

Summary of JREI Global Property Value/Rent Indices (No. 23, Oct. 2024)

We are pleased to release a summary of the results of the 23rd JREI Global Property Value/Rent Indices (as of October 2024).

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

■ Office Market

- In Osaka, the limited supply of office properties has sustained a seller's market.
- In Tokyo, the office leasing market remained robust this term, supported by tenant demand for expansion and relocation.
- In Ho Chi Minh City, strong rental rates and high investment demand continued to drive office price increases.
- In New York City, persistently high policy interest rates have resulted in elevated borrowing costs, burdening market participants and leading to ongoing office price declines.
- In London, rents for prime and high-quality offices have shown clear signs of bottoming out.
- In Beijing, Shanghai, and Hong Kong, high office vacancy rates have accelerated rental declines, while sluggish economic performance has prompted further office price adjustments.

■ Condominium Market

- In Tokyo and Osaka, condominium demand remains strong among both affluent and end-user segments, sustaining price increases.
- In Sydney, limited new housing supply has driven condominium price increases. While rental rates also rose, the growth in household income has not kept pace, slightly tempering the rate of rental increases.
- In New York City, persistently high mortgage rates have further slowed the pace of condominium price increases.
- In London, continued shortages of rental properties and strong demand have driven up apartment rents.
- In Hong Kong, weak buyer sentiment amid intense competition among new supply led to continued declines in condominium prices. However, shifts from purchase demand to rental demand contributed to a higher rate of rental increases.

■ Office Building Value Change

City	Six month Change
Osaka	1.6%
HCMC	1.2%
Tokyo	1.0%
Seoul	0.6%
Taipei	0.0%
Singapore	0.0%
Kuala Lumpur	0.0%
Jakarta	-0.6%
London	-0.9%
Sydney	-1.8%
New York City	-2.0%
Bangkok	-2.4%
Hong Kong	-3.8%
Beijing	-4.1%
Shanghai	-4.2%

■ Office Building Rent Change

City	Six month Change
Tokyo	1.3%
Sydney	1.1%
HCMC	0.7%
Seoul	0.6%
Singapore	0.3%
London	0.2%
Taipei	0.1%
Osaka	0.0%
Kuala Lumpur	0.0%
New York City	0.0%
Jakarta	-0.4%
Bangkok	-1.3%
Beijing	-2.0%
Shanghai	-2.8%
Hong Kong	-3.0%

■ Condominium Value Change

City	Six month Change
Tokyo	1.5%
Osaka	1.5%
Sydney	1.4%
Singapore	0.7%
Seoul	0.5%
Taipei	0.4%
HCMC	0.2%
New York City	0.1%
Kuala Lumpur	0.0%
Jakarta	-0.2%
London	-0.3%
Bangkok	-0.4%
Shanghai	-1.0%
Beijing	-1.2%
Hong Kong	-3.1%

■ Condominium Rent Change

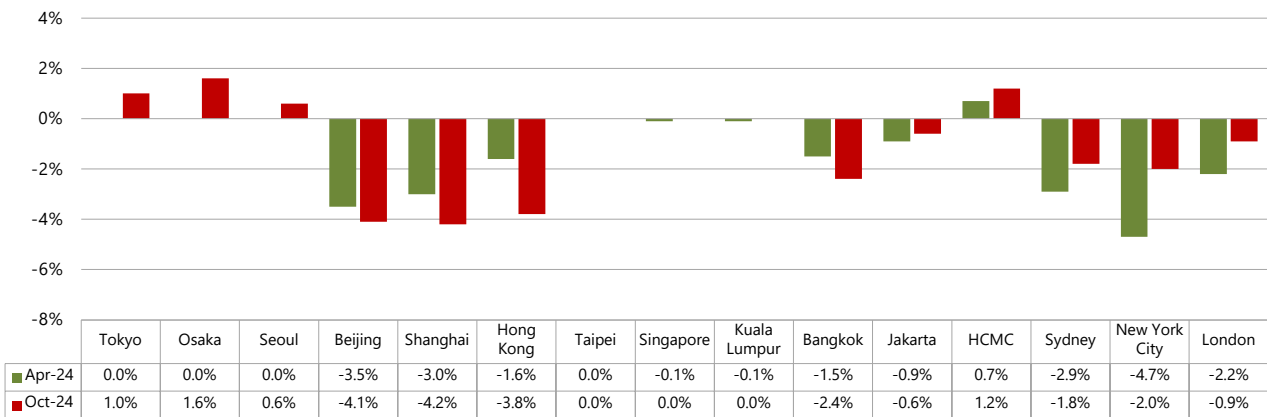
City	Six month Change
Sydney	3.6%
Hong Kong	1.8%
Tokyo	1.2%
London	1.2%
Osaka	1.0%
Taipei	0.4%
Jakarta	0.4%
Singapore	0.3%
HCMC	0.3%
Seoul	0.2%
New York City	0.2%
Kuala Lumpur	-0.2%
Bangkok	-0.7%
Beijing	-1.1%
Shanghai	-1.1%

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

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

Figure 1-1 illustrates the semiannual percentage change in office value indices by city. The highest rate of increase this term was in Osaka at +1.6%, followed by Ho Chi Minh City at +1.2%. In Seoul, transactions involving large office buildings indicated a recovering investment market. While London has yet to see a full-fledged return of active investors, market sentiment has been improving, aided by expectations of lower policy interest rates. In Beijing and Shanghai, although yields have been trending upward, demand for both owner-occupied and investment purposes has been observed sporadically among corporations and individuals.

