

May 22, 2025

2025 Survey of Large-scale Office Building Market in Tokyo's 23 Core Cities

The average annual supply of large office buildings in metropolitan Tokyo's 23 core cities between 2025 and 2029 is expected to fall below the historical annual average recorded between 1986 and 2024.

The absorption volume in 2024 remained above 1 million square meters, similar to last year, while the vacancy rate dropped significantly to 3.7%.

General Trends in Supply

- The annual average supply between 2025 and 2029 is expected to fall below the annual average recorded in recent decades (1986–2024), and therefore will have only a limited impact on the office market, including vacancy rates and rents.
- Properties with an office-floor space of 100,000 m² or more will account for a high proportion of supply from 2025 to 2029.
- Tokyo's five central cities—Chiyoda, Chuo, Minato, Shinjuku and Shibuya—are expected to account for 86% of the average annual supply through 2029. Supply will increase particularly in Nihonbashi/Yaesu/Kyobashi, Shinagawa, and Akasaka/Roppongi, where major redevelopments are underway.

General Trends in Demand

- The absorption volume in Tokyo's 23 core cities reached 1.13 million m², exceeding 1 million m² for the second consecutive year and significantly surpassing the supply volume of 430,000 m². The overall vacancy rate fell sharply by 2.1 percentage points to 3.7%, while in major business areas it dropped 2.9 points to 3.3%.
- In 2024, the absorption volume equivalent of newly supplied buildings was equivalent to approximately 90% of the total new supply, while absorption in existing buildings was about 2.4 times higher than last year, reflecting strong demand for both new and existing office space.

■ Survey Framework

Surveyed area : Metropolitan Tokyo's 23 core cities

Target : Office buildings with a gross floor space of at least 10,000 m² and fully constructed by 1986 or later.

*Supply volume is based on publicly available information as well as on-site and interview-based research through early May 2025.
Gross office-floor space includes space owned and used by the same company, but not non-office (retail, residential, hotels, etc.) space.*

1-1 General Trends in Supply Volume

- The average annual supply of large office buildings in Tokyo's 23 core cities between 2025 and 2029 is expected to be lower than the historical annual average recorded in recent decades (1986–2024).
- The modest change in supply volume is likely to have a limited impact on the office market compared to the past.

The supply of large office buildings in the 23 core cities of Tokyo over the next five years (2025–2029) is expected to average 920,000 m², down from the annual average of 1,010,000 m² between 1986 and 2024 (Figure 1). Therefore, this is forecasted to have only a limited impact on vacancy rates, rents, etc. in the office market.

Figure 1 : Large Office Building Supply Trends in Tokyo's 23 Core Cities

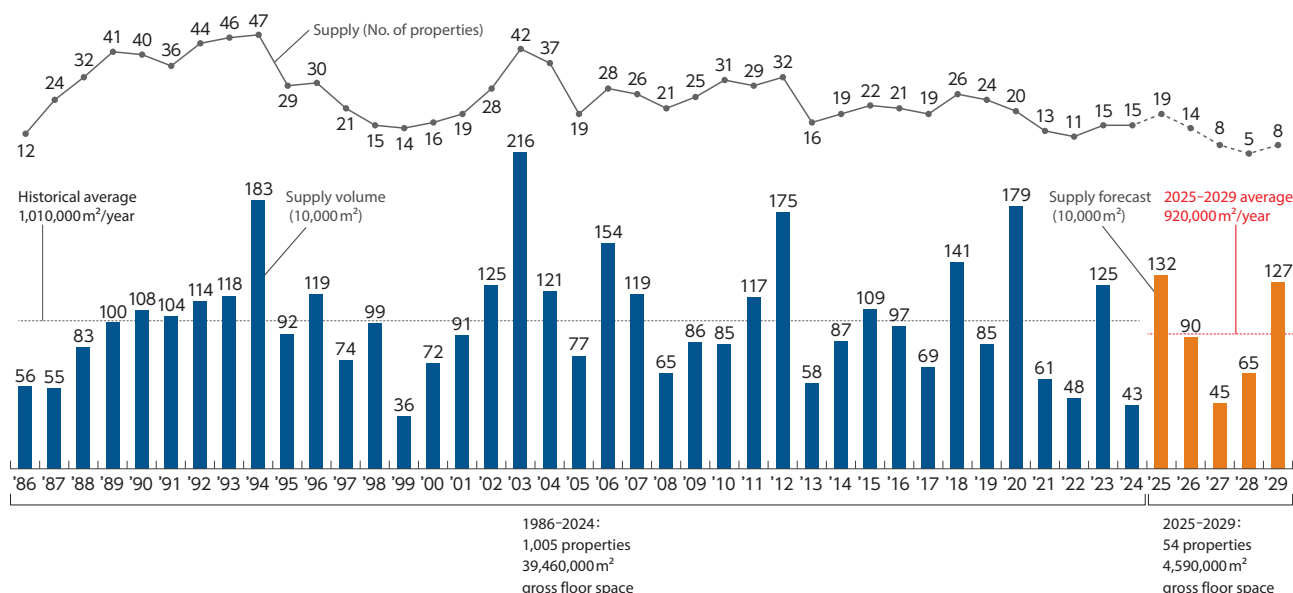
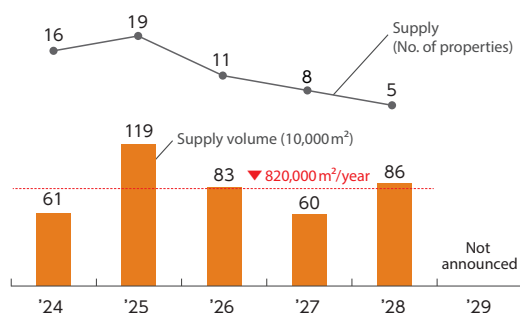


