

# Average rents set record highs in three areas including Ginza

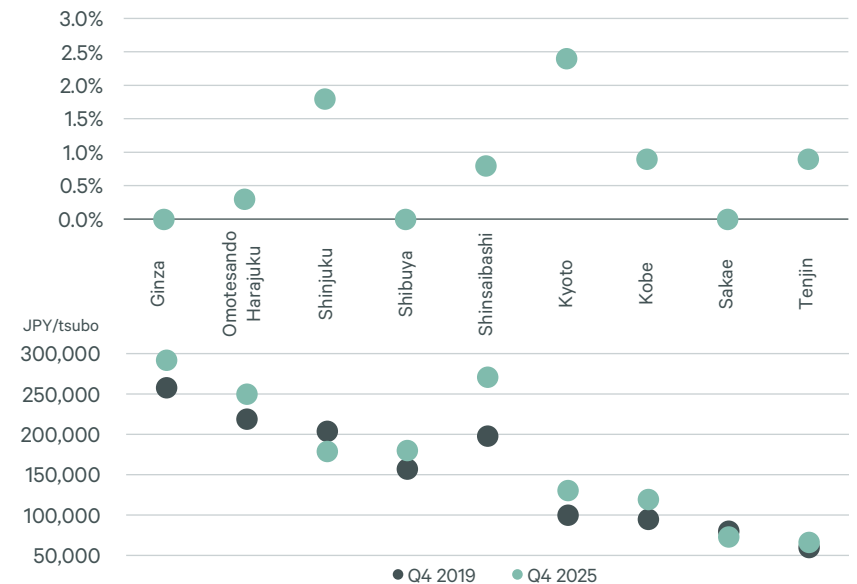
## Impact of fewer Chinese visitors to Japan should remain limited

▶  $\pm 0.0\text{pp}$  Q-o-Q ▲ +2.1% Q-o-Q ▲ +0.8pp Q-o-Q ▶  $\pm 0.0\%$  Q-o-Q ▶  $\pm 0.0\text{pp}$  Q-o-Q ▶ +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 three of the 10 surveyed areas (Ginza, Omotesando/Harajuku, and Shibuya) in Q4 2025, reaching the highest level since CBRE’s surveys began. Average rents in the remaining seven areas remained unchanged, with Shinsaibashi, Kyoto, Kobe, and Tenjin maintaining their all-time highs.
- Three areas (Ginza, Shibuya and Sakae) reported no vacancies in prime areas this quarter. Shinsaibashi saw its vacancy rate rise from 0.0% in the previous quarter to 0.8% in Q4 2025, increasing for the first time in six quarters.
- The Chinese government's travel advisory to its citizens to refrain from visiting Japan, issued in November 2025, had almost no impact on Japan’s retail leasing market this quarter. Despite this news, many retailers are proceeding with store opening plans in accordance with medium- to long-term strategies. Sales at existing stores continue to be supported by purchases by domestic customers and foreign visitors from other countries.
- The lack of available units and persistent competition among retailers suggest that upward pressure on rents across the country will continue to be seen in the coming quarters. For retailers with medium- to long-term objectives, the impact of fewer Chinese visitors on store openings should be limited. Demand for storefront space is therefore likely to remain robust.

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



Source: CBRE, Q4 2025

## Nationwide occupier trends

### Impact of fewer Chinese visitors limited; retailer demand follows upward trend

Floor space for new store openings and leases signed in prime areas nationwide increased 62.7% q-o-q to 3,524 tsubo in Q4 2025, with big-box retailers securing space in Shinsaibashi and Tenjin accounting for 45% of the total.

The Chinese government's travel advisory to its citizens to refrain from visiting Japan, issued in November 2025, had almost no impact on the leasing market this quarter. This is likely because most retailers retain a medium- to long-term plan for new store openings. During the quarter, Shinsaibashi, which attracts many foreign visitors, saw the highest volume of demand for new store openings of any high-street area. CBRE expects to see only a mild impact on sales at existing stores targeting independent Chinese travelers. Purchases by visitors from other countries and domestic customers will continue to help maintain sales volume at existing stores.

Retailer demand for store openings remains on an upward trend, with the number of inquiries increasing by 9% y-o-y in Q4 2025, primarily from apparel and F&B retailers.

