

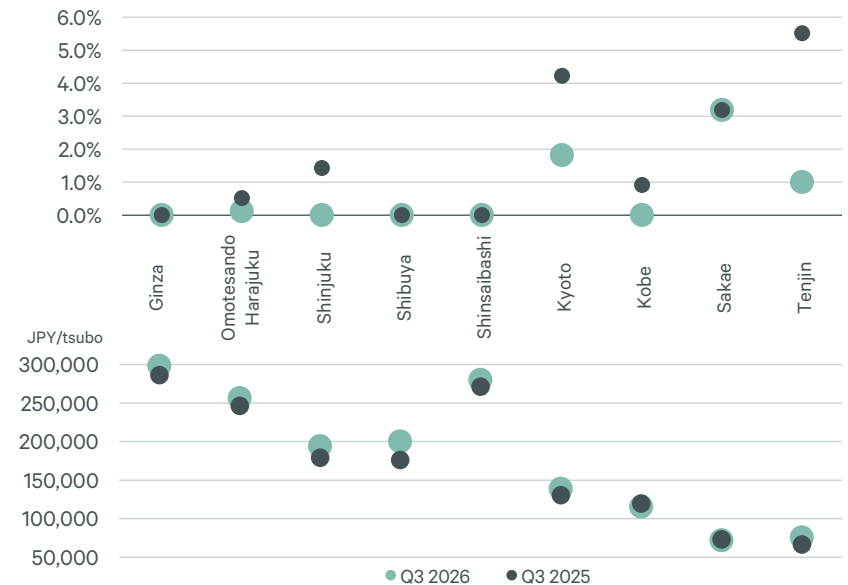
Average rents reach all-time highs in three areas; Asian brands show strong expansion appetite

► $\pm 0.0\text{pp}$ Q-o-Q $\pm 0.0\%$ Q-o-Q $\pm 0.0\text{pp}$ Q-o-Q $\pm 0.0\%$ Q-o-Q $\pm 0.0\text{pp}$ Q-o-Q $\pm 0.0\%$ 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 four of the ten surveyed areas (Shinjuku, Shibuya, Kyoto, and Tenjin) in Q3 2026. Rents in these areas (excluding Shinjuku) recorded all-time highs, while prime rents also reached historical highs in Tenjin. Average rents in the remaining six areas were flat.
- Prime area vacancy declined q-o-q in two areas (Kobe and Tenjin). Kobe joined the list of areas with a vacancy rate of 0.0%, bringing the number of areas with no vacancy to five (Ginza, Shinjuku, Shibuya, Shinsaibashi, and Kobe).
- Retailer demand was led by the reuse and fashion categories. Asian fashion and character goods retailers expanded their footprint over the quarter, submitting applications for available units across multiple areas.
- Aside from drugstores exiting or closing existing stores in Shinsaibashi, no change was observed in retailers' recent strong appetite for expansion. With supply-demand conditions set to remain tight on the back of solid and diverse tenant demand, upward pressure on average rents is projected to continue.

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



Source: CBRE, Q3 2026.

Nationwide occupier trends

Asian brands display keen appetite for new store openings

Floor space for new store openings and leases signed in prime areas nationwide fell 57.1% q-o-q to 1,182 tsubo in Q3 2026. The largest share by area was accounted for by reuse retailers, with multiple retailers signing contracts in Tenjin. In the fashion sector, which took up the second largest share of space leased this quarter, a major apparel company signed a contract for a flagship store in Tokyo for the purpose of rebranding.

Among the space applications and deals confirmed this quarter, Asian fashion and character goods retailers were especially prominent, with several such groups submitting applications for available units across multiple areas. Among these, one retailer was seeking to open its first large-scale flagship store in Japan. Another retailer had shifted its strategy away from expanding in the U.S. in favor of pursuing opportunities in Japan, leveraging funding raised from investors.

