

17 February 2011

Sanko Estate – NLI Research Institute release
“Office Rent Index” for Q4 2010 (Oct – Dec)
Office rent in the Tokyo Central 3 Wards reduces the pace of dropping
though it is still uncertain that the market is hitting the bottom

TOKYO, January 26 – Sanko Estate announces Q4 2010 Office Rent Index of the Tokyo Central 3 Wards including Chiyoda, Chuo, and Minato. This innovative index, developed jointly with NLI Research Institute, is based on the contracted rent instead of the asking rent which is commonly referred to monitor market trend. Sanko Estate publishes the index for the first time and will release it with the vacancy rate every quarter.

Japanese release and full data of Office Rent Index is available on;

<http://www.websanko.com>

Methodology

Office Rent Index, Q1 1994 = 100, is constructed based on contracted rent data collected by Sanko Estate. NLI Research Institute receives the anonymous data excluding detailed address and applies statistical analysis, the multi-variable hedonic regression modeling. Sanko Estate releases the index and its y-o-y change every quarter by three building sizes: large-scale, medium/large-scale and medium-scale or smaller. Monthly rent (JPY/tsubo) is also released for the standard large-scale office in the Tokyo Central 3 Wards.

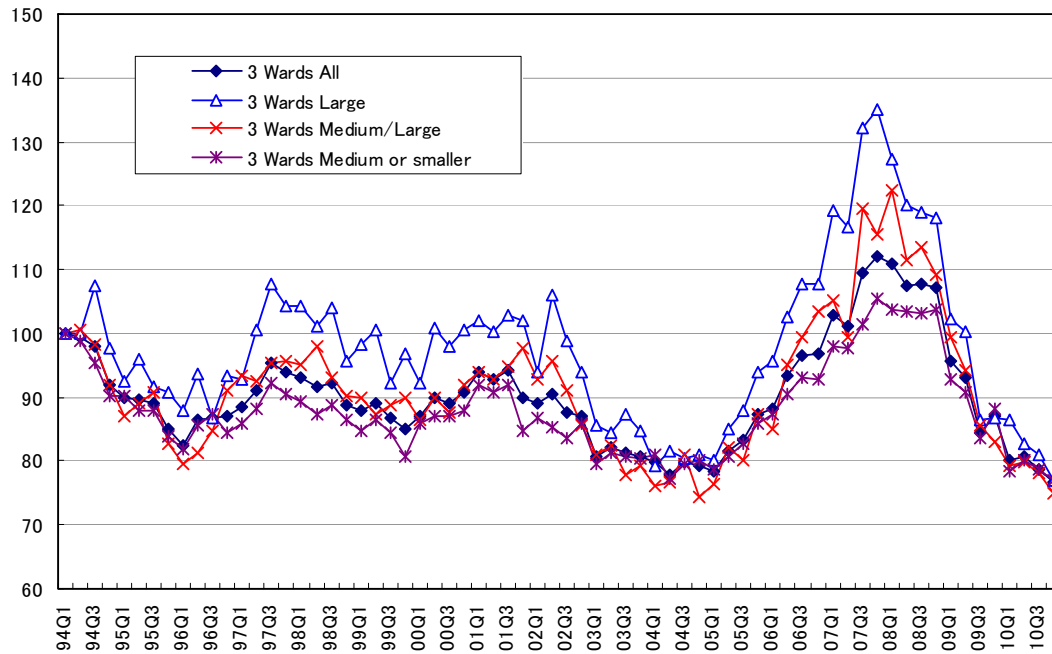
Building size

Building size	Leasable space / floor	tsubo	sqm	sqf
Large-scale	> 200	200	661	7,117
Medium/large-scale	200 – 100	100	331	3,558
Medium-scale or smaller	100 >			
		1	3.31	35.58

About Sanko Estate

Sanko Estate is regarded as the leading provider of real estate services in Japan; consistently representing the largest percentage of office space transactions owned by major developers and landlords. Since 1977, Sanko Estate has helped thousands of foreign and domestic firms find the best office space throughout Japan for their needs and budgets. By accessing the unique database containing information on over 75,000 buildings throughout Japan, Sanko Estate can determine at a glance the status and specifics of more than 95% of all available office space on the market.

