

## J-REIT Asset Size

Number of properties: 2,697 (Last month: 2,672)

Total assets (acquisition price) : ¥12,025.1bn (Last month: ¥11,962.8bn)

Total assets (appraised price) : ¥11,643.1 bn (Last month: ¥11,558.0 bn)

Investment corporations: 45 investment corporations

(Last month: 45 investment corporations)

(as of May 31, 2014)

## The NOI cap rate **remained level.**

◆According to the Ministry of Land, Infrastructure, Transport and Tourism's Trend Report of the Value of Intensively Used Land in Major Cities ~ Land Value LOOK Report ~ (First quarter, 2014), land value trends of 150 intensively used districts in major cities show that around 80% of the districts saw a rise in value, with 119 districts showing an increase in value, 27 districts remaining unchanged and four districts experiencing a fall in prices. The percentage of districts with rising value has remained at high levels, indicating that the results show a sustained increase in value in many districts, centered on commercial districts, due mainly to heightened demand for real estate investment on the back of monetary easing, among other factors.

◆The Fiscal 2013 Survey on the Actual State of Real Estate Securitization by the Counsellor of the Land Economy and Construction and Engineering Industry Bureau of the Ministry of Land, Infrastructure, Transport and Tourism shows that around 4.4 trillion yen (around 1.3 times that of the previous fiscal year) in real estate assets was securitized in fiscal 2013, the fourth consecutive increase. The main factor here was a substantial rise in the J-REIT acquisition value, which increased by around 44% from the previous fiscal year, to 2.2370 trillion yen. The runner up to this result is the acquisition value of 1.1060 trillion yen by Tokutei Mokuteki Kaisha (TMK; "specific purpose company"), followed by acquisitions of 971.0 billion yen in transactions that used the GK-TK scheme, among others. Also, a look at the value of assets acquired in fiscal 2013 based on use shows that 35.8% were offices, 18.8% were commercial facilities, 17.8% were warehouses, and 14.4% were housing.

## I. Trends of REIT stock prices(May 2014)

### ◆Trends of Japanese stock market

The Japanese stock market rose on the back of solid US economic indicators, including a record high for the Dow on a closing-price basis at the beginning of the month, but began to fall thereafter due to deteriorating conditions in Ukraine, among other developments. The Japanese stock market remained on a downward trend in the middle of the month as the yen proceeded to strengthen on speculation of monetary easing in Europe and lower interest rates in the United States, among other factors. However, stock prices staged a turnaround when China's economic indicators showed a major improvement at the end of the month, and continued to rise on expectations of an easing of the crisis in Ukraine.

The Nikkei Stock Average at the end of May was 14,632, up 2.29% from the end of April.

### ◆REIT Index

The J-REIT market lacked direction starting from early in the month and continuing into mid-month because of the sluggish stock market, among other factors. The J-REIT index rose in the middle of the month as high distributions of J-REITs were preferred amid a decline in long-term interest rates in the United States and a sustained downward trend in Japanese stock prices, and continued its rise through the end of the month as investors maintained their preference for risk assets.

The Tokyo Stock Exchange REIT Index was 2,645.27 (including dividends) at the end of May, up 4.94% from the end of April.

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Report for June 2014 (June 13, 2014) 1

**Tokyu Land Corporation**

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II. NOI Cap Rate: **5.5%** (Last month: 5.5%)  ±0.0 P

◆By area

Minato-ku, Chuo-ku, Chiyoda-ku: **4.7%** (Last month: 4.7%)

Other major cities: **6.3%** (Last month: 6.3%)

◆By asset type

Office: **5.2%** (Last month: 5.2%) Residential: **5.5%** (Last month: 5.6%)

III. Acquisition Trends: **37** (Last month: 37)  ±0

IV. Sales Trends: **12** (Last month: 2)  +10

The red number shows a rise, the yellow numbers show remaining level, and the green number shows a decline from the previous month.