

Chapter 5

Creating a Comfortable Living Space

Section 1 Realizing Affluent Residential Living

1 Securing Stability of Residential Living and Advancing its Betterment

In accordance with the new release of the Housing Life Master Plan approved at the March 2011 Cabinet meeting, covering FY2011 to FY2020, to reflect the full-scale emergence of an aging society with falling birth-rates, declining population and families, changes in the socio-economic climate such as difficult employment and income environment, needs for housing life support services and more, the MLIT is advancing the implementation of measures aimed at securing the stability of residential living and its betterment with the following goals: a. Building a living environment that supports safe, secure and affluent residential living; b. Proper management and revitalization of housing; c. Preparing the environment for a housing market in which diverse housing needs are properly fulfilled; and d. Assuring the stability of housing for those who require special housing consideration.

(1) Building a living environment in support of safe, secure and affluent residential living

To create safe, secure housing and residential environments, we are advancing earthquake-resistant construction of houses and buildings to better prepared for large-scale earthquakes, while at the same time promoting “Smart Wellness Residences and Cities,” where different types of residences—such as households with elderly people, households with disabled people, or households raising children—can interact to create places to live that are safe and healthy. It also encourages the construction of housing with better energy-saving performance, utilization of local wood, etc. to get closer to the goal of realizing a low-carbon society.

The MLIT is also keen to preserve and form townscape and scenic beauty to add to the comfort and affluence of residential life, while enhancing the convenience of houses for people like the elderly living in urban areas, based on the concept of universal designs.

(2) Proper management and revitalization of housing

While apartment buildings have become a vital mode of housing for the nation as we reached a stock of about 5.90 million apartments (at the end of 2012), we are urged to respond to a variety of tasks involved in advancing the proper management and revitalization of these buildings.

To advance appropriate maintenance, management and renewal, we are implementing the “Apartment Building Maintenance Optimization and Renewal Advancement Project,” which aims to optimize the maintenance and advance the renewal of aging apartments buildings—the number of which is expected to increase in the near future—by accumulating success stories of forming consensus to address the challenges regarding apartment buildings.

In addition, to advance the construction of earthquake-resistant structures for apartment buildings, the “Law on Promotion of Renovation for Earthquake-Resistant Structures,” was revised to mitigate the resolution requirements necessary for trying to implement large-scale earthquake-resistant structures for apartment buildings that have been certified as needing earthquake-resistant structures. Furthermore, to make the renewal of aging apartment buildings easier, the “Act on Facilitation of Reconstruction of Apartment Buildings”—regarding the creation of a system for the sale apartment building sites—was just recently established in June 2014.

(3) Preparing the environment for a housing market in which diverse housing needs are properly fulfilled

a. Preparing a market that facilitates the smooth trading of existing homes

The approaches (a) and (b) outlined below have been promoted to prepare a market in which existing homes are smoothly tradable, on the basis of the Total Plan for Renovating Existing Homes (March 2012).

Since March 2013, the MLIT had held the conferences on facilitation of trading and using existing homes to discuss challenges for the existing housing market. In June of the same year, the conference reported its activities and recommendations. In response to this report, the MLIT has addressed challenges to improve methods for evaluation of existing homes. Since September of the same year, the MLIT has held the round table discussions with members from private companies involved in the existing housing market and financial institutions to establish improved methods for evaluation of existing homes in the existing housing market and the housing finance market. Also, in the 2014 Tax Reform, in addition to making special provisions for the registration and licensing tax on acquiring existing homes that require a specific level of quality improvement, they have also decided that if an existing home is to have earthquake-resistance construction work done to it after acquisition, that it would be subject to mortgage tax breaks and other special provisions.

(a) Preparing the market environment in which consumers can renovate their homes with an ease of mind

Consumers planning to renovate their homes are concerned about the cost and how to select the right contractors. Keeping the worried consumers reassuring is essential to an expanding the home renovation market.

Efforts currently taken in this regard include telephone consultation, the “Renovation Estimate Checking Service,” in which consumers can receive consultation on specific quotations, available from the “Center for Housing Renovation and Dispute Settlement Support,” and “Expert Advice” at local bar associations. In FY2013, there were 9,017 cases of telephone consultation regarding renovation, 911 cases of renovation estimate check, and 671 cases of expert advice regarding renovation.

In FY2013, there were 2,638 subscriptions to the Renovating Defect Liability Insurance Program, an insurance package that combines an inspection on renovating works in progress with warranties against possible defects in the works, and subscriptions to the large-scale repair work liability insurance program for large-scale apartment building repairs were filed for 810 apartments.

Contractors seeking to be insured must be registered with the Housing Defect Liability Insurance Corporation, subject to their possession of a construction business license, proven performance, etc. The Program allows consumers to browse through a list of registered contractors at an Association of Housing Warranty Insurance website as a helpful tool in choosing contractors.

