

Japan Logistics

Greater Tokyo LMT Logistics Market Analysis

— Understanding Chiba Prefecture's Advantages —

VIEWPOINT

The vacancy rate in Chiba Prefecture is one of the lowest in Greater Tokyo. An analysis of the area's strengths, including demographics and infrastructure, suggests that logistics demand in Chiba Prefecture is likely to continue to grow in the future.

CBRE RESEARCH
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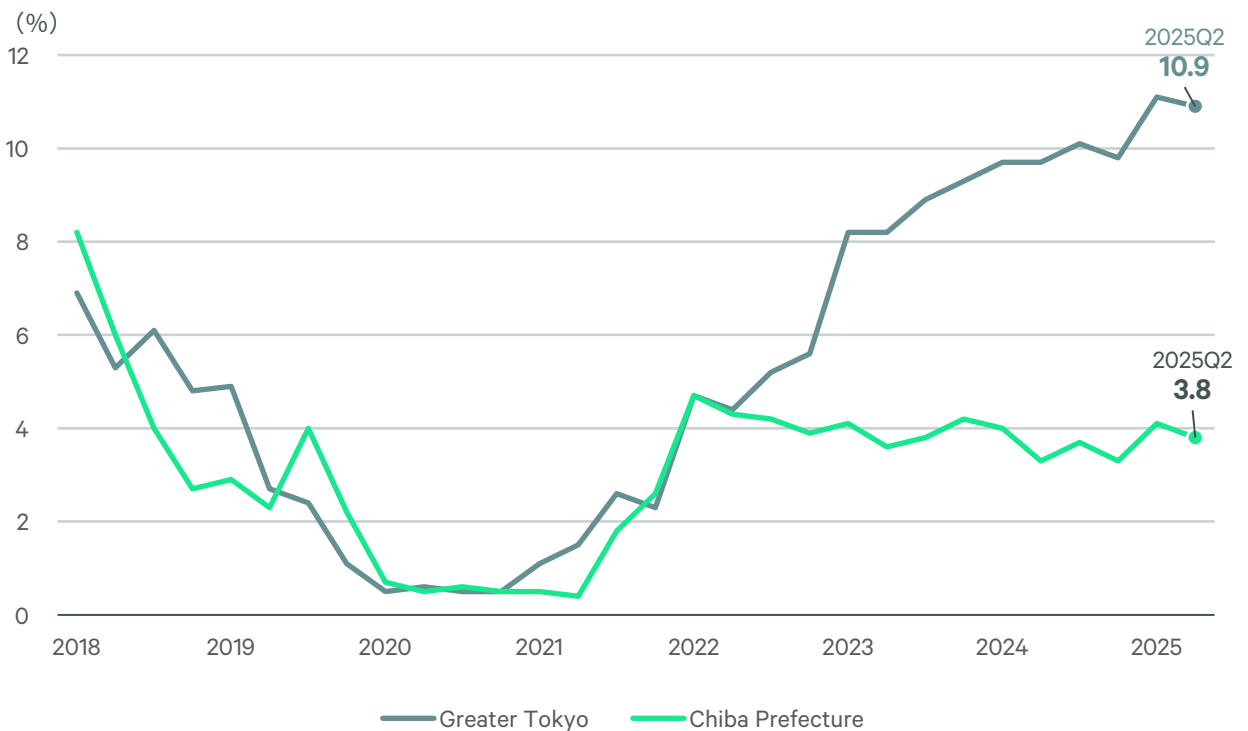
Summary

Driven by significant new supply, the vacancy rate for large multi-tenant (LMT) logistics facilities in Greater Tokyo exceeded the 8% threshold in Q1 2023 and has remained elevated, reaching 10.9% by Q2 2025. Chiba Prefecture, however, has maintained a relatively low vacancy rate, due to several factors; limited new supply in recent years compared with other areas in Greater Tokyo and the concentration of new facilities in prime locations near central Tokyo. Further infrastructure improvements in Chiba Prefecture have also enhanced accessibility, leading to a population increase that mitigates labor shortages, the industry's most critical challenge. CBRE anticipates a healthy supply-demand balance in Chiba Prefecture's LMT logistics leasing market going forward.

