

Summary of JREI Global Property Value/Rent Indices (No. 22, Apr. 2024)

We are pleased to release a summary of the results of the 22nd JREI Global Property Value/Rent Indices (as of April 2024).

Survey Results at a Glance (Change Rates during the Period from Oct. 2023 to Apr. 2024)

■ Office Market

- In Tokyo and Osaka, office building values remained unchanged compared to the previous survey, due to stable office rents in the leasing markets and continued low yields in the investment markets.
- Ho Chi Minh City experienced a steady, moderate increase in office building values, driven by rising rents for prime properties and strong investor interest in acquisition opportunities.
- The values of London's prime office buildings have been bottoming out as the market began to anticipate a cut in the Bank of England Bank Rate. On the other hand, the values of non-prime office assets continued to decline as yields rose during the period of the latest survey.
- New York City ranked lowest in terms of the growth rate of office building values for three consecutive surveys owing to high borrowing costs, which unnerved investors and diminished office asset sales.
- In Beijing and Shanghai, the decline in office rents accelerated compared to the previous survey amid dwindling leasing demand for office spaces. The continual supply of office space contributed to downward pressure in Shanghai's office leasing market.

■ Condominium Market

- Tokyo and Osaka saw continued increases in condominium values amid robust demand from wealthy individuals, although the pace of value growth somewhat decelerated for Osaka's high-end condominiums.
- In New York City, the pace of condominium value growth slowed down against the backdrop of elevated mortgage rates.
- London's supply and demand situation tightened as demand for rental apartments grew, driven by an increased number of renters who have given up on purchasing homes.
- Sydney witnessed a rapid increase in apartment rental growth due to a chronic supply shortage.

■ Office Building Value Change

City	Six month Change
HCMC	0.7%
Tokyo	0.0%
Osaka	0.0%
Seoul	0.0%
Taipei	0.0%
Singapore	-0.1%
Kuala Lumpur	-0.1%
Jakarta	-0.9%
Bangkok	-1.5%
Hong Kong	-1.6%
London	-2.2%
Sydney	-2.9%
Shanghai	-3.0%
Beijing	-3.5%
New York City	-4.7%

■ Office Building Rent Change

City	Six month Change
Seoul	2.6%
Sydney	1.2%
Singapore	0.6%
HCMC	0.6%
Taipei	0.1%
Tokyo	0.0%
Osaka	0.0%
New York City	0.0%
London	-0.1%
Kuala Lumpur	-0.2%
Jakarta	-0.9%
Bangkok	-1.1%
Hong Kong	-1.3%
Beijing	-1.4%
Shanghai	-2.3%

■ Condominium Value Change

City	Six month Change
Tokyo	1.5%
Osaka	1.5%
Singapore	1.3%
Sydney	0.9%
Taipei	0.7%
New York City	0.3%
Seoul	0.1%
Kuala Lumpur	-0.1%
Bangkok	-0.1%
Jakarta	-0.1%
HCMC	-0.4%
London	-0.4%
Beijing	-0.5%
Shanghai	-0.6%
Hong Kong	-2.0%

■ Condominium Rent Change

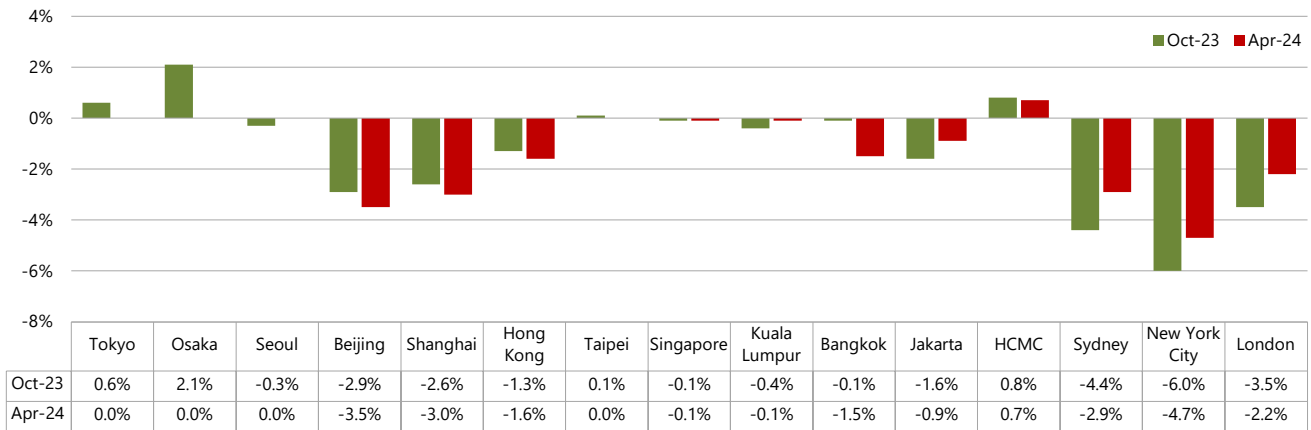
City	Six month Change
Sydney	6.0%
Singapore	2.9%
Jakarta	2.0%
Tokyo	1.3%
London	1.2%
Osaka	1.0%
New York City	0.6%
Taipei	0.5%
Hong Kong	0.4%
HCMC	0.3%
Seoul	0.1%
Kuala Lumpur	-0.3%
Bangkok	-0.4%
Shanghai	-0.6%
Beijing	-0.7%

1. Half-Year Growth Rate in Value/Rent Index by City

1-1. Growth Rate in the Office Building Value Index (From October 2023 to April 2024)

Figure 1-1 shows the half-year growth rate in the office building value index for each surveyed city. As of April 2024, the growth rate was highest in Ho Chi Minh City (HCMC) (+0.7%), followed by four cities, including Tokyo and Osaka, which remained unchanged. In Bangkok, a drop in office building values was caused by a deteriorating leasing situation for lower-grade buildings. Hong Kong experienced a larger decline in office building values compared to the previous survey, with rush sales primarily observed among smaller assets. Sydney witnessed a rising trend in office building yields amid investors' wait-and-see stance.