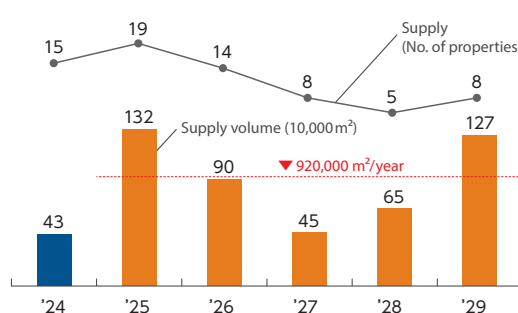
Figure 2 compares the 2025–2029 supply forecast to the five-year forecast in last year's survey (released on May 23, 2024). The supply forecasts for 2025 and 2026 have increased and forecasts for 2027 and 2028 have decreased, due mainly to revised construction-completion dates.

Figure 2 : Comparison of Current and Previous 5-year Trends in Large Office Building Supply Volume

May 2024 Market Trend Survey



May 2025 Market Trend Survey



1-2 Supply Volume Trends by Office Building Scale

- Over the long term, the average supply per property will trend upward, and the trend toward larger-scale office buildings is expected to continue.

Figure 3 shows trends in the average annual supply per property. In 2024, due to a limited number of large redevelopment projects, the average dropped to 28,000 m², marking the first time since 2010 that the average fell into the 20,000 m² range. In the early 1990s, the average was also generally in the 20,000 m² range, but in recent years it has become more common for properties to exceed 50,000 m². The approximation line clearly shows an increase in the size of available office buildings.