Tokyo

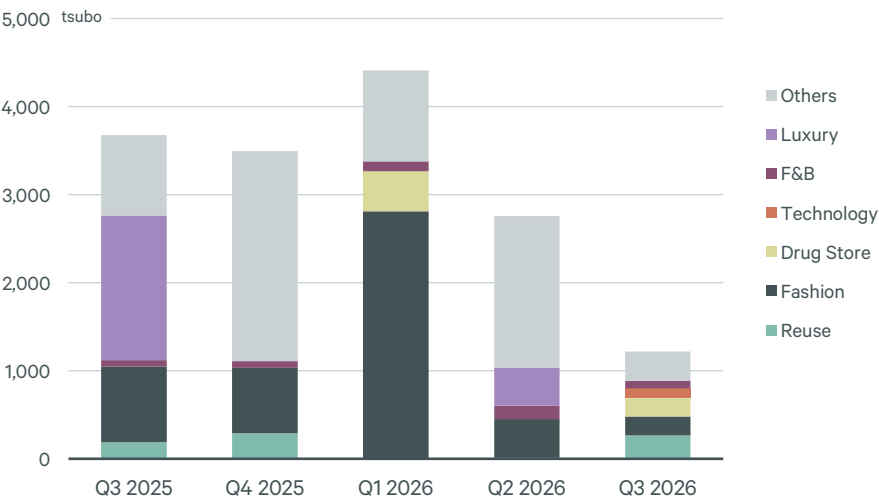
Shibuya rents surpass Shinjuku for first time

In **Ginza**, new storefront lease contracts were signed this quarter by a jewelry retailer in the prime area, and by a luxury retailer in the secondary area. Interest was also observed for available units across the high street (including those not yet available for immediate occupancy) from luxury, eyewear, character goods, reuse, and jewelry retailers. The prime area vacancy rate (immediately available units) remained at 0.0% for the seventh consecutive quarter. Average rents (assumed achievable rents for a standard 60-tsubo unit) remained unchanged at JPY 298,000, maintaining the all-time high.

Leasing is progressing across multiple available units along Chuo-dori and other streets, including those in properties under development. While some units are close to securing a tenant, others have reportedly attracted interest and competing applications from luxury brands. Several of these units are not scheduled for completion until 2029 or later. With options increasingly limited, there is a growing trend for retailers to consider properties that are scheduled to open three or more years from now.

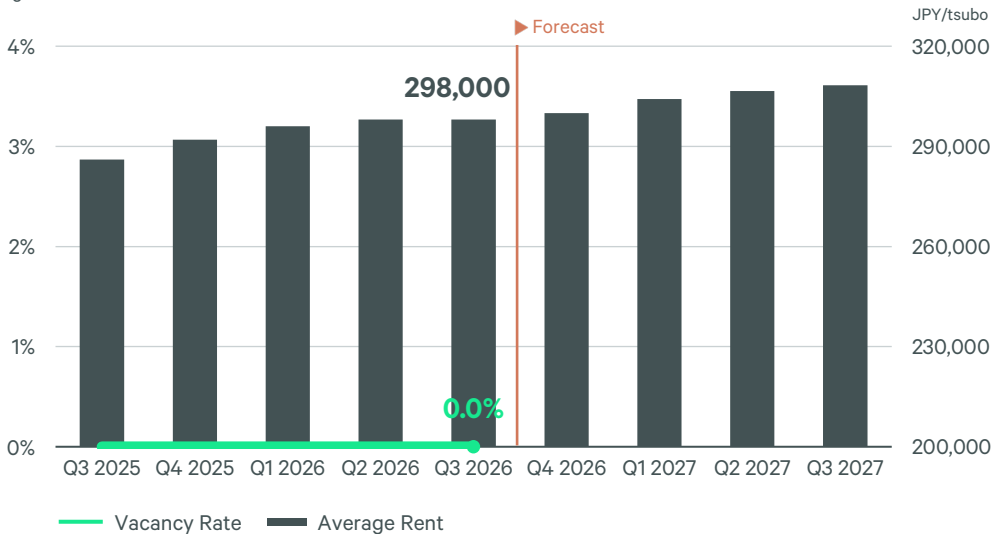
CBRE projects average rents to rise by 3.5% over the next 12 months, an upward revision from the previous quarter's forecast. Retailer appetite remained strong across a diverse range of sectors this quarter, with luxury brands also showing signs of increased activity. This reflects the anticipated closing of deals for major available units in the prime area in 2027, where robust demand is expected to drive up average rents.