1. Trends in Chiba Prefecture's LMT logistics leasing market

Chiba Prefecture exhibits a low LMT logistics vacancy rate. While the Greater Tokyo vacancy rate bottomed out at 0.5% in Q4 2020 and climbed to 10.9% by Q2 2025, Chiba Prefecture's rate peaked at 4.7% in Q1 2022 and has remained relatively low, recording 3.8% in Q2 2025 (Figure 1). Several factors contribute to this trend; limited new supply in recent years, the advantageous locations of much of this new supply, and the area's competitive rent levels.

Figure 1: LMT logistics vacancy rate comparison between Chiba Prefecture and Greater Tokyo

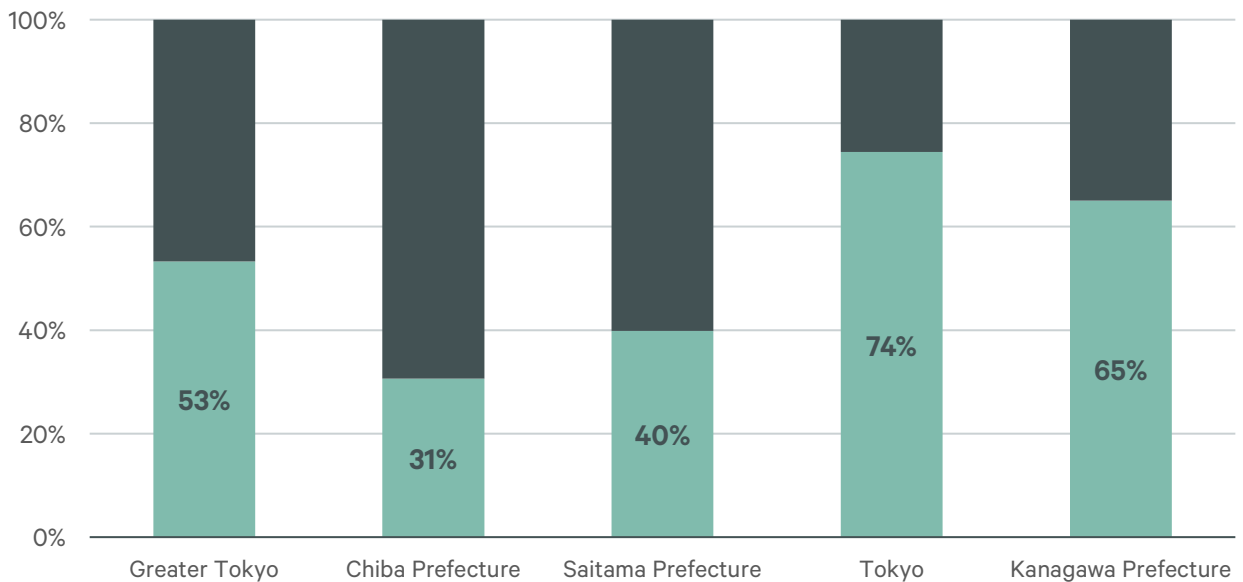


Source: CBRE, Q2 2025

(1) Low new supply ratio

Figure 2 illustrates the new supply ratio (new LMT logistics facility supply as a percentage of existing stock) for each Greater Tokyo prefecture, from Q1 2022 to Q2 2025. This period coincides with a significant divergence in vacancy rates between Chiba Prefecture and the Greater Tokyo average. Across Greater Tokyo, new LMT logistics supply during this period amounted to approximately 53% of the total leasable floor space at the end of Q4 2021. Record-high new supply for three consecutive years (2021-2023) significantly increased vacancy rates in Greater Tokyo as a whole. However, by prefecture, Chiba's new supply ratio was only 31% during this period, significantly lower than Saitama (40%) and Kanagawa (65%). In other words, the relatively limited new supply contributed to the competitive advantage of properties in Chiba Prefecture during this timeframe.

