

Market Environment Analysis Report

GRAN PASEO中目黒 II

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Propre Base Inc.

Real Estate Market Intelligence

About this report

This report is prepared to analyze the current market environment of the subject property from five perspectives – "Rent", "Sale Price", "Supply & Demand", "Rarity", and "Area Characteristics".

This analysis examines the broader surrounding market trends (rather than the individual property alone) to organize multiple perspectives, including:

- Reasonableness of current price levels
- Future asset value
- Stability of rental demand
- Short-term price fluctuation risks



Rent

AXIS 1



Sale price

AXIS 2



**Supply &
Demand**

AXIS 3



Rarity

AXIS 4



**Area
characteristics**

AXIS 5

※ This report is for market analysis purposes and does not guarantee investment decisions.

Overall Assessment

Rent Upside

RENT UPSIDE



Minimal

Significant

Sale Ease

EXIT EASE



Difficult

Easy

Room for rent increase is expected, so reviewing rents is worth considering for now. Selling decisions should be made while monitoring market conditions.

Analysis Flow Leading to the Assessment ANALYSIS FLOW

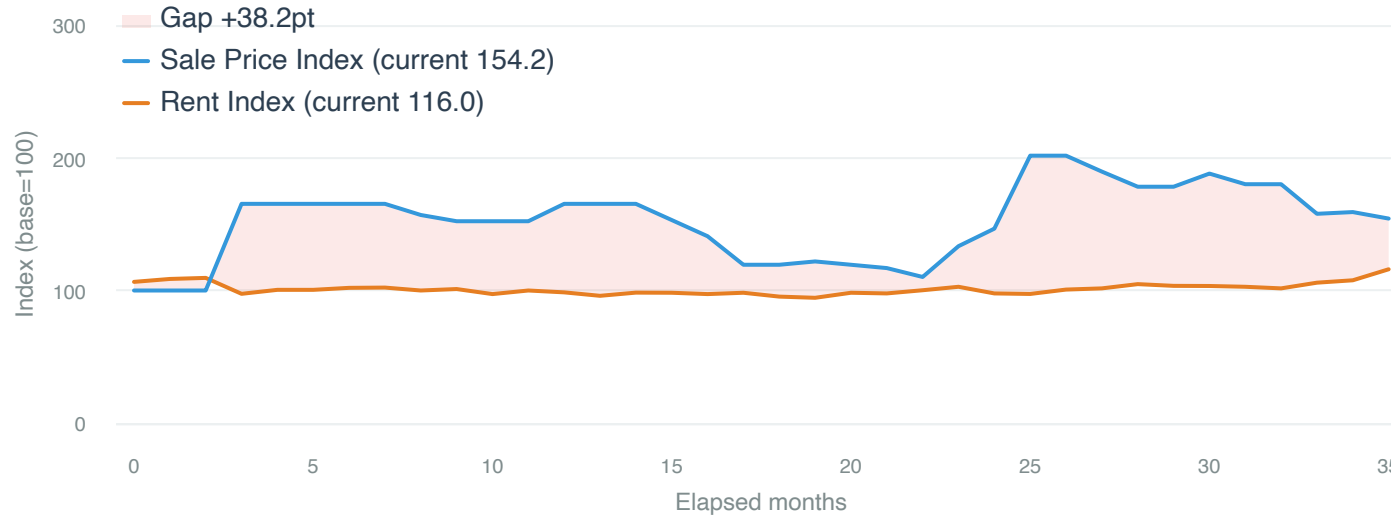
Page	Decision Path	Analysis Item	What to Confirm
5	Rent Adjustment Potential	Analysis of lag between sale prices and rent levels	Whether rent follows pricing information
6		State-space analysis of rental demand	Whether demand supports rent increases
7		Rental market positioning analysis	Whether the current market rent has room for upward adjustment
8		Rent trend and heating analysis	Whether the upward trend is continuing and whether the market is overheating
9		Linear analysis	Confirm the approximate target rent from the historical trend of nearby comparable listings
10-12	Rent Growth Potential	Within-building listings, rarity, and rental inventory	Whether competitive supply and the property's strengths support the assessment
13		State-space analysis of sales	Whether demand supports higher unit prices in the sales market
14		Sales market positioning analysis	Whether there is room to raise sale prices relative to market benchmarks
15		Sales price trend and heating analysis	Whether the upward trend is continuing and whether the market is overheating
16		AI valuation for sale	Confirm the appropriate selling price level based on market conditions
17	Sale Consideration	Sales inventory	Confirm competitive supply levels

Property Overview

Property name	GRAN PASEO中目黒 II
Location	東京都目黒区上目黒3丁目43-5
Year built	2026 (0 years old)
Total units	24 units
Layout	1LDK
Floor area	35m ²
Floor	3F / 4 floors above ground
Orientation	
Walking distance to station	Nakameguro Station, 10 min walk

Price-Rent Balance Analysis

Lag analysis (Sale price vs Rent)