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 2026.

Figure 3: Ginza



Source: CBRE, Q3 2026.

Tokyo (cont.)

In **Omotesando/Harajuku**, new storefront lease contracts were signed in Q3 2026 by apparel and cosmetics retailers in the prime area, and by apparel and wristwatch retailers in the secondary area. During the quarter, interest was observed for available units across the high street from luxury, sporting goods, apparel, and character goods retailers. The prime area vacancy rate remained unchanged q-o-q at 0.1%, while average rents also remained unchanged at JPY 256,000, maintaining an all-time high.

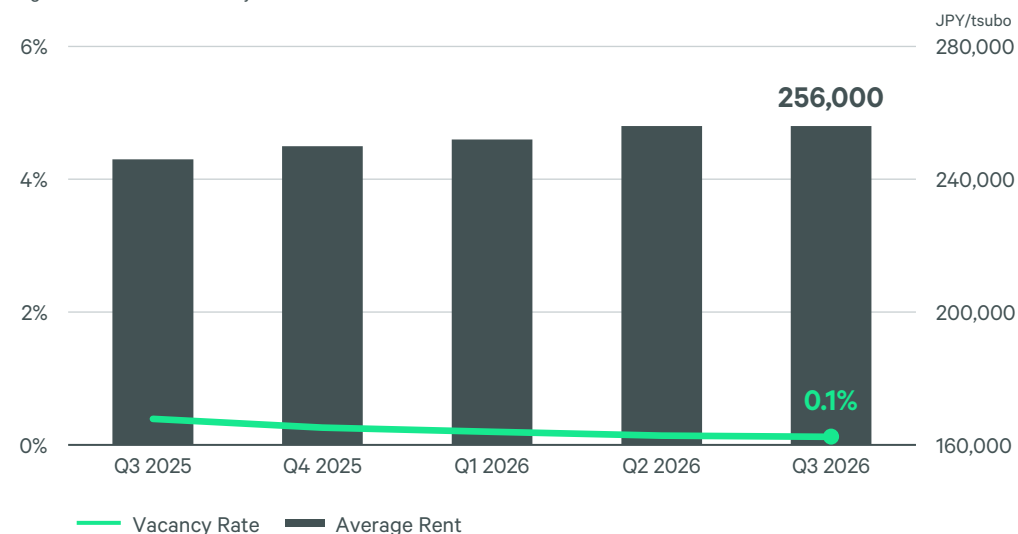
Retailer appetite for space remained strong during the quarter, with multiple available units in the Harajuku area attracting a high volume of applications. Available units in Ura-Harajuku drew concentrated interest from retailers that had originally been seeking space along Takeshita-dori and Meiji-dori, with the period showing signs of an upward shift in retailers' acceptance of higher rents. Along Takeshita-dori, a retailer acquired a property in the vicinity of its existing store. Given the strong sales performance of the existing outlet, this acquisition will likely be utilized for relocation or expansion.

In **Shinjuku**, a new storefront lease contract was signed in Q3 2026 by an eyewear retailer in the peripheral area. Interest was also observed for available units across the high street from multiple sporting goods, apparel, eyewear, character goods, and big-box retailers. The prime area vacancy rate remained unchanged q-o-q at 0.0%.

Average rents rose 3.7% q-o-q to JPY 194,000 on the back of rising rents in the vicinity of More 2nd Street and near Shinjuku Station South Exit. The increase in rents around More 2nd Street was underpinned by strong demand from reuse retailers. Near Shinjuku Station South Exit, multiple applications were received from fashion and other retailers for an available unit. The period saw one instance of a landlord selecting a tenant after the latter offered the full asking rent, despite it being set above the market level.