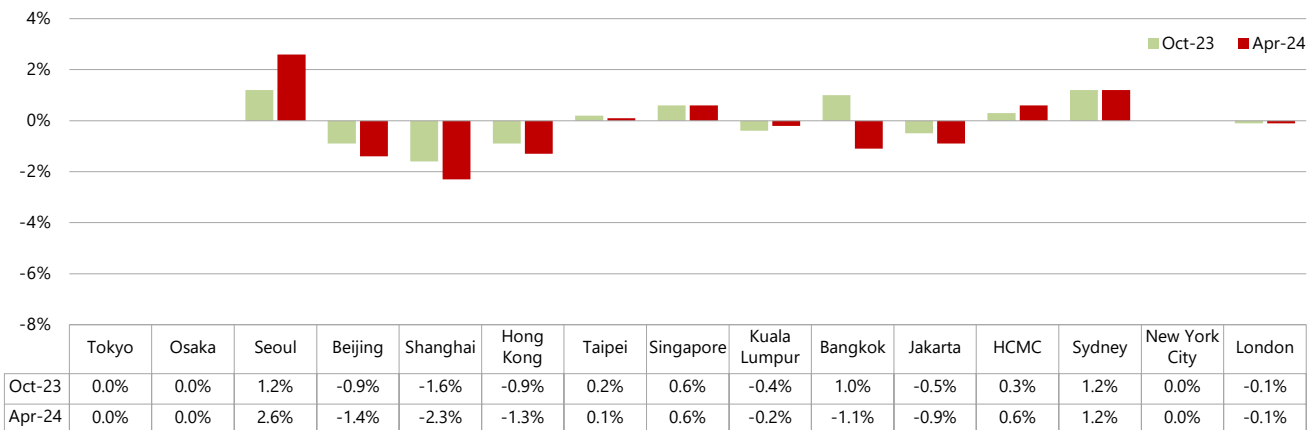
Figure 1-1: Comparison of Half-Year Growth Rate of Office Building Value Index



1-2. Growth Rate in the Office Building Rent Index (From October 2023 to April 2024)

Figure 1-2 shows the half-year growth rate in the office building rent index for each surveyed city. As of April 2024, the growth rate was highest in Seoul (+2.6%), followed by Sydney (+1.2%). Seoul's office rental growth rate remained high due to delays in new office building supply caused by high construction costs. Taipei saw smooth absorption of newly supplied office spaces as many tenants moved to high-grade buildings. Jakarta's office leasing market continued its declining rent trend amid increasing tenant search competition. Kuala Lumpur has yet to see a clear recovery in the leasing market due to an oversupply of office spaces.

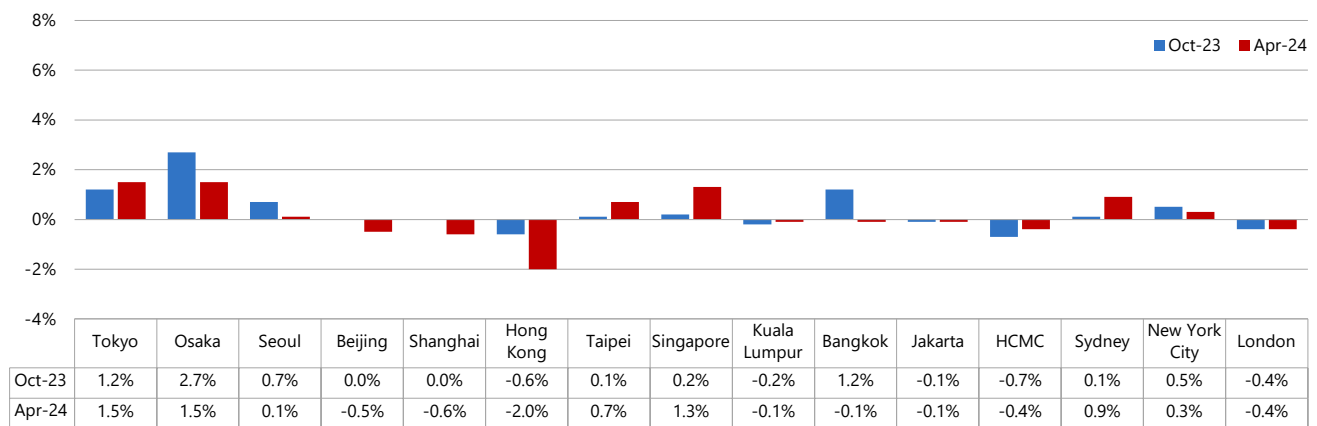
Figure 1-2: Comparison of Half-Year Growth Rate of Office Building Rent Index



1-3. Growth Rate in the Condominium Value Index (From October 2023 to April 2024)

Figure 1-3 shows the half-year growth rate in the condominium value index for each surveyed city. As of April 2024, the growth rate was highest in Tokyo and Osaka (both +1.5%). Singapore saw a larger value growth rate compared to the previous survey, even though foreigners' demand for condominium investments declined due to a housing price control policy implemented in April 2023. In Taipei, government aid for first-time buyers created a favorable situation and supported end-users' appetites. Despite a tax abatement strategy announced in February 2024, which did boost condominium purchases by mainland Chinese buyers, Hong Kong's condominium market has not yet recovered from its slump.

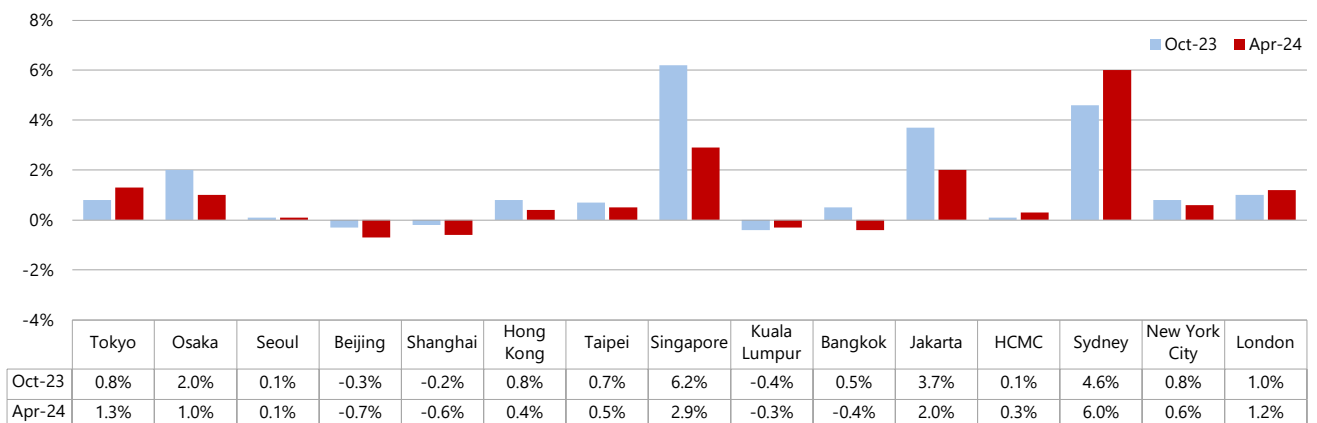
Figure 1-3: Comparison of Half-Year Growth Rate of Condominium Value Index