To further develop a market environment in which consumers feel they can commission renovating work without worry, we have a “Study Group on Promotion of Proper Residential Renovating Work through Trade Associations,” to consider what initiatives the organizations of such business operators and their members need to implement in terms of promoting consumer protection and proper remodelling work.

(b) Preparing a market climate in which consumers can purchase existing homes without worry

As consumers consider purchasing an existing home, they are fearful about the quality or performance of the existing home. Expansion of the existing home distribution market would not be possible without resolving such fears felt by the consumers.

For this reason, to encourage smooth dissemination and secure consumers’ confidence in the current state of housing inspections that are done to give consumers information regarding the state of an existing property when buying or selling, we compiled an ‘Existing Housing Inspection Guidelines’ in June 2013, which explains the points of consideration for inspection methods and service provision.

In FY2013, there were 4,072 subscriptions to the Existing Housing Defect Liability Insurance Program, an insurance package that combines an inspection on existing housing with warranties against possible defects in the housing. In the same fiscal year, for defect insurance in buying or selling an existing home, a new insurance product was created where the previous five-year insurance period for buying or selling property was changed to a one-year period for individuals, and to a two year period for businesses, and developed insurance products for buying and selling existing housing that are easy for consumers and businesses to use.

Like the Renovating Defect Liability Insurance Program, the Existing Housing Defect Liability Insurance Program allows consumers to search through a list of registered traders at a website to aid in their trader selection.

b. Forming long-lasting quality stocks

(a) Housing quality assurance

A 10-year defect liability obligation has been mandated for the basic structural part of new housing in accordance with the Housing Quality Assurance Act. At the same time, a housing performance marking program has been put into effect for objective assessment of the basic performance characteristics of new and existing homes, such as earthquake-resistance, energy-saving performance, and protection against the sick-house syndrome. In FY2013, Housing Design Performance Assessment Reports were issued for 231,450 houses to assess them in their stage of design documentation, Housing Construction Performance Assessment Reports (New House) were issued for 180,448 houses to evaluate them on field testing, and Housing Construction Performance Assessment Reports (Existing Home) were issued for 562 existing homes.

Disputes arising in connection with houses that have been subjected to a housing construction performance evaluation are to be promptly and legitimately settled by local bar associations, a designated housing dispute resolution body, with support from the Center for Housing Renovation and Dispute Settlement Support. The Center also accepts applications for consultation on housing issues. In FY2013, there were 27 cases of application for dispute resolution regarding a property for which a housing construction performance evaluation report was issued by the designated housing dispute resolution body, and 732 cases of consultation regarding a property for which a housing construction performance evaluation report was issued by the same center.

(b) Measures to extend the life of housing

The MLIT pursues the dissemination of housing that is structured and equipped to meet or exceed certain levels of performance requirements, such as durability and ease of maintenance and management (“Long-life Quality Housing”) under the “Act for Promotion of Long-Life Quality Housing” so that the property can be used continuously for extended periods of time in good condition (117,751 houses were certified as “Long-life Quality Housing” in FY2013).

(c) Promotion of wooden housing

In recognition of the national need for wooden housing in that as much as 80% of the Japanese people favor wooden housing ^{Note 1}, the MLIT supports not only the construction of long-life quality wooden housing by a group of contractors working in the entire process of housing, from supplying local timber and other materials, to designing and constructing housing, but also the development of human resources relevant to the construction of wooden housing, to create quality wooden housing stock.

c. Making housing available to fill varied dwelling needs and closing gaps between supply and demand for housing

(a) Home financing

The Japan Housing Finance Agency offers securitization support services to support the availability of long-term, relatively low fixed-rate home loans from private financial institutions. The services include Flat 35 (purchase type), whereby the home loan credits from private financial institutions are pooled and securitized, and Flat 35 (guarantee type), whereby securitization by a private financial institution acting as an originator ^{Note 2} is supported. Flat 35 (purchase type), with a membership of 327 financial institutions, had 848,684 applications submitted for purchasing by the end of March 2014 and granted 600,489 purchases. Flat 35 (guarantee type), with a membership of five financial institutions, had 20,148 applications submitted for insurance coverage by the end of March 2014 and granted insurance coverage to 12,416 of them.

For houses that are entitled to receiving securitization support, property inspections are carried out against a defined set

Note 1 “Public Poll on Forestry and Living” conducted by the Cabinet Office (2011)

Note 2 A business enterprise that possesses assets to be liquidated. An originator raises funds by securitizing its assets, by transferring its credit, real properties, etc. to a special-purpose company.

of technical requirements, such as durability, to assure their quality. In addition, the framework of the securitization support service has been leveraged to offer Flat 35S, which reduces the interest rate of the loan on the acquisition of houses that meet any one of the performance requirements: earthquake-resistance, energy-saving performance, barrier-free readiness, and durability/modifiability, for the first 5 years of its repayment (for the first 10 years for long-lasting quality housing).