Sale Price Index

154.2

Rent Index

116.0

Gap (P - R)

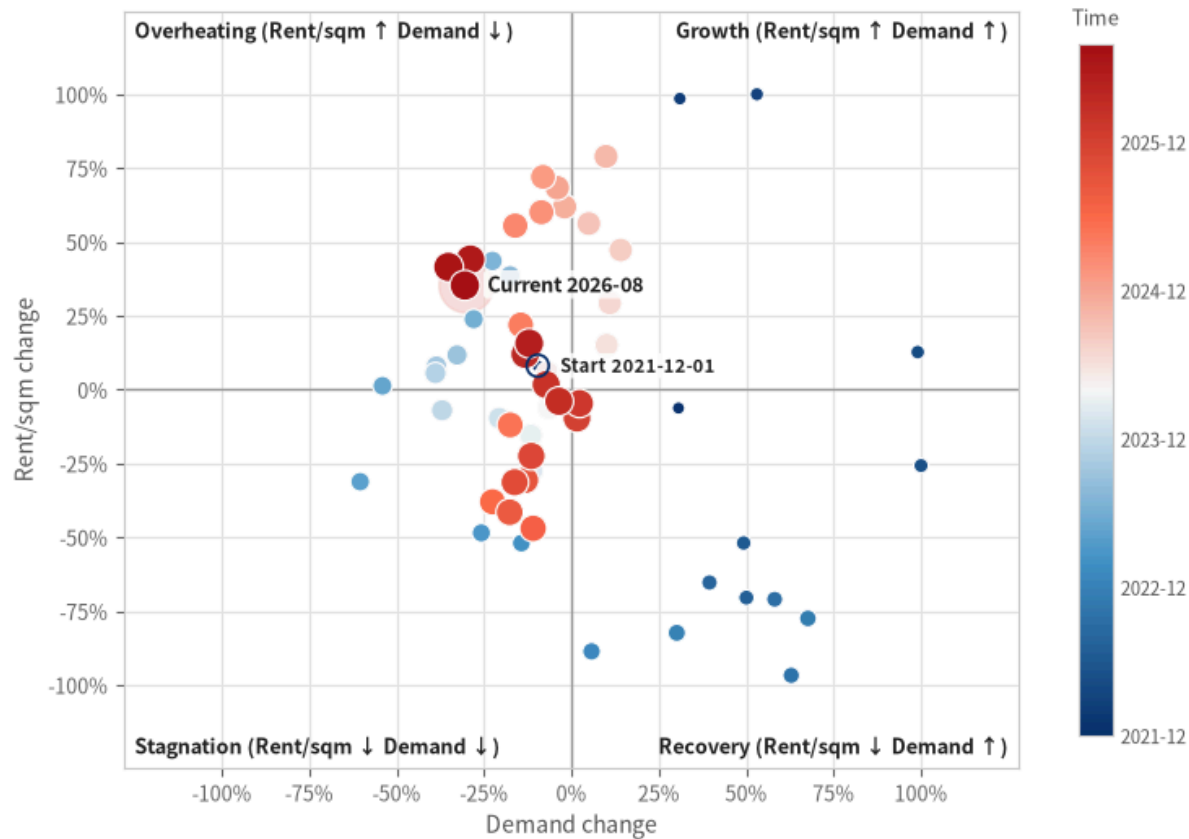
+38.2

pt

Price-Led

Sale prices are rising significantly faster than rents. Market prices may be increasing at a pace that exceeds underlying demand, indicating a certain degree of overheating in the market. Depending on future market conditions, prices may undergo an adjustment or rents may begin to catch up. Continued monitoring of market trends is therefore recommended.

