

Fiscal Year 2019
Trends Concerning Land

Fiscal Year 2020
Basic Measures Concerning Land

Summary

June 2020

Ministry of Land, Infrastructure, Transport and Tourism

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The *Fiscal Year 2019 Trends Concerning Land* and *Fiscal Year 2020 Basic Measures Concerning Land* have been drafted pursuant to the provisions of paragraphs (1) and (2) of Article 11 of the Basic Act for Land (Act No. 84 of 1989).

Part 1: Trends concerning land

Chapter 1: Real estate market trends in fiscal year 2019

Section 1: Trends in land prices

According to the Ministry of Land, Infrastructure, Transport and Tourism's Public Announcement of Land Prices, nationwide trends in land prices as of January 1, 2020, reveal that average land prices for all intended uses have been rising for five consecutive years and that, indeed, the rate of this increase has been growing for four consecutive years, such that the upward trend in all cases is strengthening. In breaking figures down by use, we see that land prices for all types of zones have been trending upwards: land prices for residential zones rose for the third consecutive year, land prices for commercial zones rose for the fifth consecutive year, and land prices for industrial zones rose for the fourth consecutive year.

The average rate of change in each of the three major metropolitan areas of the country reveals that land prices continue to rise on average across all intended uses and in residential zones, commercial zones, and industrial zones and that the upward trend in land prices in the Tokyo and Osaka areas is strengthening.

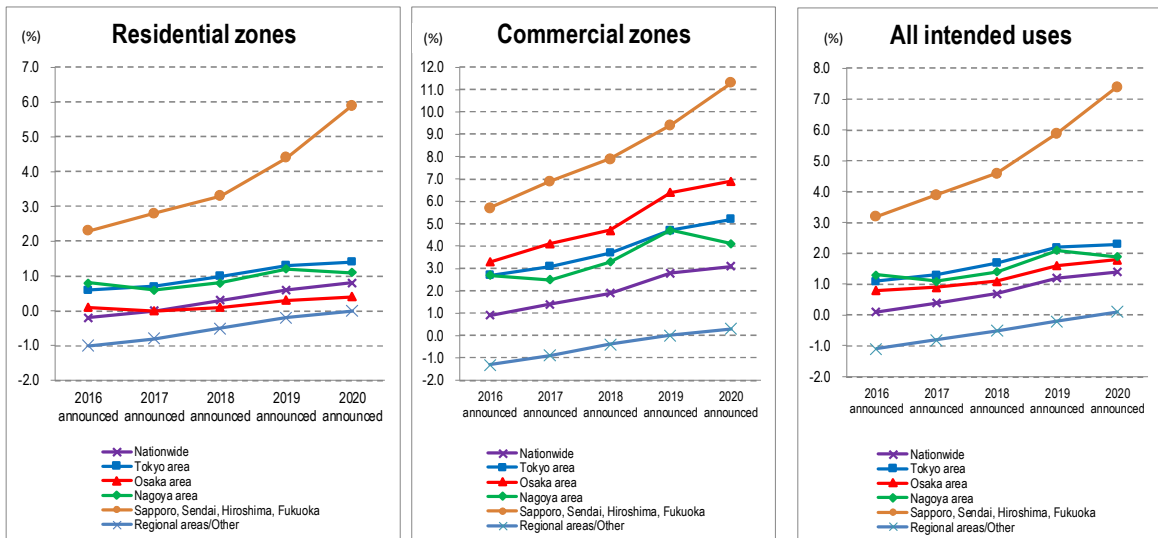
In regional areas, land prices have risen for two years in a row on average across all intended uses and in residential zones and for three years in a row in commercial and industrial zones, such that the upward trend is strengthening in all cases. Among regional areas, land prices in four regional cities (Sapporo, Sendai, Hiroshima, and Fukuoka) across all intended uses have been continuously rising, such that the upward trend is strengthening. Even in other areas outside of these four regional cities, land prices rose on average across all intended uses and in commercial zones for the first time since 2016, leveled off after declining continuously since 1996 in residential zones, and rose for two years in a row in industrial zones.

In explaining why land prices are recovering nationwide, we note that demand for land in residential areas primarily consisting of areas offering excellent transportation convenience and living conditions is robust given that demand has been supported in part by an ongoing low-interest environment and housing-acquisition support measures as the employment and income environment continues to improve. In commercial areas, demand for office buildings is strong as companies seek to secure human resources against the backdrop of a recovering economy and favorable environment for financing, such that vacancy rates continue to drop and rents continue to rise. Demand for stores, hotels, and other establishments in areas where profitability is expected to improve because of increasing numbers of foreign tourists and domestic and other overseas visitors and in areas that are becoming more convenient and popular as the transportation infrastructure is developed and redevelopment projects are undertaken is strong; this level of demand is a factor behind the rising land prices.

Figure. Changes in the rate of land price fluctuations (yearly)

(Unit: %)

	Residential zones					Commercial zones					All intended uses				
	2016 announced	2017 announced	2018 announced	2019 announced	2020 announced	2016 announced	2017 announced	2018 announced	2019 announced	2020 announced	2016 announced	2017 announced	2018 announced	2019 announced	2020 announced
Nationwide	▲ 0.2	0.0	0.3	0.6	0.8	0.9	1.4	1.9	2.8	3.1	0.1	0.4	0.7	1.2	1.4
Three major met. areas	0.5	0.5	0.7	1.0	1.1	2.9	3.3	3.9	5.1	5.4	1.1	1.1	1.5	2.0	2.1
Tokyo area	0.6	0.7	1.0	1.3	1.4	2.7	3.1	3.7	4.7	5.2	1.1	1.3	1.7	2.2	2.3
Osaka area	0.1	0.0	0.1	0.3	0.4	3.3	4.1	4.7	6.4	6.9	0.8	0.9	1.1	1.6	1.8
Nagoya area	0.8	0.6	0.8	1.2	1.1	2.7	2.5	3.3	4.7	4.1	1.3	1.1	1.4	2.1	1.9
Regional areas	▲ 0.7	▲ 0.4	▲ 0.1	0.2	0.5	▲ 0.5	▲ 0.1	0.5	1.0	1.5	▲ 0.7	▲ 0.3	0.0	0.4	0.8
Sapporo, Sendai, Hiroshima, Fukuoka	2.3	2.8	3.3	4.4	5.9	5.7	6.9	7.9	9.4	11.3	3.2	3.9	4.6	5.9	7.4
Other	▲ 1.0	▲ 0.8	▲ 0.5	▲ 0.2	0.0	▲ 1.3	▲ 0.9	▲ 0.4	0.0	0.3	▲ 1.1	▲ 0.8	▲ 0.5	▲ 0.2	0.1

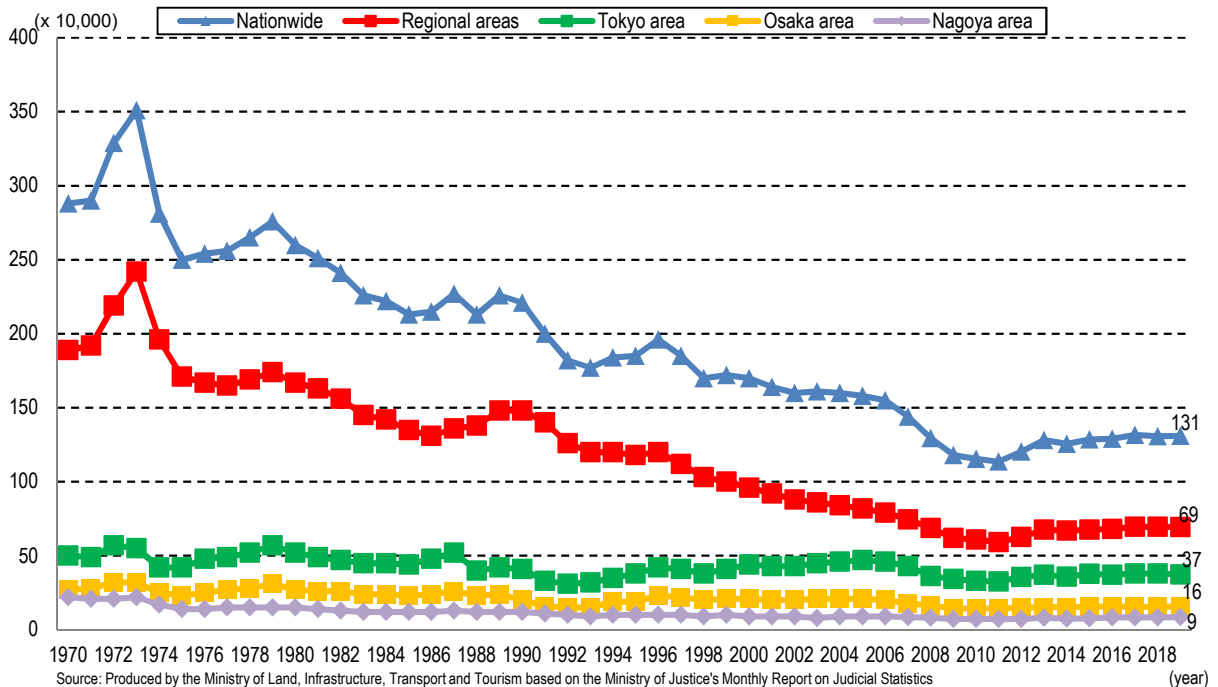


Section 2: Trends in land transactions

(Changes in the number of land transactions)

In looking at the number of registrations of ownership transfers due to the buying and selling of land, we see from examining the Ministry of Justice’s Monthly Report on Judicial Statistics that nationwide land transactions in 2019 remained flat at around 1.31 million.

Figure. Changes in the number of land transactions due to the buying and selling of land

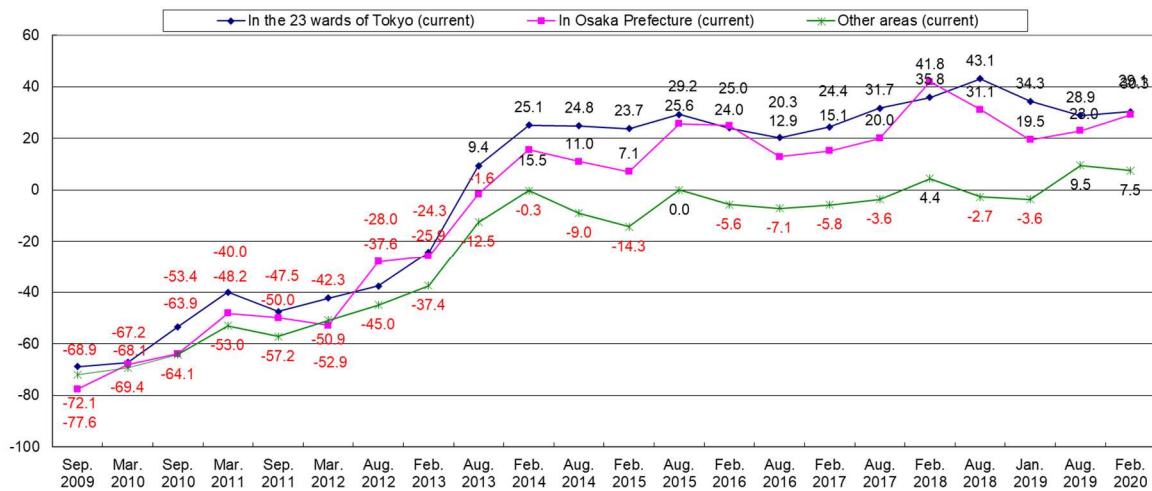


Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on the Ministry of Justice’s Monthly Report on Judicial Statistics
 Note: Area divisions are as follows:
 Tokyo area: Saitama, Chiba, Tokyo, and Kanagawa prefectures
 Nagoya area: Aichi and Mie prefectures
 Osaka area: Osaka, Kyoto, and Hyogo prefectures
 Regional areas: Regions not coming under the above areas

(Awareness of land transactions)

In looking at awareness of land transactions on the part of companies, we see from examining the Land Transaction Trends Survey as conducted by the Ministry of Land, Infrastructure, Transport and Tourism that the DI as it relates to the current state of land transactions with respect to the locations of company headquarters (the percentage of companies that indicated “active” less the percentage of companies that indicated “inactive”) rose in the twenty-three wards of Tokyo and in Osaka Prefecture in a survey administered in February 2020 and increased by 11.1 percentage points compared to the same period a year earlier as reflected in a survey administered in January 2019 in other areas.

Figure. DI as it relates to determinations of the current state of land transactions



Source: Land Transaction Trends Survey, Ministry of Land, Infrastructure, Transport and Tourism (2019)

Note 1: DI = active minus inactive

Note 2: Values for active and inactive are the respective percentages of effective responses given by companies indicating active and companies indicating inactive (%).

Section 3: Land use trends

(Land use overview)

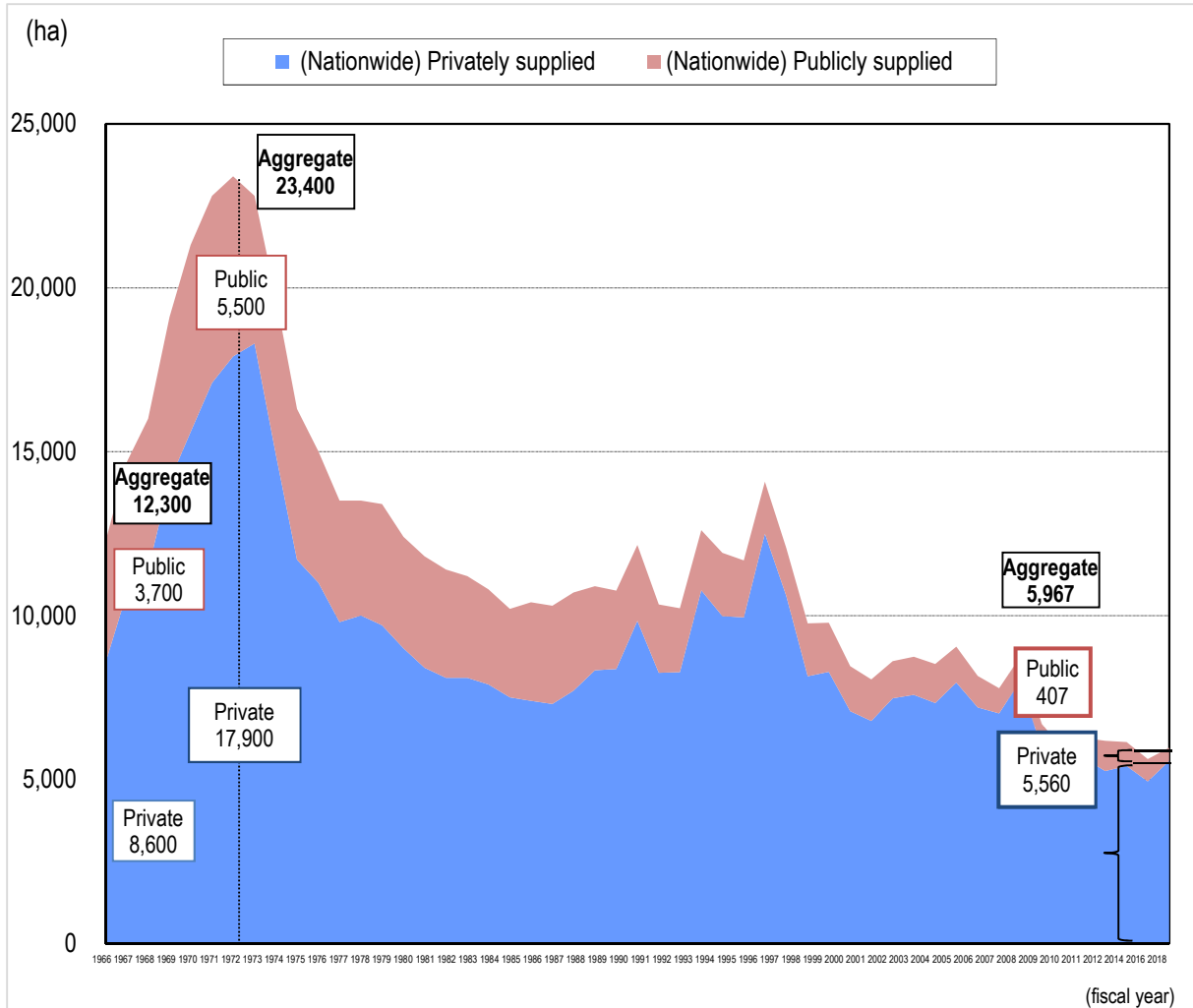
In 2018, Japan’s total land area was approximately 37.8 million hectares, of which forests took up approximately 25.03 million hectares, followed by farmland at approximately 4.42 million hectares; these two uses account for about 80% of the total land area in the country. In addition, residential land used for housing and industrial uses occupy about 1.96 million hectares, roads occupy about 1.40 million hectares, waterways occupy about 1.35 million hectares, and wilderness areas occupy about 0.35 million hectares.

Approximately 22,100 hectares of land underwent land use conversion in 2017, which was about the same as it was in the preceding year. This primarily consisted of approximately 15,400 hectares of land that was converted from farmland, forests, and landfills to urban land use (residential, industrial, and public-use lands) (about 900 hectares less than the preceding year) and approximately 4,700 hectares of land that was converted from farmland to forests (about 1,400 hectares more than the preceding year), the highest such figure since 1991.

(Land use changes)

In looking at the changes in the supply of residential land nationwide, we see that the supply of residential land in fiscal year 2018 was 5,967 hectares (a 6.3% increase over fiscal year 2016); of which 407 hectares were publicly supplied (a 40% decrease over fiscal year 2016) and 5,560 hectares were privately supplied (a 13% increase over fiscal year 2016). Around 6,000 hectares of residential land have been supplied yearly in recent years.

Figure. Changes in the supply of residential land nationwide



Note 1: From 1966 to 1988, estimates were made based on the concept of MG (medium gross = where narrow streets, playgrounds, and other sites were included in the lot area of residential land); in 1989, however, the estimation method was partially changed, such that only parts pertaining to the dwelling site are subject to estimation.

Note 2: Public supply includes land supplied by UR, local governments, and other public bodies and land supplied through land readjustment projects conducted by the foregoing.

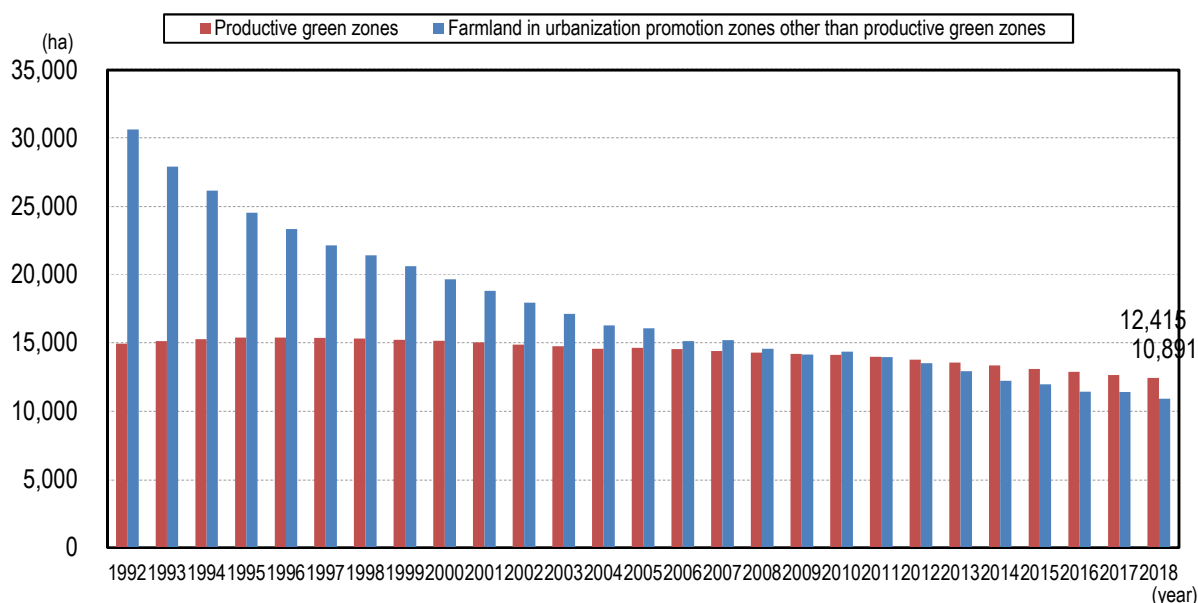
Note 3: Private supply includes land supplied by business operators other than the above.

Note 4: In Iwate, Miyagi, and Fukushima prefectures, the area of land converted from farmland to residential land (survey conducted by the Ministry of Agriculture, Forestry and Fisheries on farmland movement and conversion) was posted in connection with the supply of residential land for fiscal years 2011 to 2014.

Note 5: Biennial count for fiscal years 2014 and beyond.