Figure 2: New supply ratio of LMT logistics facilities for the period between Q1 2022 and Q2 2025 (as a percentage of total leasable floor space in Q4 2021)

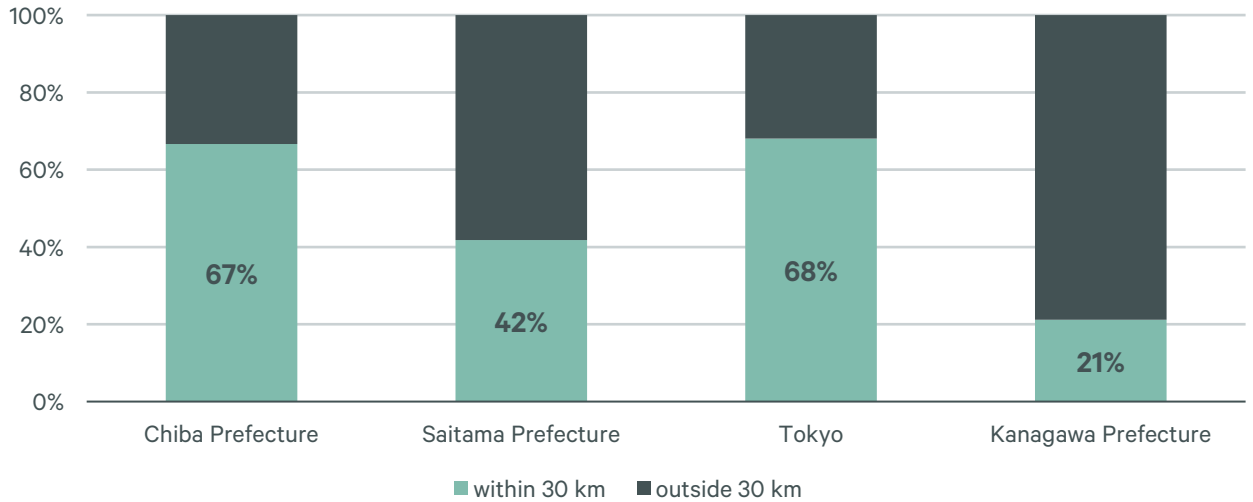


Source: CBRE, Q2 2025

(2) Concentration of supply near central Tokyo

Furthermore, a significant portion of Chiba Prefecture's recently completed logistics properties are located in proximity to central Tokyo. Specifically, 67% of new logistics properties completed in Chiba Prefecture between Q1 2022 and Q2 2025 were within 30 kilometers of Tokyo Station (approximately a one-hour travel distance from central Tokyo), significantly exceeding the figures for Saitama (42%) and Kanagawa (21%) (Figure 3). While development on the outer fringes has driven much of Greater Tokyo's LMT logistics market growth, with Chiba Prefecture not being an exception, the prefecture's new supply in recent years was concentrated in strategically advantageous locations with excellent delivery efficiency, which is a key factor in attracting tenants.

Figure 3: Percentage of new supply between Q1 2022 and Q2 2025 located within 30 km of central Tokyo*

