

Greater Tokyo vacancy rate falls for a third consecutive quarter to 9.8%, led by a 2.0 pp. q-o-q drop in the Ken-o-do area

▼ **-0.6pp** Q-o-Q
Greater Tokyo
LMT* Vacancy Rate in Q4

▼ **-0.8pp** Q-o-Q
Greater Osaka
LMT* Vacancy Rate in Q4

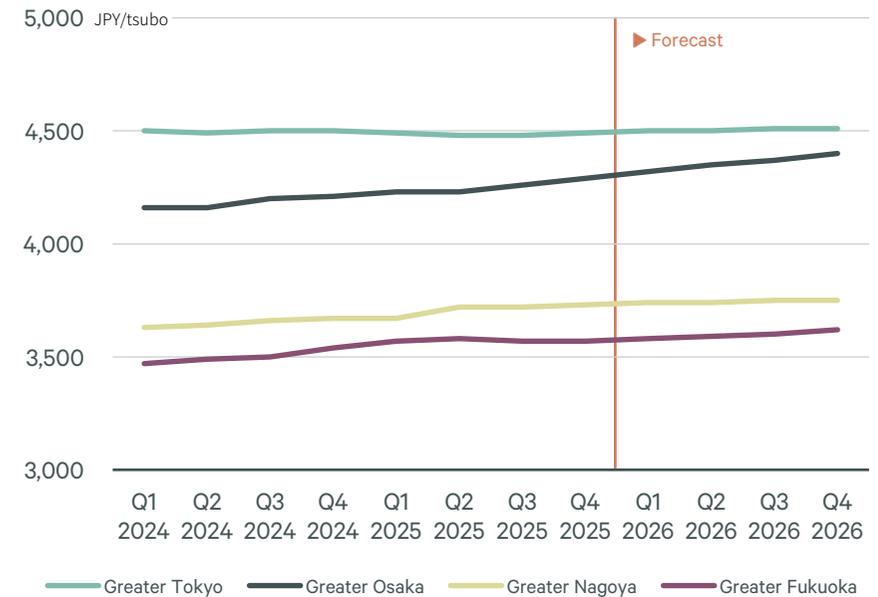
▼ **-1.1pp** Q-o-Q
Greater Nagoya
LMT* Vacancy Rate in Q4

▼ **-2.7pp** Q-o-Q
Greater Fukuoka
LMT* Vacancy Rate in Q4

* Large Multi-Tenant logistics facilities

- The vacancy rate for large multi-tenant (LMT) logistics facilities in **Greater Tokyo** in Q4 2025 fell by 0.6 pp. q-o-q to 9.8%. Although the quarter’s three new properties came on stream at a relatively low occupancy rate of around 20%, vacancies were absorbed in existing properties, particularly in the Ken-o-do area. Effective rents for Greater Tokyo increased by 0.2% q-o-q to JPY 4,490, on the back of growth in the Tokyo Bay and Gaikando areas, where vacancy rates fell.
- The LMT vacancy rate in **Greater Osaka** stood at 4.2% in Q4 2025, a drop of 0.8 pp. q-o-q. The quarter’s new facility entered the market at full occupancy. Net absorption for the quarter reached 79,000 tsubo, well above the quarterly average over the past five years of 51,000. Effective rents rose by 0.7% q-o-q to JPY 4,290, with rents on the increase in a broad swath of Greater Osaka.
- The LMT vacancy rate in **Greater Nagoya** fell by 1.1 pp. to 15.5%, with leases signed for space in all three new properties completed during the quarter. Vacancies were also filled in existing properties, driving net absorption to the third-highest quarterly figure ever recorded. Effective rents rose by 0.3% q-o-q to JPY 3,730.
- The LMT vacancy rate in **Greater Fukuoka** fell by 2.7 pp. q-o-q to 5.6%. The quarter saw no new supply, and new contracts were signed for large units in existing properties. Effective rents remained unchanged q-o-q at JPY 3,570.