In looking at the area of productive green zones and the area of farmland in urbanization promotion zones other than productive green zones, we see that productive green zones in 2018 occupied 12,415 hectares of land (a 1.7% year-on-year decrease) and farmland in urbanization promotion zones other than productive green zones in the same year occupied 10,891 hectares (a 4.3% year-on-year decrease), such that both have been declining in recent years.

Figure. Changes in the area of productive green zones and the area of farmland in urbanization promotion zones other than productive green zones



Sources: Farmland in urbanization promotion zones other than productive green zones: *Summary of Fixed Asset Prices*, Ministry of Internal Affairs and Communications; productive green zones: *Annual Report on Urban Planning*, Ministry of Land, Infrastructure, Transport and Tourism

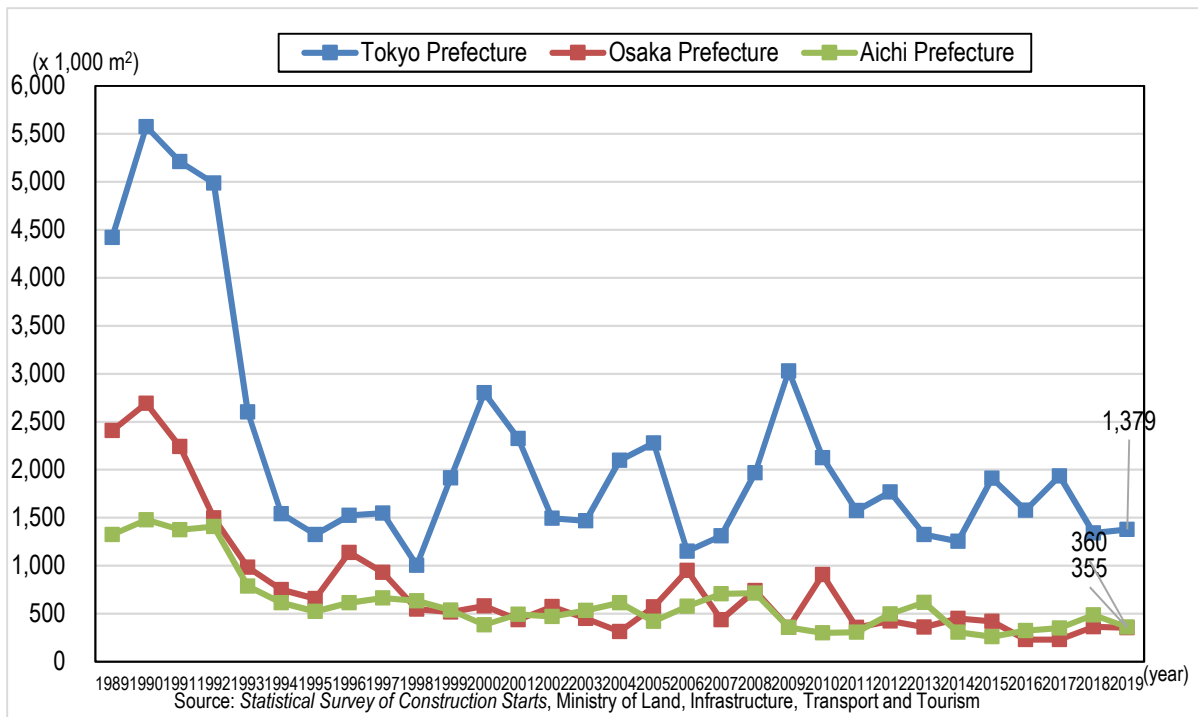
Note 1: As of January 1 in each fiscal year for farmland in urbanization promotion zones other than productive green zones and as of March 31 in each fiscal year for productive green zones.

Note 2: Farmland in urbanization promotion zones other than productive green zones consists of farmland in the urbanization promotion zones of specific municipalities located in any of the three major metropolitan areas.

(Changes in the supply of real estate)

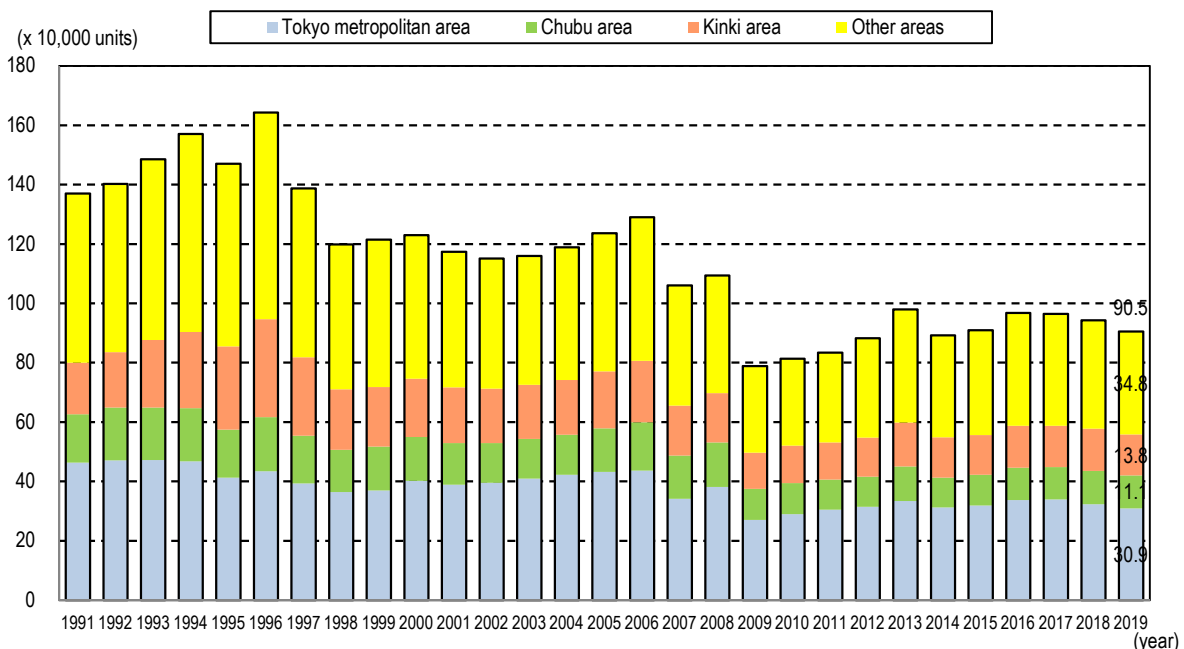
In looking at office construction starts measured in terms of area by city in 2019, Tokyo Prefecture stood more or less unchanged from the preceding year at 1,379,000 square meters (a 2.9% year-on-year increase) and Osaka Prefecture also stood more or less unchanged from the preceding year at 355,000 square meters (a 2.2% year-on-year decrease). Aichi Prefecture declined for the first time in four years to 360,000 square meters (a 26% year-on-year decrease).

Figure. Changes in office construction starts measured in terms of area by city



New housing starts numbered approximately 905,000 units in 2019, a 6.2% year-on-year decrease; new housing starts declined in all areas.

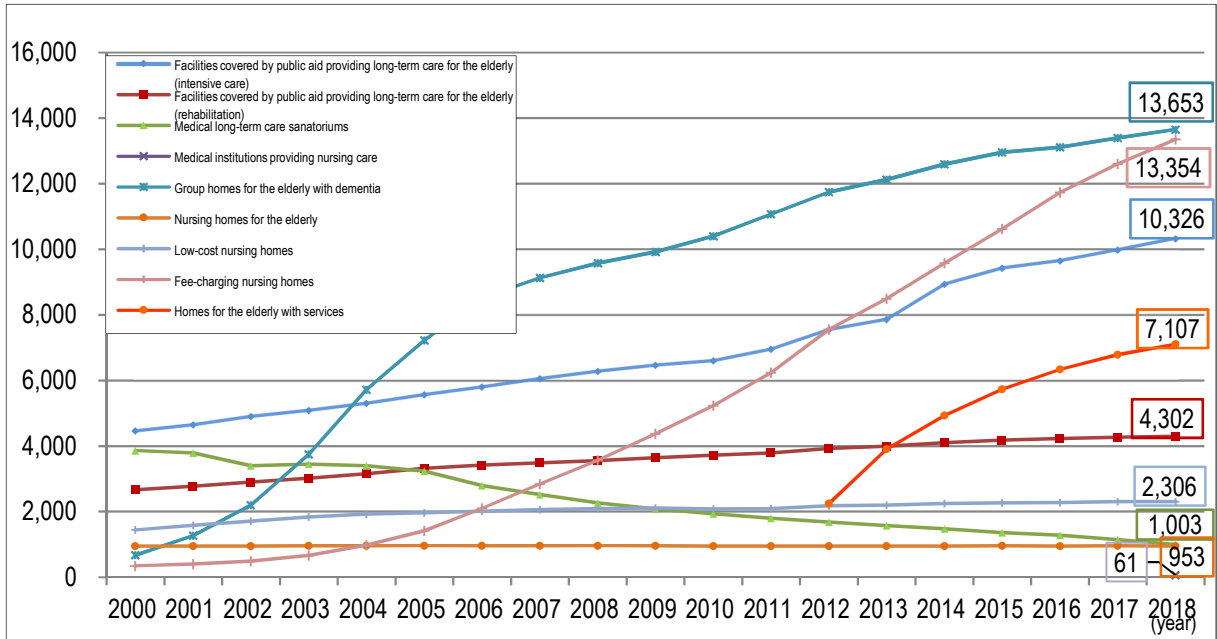
Figure. Changes in new housing starts by area



Among facilities for elderly persons, group homes for the elderly with dementia, fee-charging nursing homes,

and facilities covered by public aid providing long-term care for the elderly continue to increase in number; fee-charging nursing homes in particular are increasing significantly in number. In addition, housing for the elderly with services has continued to increase in number since 2012.

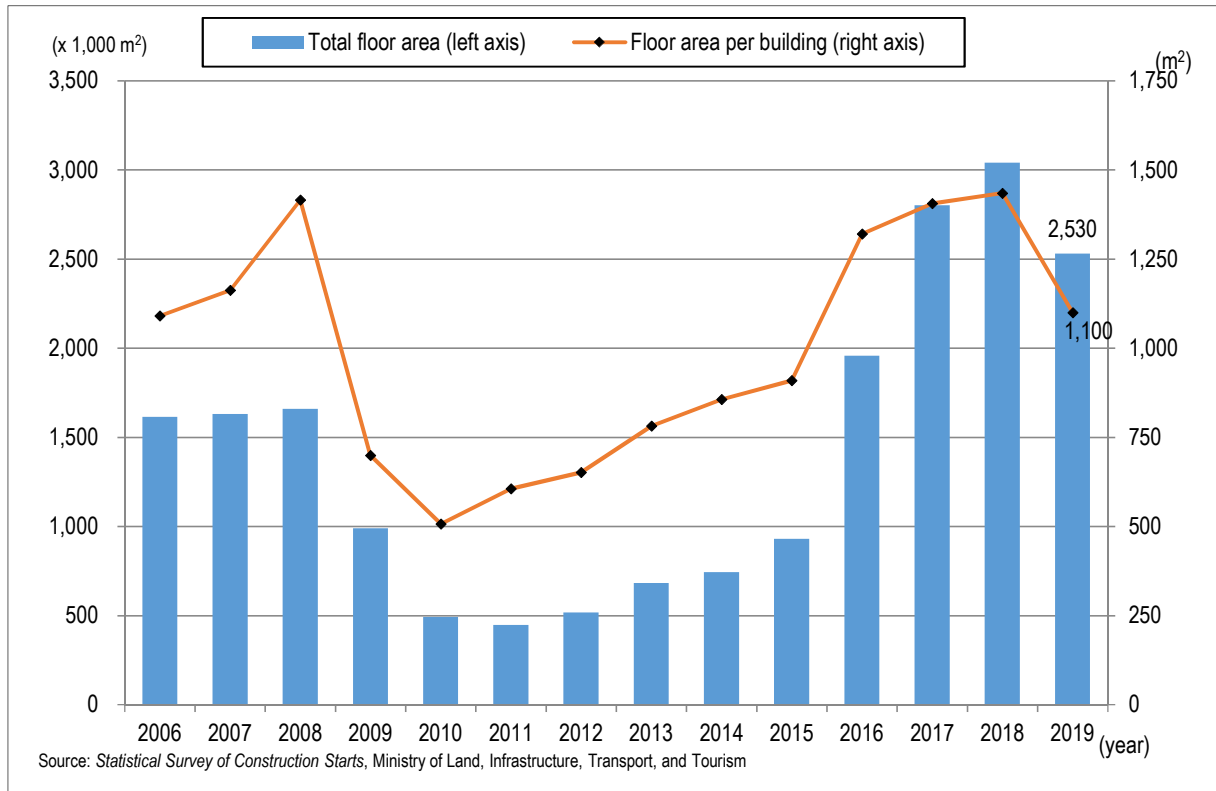
Figure. Changes in the numbers of facilities for the elderly and homes for the elderly with services



*1: Figures for facilities covered by long-term care insurance and group homes for the elderly with dementia are derived from the *Survey of Nursing Care Service Facilities and Offices* (October 1) (2000-2001), *Survey of Actual Conditions Concerning Long-Term Care Benefit Expenses* (October review) (2002-2017), and *Actual Conditions Statistics Concerning Long-Term Care Benefit Expenses* (October review) (from 2018).
 *2: Figures for facilities covered by public aid providing long-term care for the elderly combine figures for offices requesting services provided by facilities covered by public aid providing long-term care and services provided by community-based facilities covered by public aid providing long-term care.
 *3: Figures for group homes for the elderly with dementia are indicated for dementia-accommodating cohabitation care for 2000 to 2004 and for cognitive impairment-accommodating cohabitation care for 2005 and beyond (excluding short-term use).
 *4: Figures for nursing homes for the elderly and low-cost nursing homes for the elderly are derived from the *Survey of Social Welfare Facilities* (October 1); however, figures correspond to the number of surveyed facilities for 2009 to 2011 and are based on basic slips for 2012 to 2017.
 *5: Figures for fee-charging nursing homes are based on the results of a survey conducted by the Health and Welfare Bureau for the Elderly, Ministry of Health, Labor and Welfare.
 *6: Figures for homes for the elderly with services are derived from *System Providing Information on Homes for the Elderly With Services* (September 30).

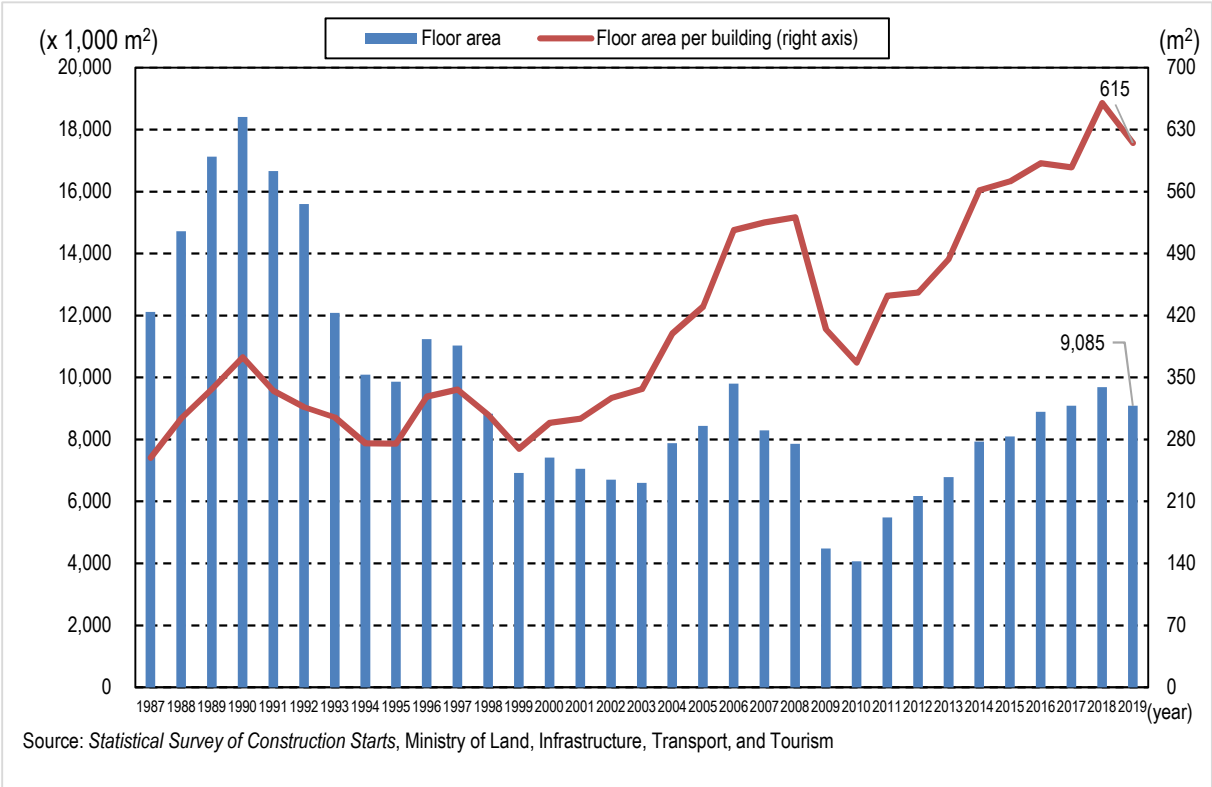
While construction starts for accommodation structures have been rising both in terms of area and in terms of floor area per building in recent years, construction starts in terms of area stood at 2,530,000 square meters (a 16.8% year-on-year decline) and in terms of floor area per building stood at 1,100 square meters (a 23.4% year-on-year decline) in 2019.

Figure. Changes in construction starts for accommodation structures in terms of area



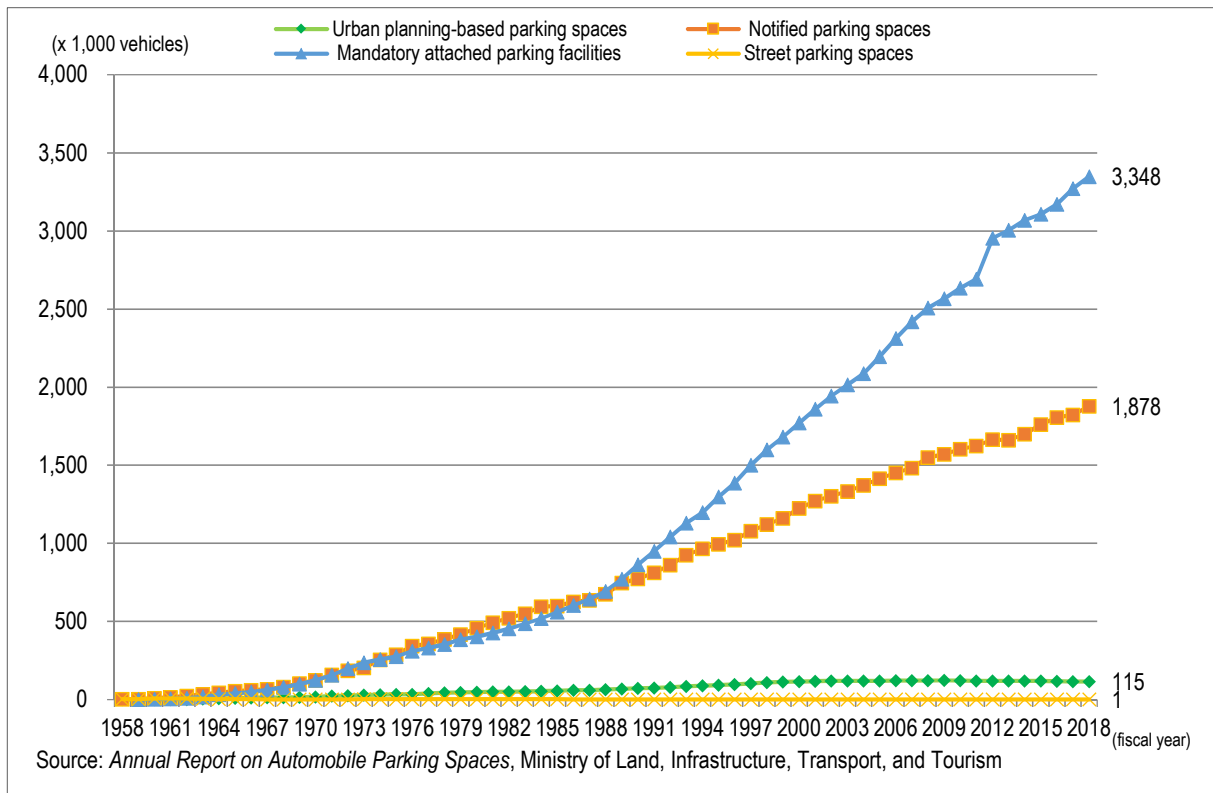
While warehouse construction starts in terms of area and floor area per building had been rising in recent years, construction starts in terms of area in 2019 decreased for the first time in nine years and stood at approximately 9,085,000 square meters (a 6.2% year-on-year decline). Floor area per building stood at 615 square meters (a 6.8% year-on-year decline).