Rental Market Phase Analysis



State classification

Rent/sqm ↑ Demand ↑

Growth

Rent/sqm ↑ Demand ↓

Overheating **Current**

Rent/sqm ↓ Demand ↑

Recovery

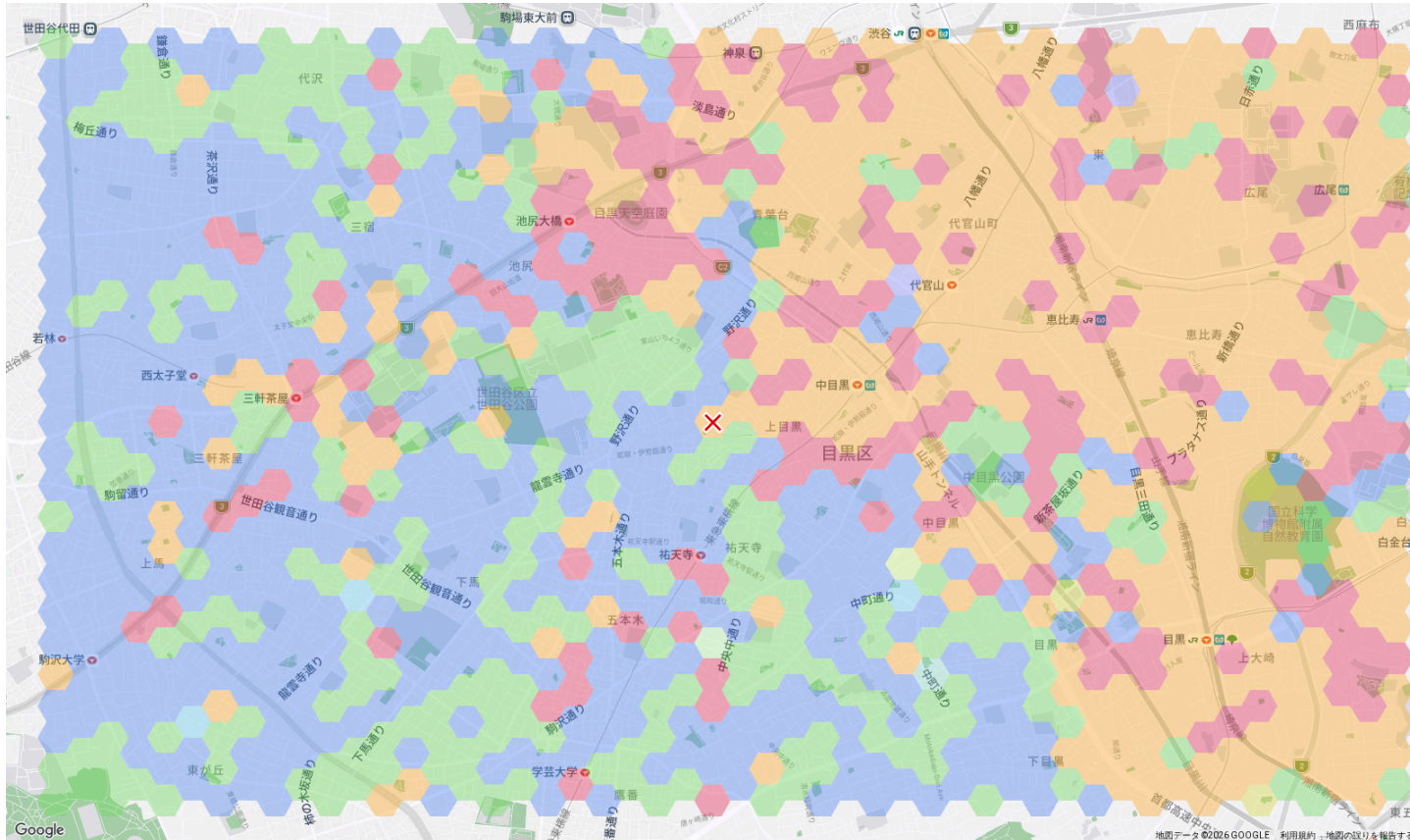
Rent/sqm ↓ Demand ↓

Stagnation

Each point is a monthly snapshot. The horizontal axis shows Demand change and the vertical axis shows Rent/sqm change. Color indicates Time progression from **cool (past)** to **warm (recent)**.

Rents are rising, while market demand shows some signs of weakness. Rents may be running ahead of demand, suggesting a degree of overheating in the market. Going forward, attention should be paid to potential rent corrections and shifts in demand trends.

Rental Market Position Analysis



Decision axes (4 quadrants)

High rent × High demand

High Demand

High rent × Low demand

Caution on Further Rent Increases

Low rent × High demand

Potential for Current Rent Increases

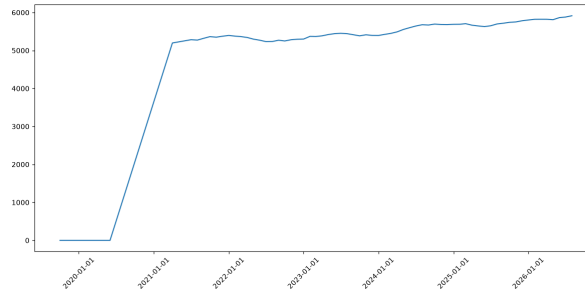
Low rent × Low demand

Sluggish Demand

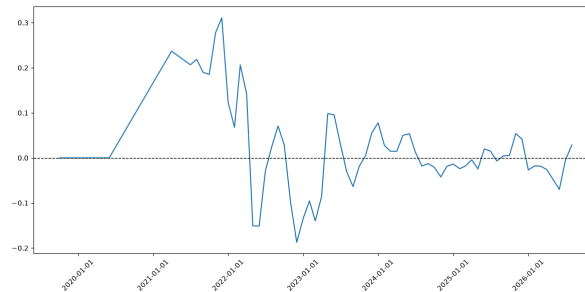
In the surrounding rental market, rental rates are relatively low, while rental market liquidity remains strong. This suggests that tenant demand may be robust even at the current rental level. Depending on market conditions and property characteristics, there may be potential for future rent increases.

Rent Trend

Rent trend



Market heating



12-month increase rate

+3.8

%

Acceleration of increase

+2.9

%

Rental rates in the surrounding market are showing a moderate upward trend. The pace of growth has gradually increased recently, suggesting that the market may enter a stronger upward phase depending on future market conditions.