The Agency also provides direct loans in those areas that are important in policy but that cannot be easily addressed by private financial institutions, such as disaster recovery housing loans or loans for serviced rental housing for the elderly.

(b) Response to the rise in consumption tax rate

In response to the April 2014 consumption tax rate rise, we have recently significantly expanded the mortgage tax break and set cash benefit measures (“living benefits”), and will begin accepting applications for living benefits as of April 1, 2014.

(c) Preparing the rental housing market

To improve the stocks of owner-occupied houses, such as stand-alone houses and condominium apartments, by making them available for rent in the rental housing market, the MLIT is working to prepare the rental housing market by disseminating the fixed-term housing rental system and by developing original standard contracts for subleasing ^{Note} housing.

(d) Improving the residential environment by promoting measures against vacant houses

To ameliorate the residential environment which can deteriorate due to an accumulation of vacant houses that are not being properly managed, we are working on developing ways to use or dispose of vacant houses and buildings, as well as a consultation system for owners of vacant houses.

(4) Assuring housing stability for those who require special consideration for housing

a. Supply of public rental housing

To deliver public housing supplied by local governments to low-income earners in serious need of housing, and to promote the supply of quality rental housing to households consisting of elderly people who need special consideration to stabilize their housing, the MLIT set up the Regional Excellent Rental Housing Program as a scheme that complements the work of public housing and subsidizes the expenses incurred for the development of public rental housing and also for the reduction of the rents.

To provide a housing safety net for those who are obliged to leave their homes because of dismissal or any other reason, the MLIT promotes a single-source information service that gives out information about public housing available to retiring individuals, and UR rental housing provided by Urban Renaissance Agency, in coordination with local branches of Hello Work (Public Employment Security Office), and also takes actions aimed at stabilizing the dwelling of the retiring individuals, by driving rent subsidization from General Grants for Social Infrastructures.

Figure II-5-1-1

Benefit provided to New Home Owners at Consumption Tax Rate of 8%

(Reference) Estimate of income	Residence tax (prefectures): Prorated by income level ^(Note)	Benefit
Less than JPY4.25 million	Less than JPY68,900	JPY300,000
Over JPY4.25 million and less than JPY4.75 million	Over JPY68,900 and less than JPY83,900	JPY200,000
Over JPY4.75 million and less than JPY5.10 million	Over JPY83,900 and less than JPY93,800	JPY100,000

(Note) Residence tax for prefecture resident tax rate of 4% (prefectures) Prorated by income level
Source) MLIT

Note A rental housing management firm renting a building from its owner (landlord) or else for subleasing and then hiring it out as a sublessee to a sublessee (resident).

Figure II-5-1-2

Purposes and Results of Public Rental Housing

	Purpose	Number of houses managed
Public housing	Supplies quality rental housing to low-income earners who are in serious need of housing with low rent.	About 2.17 million houses (FY2012)
Improved housing	Supplies public rental housing to existing residents who are in serious need of housing in a deteriorated residential area.	About 150,000 houses (FY2012)
UR rental housing	Supplies quality rental housing that is conveniently located for access to work, focusing on family-oriented rental housing hardly in ample supply from private business entrepreneurs, in major urban areas, as well as develops residential districts (since FY2002, a privately supplied support rental housing program has been launched to support the supply of family-oriented rental housing from private business entrepreneurs).	About 750,000 houses (FY2012)
Agency rental housing	Supplies quality rental housing to fill the regional demand for rental housing.	About 130,000 houses (FY2012)
Regional excellent rental housing	Provides subsidies to private land owners to fund maintenance and other expenses and cover rent cuts to provide excellent rental housing for households consisting of elderly people, child-raising families, etc.	- About 130,000 designated excellent rental houses (FY2012) - About 34,000 designated excellent rental houses for elderly people (FY2012)

(Note) 1 The number of rental houses managed by the Urban Renaissance Agency includes the subsidized rental housing with high quality for elderly.

2 The number of public rental housings does not include those of the Specified Good Rental Housings and Subsidized Rental Housings with High Quality for Elderly.

3 The Specified Good Rental Housing Institution and Subsidized Rental Housing with High Quality for Elderly Institution were reorganized and the Good Quality Regional Rental Housing Institution established in FY 2007.

Source) MLIT

b. Utilization of private rental housing

The MLIT is committed to providing housing support services, including making housing information available, to enable elderly people, physically handicapped people, foreigners, child-raising families and so on to move into private rental housing smoothly through the help of a Housing Support Council, which is composed mainly of local governments, real estate associations and housing support bodies, to improve the safety net functionality of private rental housing.