Figure. Changes in warehouse construction starts in terms of area



With respect to the development of parking spaces in fiscal year 2018, mandatory attached parking facilities under the Parking Lot Act (Act No. 106 of 1957) provide the most spaces at approximately 3,348,000; this number continued to increase since surveys began. This is followed by notified parking spaces, which has increased to 1,878,000 spaces. The numbers of urban planning-based parking spaces (approximately 115,000 spaces) and street parking spaces (approximately 600 spaces) have remained constant.

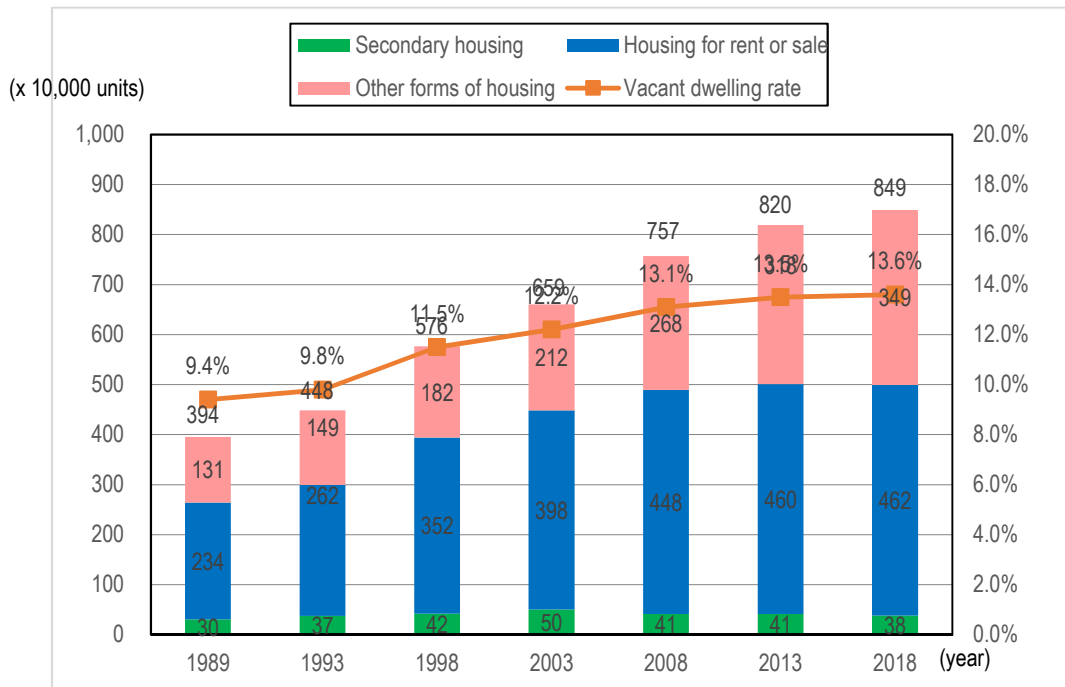
Figure. Changes in the development of parking spaces



According to the Ministry of Internal Affairs and Communications' *Statistical Survey of Housing and Land*, vacant dwellings increased by approximately 290,000 units to 8.49 million units in 2018 over 2013. Vacant dwellings also accounted for 13.6% of the total housing stock (vacant dwelling rate), an increase of 0.1 percentage points over 2013.

In looking at a breakdown of vacant dwellings, we see that housing for rent or sale accounts for approximately 4.62 million units, vacation homes and other examples of secondary housing account for approximately 380,000 units, and other forms of housing account for approximately 3.49 million units; compared to 2013, housing for rent or sale increased by approximately 20,000 units, secondary housing decreased by approximately 30,000 units, and other forms of housing increased by approximately 310,000 units.

Figure. Changes in the number of vacant dwellings and vacant dwelling rate



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on the *Statistical Survey of Housing and Land* (as produced by the Ministry of Internal Affairs and Communications)

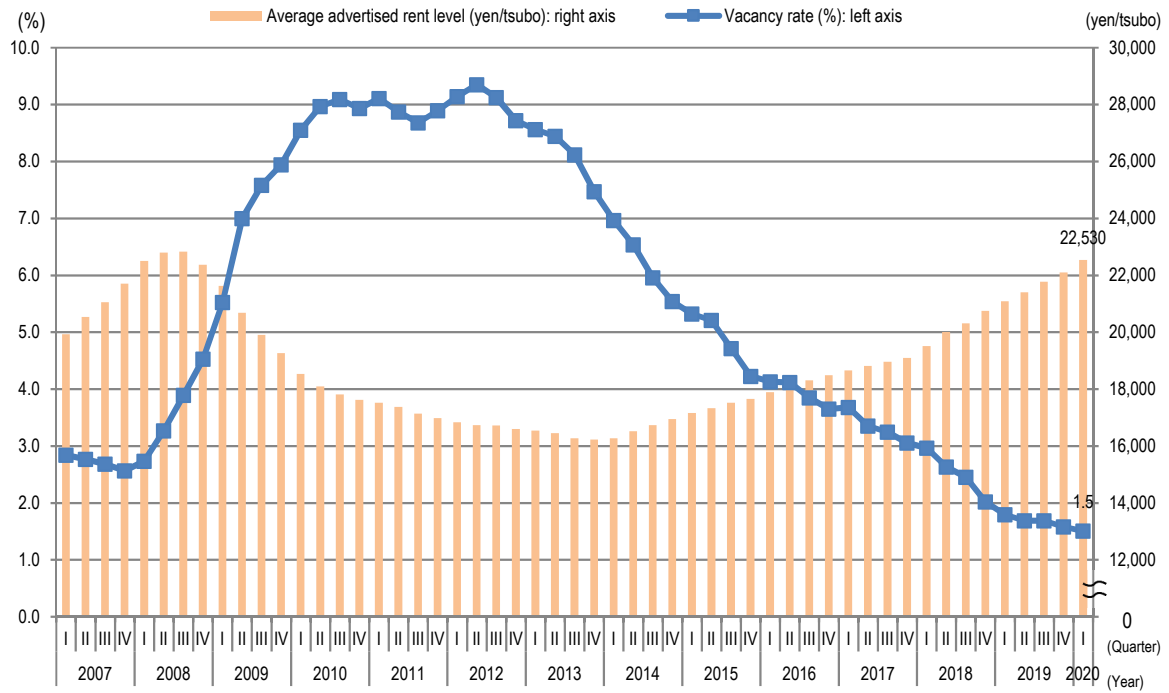
Notes: Secondary housing: Vacation homes and other examples of secondary housing units (housing units occasionally occupied by persons staying overnight).
Housing for rent or sale: Housing units that are vacant in order to be rented or sold irrespective of whether they are newly built or previously owned.
Other forms of housing: Unoccupied housing units not coming under the foregoing.

Section 4: Real estate market trends

(Office market trends)

Against the backdrop of office demand that remains robust, the vacancy rate for offices in the January-to-March quarter of 2020 in the five wards of central Tokyo (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya wards) stood at 1.5%, the lowest since 2007. Average advertised rents continue to trend upwards and exceeded 22,000 yen per *tsubo* (equal to approximately 3.3 square meters) for the first time in eleven years in the October-to-December quarter of 2008.

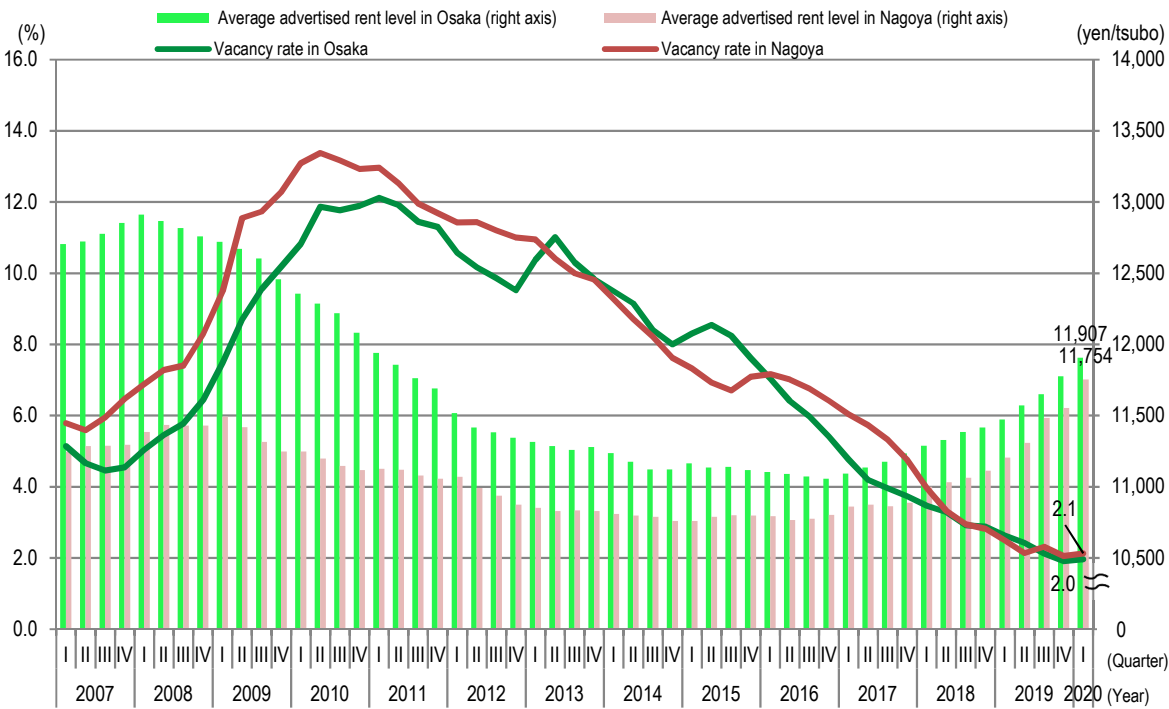
Figure. Changes in office building rents and vacancy rates (5 central wards of Tokyo)



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on Miki Shoji's *Miki Office Report Tokyo*.
 Note: Values for quarters I through IV are values obtained by averaging values for the months within each quarter.

In looking at cities outside Tokyo, we see that, even in Osaka and Nagoya, the decline in vacancy rates and the rise in average advertised rents are continuing against the backdrop of solid demand for office space. Average advertised rents in Nagoya in particular were at their highest level since 2007.

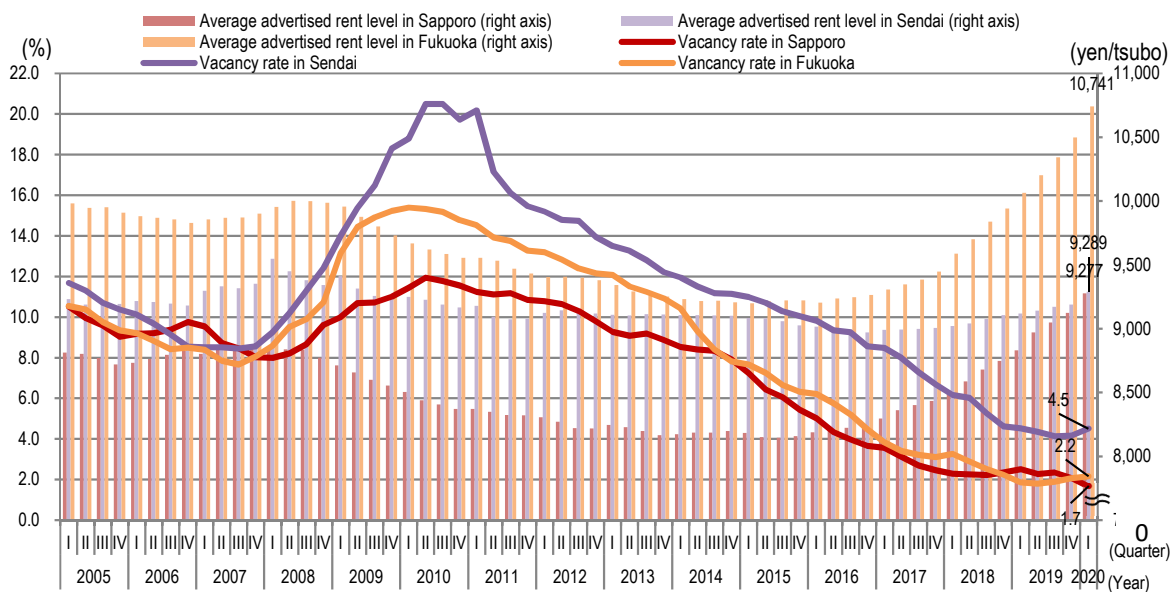
Figure. Changes in office building rents and vacancy rates (Osaka and Nagoya)



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on Miki Shoji's *Miki Office Report Osaka* and *Miki Office Report Nagoya*.
 Note: Values for quarters I through IV are values obtained by averaging values for the months within each quarter.

In looking at Sapporo, Sendai, and Fukuoka, we see that vacancy rates have continued to improve since 2010 with vacancy rates in Sapporo, Fukuoka, and Sendai at a bit over 1%, 2%, and 4%, respectively. Average advertised rent levels are rising in all three of these cities. In Fukuoka, the level of rent has exceeded 10,000 yen per *tsubo*, the highest it has been at since 2007.

Figure. Changes in office rents and vacancy rates (Sapporo, Sendai, and Fukuoka)



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on Miki Shoji's *Miki Office Report Sapporo*, *Miki Office Report Sendai*, and *Miki Office Report Fukuoka*.

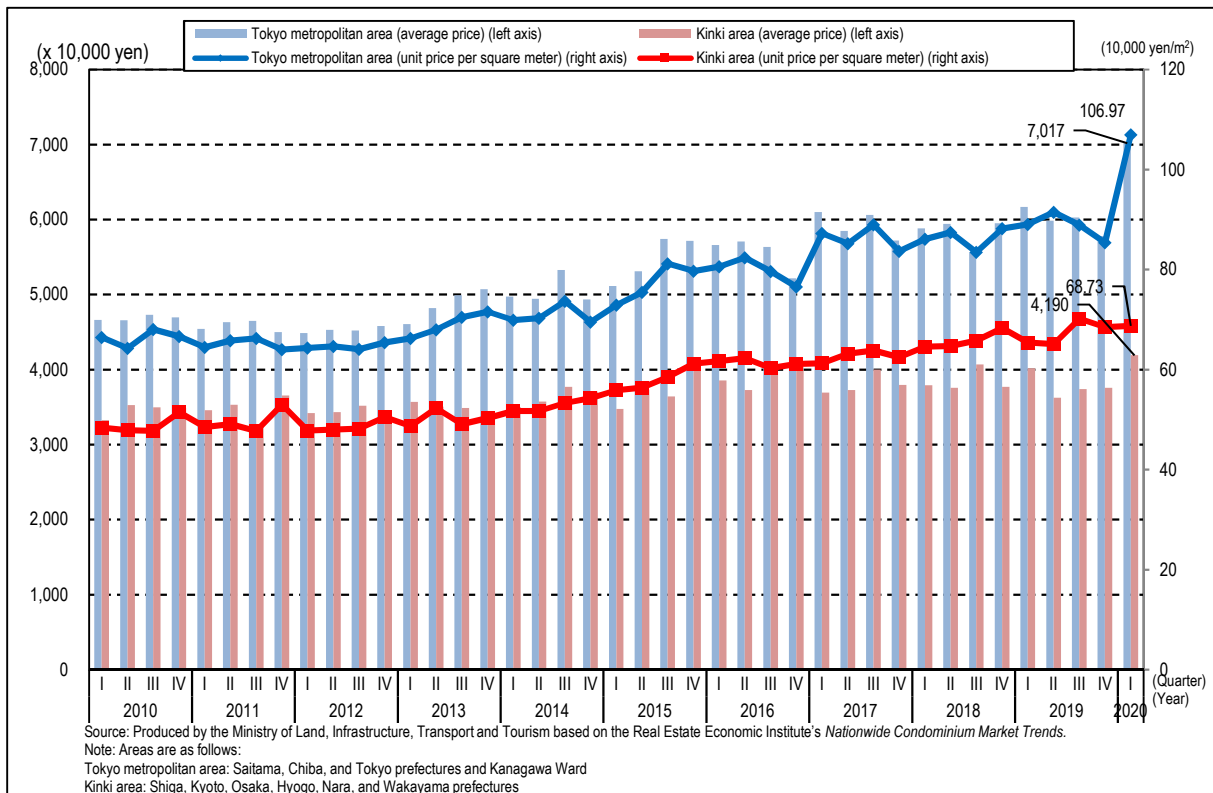
Note 1: The value for the first quarter of 2011 is an average value that excludes the value for March since data tabulation for Sendai in March 2011 was suspended due to the Great East Japan Earthquake.

Note 2: Values for quarters I through IV are values obtained by averaging values for the months within each quarter.

(Housing market trends)

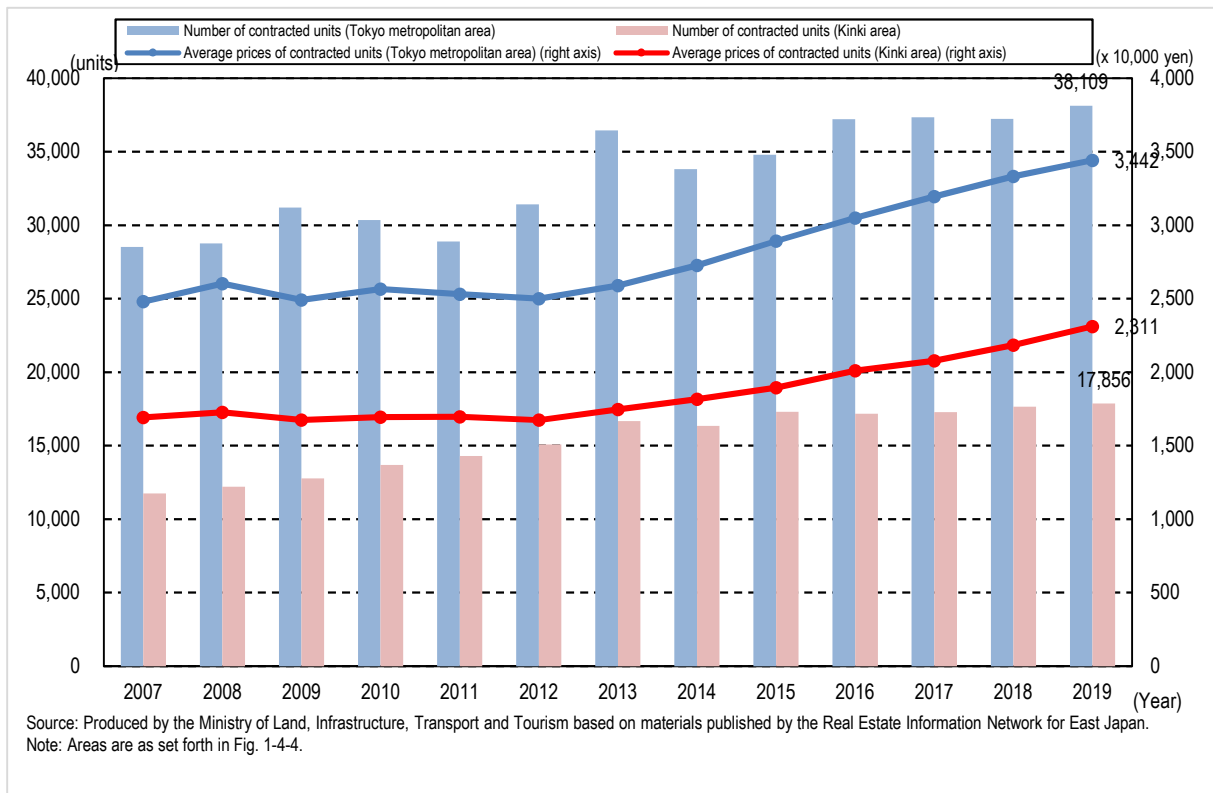
New condominium prices in terms of unit price per square meter were at around 900,000 yen in 2019 and exceeded 1,000,000 yen in the January-to-March quarter of 2020 in the Tokyo metropolitan area and continues to rise within the range of around 650,000 to 700,000 yen in the Kinki area. The average price of new condominiums hovered at around 60 million yen in 2019 and exceeded 70 million yen in the January-to-March quarter of 2020 in the Tokyo metropolitan area and has been at around 40 million yen in the Kinki area.

Figure. Changes in the prices of newly built condominiums in the Tokyo metropolitan and Kinki areas



In looking at trends in the second-hand condominium market, we see that the average price of contracted units continued to rise in 2019 and stood at 34.42 million yen (a 3.3% year-on-year increase) in the Tokyo metropolitan area and at 23.11 million yen (a 5.8% year-on-year increase) in the Kinki area. The number of contracted units rose for the fourth year in a row to 38,109 in the Tokyo metropolitan area (a 2.4% year-on-year increase) to exceed the number of new units being sold (31,238 in 2019). In the Kinki area, there were 17,856 contracted units (a 1.2% year-on-year increase). In this way, slight increases were posted in both areas.

