

27 April 2011

**Sanko Estate – NLI Research Institute release
“Office Rent Index” for Q1 2011 (Jan – Mar)**

Office rent in the Tokyo Central 3 Wards resumes accelerating the pace of decline with growing concerns about the market

TOKYO, April 27 – Sanko Estate announces Q1 2011 Office Rent Index of the Tokyo Central 3 Wards*. 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.

* Tokyo Central 3 Wards: Chiyoda, Chuo and Minato

This release data (PDF) of Office Rent Index is available from 28 April on;

<http://www.sankoestate.com> (English)

<http://www.websanko.com> (Japanese)

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.

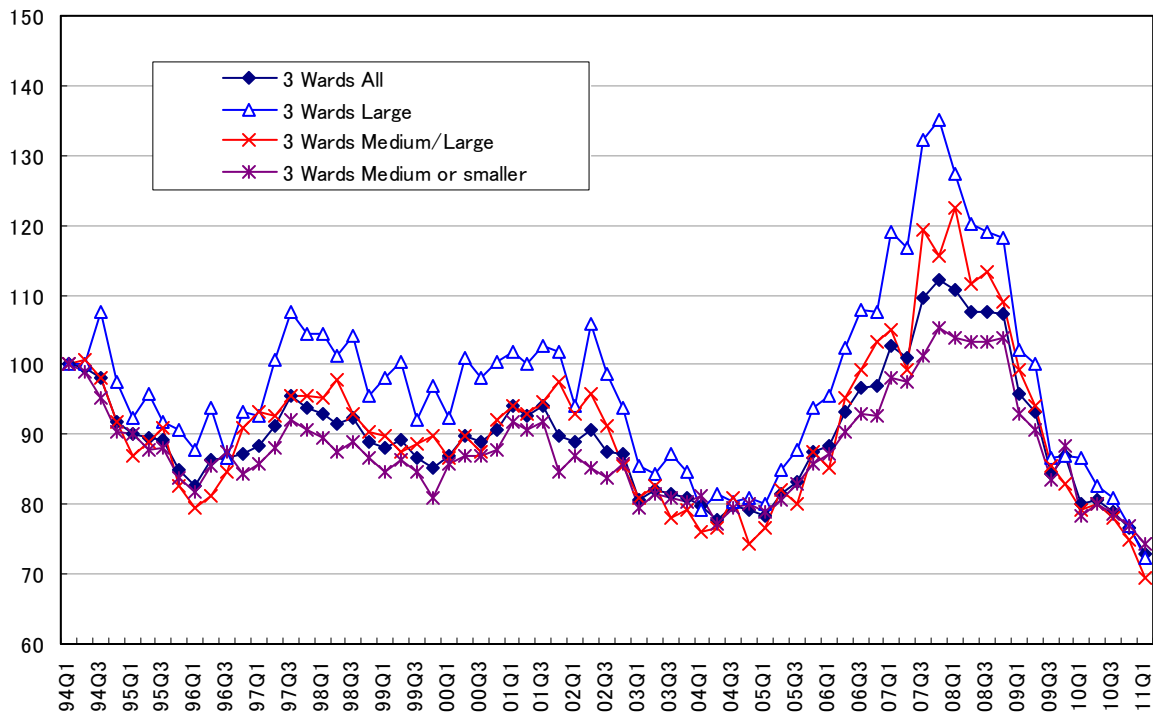
Building size

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. The company offers comprehensive real estate services including advisory, acquisitions and dispositions, property management, due diligence and consulting and market research as well as office leasing services.