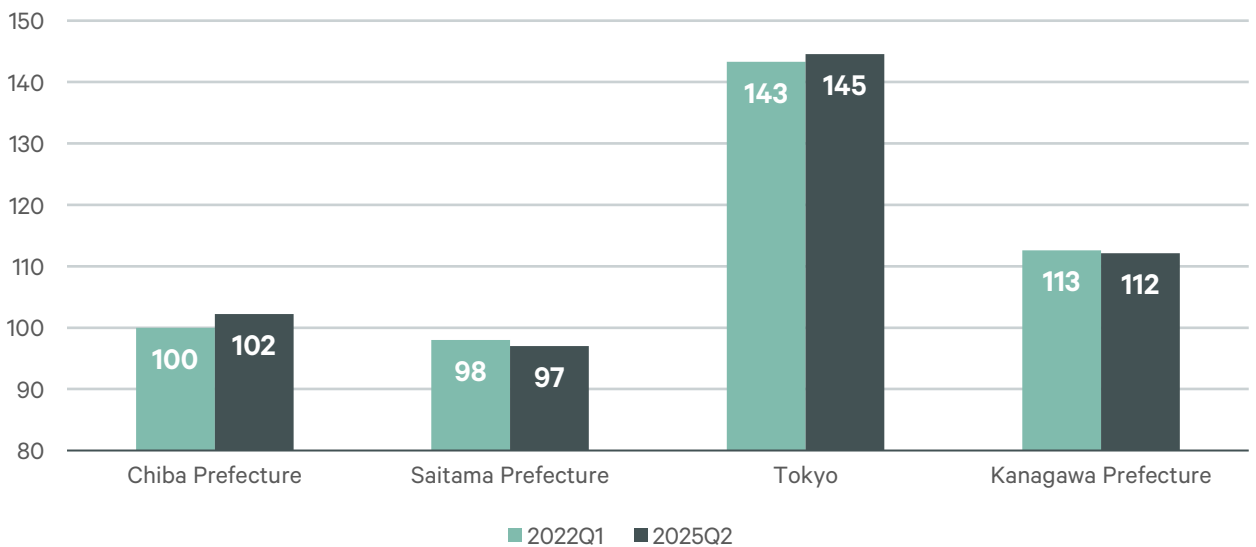


Source: CBRE, Q2 2025 *Tokyo station

(3) Relatively reasonable rent levels

Chiba Prefecture's assumed achievable rents remain relatively low compared to other areas in Greater Tokyo. In Q1 2022, Chiba Prefecture's rent levels were 43% below those in Tokyo Metropolis and 13% below those in Kanagawa Prefecture (Figure 4). Although rents in Chiba Prefecture have increased by roughly 2% over the past three years to Q2 2025, driven by a consistently low vacancy rate, the same approximate gap with Tokyo and Kanagawa rent levels has been preserved. With logistics companies increasingly focused on cost-effectiveness amid rising logistics expenses, Chiba Prefecture's comparatively low rents present a strong incentive for tenants.

Figure 4: Estimated achievable rent index (Chiba Prefecture Q1 2022 = 100)



Source: CBRE, Q2 2025

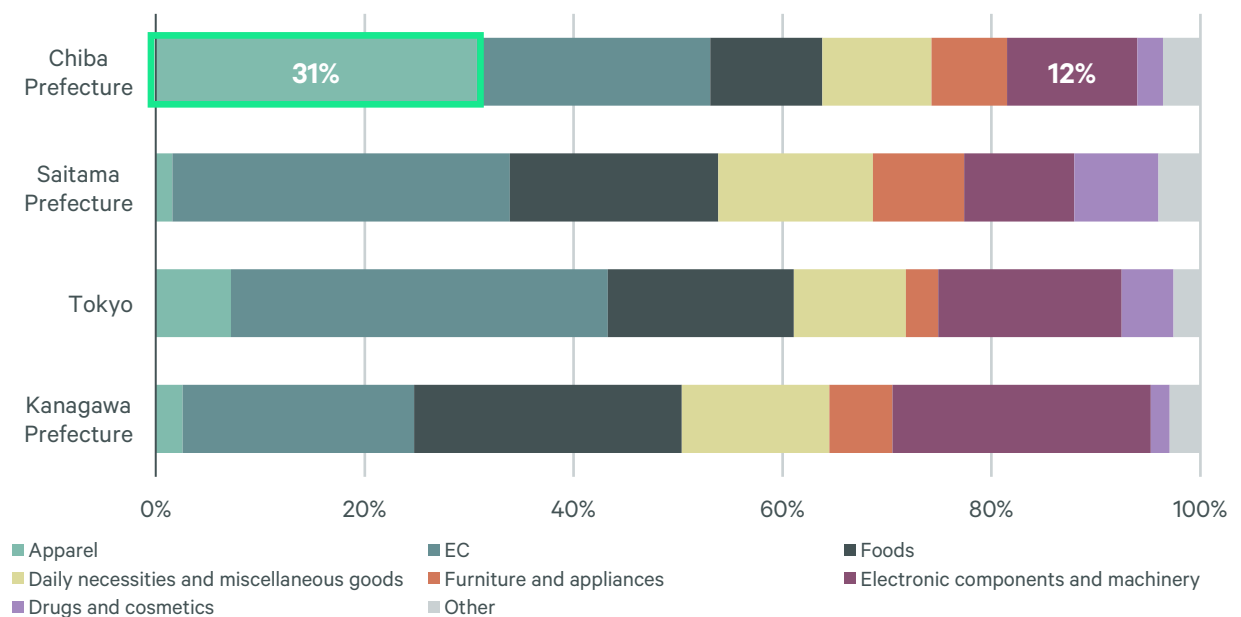
2. Characteristics of tenants in Chiba Prefecture