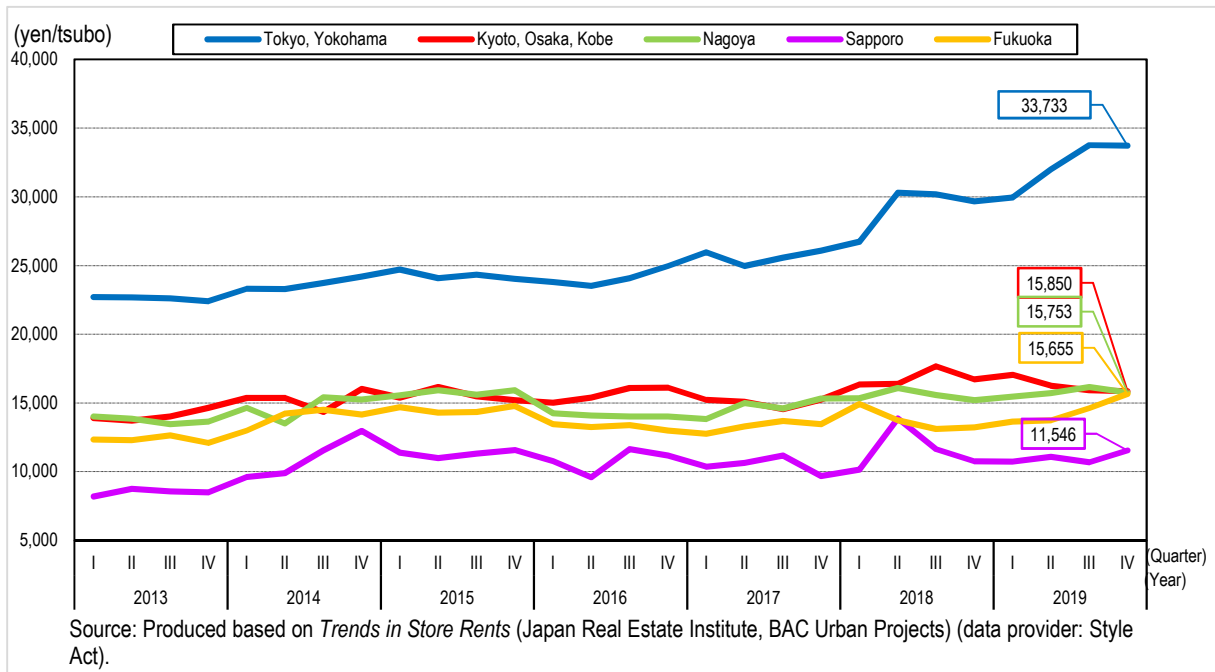
Figure. Changes in numbers and average prices of contracted second-hand condominium units in the Tokyo metropolitan and Kinki areas



(Trends in the market for stores, accommodation facilities, and physical distribution facilities)

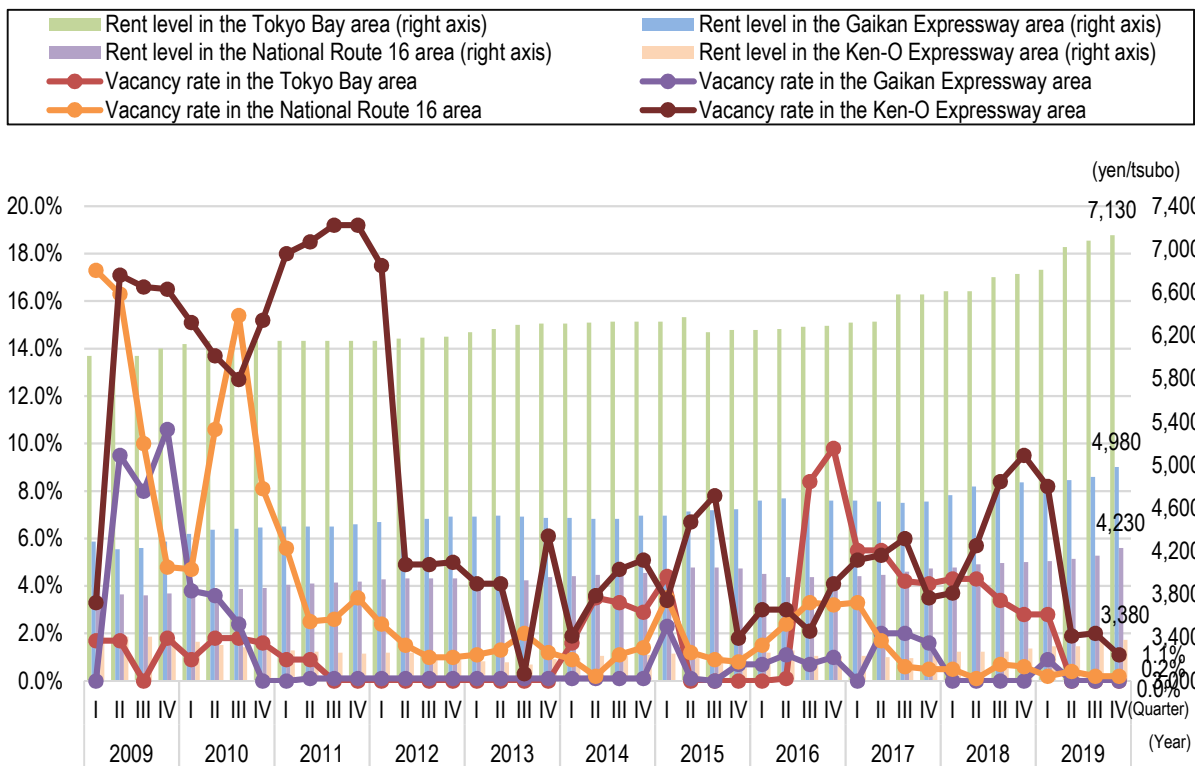
In looking at changes in store rents in major cities in the October-to-December quarter of 2019, we see that the level of store rents stood at 33,733 yen/*tsubo* in Tokyo/Yokohama (a 13.7% increase over the same month in the preceding year), 15,850 yen/*tsubo* in Kyoto/Osaka/Kobe (a 5.2% decrease over the same month in the preceding year), 15,753 yen/*tsubo* in Nagoya (a 3.5% increase over the same month in the preceding year), 11,546 yen/*tsubo* in Sapporo (a 7.4% increase over the same month in the preceding year), and 15,655 yen/*tsubo* in Fukuoka (a 18.4% increase over the same month in the preceding year). In this way, rent levels rose in cities other than Kyoto/Osaka/Kobe.

Figure. Changes in store rents in major cities



In looking at market conditions pertaining to physical distribution facilities in all four areas within the Tokyo metropolitan area, we see that rent levels were rising and that vacancy rates were also low in 2019.

Figure. Rents and vacancy rates for physical distribution facilities in the Tokyo metropolitan area



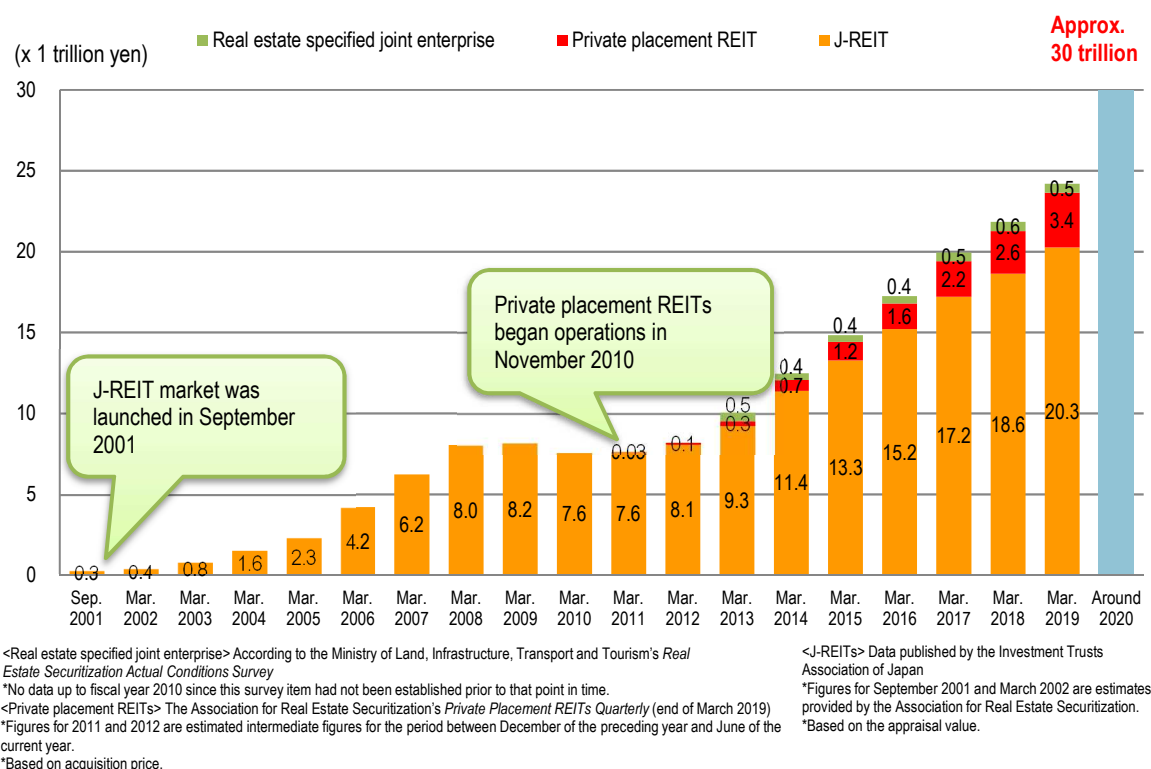
Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on materials published by CBRE
 Note 1: Vacancy rates apply to physical distribution facilities that have been constructed at least one year earlier.
 Note 2: Tokyo Bay area: Core area of the bay area in Tokyo
 Gaikan Expressway area: Area surrounded by the Tokyo Outer Ring Road (Gaikan Expressway), exclusive of the Tokyo Bay area
 National Route 16 area: Semi-donut-shaped area from the outside of the Tokyo Outer Ring Road (Gaikan Expressway) to the vicinity alongside National Route 16 (a ring road)
 Ken-O Expressway area: Area on the outside of National Route 16 (through the center of which runs the Metropolitan Inter-City Expressway (Ken-O Expressway), a ring road traversing Tokyo, Saitama, Ibaraki, and Chiba prefectures)

Section 5: Trends in the real estate investment market

(Trends in the real estate securitization market)

With a view to attaining the growth targets for the real estate investment market as outlined in *Future Investment Strategy 2017* (approved by the Cabinet on June 9, 2017), which aims to increase aggregate assets owned by REITs and other enterprises to approximately 30 trillion yen by around 2020 as called for in the government's growth strategy, it is to be noted that aggregate assets as of the end of March 2019 stood at approximately 24.2 trillion yen.

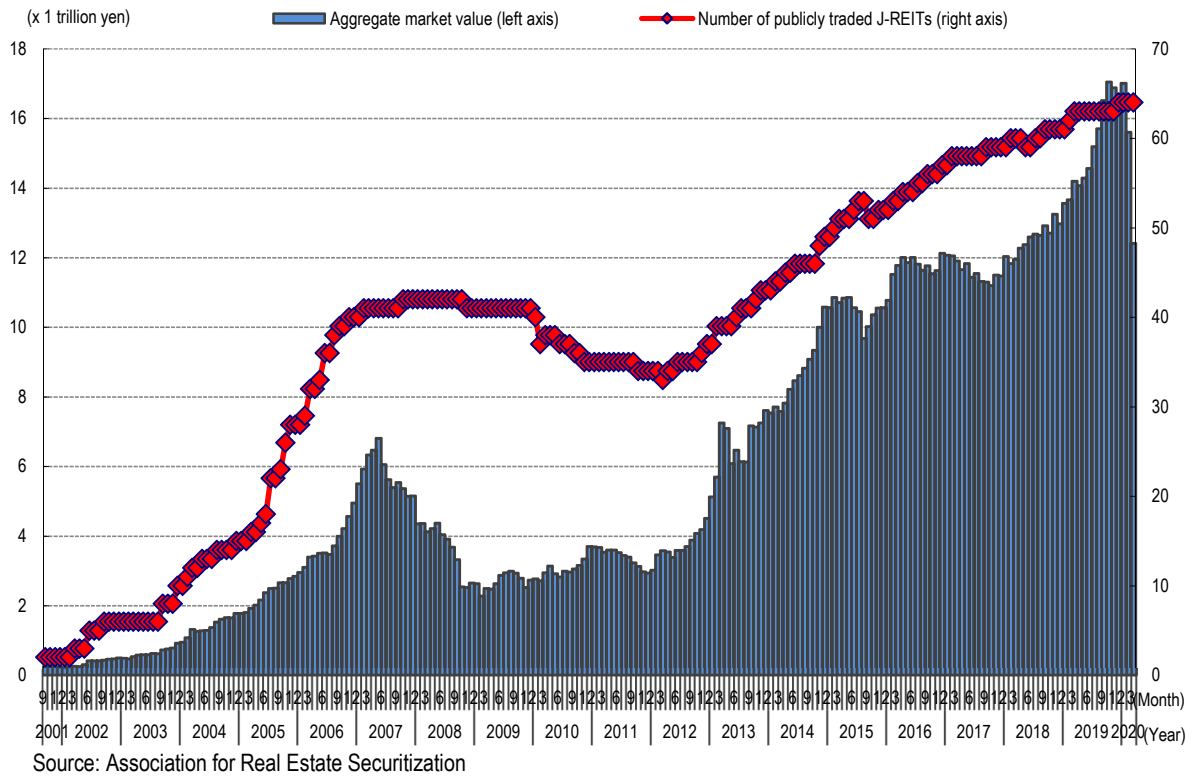
Figure. Changes in total assets owned by REITs, etc.



(Trends in the J-REIT market)

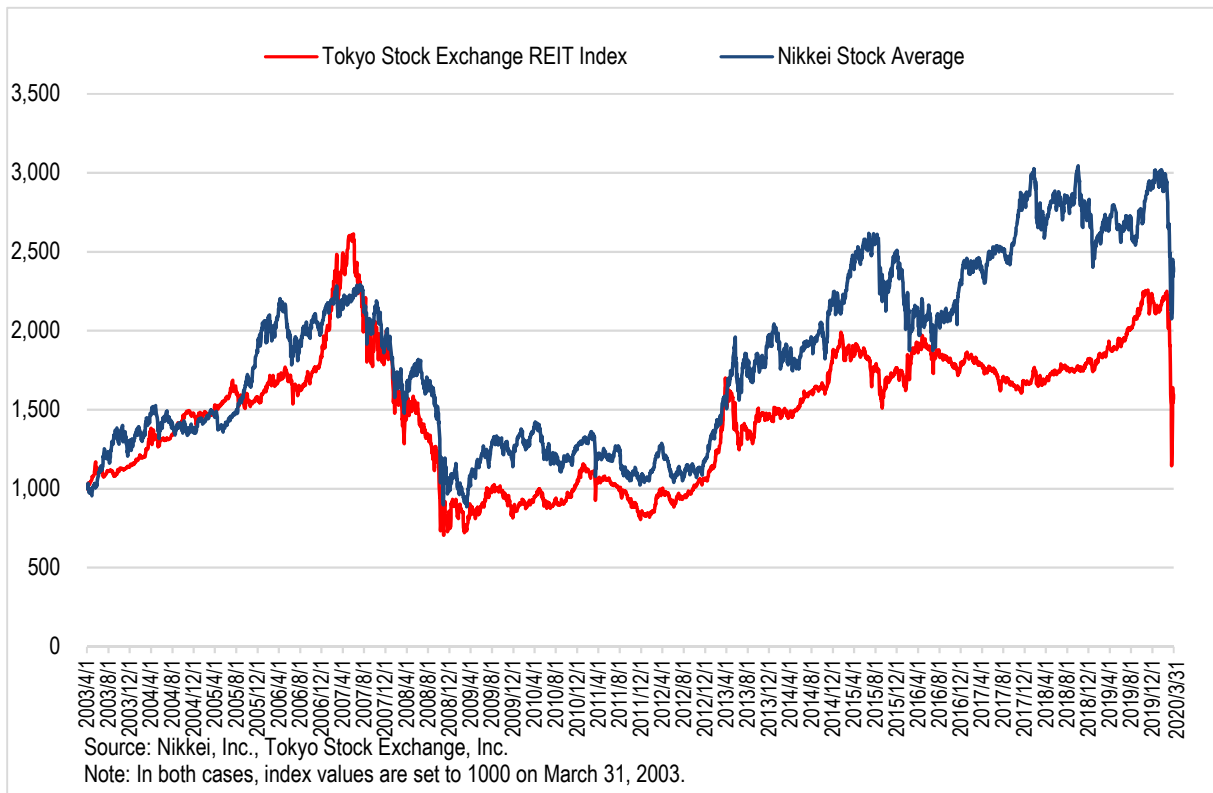
One new J-REIT was publicly listed in the 2019 fiscal year. As of the end of March 2020, sixty-four J-REITs are publicly traded on the Tokyo Stock Exchange and the aggregate market value of their real estate investment securities is approximately 12.4 trillion yen.

Figure. Changes in the number of publicly traded J-REITs and the aggregate market value of J-REITs



The Tokyo Stock Exchange REIT Index, which indicates price movements for the J-REIT market as a whole, topped 2,000 points in July 2019 for the first time since the Lehman Shock, exceeded 2,200 points in October 2019, and otherwise rose significantly against the backdrop of favorable real estate market conditions and declining long-term domestic and overseas interest rates. It thereafter dropped to around 2,100 to 2,150 points at the end of the year thanks in part to a receding level of risk-aversion sentiment on the part of investors in response to expectations of progress in trade talks between the United States and China. While the Index managed to recover to around 2,250 points in February 2020, it temporarily plunged when novel coronavirus infections began to spread worldwide and stood at 1,595 points at the end of March 2020.

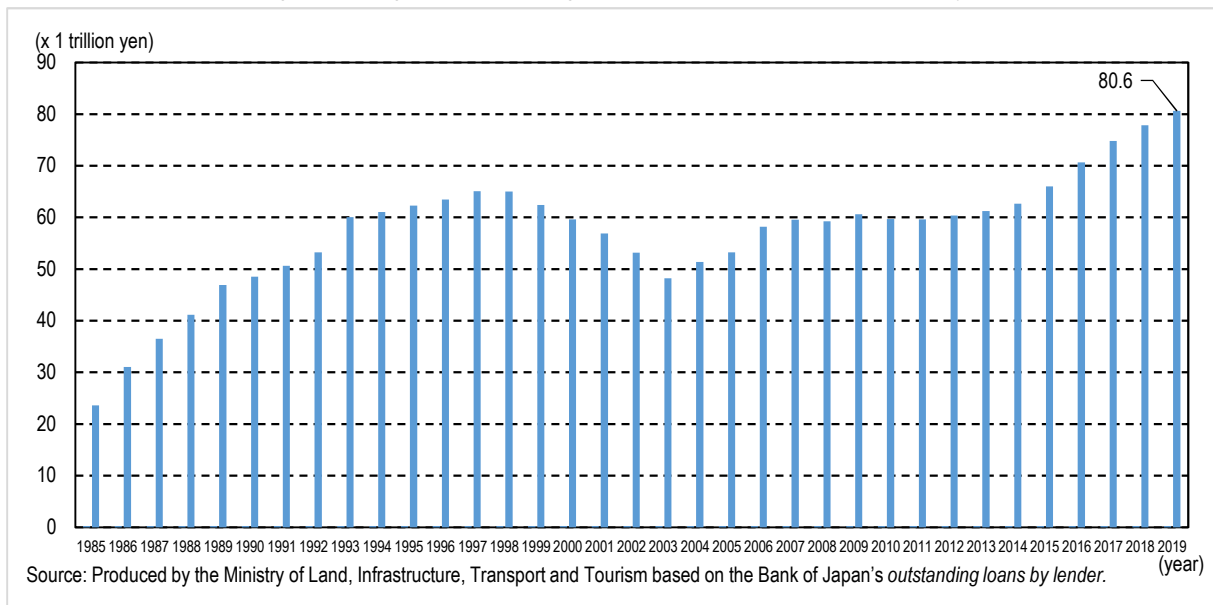
Figure. Changes in the Tokyo Stock Exchange REIT Index and Nikkei Stock Average



(Trends in loans made to the real estate industry)

In looking at *outstanding loans by lender* as provided by the Bank of Japan, we see that the balance of loans made to the real estate industry by banks and other lending institutions continues to rise at a notable pace and stood at 80,586 billion yen in 2019, the highest this figure has been at since 1985.

