

J-REIT Asset Size

Number of Properties : 1,844 (Last month 1,832*)
 Total Assets (Based on Purchase) : 7,591 Billion Yen (Last month 7,591 Billion Yen)
 Total Assets (Based on Appraisal) : 8,624 Billion Yen (Last month 8,335 Billion Yen)
 J-REIT : 42 J-REITs (Last month 42 J-REITs) As of the end of September

Marginal rise in Asset Size.

6th straight month of Flat in NOI Cap Rate

- ◆Prospect Residential Investment Corporation
To submit a revised plan limiting the number of apartments to 5 to the Regional Services Agency.
- ◆Re-plus Residential Investment Corporation
To continue with the REIT listing despite the Agency of Real Estate Inc., a major sponsor.
- ◆First acquisition by Simplex REIT Investment Corporation.

I. Trends of investing

- ◆Trend of Japanese share price
Declined due to a series of bad news such as the U.S. House of Representatives' rejection of the Emergency Economic Stabilization Act of 2008, and concerns over a meltdown in the world economy due to the worsening economic indices in both Japan and the U.S.
- ◆Trend of J-REIT interest rates
Rose due to increased concerns over the credit crunch brought about by the financial crisis in the U.S.

II. NOI Cap Rate 5.2% (Last month 5.2%)

→ ±0.0P

- ◆Area
Minato・Chuo・Kanto : 4.7% (Last month 4.7%) Chiho : 5.8% (Last month 5.8%)
- ◆Asset type
Office : 5.1% (Last month 5.1%) Residential : 5.3% (Last month 5.3%)

Acquisition Trend : 17 (Last month 5)

→ +12

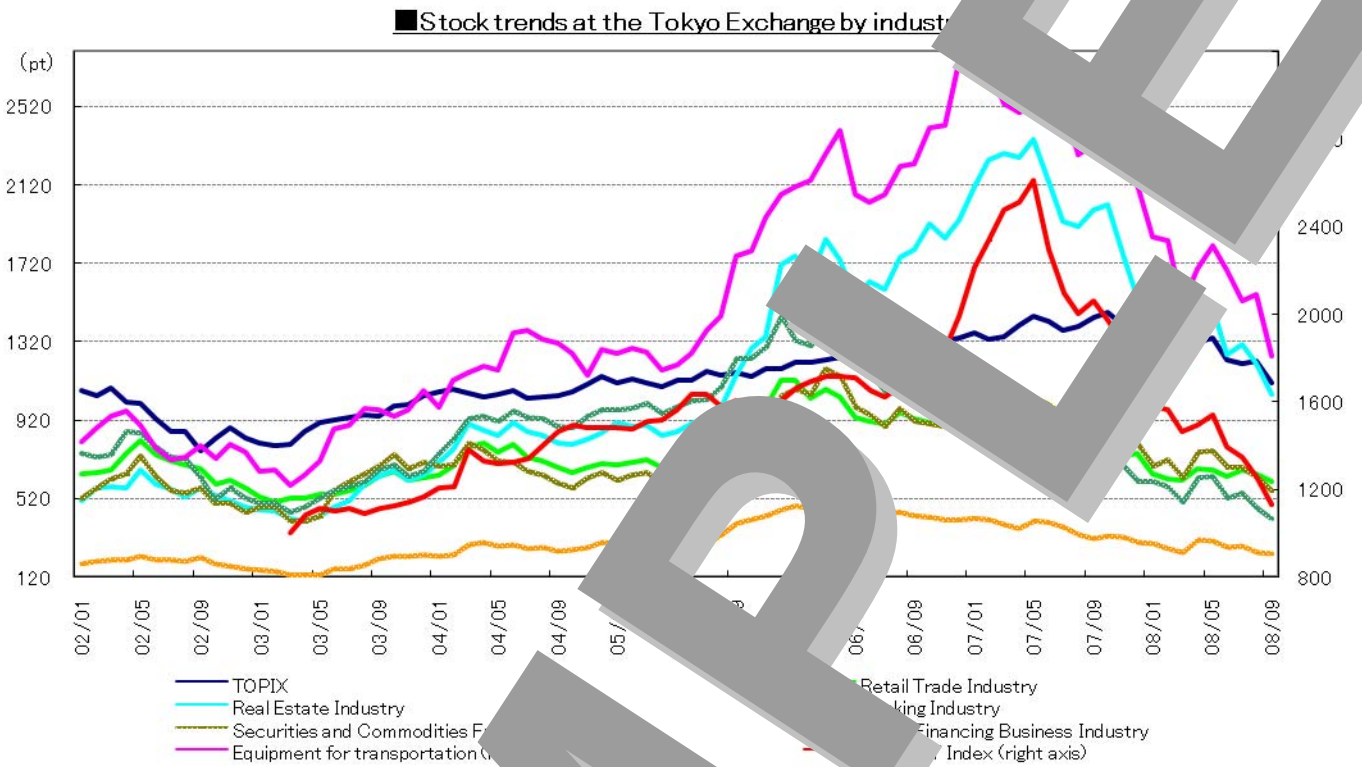
Disposal Trend : 5 (Last month 2)