## Tokyo

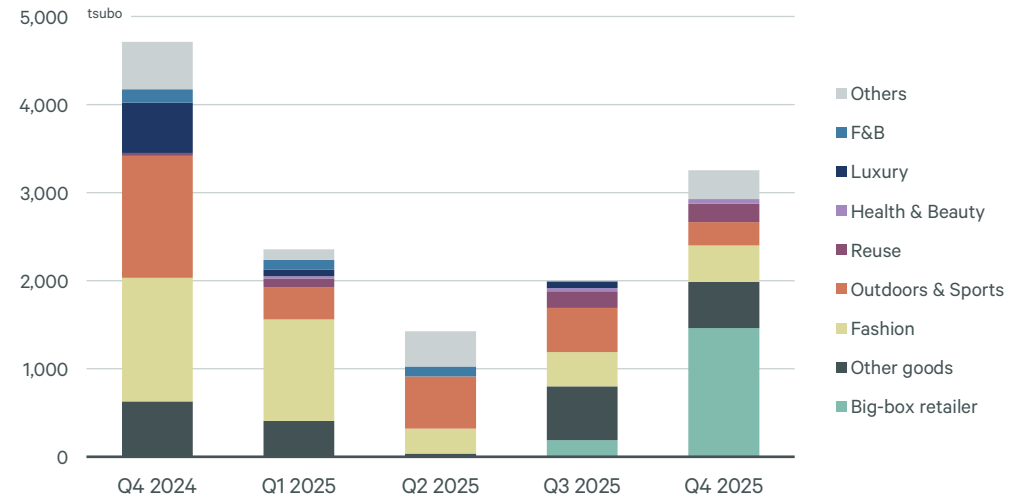
### Ginza vacancy remains at 0% for fourth consecutive quarter; average rents at new all-time high

New storefront lease contracts were signed this quarter by a fragrance retailer in the prime area and apparel and handbag retailers in the secondary area. During the quarter, interest was observed for available units on the high street (including those not yet available for immediate occupancy) from luxury, high-end wristwatch, sporting goods, eyewear, apparel, and reused items retailers. The prime area vacancy rate (based on units available for immediate occupancy) remained at 0.0% for the fourth consecutive quarter.

Average rents (assuming a regular-shaped 60-tsubo unit) rose 2.1% q-o-q to JPY 292,000, setting a new all-time high. Rents increased on Marronnier-dori, where multiple cases of retailers competing for an available unit at rates at above levels observed in the previous quarter were confirmed. Rents in secondary and peripheral areas are also trending upward on the back of demand from apparel and other retailer categories, with those from high-end wristwatch retailers driving rents upward.

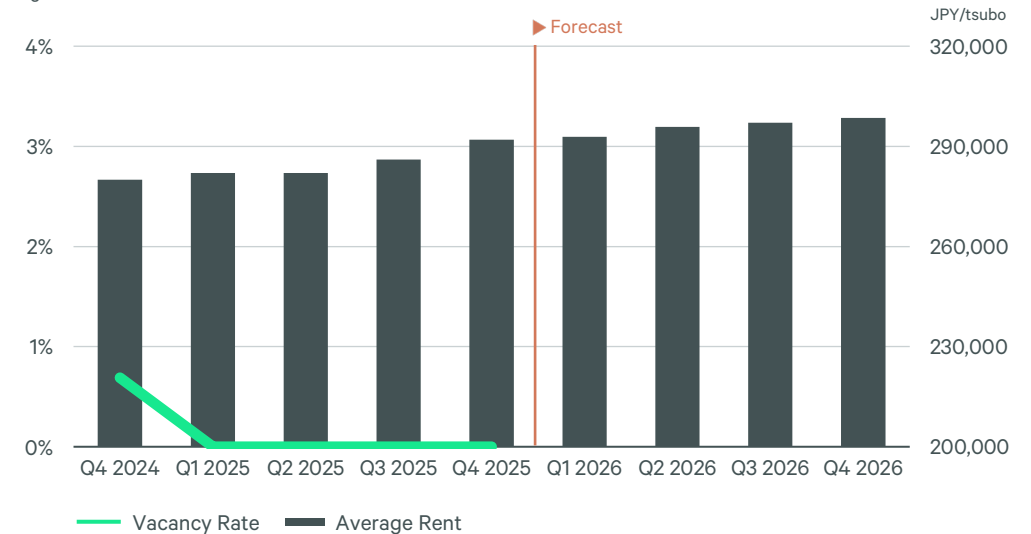
CBRE forecasts average rents to rise by 2.2% over the next 12 months. The impact of the fall in Chinese visitors on retailer strategies will likely be limited. Robust retailer demand and the scarcity of available units should ensure that overall rent levels continue to rise.

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, Q4 2025.

Figure 3: Ginza



Source: CBRE, Q4 2025.