1-4. Growth Rate in the Condominium Rent Index (From October 2023 to April 2024)

Figure 1-4 shows the half-year growth rate in the condominium rent index for each surveyed city. As of April 2024, the growth rate was highest in Sydney (+6.0%), followed by Singapore (+2.9%). Singapore experienced a slowdown in the growth rate of apartment rents due to an increased supply of rental units in recent quarters. Jakarta saw climbing rental rates in rupiah thanks to the condition of the leasing markets, particularly in the segment of larger units, as well as a weakened currency exchange rate. In Bangkok, the rental growth rate fell, mainly in mid-priced apartments with a large volume of supply, as the demand recovery stalled among expat renters.

Figure 1-4: Comparison of Half-Year Growth Rate of Condominium Rent Index



2. Value/Rent Trend by City (October 2020 = 100.0)

Figure 2-1: Office Building Value/Rent Indices (October 2020 = 100.0)

○ Value Index ● Rent Index

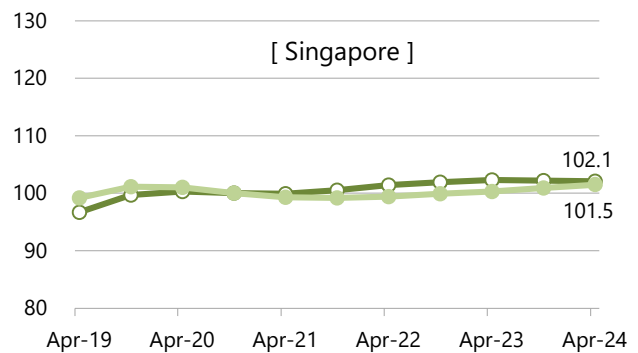
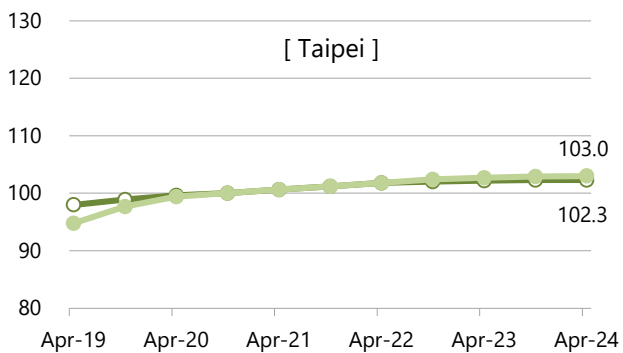
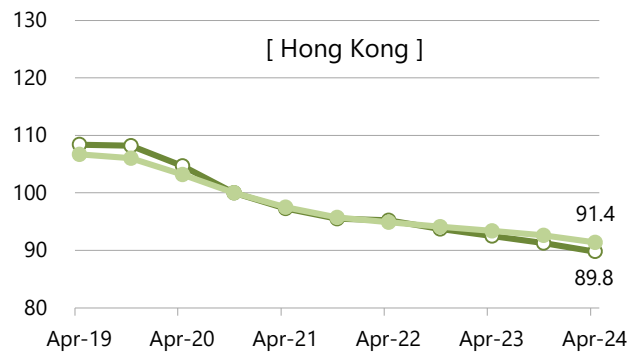
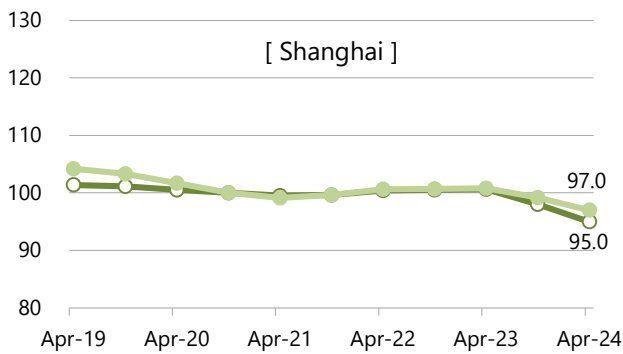
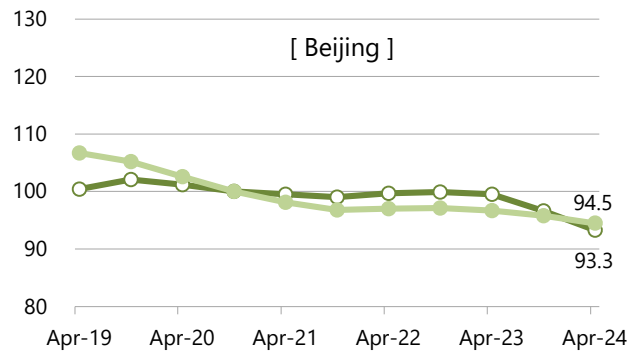
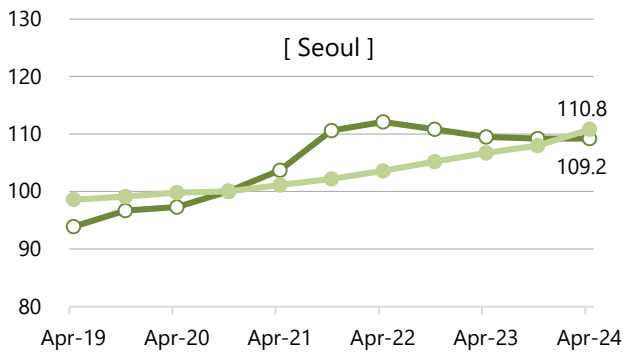
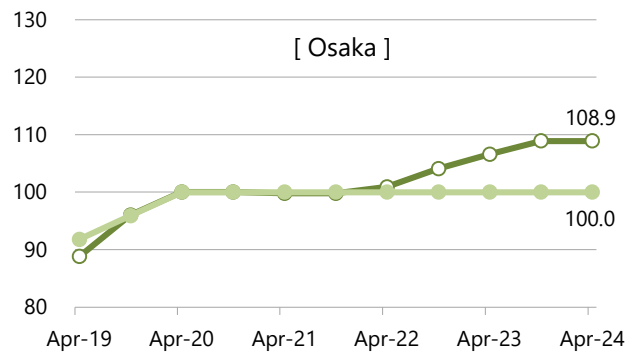
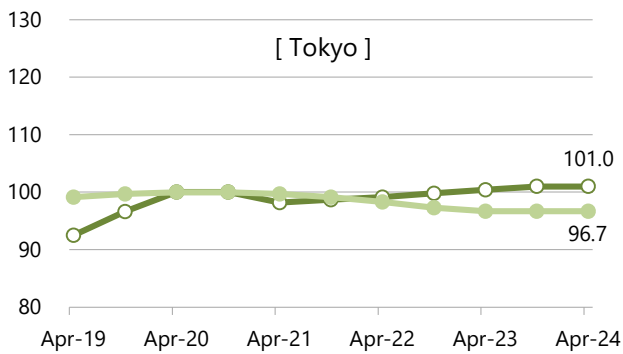


