

# Rents rise across all 13 cities nationwide for second consecutive quarter; Grade A supply in Tokyo and Nagoya delivered at near-full occupancy

|                               |                       |                               |                       |                                |                        |
|-------------------------------|-----------------------|-------------------------------|-----------------------|--------------------------------|------------------------|
| ► $\pm 0.0\text{pp}$ Q-o-Q    | ▲ +5.4% Q-o-Q         | ▲ +0.2pp Q-o-Q                | ▲ +3.4% Q-o-Q         | ▼ -0.6pp Q-o-Q                 | ▲ +5.2% Q-o-Q          |
| Tokyo Grade A Vacancy Rate Q3 | Tokyo Grade A Rent Q3 | Osaka Grade A Vacancy Rate Q3 | Osaka Grade A Rent Q3 | Nagoya Grade A Vacancy Rate Q3 | Nagoya Grade A Rent Q3 |

## Tokyo: Grade A vacancy rate holds flat q-o-q at 0.6%, remaining below 1% for fourth consecutive quarter

- The All-Grade vacancy rate in Tokyo declined 0.1 pp q-o-q to 1.3% in Q3 2026. The Grade A vacancy rate held flat at 0.6%, remaining below 1% for the fourth consecutive quarter. Three new Grade A buildings were completed this quarter, all of which were nearly fully occupied. Demand for office upgrades and expansion remains robust across a wide range of industries. Rents continued to record strong growth across all grades, led by Grade A rents with gains of 5.4% q-o-q, their second-highest quarterly growth rate on record.

## Osaka: Grade A rents surpass JPY 30,000 for first time since surveys began

- Osaka's All-Grade vacancy rate rose 0.2 pp q-o-q to 2.0% in Q3 2026. New supply, as well as vacancies in existing buildings, contributed to the increase, but tenant demand remained firm for upgrades and in-building expansions. Rents rose across all grades, reaching new all-time highs. Grade A rents increased 3.4% q-o-q to JPY 30,150, surpassing the JPY 30,000 threshold for the first time on record. High-rent properties, primarily in the Umeda area, led the overall rent increase.

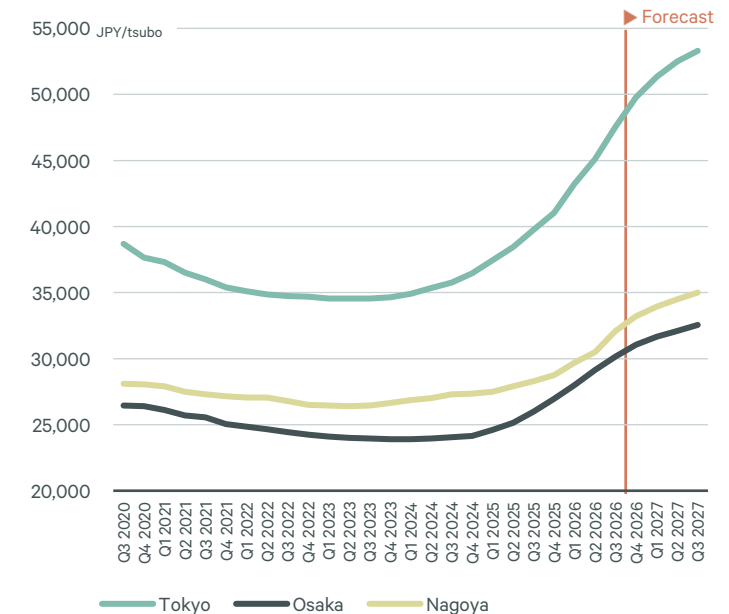
## Nagoya: Rental growth accelerates across all grades

- The All-Grade vacancy rate in Nagoya declined 0.1 pp q-o-q to 1.9% in Q3 2026. New supply consisted of one Grade A building, which was delivered at near-full occupancy thanks to solid demand from companies in neighboring buildings and owner-occupied buildings looking to upgrade their office environment. Rental growth accelerated across all grades during the quarter. Grade A rents led overall market rental growth with a gain of 5.2% q-o-q, their third-highest quarterly growth rate on record.