→ +3

Cap rate (month to month basis)
Rise in Red, Flat in Yellow, Down in Green.

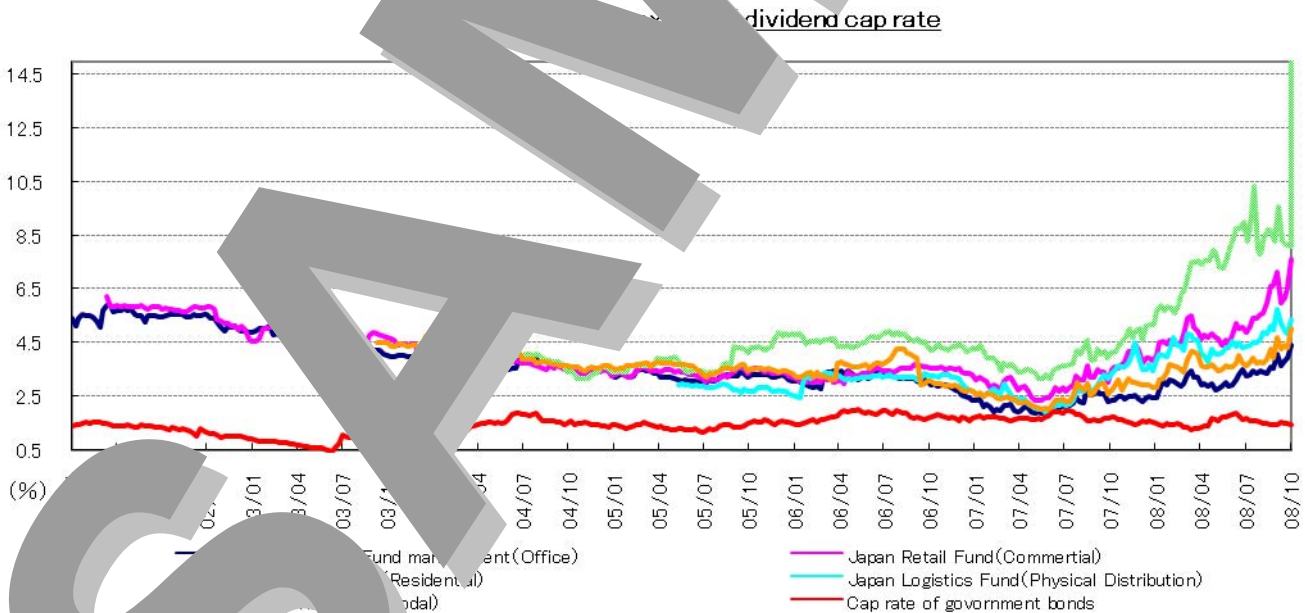
I. Trends of investing units

◆ Trend of Japanese share prices



Adapted from Bloomberg

◆ Trends of expected dividend cap rate of major investment corporations.