Figure. Changes in outstanding loans made to the real estate industry

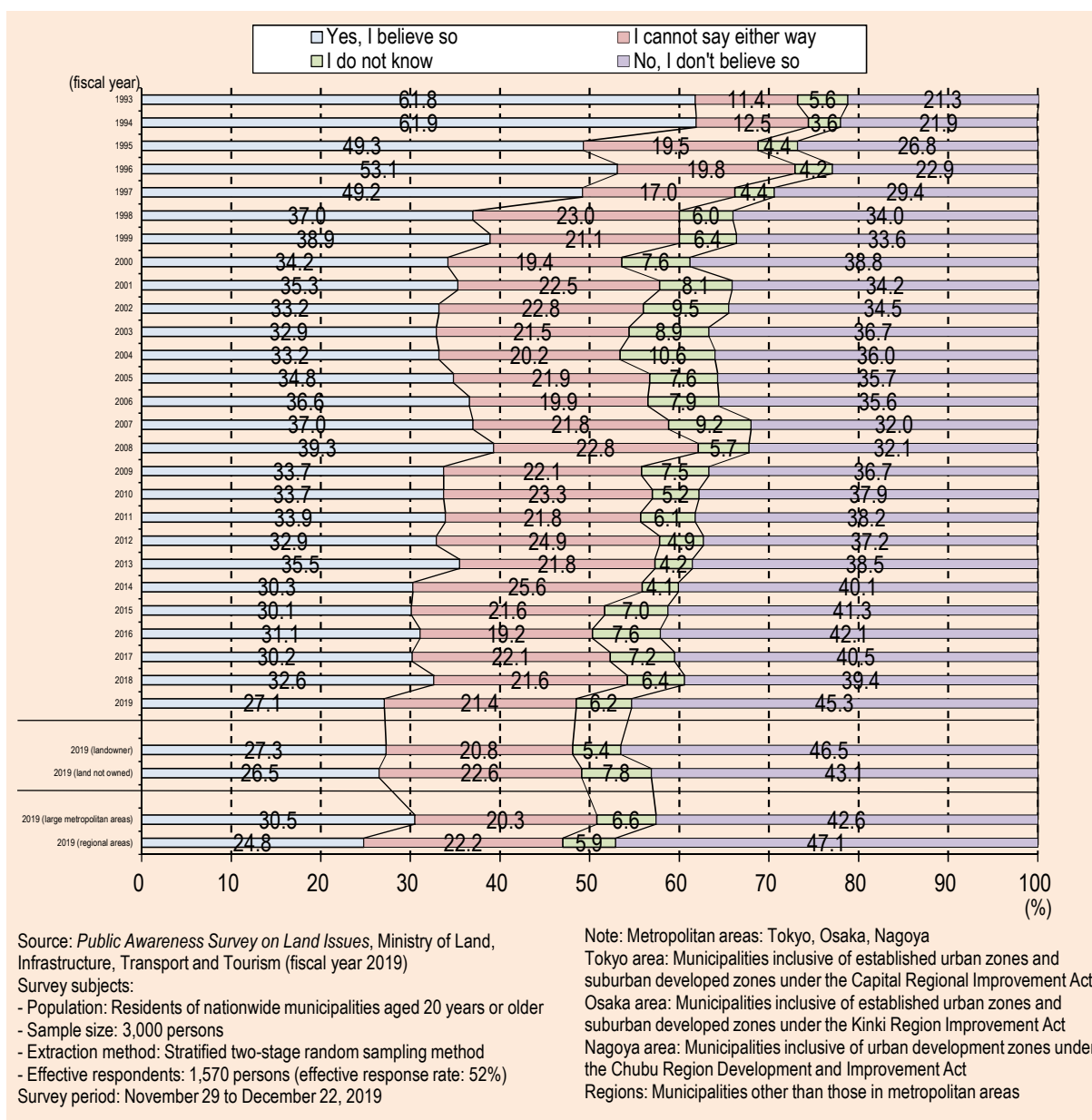


Section 6: Awareness of the ownership, use, and management of land and real estate

(Awareness of land and real estate on the part of the public)

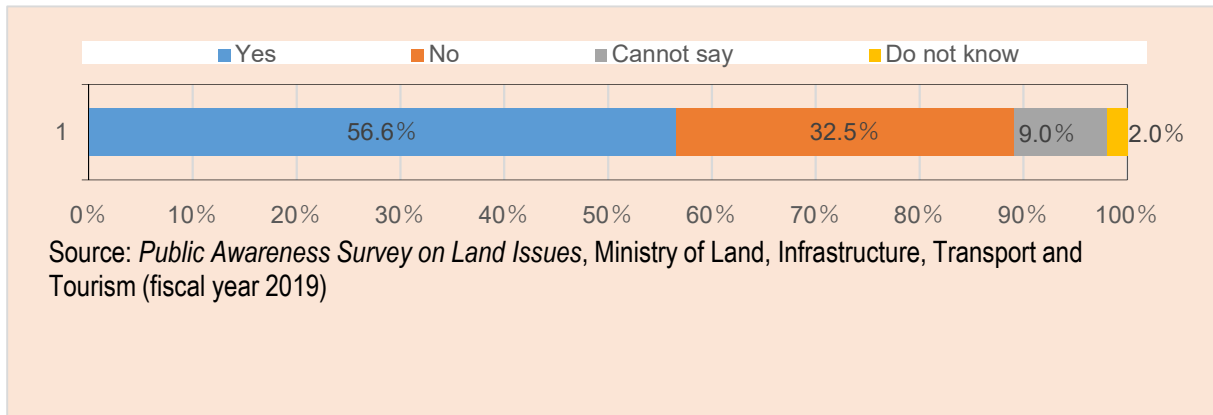
According to the *Public Awareness Survey on Land Issues* as conducted annually by the Ministry of Land, Infrastructure, Transport and Tourism, more than 60% of respondents indicated “Yes” in fiscal years 1993 and 1994 when asked whether land was a more advantageous asset than deposits and shares; however, this figure declined to a little over 30% in recent years. In 2019, 27.1% of respondents indicated “Yes” (5.5% year-on-year decrease), the lowest this figure has reached since this survey began to be conducted. While a little over 20% of respondents indicated “No” to this question in fiscal years 1993 and 1994, this figure hovered around 40% in recent years. In 2019, 45.3% indicated “No” (5.9% year-on-year increase), the highest this figure has reached since this survey began to be conducted.

Figure. *Is land a more advantageous asset than deposits and shares?*



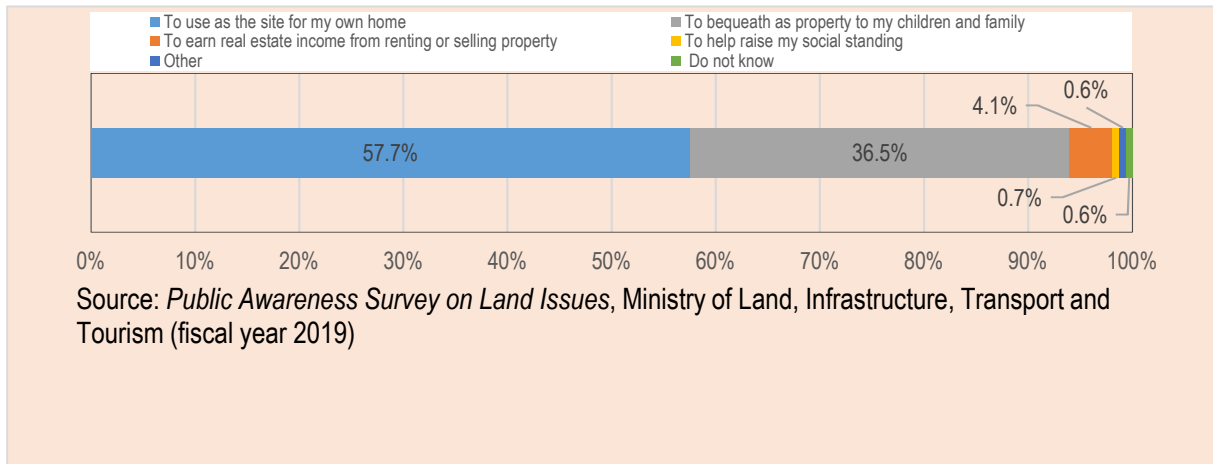
The percentage of respondents who indicated “No” when asked whether they want to own land was 56.6%, which meant that a majority of respondents indicated the desire to own land. In contrast, 32.5% of respondents indicated “No” to this question.

Figure. Do you want to own land?



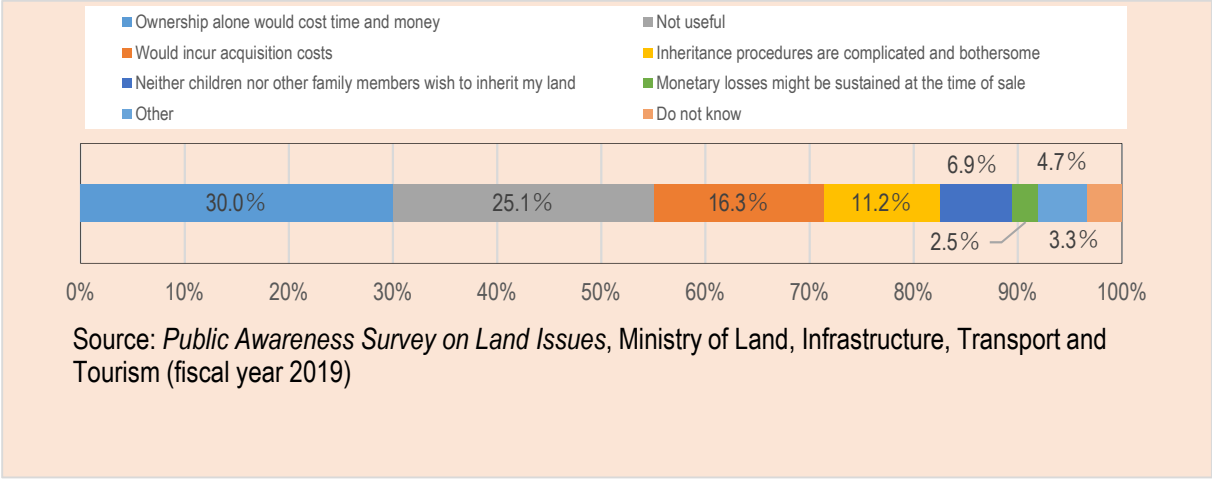
When respondents who indicated that they want to own land were asked to explain why, a majority of such respondents, at 57.7%, indicated that they wanted to use land as a site for their own home. This was followed by the intent to bequeath land as property to children and family, which was indicated by 36.5%, a significant percentage of such respondents.

Figure. Why do you want to own land?



Likewise, when respondents who indicated that they did not want to own land were asked to explain why, the belief that ownership alone would cost time and money was indicated by 30.0% of such respondents, followed by the belief that land was not useful, which was indicated by 25.1% of such respondents. These two responses accounted for more than half of all responses given by such respondents.

Figure. Why do you not want to own land?



Chapter 2: Trends surrounding the use and management of land in a society with a decreasing population

The population of Japan began to decline after peaking in 2008. Today, the country is becoming a society undergoing a full-fledged population decline. During the economic bubble era, comprehensive land measures were developed, including by way of the enactment of the Basic Act for Land and efforts to inhibit speculative land transactions, with a focus on land price measures implemented against the backdrop of soaring land prices. However, the situation surrounding land changed significantly as socioeconomic structures changed.

Under a state of high pressure to develop when the population was growing, regulatory methods related to the promotion of business, the supply of housing, and the use of urban land based on plans were effective in order to ensure the optimal use of land. As the population shrinks and land use needs as a whole decline, however, it is important to promote the optimal use of land in accordance with land conditions by stimulating and inducing land use through incentives, promoting investments, and facilitating transactions while promoting planned urban development and regional development in hopes of achieving economic growth, revitalizing regions, and forming a safe and sustainable society. In order to ensure the optimal use of land, we need to accurately ascertain new demand and promote urban revitalization and regional revitalization measures and other measures to induce the effective use of land and to help facilitate transactions. In particular, we need to make effective use of underutilized land by eliciting potential value through the consolidation and reorganization of land, the separation of ownership, usage, and management, and utilization through various applications.

In addition, the decline in land use needs and dilution of the awareness of land ownership against the backdrop of a shrinking and aging population are causing various problems, including vacant lots, vacant houses, and other examples of underutilized real estate and improperly managed land that we cannot expect will be suitably utilized and managed by owners. It is possible that land that is highly unlikely to be used even in a potential sense will not be properly managed, which in turn could worsen the living environment of neighboring residents and negatively affect the use of surrounding land and handling in times of disaster. Thus, we will need to resolve such issues and implement specific measures to prevent land from falling into a state of improper management.

Under these circumstances, the Basic Act for Land was amended in March 2020 to restructure land policies for a society with a shrinking population from the standpoint of putting in place measures for land plots with unknown owners. Measures concerning land will be comprehensively promoted under a Basic Land Policy that was newly formulated in May of the same year in accordance with the revised statute.

In this chapter, we will take advantage of the revisions made to the Basic Act for Land and look at initiatives for utilizing land and real estate through the accommodation of new demand and the stimulation of demand in Section 1 and at the current state of the improper management of land and initiatives related to the proper use and management of land in Section 2 as a way of examining trends surrounding the use and management of land in a society with a shrinking population. Finally, in Section 3, we will break down the contents of the amendments made to the Basic Act for Land and the comprehensive land policy that is based on the Basic Land Policy.

Section 1: Responding to new demand and initiatives for utilizing land and real estate through the boosting of demand

Even in a society with a shrinking population, recent years have seen efforts made to utilize land and real estate to maintain and improve the vitality of regions by strengthening competitiveness and improving the appeal of cities, revitalizing local industries, creating jobs, and maintaining and improving local services through urban revitalization, regional revitalization, and other such measures.

In addition, initiatives to effectively utilize idle land in accordance with diverse business needs and initiatives to supply housing to accommodate the lifestyles and work styles of different generations and various types of households are being carried out in the private sector through the precise accommodation of new demand arising from changing lifestyles and work styles and actions to match such demand with usable land and real estate through online channels.

In this section, we will examine efforts to utilize land and real estate by way of the accommodation of new demand and stimulation of demand as seen in recent years.

1. Initiatives for utilizing land and real estate in order to maintain and enhance regional vitality

(1) Initiatives for reinforcing the competitiveness and improving the appeal of cities

In recent years, large-scale urban redevelopment projects at and around terminal train stations primarily in large cities have been undertaken as initiatives to strengthen the competitiveness and improve the appeal of cities by forming attractive urban hubs capable of luring companies and people from overseas.

Here, we will examine initiatives being carried out in the area around Shibuya Station (Tokyo), where urban space is being rebuilt through the redevelopment of a terminal train station and a large-scale redevelopment project; the area around Shinagawa Station (Tokyo) and the area around Nagoya Station (Nagoya City), where the Linear Chuo Shinkansen is being developed and urban development projects around new stations are proceeding; and the area around Tenjin Station and Hakata Station (Fukuoka City), where urban development is taking place through inducements to rebuild aging buildings into high value-added structures.

○Upgrading a terminal train station and undertaking the large-scale redevelopment of the area around a train station (Shibuya Ward, Tokyo)

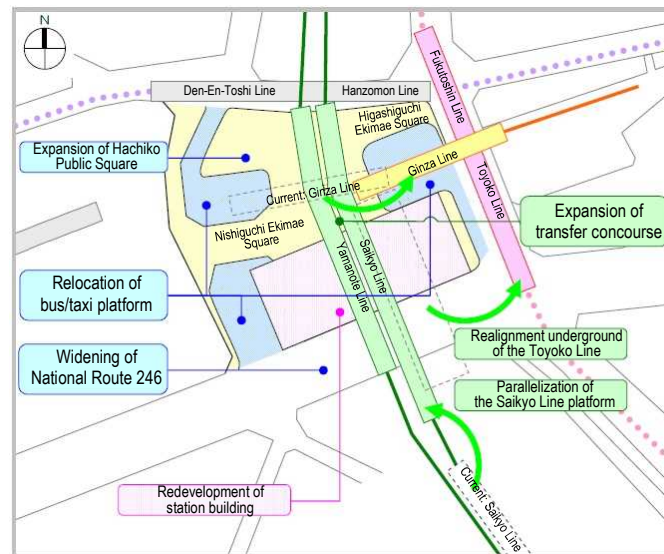
In Shibuya, a sub-center of Tokyo, a project is underway to rebuild the area around Shibuya Station as a new example of an urban space by way of the redevelopment of Shibuya Station, a terminal train station, and the surrounding urban infrastructure and the development of large-scale redevelopment buildings.

The urban infrastructure of the area around Shibuya Station has been developed through rapid urbanization since the Meiji era, the opening of Shibuya Station, and land readjustment projects carried out to help the area recover from disasters and war. Today, however, deterioration and aging have brought about a need to improve safety and disaster prevention, accommodate traffic demand, and enhance convenience.

Given such circumstances, the area around Shibuya Station was designated an Urban Revitalization Emergency Development Area in December 2005. Shibuya Ward formulated the Shibuya Station District Infrastructure

Development Policy in June 2008 to kick start a project to rebuild the urban infrastructure through the expansion of roads, enlargement of plazas, and reorganization and enlargement of railway stations.

Figure. Outline of development in the Shibuya Station District Infrastructure Development Policy



Source: Shibuya Ward, Tokyo

At the same time, the area around Shibuya Station is home to many embassies and is attractive as an international tourism destination city visited by countless foreign tourists and is also an area with a large concentration of content and creative industries that can be credited with creating and distributing forms of culture and information that are ahead of the times.

In December 2011, the area around Shibuya Station was designated an International Strategic Comprehensive Special Zone (Asia Headquarters Special Zone) with the aim of inducing multinational firms to set up Asian headquarters here. In January 2012, this area was designated a Specific Urban Revitalization Emergency Development Area to promote urban revitalization with a view to further reinforcing international competitiveness through the formation of an international business hub.

Under these circumstances, multiple large-scale redevelopment projects were launched in the area around Shibuya Station. Among the first out of the blocks, the Shibuya Hikarie project (completed in March 2012) is a high-rise complex built on the site of the Tokyu Bunka Kaikan (opened in December 1956), which was shuttered and demolished in June 2003 to address the issue of aging buildings, enable underground construction of the Tokyu Toyoko Line, and facilitate the opening of the Tokyo Metro Fukutoshin Line.

Figure. Examples of redevelopment buildings

Shibuya Hikarie



Shibuya Scramble Square



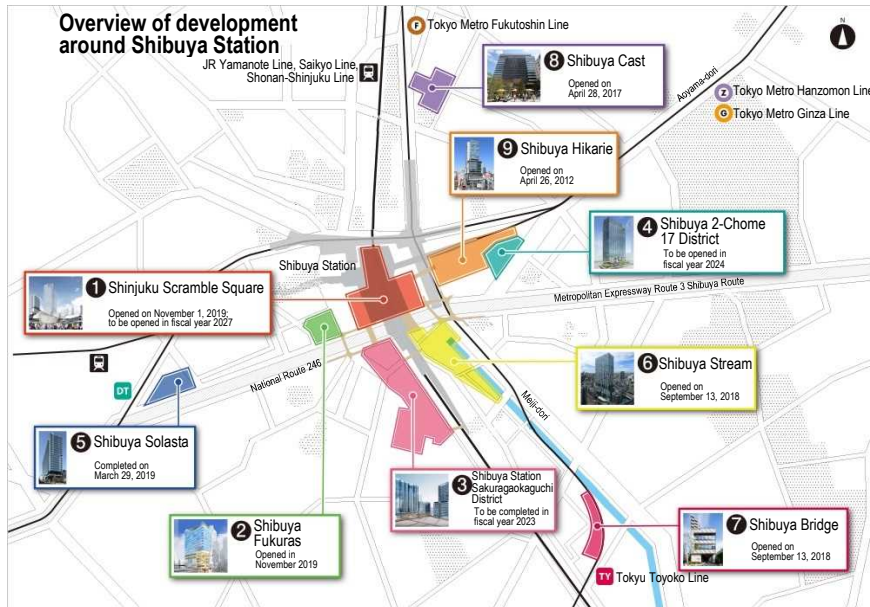
Source: Tokyu Corporation

In addition, various projects have helped improve the convenience of this area as a traffic node for the city and contributed to the revitalization of all of Shibuya through improved integration in terms of accessibility with surrounding districts and the creation of a bustling environment. This has been done in part by way of the opening of Shibuya Stream (completed in August 2018), which was built on the former site of railway tracks that used to run across the southern part of the former Shibuya Station platform used by Tokyu Toyoko Line trains; Shibuya Scramble Square (East Block) (completed in August 2019), which was built atop Shibuya Station; and Shibuya Fukuras (completed in October 2019), which was built on the former site of Tokyu Plaza Shibuya (opened in June 1965).

Only the east block of Shibuya Scramble Square had opened in the first phase of this project by the end of March 2020. In the future however, the central block and west block are slated to be completed in 2027 in the second phase of this project on the former site of the Toyoko Branch of the Tokyu Department Store (which opened in November 1934), which closed in March 2020.