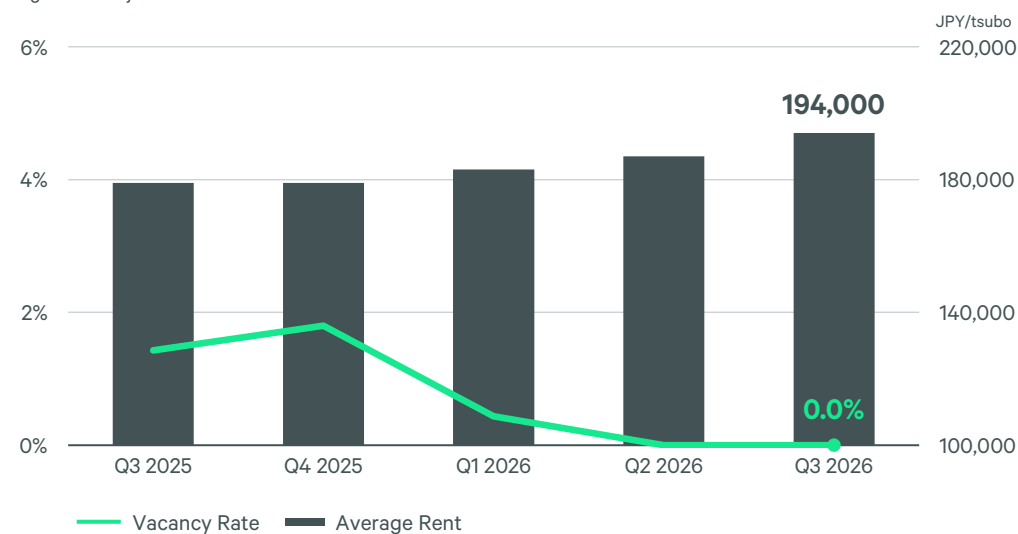
In Shinjuku, leasing activity intensified in the secondary area during the quarter, and retailers turned more willing to pay higher rents. Demand for available units of around 60 tsubo in the secondary area had been relatively subdued until Q2 2026, as asking rents were above prevailing market rates. However, applications increased sharply this quarter, with some retailers offering rents above the asking level. As available units of around 60 tsubo, which have consistently attracted strong demand in recent years, have become increasingly scarce in the prime area, a growing number of retailers are now considering locations in the secondary area.

Figure 4: Omotesando/Harajuku



Source: CBRE, Q3 2026.

Figure 5: Shinjuku



Source: CBRE, Q3 2026.

Tokyo (cont.)

In **Shibuya**, new storefront lease contracts were signed in Q3 2026 by a mobile carrier retailer in the prime area, and by reuse retailers in the secondary and peripheral areas. Interest was observed for available units across the high street from cosmetics, apparel, jewelry, reuse, drugstore, capsule toy, and trading card retailers. The prime area vacancy rate remained unchanged q-o-q at 0.0%.

Average rents rose 7.0% q-o-q to JPY 200,000, marking a seventh consecutive quarter of all-time highs and surpassing Shinjuku's average rents for the first time since CBRE's surveys began. Applications at rents exceeding market levels were observed during the quarter, pushing up average rents at several surveyed locations. The most notable increases in application rents were seen among retailers targeting younger consumers, including character goods, apparel, and cosmetics retailers, driven by Shibuya's strong power to reach consumers and high sales potential. Some of these retailers were also seeking to capture consumers from the premium goods market that had previously been served by the Seibu Shibuya store, which closed at the end of September.