2 Supply and Utilization of Good Housing Land

(1) Land price trends

The result of the 2014 posted land prices (as of January 1, 2014) showed that the national average price has still been dropping, however, the rate of decline has continued to shrink, and the percentage in the number of rising points have significantly increased. Particularly in the averages for the three major metropolitan areas, prices for both residential properties and commercial properties have started to rise.

If we look at the trend in posted land over the six months from the same point in the 2013 Prefectural Land Survey (as of July 1, 2013), the residential property prices in the three major metropolitan areas have mostly risen at the same rate, and prices for commercial properties have a stronger rising rate in the latter half. The rate of decline for both residential and commercial rates shrank in the latter half in the rural areas.

(2) Present status and problems in housing land supply

There is a driving shift from the traditional course of policy that promoted a large supply of new housing land to a housing land policy that reflects trends in population and household. The Urban Renaissance Agency now works only on the new town projects that have already been initiated. The MLIT also supports the development of public facilities relevant to the development of housing land, and offers preferential tax measures to promote the supply of housing land furnished with a good dwelling environment.

(3) Using fixed-term land leases

Fixed-term land leases is a system that is instrumental in providing quality housing at an affordable price, because contract termination is determined by the expiry of a predetermined contract term, without being renewed. By the end of 2012, more than 70,000 houses had been supplied on a fixed-term land lease basis.

To facilitate wider acceptance of this system, the MLIT is working to clarify the tax procedures for handling prepaid rents – a third kind of lump-sum payment following deposits and premiums.

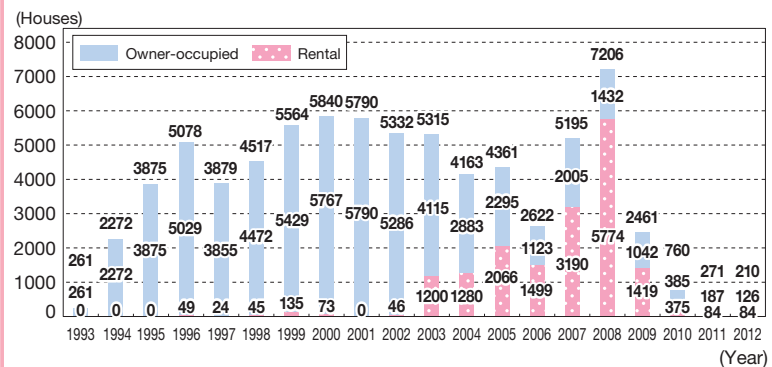
(4) Revitalizing aging new towns

The MLIT is ready to address the need to upgrade urban residential areas (new towns) that have been developed on a planned basis as their houses and facilities age and the residents get older and divide into smaller families and thus continue utilizing them as acceptable stocks.

We also provide information on area management ^{Note} that aids in revitalization of the new towns.

Figure II-5-1-3

Developments in the Supply of Housing on Fixed-Term Land Leases



Source) MLIT

Section 2 Realizing Comfortable Living Environments

1 Developing City Parks, and Shaping a Good Urban Environment

(1) Status of development of city parks and approaches to upgrading them

Because city parks are key facilities laid out to fill diversified public needs, national government parks, the development of national government parks, disaster preparedness parks, and the preservation of time-honored cities and green spaces have been implemented efficiently and on a planned basis, with primary emphasis on: a. Building a safe and secure municipality furnished with disaster preparedness parks that could serve as evacuation sites; b. Building safe and secure community sites to address the issues of an aging population with falling birthrates; c. Preserving and shaping a good natural environment that aids in building a recycling-oriented society and addressing global environmental issues; and d. Building sites for advancing tourism that takes advantage of regional characteristics or for inter-regional exchanges or collaboration.

At the end of FY2012, city parks were maintained at 102,393 locations nationwide, covering 120,217ha, or about 10.0m² per capita. National government parks were visited by about 35.21 million people by the end of FY2013, with 17 locations being developed and refurbished in FY2013.

(2) Shaping a green urban environment

The MLIT promotes urban greening and green space preservation by providing comprehensive support in financial and technical aspects, pursuant to the “Green Master Plan,” a basic plan on the preservation of green spaces and promotion of greening formulated by municipalities to combat global warming and address global environmental issues, such as biodiversity, and preserving and shaping a good natural environment. The preservation of green spaces is ensured by

Opening of Entire State-owned Michinoku Mori Lakeside Park area in June 2014 (Kawasaki Town in Shibata district, Miyagi Prefecture)



Source) State-owned Michinoku Mori Lakeside Park

Note Proactive efforts by residents, business owners, and landowners to maintain and improve the value of the region and its good environment

advancing the development of green-rich city parks and by utilizing the Special Green Space Conservation District Program, which aims to protect planting of greenery by restricting the construction of buildings or purchasing land, and the Citizen Green Space Program, which makes green spaces available to citizens under contract. We are also promoting the greening of privately owned land by utilizing systems like the greening area system and the greening rate ordinance systems in district plans, as well as utilizing the productive green zone system to protect farmlands with multiple functions.