Along with the construction of complex buildings in which homes, offices, and stores are housed, the Shibuya Station Sakuragaokaguchi Area Type I Urban Redevelopment Project, which is designed to eliminate local divisions attributed to differences in elevation and the presence of railways and highways, is set to be completed by 2023 by connecting nearby hilly areas with Shibuya Station through barrier-free modes of access. In addition to rebuilding aging buildings, construction work on the main part of the Shibuya 2-Chome District 17 Urban Redevelopment Project, which is designed to also reinforce a network of pedestrian spaces adjacent to Shibuya Hikarie, is slated for completion in October 2020. In these and other ways, once-in-a-century redevelopment projects in the area around Shibuya Station continue to be undertaken.

Figure. Overview of development around Shibuya Station



Source: Tokyu Corporation

○Development of the Linear Chuo Shinkansen and urban development around new stations (Shinagawa Ward, Tokyo, and Nagoya City, Aichi Prefecture)

The Linear Chuo Shinkansen, which will allow people to travel between Tokyo and Nagoya in approximately forty minutes and between Tokyo and Osaka in approximately an hour, is under construction in hopes of having the section between Tokyo and Nagoya opened for operation by 2027. Work to construct new stations and have areas around these stations undergo urban development is underway.

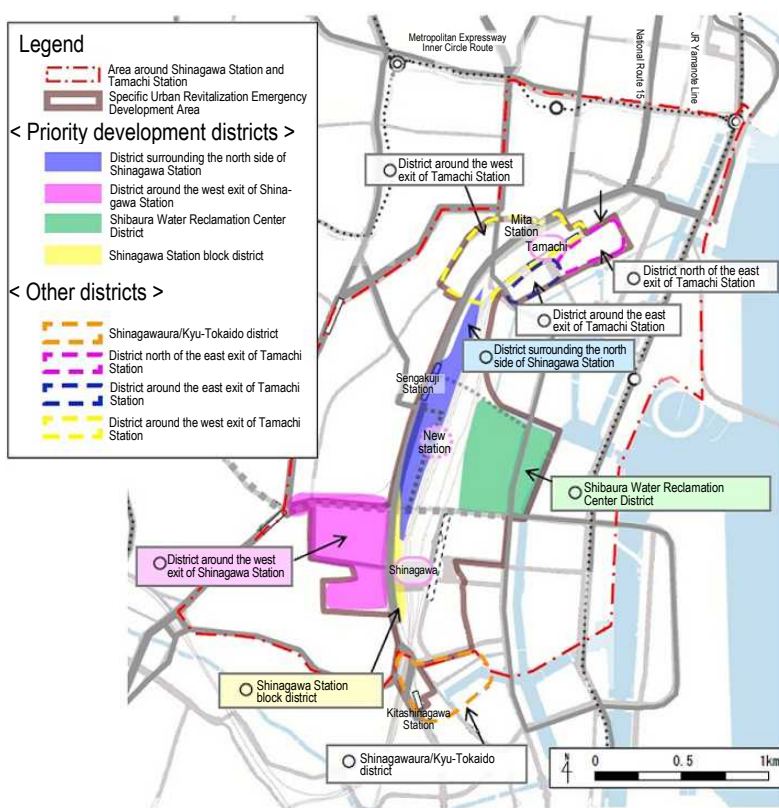
As the starting station for the Linear Chuo Shinkansen, Shinagawa Station is a departure and arrival station for, among other lines, the Tokaido Shinkansen and various JR lines. Since this station is also highly convenient in terms of accessing Haneda Station, the area around Shinagawa Station is expected to develop into a domestic and international gateway. Designated an International Strategic Comprehensive Special Zone known as the Asian Headquarters Special Zone, this area has also been designated a Specific Urban Revitalization Emergency Development Area for which urban revitalization is being carried out with a view to forming a hub of international interactions.

Functioning as an international business hub and hub of regional interactions, Shinagawa Season Terrace (completed in February 2015) is situated next to a new station set up for the Linear Chuo Shinkansen and constitutes a complex that includes offices, commercial enterprises, and conference space built by utilizing a three-dimensional urban planning system and establishing a leasehold right over artificial ground developed atop an underground rainwater retention facility that is used as an element of the sewage system in conjunction with the performance of repairs on the Shibaura Water Recycling Center, a sewage treatment plant in Tokyo. This facility is a building that boasts exceptional environmental performance made possible by the adoption of a heat-supply system based on the use of sewage heat and the proactive use of energy-saving equipment and natural energy

sources. Approximately 35,000 square meters of green space has been planted on the artificial grounds in front of this facility in order to contribute to the development of a favorable surrounding environment.

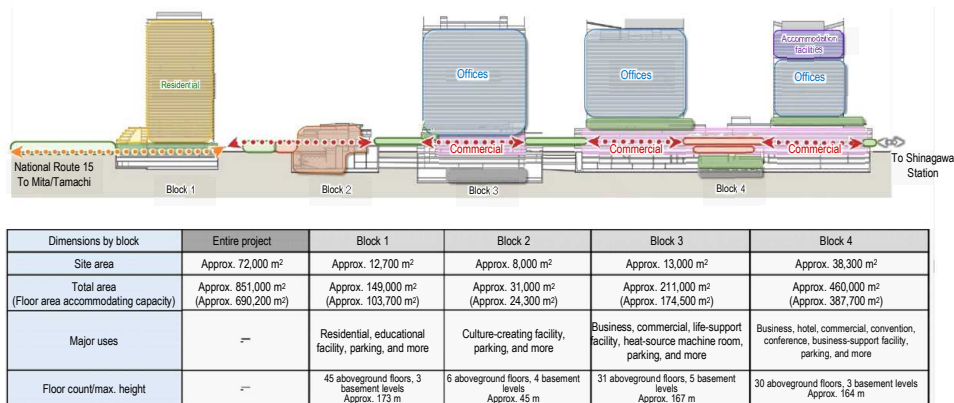
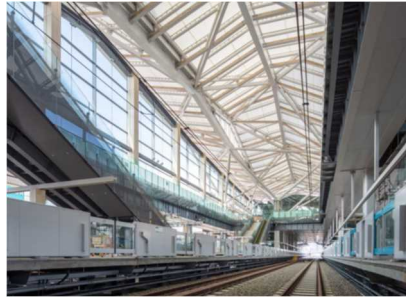
In addition, land readjustment projects have been carried out on the former site of the JR Shinagawa rolling stock yard since fiscal year 2016. Within this project zone, the Takanawa Gateway Station, a new urban gateway for the area north of Shinagawa Station where trains operating on JR East's Yamanote Line and Keihin Tohoku Line arrive at and depart from, was tentatively opened in March 2020. With the aim of inaugurating this new area in around 2024, construction work is proceeding on parts of the station that remain closed to the public, residential and accommodation facilities, culture-creating facilities, and business-support and exchange facilities that meet international standards.

Figure. Map of area around Shinagawa Station



Source: Tokyo

Figure. Facilities project for Takanawa Gateway Station and the surrounding area



Source: East Japan Railway Company

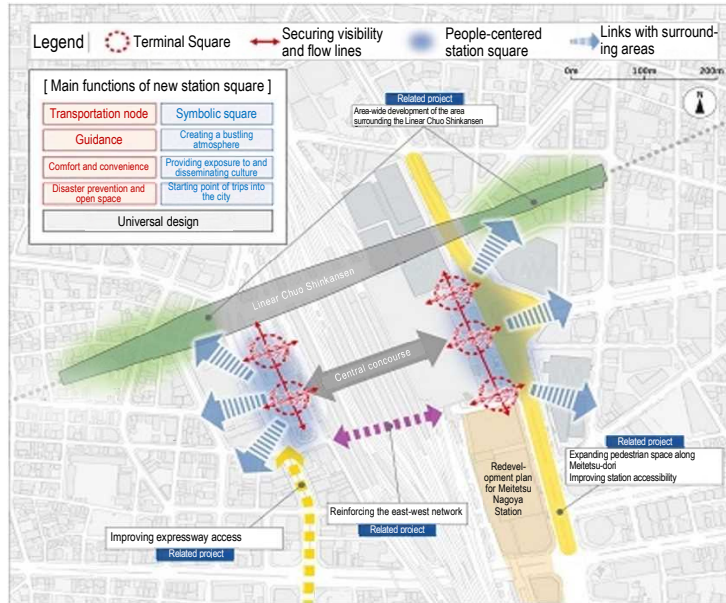
In addition, the area around Nagoya Station, which will be the terminal station for the section of the Linear Chuo Shinkansen to be initially operated in 2027, was designated a Specific Urban Revitalization Emergency Development Area in 2012. Urban revitalization is proceeding in an effort to create a safe and secure international and wide-area commercial and business hub that is suitable as a gateway to Nagoya through, among other actions, the updating of aging buildings and other structures.

In the area around Nagoya Station, large-scale redevelopment projects—including JP Tower Nagoya (completed in November 2015), which was built on the site of the former Nagoya Ekimae Branch Office of the Nagoya Central Post Office, and JR Gate Tower (completed in February 2017), which was built on the site of the decrepit former Nagoya Terminal Building—are being undertaken.

The premises of both adjacent facilities have been redeveloped in an integrated manner through the development of the Nagoya Station Bus Terminal on the first floor and the implementation of a configuration allowing for a direct connection to Nagoya Station, thereby contributing to improvements made to the ease with which people can move through and around the surrounding area.

In addition, redevelopment of the Meitetsu Nagoya Station area has been planned to coincide with the opening of the Linear Chuo Shinkansen in 2027. Along with the formation of highly convenient terminal functions through the comprehensive and functional expansion of Meitetsu Nagoya Station and the development of the Meitetsu Bus Terminal in a way that enables highway bus routes to be consolidated and restructured, the construction of an ultra-large aboveground complex will be carried out in order to foster a dynamic environment that is linked to the surrounding areas through the harnessing of the attributes of a site that extends along a north-south axis.

Figure. Map of area around Nagoya Station



Source: Nagoya City

Figure. Examples of redevelopment buildings

JP Tower Nagoya

JR Gate Tower

Perspective illustration of the Meitetsu Nagoya Station District Redevelopment Project



Sources: Nagoya City, Nagoya Railroad Co., Ltd.

○Urban development through inducements to rebuild buildings into high value-added structures in the city center (Fukuoka City, Fukuoka Prefecture)

Fukuoka City in Fukuoka Prefecture has evolved over time into a wide-area marquee city associated with Kyushu and Asia and has become a leading economic hub in Japan thanks to clusters of operations and commercial functions primarily situated in parts of the city center, including the areas around the Tenjin and Hakata stations.

However, it is time for the city center to undergo a renewal given that private sector buildings supporting the functions of this part of this city are aging. Thus, urban development based on the upgrading of functions designed

to reinforce the functions and enhance the appeal of a city center imbued with advanced urban functions is essential.

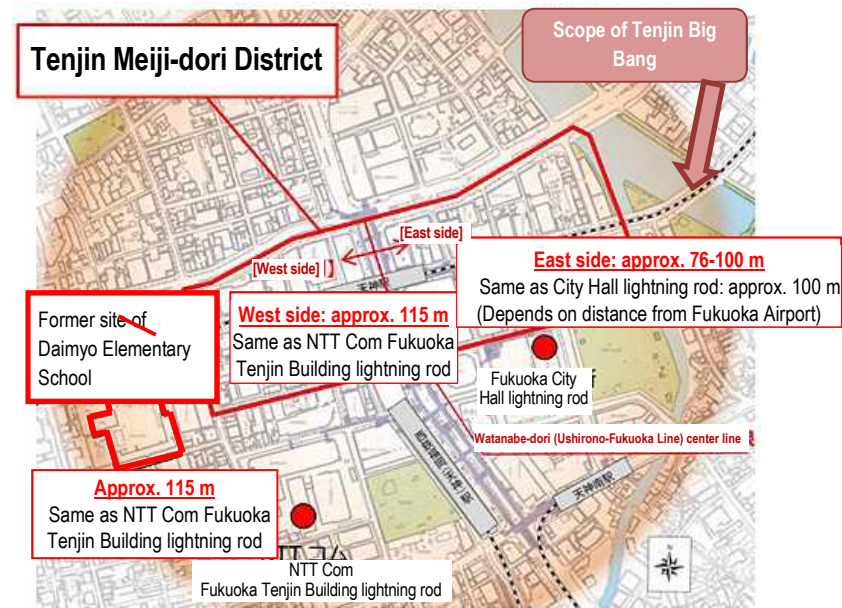
In response to this situation, the city formulated the Policy to Induce the Upgrading of City Center Functions in 2008 and has set out to promote urban development to reinforce the functions and enhance the appeal of the city center through a program to ease floor area ratio restrictions. With the aim of supporting business start-ups and the creation of jobs and revitalizing the economy through new corporate clusters as a means of fortifying the international competitiveness of cities, a proposal related to national strategic special zones (hereinafter referred to as “National Strategic Special Zones”) for the country was made in September 2013. The area was then designated a Global Business Start-Up and Job Creation Special Zone in May 2014 and a zone plan was approved in September later that year.

In the National Strategic Special Zones, a variety of different special measures have been implemented to strengthen international competitiveness and achieve other such goals. In a city center located close to an airport, buildings that can be built are usually subject to height restrictions pursuant to the Civil Aeronautics Act. In order to have such height restrictions eased when building a high-rise building, developers must have each building approved as a building that will not especially jeopardize the operations of flying aircraft by going through an application and examination process. In response to these circumstances and in order to accelerate the rebuilding of private sector buildings in city centers, a special area-by-area approval system was introduced to enable procedures to be rapidly carried out for the granting of approval through the presentation of a given height deemed acceptable for aviation safety as a benchmark for an entire area.

Furthermore, the city has been promoting projects for the Tenjin area and the area around Hakata Station known as the Tenjin Big Bang and Hakata Connected, respectively. Along with the utilization of a special approval system related to height restrictions under the Civil Aeronautics Act, a system enabling an increase in the floor area ratio of up to 50% by way of easing floor area ratio regulations enforced under existing systems for buildings featuring attractive design elements or otherwise satisfying certain certification requirements has been established. In this and other ways, developers are being encouraged to rebuild such buildings into advanced buildings with exceptional levels of quake resistance while mustering forth private sector vitality to the maximum extent possible.

Over the ten-year period from 2015 to 2024, guidance for rebuilding thirty buildings (a numerical target as announced at the time of a press release issued on February 24, 2015) will be issued for the Tenjin Big Bang project. Over the decade spanning 2019 to 2028, guidance for rebuilding twenty buildings (a numerical target as announced at the time of a press release issued on January 4, 2019) will be likewise issued for the Hakata Connected Project. Pursued in an integrated manner will be various tangible and intangible measures, including the following: reduced numbers of mandatory attached parking spaces through reviews of parking lot systems, the priority referrals of tenants to certified buildings, the provision of support by local financial institutions to certified buildings and tenants, tax measures where head office functions are relocated or expanded to the city, and the introduction of road-occupying projects designed to facilitate the use of public space. In this way, the enhancement of the business environment and the creation of jobs in the city center will be promoted.

Figure. System for easing height restrictions and floor area ratio restrictions in the Tenjin District of Fukuoka City



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on materials published by Fukuoka City

Figure. Building rebuilding projects being carried out in the Tenjin Big Bang



[Tenjin Business Center (tentative name)]

Source: Fukuoka Jisho R&I Co., Ltd.



[Project to utilize the site of the former Daimyo Elementary School]

Source: Sekisui House Ltd.

(2) Initiatives to revitalize local industries and create jobs

In regional cities where population decline is progressing at a rapid pace, the use of land and real estate is being pursued as a measure to revitalize local industries and create jobs with the aim of curbing the outflow of the resident population and promoting migration.

In this section, we will address an initiative to promote the accumulation of related companies and the cultivation of human resources as an approach to urban development based on the use of ICT (information communication technology) and environmental technologies, an initiative to promote urban development to accompany the partial relocation and enhancement of the functions of the head offices of private sector companies, an initiative to promote community development involving the revitalization of a hot spring town as a tourism area, and an initiative to promote urban development that takes the revitalization of industries based on the use of forestry resources and related environmental matters into account.

○Urban development through collaborations with universities and measures to attract ICT companies in an effort to create a smart city (Aizuwakamatsu City, Fukushima Prefecture)

In Aizuwakamatsu City, Fukushima Prefecture, urban planning based on the theme of converting the municipality into a smart city is being carried out in order to create a strong local community that is both persistent and resilient and that will enable people to live comfortably with peace of mind through the use of ICT and environmental technologies across various fields, including health, welfare, education, disaster prevention, energy, transportation, and the environment.

In addition, amid concerns over the significant outflow of the working-age population into Tokyo and other large metropolitan areas and declines in consumption and economic power, the city formulated a Comprehensive Strategy for the Cultivation of Communities, People, and Work in April 2015 and has implemented various measures designed to bring together members of the analytics industry and ICT-related companies in conjunction with efforts to engage in regional revitalization.

Specifically, the University of Aizu, which is situated in Aizuwakamatsu City and which constitutes the first Japanese university to specialize in ICT, is working to cultivate human resources in the area of analytics (data scientists) with the cooperation of companies possessing specialized knowledge. In October 2015, the University of Aizu established LICTiA, an advanced ICT laboratory made up of, among various elements, an innovation-creating space where researchers, students, and corporate stakeholders can interact, a cybersecurity war room equipped with radio wave shielding features to facilitate advanced ICT research projects and research projects in the field of security, and a data center for the installation of ICT equipment used for research projects. This laboratory is being used to carry out research projects, cultivate human resources, and attain other noteworthy goals.

In addition, Aizuwakamatsu City is working on an ICT office environment development project to develop attractive office environments to facilitate work by ICT-related companies in the Tokyo metropolitan area with the aim of helping to maintain and foster local vitality through efforts to create new opportunities for the movement and employment of people, encourage young people to establish local roots, and increase the size of the nonresident population by way of the accumulation of ICT-related companies in the city. In April 2019, Smart City AiCT, an ICT office, was opened.

This facility includes an office block housing eighteen ICT-related companies (as of the end of March 2020). On each floor, a salon or lounge serves as an open space where tenant companies can interact and meet with one another.

An attached interaction block has space where events and meetings can be held, as well as a café and co-working space that can be casually used by persons belonging to tenant companies, local residents, and tourists. Set up outdoors are a terrace that can be used as a setting for discussions and work and a pocket park that can be used as an event space. The entire facility is designed to promote interactions between companies and between companies and the community with a view to bringing forth new examples of innovation and new business opportunities.

Figure. Smart City AiCT, an ICT office building complex



[Exterior: (right: office block; left: interaction block)]



[Lounge in the office block]



[Terrace]

Source: Aizuwakamatsu City

○Urban development triggered by the opening of a Shinkansen line and the relocation of companies to outlying regions and the fortification of their functions (Kurobe City, Toyama Prefecture)

In Kurobe City, Toyama Prefecture, urban development based on public-private partnerships is being promoted as the Hokuriku Shinkansen opens and the head offices of private sector companies are being partially relocated from Tokyo and fortified.

YKK Co., Ltd. (headquartered in Chiyoda Ward, Tokyo) has been setting up its research and development division and manufacturing sites in Kurobe City ever since the Kurobe Plant (now the Kurobe Office) of the company's predecessor, Yoshida Kogyo Kabushikigaisha, began operations in May 1955. The YKK Center Park, which was created on the premises of the Kurobe Office in September 2008, includes the Maruyane Exhibition Hall, which chronicles the history of manufacturing on the part of the YKK Group, and the Hometown Sakura Forest, which comprises approximately 20,000 seedlings representing twenty different species. These are open to the general public in order to nurture a relationship of symbiosis and coexistence with the local community.

Motivated in part by the Great East Japan Earthquake, YKK is also planning to relocate some of its head office functions to Kurobe City in order to maintain business continuity and functions. The company relocated some 230 employees in July 2016 and has been reinforcing the functions of its local base as a core part of the company by taking advantage of Toyama Prefecture's own subsidy measures for companies willing to relocate head office functions from Tokyo to the prefecture in accordance with the local revitalization plan formulated by Toyama Prefecture in October 2015 (a plan to promote regional relocation and the fortification of bases on the part of companies helping to revitalize the future of Toyama).

In addition, group company YKK AP Co., Ltd., has also been enhancing the functions of its base for the YKK Group by building the YKK AP R&D Center, a research and development site for consolidating research and development work and the company's testing and validation departments in the prefecture on the premises of its Kurobe-Ogyu Factory in April 2016.

With the opening of the Hokuriku Shinkansen, Kurobe City is working on urban development projects through the development of the plaza in front of Ainokaze Toyama Railway-Kurobe Station, the consolidation of urban functions in the city center, and the creation of a bustling urban hub. Amid these changes, YKK Co., Ltd., established K-Town and K-Hall in order to revitalize the area around the front of the station and create a lively environment in front of Ainokaze Toyama Railway-Kurobe Station from 2016 to 2017. K-Town is a downtown-type dormitory comprising a collection of twenty-five small shared housing structures (four units per structure) used as an alternative to the YKK Group's aging company-owned dormitories for unattached employees. Made up of three districts known as District A, District B, and District C, K-Town was built in accordance with height restrictions in a way that allows it to blend in nicely with its surroundings. Park-like vegetation and paths to permit people to navigate their way through these districts have been put in place to help create a positive residential area that exists in perfect harmony with other residential areas in the neighborhood.