Figure 3 : Trends in Average Supply per Property

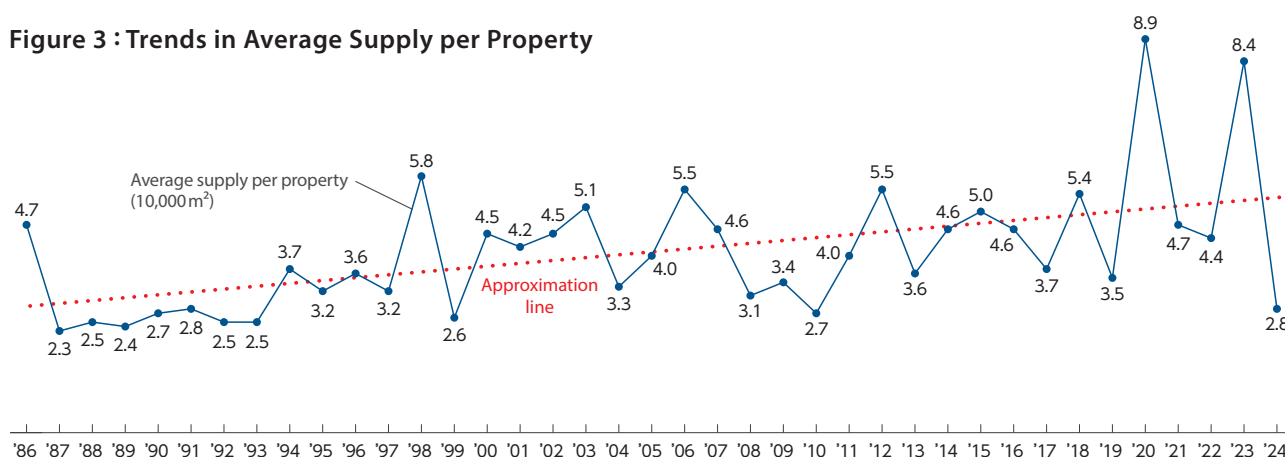
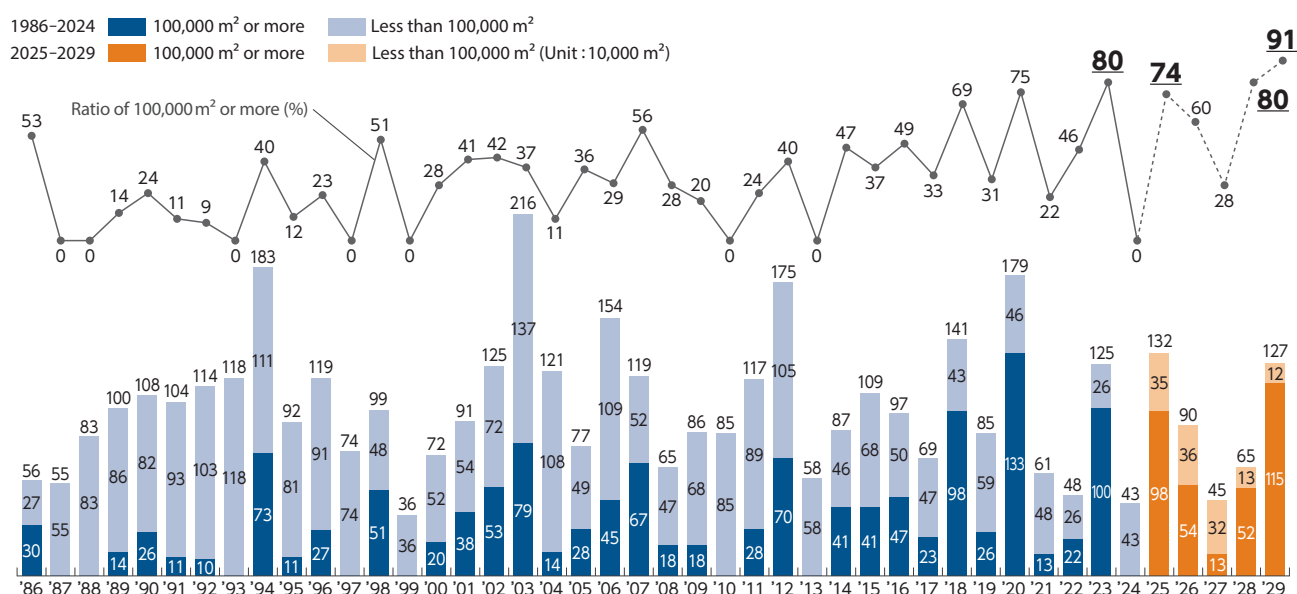


Figure 4 shows supply numbers from Figure 1 broken down by properties with a gross office-floor space of more/less than 100,000 m². Similar to the 2023 survey, substantial supplies in the "100,000 m² or more" class are expected, including 980,000 m² in 2025 and 1,150,000 m² in 2029. The supply ratio of these very large properties was 80% in 2023 and is forecast to be 74% in 2025, 80% in 2028, and 91% in 2029, indicating an increase over the medium term.

Figure 4 : Trends in Supply of Properties with 100,000 m² or More Gross Office-floor Space



1-3 Supply Volume Trends by Area

- Average supply in the five central cities between 2025 and 2029 is expected to be slightly lower than the average between 2015 and 2024.
- The expected ratio of supply in the five central cities between 2025 and 2029 is 86%, similar to the 2015–2024 average of 85%.
- The seven major business areas in central Tokyo are expected to account for 75% of the supply between 2025 and 2029.

The supply of large office buildings in the five central cities of Chiyoda, Chuo, Minato, Shinjuku and Shibuya is expected to average 790,000 m² between 2025 and 2029, lower than the 2015–2024 average of 820,000 m² (Figure 5). In addition, these five cities are forecast to account for 86% of Tokyo's total supply, roughly the same as the 2015–2024 average of 85% (Figure 6).