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



Source: CBRE, Q4 2025

Greater Tokyo

Ken-o-do vacancy rate slides by 2.0 pp. as existing vacancies are filled

The vacancy rate for large multi-tenant (LMT) logistics facilities in Greater Tokyo in Q4 2025 fell by 0.6 pp. q-o-q to 9.8%. Although the new supply of 46,000 tsubo across three facilities came on stream at a relatively low occupancy rate of around 20%, the execution of several major leases for space in existing properties by companies handling consumer goods pushed up net absorption to 86,000 tsubo. The Ken-o-do area led the way in this respect, accounting for almost half of the quarter's net absorption. For the 2026 calendar year, new supply is expected to reach 524,000 tsubo, marginally below the 10-year (2016 to 2025) annual average of 536,000 tsubo. The vacancy rate is anticipated to decline only slightly, however, given large existing stock of vacancies.

Effective rents in Q4 2025 recorded a 0.2 pp. q-o-q increase to JPY 4,490, on the back of rises in the Tokyo Bay and Gaikando areas, where vacancy rates fell.

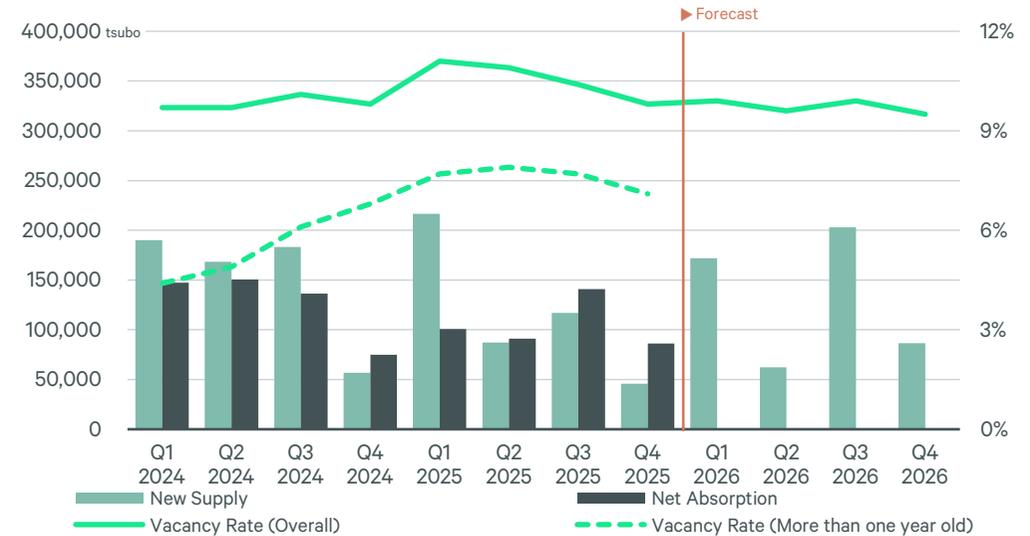
The **Tokyo Bay area** vacancy rate declined by 1.0 pp. q-o-q to 4.0%. With no new supply, vacancies were filled in existing facilities. Effective rents rose by 0.5% q-o-q to JPY 7,730.

The vacancy rate in the **Gaikando area** fell by 1.0 pp. q-o-q to 4.4%. The new property completed in Saitama Prefecture was fully pre-leased, while vacancies were also absorbed in existing properties. Units with tenants planning to vacate are being taken up without any downtime, underscoring the continued strength of demand in the area. With five new buildings slated for completion in 2026, the vacancy rate may rise temporarily as these enter the market, but the overall supply-demand balance should remain stable. Effective rents in Q4 2025 rose by 0.6% q-o-q to JPY 5,370.

The vacancy rate in the **Route 16 area** rose by 0.3 pp. q-o-q to 9.6%, with one new property in each of Saitama and Kanagawa Prefectures entering operation with significant empty space. While major vacancies emerged in one existing facility, there are only three (including the new property) with any availability in the Saitama Prefecture part of Route 16. While some new vacancies have appeared in Kanagawa Prefecture as well, one waterfront property, which had seen chronic low occupancy, has finally been filled this quarter, and significant vacancies were also filled in some inland properties. Effective rents remained unchanged q-o-q at JPY 4,550. Rents were steady in Kanagawa and Saitama, but rose in Chiba Prefecture where vacancies are scarce.