## Regional Cities: Rents rise in all 10 cities for second consecutive quarter; Sendai logs new all-time high

- In regional cities, the All-Grade vacancy rate for Q3 2026 declined q-o-q in seven of the 10 surveyed cities, rose in two, and remained flat in one. Vacancies continued to be absorbed over the quarter due to companies upgrading the quality and location of their offices, opening branch offices, and expanding within their current premises. All-Grade rents rose q-o-q in all 10 cities for the second consecutive quarter. Amid tightening supply-demand conditions, upward pressure on rents is spreading across the broader market, regardless of building location or age.

Figure 1: Grade A Average Assumed Achievable Rent



Source: CBRE, Q3 2026

## Tokyo

### Grade A vacancy rate holds flat q-o-q at 0.6%, remaining below 1% for fourth consecutive quarter

The All-Grade vacancy rate in Tokyo declined 0.1 pp q-o-q to 1.3% in Q3 2026. New supply this quarter totaled seven buildings providing approximately 73,000 tsubo of space, roughly 1.7x the historical average. Net absorption reached 88,000 tsubo, and demand for office upgrades and expansion remains robust across a wide range of industries. The Grade A vacancy rate held flat at 0.6%, remaining below 1% for the fourth consecutive quarter. Grade A new supply comprised three buildings of a total of roughly 67,000 tsubo, nearly 3x the historical average. These properties were almost fully occupied upon completion as they attracted office upgrading demand from tenants in neighboring buildings. Among existing buildings, vacancies continued to be absorbed in the limited number of buildings that still carried available space. In central Tokyo, sizeable vacancies are becoming increasingly scarce across all grades. As a result, large-scale relocations to peripheral areas and the securing of office space across multiple buildings continue to be observed. In the Grade A- segment, vacancies were absorbed primarily in peripheral areas in buildings with larger available spaces, driven by upgrades. This brought the vacancy rate for this building class down 0.1 pp to 1.8%. In the Grade B segment, the two new buildings added to the market this quarter achieved high occupancy upon completion, while the opening of branch offices and similar activity absorbed vacancies in existing buildings. Consequently, the vacancy rate for this building class edged down 0.1 pp to 1.2%.

Supply-demand conditions are expected to remain tight across all grades in the coming quarters. In the Grade A segment, the sole building scheduled for completion next quarter has little space remaining, while the pre-commitment rate for the buildings scheduled for completion in 2027 is estimated to have reached nearly 70% as of end-September 2026. Although future vacancies in existing buildings due to tenant relocations to new developments are being reported across all grades, enquiry levels remain high, particularly for centrally located buildings. This makes a significant loosening of supply-demand conditions unlikely.

Rents continued to record strong growth across all grades this quarter. Grade A rents rose 5.4% q-o-q, matching the upward momentum achieved in Q1 2026 and marking the second-highest quarterly growth rate on record after Q2 2006. The Yaesu/ Nihonbashi area, where redevelopment activity continues, and the Marunouchi/ Otemachi area, which commands the highest rents market-wide, led the increase in overall rents. With limited space available, an increasing number of landlords are willing to take the time necessary to achieve the highest rents possible, leaving tenants with no choice but to accept rising rents. While some buildings have seen a modest softening in enquiry levels following substantial rent increases, rents are expected to continue rising against a backdrop of tight supply-demand conditions. Grade A rents are projected to increase by 12.1% over the next 12 months.

## Osaka

### Grade A rents surpass JPY 30,000 for first time since surveys began

In Osaka, the All-Grade vacancy rate rose 0.2 pp q-o-q to 2.0% in Q3 2026, marking the first increase since Q1 2024. This quarter's increase in the vacancy rate was attributable to both new supply and the emergence of vacancies in existing buildings, although tenant demand remains firm. The Grade A vacancy rate edged up 0.2 pp to 2.6%, as a large vacancy arose in an existing property due to a tenant relocating to a recently completed building. During the quarter, vacancies were absorbed due to upgrades and in-building expansions, but many of these involved smaller units of 300 tsubo or less. The Grade B vacancy rate rose 0.2 pp to 1.6%, primarily due to a new property that was delivered with vacancies remaining. Enquiries for this building have since increased, however, and leasing is expected to proceed smoothly in the coming quarters.