Figure 5 : Trends in Large Office Building Supply Volume, by Location

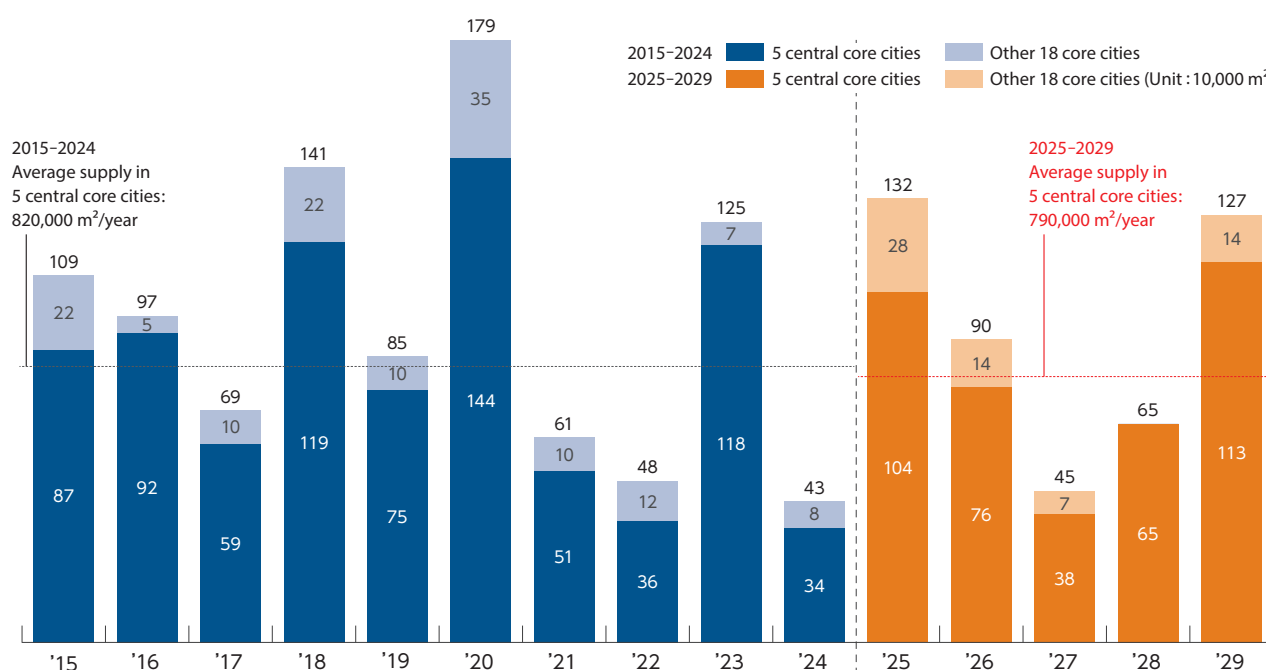


Figure 6 : Large Office Building Supply-volume Share, by Location

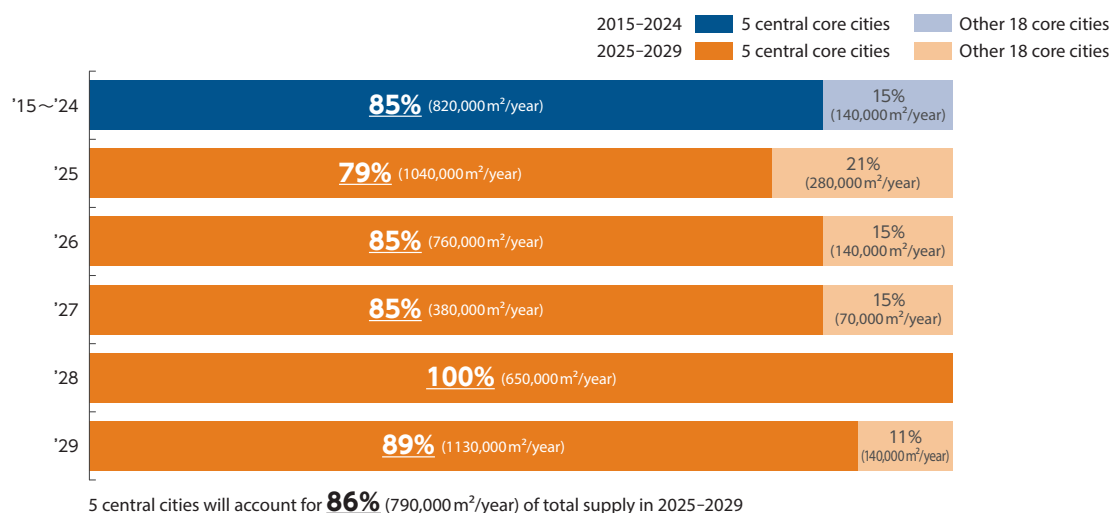


Figure 7 shows the seven major business areas that Mori Building monitors for reference purposes, and Figure 8 shows the forecasted supply volumes and ratios in each area from 2025–2029. Total supply in Tokyo's 23 core cities is expected to reach 4.59 million m², of which the top seven areas will account for 3.42 million m², or 75%. The largest supply will be in Nihonbashi/Yaesu/Kyobashi (990,000 m², or 22%), where large redevelopments including offices, hotels, commercial facilities, and cultural facilities are underway near Tokyo Station and in Nihonbashi.