Kansai

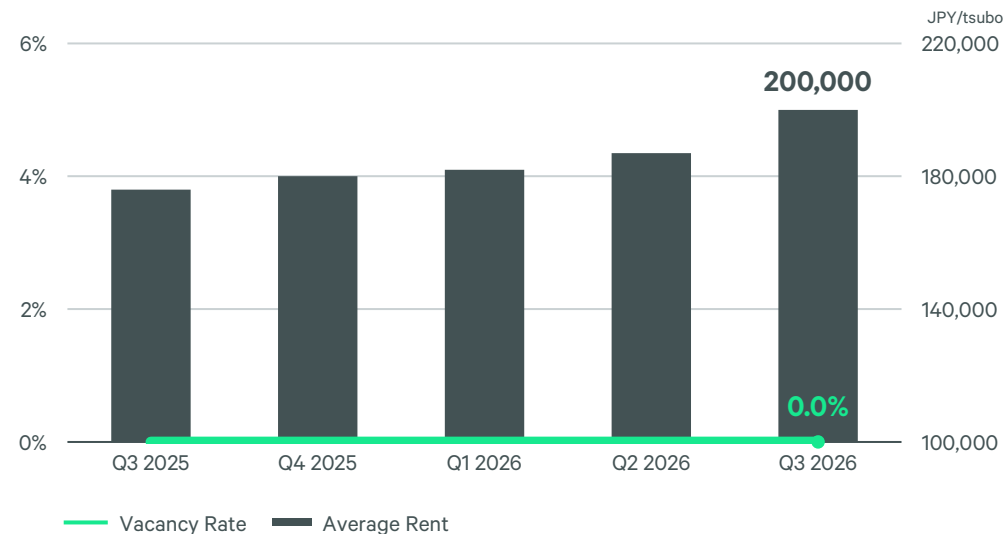
Vacancy falls to 0.0% in Kobe, following Shinsaibashi

In **Shinsaibashi**, a new storefront lease contract was signed in Q3 2026 by an apparel retailer in the prime area. Interest was observed for available units across the high street from a diverse range of retailers, including luxury, apparel, wristwatch, sporting goods, and reuse retailers. The prime area vacancy rate remained unchanged q-o-q at 0.0%.

Average rents also remained unchanged at JPY 280,000, maintaining the all-time high. With available units in the prime area remaining limited, some retailers were observed exploring relocation options for their existing prime area stores in the secondary area and elsewhere. In one case in the secondary area, a retailer's offered rent significantly exceeded the landlord's asking rent. This high offer was backed by retailers' ample budgets resulting from strong sales at existing stores.

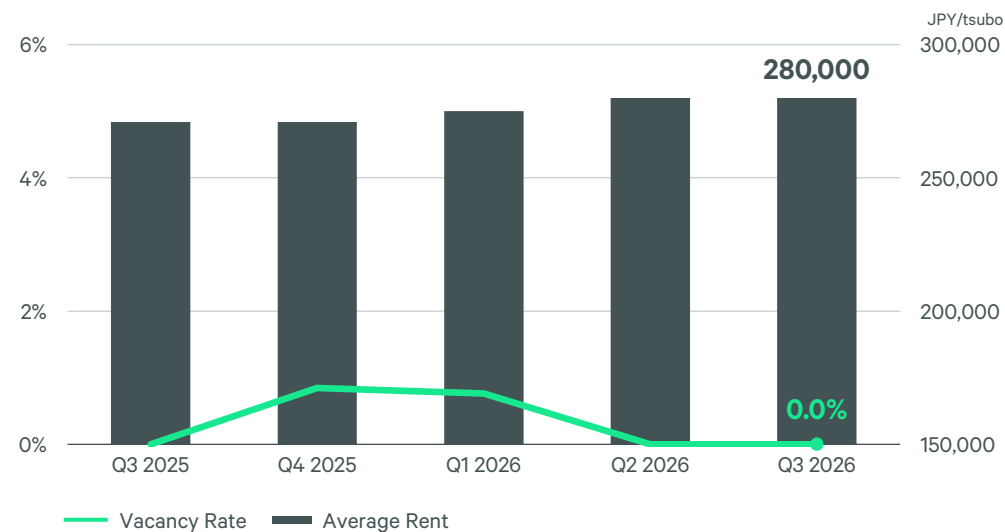
Some drugstore retailers exited the area or closed existing stores this quarter, likely due to declining sales resulting from the decrease in Chinese inbound visitors. However, given the diverse range of retailer categories that displayed leasing interest this quarter, store closures and area exits will be limited to a very small subset of retailers. The tight supply-demand balance is therefore expected to continue into the coming quarters.