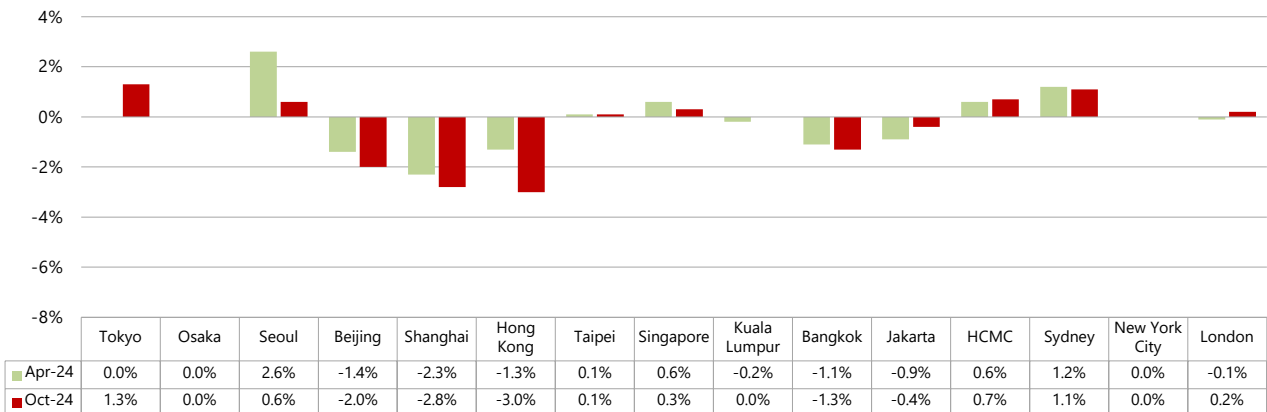
Figure 1-1: Comparison of Half-Year Growth Rate of Office Building Value Index



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

Figure 1-2 shows the semiannual percentage change in office rental indices by city. The highest rate of increase this term was in Tokyo at +1.3%, followed by Sydney at +1.1%. In Ho Chi Minh City, demand from tenants seeking high-spec offices supported steady occupancy rates. In Kuala Lumpur, strong demand for high-quality buildings with excellent transportation access has brought office rents to zero growth, marking their exit from negative growth territory for the first time in 17 terms. In Jakarta, adjustments in tenant office space use are nearing completion, narrowing the rate of rental declines, although new demand remains stagnant.

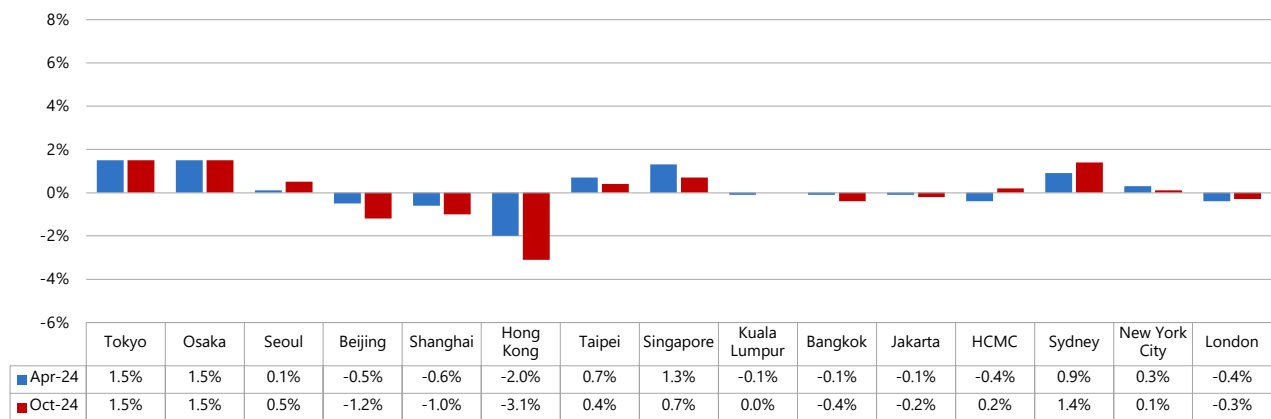
Figure 1-2: Comparison of Half-Year Growth Rate of Office Building Rent Index



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

Figure 1-3 highlights the percentage change in condominium value indices by city. Tokyo and Osaka recorded the highest increases this term at +1.5%. In Singapore, demand for luxury housing among foreigners declined due to housing price control measures, leading to a slower rate of price increases. In Ho Chi Minh City, supply constraints due to approval delays have driven up prices for condominiums targeted at end-users. In Taipei, housing purchase support measures for first-time buyers boosted demand, but concerns over market overheating led authorities to implement stricter credit controls for housing in September 2024.