## Tokyo (cont.)

New storefront lease contracts were signed in Q4 2025 by reused items and apparel retailers in the secondary area of **Omotesando**, and by eyewear and fragrance retailers in the prime area of **Harajuku**. Interest was seen for available units from sporting goods, handbag, eyewear, and smartphone case retailers. The prime area vacancy rate fell 0.1 pp q-o-q to 0.3%, the lowest since CBRE's surveys began in 2017.

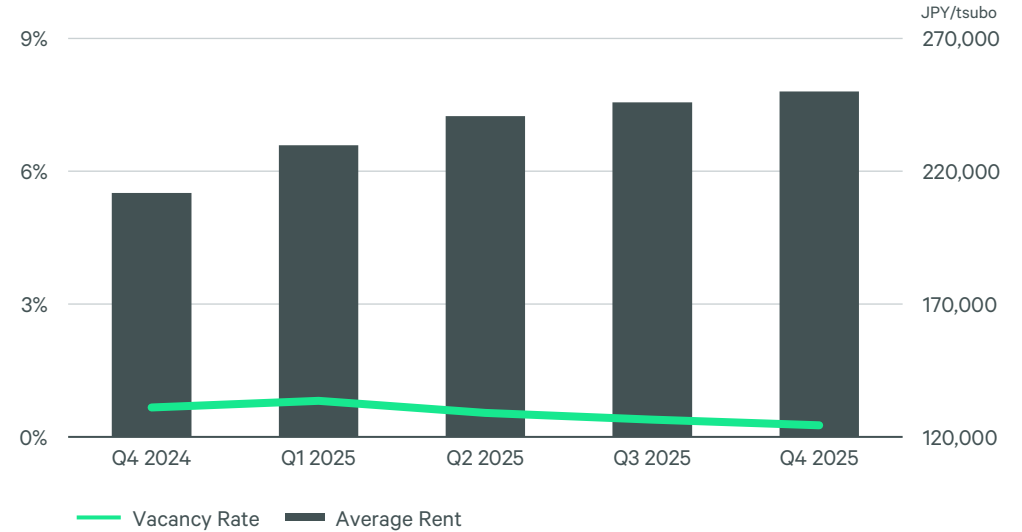
Average rents rose 1.6% q-o-q to JPY 250,000, setting a record high for the fourth consecutive quarter. The primary reason for the increment seen this quarter was the rental increase implemented in properties near Jingumae Crossing, where retailers are increasingly willing to pay landlords' higher asking rents.

New storefront lease contracts were signed this quarter by a leather goods retailer and an appliance manufacturer in the secondary and peripheral areas of Harajuku. One single unit received offers from more than ten retailers, reflecting robust tenant demand.

During the quarter, a new storefront lease contract was signed by a reused items retailer in the peripheral area of **Shinjuku**. Interest was also seen for available units from retailers across a diverse range of categories including luxury, jewelry, cosmetics, sporting goods, apparel, and character goods. The prime area vacancy rate rose 0.4 pp q-o-q to 1.8% in Q4 2025, primarily due to a new vacancy arising on Shinjuku-dori. However, this unit is likely to be quickly occupied, with multiple offers already having been confirmed. Average rents remained unchanged q-o-q at JPY 179,000, with no transactions indicating changes in rent levels.

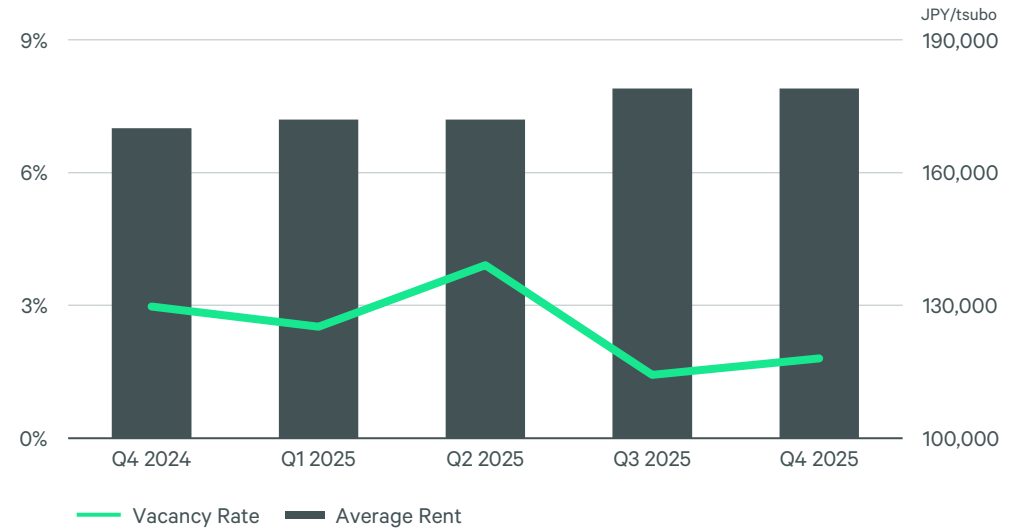
Leasing activity remained robust, particularly for large units. For newly available units, retailers of sporting goods and cosmetics seeking to open flagship stores were seen to have confirmed offers. During the quarter, a tenant was secured for an available unit that had been on the market for a prolonged period.