Figure 6: Shibuya



Source: CBRE, Q3 2026.

Figure 7: Shinsaibashi



Source: CBRE, Q3 2026.

Kansai (cont.)

In **Umeda**, no new storefront lease contracts were signed by retailers for street-level units this quarter. New store openings were concentrated in street-level units in Chayamachi, which saw the opening of several new idol goods and sporting goods stores. Elsewhere, commercial facilities around Osaka Station saw the addition of an office furniture store and an automotive showroom.

Although average rents remained unchanged q-o-q at JPY 129,000, a landlord in Chayamachi set its asking rent above prevailing market rates for a unit that came to market this quarter. As the concentration of Oshikatsu-related stores including character goods and idol goods retailers continues to grow in Chayamachi, such units are expected to attract interest from retailers with ample financial capacity, such as capsule toy retailers.

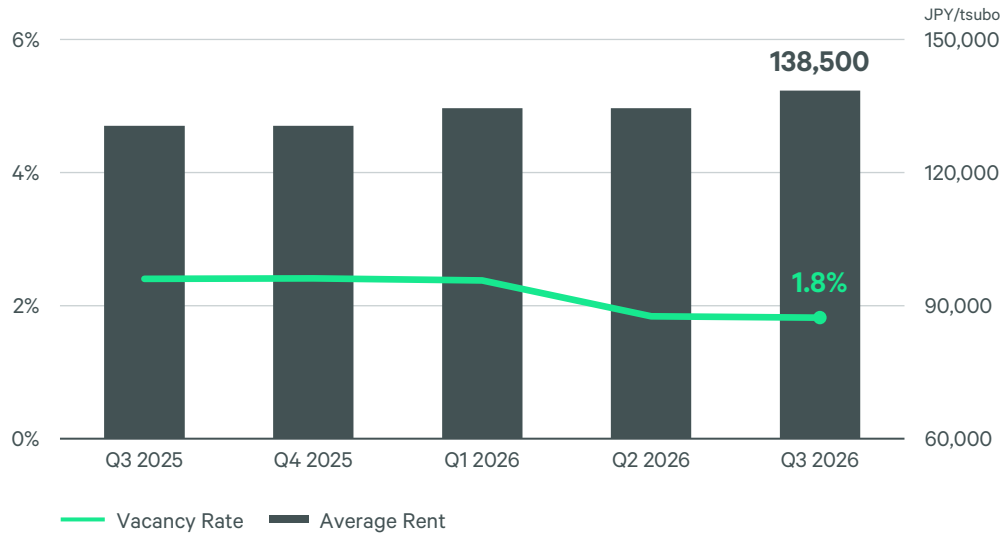
In **Kyoto**, while no new storefront lease contracts were signed for street-level units in Q3 2026, interest was observed for available units across the high street from drugstore, apparel, reuse, and eyewear retailers. The prime area vacancy rate remained unchanged q-o-q at 1.8%.

Average rents rose 3.0% q-o-q to JPY 138,500, setting a new all-time high. This quarter's strong growth was driven in part by a retailer seeking to open an additional store on Shijo-dori submitting an offer above prevailing market rates. In addition, a landlord selected a retailer at a rent significantly above previous levels for an available unit near Shijo Ohashi. This reflects the growing demand for retail store openings driven by robust inbound consumption in the area, with retailers demonstrating their willingness to accept higher rents.

In **Kobe**, an eyewear retailer signed a contract for a street-level unit in the prime area, while a vacant unit in the secondary area was absorbed for office use. Interest was also observed from eyewear, shoes, and drugstore retailers for available units that came to market, primarily those along Sannomiya Center-gai.