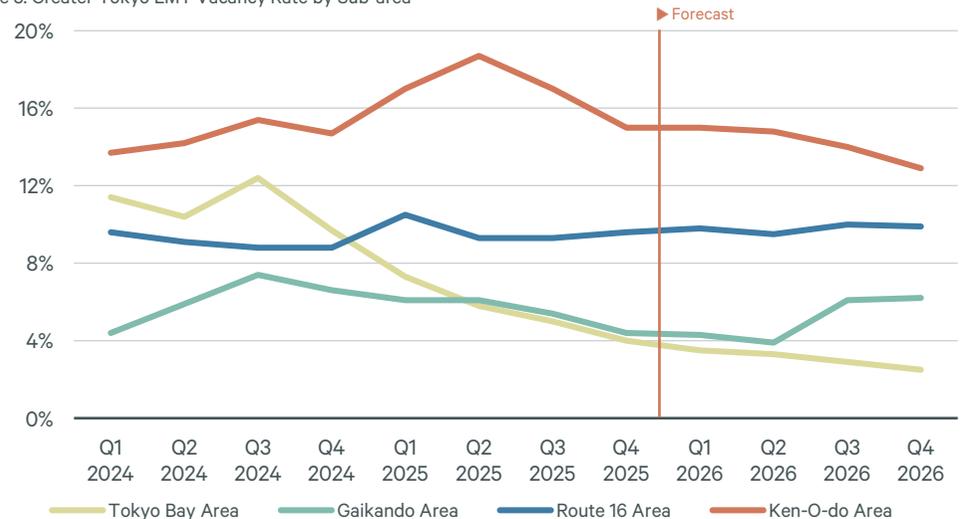
The vacancy rate in the **Ken-o-do area** was 15.0% in Q4 2025, down 2.0 pp. q-o-q. With no new supply during the quarter, the new vacancies that emerged in several existing properties were more than offset by those that were filled, driving net absorption for the quarter to 40,000 tsubo, just above the quarterly average over the past five years of 38,000 tsubo. New contracts were signed in Ibaraki, Chiba, and Saitama Prefectures by retailers of foodstuffs and furniture, in particular, while several in-house expansions were also observed. Effective rents remained unchanged q-o-q at JPY 3,480. Rents in Ibaraki Prefecture, which had been steadily declining, finally recorded a slight increase, particularly in properties with high occupancy.

Figure 2: Greater Tokyo LMT Supply/Demand Balance



Source: CBRE, Q4 2025

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



* The Q3 2025 vacancy rate (Overall) for the Gaikando area has been revised from 4.9% to 5.4%.
Source: CBRE, Q4 2025

Greater Osaka

Net absorption for 2025 reaches a new record high of 375,000 tsubo

The LMT vacancy rate in Greater Osaka stood at 4.2% in Q4 2025, a drop of 0.8 pp. from the previous quarter. The only development completed during the quarter was a large property featuring in excess of 70,000 tsubo of floor space. Despite its size, robust demand ensured that it entered operations at full occupancy. Net absorption for the quarter reached 79,000 tsubo, maintaining a level well above the quarterly average over the past five years of 51,000. In addition to strong demand from logistics firms handling freight such as foodstuffs and apparel, e-commerce companies are also proactively expanding the number of bases in their distribution networks, in both regional and central areas, to maximize logistics efficiency. Net absorption for the 2025 calendar year reached 375,000 tsubo, a new all-time record since surveys began in 2007. With new supply for 2026 slated to consist of just 167,000 tsubo, only around 40% of 2025's figure of 401,000, and the three properties due for completion in Q1 2026 all expected to be fully pre-leased, the vacancy rate should soon fall below the 4% mark.

Effective rents rose by 0.7% q-o-q to JPY 4,290. While demand is extremely strong for facilities with rampways in areas along the Meishin Expressway, availability is limited, pushing already high rents even higher. With vacancies in waterfront and peripheral areas declining, rent levels are also rising for warehouses with superior access or usability in these areas.

Greater Nagoya

Large-scale new developments induce demand

The LMT vacancy rate in Greater Nagoya fell to 15.5%, down 1.1 pp. from the previous quarter. New leases were signed for units in all three new properties completed during the quarter, with one large facility located between the cities of Obu and Tokai entering operation at close to full capacity. With vacancies absorbed in existing facilities also, net absorption for the quarter reached 83,000 tsubo, the third-highest quarterly figure ever recorded. Leases were signed by tenants from a wide variety of sectors, including manufacturing, beverages, and daily necessities. Net absorption for the 2025 calendar year finished at 148,000 tsubo, second on record only behind 2023. While new supply in 2026 is slated to consist of just four properties, the fact that their completion dates are concentrated in the first half of the year is likely to result in a temporary spike in the vacancy rate.