Figure 2-1: Office Building Value/Rent Indices (October 2020 = 100.0)

○ Value Index ● Rent Index

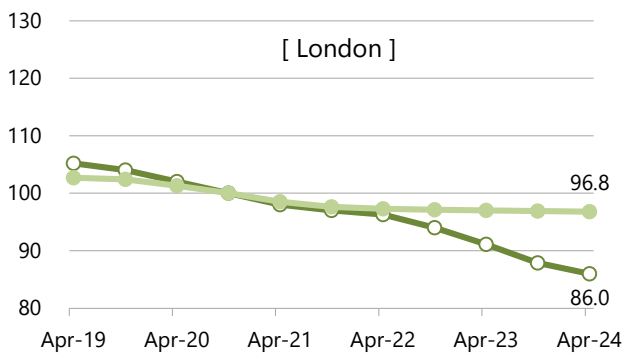
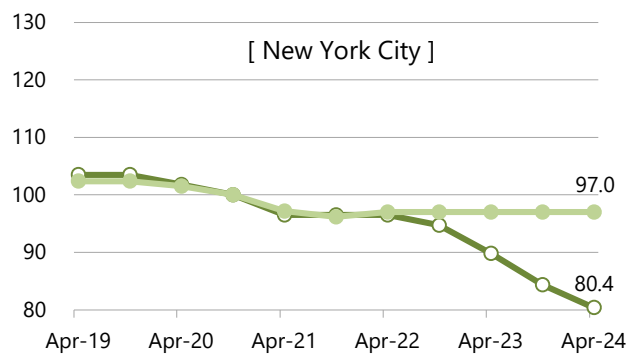
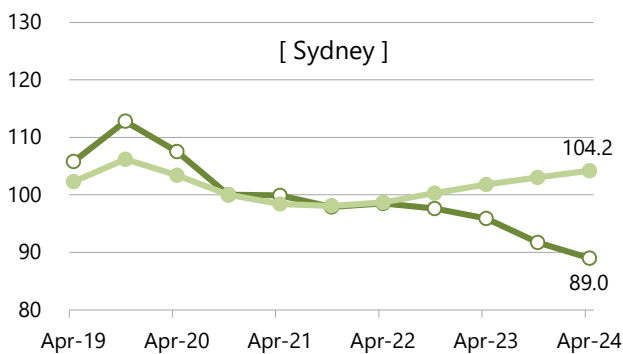
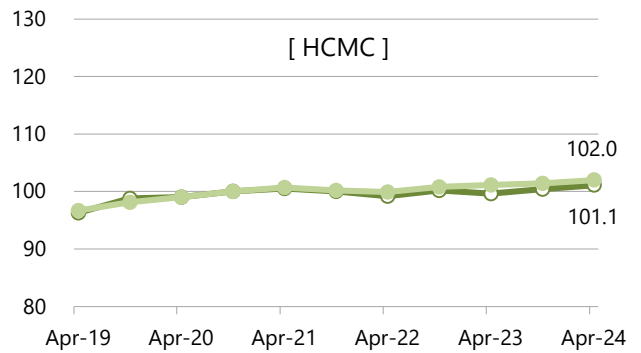
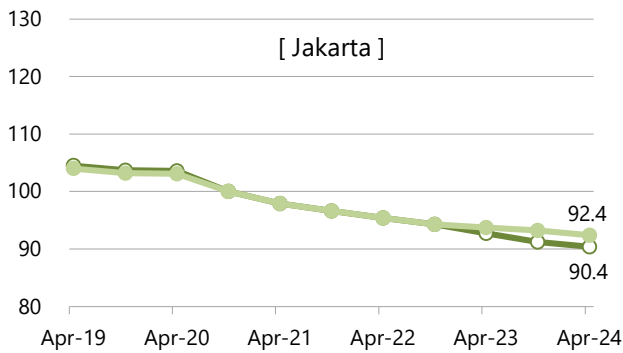
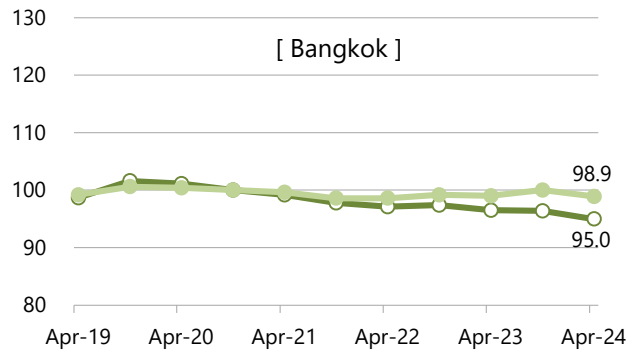
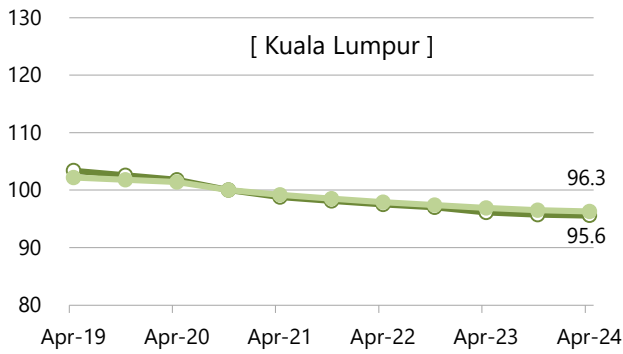