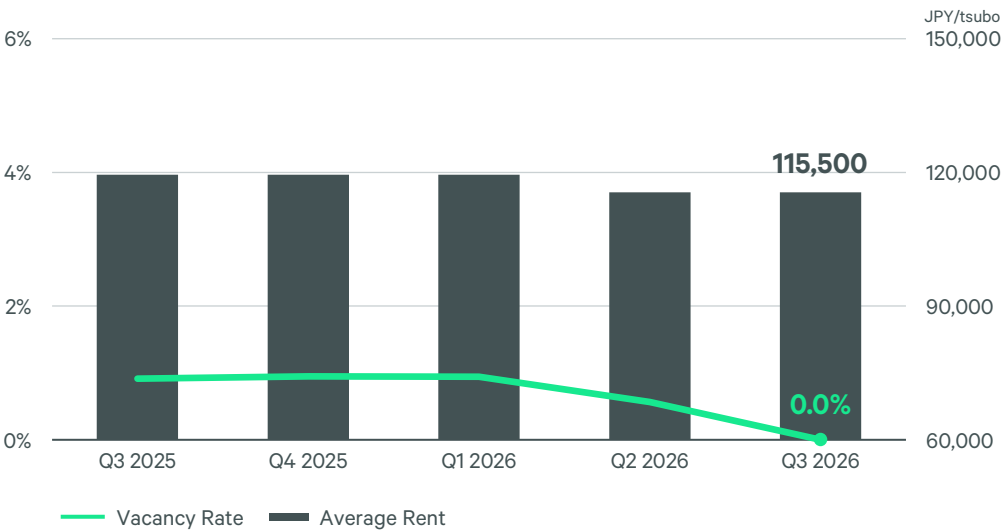
The prime area vacancy rate fell 0.6 pp q-o-q to 0.0%, the first time it has reached 0.0% since CBRE's surveys commenced in Q1 2021. This decrease was primarily driven by the absorption of multiple vacant units of approximately 10 tsubo along Sannomiya Center-gai, where F&B operators and service retailers opened stores. Average rents (based on a 60-tsubo unit) remained unchanged q-o-q at JPY 115,500, with rents accepted by retailers considering store openings broadly within the prevailing market range.

Figure 8: Kyoto



Source: CBRE, Q3 2026.

Figure 9: Kobe



Source: CBRE, Q3 2026.

Nagoya

Vacancy rate remains flat but expected to decline from next quarter

In **Sakae**, no retailers signed contracts for street-level units in the prime area in Q3 2026. In the secondary area, an F&B operator signed a contract, while interest was also observed from amusement facility, apparel, and handbag retailers for available units. These units were approximately 60 tsubo in size; a scale that readily meets retailers' store opening requirements and therefore likely contributed to the multiple enquiries received.

The prime area vacancy rate remained unchanged q-o-q at 3.2%. Amid steady leasing momentum in the large vacant unit that came to market earlier this year, the vacancy rate is expected to return to 0.0% from next quarter onwards. Average rents remained unchanged q-o-q at JPY 72,000, with the accepted rent levels of retailers considering store openings in the prime area broadly remaining within the prevailing market range.

Fukuoka

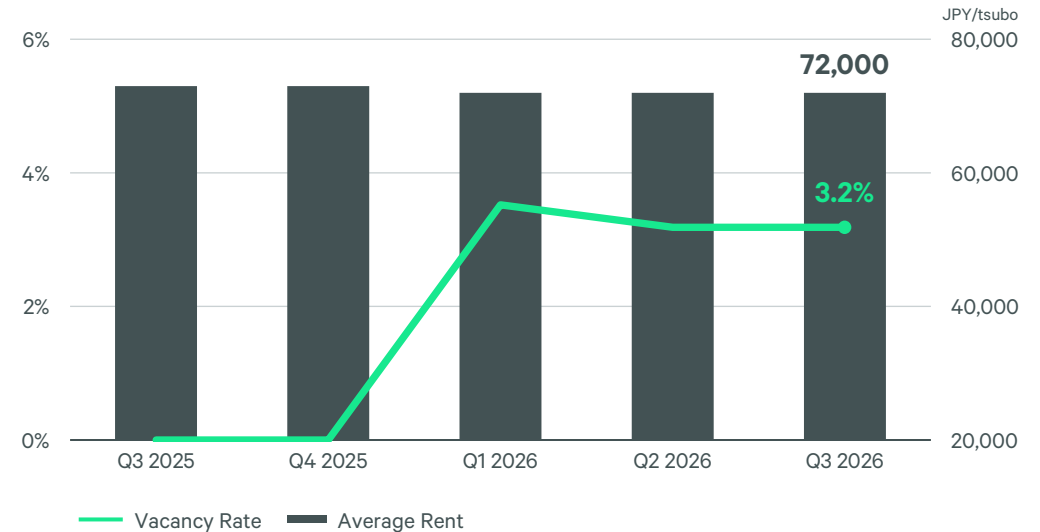
Strong retailer demand drives significant rent increases