Rent Market Linear Analysis



Estimated rent

196,099

JPY/month

Current rent

188,965

JPY/month

Deviation rate

-3.6

%

Assessment Categories

Within $\pm 5\%$ **Fair Market Level**

+5-10%

Slightly Above Market

+10% or more

Above Market

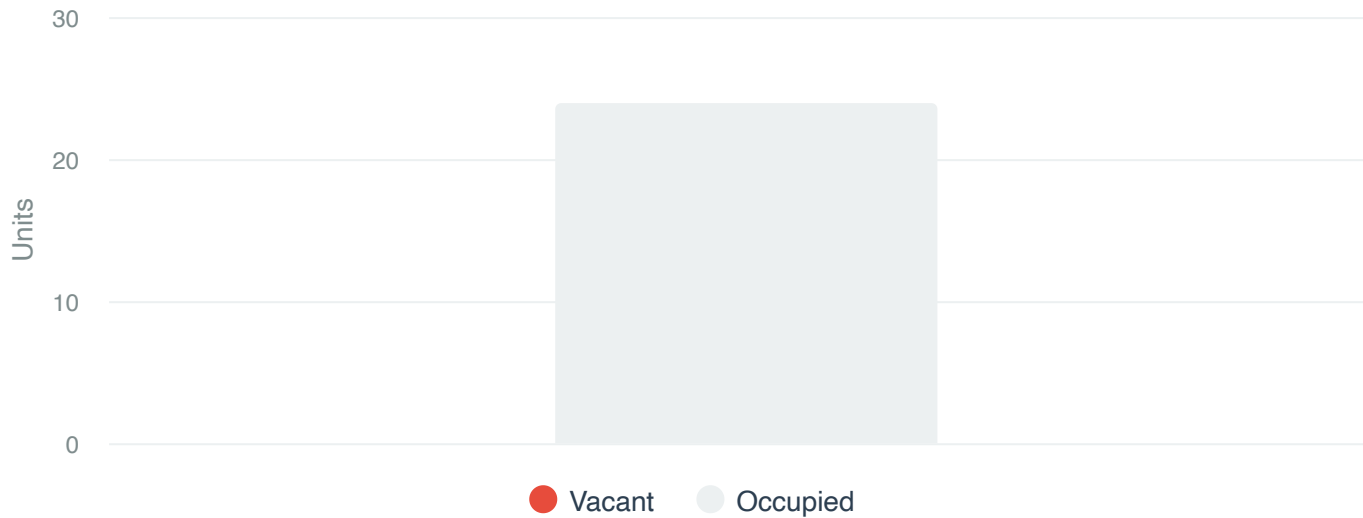
-5% or less

Below Market

Compared with similar properties in the surrounding area, the rental rate of the subject property is considered to be at a fair market level. The variance between the estimated rental rate and the current rental rate is approximately -3.6%.

Vacancy Within Building

Vacancy within building — Listing rate 0.0%



Total units

24

units

Vacant

0

units

Listing rate

0.0

%

MoM change

0

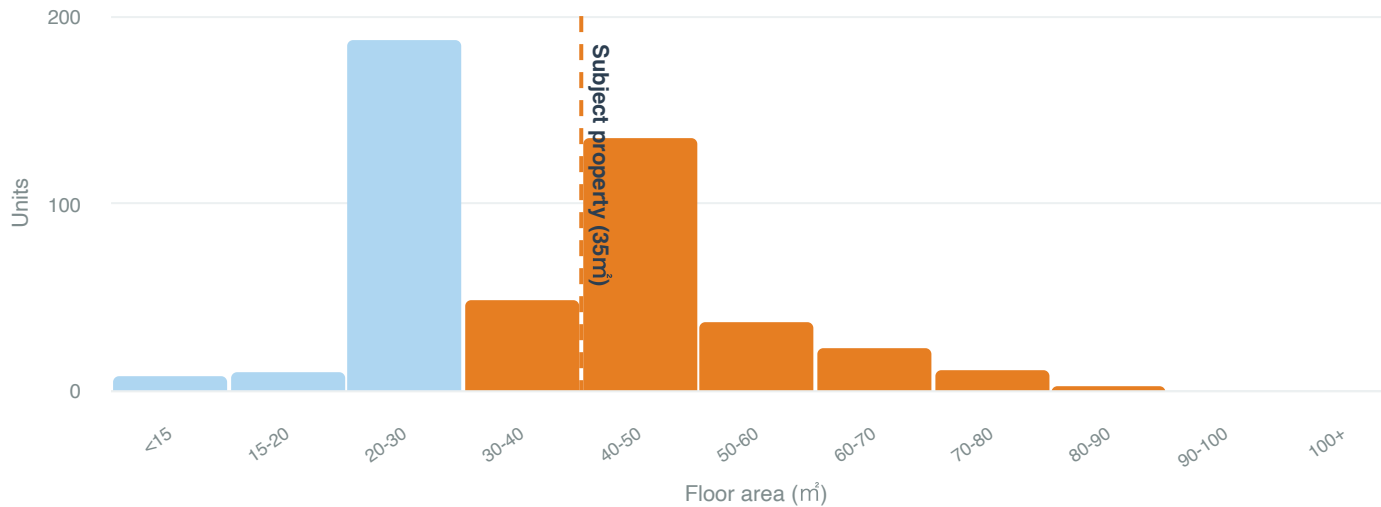
units

Listing rate 0.0%

The number of units currently available for rent within the same building is limited, and no significant oversupply has been identified at this time.

