

BRIEF | Japan | Highstreet Retail

# Japan's High Street Retail Landlords Remain Upbeat as Diversifying Inbound Tourism Market Propels Storefront Sales

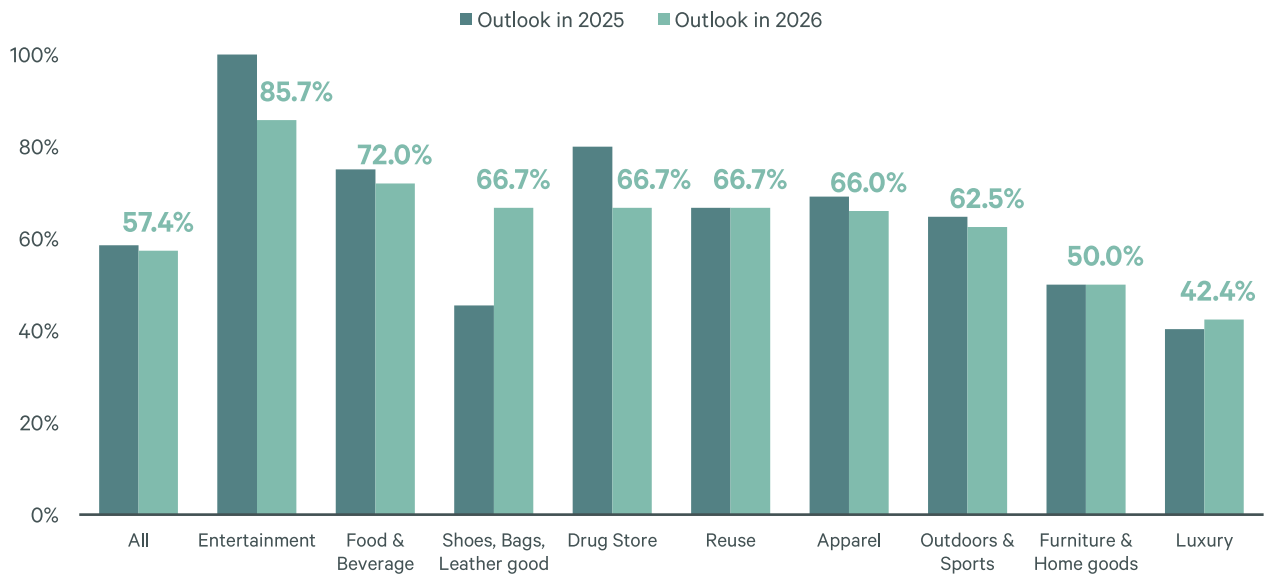
March 2026

Landlords of high street retail properties in Japan maintain a generally positive outlook toward tenant storefront sales, according to CBRE's latest survey. This view is underpinned by an inbound tourism market that has transitioned to a more diverse structure that is less reliant on specific markets or nationalities, ensuring that inbound consumption continues to expand despite a decline in visitors from China.

## Landlords maintain positive outlook toward high street storefront sales

In January 2026, CBRE Japan conducted a survey of high street landlords. The results show that 57.4% of respondents described their sales outlook for high street storefront tenants in 2026 as either "positive" or "somewhat positive." While this represents a slight decrease of 1.1 pp from the previous survey on the outlook for 2025 conducted in July of that year, it indicates that landlord sentiment remains positive. The percentage of respondents holding a positive view was the highest in experiential categories highly popular with foreign visitors, such as "entertainment" (85.7%) and "food and beverage" (72%). "Shoes, bags, leather goods" saw a significant improvement, rising 21.2 pp from the previous survey to 66.7%, reflecting a marked recovery in sentiment (Figure 1).

**Figure 1: High Street Landlord Survey: "What is your outlook for storefront sales over the next year?"**  
**Total Percentage of "Positive" or "Somewhat positive" Responses**



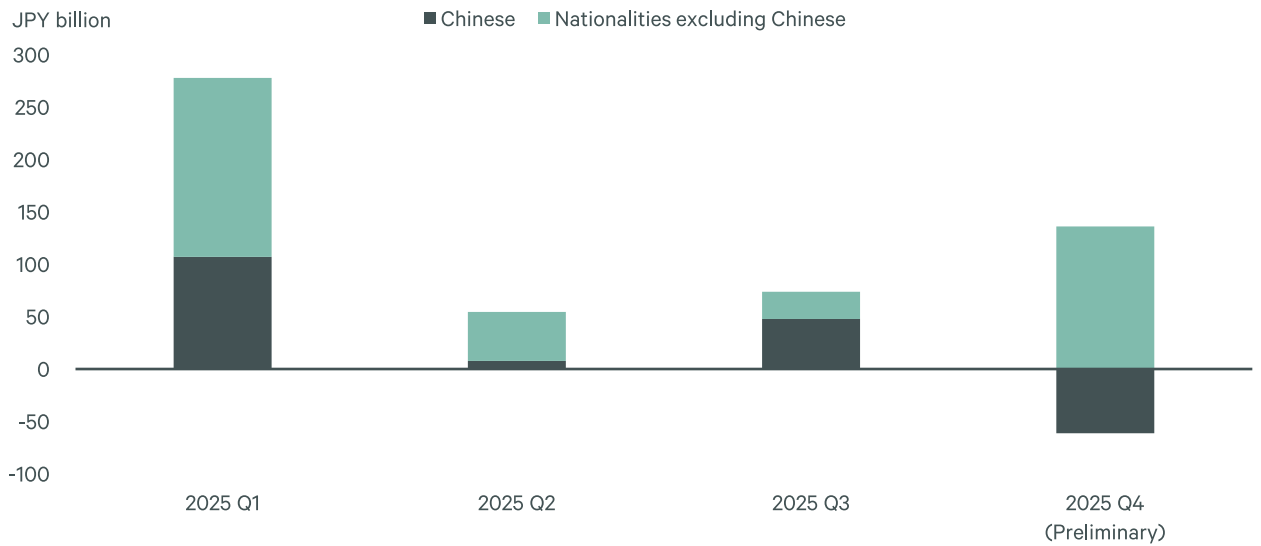
\* 2026 Outlook (as of Jan. 2026) n=204; 2025 Outlook (as of Jul. 2025) n=246.  
 Source: CBRE, January 2026.