Figure 9 compares supply by area in 2020–2024 and 2025–2029. Supply is expected to increase in areas such as Nihonbashi/Yaesu/Kyobashi (350,000 m² to 990,000 m²), Shinagawa (20,000 m² to 520,000 m²) and Akasaka/Roppongi (50,000 m² to 400,000 m²). Large developments currently underway are integrating buildings with large bus terminals and other transportation infrastructure, hotels, commercial enterprises and cultural facilities, improving the attractiveness of these areas.

Figure 7 : Major Business Areas for Reference



Figure 8 : Supply Share in Major Business Areas (2025–2029)

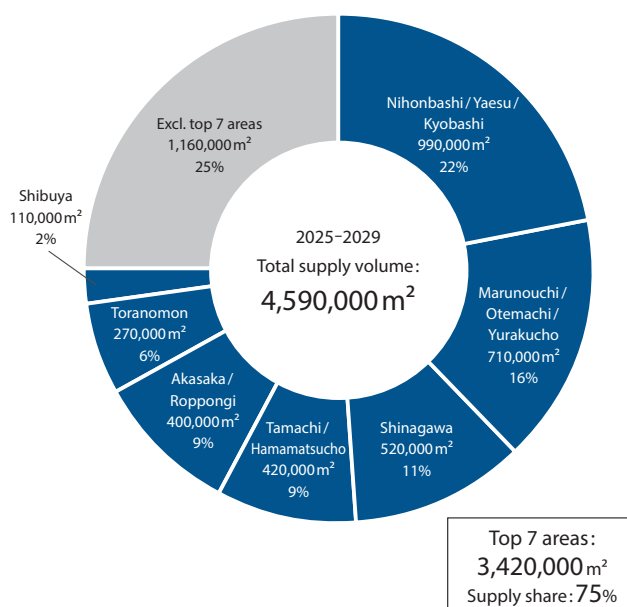
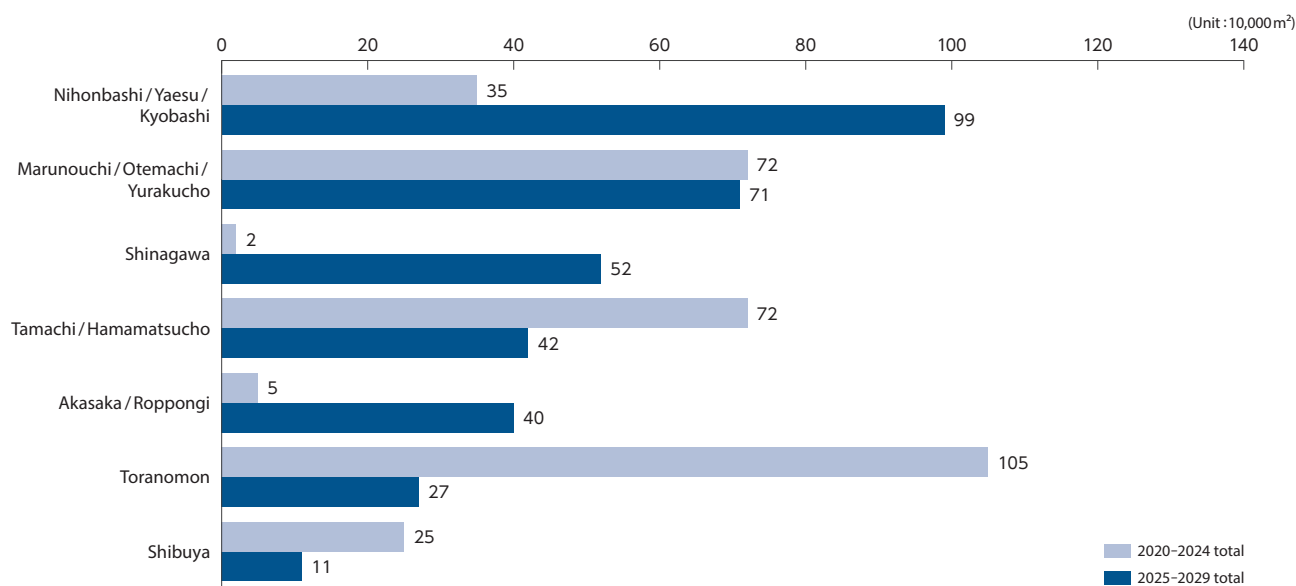


Figure 9 : Supply Volume in Major Business Areas (2025–2029)



2 Absorption Volume and Vacancy Rates

- The absorption volume in Tokyo's 23 core cities reached 1.13 million m², exceeding 1 million m² for the second consecutive year and significantly surpassing the supply volume of 430,000 m². The overall vacancy rate fell sharply by 2.1 percentage points to 3.7%, and in major business areas it dropped 2.9 points to 3.3%.
- In 2024, the absorption volume of newly supplied buildings was equivalent to approximately 90% of the total new supply, while absorption of existing buildings was about 2.4 times higher than last year, clearly reflecting strong demand for both new and existing office space.