In addition to the prime location of new properties and the relative affordability of rents, Chiba Prefecture's tight supply-demand balance has also been maintained by the fact that the area hosts a strong concentration of logistics properties leased by apparel companies, which are still keen to expand.

Apparel accounts for 31% of all stored goods

Chiba Prefecture leads in the proportion of apparel storage within LMT logistics facilities when compared with other prefectures within Greater Tokyo, at 31% (Figure 5). The labor-intensive nature of apparel logistics, including processes like inspection and price tagging, led apparel companies to establish logistics centers in the Chiba Bay area from the early 2000s. The combination of convenient access to Tokyo's retail markets and a reliable labor supply made this location highly attractive to tenants. The concentration of apparel companies subsequently spread to less expensive inland areas within Chiba Prefecture. In recent years, an increasing number of outdoor and sports apparel brands have opened stores in central Tokyo (see [Japan Retail Market View Q2 2025](#)), driving further demand for logistics facilities in Chiba Prefecture.

Figure 5: Logistics stock by sector (for LMT facilities completed by 2024; floor area base)



Source: CBRE, Q2 2025.

3. Demographic trends and regional characteristics of Chiba Prefecture

The fact that the population of Chiba Prefecture is on the rise, due to the expansion and new openings of rail and road networks, has also contributed to robust demand for logistics facilities in the area, as it addresses the industry's primary concern of labor shortage. Future development plans for the area's infrastructure are expected to result in increased demand.

(1) Growing population in Chiba Prefecture

The key cities hosting Chiba Prefecture's logistics facilities are undergoing population growth. Specifically, seven of the top 20 cities (with population of at least 50,000) that saw the most significant growth in Japan in 2024 were in Chiba Prefecture (Figure 6). Residential development along the Tsukuba Express railway line (Nagareyama City and Kashiwa City) and the Hokuso Line (Inzai City) is a key factor contributing to population growth. The dense population makes Chiba Prefecture attractive for logistics tenants seeking a strong labor pool.

Figure 6: Top ranked cities nationwide for population growth (cities with population of at least 50,000, growth observed between January 1, 2024 and January 1, 2025)

Rank	Prefecture name	Municipality name	Rank	Prefecture name	Municipality name
1	Ibaraki	Tsukuba City	11	Tokyo	Kokubunji City
2	Tokyo	Akishima City	12	Tokyo	Hino City
3	Fukuoka	Fukuoka City	13	Chiba	Chiba City
4	Chiba	Nagareyama City	14	Chiba	Kashiwa City
5	Kanagawa	Ebina City	15	Osaka	Suita City
6	Chiba	Narita City	16	Chiba	Yachiyo City
7	Osaka	Osaka City	17	Tokyo	Koganei City
8	Saitama	Asaka City	18	Chiba	Matsudo City
9	Miyazaki	Miyakonojo City	19	Shiga	Kusatsu City
10	Okinawa	Shimajiri District	20	Chiba	Inzai City

Source: MIC "Surveys of Population, Population Change and the Number of Households based on the Basic Resident Registration" (As of January 1, 2025)

(2) Area characteristics and infrastructure development

Narita area: Birthplace of the LMT logistics market

Chiba Prefecture's LMT logistics market was launched in 2003 with new developments near Narita Airport, targeting demand for freight storage and handling generated by Japan's largest air transport hub. The area around Narita Airport continues to undergo infrastructure development. The completion of a third runway by the end of March 2029 is anticipated to boost both passenger and freight volume. The Ken-o-do Expressway, meanwhile, is slated to extend past the Narita Interchange by March 2027. The full opening of National Route 464 (North Chiba Road), which links Narita City and Matsudo City, is expected to further reduce delivery times between Narita and central Tokyo.