## Diversification of inbound tourist demographics bolsters high street storefront sales

Landlords' prevailing optimism is likely driven by the continued increase in foreign arrivals and the ongoing diversification of tourism source markets. In 2025, the number of foreign visitors reached a record high 42.68 million, with 20 individual markets hitting all-time highs by nationality. In December 2025, although visitors from China fell 45.3% y-o-y following their governments' request to its citizens to refrain from traveling to Japan, growth (+13.9% y-o-y) in the number of travelers from other markets, including Taiwan, the U.S., and Canada, compensated for this decline, resulting in a 3.7% increase in total arrivals for the month.

Total inbound tourist expenditure in 2025 rose 16.4% y-o-y to a record JPY 9.5 trillion, with the U.S. joining the group of countries exceeding JPY 1 trillion in annual spending. For the Q4 2025 period, which included the decline in Chinese visitors, combined spending on "restaurant, fast food, café etc." and "shopping" by Chinese visitors fell by an estimated JPY 61.4 billion y-o-y. However, this was more than offset by the JPY 136.2 billion increase in spending by visitors from other markets (Figure 2).

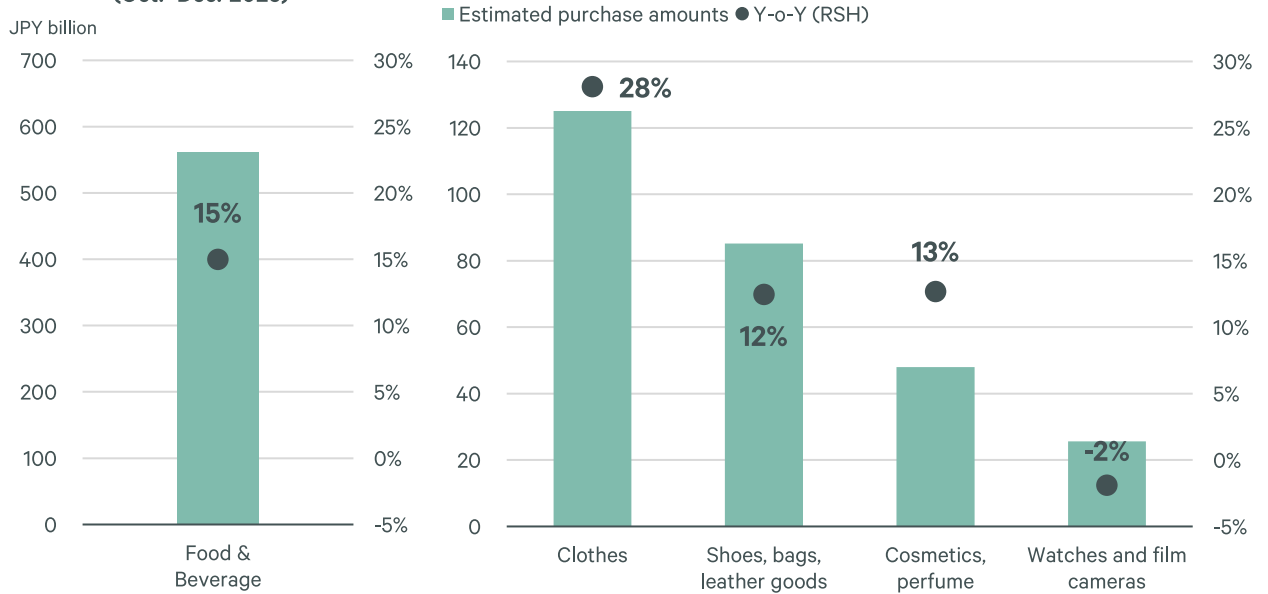
Figure 2: Y-o-Y Change in Estimated Travel Expenditure by Nationality (Restaurant, fast food, café etc. and Shopping)



Source: Japan Tourism Agency International Visitor Survey, CBRE, January 2026.

Categories such as “food and beverage”, “drug store (cosmetics and perfume)” and “apparel,” which were viewed positively by over 60% of landlords in CBRE’s survey (Figure 1), reported particularly robust growth in spending by foreign visitors excluding those from China (Figure 3). Purchase amounts in these categories rose by 15% y-o-y, 13% y-o-y and 28% y-o-y, respectively. Spending on “shoes, bags, leather goods”—including high-value items for which landlord sentiment significantly improved—rose by 12% y-o-y, marking the first growth in three quarters.

**Figure 3: Estimated Purchase Amounts and y-o-y Change by Major Product: Foreign Visitors Excluding Chinese (Oct.–Dec. 2025)**



\* Tourism and leisure purposes. The purchase amount is estimated based on the number of foreign visitors to Japan by nationality, the purchase rate by product, and the average spending per purchaser. Q4 2025 data are preliminary. Source: Japan Tourism Agency International Visitor Survey, CBRE, January 2026.

These trends suggest that high street store sales are being bolstered by Japan's increasingly diverse inbound tourism market. Storefront sales should therefore maintain their strong performance in 2026, in line with the positive outlook held by landlords of high street retail property.

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