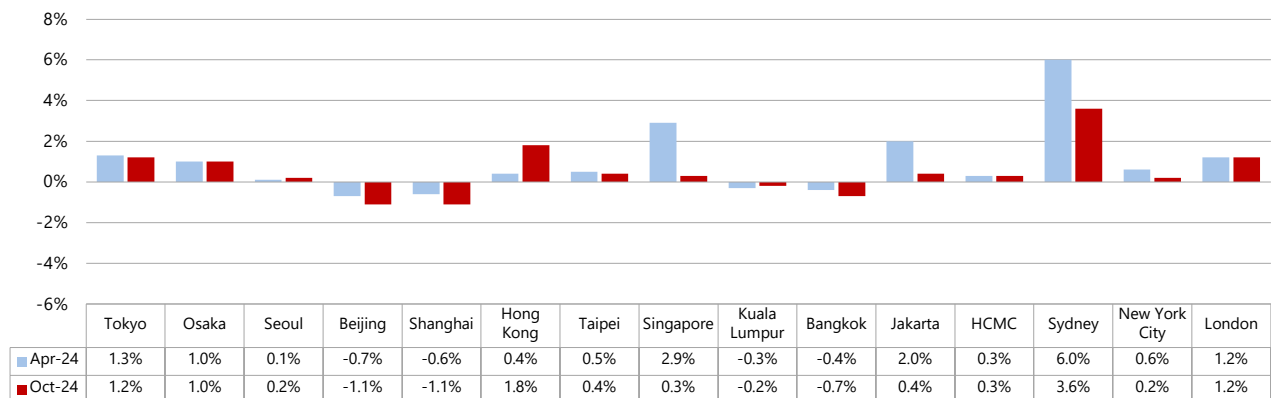
Figure 1-3: Comparison of Half-Year Growth Rate of Condominium Value Index



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

Figure 1-4 depicts the semiannual percentage change in apartment rental indices by city. The highest increase this term was in Sydney at +3.6%, followed by Hong Kong at +1.8%. In Singapore, a significant increase in housing supply last year caused rental price growth to moderate. In Jakarta, limited supply continues to improve the rental market, but exchange rate fluctuations have dampened the growth rate of rupiah-denominated rents. In Bangkok, sluggish recovery in demand from expatriates and an influx of properties into the rental market have softened conditions, leading to an expanded rate of rental declines.

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

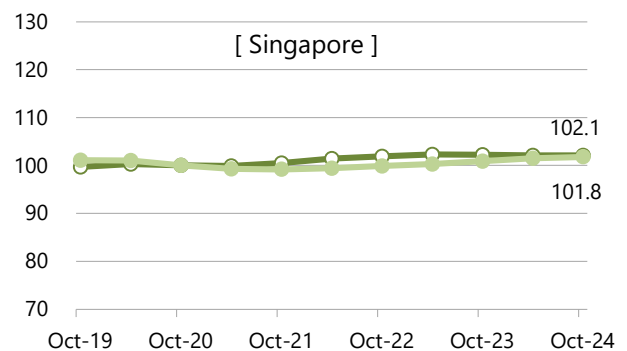
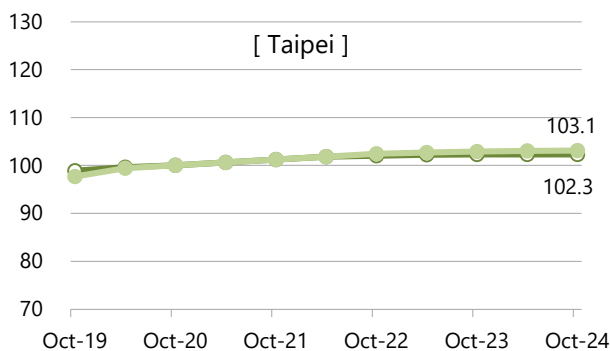
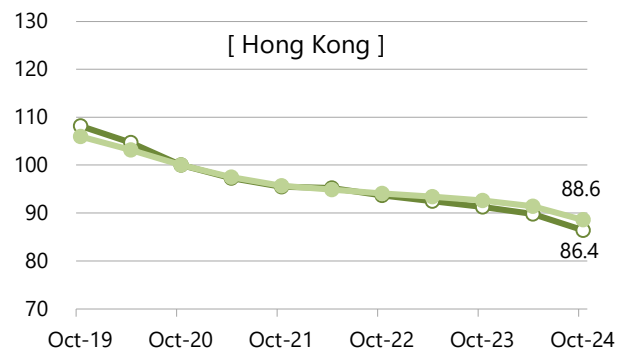
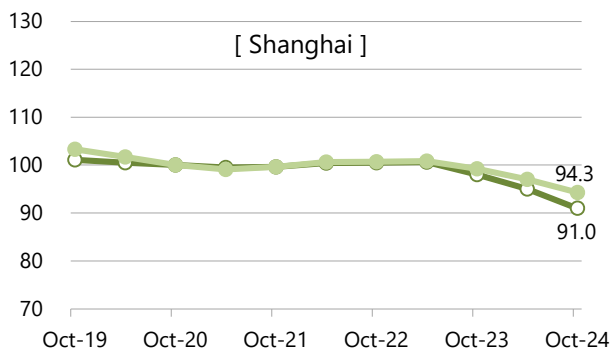
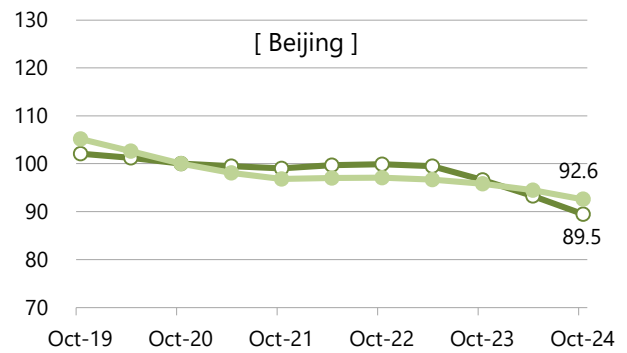
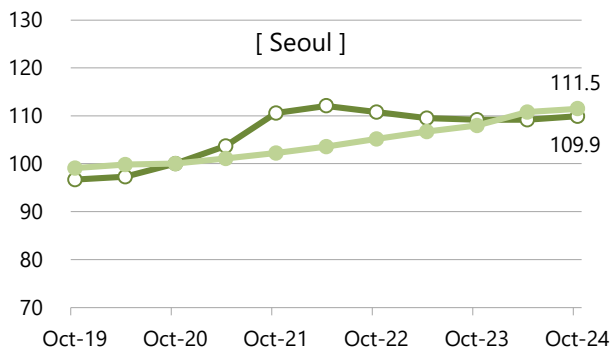
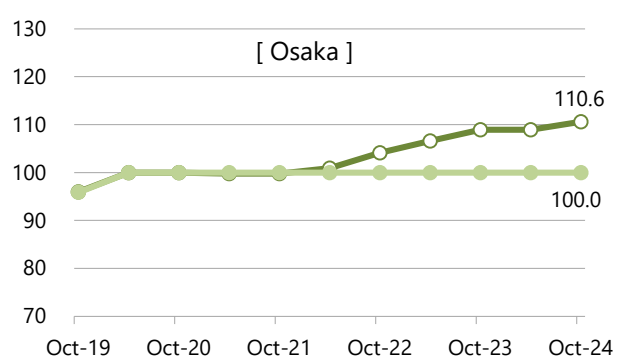
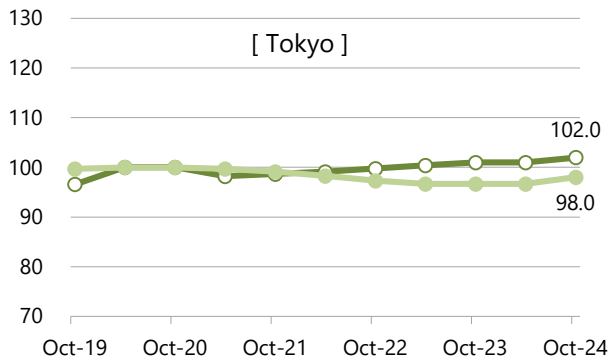