Figure 2-2: Condominium Value/Rent Indices (October 2020 = 100.0)

Value Index Rent Index

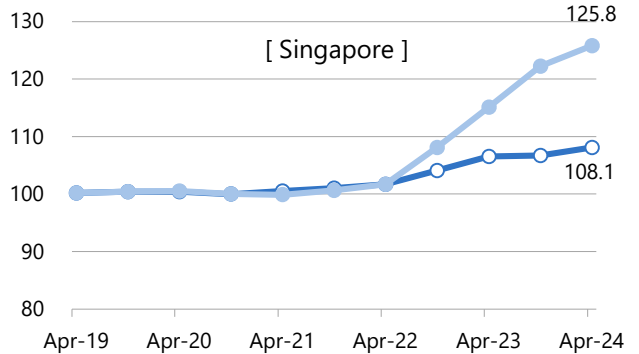
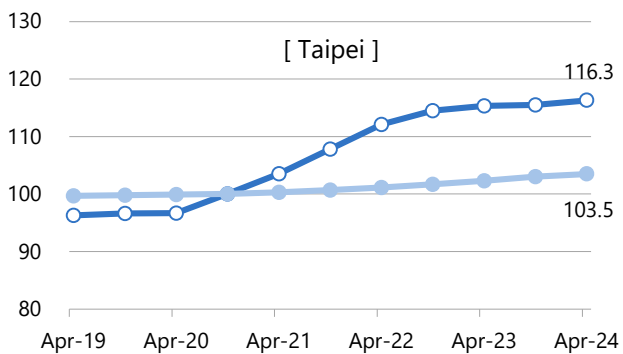
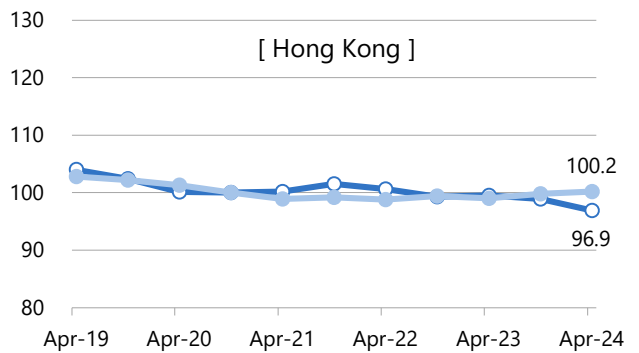
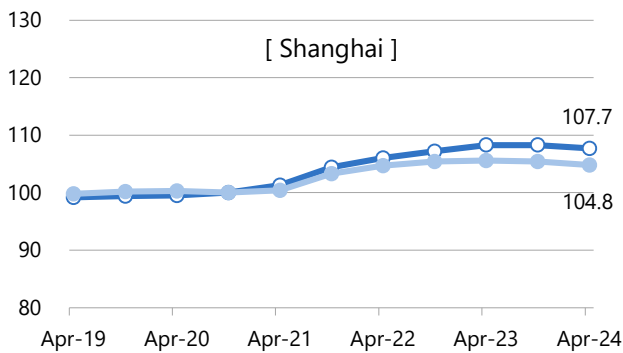
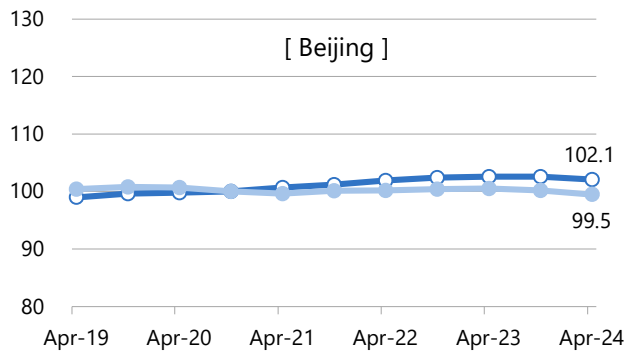
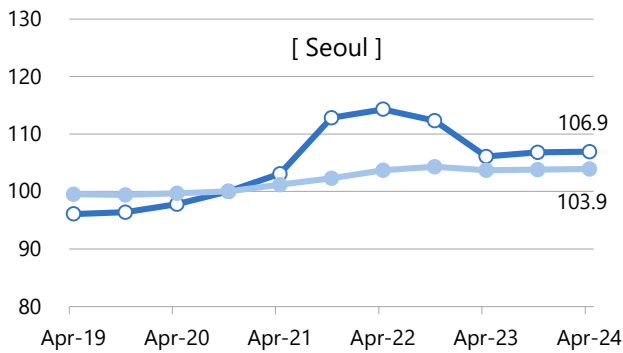
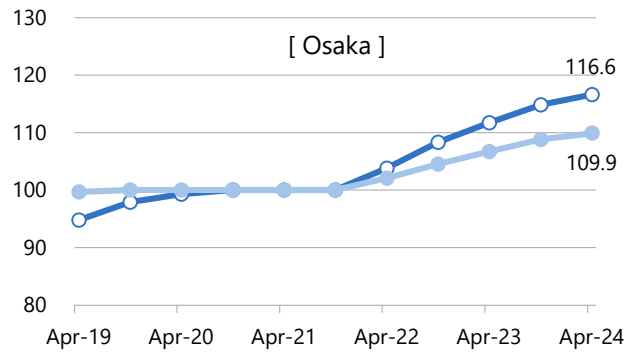