Floor Area Distribution (Rarity Index)

Market floor area distribution (30-40 = 10.5%)



Share matching subject criteria

10.5

%

Rarity index

90

(0-100)

Rarity rank

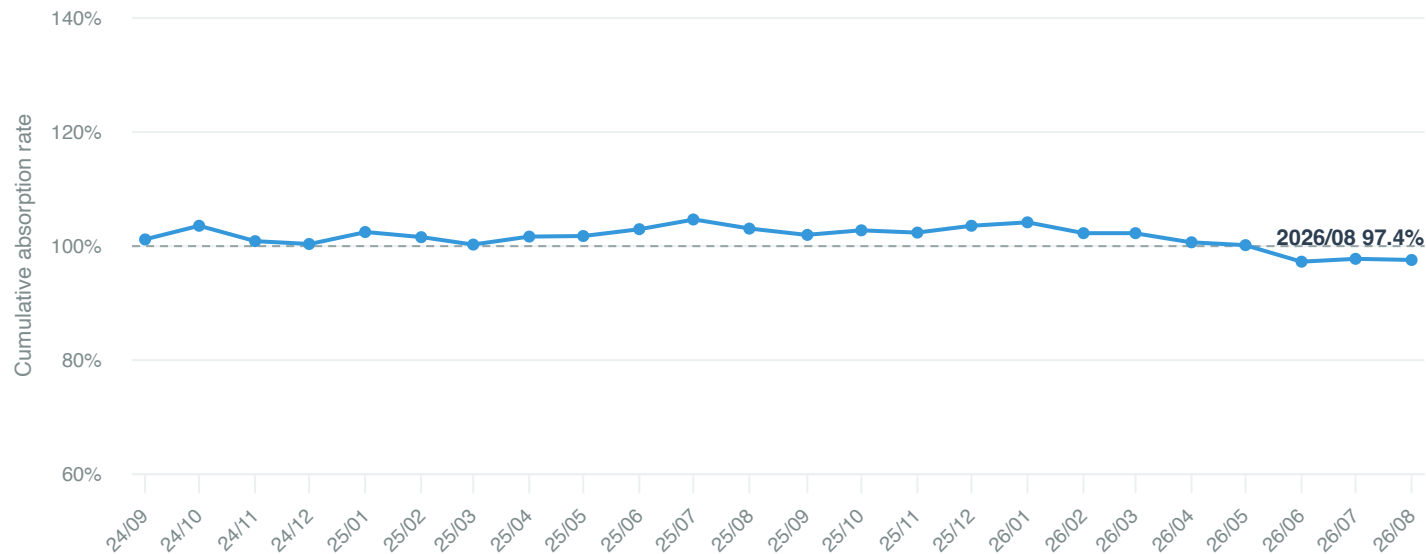
B

SS/S/A/B/C

Rarity index = (1 – share matching subject criteria) × 100 e.g., 1% share → rarity 99 / rank is determined by share matching subject criteria

A certain number of units with the same conditions as the subject property are available in the surrounding market, indicating a relatively limited level of scarcity. However, the property may still be differentiated depending on factors such as its location and amenities.

Rental Inventory Trend (Cumulative Absorption Rate)