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



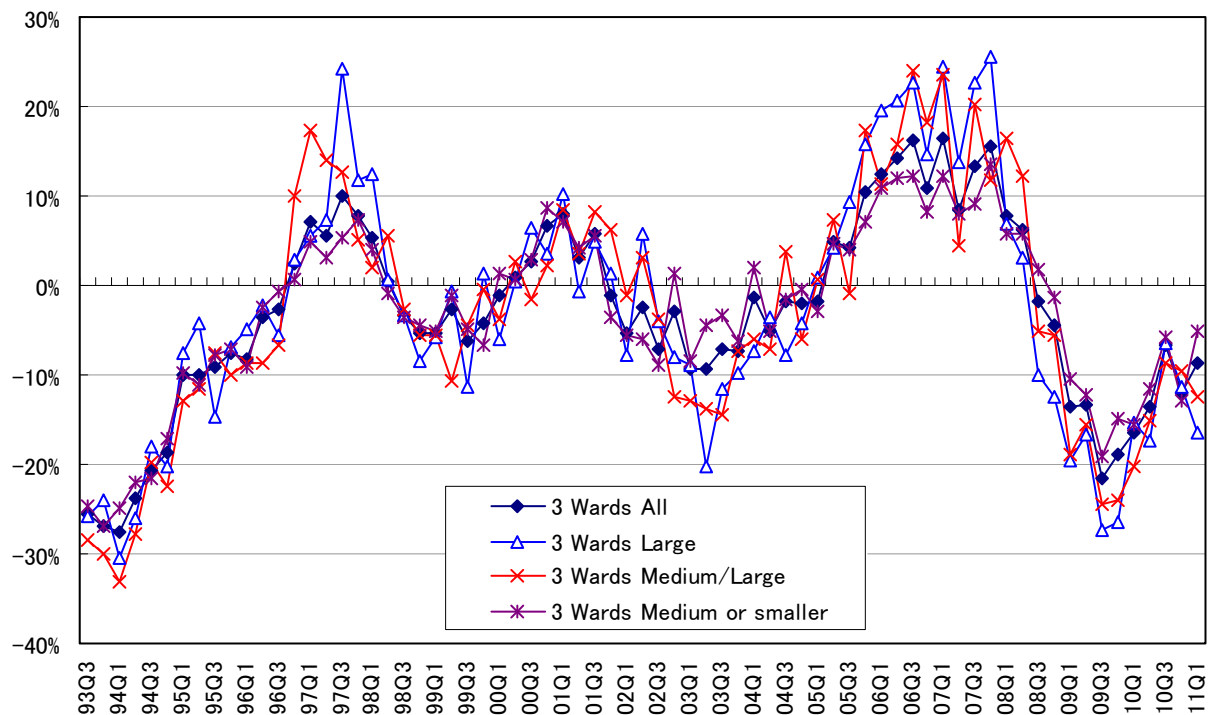
Source: Sanko Estate · NLI Research Institute

	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4	'10Q1	'10Q2	'10Q3	'10Q4	'11Q1
3 Wards All	111	108	108	107	96	93	85	87	80	81	79	77	73
3 Wards Large	127	120	119	118	102	100	87	87	87	83	81	77	72
3 Wards Medium/Large	122	112	113	109	99	94	86	83	79	80	78	75	69
3 Wards Medium or smaller	104	103	103	104	93	91	84	88	78	80	79	77	74

Q1 2011 Office Rent Index by building size is as follows.

- Large-scale declines to 72 and renews the lowest point in 2 consecutive quarters.
- Both medium/large-scale and medium-scale or smaller decline to 69 and 74 respectively and fall below each lowest point recorded in 2004.

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



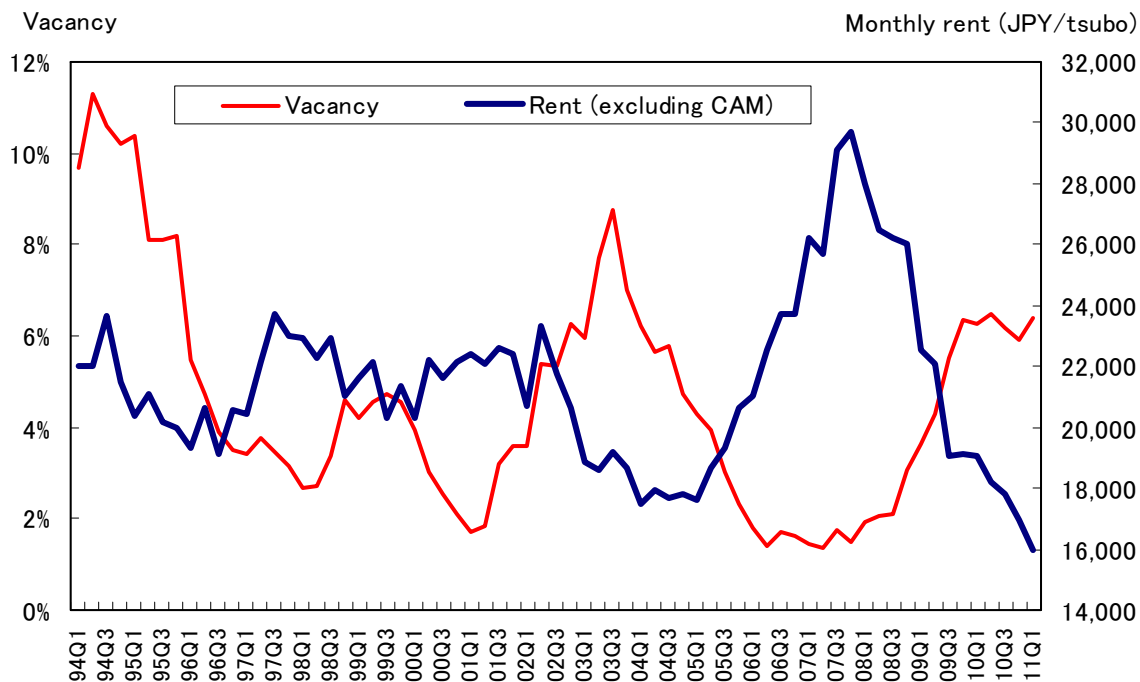
Source: Sanko Estate · NLI Research Institute