Rents rose across all grades this quarter, reaching new all-time highs. Grade A rents increased 3.4% q-o-q to JPY 30,150, surpassing the JPY 30,000 threshold for the first time since CBRE surveys began. Underpinned by robust demand for office upgrades, high-rent properties in the Umeda area, where relatively new buildings are clustered, are leading the overall increase. Grade A rents are projected to increase by 8.0% over the next 12 months.

## Nagoya

### Rental growth accelerates across all grades

The All-Grade vacancy rate in Nagoya declined 0.1 pp q-o-q to 1.9% in Q3 2026. New supply consisted of one Grade A building, which was delivered at near-full occupancy thanks to robust demand from companies in neighboring buildings and owner-occupied buildings looking to upgrade their office environment. Vacancies in existing buildings were absorbed by in-building expansions, bringing the Grade A vacancy rate down 0.6 pp to 0.6%, dropping below 1%. The Grade B vacancy rate held flat at 1.7%, as vacancies arising from consolidations and downsizing were offset by in-building expansions, primarily in recently completed buildings. As of end-September 2026, there are no future development plans in the Grade A segment, meaning that Grade B buildings are expected to account for the majority of upcoming supply. Pre-leasing is making steady progress at many of these buildings, and available space in high-quality buildings is becoming increasingly scarce.

Rental growth accelerated across all grades this quarter. Grade A rents rose 5.2% q-o-q to JPY 32,100, the third-highest quarterly growth rate on record. During the quarter, lease contracts with rents exceeding JPY 40,000 began to emerge in the Grade A segment, pushing up overall market rents. With supply-demand conditions set to remain tight, rents are expected to continue rising. Grade A rents are projected to increase by 9.0% over the next 12 months.

## Regional cities

(Sapporo/Sendai/Saitama/Yokohama/Kanazawa/Kyoto/Kobe/Takamatsu/Hiroshima/Fukuoka)

### Vacancy rates rise in some cities but tenant demand remains resilient

In regional cities, the All-Grade vacancy rate for Q3 2026 declined q-o-q in seven of the 10 surveyed cities, rose in two, and remained flat in one. No new supply was recorded in any of the 10 cities this quarter. Among the seven cities that recorded a decline in vacancy, Kanazawa posted the largest decrease, falling 1.1 pp to 10.4%, followed by Hiroshima, which declined 1.0 pp to 5.4%. In both cities, significant space was absorbed in large, recently completed buildings during the quarter. Relocations to improve office location and quality to strengthen talent recruitment were observed, while in Hiroshima, relocations associated with building redevelopment were noted. Sapporo's vacancy rate dropped 0.8 pp to 3.3%, as sizeable vacancies in a building completed in Q2 2026 were absorbed by office upgrades and branch office openings. In other existing buildings, relocations from owner-occupied buildings were observed, reflecting firm underlying demand.

In contrast, Kyoto saw vacancies emerge in existing buildings due to tenants relocating to a building completed last year, driving the vacancy rate up by 0.5 pp to 3.0%. In Sendai, the vacancy rate edged up 0.1 pp, as partial lease terminations generated new vacancies, while relocations and in-building expansions involving smaller units remained active.

### Rent growth continues across all 10 cities; Sendai logs new all-time high

All-Grade rents rose q-o-q in all 10 surveyed cities in Q3 2026 for the second consecutive quarter. Saitama once again recorded the highest growth rate, with rents rising 2.8% q-o-q. With limited available space remaining, rents are increasing not only in high-rent properties but also in those at or below average rent levels. Sendai recorded the second-highest rental growth rate, rising 2.5% q-o-q to JPY 12,630 — a new all-time high. Kobe rents rose 2.2%, exceeding 2% for the second consecutive quarter. In both cities, rents are on an upward trajectory even for properties that are inferior in terms of location, building age, and specifications. Rents are expected to continue rising nationwide, supported by robust tenant demand for office upgrades.