Adapted of ARES data

Only "Cap rate of government bonds" is adapted from Bloomberg

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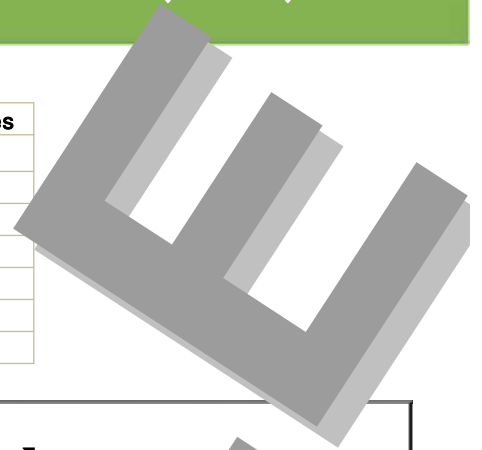
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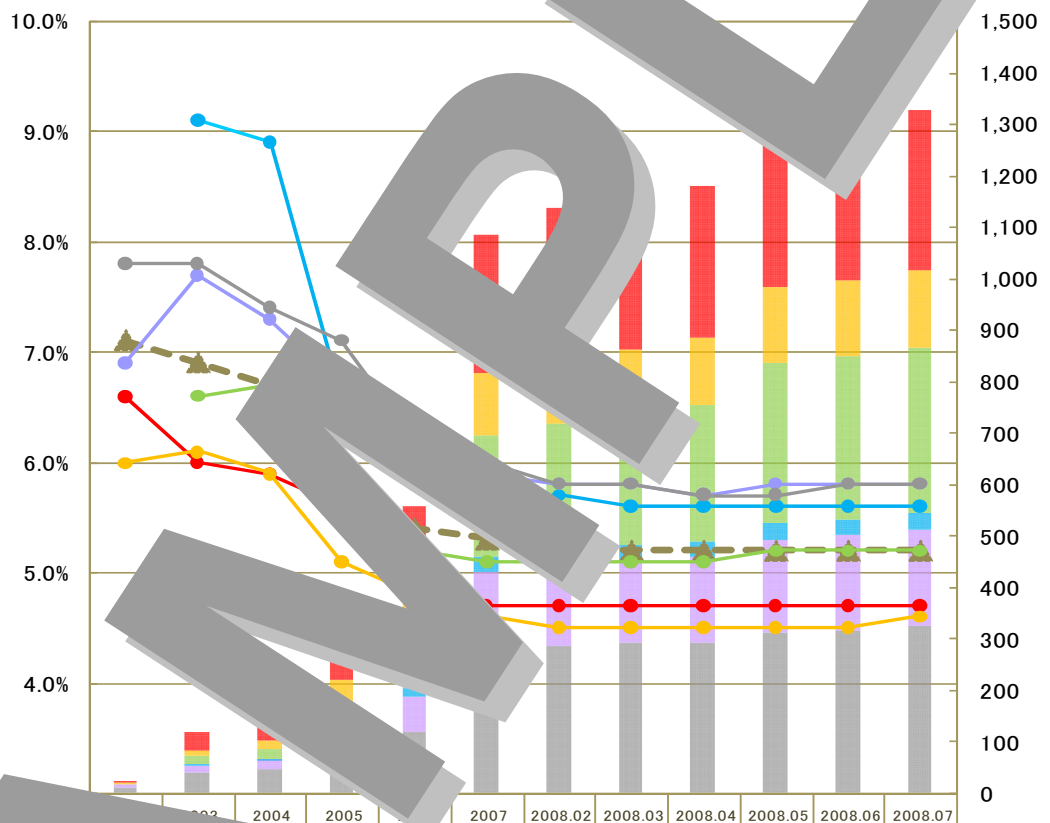
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II. NOI Cap Rate (Area)