In **Tenjin**, multiple reuse retailers signed contracts for street-level units in the prime area this quarter, while apparel and sports retailers signed contracts in the secondary area. Interest was also observed from reuse and apparel retailers as well as F&B operators for available units across the high street. The prime area vacancy rate fell 0.2 pp q-o-q to 1.0%.

Average rents rose 13.5% q-o-q to JPY 75,500, while the prime rent (the highest assumed achievable rent at each surveyed point) increased 18.2% q-o-q to JPY 130,000, both setting new all-time highs. This quarter's robust rental increases were primarily driven by selected and signed deals concluded above prevailing market rents, resulting in upward revisions to assumed achievable rents at multiple surveyed locations. Other factors included solid demand from multiple retailers with ample financial capacity. A diverse range of retail categories contributed to overall rental growth over the quarter, and included apparel, reuse, sports, and character goods.

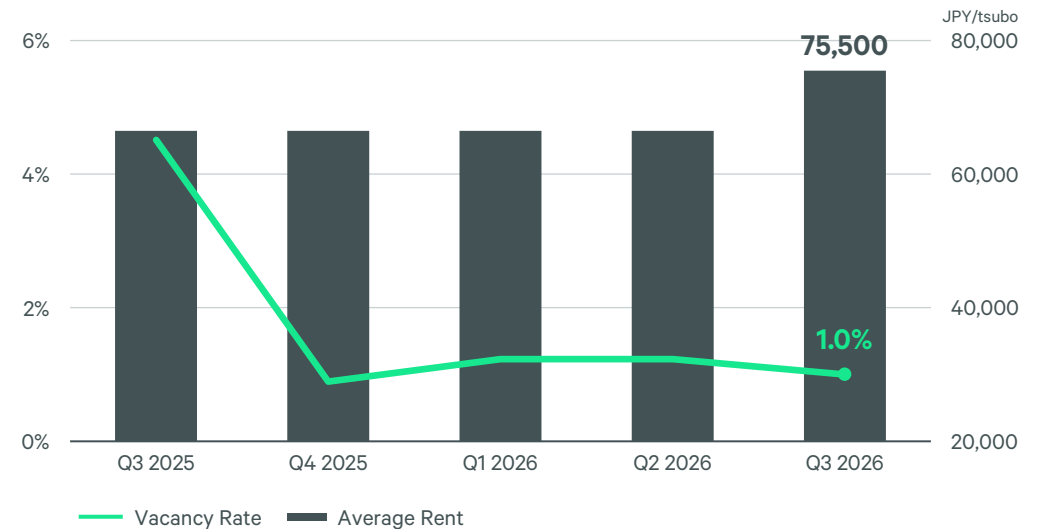
The period also saw an increase in relocation requirements stemming from the redevelopment of existing properties. These included Shintenchō Shopping Street, which announced that it would temporarily relocate before reopening from 2030 onwards. In addition, media reports indicate the redevelopment of Fukuoka Parco, adjacent to the shopping street, is scheduled for completion by the end of 2031.

Figure 10: Sakae



Source: CBRE, Q3 2026.

Figure 11: Tenjin



Source: CBRE, Q3 2026.

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 (243 properties), Shinjuku (60 properties), Shibuya (69 properties), Shinsaibashi (181 properties), Kyoto (178 properties), Kobe (106 properties), Sakae (51 properties), Tenjin (194 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 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)	<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

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

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