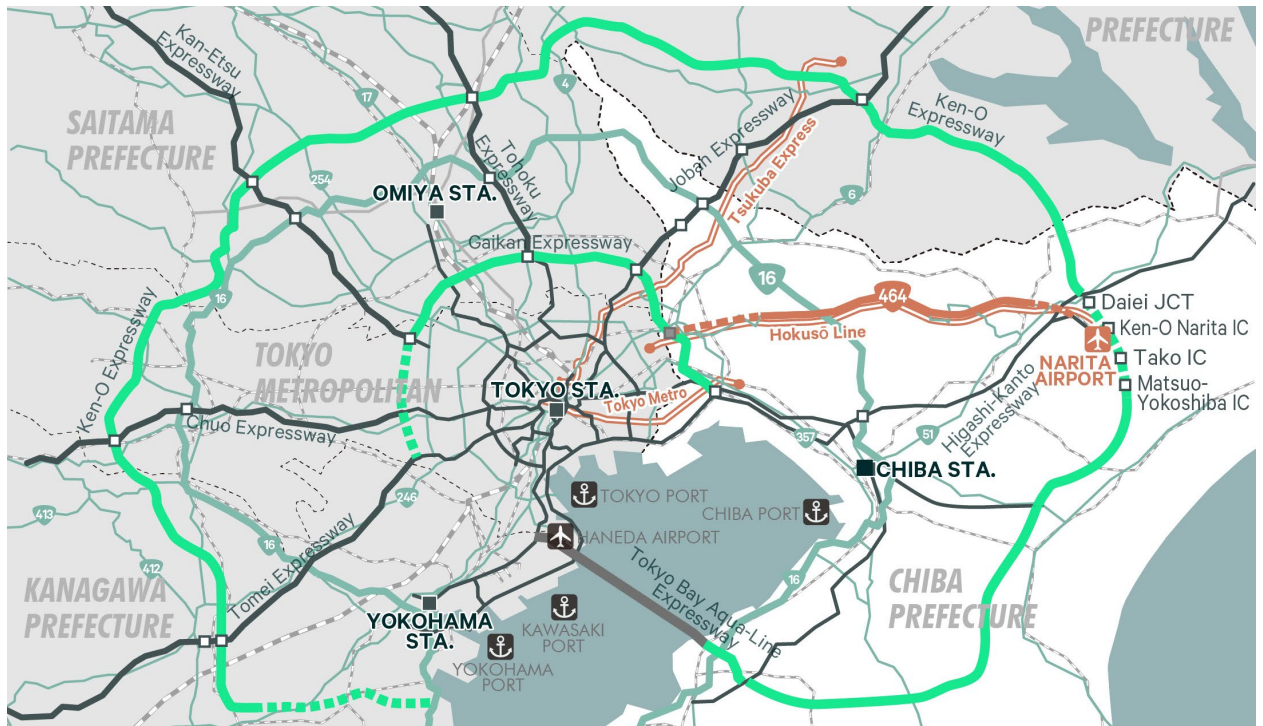
Chiba Bay area: A leading logistics hub in Greater Tokyo

The Chiba Bay area, spanning from Urayasu City to Chiba City, is a major logistics hub in Greater Tokyo, housing 10% of the region's total LMT logistics stock. Its advantageous location, with the Higashi-Kanto Expressway and National Route 357 (Tokyo Bay Road) running along the coast, provides excellent access to central Tokyo. The area's robust rail network, including JR and Tokyo Metro lines, allows commuters to access Tokyo Station within an hour, leading to high population densities around its stations.

Inland Chiba area: Population growth driven by urban infrastructure improvements

Chiba Prefecture's inland areas, strategically positioned for both deliveries to central Tokyo and wider distribution, host a significant concentration of logistics facilities near Joban Expressway interchanges and along National Route 16. The region's growth is driven by multiple factors; the Chiba New Town urban development project, initiated in 1970 in Inzai City, and, more recently, major urban expansions near railway stations in the cities of Nagareyama and Kashiwa following the 2005 launch of the Tsukuba Express, which parallels the Joban Expressway. These developments have expanded the commuter area for central Tokyo workers, leading to population growth. This has increased the available labor pool for logistics facilities located in these areas. As for road infrastructure, the connectivity between the Joban and Higashi-Kanto Expressways improved with the 2018 opening of the Chiba section of the Gaikando Expressway (connecting Misato City in Saitama Prefecture to Ichikawa City in Chiba Prefecture), creating a more efficient north-south logistics network.