Figure 4: Omotesando/Harajuku



Source: CBRE, Q4 2025.

Figure 5: Shinjuku



Source: CBRE, Q4 2025.

## Tokyo (cont.)

A new storefront lease contract was signed in Q4 2025 by a reused items retailer in the prime area of **Shibuya**. Interest was observed in available units from outdoor goods and headwear retailers, among others. The prime area vacancy rate remained unchanged q-o-q at 0.0%.

Average rents rose 2.3% q-o-q to JPY 180,000, the highest since CBRE's surveys began. The primary cause was rising rental expectations among retailers preferring Shibuya Center-gai. Although available units have dried up, strong demand from retailers with ample financial capacity, backed by robust existing store sales, is increasing retailers' willingness to pay higher rents.

During Q4 2025, a retailer made an offer for an available unit in the peripheral area, at rent levels higher than those confirmed in the previous quarter. The applicant was a "destination-type" events facility operator targeting repeat customers. The stability of its business regardless of pedestrian traffic allowed the company to offer to pay high rents.

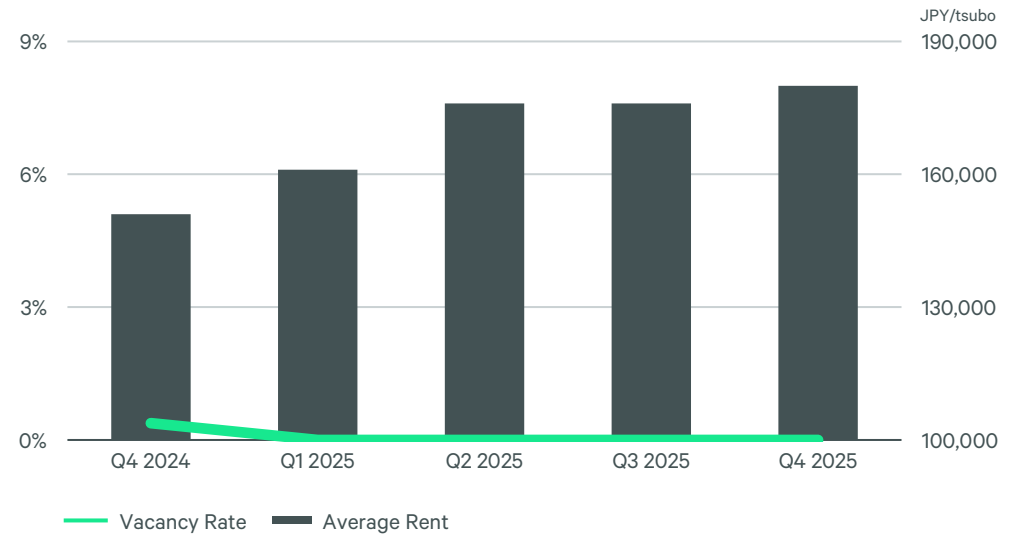
## Kansai

### Vacancy rises for first time in six quarters; average rents stay at record high

In **Shinsaibashi**, new storefront lease contracts were signed this quarter in the prime area by retailers, including several domestic groups, in sectors such as sporting goods, eyewear, big-box retailers, apparel, and character goods. A F&B retailer also secured space in the peripheral area. Interest was seen in available units from wristwatch, character goods, and apparel retailers. Prime area vacancy rose from 0.0% to 0.8%, the first increase in six quarters. This quarter's rise in vacancy was likely caused by landlords' high rental expectations. Average rents were unchanged q-o-q at JPY 271,000, remaining at the highest level since CBRE's surveys began. Strong competition for the few available units continued to be seen this quarter.