Figure 2-1: Office Building Value/Rent Indices (October 2020 = 100.0)

○ Value Index ● Rent Index

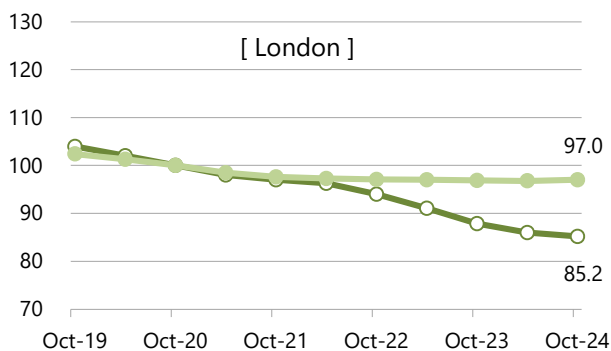
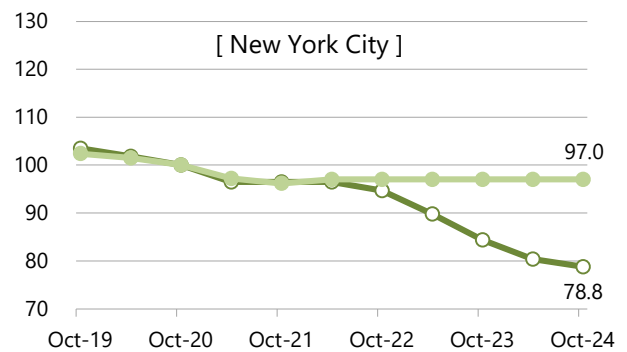
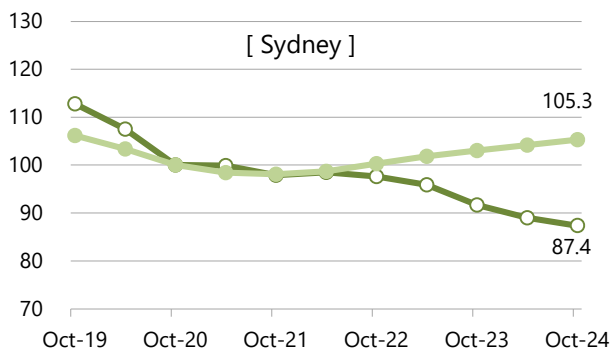
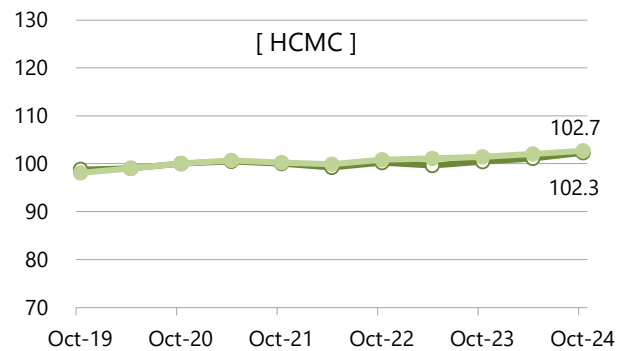
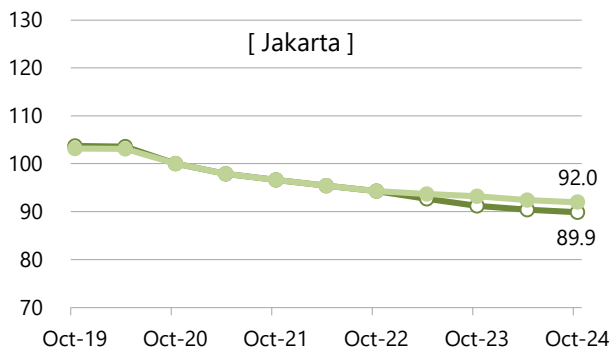
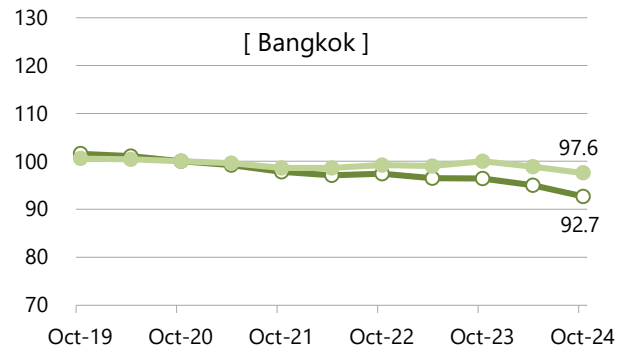
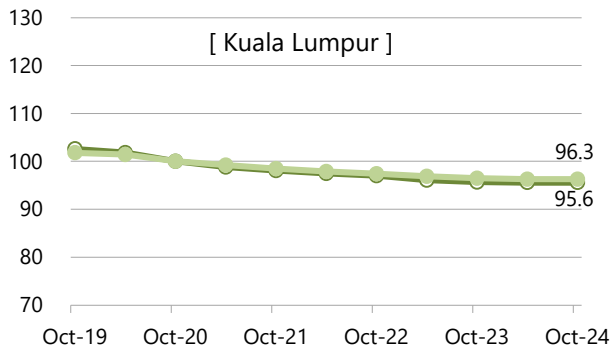