	NOI Cap Rate	Number of Properties
Total	5.2%	1,326
Minato・Chiyoda・Chuo	4.7%	312
Shibuya・Shinjuku	4.6%	150
Other 18ku	5.2%	321
Other Tokyo-to	5.6%	32
Other Metro	5.8%	186
Chiho	5.8%	325



NOI Cap Rate [Area]



	2003	2004	2005	2007	2008.02	2008.03	2008.04	2008.05	2008.06	2008.07	
Number of Properties				557	1,085	1,138	1,153	1,179	1,292	1,306	1,326
Minato, Chuo, Chiyoda				156	270	291	293	296	309	311	312
Shibuya, Shinjuku	3			84	121	129	130	131	147	147	150
Other 18ku	0	18	58	114	237	246	249	265	313	316	321
Other Tokyo-to		2	5	15	28	31	30	30	31	32	32
Other Metro		19	42	70	153	156	160	164	182	186	186
Chiho	3	46	67	118	276	285	291	293	310	314	325
Minato, Chuo, Chiyoda	7.1%	6.7%	6.0%	5.4%	5.3%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Shibuya, Shinjuku	6.6%	5.9%	5.6%	5.0%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Other 18ku	6.0%	5.9%	5.1%	4.8%	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%	4.6%
Other Tokyo-to	6.1%	6.7%	5.8%	5.2%	5.1%	5.1%	5.1%	5.1%	5.2%	5.2%	5.2%
Other Metro	7.7%	8.9%	6.6%	5.8%	5.6%	5.7%	5.6%	5.6%	5.6%	5.6%	5.6%
Chiho	7.8%	7.3%	6.7%	5.8%	5.9%	5.8%	5.8%	5.7%	5.8%	5.8%	5.8%
Weighted average of government land	7.8%	7.4%	7.1%	6.2%	6.0%	5.8%	5.8%	5.7%	5.7%	5.8%	5.8%
Weighted average of government land	1.350%	1.435%	1.470%	1.675%	1.550%	1.355%	1.275%	1.575%	1.740%	1.610%	1.530%