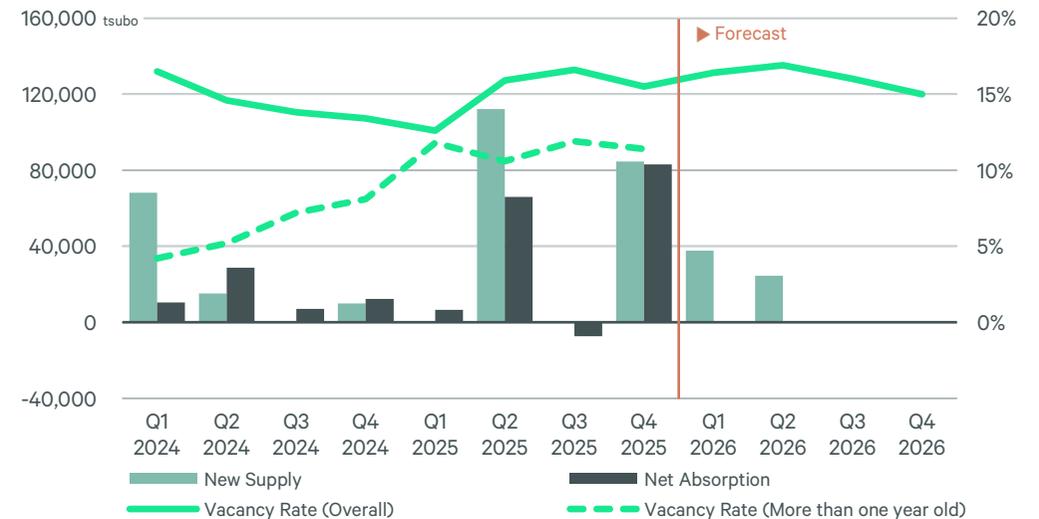
Effective rents increased by 0.3% q-o-q to JPY 3,730, pushed up by generally rising rent levels in areas east of Nagoya where demand is robust.

Figure 4: Greater Osaka LMT Supply/Demand Balance



Source: CBRE, Q4 2025

Figure 5: Greater Nagoya LMT Supply/Demand Balance



Source: CBRE, Q4 2025

Greater Fukuoka

2026 supply projected to hit all-time high

The LMT vacancy rate in the Greater Fukuoka area fell by 2.7 pp. q-o-q to 5.6% in Q4 2025. The quarter saw no new supply, with the decline in vacancy rate attributable to large new leases signed in properties completed in the previous quarter. New supply for 2026 is slated to reach 99,000 tsubo, which would represent the largest figure since surveys began in 2013. With half of the eight properties due for completion in 2026 located in the Tosu/Ogori area, the total stock here is projected to increase by 30% in a single year. Q2 2026 will also see the completion of one property each in Fukuoka City and Koga City. Market participants' interest is focused on the leasing progress for these properties.

Effective rents remained unchanged q-o-q at JPY 3,570, meaning that rents rose by a total of 0.8% in Greater Fukuoka across the entire 2025 calendar year. In the Tosu/Ogori area alone, however, rents remained unchanged in 2025, after the area's perceived undervaluation led it to record an average annual increase of 3.9% between 2021 and 2024.

Other Areas

Tight supply-demand balance continues in western Japan

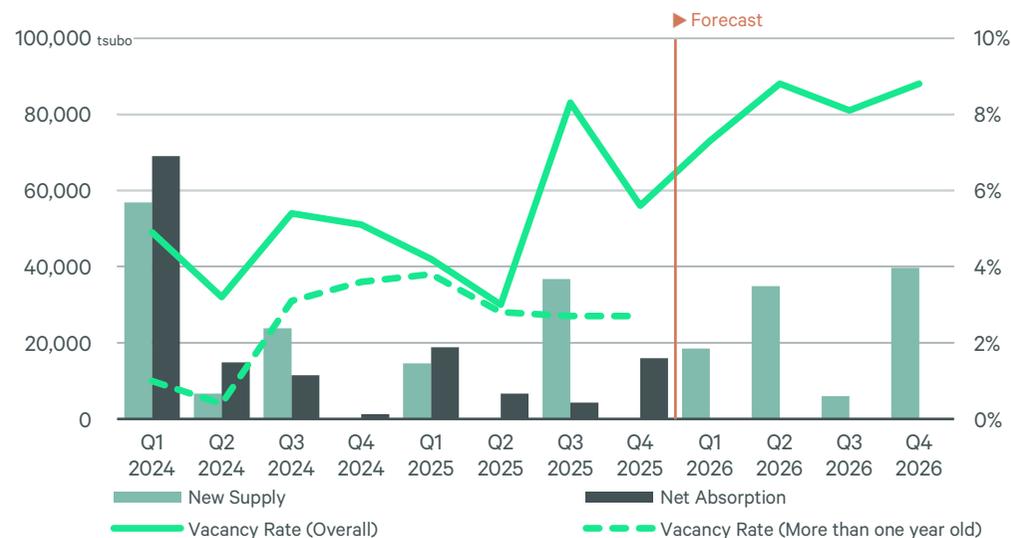
Tenant leasing activity was robust in the regional cities this quarter, with a number of new leases noted for relatively large units of several thousand tsubo. With no new supply in Greater Sapporo, several existing units were absorbed by tenants in the manufacturing and retail sectors, bringing two properties in the area to full occupancy. While new vacancies appeared in another property, tenant interest has already been observed.