Figure 2-2: Condominium Value/Rent Indices (October 2020 = 100.0)

Value Index Rent Index

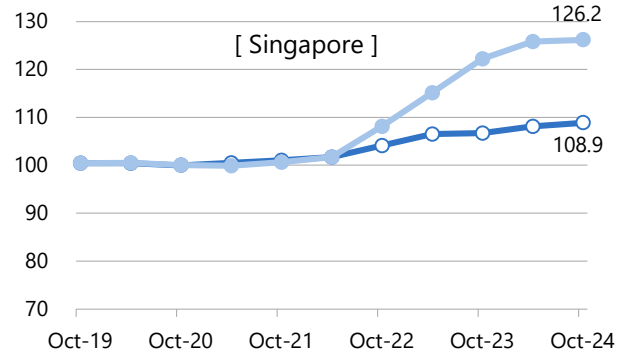
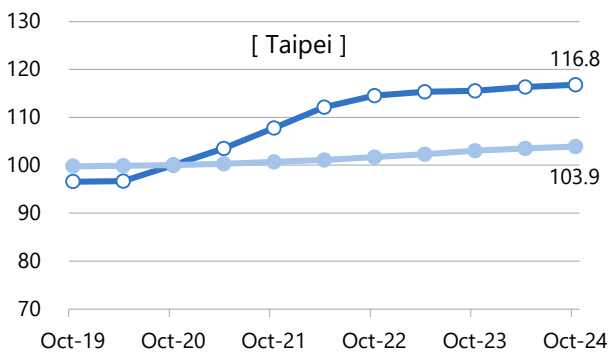
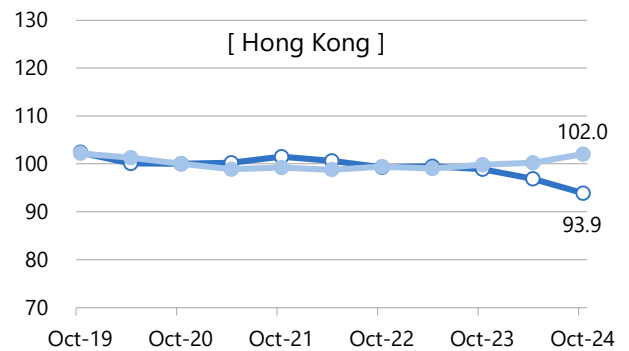
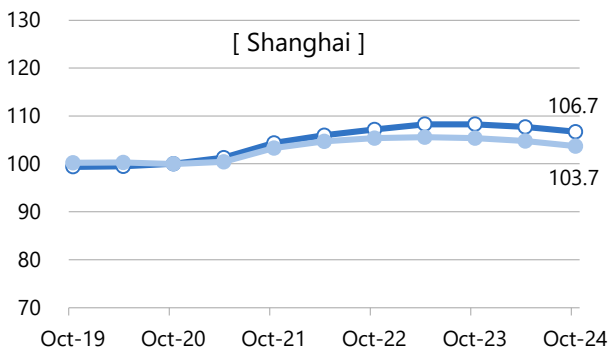
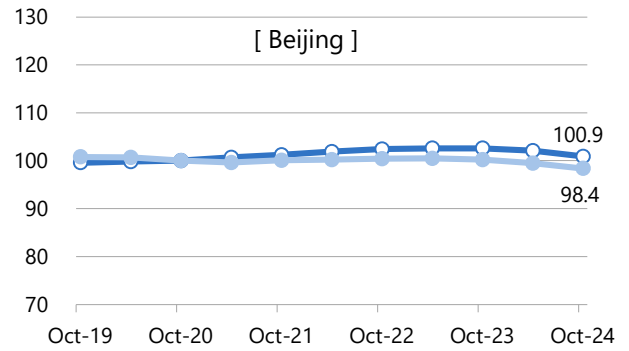
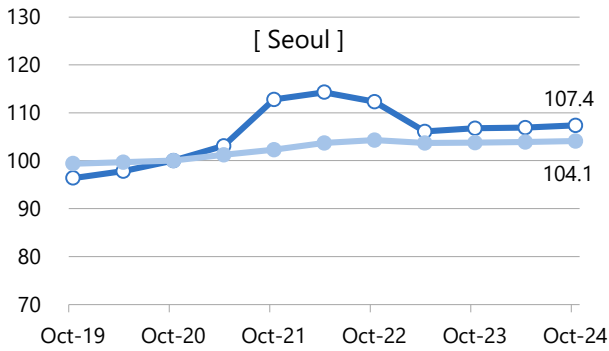