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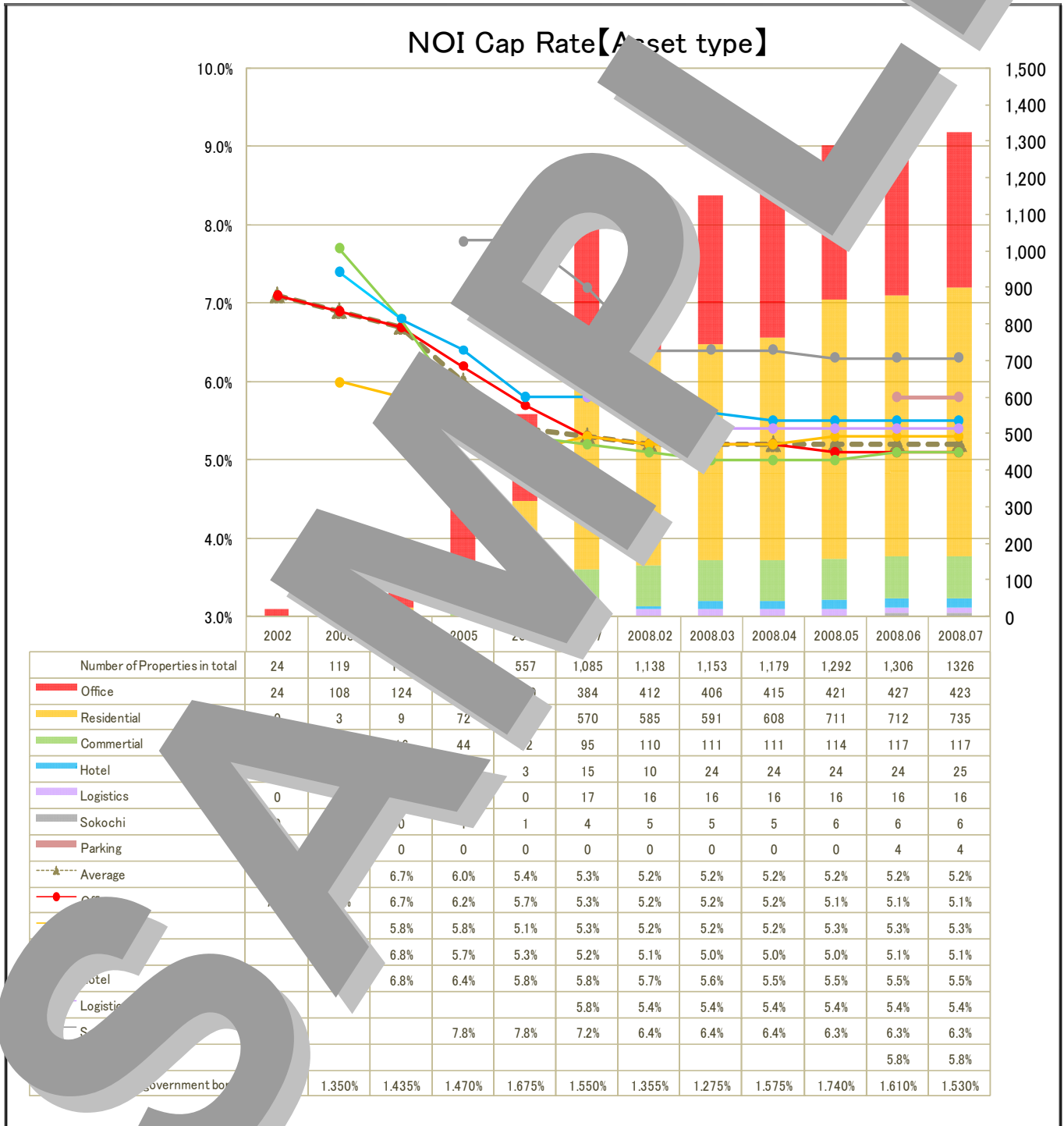
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II. NOI Cap Rate (Asset type)

	NOI Cap Rate	Number of Properties
Total	5.2%	1,326
Office	5.1%	423
Residential	5.3%	735
Commercial	5.1%	117
Hotel	5.5%	25
Logistics	5.4%	16
Sokochi	6.3%	6
Parking	5.8%	4



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Ⅲ. Acquisition Trends

Acquired properties in Sep 2008:17, Total acquisition value :106,000 million yen.