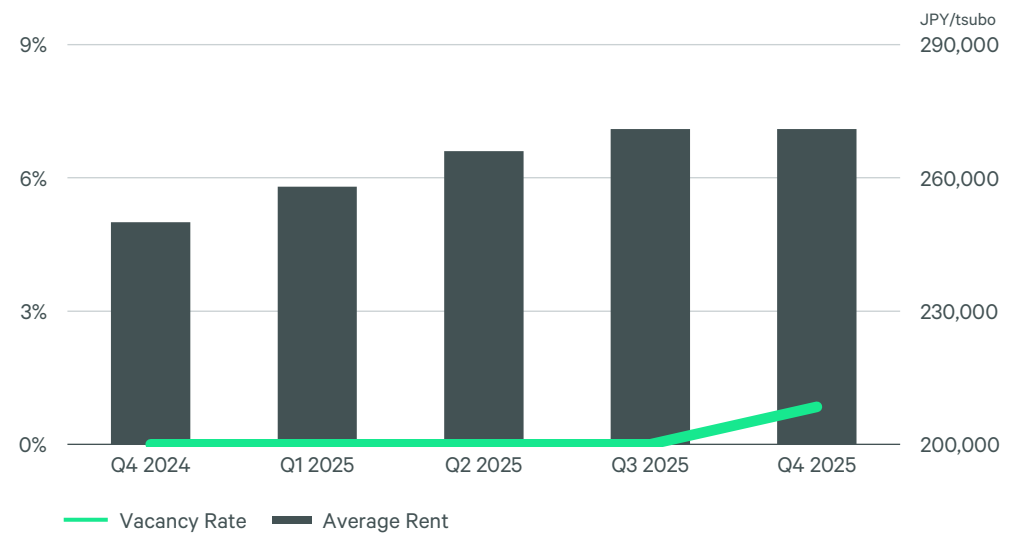
Shinsaibashi, which attracts many foreign visitors, has yet to see any negative impact on leasing activity from the Chinese government's urge to its citizens to refrain from visiting Japan. Retailers continue planning to expand their footprint in the medium- to long-term on the back of increasing sales at existing stores, driven by purchasing from other foreign visitors. With sales at stores dependent on Chinese group tourists likely having decreased, such retailers are likely to start re-examining product lineups to attract other customer segments.

Figure 6: Shibuya



Source: CBRE, Q4 2025.

Figure 7: Shinsaibashi



Source: CBRE, Q4 2025.

### Kansai (cont.)

In **Umeda**, average rents remained unchanged q-o-q at JPY 129,000 in Q4 2025. Demand for new store openings came from sporting goods, apparel, cosmetics, and F&B retailers.

In April 2026, LUCUA South, a large-scale renovation of the 10th to 15th floors of Daimaru Umeda, is scheduled to open and will feature a character zone. In the Chayamachi area, character goods-related retailer activity was prominent in 2025, with the year witnessing new openings of major anime shops, capsule toys, and claw machines. This trend should continue in 2026, likely increasing inbound and younger generation traffic throughout the area.

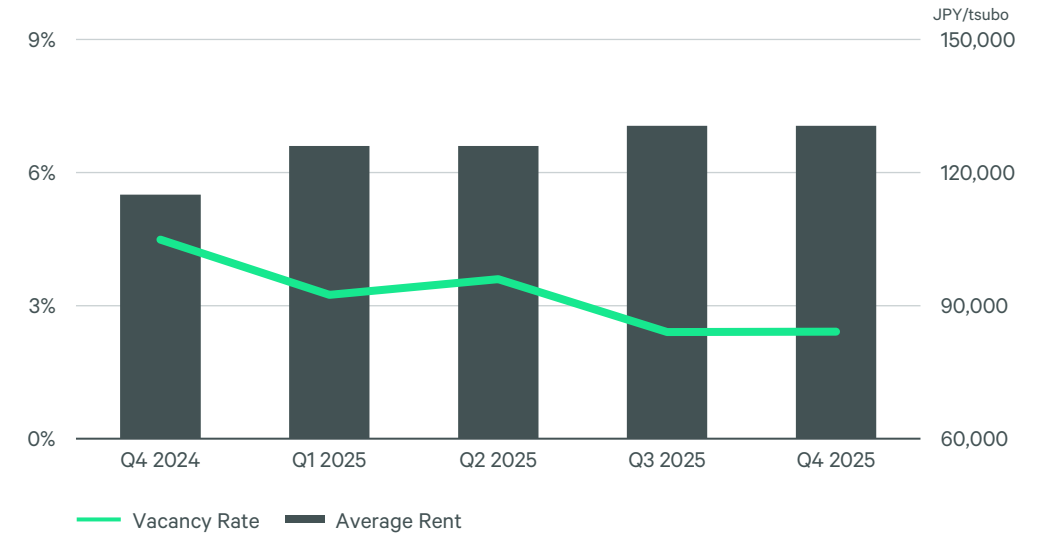
In **Kyoto**, new storefront lease contracts were signed this quarter by a merchandising retailer in the prime area and a handbag retailer in the secondary area. Domestic apparel and F&B operators also opened stores in the secondary and peripheral areas. Interest was seen in available units from outdoor goods and big-box retailers, among others. The prime area vacancy rate remained unchanged q-o-q at 2.4%. Average rents held firm at JPY 130,500, staying at a record high.