Cumulative absorption rate

97.4

%

Change vs 6 months ago

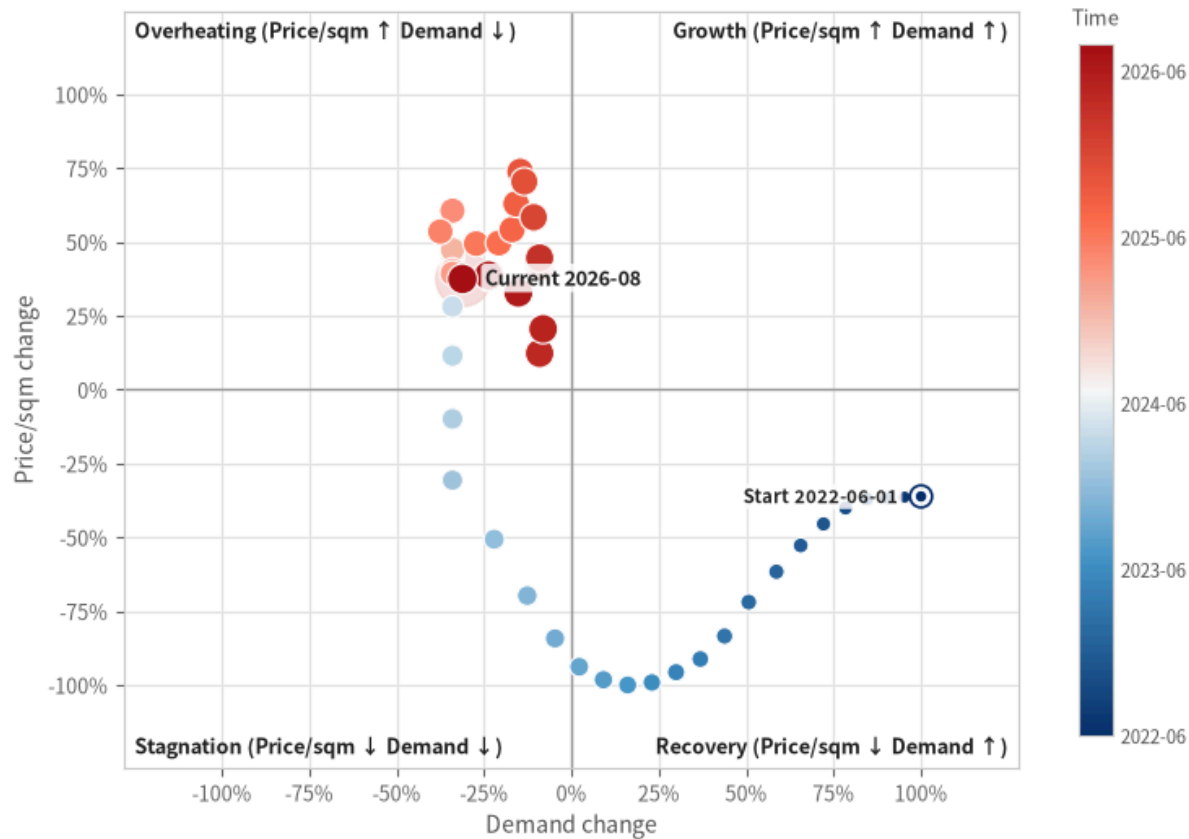
-4.8

pt

Cumulative absorption rate = cumulative closed listings ÷ cumulative new listings (36-month cumulative window; last 24 months shown)

In the surrounding market, new listings slightly exceed withdrawals, and this trend has strengthened over the past six months. Inventory may be building further, so attention should be paid to the impact on listing terms and time on market.