Other measures deployed nationwide to drive promotion and enlightenment include the sponsorship of “Protect Green” gatherings and national urban greening fairs, various systems to award people who are instrumental in greening and the rating and certification of corporate activities to pursue greening and preserve green spaces.

2 Advancing Road Development that Prioritizes Pedestrians and Bicycle Riders

a. Making secure pedestrian spaces

To achieve social safety and security, it is important to create people-oriented walking spaces that assure pedestrian safety. In particular, based on the results of emergency joint inspections carried out in FY2012, we are making progress in improving and developing roads used by children walking to school. Schools, the Board of Education, road administrators, police, and another stakeholders have been working together to implement traffic safety measures such as sidewalk development, painted curbs, guardrails, by carrying out joint periodic inspections based on the “School Route Traffic Safety Program”.

b. Creating a safe and comfortable cycling environment

Bicycles play an important role as a very accessible mode of transportation, but they also tend to account for increasingly important proportion of total traffic accident rate. This shows that there is a need to develop bicycles-friendly environment focusing especially safety and comfort. Therefore, both the MLIT and National Police Agency developed new Guideline for Creating a Safe, Spacious and Convenient Bicycle Network in November, 2012. This involves reallocating road space and enforcing strict adherence to traffic rules. Through publicizing this guideline, the MLIT and National Police Agency promotes an environment for safe and comfortable usage of the bicycle.

Since the end of FY2012, 53 Japanese municipalities have been becoming involved developing Network plan based on this Guideline.

c. Shaping quality walking spaces

The MLIT supports the development of pedestrian roads and rest facilities that aim to create high quality pedestrian environments that ties together rich scenery and abundant nature with historical sites, to develop regions that are attractive and promotes health through walking.

d. Promoting road signs that are easy to understand

The MLIT is working on the installing road signs that are easy to understand to help guide pedestrians who are in an unfamiliar place to their destinations.

e. Building a flexible system of road administration

To implement a flexible of road administration system that provides a diversity of road functions tailored to the needs of the local residents along the way—including safe walking spaces and places of regional buoyancy and human exchanges, and making motor-vehicle traffic smoother and safer—the MLIT is implementing: (a) Preferential measures, such as the construction of new sidewalks on national or prefectural highways by municipalities other than designated cities; (b) A system of suggesting municipalities to refurbish pedestrian safety facilities; (c) Preferential measures for road occupancy such as boulevard trees planted by NPOs or others, street lamps, etc.; and (d) Preferential measures for the administration of off-street convenient facilities to keep roads and roadside facilities under integrated management.

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Section 3 Realizing Traffic with Enhanced Convenience

(1) Advancing implementation of comprehensive Transport Strategy

Intensive town making assured of safe, smooth traffic requires a cross-sectional approach to the available transport modes—such as bicycle, railway, and bus, from users' standpoints, rather than reviewing the transportation modes or their operators individually. To this end, each local government should inaugurate a council composed of public transport operators and other stakeholders and let the council define a future vision of its cities and regions, the suite of transport services to be made available and so on, so that it can formulate “Integrated Urban/Regional Transport Strategies” covering relevant traffic measures, working programs and the like (at the end of March 2014, Integrated Urban/Regional Transport Strategies had been formulated or were being formulated in 84 cities), with the stakeholders taking their respective shares of responsibility for implementing measures or projects. The national government is expected to encourage the implementation of integrated and strategic packages of traffic projects, such as the development of LRT ^{Note 1} pursued according to the Strategies, and town making programs.

(2) Advancing TDM, etc. to mitigate traffic congestion

While conditions of vehicle traffic and solutions for road traffic jams vary from one city to another, TDM (transportation demand management) ^{Note 2} offers flexibility in dealing with various traffic-related problems depending on the urban characteristics. Therefore, the MLIT promotes the dissemination of integrated and effective TDM.

To mitigate traffic jams that could occur during morning and evening rush hours or at any time of the day, in addition to road network development, bottleneck mitigation and other similar measures to increase traffic capacity, the MLIT has been implementing various TDM measures, including promotion of public transit use (e.g. introduction of automatic bus location system), park-and-ride ^{Note 3} and staggered commuting. In some regions, the MLIT distributes bus route maps and leaflets to local residents to encourage them to review the way they use passenger vehicles and promote public transit use as a part of the mobility management ^{Note 4}. The MLIT has also been trying to reduce and manage traffic disruptions by controlling road works.

