

MARKETBEATS



6.7%
RENT GROWTH
SHINJUKU

0.0%
RENT GROWTH
GINZA

1.2%
RETAIL SALES
GROWTH

WHAT'S
NEXT

HIGHLIGHTS

Drugstores & Cosmetics see sustained sales

Overall retail sales in Japan increased by 1.2% in the second quarter of 2018, supported by rising oil price and drugstores & cosmetics sales. Sales in the drugstore & cosmetics sector enjoyed a 13th consecutive quarter of positive growth, underscoring continued new store openings by major brands.

Shibuya's new landscape to be revealed

The long-awaited Shibuya Stream finally opened to much fanfare in September, heralding a start of a series of new developments in Shibuya. With the upcoming openings of Shibuya Scramble Square, PARCO, Miyashita Park in 2019 to 2020, a new landscape will gradually be reveal in Shibuya. With the relocation of Google Japan's headquarter to the area, there has been a noticeable rise in office demand from tech companies, which will lift retail sales with the higher office worker population.

Unique park-style facility opens in Ginza

Ginza Sony Park opened in the prime location of Ginza – an urban park consisting of an existing basement in Sony's building after demolishing the structures above it. Although Ginza remains a prime retail market, the location has to date boasts few open spaces. This new urban green space, while short-term, will offer some respite from Ginza's bustle; the park will stay open until the fall of 2020 before being subsequently redeveloped as New Sony Building. While there are experimental merchandising outlets such as THE CONVENI, the new facility has chosen to focus on the experiential, incorporating a skating rink, live music and cafes. It is also an unique solution to avoid the anticipated rise in construction costs due to on-going developments related to 2020's Summer Olympics.

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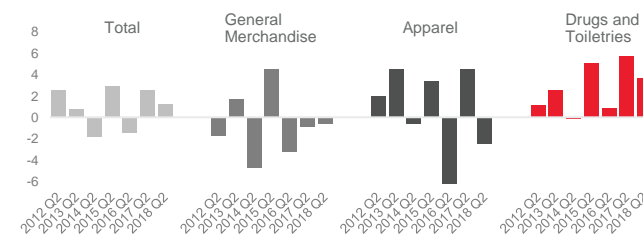
DATA
INTO
ACTION

Economic Indicators (Japan)

	Q1 18	Q2 18	12 Months Forecast
Real GDP Growth	-0.9%	3.0%	▲
Core CPI Growth	0.8%	0.8%	▲
Unemployment	2.5%	2.4%	▼

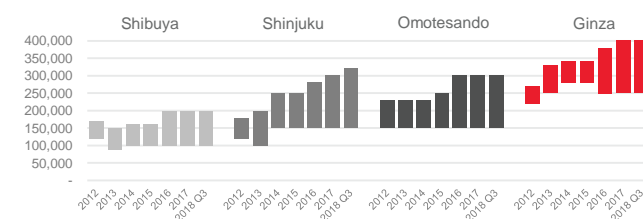
Source: Cabinet Office, Statistics Bureau. GDP growth is annualized based on the real seasonally-adjusted quarterly figure & Core CPI is YoY figure, seasonally-adjusted.

Retail Sales by Sector (Yoy)



Source: METI

Retail Rent by Submarket



Source: Cushman & Wakefield Research



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DATA INTO ACTION

Top Prime Rental Rates

SUBMARKET	JPY/TSUBO	USD/SF/YEAR	GROWTH	FORECAST
Ginza	400,000	1,203.45	0%	▬
Shinjuku	320,000	962.76	6.7%	▲
Omotesando	300,000	909.59	0%	▬
Shibuya	200,000	601.73	0%	▲

USD/JPY = 110.59

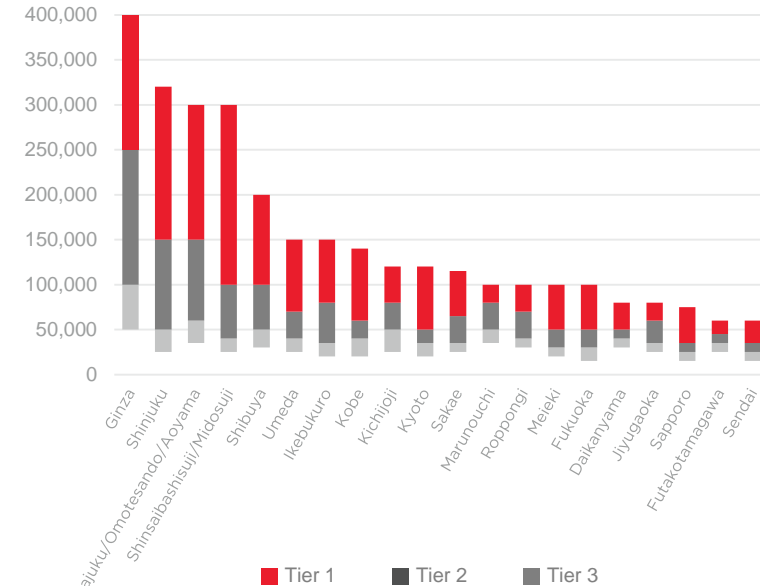
Major New Retail Facilities

FACILITY	OPEN	SUBMARKET	RETAIL AREA	
			SM	SF
Ginza Sony Park	August	Ginza	707	7,610
Shibuya Stream	September	Shibuya	3,000	32,291
Nihonbashi Takashimaya SC	September	Nihonbashi	66,000	710,417

New Openings

RETAILER	OPEN	SUBMARKET	PROPERTY
ASTALIFT	July	Ginza	Ginza Natsuno R Bldg.
Hollister	August	Odaiba	Diver City Tokyo Plaza
RED VALENTINO	September	Omotesando	-
JIL SANDER	September	Omotesando	Onda Imaizumi Bldg.
Super Sports Xebio	September	Shibuya	-

Major Retail Submarkets in Japan



■ Tier 1
 ■ Tier 2
 ■ Tier 3
 Tier 1 is defined as the most prime retail area within in the submarket
 Tier 2 locations are second to the most prime locations in the submarket
 Tier 3 locations are the third most prime locations within the submarket

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Ginza Sony Park, Ginza



Super Sports Xebio, Shibuya



Hollister, Diver City Tokyo Plaza