During the quarter, Fujii Daimaru announced it will temporarily close in May 2026 for renewal, targeting a fiscal 2030 reopening. Relocation demand from current tenants of this property has begun to be observed along the high street.

In **Kobe**, a new storefront lease contract was signed this quarter by a reused items retailer in the secondary area. Interest was seen in available units from luxury, sporting goods, and specialty coffee retailers. Prime area vacancy remained unchanged q-o-q at 0.9% while average rents were stable at JPY 119,500, maintaining a record high.

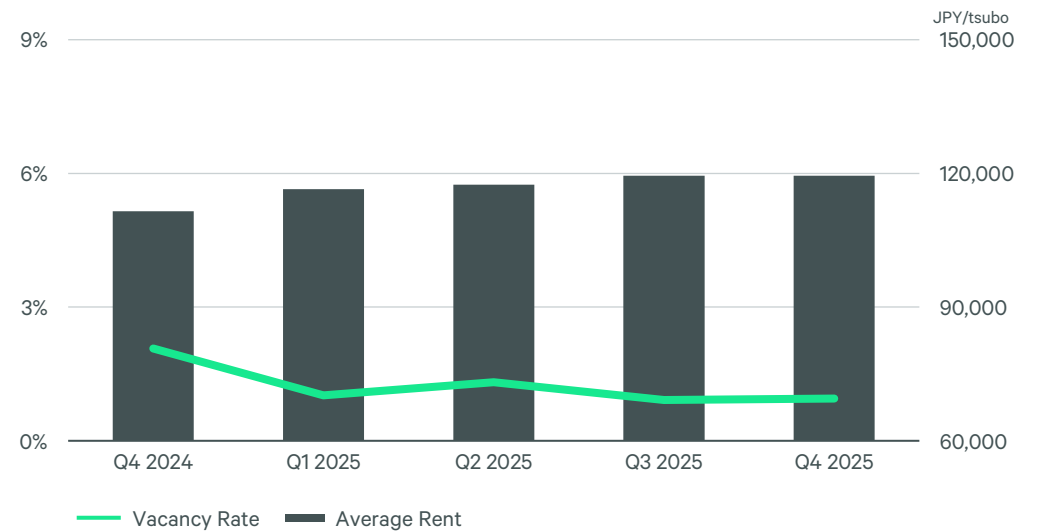
While international charter flights at Kobe Airport began operations in April 2025, Japan-China direct flights were suspended in December 2025. This may be a result of the Chinese government's advice to its citizens to refrain from travelling to Japan, issued in November. However, the impact should remain limited as sales in the area are primarily domestic-driven. December sales at Daimaru Kobe rose 4.4% y-o-y, exceeding the previous year's level for the fifth consecutive month. Retailers' appetite for new store openings remained solid during the period.

Figure 8: Kyoto



Source: CBRE, Q4 2025.

Figure 9: Kobe



Source: CBRE, Q4 2025.

## Nagoya

### Redevelopment review near Nagoya Station likely to impact Sakae demand

In **Sakae**, new storefront lease contracts were signed in Q4 2025 by apparel retailers in both prime and secondary areas. Interest was observed for available units from footwear, general goods, interior, and character goods retailers. The prime area vacancy rate was flat q-o-q at 0.0%, while average rents remained at JPY 73,000 for the fifth consecutive quarter. While there were no transactions in the prime area affecting rent levels, retailer interest surfaced for multiple available units, which may push up average rents in 2026.

This year will mark some important milestones in Nagoya's redevelopment. These include the launch of the commercial facility HAERA in The Landmark Nagoya Sakae, developed by Mitsubishi Estate and others, which is scheduled to open in early summer 2026. Elsewhere, Meitetsu Department Store at Nagoya Station is scheduled to close for redevelopment in February 2026. As a decrease in pedestrian traffic around the station is inevitable, retailers previously targeting Nagoya Station are likely to prioritize Sakae for new store openings, potentially intensifying competition in that area.