In 2024, supported by robust office demand, the absorption volume in Tokyo's 23 core cities reached 1.13 million m², exceeding 1 million m² for the second consecutive year and far outpacing the year's new supply of 430,000 m². The overall vacancy rate declined significantly, dropping 2.1 points to 3.7% by year-end (Figure 10), while in major business areas, the rate fell 2.9 points to 3.3% (Figure 11).

In the 23 core cities, roughly 90% (380,000 m²) of total supply (430,000 m²) was absorbed, and in the main business areas the absorption volume was at a similar level, about 80% (190,000 m²) of total supply (230,000 m²) in 2024 (Figure 12). The absorption volume of existing properties, which turned positive at 310,000 m² in 2023, continued expanding on strong corporate earnings and a return to the office by employees, reaching approximately 750,000 m² in 2024, about 2.4 times the previous year (Figure 13).

Figure 10 : Supply Volume, Absorption Volume and Vacancy Rate (Tokyo's 23 Core Cities)

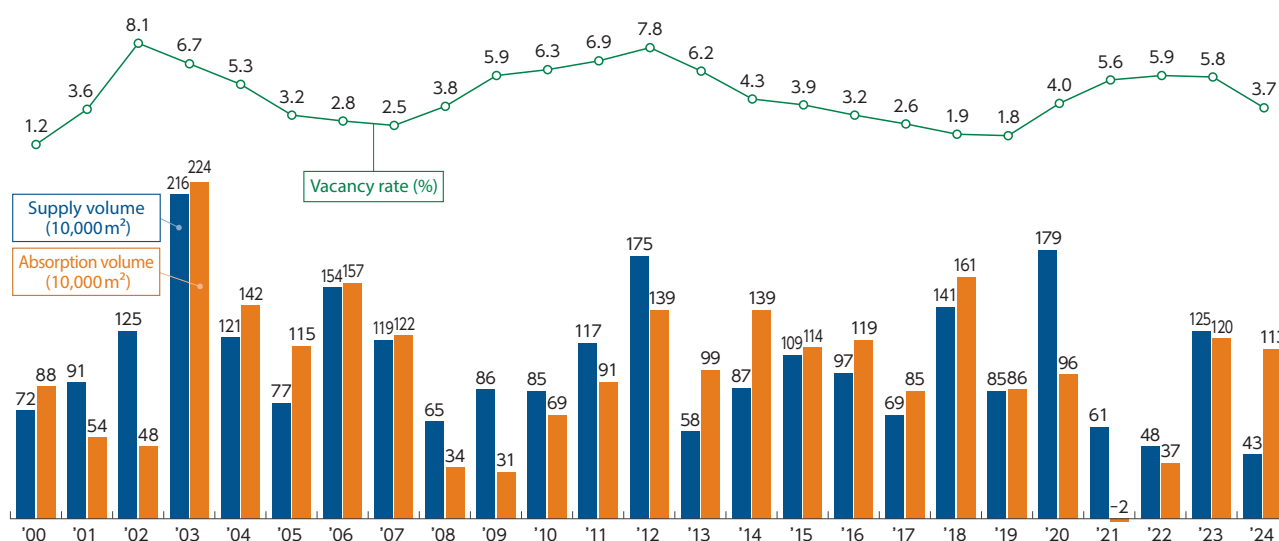
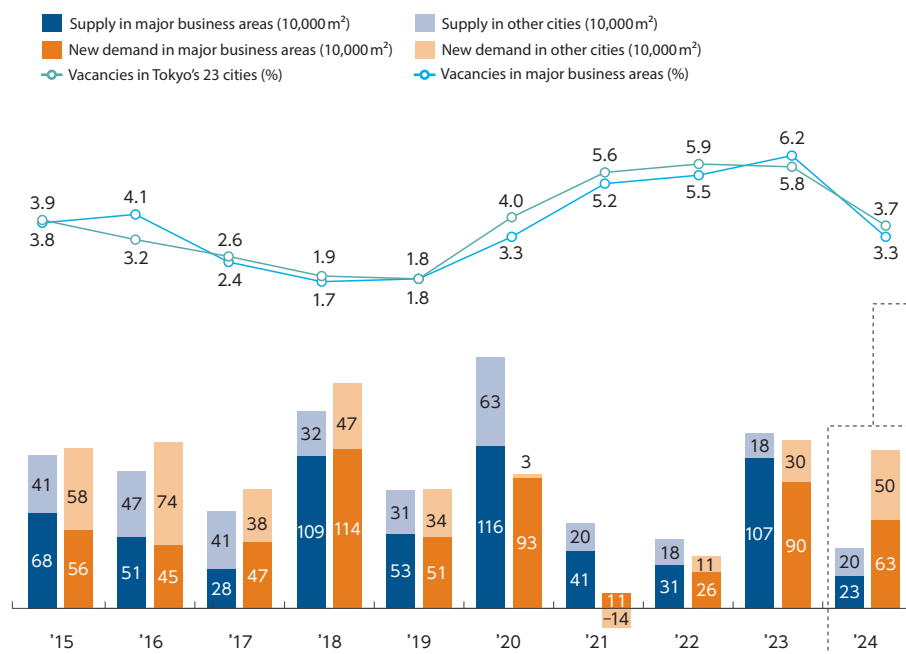
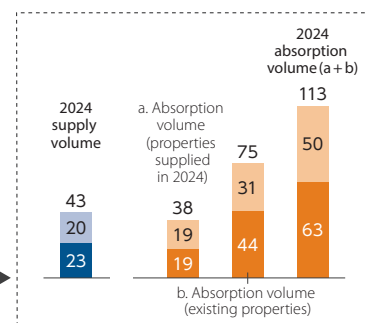
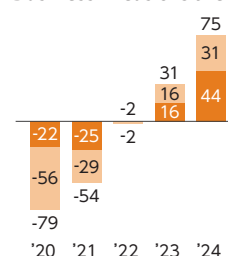