K-Hall is both a shared facility that operates as the dormitory cafeteria and lounge and a complex that was developed on a site facing the plaza in front of Kurobe Station inside K-Town in a way that allows it to also be used by local residents. A convenience store and other businesses operate on the first floor and large and small multipurpose halls can be found on the second floor. These elements contribute to the creation of a bustling space in the area around the front of the station that is open to the community.

Group company YKK Fudosan Co., Ltd., is developing a housing complex based on the use of geothermal heat, biomass heat, solar heat, and other forms of natural energy on the site where the company's company housing used to stand and a commercial complex that will include a café, daycare center, and more as part of a project known as the Passive Town Kurobe Model. By 2025, 250 dwellings are expected to be built. As of the end of March 2020, 117 dwellings in districts 1 through 3 have been completed. In this way, this project is helping improve the vitality of the city center and attract young people and other new members of the resident population.

Figure. K-Town, K-Hall



[Overall map of K-Town]



[B Block, K-Town]



[K-Hall]

Source: YKK Corporation

○Community development undertaken to revitalize a tourism area through public-private partnerships (Nagato City, Yamaguchi Prefecture)

In order to revitalize its hot spring district, which has been attracting fewer and fewer staying guests, as a tourism area, Nagato City, Yamaguchi Prefecture is engaged in community development projects based on the use of local resources found in its hot spring district through public-private partnerships by seeking to lure private sector companies that are expanding nationwide.

At around the end of the Showa era (1989), the Nagato Yumoto Onsen hot spring district in Nagato City was booming as a hot spring resort that drew about 400,000 guests a year. Because of an inability to adapt to a shift in travel styles as people went from traveling in groups to traveling as individuals, the district saw guest numbers drop in recent years to half of what they were during the peak period, as well as closures of long-established inns situated in the center of the hot spring district and a shrinking roster of shops operating in this location.

Given the risk that leaving abandoned inns in a state of ruin amid these circumstances would negatively affect the city's tourism industry, Nagato City acquired the land on which these inns sit, and the local association of inns proceeded to demolish existing buildings. Subsequently, Hoshino Resort Co., Ltd., which operates resort facilities nationwide, concluded an expansion agreement with the municipal government in April 2016. In possession of a wealth of knowledge concerning hot spring districts, the company was then commissioned to formulate a Nagato Yumoto Onsen Master Plan. In August 2016, a tourism and community development plan for the Nagato Yumoto Onsen was finalized.

In this plan, a goal was set forth to have the resort listed in a ranking of the top ten most popular hot spring resorts in the country by analyzing elements of attractive hot spring towns and engaging in initiatives based on the use of resources in the possession of Nagato Yumoto Onsen. In accordance with this plan, the government developed streets, walkways, parking lots, and other elements of public infrastructure and a course towards the realization of a unified streetscape based on the Nagato Yumoto Onsen Scenic Guidelines and Nagato City Scenic Ordinance was pursued. Moreover, specific actions carried out by private sector enterprises based on this plan resulted in the opening of new accommodation facilities built on the sites of dilapidated inns by Hoshino Resort Co., Ltd., and the conversion of public outdoor baths into private facilities connected to dining facilities by local operators.

Furthermore, in revitalizing this hot spring district, it will be important for tourists to be able to travel around the city. To this end, a riverside square and elevated stone path were created by Yamaguchi Prefecture as a way to develop space that enhances visitors' connection to the Otozure River, which runs through the hot spring district. With the area designated a city and regional reclamation zone, riverside terraces for private use have been established, the use of road space based on the use of the road cooperation group system is being promoted, and

landscaping support for the exterior facades of existing stores and homes is also being provided as part of initiatives for landscape development. In addition, private sector investment activities are also picking up, as can be seen in efforts by local businesses to renovate vacant homes for use as cafés, souvenir shops, and share houses for inn workers to allow tourists to enjoy dining and shopping in the area.

Such initiatives to develop this tourism area have been primarily spearheaded by the Nagato Yumoto Onsen Tourism Area Development Promotion Council, an organization consisting of local residents, business officials, and experts that makes decisions on implementation policies, and the Nagato Yumoto Onsen Tourism Area Development Design Council, an organization that submits concrete proposals to the Promotion Council.

In order to promote the sustainable development of a tourism area in this hot spring district, progress was made in efforts to revitalize this hot spring district through, among other points of success, the formation of an area management group led by local next-generation inn managers and other such stakeholders in March 2020.

Figure. Examples of community development for the revitalization of a tourism area



[Accommodation facility based on the use of the former site of a now defunct hotel]



[Renovated outdoor bathing facility developed and run by a private sector company]



[Developed Riverside terrace]



[Café occupying a renovated vacant home]

Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on materials provided by Hoshino Resort Co., Ltd., and the Nagato Yumoto Mirai Project

○Revitalization of industry through the use of forestry resources and community development that takes the environment into account (Maniwa City, Okayama Prefecture)

Maniwa City, Okayama Prefecture, is a municipality where forests account for 80% of the city's area and that has developed primarily around the forestry and timber industries. This city has been working to revitalize local industries and to develop the community in a way that takes the environment into account by harnessing forests as a biomass energy resource amid concerns over the decline of the forestry industry due to changes in social conditions and over depopulation due to the declining birthrate and aging of the population.

With the population declining since peaking in 1975 and the level of interest in and awareness of global warming and other relevant issues increasing, the city aimed to revitalize its forestry industry by promoting shared values in

terms of sustainability and the mixing of the environment and culture and utilizing abundant local forestry resources and wood byproducts that are generated by lumber mills with a close connection to these resources.

In 1998, initiatives to realize attractive, sustainable living in hilly and mountainous areas were launched around biomass projects through the full-scale implementation of wood-chip biomass power generation based on the use by local companies of their own waste materials. In 2007, Maniwa City formulated the Maniwa City Biomass Town Plan and expanded initiatives with respect to biomass projects.

Furthermore, the Maniwa Biomass Power Generation Co., Ltd., was established in February 2013 by a consortium of local companies, Maniwa City, local forestry associations, and other stakeholders on the occasion of the launch of a fixed-price system for purchasing renewable energy in fiscal year 2012. A wood biomass power generation project was accordingly started in April 2015. A wood biomass power plant constructed on a section of the Maniwa Industrial Complex, where clusters of timber are situated, is capable of supplying power to 22,000 households based on typical electricity consumption patterns (3,600 kWh per year by a single household). Generated electricity is sold to electric utilities and supplied to municipal government offices and other public facilities. This power generation project has also contributed to the creation of new jobs.

In addition to revitalizing local industries and creating jobs, the Maniwa Tourism Federation has been offering Biomass Tour Maniwa, a program that allows visitors to tour facilities and plants that utilize biomass resources, since December 2006 as a new form of tourism. The Ochiai General Center (for which the 2016 Excellence Award for Wood-Using Facilities (Minister of Agriculture, Forestry and Fisheries Prize) was conferred), a public-use facility with a number of features that serve the public interest, is one of the facilities that visitors are introduced to on this tour. This facility was developed by repurposing an existing gymnasium using CLT, a locally manufactured construction material.

In order to create a high-value-added biomass industry, Maniwa City established, in collaboration with Okayama Prefecture, the Maniwa Biomass Laboratory, a base facility for engaging in joint research and development work on technologies with local and outside research institutes and universities and local companies and cultivating human resources capable of working in the biomass sector, in April 2010.

Recognized for integrated initiatives that bring together three aspects of people's lives—the economy, society, and the environment—through the use of these local resources, Maniwa City has been selected as an SDG Future City (city engaged in excellent initiatives for the attainment of sustainable development goals [SDGs]) as promoted by the Cabinet Office. The city's initiatives themselves have been selected as Model SDG Projects as Undertaken by Local Governments for their pioneering qualities. Local conditions are attracting attention as they apply to a regional revitalization model capable of giving rise to a recycling-oriented society through the promotion of the forestry and timber industries, creation of new industries, and the use of renewable energy.

Figure. Examples of community development initiatives based on the use of forestry resources



[Biomass collection site]



[Wood biomass power plant]



[Public interest-serving public facility built with local materials] (exterior)



(Library)

(3) Initiatives for revitalizing city centers and maintaining and improving local services

While the diminished vitality of city centers in regions and the loss of living support services and functions for residents due to a shrinking population are becoming problematic, efforts are being made to create thriving environments by consolidating urban functions and utilizing idle real estate and maintain and enhance local services through the formation of hubs for living.

In this section, we will examine an initiative to promote prosperous urban development through renovations of idle real estate in city centers; an initiative to promote urban development through the consolidation of such urban functions as those provided by medical, educational, and cultural facilities in an area around a municipal government office building in order to enhance local appeal and increase levels of convenience; an initiative to form local hubs of various functions through the use of large-scale public land; and an initiative to promote the establishment of sites with a view to improving the convenience of living and furthering exchanges in a mountainous area.

○Urban development through the renovation of idle real estate in the city center (Kitakyushu City, Fukuoka Prefecture)

Kitakyushu City, Fukuoka Prefecture, is working to revitalize the Kokura District's city center, which is currently facing numerous challenges, including an increasing number of vacant stores in shopping districts and the presence of aging buildings. The city is also promoting thriving urban development through the use of idle real estate made possible by renovations and the use of road space.

In fiscal year 2010, Kitakyushu City formulated the Kokura Yamori Plan, which sets forth a concept for promoting urban businesses based on the use of local attributes and a policy for the use of vacant offices, for the purpose of consolidating urban businesses representing various industries, including design, media, and urban tourism, in the Kokura District's city center.

In the Kokura Yamori Plan, urban development will be carried out by way of industrial promotion, job creation, and community revitalization made possible by revitalizing idle real estate through renovation. Renovation schools are positioned as engines for realizing the consolidation of urban businesses. Accordingly, the deployment of private sector-led renovation schools is making it possible to use specific vacant stores and other physical spaces through their renovation.

The first example for which renovation school activities played a prominent role involved the renovation of a part of a multi-tenant building that houses restaurants and other such establishments to allow the result to be used as a co-working space for creators. Fourteen other projects (as of the end of March 2020) in the Kokura District were subsequently carried out, the results of which include the following: a part of a building that used to house a cram school gave rise to space that came to be used for a kitchen-attached hostel and restaurant, space previously occupied by a massage parlor is now used as a temporary day care center, and a renovated site is being used as a day service center for stores situated in a collective housing complex.

Renovation-based urban development activities are being carried out not only in the Kokura District of the city but also in the Mojiko District and elsewhere. Initiatives undertaken through the activities of similar renovation schools are likewise being implemented throughout Japan.

The city is also promoting the concept of pedestrian-friendly urban development projects that are in line with the establishment of comfortable downtown settings designed to make people want to walk through them as endorsed by the Ministry of Land, Infrastructure, Transport and Tourism.

In the Kokura District of Kitakyushu City, regulations dictating the exclusive use to which roads are to be put have been relaxed as part of a national strategic road occupation project as set forth in the National Strategic Special Zone Act. The use of road space is helping foster a thriving urban environment by allowing markets where bread, vegetables, and natural foodstuffs can be sold and cafés can open and operate at night.

Figure. Examples of renovation in the Kokura District of Kitakyushu City

[Explanatory notes: (i) Pre-renovation use (ii) Post-renovation use]



[MIKAGE1881]

- (i) Restaurant (5th floor of multi-tenant building)
- (ii) Co-working space for creators

[Tanga Table]

- (i) Cram school (4th floor in a 6-floor building)
- (ii) Hostel and restaurant with kitchen

Source: Kitakyushu City

○Urban development through the consolidation of urban functions provided by medical, educational, and cultural facilities (Komoro City, Nagano Prefecture)

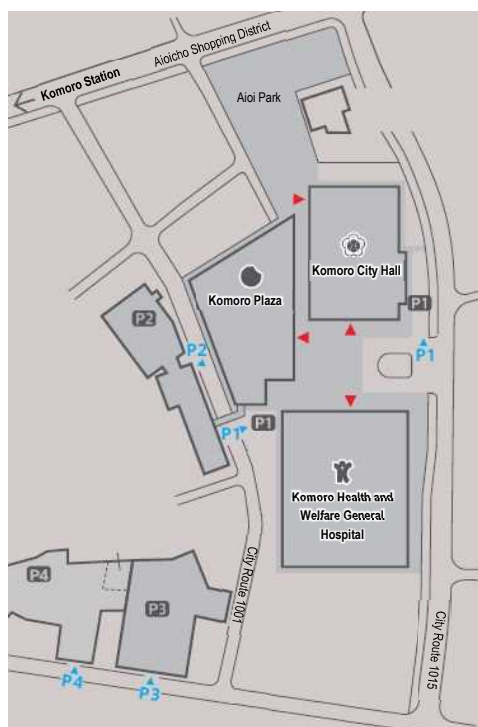
As the working-age population shrinks and the city center finds itself becoming hollowed out, Komoro City, Nagano Prefecture, is working to consolidate urban functions, such as those provided by medical, educational, and

cultural facilities around city hall, in order to enhance the appeal of the area by way of efforts to create a compact city and promote the development of an environment that is highly conducive to living for residents.

Formed in the area around Komoro Station, the city center was being hollowed out due in part to the relocation of commercial facilities to the outskirts of the city and an increase in the number of vacant stores. The revitalization of this part of the city had become a challenge and facilities situated in the center of the city, including the Komoro City Hall government office building, a library, a civic hall, and the Komoro Health and Welfare General Hospital (a core medical facility for the region), had been aging.

In this connection, the city planned to rebuild a city hall government office building and the Komoro Health and Welfare General Hospital next to one another on the premises of city hall and to develop a complex primarily consisting of a library and community space as part of the same project. In 2015, operations of the civic interactions center and civic library began within Komoro Plaza alongside the City Hall government office building. In 2017, the Asama Nanroku Komoro Medical Center (formerly Komoro Health and Welfare General Hospital) was newly constructed as a core hospital tasked with providing secondary emergency medical care on the same premises. Likewise, the chamber of commerce and industry along with facilities that make life more convenient, such as a post office and civic square, were also built. By also developing parking spaces in the basement below City Hall and in the surrounding area, efforts were made to improve the convenience of this area.

Figure. Map of area around Komoro City Hall



[Map of area around Komoro City Hall]



[New Komoro City Hall government office building]



[Komoro Plaza]



[Asama Nanroku Komoro Medical Center (Formerly Komoro Health and Welfare General Hospital)]

Source: Komoro City, Ishimoto Architectural & Engineering Firm, Inc.

In March 2017, Komoro City formulated the Komoro City Location Optimization Plan, which positioned the area around Komoro Station, where City Hall and various other urban functions are concentrated, as a central hub. The city has been accordingly working to form a multi-pronged network-type compact city that will systematically induce commercial facilities and other urban functions to help generate prosperity and that will prompt an organic public transportation network to establish links with surrounding areas. Under these circumstances, a development plan for a complex-type magnet hub was publicized in December 2017, according to which the city has been developing a complex comprising a childrearing support-providing and elderly welfare facility, commercial facilities, a public transit terminal, and a public parking lot slated for completion by the end of fiscal year 2020 in an area primarily made up of commercial facilities that were no longer in operation. In this way, work to further generate prosperity and improve convenience is being undertaken.

○Community development through public-private partnerships based on the use of a large-scale plot of public land (Shiwa Town, Iwate Prefecture)

In order to realize the creation of a thriving area and the development of economic activities, Shiwa Town, Iwate Prefecture, is engaged in community-development work through public-private partnerships based on the use of a large-scale plot of public land.

In February 2009, the town formulated the Shiwa Town Basic Public-Private Partnership Plan and determined that it would utilize a large-scale plot of town-owned land unused for more than a decade because of financial difficulties in order to develop education-, medical care-, and childrearing-related facilities; private facilities that will help expand a key industry in agriculture and create jobs; new government office buildings; and more.

In June 2009, OGAL Shiwa Inc. (hereinafter referred to as “OGAL Shiwa”) was established through a joint investment with private sector companies in order to develop these facilities in a way that would impose the smallest financial burden possible. The OGAL Project, a community-development project based on public-private partnerships centered on OGAL Shiwa, was accordingly launched.

In developing facilities, it was decided that the know-how and financial resources of private sector companies would be used to the maximum extent possible under an optimal division of roles between public sector and private sector actors by harnessing PFIs and PPPs as an approach to carrying out this project and procuring funds through the composition of primary contractors for each facility to be developed.

Emblematic of this project, OGAL Plaza is a complex consisting of public service facilities, such as a library, hospital, and childrearing support center, and private sector tenants, including restaurants, a cram school, and an agricultural market.

The development, management, and operations of facilities will be carried out by OGAL Plaza Inc., a specified purpose company (SPC) established through capital investments made by Shiwa Town, OGAL Shiwa, and the Organization for Promoting Urban Development. Development will be financed by loans received from municipal banks rather than by subsidies. Proceeds from the transfer of completed public service facilities to the town and tenancy proceeds through management related to private tenants with respect to actions undertaken to attract private tenants before the commencement of business are being secured and administered.

At the same time, the town has acquired new financial resources by lending land to OGAL Plaza Inc. through the establishment of a fixed-term land lease right for business purposes and acquired public service facilities at low cost through development undertaken by the town itself.

In addition, the OGAL Base, which houses Japan’s first volleyball-specializing gymnasium, a hotel that can accommodate more than one hundred guests, sellers of goods, restaurants, offices, and more, is a private sector complex developed using a fixed-term land lease right for business purposes according to business proposals put forth by the private sector. Facilities were developed by OGAL Base Inc., which was established through capital investments made by private sector companies in the town. The town’s new government office building, which was constructed using a private finance initiative (PFI) (build-transfer-operate (BTO) approach), was built using locally sourced timber to reduce costs and is one of the largest wooden government buildings in the country. It is also a building that is environmentally friendly thanks to the use of local resources made possible in part by adopting an area heat supply system based on the use of thinned timber provided by local private sector companies.

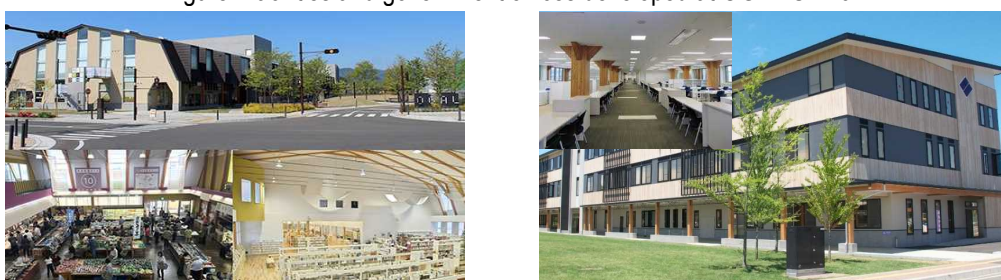
In addition, various functions—including a privately established and operated daycare center located next to a pediatric office and childcare facility for sick children situated on land owned by the town, a prefectural soccer center approved by the Japan Football Association, and a residential area built using locally sourced timber with lots sold by the town—have been built up here to form a new local hub.

Figure. Large-scale town-owned land (pre-developed) and a complete view of OGAL Shiwa



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on materials published by Shiwa Town and the National Association of Towns and Villages

Figure. Facilities and government offices developed at OGAL Shiwa



[Complex developed through public-private partnerships (PPP)]

[New government office building developed through a private finance initiative (PFI) (BTO approach)]

Source: Shiwa Town, OGAL Shiwa Inc., Shiwa Town Tourism Exchange Association

○Creating hubs for improving the convenience of living and promoting interactions in the community (Miho Village, Ibaraki Prefecture, and Unnan City, Shimane Prefecture)

In mountainous and hilly areas, there are places where the provision of various services needed for daily living by residents, such as shopping, medical care, and welfare, are hindered because of the population shrinks and ages. In order to maintain local communities and facilitate their sustainable development, small hubs where service functions for living and local activity sites can be consolidated, secured, and linked together through a transportation network are being developed.

Miho Village, Ibaraki Prefecture, lacks opportunities for employment and is shrinking in terms of population due to diminished levels of convenience. In 2015, a regional revitalization plan (Miho Village Revitalization Plan) was certified for the municipality. The Miho Fureai Plaza was then developed in March 2017 as a site for creating new jobs, securing service functions for daily living, and improving the attractiveness of the local area through the use of local resources.

Situated in the middle of the village where public government offices and other public facilities are concentrated, the plaza is a facility that includes a childrearing support center designed to encourage primarily young people to settle in the area, an information provision space to promote the idea of relocating from urban areas and settling in this area, an outlet for the direct selling of locally grown products, and space for next-generation interactions. In

order to attract a supermarket and further enhance services for residents next to the plaza, it was decided that efforts would be made to attract private sector commercial and service facilities in a two-phase plan.