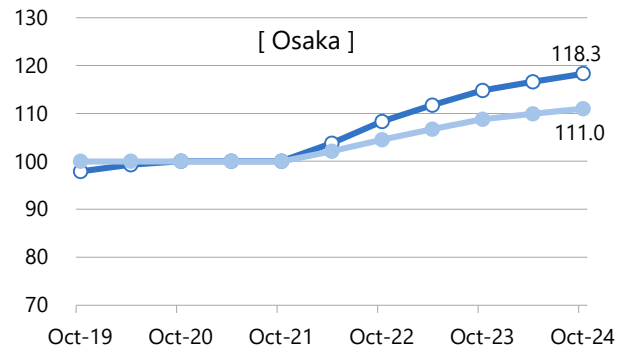
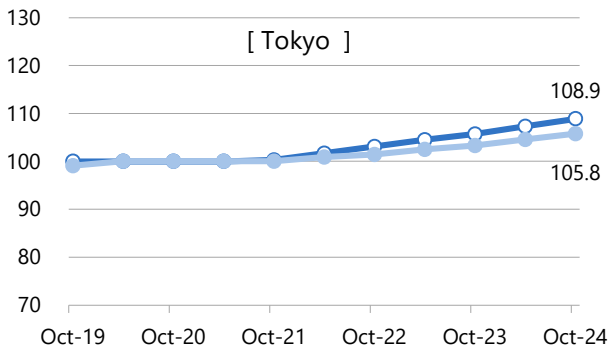
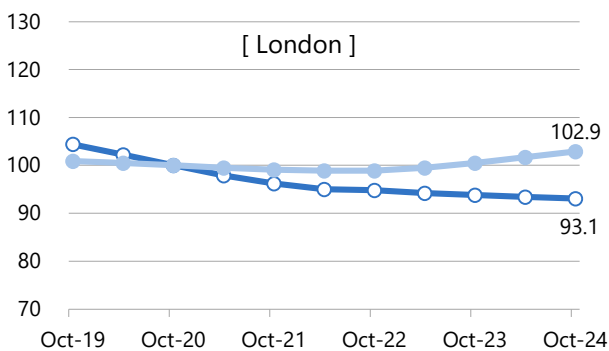
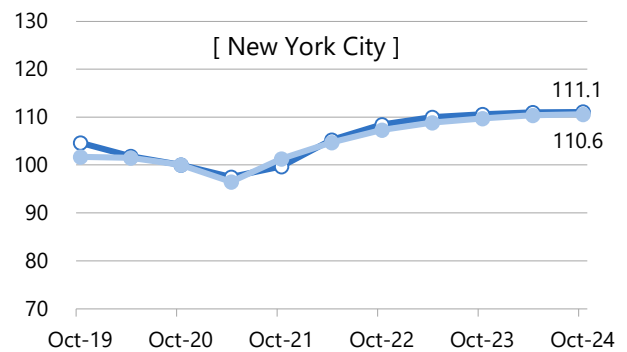
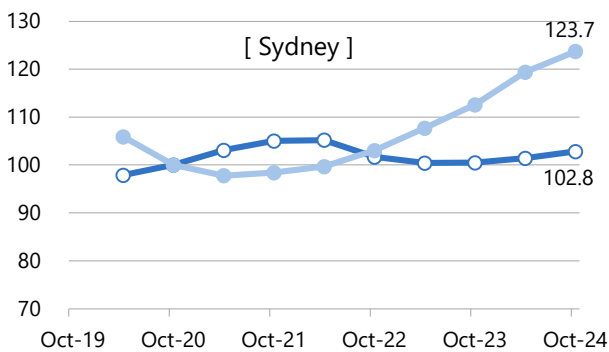
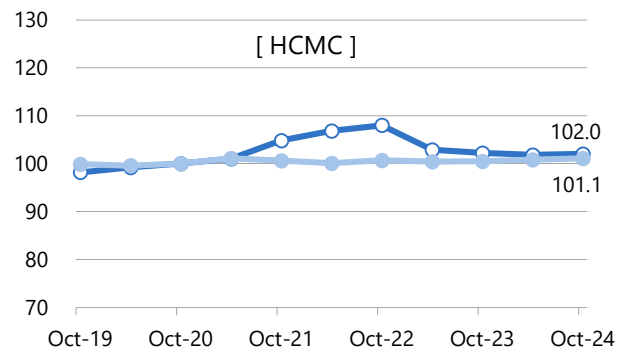
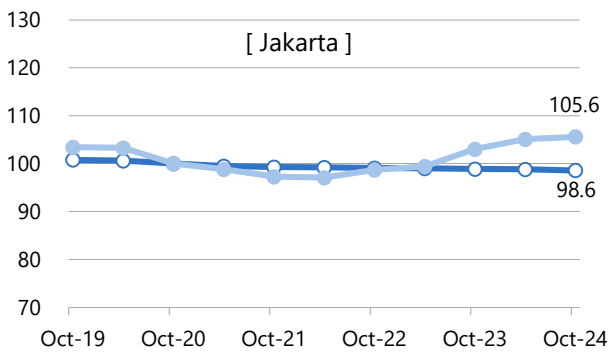
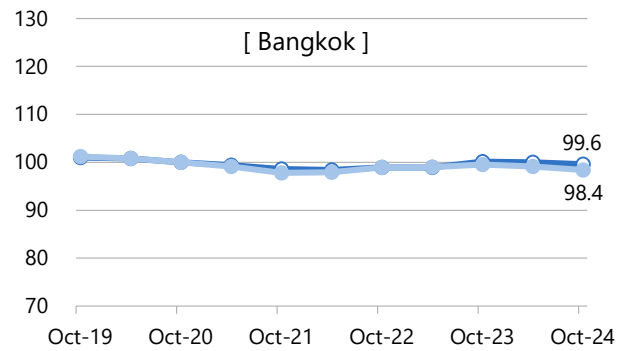
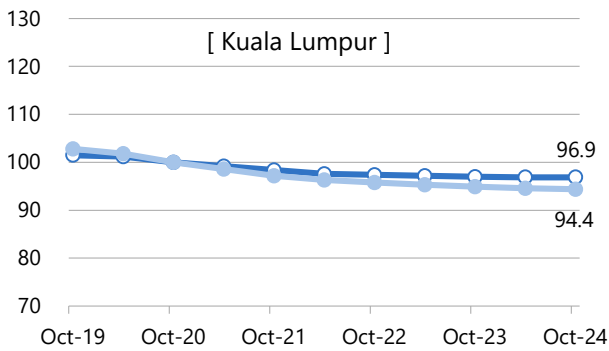