## Fukuoka

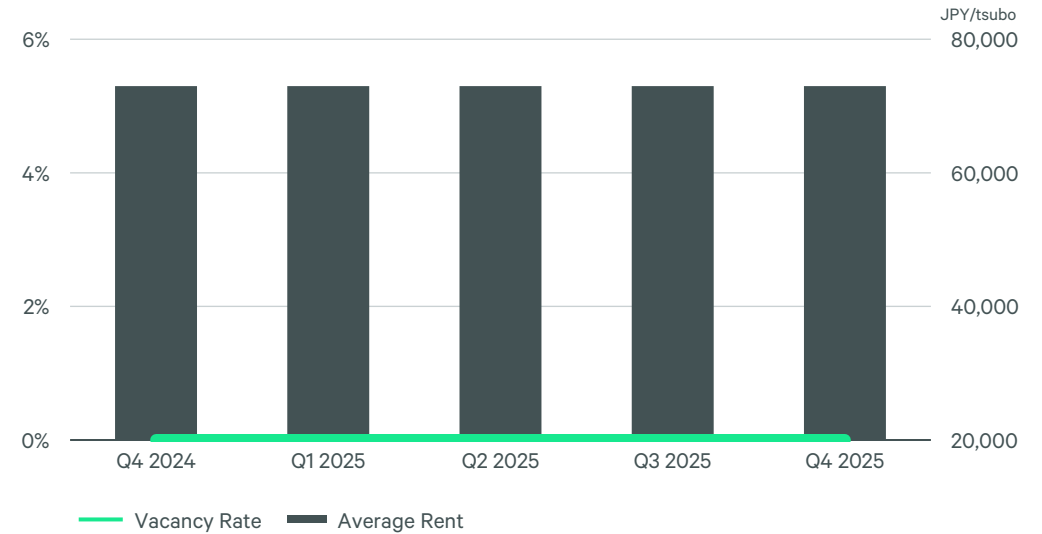
### Vacancy rate drops to 0.9%

In **Tenjin**, new storefront lease contracts were signed this quarter by a capsule toy operator and a big-box retailer in the prime area, and by a fragrance retailer in the secondary area. Interest was seen in available units from high-end wristwatch, handbag, and apparel retailers. The prime area vacancy rate fell 3.6 pp q-o-q to 0.9% due to the absorption of a large vacant unit.

Average rents remained unchanged q-o-q at JPY 66,500, maintaining a record high. Upward pressure on rents should continue to be seen in the coming quarters as multiple retailers compete to open shops in the prime area. The impact of the Chinese government's urge to its citizens to refrain from visiting Japan should be minor as the bulk of arrivals to the city are from other markets. Korea and Taiwan accounted for a combined 70.6% of visitors to Fukuoka in 2024\*, while China's share was just 6.4%. No cases of declining sales or changes in rental expectations were observed as of December 2025.

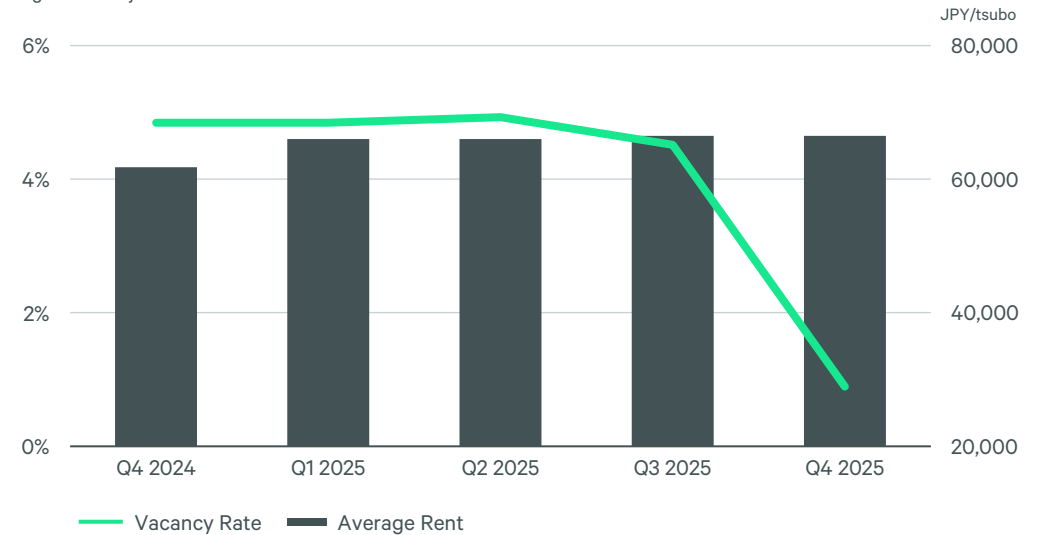
\* Tourism and Culture, Fukuoka city, "Tourism and MICE in Fukuoka city, 2025 Edition"

Figure 10: Sakae



Source: CBRE, Q4 2025.

Figure 11: Tenjin



Source: CBRE, Q4 2025.