Scheduled acquisition properties announced in Sep are as follows

【List of scheduled acquisition properties】

Property Name	Acquisition date	Address	Seller	Appraised value (Thousand Yen)
	J-REITs	Use	Total floor space (m ²)	Appraised cap rate (%)
Nomura Nishihommachi Building	30-Oct-08	Nishi-ku,Osaka	Nomura Real Estate Development Co.,Ltd.	3,550,000
	MID REIT	Office,Shop,Parking	260.16	4.8
ORIX Nagoya Nishiki Building	29-Sep-08	Naka-ku,Nagoya	ORIX Real Estate Corp.	12,500,000
	ORIX JREIT	Office	13,900.00	4.5
Akasaka Tameike Tower	30-Sep-08	Akasaka,Minato-ku,Tokyo	Building Co.,Ltd.	37,200,000
	MORI HILLS REIT	Office,Shop,Residential	46,971.43	3.7
ARK Mori Building	30-Sep-08	Mori-ku,Tokyo	Building Co.,Ltd.	5,500,000
	MORI HILLS REIT	Office	177,486.95	3.5
Komaki Logistics Center II	26-Sep-08	Komaki,Chiyoda-ku,Nagoya	Seizen Soko Co.,Ltd.	1,800,000
	Japan Logistics REIT	Warehouse,Office	10,708.41	5.3
Ichikawa Logistics Center	29-Sep-08	Ichikawa City	Real Estate Corporation	8,300,000
	ORIX JREIT	Warehouse	37,456.96	5.0
Nomura Shibuya Dogenzaka Building	26-Sep-08	Shibuya-ku,Tokyo	Nomura Real Estate Development Co.,Ltd.	7,660,000
	Nomura Real Estate Office	Office	4,463.86	4.1
Nomura Nishi-Umeda Building	26-Sep-08	Kita-ku,Osaka City	Nomura Real Estate Development Co.,Ltd.	5,660,000
	Nomura Real Estate Office	Office	8,036.71	4.4
Shinjuku Square T	26-Sep-08	Shinjuku-ku,Tokyo	Individual	180,000
	Shinjuku Square T	Office	78,796.00	4.65
PEIT Ueno 3-chome	26-Sep-08	Taito-ku,Tokyo	Apamanshop Leasing Co.,Ltd	98,000
	TGR Investment	Parking	Land 109.72	Non-indication
PEIT komagata 1st	26-Sep-08	Taito-ku,Tokyo	Apamanshop Leasing Co.,Ltd	87,000
	TGR Investment	Parking	Land 97.84	Non-indication
PEIT Fukushima Jimbacho 1st	26-Sep-08	Fukushima City	Apamanshop Leasing Co.,Ltd	83,000
	TGR Investment	Parking	Land 481.62	Non-indication
PEIT Yokosuka 1st	26-Sep-08	Yokosuka City	Apamanshop Leasing Co.,Ltd	57,000
	TGR Investment	Parking	Land 206.27	Non-indication
PEIT Tokorozawa 1st	26-Sep-08	Tokorozawa City	Apamanshop Leasing Co.,Ltd	50,000
	TGR Investment	Parking	Land 163.63	Non-indication
PEIT Tokorozawa 2nd	30-Sep-08	Tokorozawa City	Apamanshop Leasing Co.,Ltd	48,000
	TGR Investment	Parking	Land 104.62	Non-indication
PEIT Fukuoka 1st	30-Sep-08	Hakata-ku,Fukuoka City	Apamanshop Leasing Co.,Ltd	28,000
	TGR Investment	Parking	Land 78.11	Non-indication

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IV. Sales Trends

Properties sold in Sep 2008:5, Total sales value:400 billion yen.
Scheduled properties for sales announced in Sep 2008 are as follows.

【List of properties scheduled for sales】

Property Name	J-REITs	Address	Total floor space (m ²)	Acquisition date	A: NOI during Acquisition (Thousands of yen)	B: Acquisition Price (Thousands of yen)	Net caprate during acquisition	C (Thousands of yen)
		Use	Buyer		caprate during Acquisition (Thousands of yen)	Sale Price (Thousands of yen)	Net caprate during Acquisition (C/D)	D/B
Round-Cross Shinsaibashi	ORIX JREIT	Chuo-ku, Osaka City	23,400	15-Mar-05	57,000	13,600,000	4.1%	900,000
		Office, Shop, Parking	Shinsaibashi Realty, LLC	15-Sep-08	28,000	14,500,000	5.0%	107%
Moto-Azabu Hills	MORI HILLS REIT	Minato-ku		12-Mar-08	8,595	211,628	4.1%	211,372
		Residential	Mori Building Co., Ltd.	(Jan-08)	8,537	423,000	2.0%	200%
New City Residence Yokohama East	New City Residence	Kanagawa-ku, Yokohama City		15-Dec-04	49	6,753,000	5.6%	-913,000
		Residential	Non-indicator	15-Sep-08	380,037	5,840,000	6.5%	86%
New City Residence Minami Azabu East	New City Residence	Minato-ku		25-Dec-05	59,737	1,260,000	4.7%	-110,000
		Residential	Non-indicator	26-Sep-08	63,225	1,150,000	5.5%	91%
New City Residence Togoshiginza	New City Residence		220	15-Dec-06	32,727	1,960,000	1.7%	-160,000
				15-Sep-08	115,269	1,800,000	6.4%	92%

【Survey Overview】

1 About the survey

This survey compiles analyses of the cap rates of actual real estate properties in J-REIT every quarter. The data in the survey is acquired from “Tokyu Land Corporation J-REIT System” (TOREIT), a database of the financial information of all J-REIT companies. The trends of investing units are created by the company based on information from The Association for Real Estate Securitization (ARES) and Bloomberg.