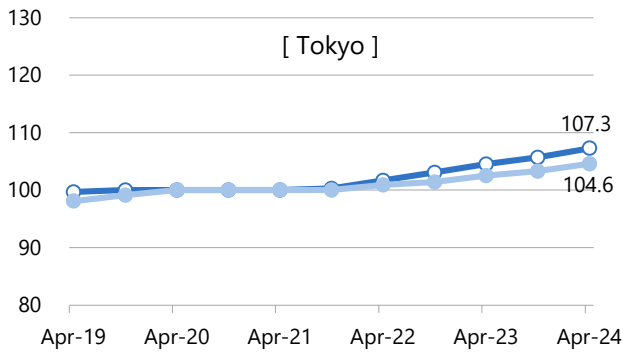
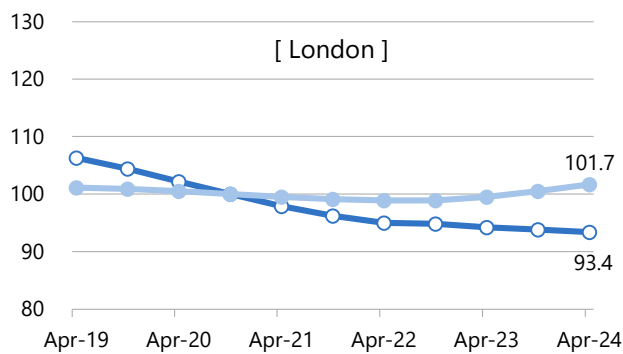
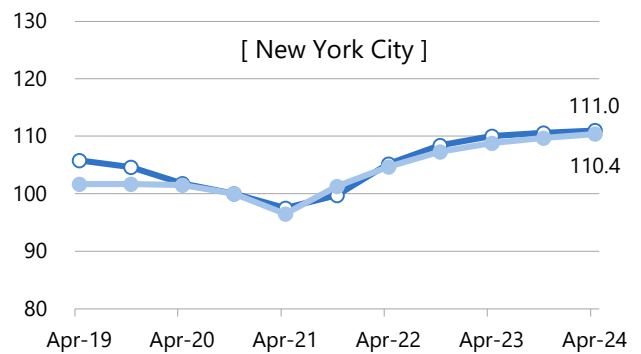
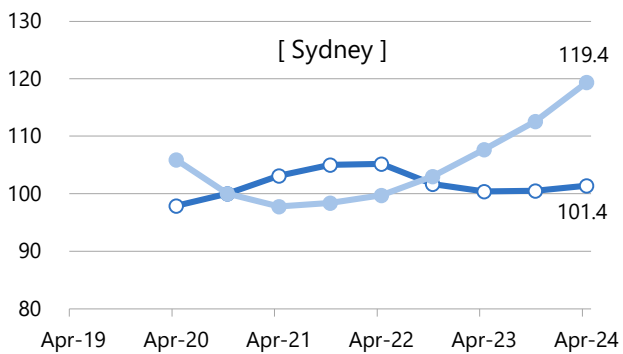
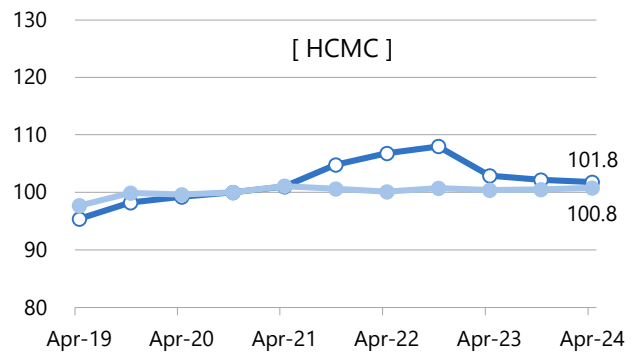
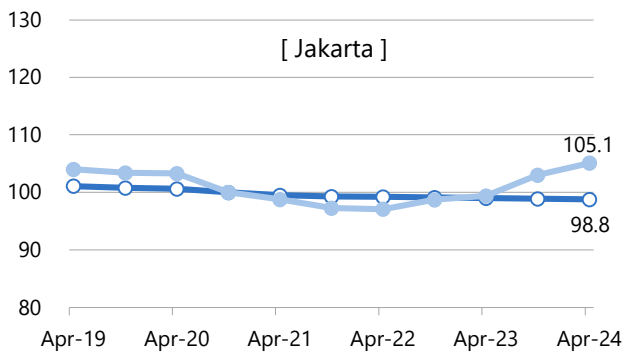
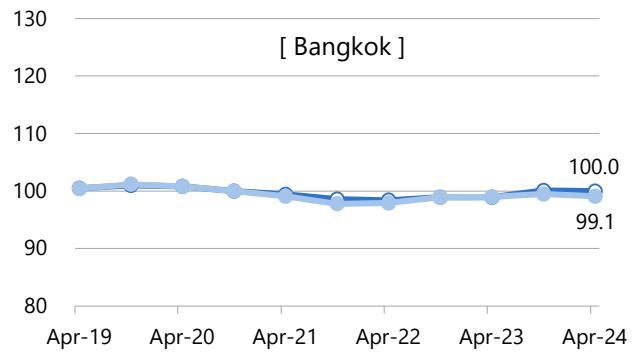
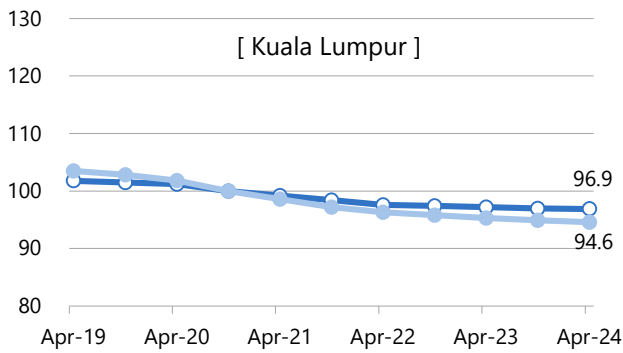


Figure 2-2: Condominium Value/Rent Indices (October 2020 = 100.0)