In addition, the MLIT seeks for the optimal use of existing network by collecting and utilizing ITS-based big data and promotes other “Smart Use of Roads” efforts to provide smooth and safe traffic service for road users.

(3) Approaches to improve public transportation usage environment

The MLIT supports the introduction of LRT, BRT, IC cards and other less constrained systems through the implementation of the Program for Ensuring, Maintenance and Improvement of Local Public Transportation Systems, to accelerate the improvement of regional public transportation usage environment as part of its barrier-free community planning effort. In FY2013, light rail vehicles (LRVs) were deployed by Hankai Tramway Co.,Ltd. and other operators.

Note 1 Short for Light Rail Transit. A next-generation rail transit system that offers excellent characteristics derived from the use of light-rail vehicles (LRV), improvements to rails or stops—such as ease of getting on and out—, punctuality, speediness and passenger comfort.

Note 2 A method of mitigating road traffic congestion at a municipal or regional level by regulating traffic demand (traffic behavior), by varying road usage hours, routes or means, making efficient use of cars and/or adjusting the sources of congestion.

Note 3 An approach to mitigating traffic jams, whereby drivers leave (park) their cars in a suburban parking space and transfer (ride) to a public transportation facility, such as a railway or bus, to get to their destination.

Note 4 A traffic policy focusing on communication measures designed to encourage autonomous transition of each individual's mobility (travel) in a socially acceptable direction (or preferring appropriate use of public transportation facilities, bicycles and the like over excessive car usage).

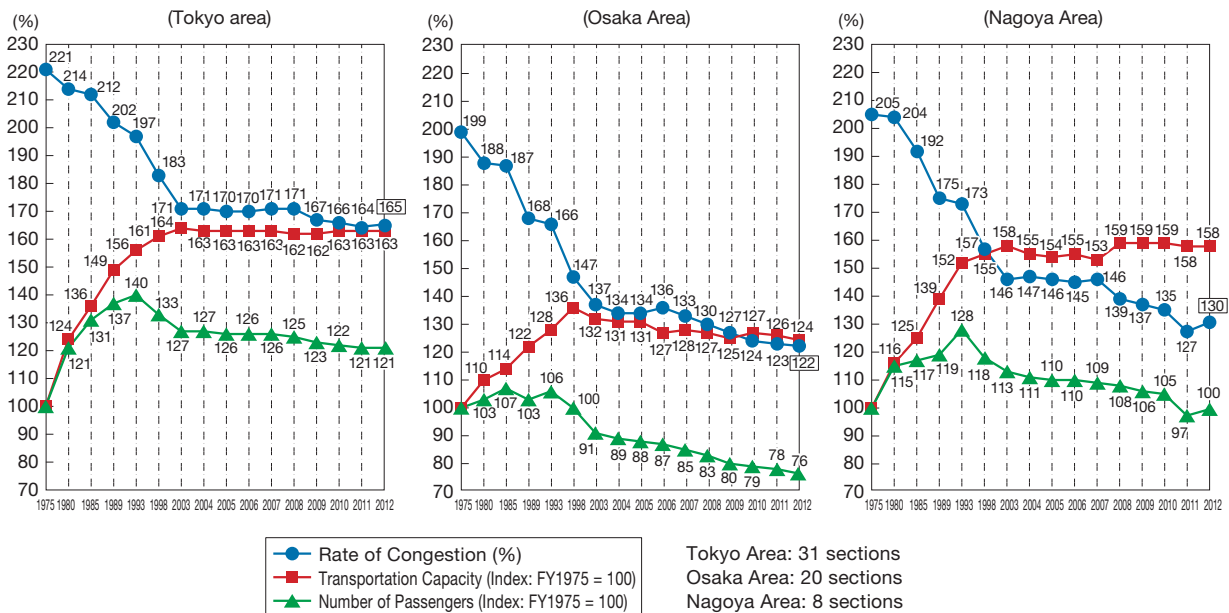
(4) Upgrading urban railway networks

Urban railway networks have upgraded to a considerable extent to date as they have been refurbished with a primary view to building up their transportation capacities to ease traffic congestion. As a result, traffic congestion in the major metropolitan areas during commuting to and from office or school by train are on the decline, keeping pace with the continuing trends towards an aging population with fewer births. The rate of congestion on some routes, however, remains as high as over 180% and demands continued efforts to mitigate congestion. Efforts in progress include quadruple tracking of Odakyu Electric Railway's Odawara Line and modifications to Tokyu's Toyoko Line, both funded by the Designated Urban Railway Development Reserve Program.

The Kanagawa Eastern lines (Sotetsu - JR/Tokyu Through line) and others have been developed by leveraging the Act on Enhancement of Convenience of Urban Railways, etc. a legislation aimed at upgrading the speediness and traffic node functions of existing urban railway networks, to further enhance the urban railway networks, including added user convenience.