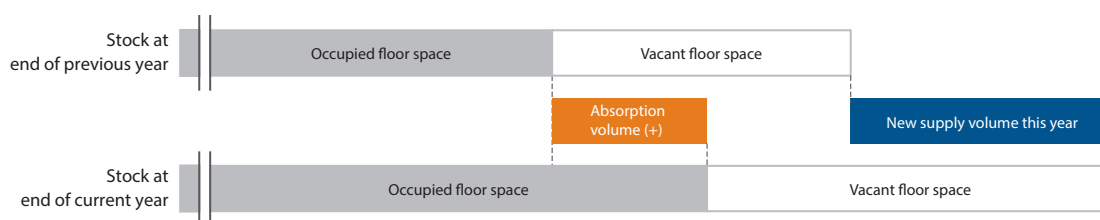
Figure 11 : Supply Volume, Absorption Volume and Vacancy Rate (Major Business Areas & Others)

Figure 12 : Breakdown of 2024 Supply Volume and Absorption Volume (Major Business Areas & Others)

Figure 13 : Trends in Supply of Existing Properties Since Pandemic (Major Business Areas & Others)


Concept of Absorption Volume

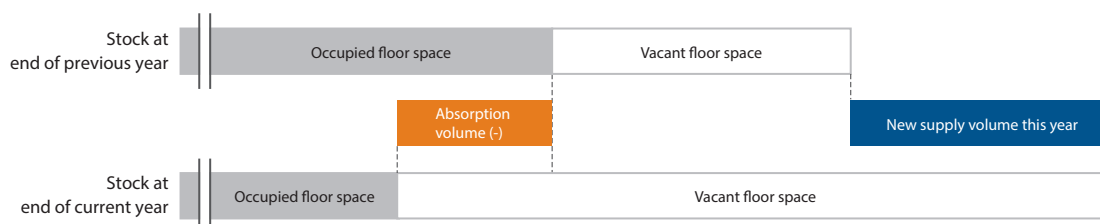
For large office buildings (at least 10,000 m² and fully constructed in 1986 or later), the absorption volume refers to newly occupied floor space in the current year, calculated as [(vacant floor space at end of previous year) + (newly supplied floor space) - (vacant floor space at end of current year)], as shown in Figure 14.

Figure 14 : Concept of Absorption Volume

(1) When absorption volume is positive



(2) When absorption volume is negative



Figures are converted to gross floor area by dividing the net leased area by the average effective ratio of 65.5% for a typical large office building.