1. Tokyo Central 3 Wards Office Rent Index by building size



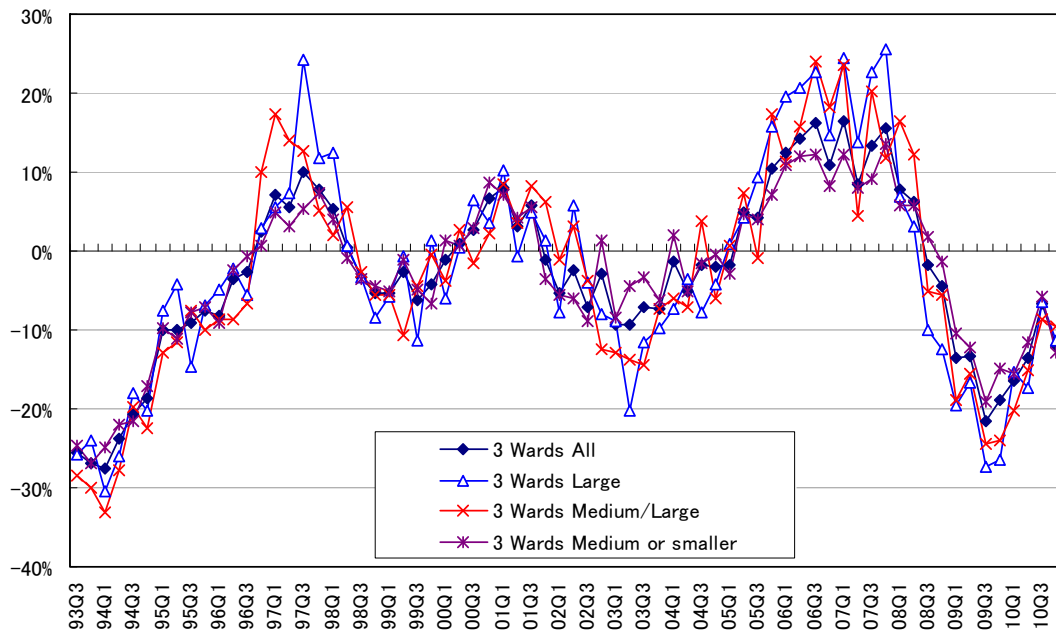
Source: Sanko Estate · NLI Research Institute

	'06Q1	'06Q2	'06Q3	'06Q4	'07Q1	'07Q2	'07Q3	'07Q4	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4	'10Q1	'10Q2	'10Q3	'10Q4
3 Wards All	88	93	97	97	103	101	110	112	111	108	108	107	96	93	85	87	80	81	79	77
3 Wards Large	96	102	108	108	119	117	132	135	127	120	119	118	102	100	87	87	87	83	81	77
3 Wards Medium/Large	85	95	99	103	105	99	119	116	122	112	113	109	99	94	86	83	79	80	78	75
3 Wards Medium or smaller	87	90	93	93	98	98	101	105	104	103	103	104	93	91	84	88	78	80	79	77

Q4 2010 Office Rent Index by building size is as follows.

- Large-scale declines to 77 at record low.
- Medium/large-scale declines to 75 and gets closer to the lowest point recorded in 2004.
- Medium-scale or smaller declines to 77 and gets closer to the lowest point recorded in 2004.

