

Condominium Management Market in Japan: Key Research Findings 2016

◆ **Research Outline**

Yano Research Institute has conducted a study on the condominium management market with the following conditions:

1. Research period: December 2015 to February 2016
2. Research target: Companies in the business of condominium management
3. Research methodologies: Face-to-face research by the expert researchers and literature research

What is Condominium Management Market?

Condominiums in this research indicate those residential buildings consisted of each rooms owned by different owners, rather than a whole building owned by a single owner. The condominium management market in this research is composed of the following two markets: the condominium administration fees market and the condominium public-space repairing works market. The condominium administration fees market is calculated by totaling the management fees of the condominium. Size of the public-space repairing works market is calculated based on the amount needed for repair works of condominium public spaces.

◆ **Key Findings**

■ **Condominium Administration Fees Market in 2015 Expected to Rise by 2.5% to 681.6 Billion Yen, Growth Slowed Down Due to Continuous Request for Reducing Administration Fees**

Size of the domestic condominium administration fees market in 2015, based on the condominium administration fees, is likely to rise by 2.5% to attain 681.6 billion yen. The market growth is likely to slow down toward the future, because, in addition to number of newly-built condominiums decreasing, there have been ever-severe continuous requests for reducing the administration fees by the homeowners cooperatives backed by sufficient information on replacement of condominium administration service providers. In 2016 the market is expected to rise by 2.4% from preceding year to attain 697.8 billion yen, which is likely to grow by 2.0% to attain 711.5 billion yen by 2017, and 755.3 billion yen by 2020.

■ **Public-Space Repairing Works Market in 2015 Projected to Rise by 2.2% to Achieve 600.6 Billion Yen, With Increasing Number of Condominium Stocks Awaiting for Large-Scale Repairing Works**

Size of the domestic condominium public-space repairing works market in 2015, based on the amount needed for repair works of condominium public spaces, is projected to increase by 2.2% to attain 600.6 billion yen. The consumption tax increase scheduled to take effect in 2017 is expected to drive another last minute surge in demand and also downturn effect from it, although such effect is regarded to be trifling. With growing number of condominium stocks awaiting for large-scale repairing works, the market is considered to be on the rise toward 2020. The market

size is projected to expand by 8.0% from the preceding year to attain 648.5 billion yen by 2016, which is likely to decline by 4.3% to 620.7 billion yen by 2017, and to expand to 678.8 billion yen by 2020.

■ **Mid-Size and Small Condominium Management Companies to be Integrated into Large Enterprises**

Some of small or mid-size condominium management companies have become unable to cope with diversified and advanced needs of houseowner cooperatives. For such small or mid-size enterprises with limited room to create economy of scale or to improve business efficiency, it is difficult to absorb the cost-raising factors such as increasing labor cost and expanding eligibility for social insurance for workers. Therefore, the current status is considered to result in further reorganization and integration of enterprises into large businesses.

◆ **Report format:**

Published report: “Condominium Management Market 2016”

Issued on: February 29, 2016

Language: Japanese

Format: 329 pages in A4 format

Price: 120,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

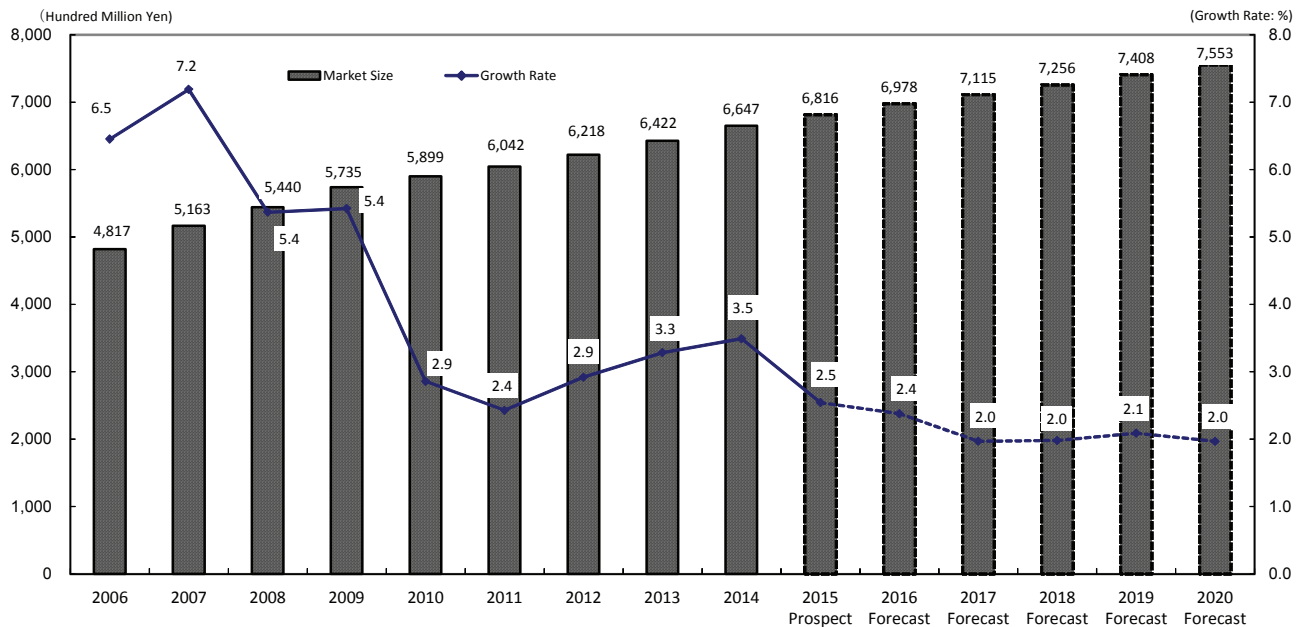
Contacts: Public Relations

Yano Research Institute Ltd. (URL: <http://www.yanoresearch.com>)

