

March 22, 2010
Level Best, Inc.

On the Results of the 2012 Public Notice of Land Prices

What is the “Land Prices Public Notice?”

- Japan’s Ministry of Land, Infrastructure, Tourism and Transport (MLIT) releases an official notice of land prices as of January 1 of every year, publicly announced in late March.
- The purpose is to provide an index or guideline for land transaction prices.
- Prices are announced for 26,000 survey points (standard sites) throughout the country.

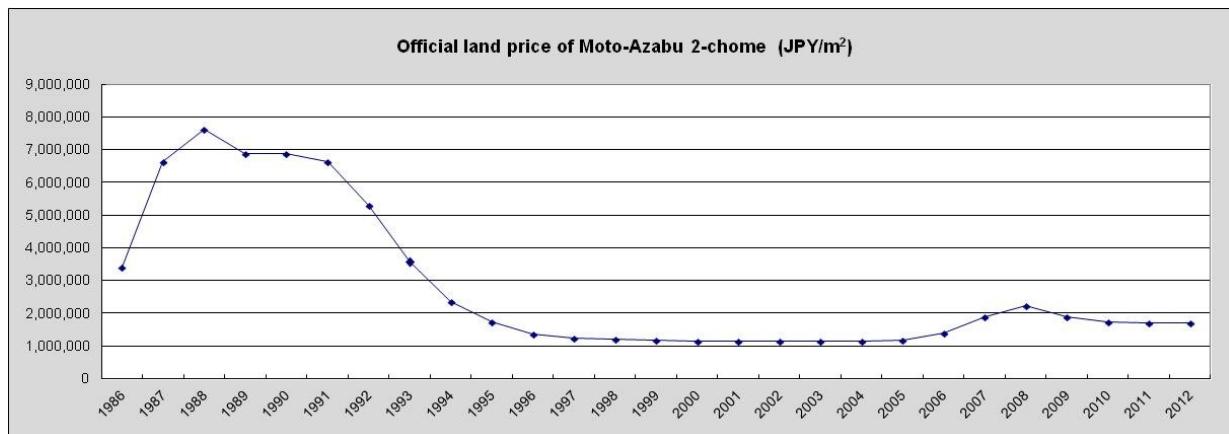
A Note in Making Our Views

As land values in the areas strongly affected by Great East Japan Earthquake and radioactive contamination from the Fukushima nuclear plants are subject to extraordinary conditions and irregular factors, we will refrain from making any comments on their prices.

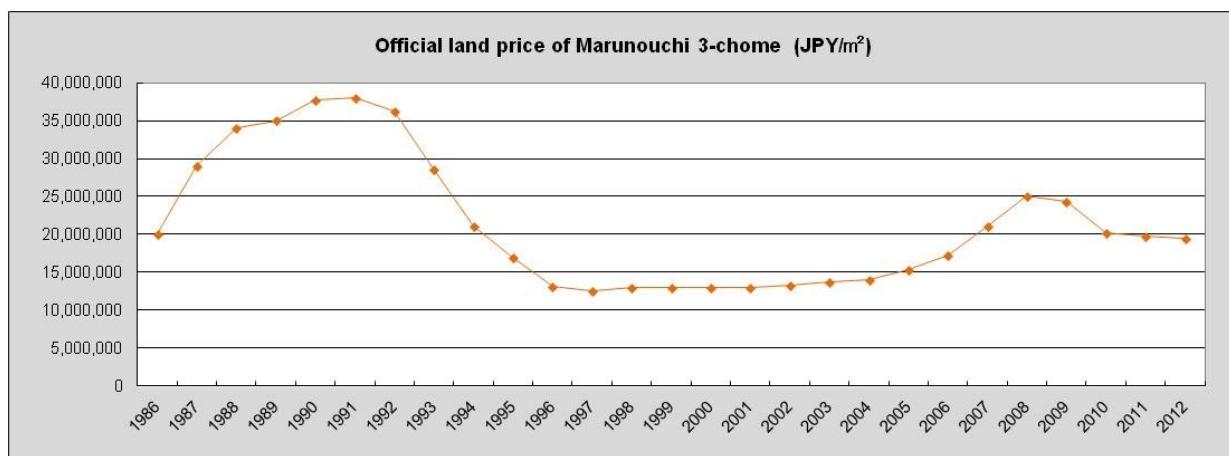
Our Views

- Based on 2 of the survey points that we have tracked for the past 26 years, as well as on the changes in price of a survey point in Ginza over the last 10 years, it can be clearly seen that the rate of decline in prices of both residential and commercial land in the prime areas of central Tokyo has eased.
- Consequently, we believe that land prices in central Tokyo’s prime areas have stopped falling.
- In particular, the Great East Japan Earthquake has led to a strong demand for well-built low-rise housing. This provides an impetus for land prices of the better quality residential areas in the city center to start a rebound soon.
- While the prices of commercial land may also have stopped falling, high vacancy rates and low rents continue to prevail, so it will take more time before commercial land prices can begin an upward recovery.
- A similar trend can be seen in large urban areas & cities other than Tokyo, such as Osaka, Nagoya, Fukuoka and Sapporo as well.

【2-3-24 Moto-azabu, Minato-ku】 Across the Tokyo Lawn Tennis Club



【3-2-2 Marunouchi, Chiyoda-ku】 Tokyo Chamber of Commerce & Industry



【4-5-6 Ginza, Chuo-ku】 Yamano Music Building

