



Bell Marketing Service, Inc.

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Press Release

- Attitude Survey of Consumers on Existing Home Purchasing 2016 -
**Location and Price Determining Factors in Existing Housing Purchase
Decisions**

More Than 80% of Purchasers Satisfied with Renovated Homes

Bell Marketing Service Inc. (Head Office: Chiyoda-ku, Tokyo; Representative: Atsushi Kusamoto), a market research company that conducts a variety of research planning and fieldwork, has conducted an Internet questionnaire survey of 1,000 respondents residing in the Tokyo Metropolitan Area (Tokyo, Kanagawa, Saitama and Chiba prefectures) and announced the results in its “Attitude Survey of Consumers on Existing Home Purchasing 2016.”

The average price of newly built apartments sold in the Tokyo Metropolitan Area in September 2016 was 55.78 million yen per apartment, up 3.4% on a quarter-on-quarter basis (Source: Real Estate Economic Institute Co., Ltd.). This significantly surpasses the annual income of a salaried worker five times, which is considered proper price for home-purchase prices. As the purchase of newly built apartments is becoming more difficult, the Housing Life Basic Plan of the Ministry of Land, Infrastructure, Transport and Tourism has set a goal to expand the home renovation market to 12 trillion yen by 2025, five trillion yen more than the 7 trillion yen provided in 2013, and, in addition, plans to promote and expand the existing homes market in Japan.

The survey was conducted through an Internet questionnaire about purchasing of existing home among 9,087 men and women between the ages of 25 and 75 who reside in Tokyo, Kanagawa, Saitama and Chiba prefectures. Among these respondents, a further questionnaire survey of 1,000 was conducted regarding their purchasing behaviors and attitudes, of which 200 respondents had purchased improved or renovated homes over the last five years and 800 respondents who are considering the purchase of improved or renovated homes within the next five years.

The survey results showed that the determining factors for deciding to purchase existing reformed

or renovated homes are: 1) location (74.9%), 2) price (73.8%) and 3) room layout (57.2%), with location and price being the most important factors. The average and expected purchase price is around 27 million yen, and at the same time, it was revealed that respondents under 40 years old had purchased or will purchase 4.4% higher than others.

Regarding the evaluations of the respondents who purchased renewed or renovated homes, more than 80% stated that they “are more satisfied than initially expected,” and “feel their quality of life has improved in comparison with their previous home.”

Purchasers’ conditions for determining construction and sales companies were found to be: 1) quality of construction technologies (57.7%), 2) reasonable price (49.1%) and 3) transparent price setting (49.0%). As for the question on how respondents know the companies, respondents, mainly those under the age of 50, found companies through the Internet from 1) advertising leaflets (24.4%), 2) real-estate search websites (20.4%), 3) real-estate company home pages (19.3%) and 4) Internet advertising (18.3%).

The Japanese government indicates that it will establish a system to aid existing home buyers by providing a maximum of 500,000 yen for renovation construction costs for young adults under 40 years old. 72.8% of adults under 40 who were targeted for this system appreciate it, but some noted that “the targeted age should be raised as the average childbirth age is becoming older.”

What respondents anticipate of the government housing policy is 1) assured service after construction (63.9%), 2) homes that excel in energy conservation (55.6%) and 3) enhancement of materials, with detail regarding past renovations of the existing home (47.6%).

It is expected that the need for existing homes, particularly because of their price competitiveness, will increase over the need for newly built apartments. Therefore, it is expected that a policy promoting the supply and expanding secure renovated existing homes market is established.

Attachement: “Attitude Survey of Consumers on Existing Home Purchasing 2016”

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