Figure II-5-3-1

Developments in the Average Rate of Congestion, Transportation Capacity and Number of Passengers in the Three Major Metropolitan Areas (Index: FY1975 = 100)



Source) Prepared by the MLIT from "Urban Transport Annual Report" compiled by the Institution for Transport Policy Studies and other relevant literature.

(5) Development of urban monorails, new transport systems and LRTs

The MLIT promotes the development of LRTs, etc. to encourage users' migration to public transport facilities from viewpoints of streamlining urban traffic flow, lightening environmental loads and reactivating central urban areas while keeping vulnerable road users assured of mobility in a period of an aging population with falling birthrates. In FY2013, in order to enhance functionality of the main transportation terminal that is nodal to the JR Hokuriku line, Jyohana line, Himi line, and Manyo tram line (Manyo Line Co., Ltd.), the Takaoka Station Peripheral Area Development Project (Takaoka City) is working to expand the Manyo line business, including the construction of a new station building.

Takaoka Station Peripheral Area Development Project (Takaoka City)



Source) MLIT

(6) Augmenting the convenience of bus usage

The convenience of bus usage has been augmented by improving the punctuality and speediness features of bus services by using a Public Transportation Priority System (PTPS) and bus lanes, introducing bus location systems that provide information about the location of buses in service, and IC card systems that facilitate smooth boarding and disembarking.

(7) Effective utilization and functional enhancement of existing expressways

a. Basic policy for new expressway toll

Regarding the expressway toll, we have decided to transition from the previous, “development-focused fee” to the “usage-focused fee,” in accordance with the Arterial Highways Workshop, Road Subcommittee, the Panel on Infrastructure Development’s interim report (June 25, 2013), and based on this policy, we are implementing the following initiatives that make expressways even more convenient and useful, as the network of roadways advance:

- Rectify the differences in fees for each interval caused by differences in the past construction work, and organize the toll amount levels for the three types of sections: regular toll section, metropolitan suburban section, and special toll section like areas over the strait.
- In order to optimize the utilization rate of the road network, for tolls in the metropolitan areas—depending on the progress of the beltway development—we are planning to use ITS technology and construct a seamless toll system that is the “world’s most efficiently used” system.

We will review the toll discount that was implemented in 2008 as part of the emergency economic stimulus package, and restructure the entire discount toll system for expressways. The restructuring will take into account the interim report from the Arterial Highways Workshop, Road Subcommittee, the Panel on Infrastructure Development (Head of Panel: Jitsuro Terashima, Director of Japan Research Institute),

- to review discounts so that the system is highly efficient without duplication or waste,
- with the basic thinking being to give consideration to vehicles that use the expressways often, while emphasizing the aspects of lifestyle measures, tourism promotion, and logistics measures.