2. Tokyo Central 3 Wards Office Rent Index Y-O-Y Change



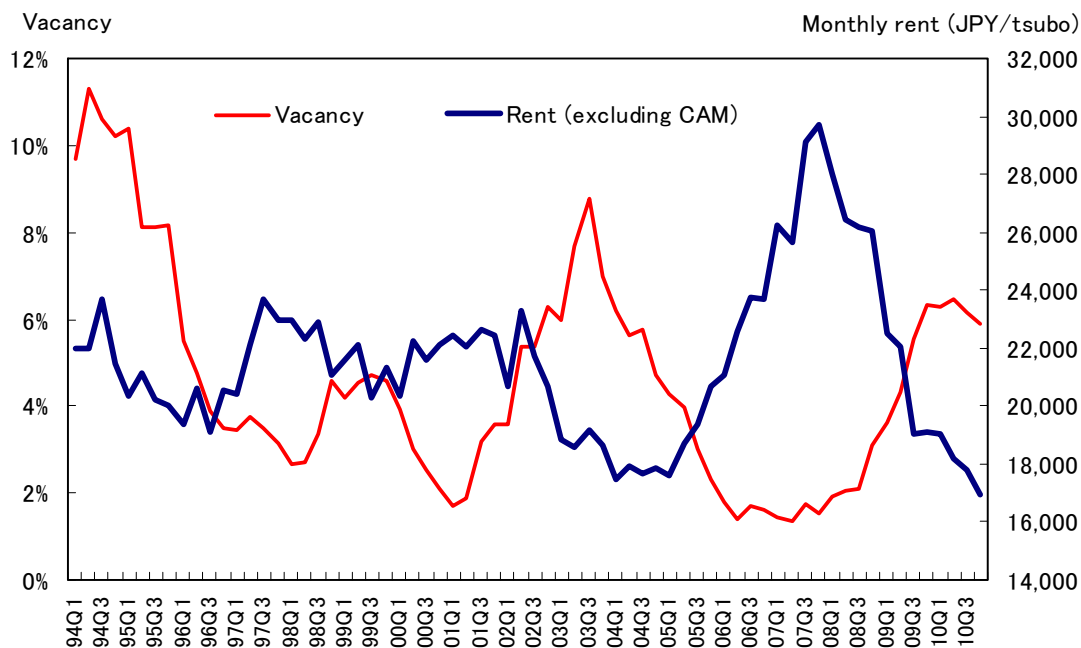
Source: Sanko Estate · NLI Research Institute

(%)	'06Q1	'06Q2	'06Q3	'06Q4	'07Q1	'07Q2	'07Q3	'07Q4	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4	'10Q1	'10Q2	'10Q3	'10Q4
3 Wards All	12.5	14.3	16.1	10.9	16.5	8.4	13.4	15.7	7.8	6.3	-1.7	-4.3	-13.5	-13.4	-21.5	-18.9	-16.4	-13.5	-6.7	-11.9
3 Wards Large	19.5	20.7	22.7	14.6	24.5	13.8	22.7	25.5	6.9	3.0	-10.0	-12.5	-19.6	-16.6	-27.3	-26.5	-15.3	-17.4	-6.5	-11.3
3 Wards Medium/Large	11.2	15.8	24.0	18.2	23.5	4.4	20.1	11.7	16.5	12.3	-5.0	-5.5	-18.8	-15.6	-24.5	-23.9	-20.2	-15.1	-8.7	-9.6
3 Wards Medium or smaller	10.8	11.9	12.2	8.2	12.3	7.9	9.1	13.5	5.9	5.9	1.7	-1.4	-10.5	-12.1	-19.0	-15.0	-15.6	-11.6	-5.8	-12.9

Q4 2010 Office Rent Index Y-O-Y change is as follows.

- Large-scale: -11.3%
- Medium/large-scale: -9.6%
- Medium-scale or smaller: -12.9%

3. Tokyo Central 3 Wards Large-scale Office Rent and Vacancy



Source: Sanko Estate · NLI Research Institute

3 Wards Large	'06Q1	'06Q2	'06Q3	'06Q4	'07Q1	'07Q2	'07Q3	'07Q4	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4	'10Q1	'10Q2	'10Q3	'10Q4
Rent (excluding CAM)	21,051	22,558	23,741	23,690	26,218	25,679	29,119	29,733	28,015	26,458	26,205	26,020	22,512	22,063	19,048	19,117	19,060	18,217	17,806	16,952
Vacancy (%)	1.8	1.4	1.7	1.6	1.4	1.3	1.7	1.5	1.9	2.1	2.1	3.1	3.6	4.3	5.5	6.3	6.3	6.5	6.2	5.9

- Q4 2010 large-scale office rent declined to 16,952 yen/tsubo (excluding CAM) from 17,808 yen/tsubo in the previous quarter. (CAM: Common Area Maintenance fee)
- It dropped by 43% from the previous peak in 2007 at 29,733 yen/tsubo.

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