Sale Market Phase Analysis



State classification

Price/sqm ↑ Demand ↑

Growth

Price/sqm ↑ Demand ↓

Overheating **Current**

Price/sqm ↓ Demand ↑

Recovery

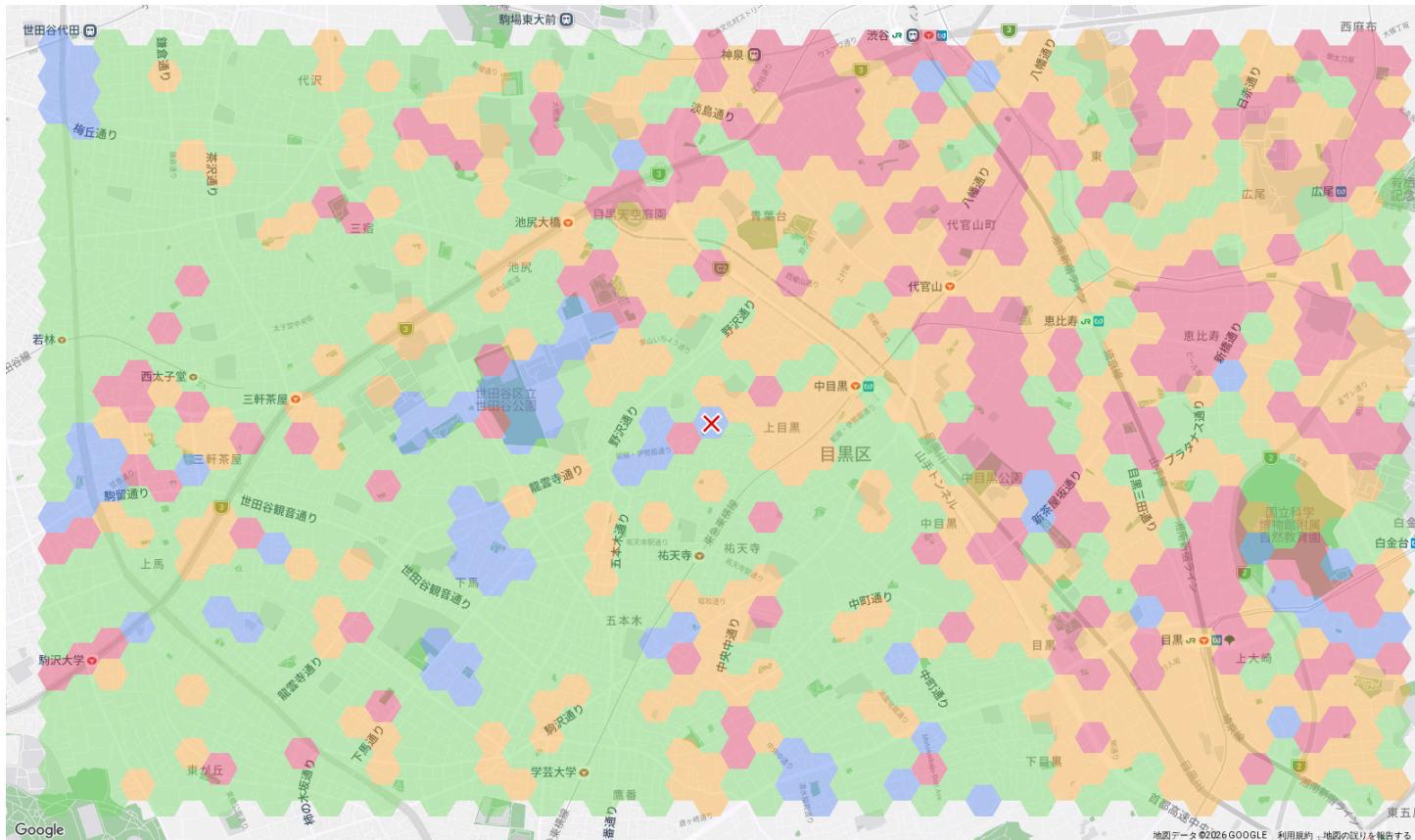
Price/sqm ↓ Demand ↓

Stagnation

Each point is a monthly snapshot. The horizontal axis shows Demand change and the vertical axis shows Price/sqm change. Color indicates Time progression from **cool (past)** to **warm (recent)**.

While sale prices are increasing, market demand shows some signs of weakness. Prices may be rising ahead of demand, suggesting a certain degree of overheating in the market. Attention should be paid to potential price adjustments and changes in demand going forward.

Market Position Analysis



Decision axes (4 quadrants)

High price × High demand

Favourable

High price × Low demand

**Caution on Price
Increases**

Low price × High demand

**Room for Price
Growth** ● **Current**

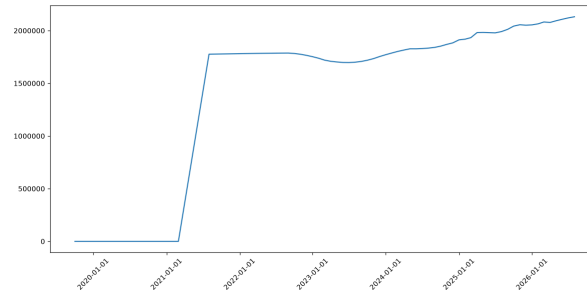
Low price × Low demand

Stagnant Market

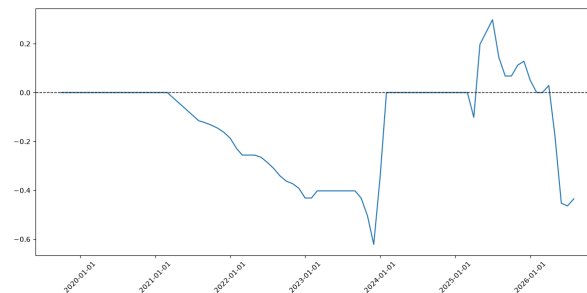
In the surrounding sales market, unit prices are at a relatively low level, while transaction liquidity remains high. Purchase demand appears relatively strong at current price levels, suggesting that sale prices may have room to rise depending on future market conditions.