2 Cap rate index

The following cap rate is created using an index based on simple averaging in this survey.

Operating NOI cap rate = Annual NOI / end of the term concerned when operating unit

3 Annual NOI (Net Operating Income)

Annual NOI is derived from the combined value of two quarters.
(*excluding Hotel and

Annual NOI = current half-yearly NOI + previous half-yearly NOI

- NOI = rental revenue - expenses - depreciation
- NOI = rental profit & loss - cost
- NOI sign indicates the NOI for

(are actual transaction values)

4 Calculating cap rates

(1) J-REIT expected dividend cap rate (ends of units)

Expected dividend per unit / month-end value of unit

(2) NOI Cap Rate

- Applicable to transactions which disclosed the final accounts of the financial year by the end of March 2008 and disclosed the final accounts of the end of the year. However, only applicable to transactions which have three or more account settlements after acquisition; transactions with only two account settlements are excluded.
- For transactions carried out under “Additional acquisition” or “Partial sales”, cases that have multiple settlements from the time they are acquired or sold will also be excluded.
- In order to improve the effectiveness of the data analysis, data which has a cap rate of less than a certain level (13%) is also excluded from the index.

(3) Appraised cap rate of acquisition (%) (Acquisition Trends)

- Appraised cap rate is derived from the Direct Capitalization of the appraisal report released during acquisition.
- Appraised value may be different from appraised value, and the appraised value is derived from the profit price derived from direct-reduction process

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(4) NOI cap rate during acquisition, NOI cap rate during sales (Sales Trends)

NOI cap rate during acquisition = (half-yearly converted NOI during acquisition + half-yearly NOI of the period after acquisition) ÷ acquisition price

NOI cap rate during sales = (half-yearly NOI of the period before date of disclosure + half-yearly NOI of two periods before) ÷ sales price

(5) Others

- Cap rates of government bonds are the rates at the end of the respective periods.
- Information disclosed by corporations differs but the data used in this survey is confirmed by us as verifiable and reliable.

5 Continuity of the Index

- Previous indices may be changed whenever an investment company makes additional changes any of the disclosed information.
- Tokyu Land Corporation reserves the right to alter the disclosed information without prior notice. It also reserves the right to suspend or to continue the provision of information.

6 Points to note

- This survey is not for the purpose of soliciting investment. Users are advised to use their discretion when making the final decision as to whether to invest.
- This data is based on the information available at the time of writing and reflects the assessment made on the date of production.
- While our company has adopted thoroughgoing measures when creating the “Tokyu Land Corporation J-REIT System” (TOREIT) and the contents in this survey, it is however, not responsible for the accuracy and completeness of the data. The data is based on the information available at the time of writing and reflects the assessment made on the date of production.
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※Survey date is altered following revision to the following properties below.

- United Urban “Park site IZUMI”

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APPRAISAL SERVICE DEPARTMENT REAL ESTATE INVESTMENT MANAGEMENT DIVISION

Enquiries on survey

SOTOBE・INADA

TEL 03-5458-0661
FAX 03-5458-3918
URL <http://tlc-jreit.com>
E-MAIL tlcjreits@tokyu-land.com

21-2, DOGENZAKA 1-CHOME, SHIBUYA-KU, TOKYO, 150-8585 JAPAN

KAZUTO NAKAZIMA Real Estate Appraiser
Trainees who completed the Securitization Real Estate
Appraisal Training Course
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NORIKO IWARA Real Estate Appraiser
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reports as well as quarterly reports.

Monthly reports and Quarterly Report is also Detailed version.
Please talk about the one desired.

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