Value Index Rent Index

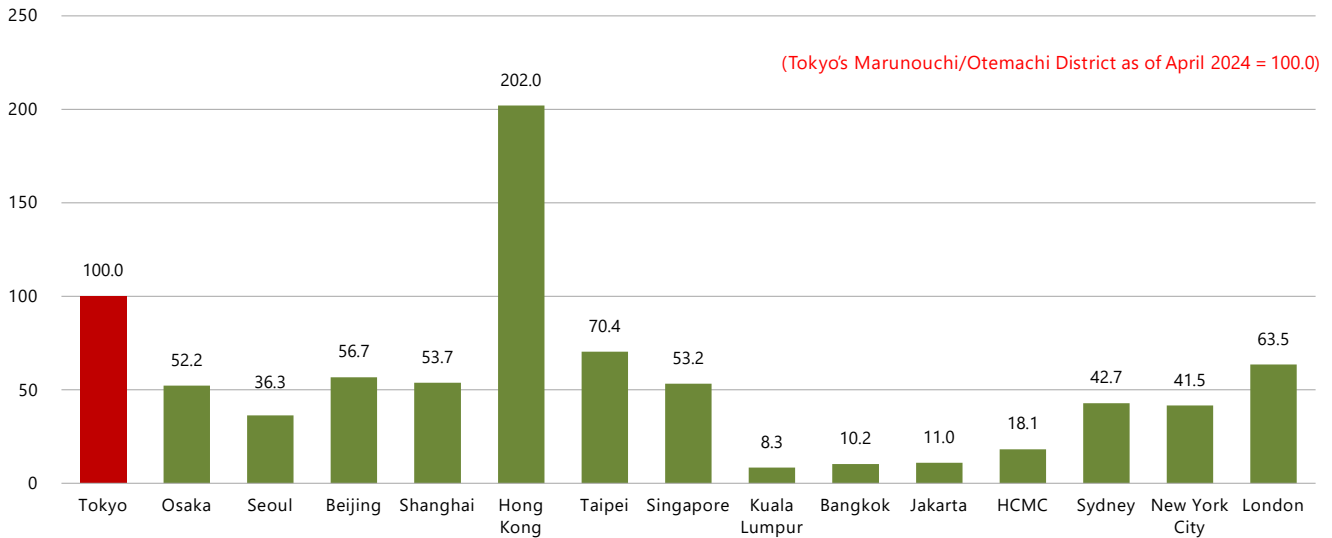


3. Value and Rent Comparison among Surveyed Cities (April 2024)

3-1. Value Comparison of Prime CBD Office Buildings

Figure 3-1 shows the index number of the value per leasable square meter for a prime office building in the CBD of each surveyed city (Tokyo’s Marunouchi/Otemachi District = 100.0). The value of the building in the local currency of each foreign city was converted to the value in the Japanese yen and indexed. (The same method was also applied to the office building rent comparison.)

Figure 3-1: Value Comparison of Prime CBD Office Buildings

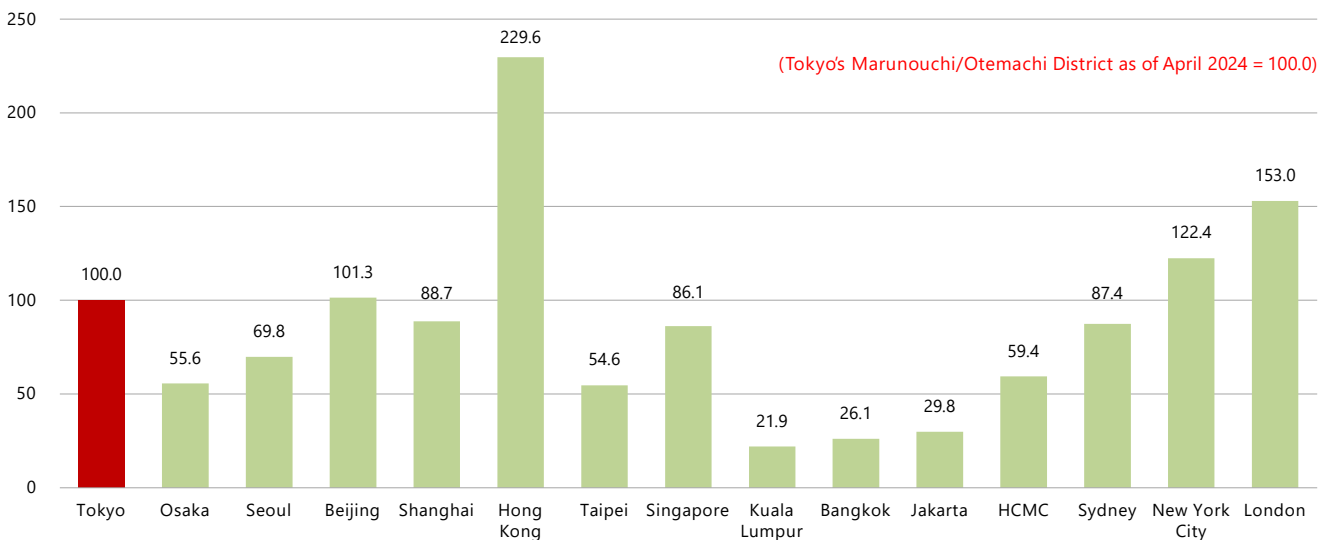


* Index number by city for the prime CBD office building value per square meter of each surveyed city (Tokyo’s Marunouchi/Otemachi District as of April 2024=100.0)

3-2. Rent Comparison of Prime CBD Office Buildings

Figure 3-2 shows the index number of the rent per leasable square meter on the typical floor of a prime office building in the CBD of each surveyed city (Tokyo’s Marunouchi/Otemachi District = 100.0).