Major Large Office Buildings Scheduled for Completion (includes some completed projects)

| Name of Project (Name of Building) | Floor Area (m ²) | Lead Project Developer(s) | Location |
|---|------------------------------|---|---------------------------------|
| 2025 | | | |
| Sumitomo Realty & Development Roppongi Central Tower | 34,900 | Sumitomo Realty & Development | Roppongi, Minato City |
| TORANOMON ALCEA TOWER | 180,600 | Urban Renaissance Agency and Nippon Steel Kowa Real Estate | Toranomon, Minato City |
| TAKANAWA GATEWAY CITY THE LINKPILLAR 1 | 460,200 | East Japan Railway Company | Konan, Minato City |
| TOYOSU SAIL PARK | 136,000 | IHI Corporation and Mitsubishi Estate | Toyosu, Koto City |
| Koujimachi Kousai Building | 36,400 | Tetsudou Kousaikai | Kojimachi, Chiyoda City |
| Mitamachi Terrace | 55,500 | Chuo-Nittochi, Urban Renaissance Agency | Shiba, Minato City |
| Tokyo World Gate Akasaka, Akasaka Trust Tower | 208,000 | Mori Trust and NTT Urban Development Corporation | Akasaka, Minato City |
| TAKANAWA GATEWAY CITY THE LINKPILLAR 2 | 208,200 | East Japan Railway Company | Konan, Minato City |
| Nakano M-SQUARE | 91,300 | Redevelopment Association (Mitsui Fudosan) | Nakano, Nakano City |
| IT TOWER TOKYO | 41,600 | IT tower TOKYO LLC | Nishi-ikebukuro, Toshima City |
| 2026 | | | |
| Sumitomo Realty and Development Shiba Park Project | 39,000 | Sumitomo Realty & Development | Shiba, Minato City |
| TOFROM YAESU TOWER | 225,000 | Redevelopment Association (Tokyo Tatemono) | Yaesu, Chuo City |
| Nihonbashi 1-Chome Central District Zone C | 380,300 | Redevelopment Association (Mitsui Fudosan, Nomura Real Estate Development) | Nihonbashi, Chuo City |
| OIMACHI TRACKS BUSINESS TOWER | 250,000 | East Japan Railway Company | Hiromachi, Shinagawa City |
| Otemachi Gate Building | 85,300 | Mitsubishi Estate | Uchikanda, Chiyoda City |
| Meiji Yasuda Shinjuku Building | 97,200 | Meiji Yasuda Life | Nishi-shinjuku, Shinjuku City |
| 2027 | | | |
| Dogenzaka 2-chome South District Redevelopment Project | 87,100 | Redevelopment Association (Mitsubishi Estate) | Dogenzaka, Shibuya City |
| Osaki Riverwalk Garden Osaki Core Project | 69,100 | Redevelopment Association (Tokyu Land Corporation) | Higashi-gotanda, Shinagawa City |
| World Trade Center Building Main building Terminal | 205,500 | World Trade Center Building, Kajima, Tokyo Monorail, and East Japan Railway Company | Hamamatsu-cho, Minato City |
| Sankaido Building Reconstruction Project | 34,600 | Kajima | Akasaka, Minato City |
| TORANOGATE | 120,000 | Redevelopment Association (Chuo-Nittochi, Urban Renaissance Agency, and Sumitomo Realty & Development) | Toranomon, Minato City |
| 2028 | | | |
| Akasaka 2-Chome and 6-Chome Area Redevelopment East Block | 167,700 | Mitsubishi Estate, TBS Holdings | Akasaka, Minato City |
| TOKYO TORCH Torch Tower | 553,000 | Mitsubishi Estate | Otemachi, Chiyoda City |
| Tokio Marine Headquarters Building | 124,500 | Tokio Marine Holdings, Tokio Marine & Nichido Fire Insurance | Marunouchi, Chiyoda City |
| 2029 | | | |
| Yaesu 2-Chome Central District Redevelopment Project | 389,300 | Redevelopment Association (Mitsui Fudosan, Kajima, Urban Renaissance Agency, Sumitomo Realty & Development, etc.) | Yaesu, Chuo City |
| Shinagawa Station West Exit Area District A | 313,100 | Keikyu, Toyota | Takanawa, Minato City |
| Uchisaiwaicho 1-Chome South Area Redevelopment | 285,900 | The Dai-ichi Life Insurance Company, Chuo Nittochi | Uchisaiwaicho, Chiyoda City |
| Yaesu 1-Chome North Area Redevelopment South Block | 185,500 | Redevelopment Association (Tokyo Tatemono) | Yaesu, Chuo City |
| Higashi Ikebukuro 1-Chome Redevelopment Project | 155,600 | Redevelopment Association (Sumitomo Realty & Development) | Higashi-ikebukuro, Toshima City |

- Supply volume figures provided by Mori Building are based on actual office-floor space and do not necessarily agree with total floor space figures (which include retail and residence floor areas) shown in the table above.

- Projects for which only the year of supply is published are, in principle, recorded as supply at the end of the fiscal year.

- In the column "Lead Project Developer(s)," a company or organization in parentheses () is a major enterprise participating as an associate member, special-purpose company (S.P.C.), specified constructor, partner or joint-venture participant.