Figure 2-2: Condominium Value/Rent Indices (October 2020 = 100.0)

Value Index Rent Index

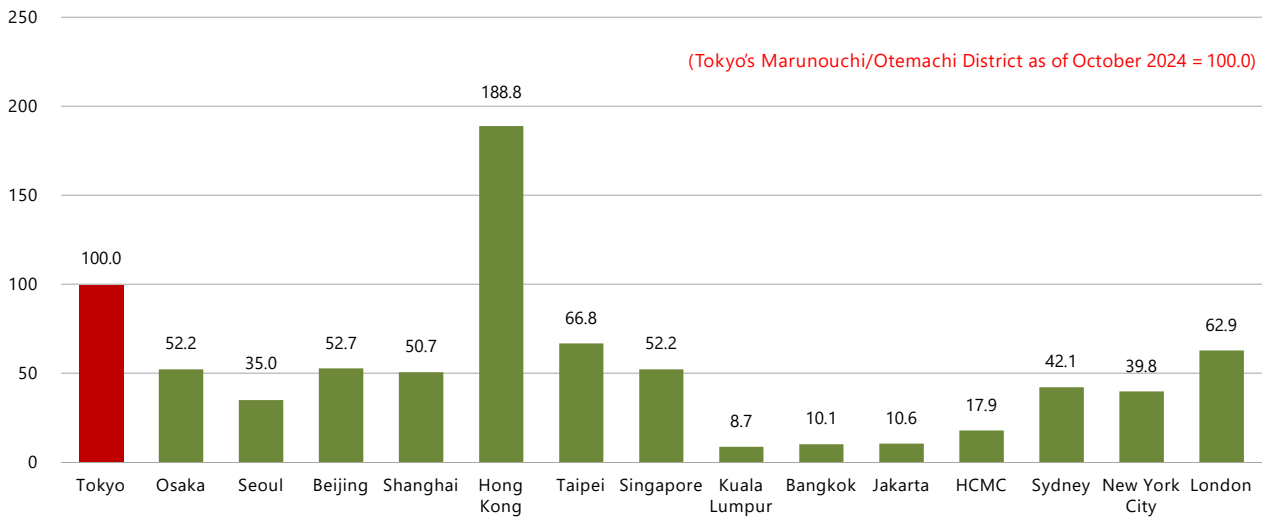


3. Value and Rent Comparison among Surveyed Cities (October 2024)

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

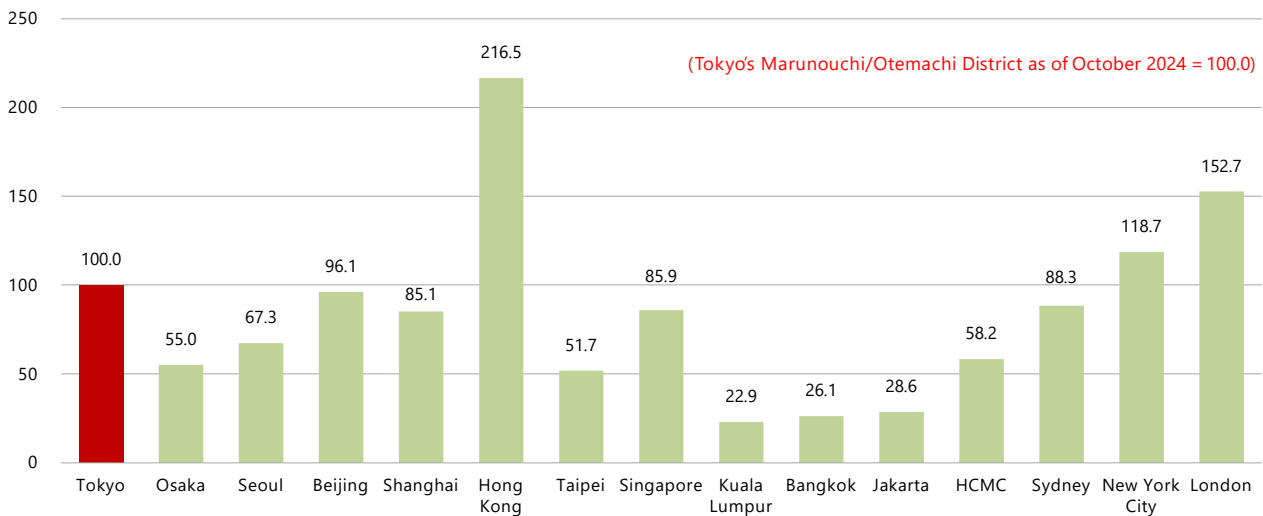


* Index number by city for the prime CBD office building value per square meter of each surveyed city (Tokyo’s Marunouchi/Otemachi District as of October 2024 = 100.0)

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

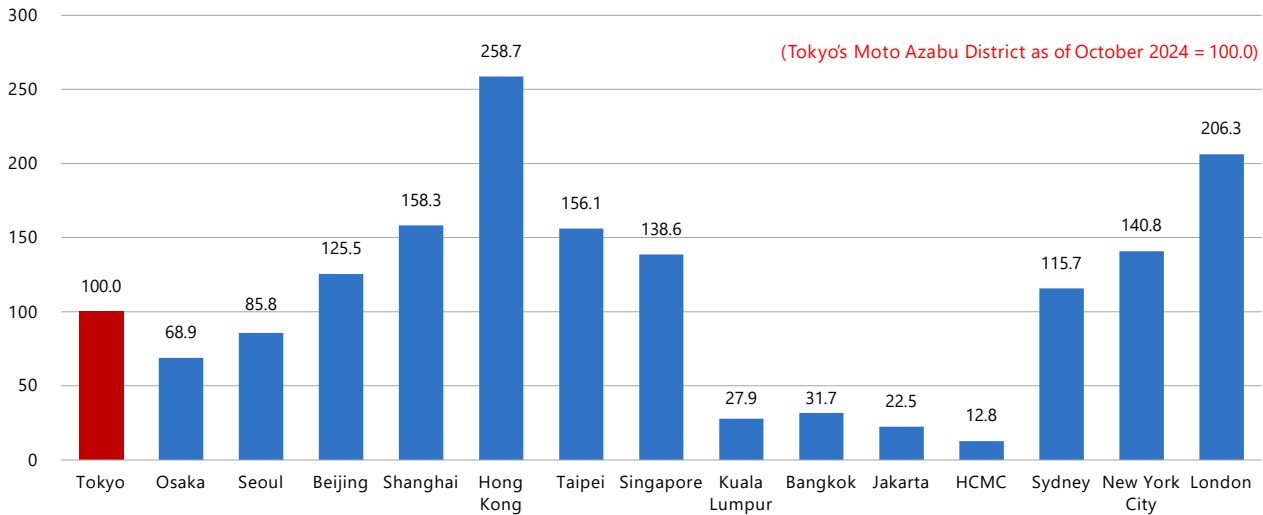