Figure 2: Vacancy Rate in 13 Cities

|           |           |                 | Vacancy Rate (%) |         |         |            |            | Assumed Achievable Rent (JPY/tsubo) |         |         |            |            |
|-----------|-----------|-----------------|------------------|---------|---------|------------|------------|-------------------------------------|---------|---------|------------|------------|
|           |           |                 | Q3 2025          | Q2 2026 | Q3 2026 | Q-o-Q (pp) | Y-o-Y (pp) | Q3 2025                             | Q2 2026 | Q3 2026 | Q-o-Q (pp) | Y-o-Y (pp) |
| Tokyo     | Grade A   | All             | 1.0%             | 0.6%    | 0.6%    | ±0.0       | −0.4       | 39,750                              | 45,100  | 47,550  | +5.4       | +19.6      |
|           | Grade A-  | All             | 2.6%             | 1.9%    | 1.8%    | −0.1       | −0.8       | 26,050                              | 30,050  | 31,450  | +4.7       | +20.7      |
|           | Grade B   | All             | 2.1%             | 1.3%    | 1.2%    | −0.1       | −0.9       | 23,000                              | 24,850  | 25,500  | +2.6       | +10.9      |
|           | All-Grade | All             | 2.1%             | 1.4%    | 1.3%    | −0.1       | −0.8       | 22,860                              | 24,930  | 25,760  | +3.3       | +12.7      |
|           |           | Central 5 Wards | 1.4%             | 1.0%    | 0.9%    | −0.1       | −0.5       | 24,240                              | 26,440  | 27,370  | +3.5       | +12.9      |
| Osaka     | Grade A   | All             | 2.9%             | 2.4%    | 2.6%    | +0.2       | −0.3       | 26,000                              | 29,150  | 30,150  | +3.4       | +16.0      |
|           | Grade B   | All             | 1.7%             | 1.4%    | 1.6%    | +0.2       | −0.1       | 15,300                              | 16,500  | 16,650  | +0.9       | +8.8       |
|           | All-Grade | All             | 2.3%             | 1.8%    | 2.0%    | +0.2       | −0.3       | 14,760                              | 15,820  | 15,940  | +0.8       | +8.0       |
| Nagoya    | Grade A   | All             | 1.1%             | 1.2%    | 0.6%    | −0.6       | −0.5       | 28,300                              | 30,500  | 32,100  | +5.2       | +13.4      |
|           | Grade B   | All             | 2.6%             | 1.7%    | 1.7%    | ±0.0       | −0.9       | 14,850                              | 15,300  | 15,600  | +2.0       | +5.1       |
|           | All-Grade | All             | 2.4%             | 2.0%    | 1.9%    | −0.1       | −0.5       | 14,390                              | 14,830  | 15,170  | +2.3       | +5.4       |
| Yokohama  | All-Grade | All             | 4.3%             | 4.7%    | 4.6%    | −0.1       | +0.3       | 15,130                              | 15,420  | 15,640  | +1.4       | +3.4       |
| Saitama   | All-Grade |                 | 0.7%             | 1.5%    | 1.5%    | ±0.0       | +0.8       | 20,210                              | 21,490  | 22,100  | +2.8       | +9.4       |
| Sapporo   | All-Grade |                 | 3.3%             | 4.1%    | 3.3%    | −0.8       | ±0.0       | 16,120                              | 16,300  | 16,370  | +0.4       | +1.6       |
| Sendai    | All-Grade |                 | 4.0%             | 3.3%    | 3.4%    | +0.1       | −0.6       | 11,820                              | 12,320  | 12,630  | +2.5       | +6.9       |
| Kanazawa  | All-Grade |                 | 14.3%            | 11.5%   | 10.4%   | −1.1       | −3.9       | 10,810                              | 10,830  | 10,860  | +0.3       | +0.5       |
| Kyoto     | All-Grade |                 | 2.8%             | 2.5%    | 3.0%    | +0.5       | +0.2       | 15,510                              | 15,990  | 16,030  | +0.3       | +3.4       |
| Kobe      | All-Grade |                 | 1.6%             | 0.8%    | 0.6%    | −0.2       | −1.0       | 12,480                              | 13,340  | 13,640  | +2.2       | +9.3       |
| Hiroshima | All-Grade |                 | 4.7%             | 6.4%    | 5.4%    | −1.0       | +0.7       | 12,080                              | 12,290  | 12,440  | +1.2       | +3.0       |
| Takamatsu | All-Grade |                 | 7.2%             | 6.9%    | 6.5%    | −0.4       | −0.7       | 9,960                               | 10,070  | 10,180  | +1.1       | +2.2       |
| Fukuoka   | All-Grade |                 | 4.0%             | 4.4%    | 4.0%    | −0.4       | ±0.0       | 16,490                              | 16,850  | 16,990  | +0.8       | +3.0       |