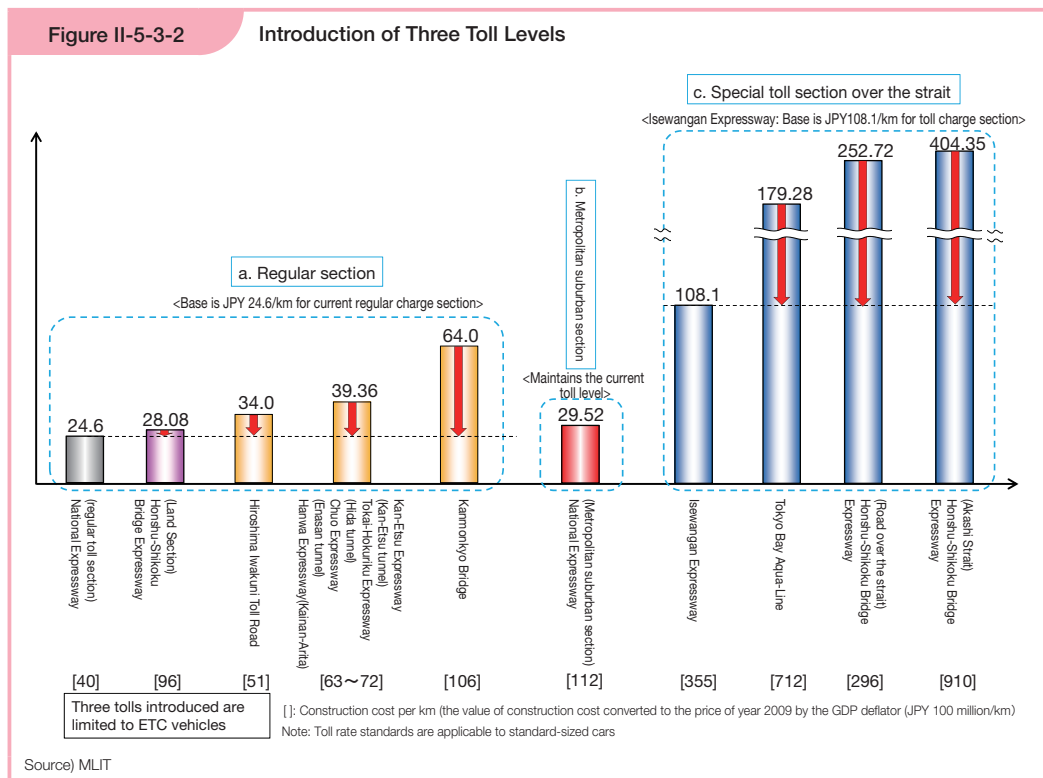
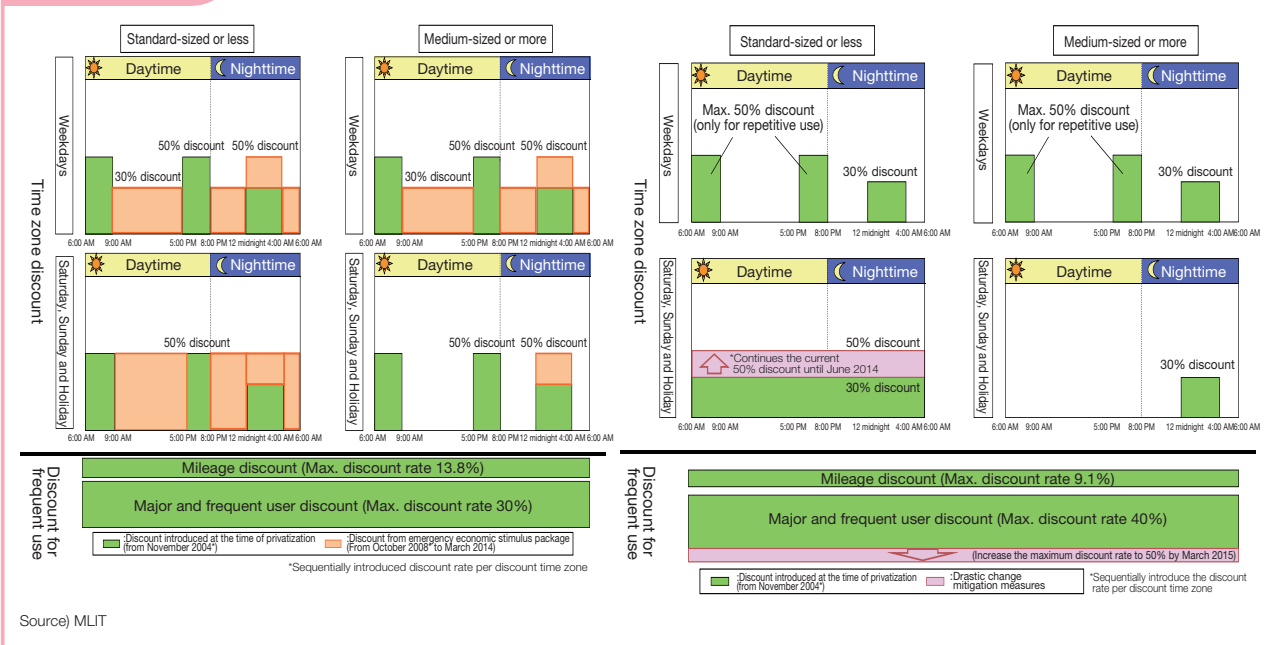


Figure II-5-3-3 Current and New Toll Discounts and Financial Resources (Examples of Regional Divisions of NEXCO)



Source) MLIT

b. Advancing the development of smart ICs

The MLIT is advancing the development of smart interchanges (ICs) in its effort to help revitalize regional economies and mitigate traffic congestion and other problems by making effective use of existing networks of expressways.

- Japan's expressway ICs are spaced about 10 km apart from each other, about twice as far apart as the toll-free expressways on flatlands in the U.S. and European nations.
- About 50 percent of factory plants that are of a certain scale ^{Note} or larger are located within 5 km from an expressway IC.
- At present, smart ICs are in commercial service at 70 locations and under development at 59 locations (as of the end of March 2014).

In FY2014, we will create a system to subsidize part of the project cost by government-sponsorship for businesses that are located within the expressway peripheral areas that are being developed by expressway companies.

Figure II-5-3-4 Example of Smart IC Peripheral Areas Development

After the Hashie Smart IC opened to traffic, the number of companies in the neighboring industrial complexes increased by 30%. The number of employed manufacturing workers in the Hashie Smart IC peripheral areas increased as well.



Source) MLIT

Note A site covering 1,000 square meters or larger purchased for building a factory plant or laboratory (based on an industrial location trend survey).