Figure 12: High Street Market

		Vacancy Rate													
		Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q-o-Q(pp)	Y-o-Y(pp)							
Tokyo	Ginza	0.7%	0.0%	0.0%	0.0%	0.0%	±0.0	-0.7							
	Omotesando/ Harajuku	0.7%	0.8%	0.5%	0.4%	0.3%	-0.1	-0.4							
	Shinjuku	3.0%	2.5%	3.9%	1.4%	1.8%	+0.4	-1.2							
	Shibuya	0.4%	0.0%	0.0%	0.0%	0.0%	±0.0	-0.4							
Kansai	Shinsaibashi	0.0%	0.0%	0.0%	0.0%	0.8%	+0.8	+0.8							
	Umeda	—	—	—	—	—	—	—							
	Kyoto	4.5%	3.2%	3.6%	2.4%	2.4%	±0.0	-2.1							
	Kobe	2.1%	1.0%	1.3%	0.9%	0.9%	±0.0	-1.2							
Nagoya	Sakae	0.0%	0.0%	0.0%	0.0%	0.0%	±0.0	±0.0							
Fukuoka	Tenjin	4.8%	4.8%	4.9%	4.5%	0.9%	-3.6	-3.9							
		Average Rent (JPY / Tsubo / Month)							Prime Rent (JPY / Tsubo / Month)						
		Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q-o-Q(%)	Y-o-Y(%)	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q-o-Q(%)	Y-o-Y(%)
Tokyo	Ginza	280,000	282,000	282,000	286,000	292,000	+2.1	+4.3	450,000	450,000	450,000	450,000	450,000	±0.0	±0.0
	Omotesando/ Harajuku	211,800	229,800	240,800	246,000	250,000	+1.6	+18.0	380,000	400,000	400,000	400,000	400,000	±0.0	+5.3
	Shinjuku	170,000	172,000	172,000	179,000	179,000	±0.0	+5.3	300,000	300,000	300,000	300,000	300,000	±0.0	±0.0
	Shibuya	151,000	161,000	176,000	176,000	180,000	+2.3	+19.2	300,000	330,000	350,000	350,000	350,000	±0.0	+16.7
Kansai	Shinsaibashi	250,000	258,000	266,000	271,000	271,000	±0.0	+8.4	380,000	380,000	380,000	380,000	380,000	±0.0	±0.0
	Umeda	129,000	129,000	129,000	129,000	129,000	±0.0	±0.0	200,000	200,000	200,000	200,000	200,000	±0.0	±0.0
	Kyoto	115,000	126,000	126,000	130,500	130,500	±0.0	+13.5	170,000	180,000	180,000	200,000	200,000	±0.0	+17.6
	Kobe	111,500	116,500	117,500	119,500	119,500	±0.0	+7.2	250,000	250,000	230,000	230,000	230,000	±0.0	-8.0
Nagoya	Sakae	73,000	73,000	73,000	73,000	73,000	±0.0	±0.0	110,000	110,000	110,000	110,000	110,000	±0.0	±0.0
Fukuoka	Tenjin	61,800	66,000	66,000	66,500	66,500	±0.0	+7.6	110,000	110,000	110,000	110,000	110,000	±0.0	±0.0

Source: CBRE, Q4 2025.

## Terms and Definitions

<b>Subject Area</b>	<b>High Street</b>	<ul style="list-style-type: none"> <li>High Street is an area on prominent city center streets where street-level retail stores are clustered.</li> <li>High Street is divided into "prime area", "secondary area" and "peripheral area".</li> </ul>
<b>Vacancy Rate</b>	<b>Survey subjects</b>	<ul style="list-style-type: none"> <li>Vacancy rate cover all units for lease in prime areas. The number of properties is as follows: Ginza (148 properties), Omotesando/Harajuku (246 properties), Shinjuku (60 properties), Shibuya (69 properties), Shinsaibashi (184 properties), Kyoto (183 properties), Kobe (106 properties), Sakae (51 properties), Tenjin (197 properties)</li> <li>The target floors are rental units that are leased as street-level retail spaces with the entrance on the first floor (including upper floors).</li> <li>Physically available for tenants at the time of survey (excluding newly constructed facilities that have not yet opened for business).</li> </ul>
<b>Rent</b>	<b>Survey subjects</b>	<ul style="list-style-type: none"> <li>The multiple survey points are set in High Street as locations to assume virtual vacant spaces.</li> <li>The assumed rental units on each point are regular-shaped and have an approximate floor area of 60 tsubo (200m<sup>2</sup>) per floor.</li> <li>The rent assumption applies only to the ground floor.</li> </ul>
	<b>Average Rent (High Street Rent)</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
	<b>Prime Rent</b>	<ul style="list-style-type: none"> <li>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</li> </ul>

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