Sale Price Trend

Sale price trend



Market heating



12-month increase rate

+7.1
%

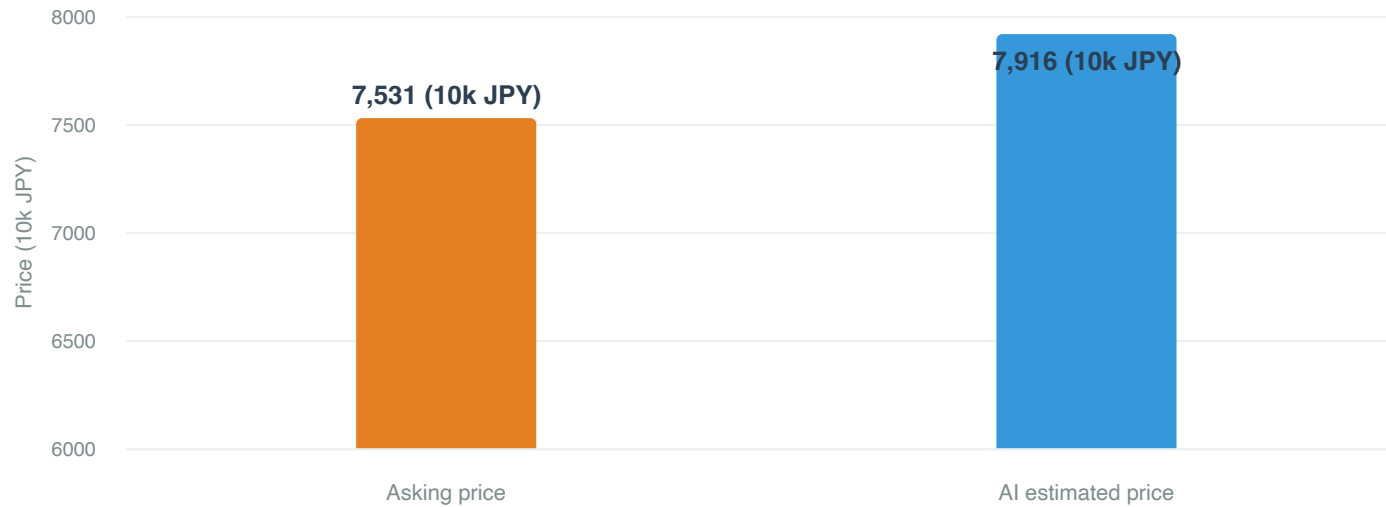
Acceleration of increase

-43.5
%

In the surrounding sales market, sale prices are continuing to rise. Recently, however, the pace of increase has slowed somewhat, suggesting that the market's momentum may be beginning to shift.

AI Valuation

AI valuation vs Asking price (Deviation -4.9%)



Asking price

7,531

(10k JPY)

AI estimated price

7,916

(10k JPY)

Deviation rate (Asking ÷ AI)

-4.9

%

Assessment

Below Market (-10% or less)

Slightly Below Market (-10 to -5%)

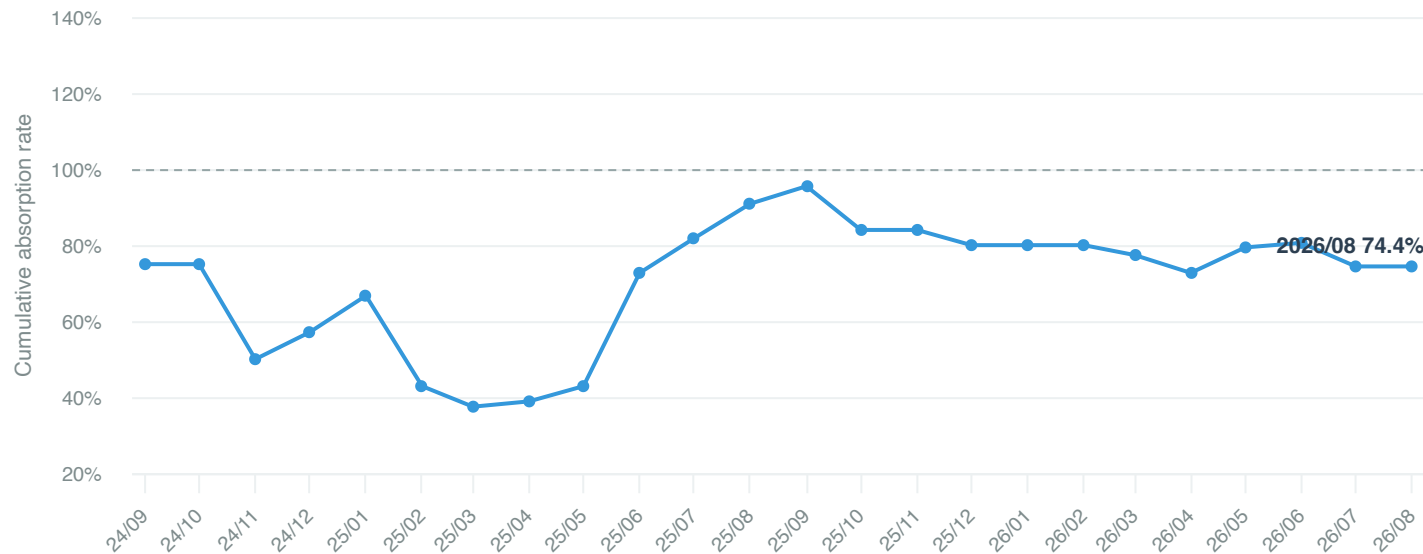
Fair Market Value (-5 to +5%)

Slightly Above Market (+5-10%)

Above Market (+10% or more)

According to AI-based market data analysis, there is no significant gap between the current asking price and the estimated market value. The asking price appears to be broadly consistent with market data; however, individual property-specific factors should also be considered when making a final price assessment.

Sale Inventory Trend (Cumulative Absorption Rate)



Cumulative absorption rate

74.4

%

Change vs 6 months ago

-5.6

pt

Cumulative absorption rate = cumulative closed listings ÷ cumulative new listings (36-month cumulative window; last 24 months shown)

In the surrounding market, new listings substantially exceed withdrawals, and this trend has strengthened further over the past six months. Oversupply may be deepening, and a challenging competitive environment could persist for the time being, so close attention to market trends is advisable.