In the Tohoku region, Greater Sendai saw no new supply this quarter, but vacancies remain sparse, particularly within Sendai City. Four developments are slated for completion during 2026, with leasing for these properties now beginning in earnest. Meanwhile, one new property began operations at high occupancy in Iwate Prefecture.

Greater Okayama saw one new property this quarter, but as it was filled prior to completion, vacancies in the area remain entirely nonexistent. With no vacancies emerging in Greater Hiroshima in recent times, the supply-demand balance there also remains tight. The next supply in the area will be the one property planned for completion in 2028.

Rents rose this quarter in the Greater Sapporo, Sendai, and Okayama, where tenant activity was observed due to new supply or the absorption of existing vacancies.

Figure 6: Greater Fukuoka LMT Supply/Demand Balance



Source: CBRE, Q4 2025

Figure 7: Large Multi-Tenant Submarket Summary

			Vacancy Rate					Effective Rent Index (JPY/tsubo/month)					
			Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q-o-Q
Greater Tokyo	Greater Tokyo	Overall	9.8%	11.1%	10.9%	10.4%	9.8%	4,500	4,490	4,480	4,480	4,490	+0.2%
		More than one year old	6.8%	7.7%	7.9%	7.7%	7.1%						
	Tokyo Bay Area	Overall	9.7%	7.3%	5.8%	5.0%	4.0%	7,590	7,620	7,670	7,690	7,730	+0.5%
		More than one year old	5.0%	3.0%	3.3%	5.0%	4.0%						
	Gaikando Area	Overall	6.6%	6.1%	6.1%	5.4%	4.4%	5,260	5,300	5,320	5,340	5,370	+0.6%
		More than one year old	3.1%	5.0%	5.9%	4.3%	3.4%						
	Route 16 Area	Overall	8.8%	10.5%	9.3%	9.3%	9.6%	4,520	4,540	4,550	4,550	4,550	±0.0%
		More than one year old	7.5%	8.2%	7.0%	7.1%	6.9%						
	Ken-O-do Area	Overall	14.7%	17.0%	18.7%	17.0%	15.0%	3,550	3,510	3,470	3,480	3,480	±0.0%
		More than one year old	8.5%	10.0%	12.9%	12.1%	11.0%						
Greater Osaka	Overall	3.7%	3.8%	5.6%	5.0%	4.2%	4,210	4,230	4,230	4,260	4,290	+0.7%	
	More than one year old	3.1%	2.5%	2.2%	2.2%	1.9%							
Greater Nagoya	Overall	13.4%	12.6%	15.9%	16.6%	15.5%	3,670	3,670	3,720	3,720	3,730	+0.3%	
	More than one year old	8.1%	11.8%	10.6%	11.9%	11.4%							
Greater Fukuoka	Overall	5.1%	4.2%	3.0%	8.3%	5.6%	3,540	3,570	3,580	3,570	3,570	±0.0%	
	More than one year old	3.6%	3.8%	2.8%	2.7%	2.7%							

* The Q3 2025 vacancy rate (Overall) for the Gaikando area has been revised from 4.9% to 5.4%.

Source: CBRE, Q4 2025

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 (310 properties) and Greater Osaka Area (102 properties) More than 5,000 tsubo in Greater Nagoya Area (58 properties) and Greater Fukuoka Area (48 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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