* Index number by city for the prime CBD office building rent per square meter of each surveyed city (Tokyo’s Marunouchi/Otemachi District as of October 2024 = 100.0)

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

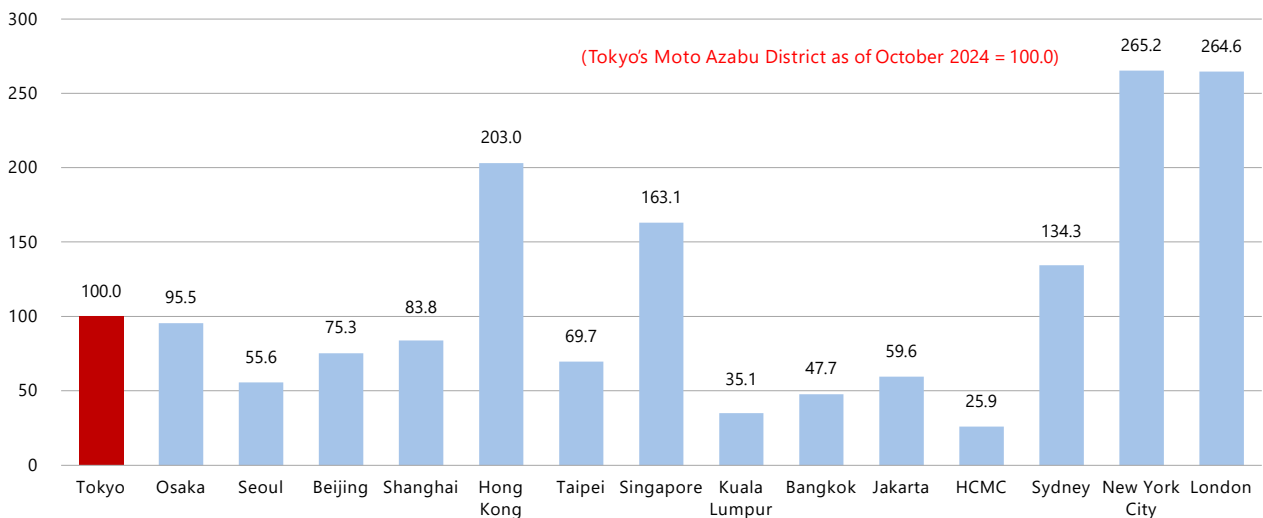


* Index number by city for the high-end condominium value per square meter of each surveyed city (Tokyo's Moto Azabu District as of October 2024=100.0)

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 October 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.

