

Condominium Management Market in Japan: Key Research Findings 2017

◆ Research Outline

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

1. Research period: October to December, 2017
2. Research objects: Companies in the business of condominium management
3. Research methodologies: Face-to-face research by the expert researchers and literature research

What is the Condominium Management Market?

Condominiums in this research indicate those residential buildings consist of each rooms owned by different owners, rather than a whole building owned by a single person. The condominium management market in this research is composed of the following two markets: the condominium administration fee market and the condominium public-space repairing works market. The condominium administration fee market is calculated by totaling the management fees of a 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 Fee Market in 2017 Likely to Rise by 2.7% on Y-o-Y Basis to 723.5 Billion Yen, Growth Rate Slowing Down Due to Decreasing Demand of Newly-Built, Associated with Decrease in Population and Number of Households, but Projected to Increase to Exceed 860 Billion Yen by 2025

The domestic condominium administration fee market in 2017, based on the condominium administration fees, is likely to rise by 2.7% on Y-o-Y basis to attain 723.5 billion yen. The market is expected to expand by 2.9% on Y-o-Y basis to achieve 744.7 billion yen in 2018, to rise by 2.8% to reach 765.6 billion yen in 2019, and to increase by 2.2% to attain 782.5 billion yen in 2020.

In addition, since the condominium management market is a business of housing stocks, and as long as the newly-built condominiums are supplied, the market size of condominium administration fees is predicted to continue expanding until 2025, by which year the market is projected to attain 865.5 billion yen. On the other hand, the growth rate of the market is considered to fall, against a backdrop of the population and the number of households decreasing and the demand of newly built condominiums declining.

■ Public-Space Repairing Works Market in 2017 Projected to Decline by 4.3% on Y-o-Y Basis to be 620.7 Billion Yen, But Expected to Expand to More than 700 Billion Yen by 2025, Due to Increasing Number of Condominium Stocks Awaiting for Large Scale Repairing Works

While the domestic condominium public-space repairing works market in 2017 is projected to fall by 4.3% on year-to-year basis to be 620.7 billion yen, based on the amount needed for repair works of condominium public spaces, the market is likely to turn for the better to rise by 7.8% on year-to-year basis to attain 669.3 billion yen in 2018, but to decrease by 0.5% to end up with 666.0 billion yen in 2019, and rise again by 2.0% to achieve 679.3 billion yen in 2020.

When looking at the domestic condominium public-space repairing works market further more

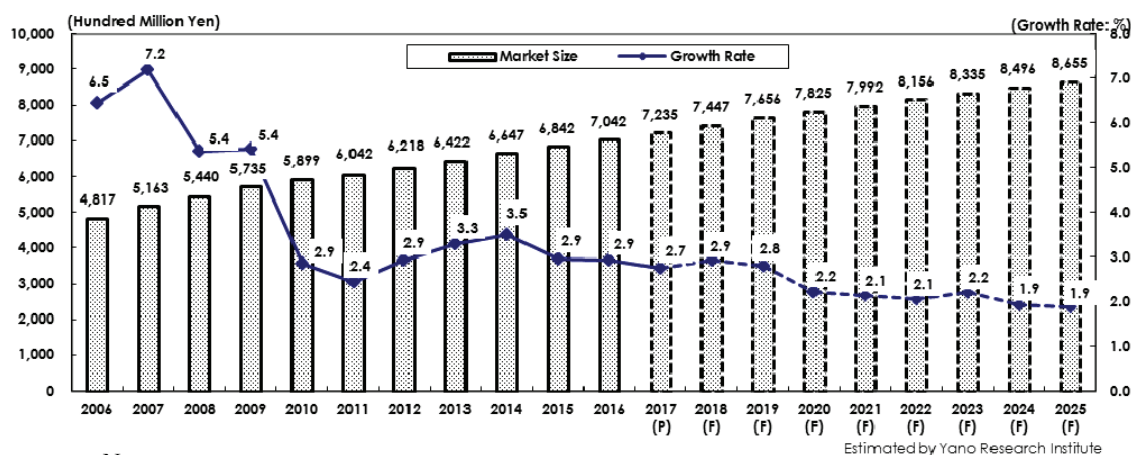
until 2025, the market is likely to be sluggish from around 2022 to 2023, because from 2021 and beyond is the period that applies to the first repairing works for the condominiums supplied quite limitedly in number at that time, due to the influence of the global financial crisis stemming from so-called the Lehman shock. However, when that period passes, the market is likely to be invigorated, for there are some 2nd-round large scale repairing works scheduled for those condominiums that were supplied in volume in the year 2000s. The market size is projected to achieve 705.2 billion yen in 2025.

◆ **Report Format:**

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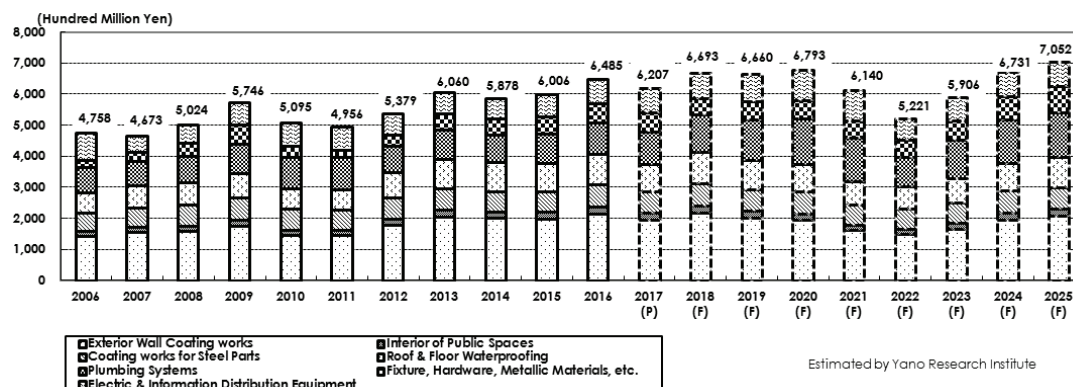
■ **Figure 1: Transition and Forecast of Condominium Administration Fee Market Size**



Notes:

1. The market size is based on condominium administration fees.
2. With regard to the values by year, (P) stands for prospect, and (F) stands for forecast.

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



Notes:

3. The market size is based on the amount needed for repair works of condominium public spaces.
4. With regard to the values by year, (P) stands for prospect, and (F) stands for forecast.