Figure 3-2: Rent Comparison of Prime CBD Office Buildings

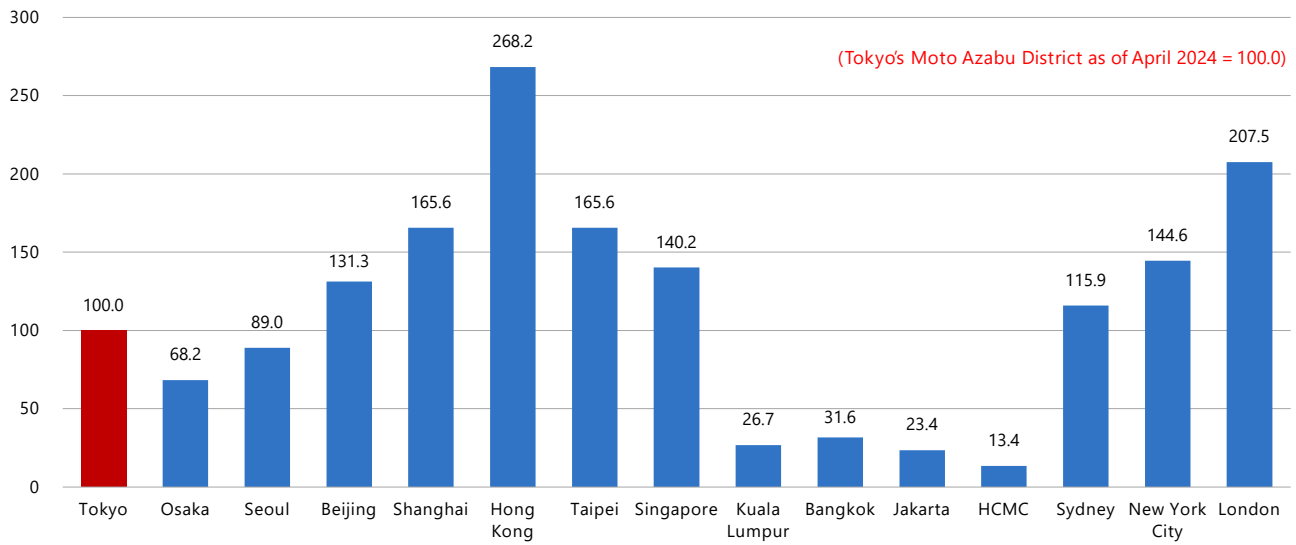


* Index number by city for the prime CBD office building rent per square meter of each surveyed city (Tokyo’s Marunouchi/Otemachi District as of April 2024=100.0)

3-3. Value Comparison of High-End Condominium Units

Figure 3-3 shows the index number of the high-end condominium unit value per square meter in each surveyed city (Tokyo's Moto Azabu District in Minato Ward = 100.0). The value of the unit in the local currency of each foreign city was converted to the value in the Japanese yen and indexed. (The same method was also applied to the condominium rent comparison.)

Figure 3-3: Value Comparison of High-End Condominium Units

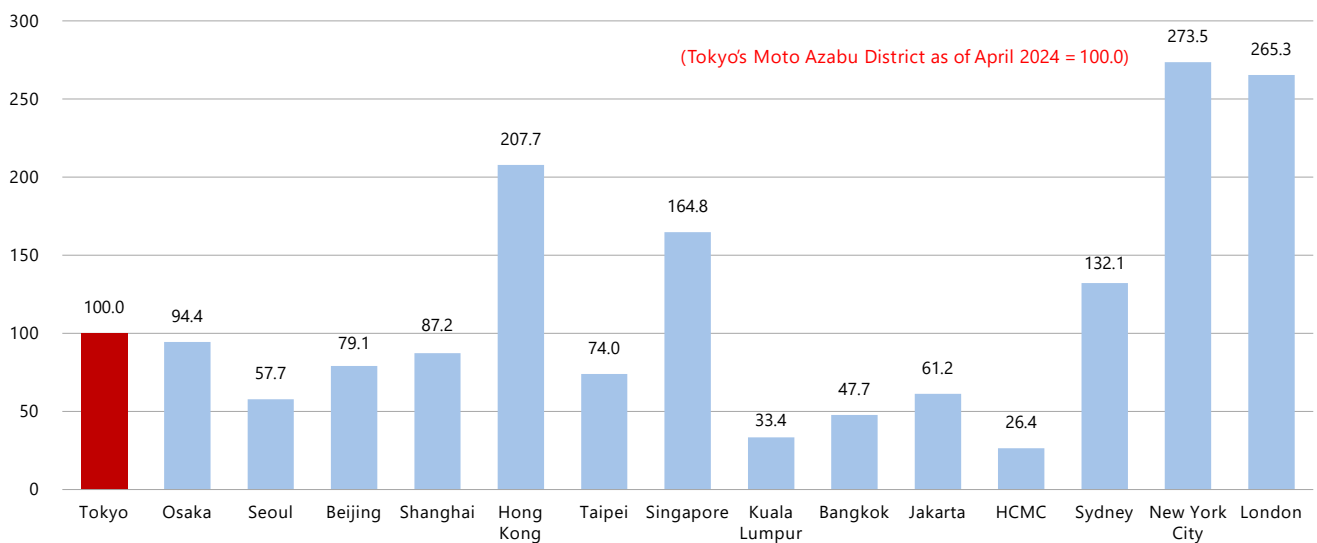


* Index number by city for the high-end condominium value per square meter of each surveyed city (Tokyo's Moto Azabu District as of April 2024=100.0)

3-4. Rent Comparison of High-End Condominium Units

Figure 3-4 shows the index number of the high-end condominium rent per square meter in each surveyed city (Tokyo's Moto Azabu District in Minato Ward = 100.0).

Figure 3-4: Rent Comparison of High-End Condominium Units



* Index number by city for the high-end condominium rent per square meter of each surveyed city (Tokyo's Moto Azabu District as of April 2024=100.0)

Global Property Value/Rent Indices

To investigate the real estate market trend of some major cities in the world, we compiled the value/rent indices of surveyed assets, which were appraised by JREI staff valuers.

[Survey at a Glance]

- Surveyed Cities : Tokyo, Osaka, Seoul, Beijing, Shanghai, Hong Kong, Taipei, Singapore, Kuala Lumpur, Bangkok, Jakarta, Ho Chi Minh City (HCMC), Sydney, New York City, and London (15 cities)
- Use : Office and condominium
- No. of Surveyed Assets : Six assets in each city (three office buildings and three condominiums)
- Survey Method : We compiled indices based on the appraised value or rent per square meter of each asset by assuming that the subject asset would be newly developed and sold or leased as of either April 1st or October 1st each year.