(%)	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4	'10Q1	'10Q2	'10Q3	'10Q4	'11Q1
3 Wards All	7.8	6.3	-1.7	-4.3	-13.5	-13.4	-21.5	-18.9	-16.4	-13.5	-6.7	-11.9	-8.8
3 Wards Large	6.9	3.0	-10.0	-12.5	-19.6	-16.6	-27.3	-26.5	-15.3	-17.4	-6.5	-11.3	-16.4
3 Wards Medium/Large	16.5	12.3	-5.0	-5.5	-18.8	-15.6	-24.5	-23.9	-20.2	-15.1	-8.7	-9.6	-12.4
3 Wards Medium or smaller	5.9	5.9	1.7	-1.4	-10.5	-12.1	-19.0	-15.0	-15.6	-11.6	-5.8	-12.9	-5.2

Q1 2011 Office Rent Index Y-O-Y change is as follows.

- Large-scale: -16.4%
- Medium/large-scale: -12.4%
- Medium-scale or smaller: -5.2%

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



Source: Sanko Estate · NLI Research Institute

3 Wards Large	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4	'10Q1	'10Q2	'10Q3	'10Q4	'11Q1
Rent (excluding CAM)	28,015	26,458	26,205	26,020	22,512	22,063	19,048	19,117	19,060	18,217	17,806	16,952	15,940
Vacancy (%)	1.9	2.1	2.1	3.1	3.6	4.3	5.5	6.3	6.3	6.5	6.2	5.9	6.4

- Q1 2011 large-scale office rent declined to 15,940 yen/tsubo (excluding CAM*) from 16,952 yen/tsubo in the previous quarter.
- It dropped by 46% from the previous peak in 2007 at 29,733 yen/tsubo.

*CAM: Common Area Maintenance fee

For further information, please contact:

International Department, Sanko Estate

Tel: +81-3-3564-8051, Fax: +81-3-3564-8032

Email: contact@sanko-e.co.jp

PRAP Japan, Inc.

Email: yu-nakamura@prap.co.jp, t-miyama@prap.co.jp

###

Office Rent Index Data

	Tokyo Central 3 Wards	'06Q1	'06Q2	'06Q3	'06Q4	'07Q1	'07Q2	'07Q3	'07Q4	'08Q1	'08Q2	'08Q3	'08Q4	'09Q1	'09Q2	'09Q3	'09Q4	'10Q1	'10Q2	'10Q3	'10Q4	'11Q1
Office Rent Index (94Q1=100)	3 Wards all	88	93	97	97	103	101	110	112	111	108	108	107	96	93	85	87	80	81	79	77	73
	3 Wards large	96	102	108	108	119	117	132	135	127	120	119	118	102	100	87	87	87	83	81	77	72
	3 Wards Medium/Large	85	95	99	103	105	99	119	116	122	112	113	109	99	94	86	83	79	80	78	75	69
	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	74
Office Rent Index Y-O-Y change (%)	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	-8.8%
	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	-16.4%
	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	-12.4%
	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	-5.2%
Office Rent (excluding CAM)	3 Wards large	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	15,940
Vacancy (%)	3 Wards large	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%	6.4%

Source: Sanko Estate•NLI Research Institute