Figure 7: Key infrastructure in Chiba Prefecture



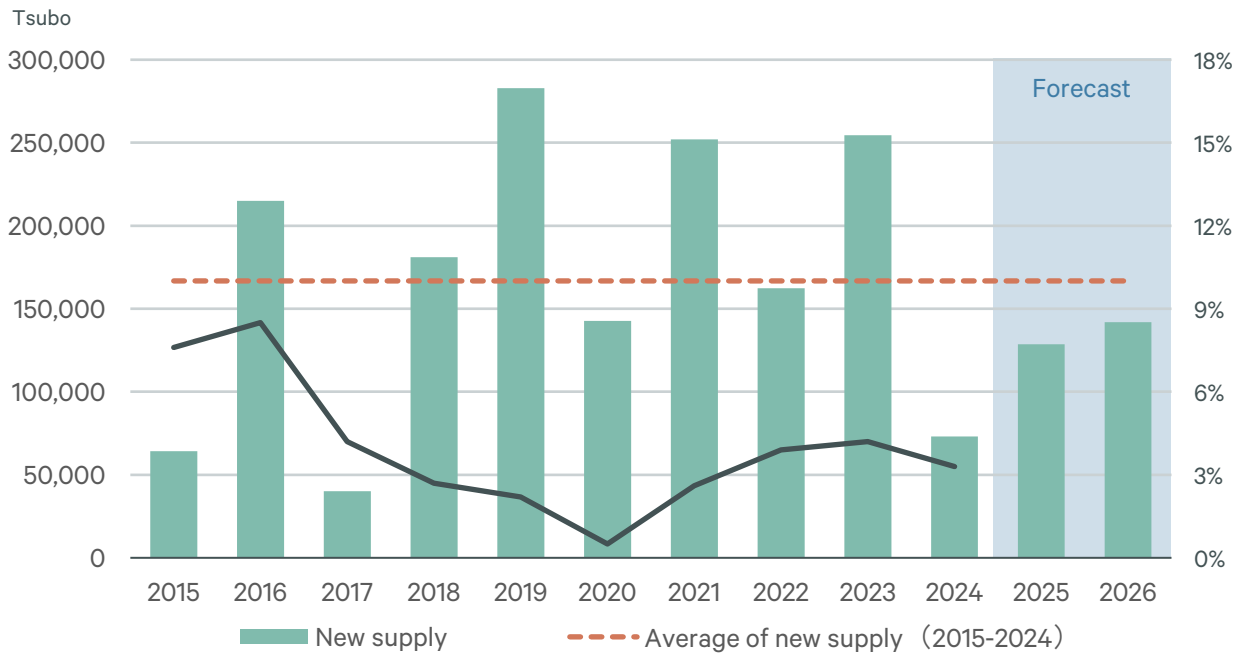
Source: CBRE, October 2025

4. Outlook for Chiba Prefecture’s LMT logistics leasing market

CBRE anticipates a stable supply-demand balance in Chiba Prefecture's LMT logistics leasing market. Robust net absorption is expected, supported by factors such as proximity to central Tokyo, strong infrastructure, ease of labor acquisition, and tenant sector concentration. As for new supply, CBRE projects 129,000 tsubo for the area in 2025 and 142,000 tsubo for 2026. These figures are relatively low compared to the decade's average of 167,000 tsubo through 2024 (Figure 8), thus the supply-demand balance is unlikely to loosen dramatically.

While the logistics leasing market has matured in Greater Tokyo, Chiba Prefecture’s market fundamentals remain healthy. CBRE believes the area can generate further demand through strategic developments that leverage its locational strengths.

Figure 8: New supply and vacancy rate projections for Chiba Prefecture



Source: CBRE, Q2 2025

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