2.4%	4,300	4,350	4,390	+0.9%
Greater Nagoya		15.5%	16.8%	15.9%	3,730	3,740	3,740	±0.0%
Greater Fukuoka		5.6%	8.3%	11.4%	3,570	3,570	3,570	±0.0%

Source: CBRE, Q2 2026
* Historical time-series data is available on our paid commercial real estate portal, "CREIS JAPAN".

Definitions

Properties Surveyed	Logistics property for lease which is planned and developed for multi-tenant use.	
Large Multi-Tenant Properties (LMT)	With gross floor area (GFA):	More than 10,000 tsubo in the Greater Tokyo Area (323 properties) and Greater Osaka Area (107 properties) More than 5,000 tsubo in Greater Nagoya Area (62 properties) and Greater Fukuoka Area (52 properties)
	Vacancy:	Spaces that are ready to receive tenants at time of survey (newly built facilities are those on which construction is complete)
	Effective Rent Index:	Rental index based on achievable rents with CAM for new leases during the survey period. Length of lease and free rent period are taken into account.
Space Measurement	Floor space is usually measured in tsubo or in square meters. 1 tsubo = 3.3058 square meters = 35.58 square feet	

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