Phone: +81-3-5371-6912

E-mail: press@yano.co.jp

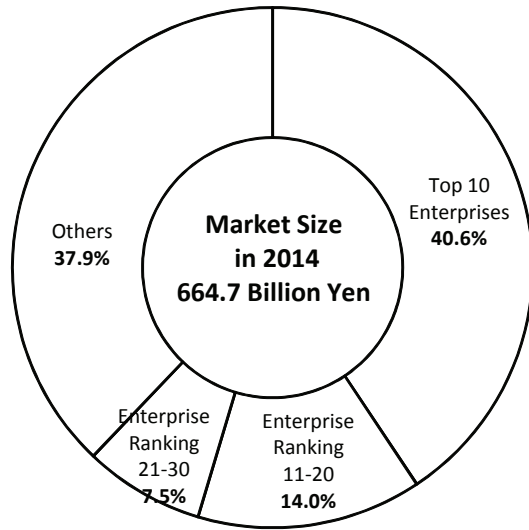
■ **Figure 1-1: Transition and Forecast of Condominium Administration Fees Market Size**



Calculated by Yano Research Institute

1. The market size is based on condominium administration fees.
2. The fees in 2015 are prospect and those in 2016 and beyond are forecast.

■ **Figure 1-2: Condominium Administration Fees Market Share by Business Size**

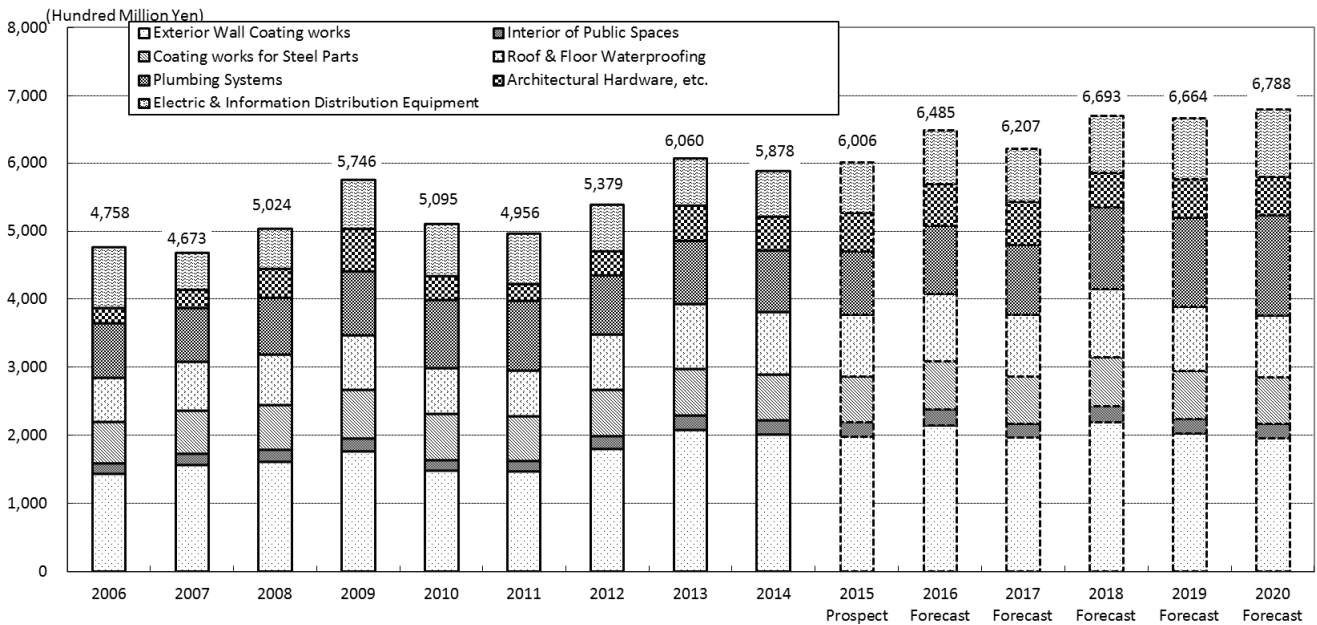


Calculated by Yano Research Institute

Notes:

- The figures are estimated by Yano Research Institute, based on the data of Condominium Management Companies Association.
- Estimation is based on number of condominiums managed in March 2015 and sales of condominium administration, which led to extract top enterprises and the market share.

■ **Figure 2: Transition and Forecast of Condominium Public-Space Repairing Works Market Size**



Calculated by Yano Research Institute

Notes:

- The market size is based on public-space repairing works.
- The fees in 2015 are prospect, and those in 2016 and beyond are forecast.