\*Data by area and historical time-series data are available for a fee. For more details, please visit our commercial real estate portal, "CREIS JAPAN".  
Source: CBRE, Q3 2026

Building Grade Definition

| All-Grade |                                                       |                                            |                                                                                                                         |                                  |                                                    |
|-----------|-------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------|
|           | Grade A                                               | Grade A-                                   | Grade B                                                                                                                 |                                  |                                                    |
| Location  | Tokyo: Central 5 Wards*<br>Osaka, Nagoya: Office area | Office area<br>in Tokyo 23 Wards           | Office area<br>in Tokyo 23 Wards                                                                                        | Office area<br>in Osaka & Nagoya | Office area in 13 cities<br>nationwide set by CBRE |
| Size      | NLA:<br>6,500 tsubo or more                           | 4,500 tsubo or more                        | —                                                                                                                       | —                                | —                                                  |
|           | GFA:<br>10,000 tsubo or more                          | 7,000 tsubo or more                        | 2,000 tsubo or more                                                                                                     | 2,000 tsubo or more              | 1,000 tsubo or more                                |
|           | Typical floor plate:<br>500** tsubo                   | Greater than 250 tsubo<br>(except Grade A) | Greater than 200 tsubo<br>(except Grade A &<br>Grade A-)                                                                | —<br>(except Grade A)            | —                                                  |
| Age       | Generally less than 15 years                          |                                            | Buildings satisfying the 1981 anti-seismic standards                                                                    |                                  |                                                    |
| Other     | Landmark status, specifications, etc.                 |                                            | *Central 5 Wards: Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, Shibuya Ward<br>**350 tsubo for Osaka and Nagoya |                                  |                                                    |

Terms and Definitions

| Space Measurement           | 1 tsubo=3.3058 square meters=35.58 square feet                                                                                                                                                                     |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Surveyed Buildings          | Office buildings for lease located in office markets in 13 major cities nationwide, with gross floor area of 1,000 tsubo or more, and compliant with the new earthquake resistance standards.                      |
| Surveyed Period             | Quarterly vacancy rate: (1) End of March (2) End of June (3) End of September (4) End of December<br>Quarterly assumed achievable rents: (1) End of March (2) End of June (3) End of September (4) End of December |
| Vacancy Rate                | Vacancies are those that are ready to receive tenants at time of survey                                                                                                                                            |
| Assumed Achievable Rent     | Assumed achievable rent including common area maintenance fee<br>Expressed as JPY per tsubo per month                                                                                                              |
| New Supply                  | Net leasable area of buildings completed during each period                                                                                                                                                        |
| Net Absorption              | Difference between occupied floor space (floor space used by tenants) in a given period and that of the previous period                                                                                            |
| Number of Grade A Buildings | Tokyo: 111 Osaka: 34 Nagoya: 16 (as of Q3 2026)                                                                                                                                                                    |

|                                                                                                            |                                                                                                              |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>Tokyo</b><br>Meiji Yasuda Seimei Building<br>2-1-1 Marunouchi, Chiyoda-ku,<br>Tokyo                     | <b>Kanazawa</b><br>J.NODE Kanazawa IV<br>NK Building, 3-3-11 Hirooka,<br>Kanazawa-shi Ishikawa               |
| <b>Osaka</b><br>Grand Front Osaka 4-20,<br>Ofuka-cho, Kita-ku, Osaka-shi,<br>Osaka                         | <b>Nagoya</b><br>Chunichi Bldg. 21F, 4-1-1 Sakae,<br>Naka-ku, Nagoya-shi,<br>Aichi                           |
| <b>Sapporo</b><br>Nihon Seimei Sapporo Building<br>4-1-1 Kitasanjonishi, Chuo-ku,<br>Sapporo-shi, Hokkaido | <b>Hiroshima</b><br>Shishinyo Building 3-17<br>Fukuromachi, Naka-ku,<br>Hiroshima-shi, Hiroshima             |
| <b>Sendai</b><br>Sendai Mark One 1-2-3 Chuo,<br>Aoba-ku, Sendai-shi, Miyagi                                | <b>Fukuoka</b><br>Tenjin Sumitomo Life FJ Business<br>Center 2-8-35 Tenjin, Chuo-ku,<br>Fukuoka-shi, Fukuoka |

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