Figure. Newly developed services for daily living, information dissemination, and an interactions hub (Miho Village, Ibaraki Prefecture)



[Community interactions hub (exterior)]



[Childrearing support facility (interior)]



[Outlet for the direct selling of agricultural produce (interior)]

Source: Miho Village

While it is also important to establish a sustainable management system in the course of creating smaller hubs, Unnan City, Shimane Prefecture, has developed activity hubs and has been working on establishing and reinforcing local autonomous organizations in charge of these sites.

In order to reinforce activity hubs operated by local autonomous organizations, the city abolished civic centers that had previously engaged independently in lifelong learning and social education programs in 2010 and undertook to develop new interaction centers as local activity hubs where various activities could be deployed, including activities related to community development and welfare.

Support through grants has been provided for the establishment of new local autonomous organizations capable of fortifying village-level functions in order to address the ongoing decline in the population. Consisting of local councils, PTAs, fire brigades, and other local groups, a total of thirty local autonomous organizations have sprung up throughout the city (as of the end of March 2020).

Established in 1982 as one of these autonomous organizations, the Hata Community Council has been commissioned by the city to engage in designated management operations since fiscal year 2010 for the effective utilization of a primary school that closed in 2008 as an interaction center and has been working to develop operations and businesses for this interaction center.

The council has been operating an event-performing salon and café for the purpose of promoting interactions for the benefit of the elderly at this center. In 2014, the council responded to the closure of the only store in the area by opening Hata Market in a section of the center in collaboration with the operator of stores for depopulated areas.

Figure. Local autonomous activity hubs based on the use of closed schools (interaction centers) (Unnan City, Shimane Prefecture)



[Closed primary school (before use)]



[Hub based on the use of a closed school (after commencement of use)]



[Hata Market (shopping facility)]

Source: Ministry of Land, Infrastructure, Transport and Tourism, Unnan City

2. Initiatives to utilize land and real estate to meet a wide range of business needs and lifestyles

In recent years, the activities of the sharing economy, which makes it possible for assets owned by certain individuals to be used by other individuals via the Internet, have become widespread. Accordingly, we see land and real estate becoming more effectively utilized through such activities to meet various business needs by way of their use as parking lots and for commercial ventures. Services that provide housing options for a variety of different lifestyles and work styles have also emerged.

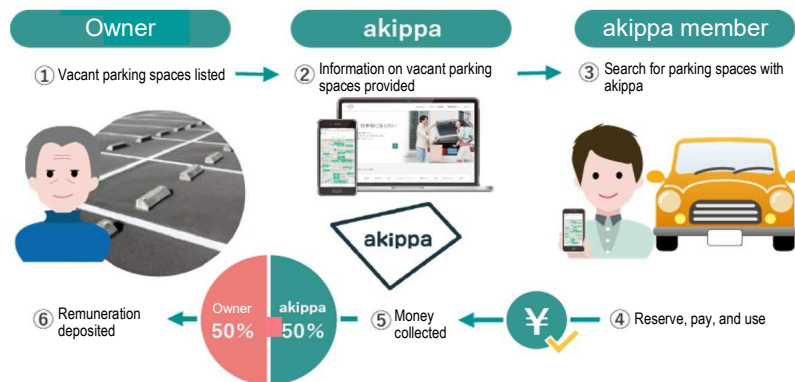
In this section, initiatives for the use of land and real estate to accommodate a range of business needs, lifestyles, and work styles will be examined.

(Utilizing idle land and space to create parking spaces)

Car sharing, a system that allows multiple members to share specific vehicles and book and use them via the Internet, is rapidly spreading. In 2019, the number of car sharing vehicle stations numbered approximately 17,000 across the country. On the other hand, while services that allow a parking lot to be used after a space is booked online are also emerging, services that match owners of non-contractual monthly parking spaces or unused spaces with persons who wish to temporarily use a parking space through the Internet have been developed.

One example is known as *akippa*, which is a parking space booking service whose operations were launched by *akippa Inc.* in 2014 and that can be used to book a non-contractual monthly parking space or unused parking space, such as a car port attached to a private home, via the Internet. There are approximately 35,000 parking spaces registered nationwide (as of the end of March 2020) as temporary parking spaces in areas where parking lots are lacking, areas around event venues, and elsewhere.

Figure. Outline of the *akippa* service



Source: akippa Inc.

Figure. Examples of akippa-provided parking lots



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on materials published by akippa Inc.

The company has concluded partnership agreements with Ikoma City, Nara Prefecture, which is dealing with such challenges as those that involve the use of idle public land, a shortage of parking spaces, and unlawful parking practices, and the National Vacant Home Bank Promotion Organization (ZAB), which is striving to revitalize regions through the use of vacant homes and lots whose numbers are on the rise throughout Japan, and is working on addressing local parking shortages and resolving other such issues through the use of this service.

(Utilizing idle land and vacant spaces for food truck operations)

Food trucks are mobile vehicular stalls outfitted with cooking equipment. Sales by food trucks are increasing year by year. Since food and drinks can be provided if there is space to park a mobile vehicular stall, food trucks represent one way of utilizing idle land and vacant space in an area.

A leading company in the food truck industry, Mellow Inc. provides a service whereby owners of vacant spaces situated on the premises of office buildings or other examples of idle land and space are matched via the Internet with persons who wish to operate a food truck. Four years after this service was launched, the company continues to expand and its operations encompass 790 affiliated food trucks and 190 operating sites (as of the end of March 2020).

In addition, the company is also engaged in providing dining services at venues and through the use of surrounding idle land to people attending sports events, music festivals, and other large-scale well-attended events

in rural areas in an effort to promote regional revitalization. In October 2019, Mellow concluded a tie-up agreement with, among other parties, the Yamaguchi Financial Group, which had been commissioned by Yamaguchi Prefecture to build a system for selling prefectural products as part of the *All Yamaguchi!* Project. The company is working to disseminate information about Yamaguchi Prefecture through food truck sales based on the use of vacant space on the premises of office buildings in Tokyo in an effort to help promote regional revitalization.

Figure. Examples of food truck operations



[Utilizing the premises of an office building]



[Utilizing a vacant lot]



[Utilizing vacant space]



[Local event (area revitalization)]

Source: Mellow Co., Ltd.

(Utilizing frontage space for various types of businesses and events)

Efforts are being developed to utilize narrow strips of land in front of stores and other examples of unused space on the premises of buildings for various businesses and events.

Nokisaki Business is a service provided by Nokisaki Inc. to match lenders and borrowers of the so-called frontage space in front of stores, alongside parking lots, and elsewhere with one another via the Internet. There is a wide range of usable spaces, from high-traffic areas, such as building and shopping districts, to residential areas, back alleys, and other places frequented by low numbers of people. In some cases, frontage space can be provided during hours when a store is closed. Since the company began providing this service in 2008 to accommodate the varied needs of lenders and borrowers, over 20,000 vacant spaces (as of the end of March 2020) have been used as sites for markets selling local products and for advertising and PR activities undertaken by companies.

In addition, the company concluded an agreement with Yuzawa City, Akita Prefecture, to promote a sharing economy and has been working to utilize idle land in the city through the use of its service for the sake of regional revitalization.

Figure. Examples of the use of idle land and space through Nokisaki Business



[Frontage space (in front of a store)]



[Frontage space (next to a store entrance)]



[A market occupying vacant space on the premises of a building]



[Garage sale occupying vacant space normally used by the homeowner to park a car]

Source: Nokisaki Inc.

(Providing housing that supports a variety of lifestyles and work styles)

In recent years, we have seen more and more share houses being made available primarily in the Tokyo metropolitan area in response to the demand for dwellings situated in highly convenient locations for relatively low levels of rent and the demand for a way for occupants to live together while interacting with one another. Various types of share houses are being supplied to meet generational and household needs and lifestyles.

As the supply of co-working offices is rapidly increasing due to progress being made in the area of work-style reform on the part of companies, share houses incorporating co-working functions to accommodate different work styles are also being provided.

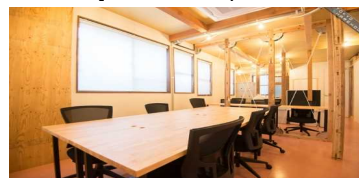
Figure. Changes in the number of share house properties nationwide



[Exterior]



[Interaction space]



[Co-working space]

Source: Tokyo Sharehouse

Situated in Nagareyama City, Chiba Prefecture, MOM-HOUSE is a share house exclusively for single mothers. It features individual units comprising a private space for each household, a living room area where occupants can enjoy interacting with one another, and shared spaces, such as plumbing-based facilities. In addition, a laundry service providing a dry cleaning business and a licensed nursery and nursery for taking care of sick kids are attached to the share house to help occupants with childrearing activities and household chores. When an occupant moves into this dwelling, the owner will offer support in terms of advice for work and the rearing of children.

Figure. A share house exclusively for single mothers (Nagareyama City, Chiba Prefecture)



[Exterior/interior (shared living room)]



[Laundry service-providing dry-cleaning business attached to the share house]



[Small-scale licensed nursery school attached to the share house (exterior)]



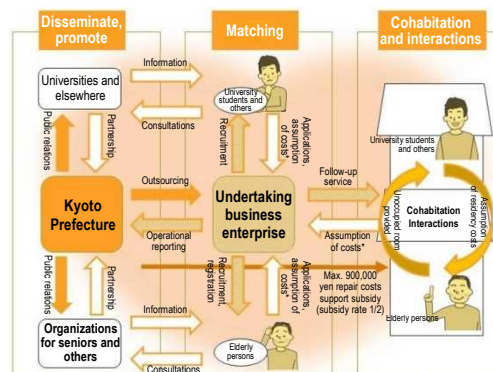
[Small-scale licensed nursery school attached to the share house (interior)]

Source: Tokyo Sharehouse

Since fiscal year 2015, Kyoto Prefecture has been working on Kyoto Solidaire, a cross-generational home-sharing program designed to allow young people to live in the vacant rooms of homes owned by elderly persons at low cost in an effort to promote interactions.

In promoting this program, the Next-Generation Boarding House Kyoto Solidaire Program Promotion Council, which comprises scholars, concerned organizations, administrative bodies, and local private sector business operators, plays a central role in matching elderly persons and young people with one another. Kyoto Prefecture has also set up a subsidy system to help offset rents as a way to attract participants and engage in other initiatives to encourage people to settle here and revitalize interactions. Twenty-seven matches have been arranged as of September 2019.

Figure. Kyoto Solidaire



Source: Kyoto Prefecture

As the degree of freedom in terms of where one can work and live becomes greater with advancements made in terms of information technology and services, the need to live in multiple places in accordance with personal lifestyles and work styles, such as in cases where one might live in both an urban location and a rural location, has also emerged.

ADDRESS, which has been developed by ADDRESS Co., Ltd., is a service to enable properties from across the nation that have been registered with ADDRESS to be used multiple times at a fixed rate via the Internet. The company aims to develop 2,000 properties in three years beginning in 2019 (and has developed 36 properties as of the end of March 2020) and provides members with properties that the company first leases or purchases from their owners and renovates. This service is used by a wide range of generations and households, including sole proprietors working nationwide, elderly persons hoping to live in their hometowns after retirement, and families who wish to reside in rural areas blessed by natural beauty on weekends.

Otsu City, Shiga Prefecture, has been working to help increase the relevant population by promoting the use of unused corporate recreation facilities on the shores of Lake Biwa and providing information on vacant housing properties and co-working space in the city through the use of ADDRESS to solve local issues.

Figure. Conceptual diagram of the ADDRESS service and examples of registered properties



Source: Produced by the Ministry of Land, Infrastructure, Transport and Tourism based on materials published by ADDRESS Co., Ltd.

Section 2: Current status of insufficiently managed land and initiatives concerning proper use and management

In Japan, the problem of underutilized vacant land and vacant homes and insufficiently managed land that cannot be expected to be properly used and managed by owners has come to a head due to a decline in land use needs and a diminishment of awareness with respect to land ownership as the population shrinks, the birthrate goes down, and the population ages.

At the same time, local governments are working on various measures by enacting ordinances in order to deal with vacant land and other examples of underutilized real estate and insufficiently managed land and have even engaged in the use and management of land in collaboration with local residents and specialized business operators.

In this section, the current state of such insufficiently managed land will be indicated, and efforts related to the proper use and management of land by local governments, residents, and other stakeholders will be examined.

1. Current status of insufficiently managed land

(1) Actual conditions of insufficiently managed land

According to the 2013 Basic Land Survey, the current state of vacant land owned by households nationwide is such that the amount of vacant land in terms of area increased by 1.4 times over a ten-year period (681 square kilometers in 2003 to 981 square kilometers in 2013). Amid expectations that the amount of vacant land will continue to increase, the Ministry of Land, Infrastructure, Transport and Tourism conducted a Survey to Ascertain Actual Conditions Concerning Vacant Land Measures and an Online Questionnaire Survey Administered to Owners of Unused Land in order to ascertain the current state of vacant land and insufficiently managed land.

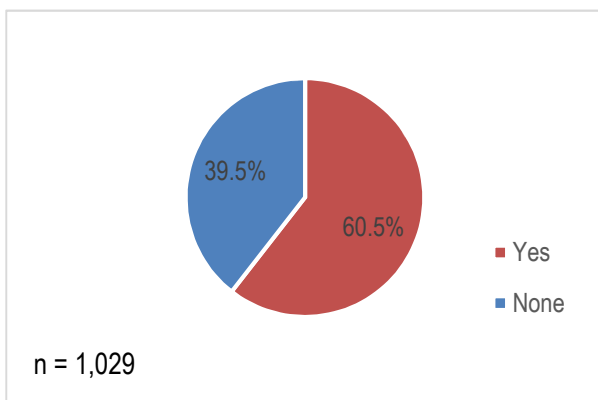
(Complaints regarding insufficiently managed land)

According to the Survey to Ascertain Actual Conditions Concerning Vacant Land Measures, 60.5% of the 1,029 municipalities that responded (623 municipalities) indicated that they did indeed receive complaints from residents about insufficiently managed land during the three-year period from 2016 to 2018. It was pointed out by 25.2% of these 623 municipalities that complaints had risen in number over the previous five-year period. With respect to the

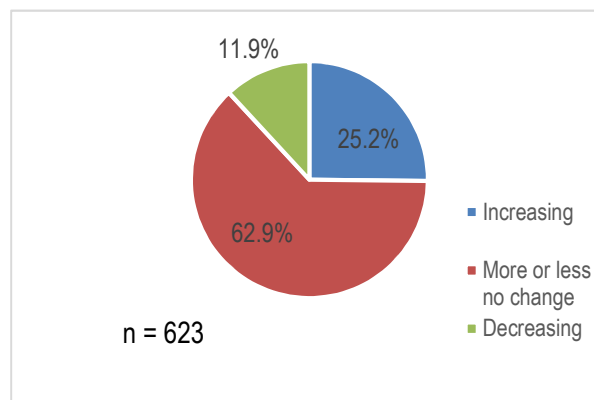
contents of complaints concerning insufficiently managed land, the “overgrowth of weeds and trees, the scattering of fallen leaves, and the transgression of vegetation over boundaries between properties” was cited most followed by “occurrence of harmful insects” and “discarding of trash.”

Figure. Complaints regarding insufficiently managed land

Complaints from residents concerning insufficiently managed land over the last 3 years

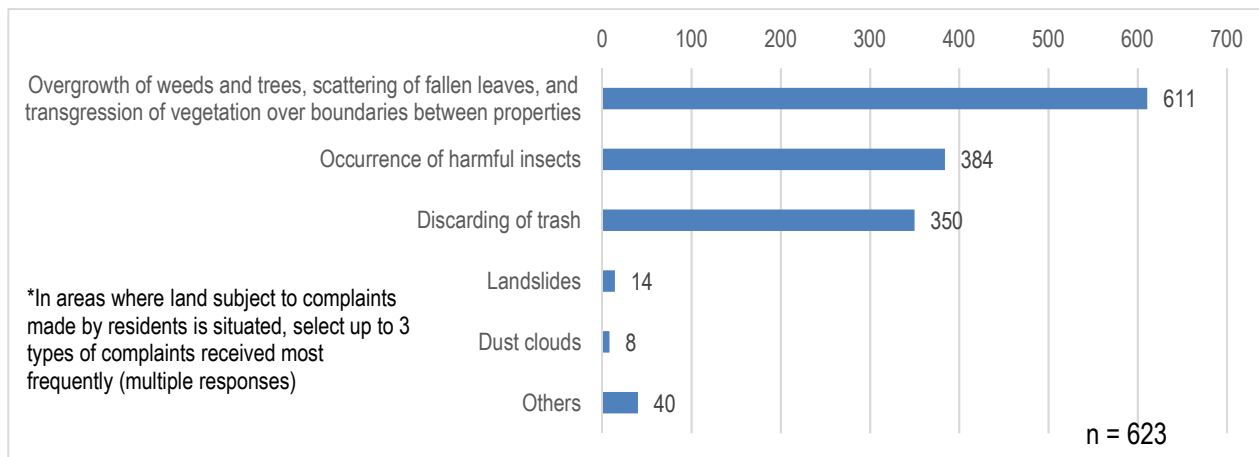


Changes in the number of complaints concerning insufficiently managed land over the last 5 years



Source: *Survey to Ascertain Actual Conditions Concerning Vacant Land Measures*, Ministry of Land, Infrastructure, Transport and Tourism (fiscal year 2019)

Figure. Contents of complaints concerning insufficiently managed land



Source: *Survey to Ascertain Actual Conditions Concerning Vacant Land Measures*, Ministry of Land, Infrastructure, Transport and Tourism (fiscal year 2019)

(Reasons leading to the state in which land is insufficiently managed)

Persons in charge of a municipality will most often believe that the reason land becomes insufficiently managed is “the owner of vacant land is unable to recognize the state of insufficient management because the person does not reside nearby” (43.5%); this is followed by “there is little inclination to remedy the state of insufficient management on the part of the owners of vacant land” (33.4%).

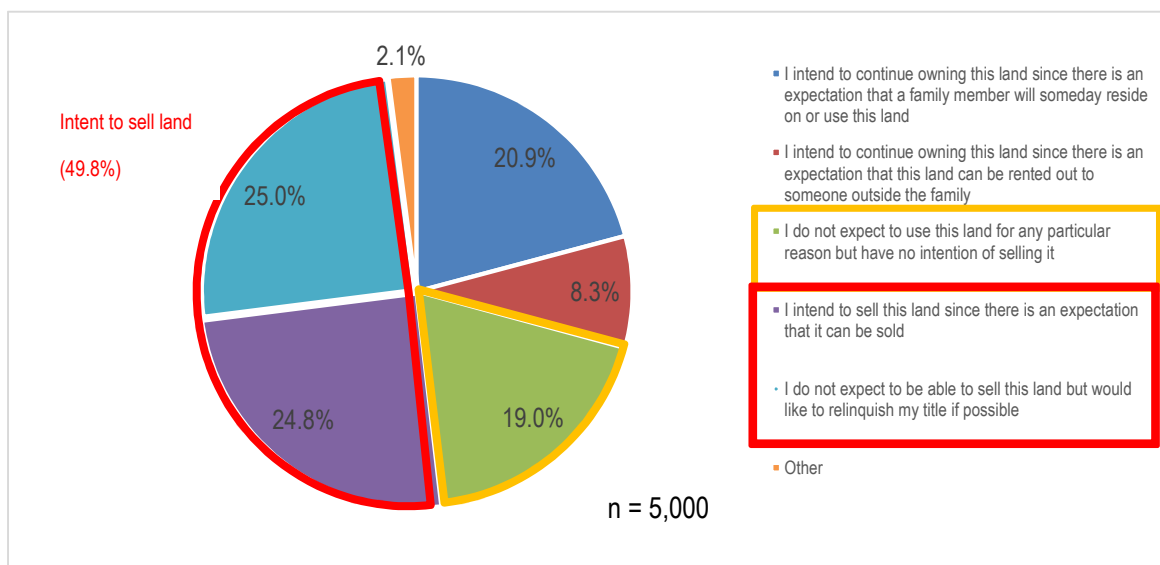
In addition, if we examine relevant statistics by the size of the population of each municipality, we see that the smaller the population, the greater the rate at which “the owner of vacant land is unable to recognize the state of insufficient management because he or she does not reside nearby.”

(2) Awareness with respect to insufficiently managed land on the part of landowners

(Intent to sell or abandon owned land)

According to the Online Questionnaire Survey Administered to Owners of Unused Land, the intent to sell or abandon owned land on the part of owners of land that is not used on a daily basis is such that 24.8% of owners of unused land “intend to sell since they expect to be able to sell their land” and 25.0% of owners of unused land “do not expect to be able to sell their land but would like to relinquish title if they could,” which means that approximately half (49.8%) of such owners intend to sell. On the other hand, 19.0% of owners of unused land do not expect to use their land even as they intend to hold on to their property (“do not expect to use their land for any particular reason but have no intent to sell”).

Figure. Intent to sell or abandon owned land



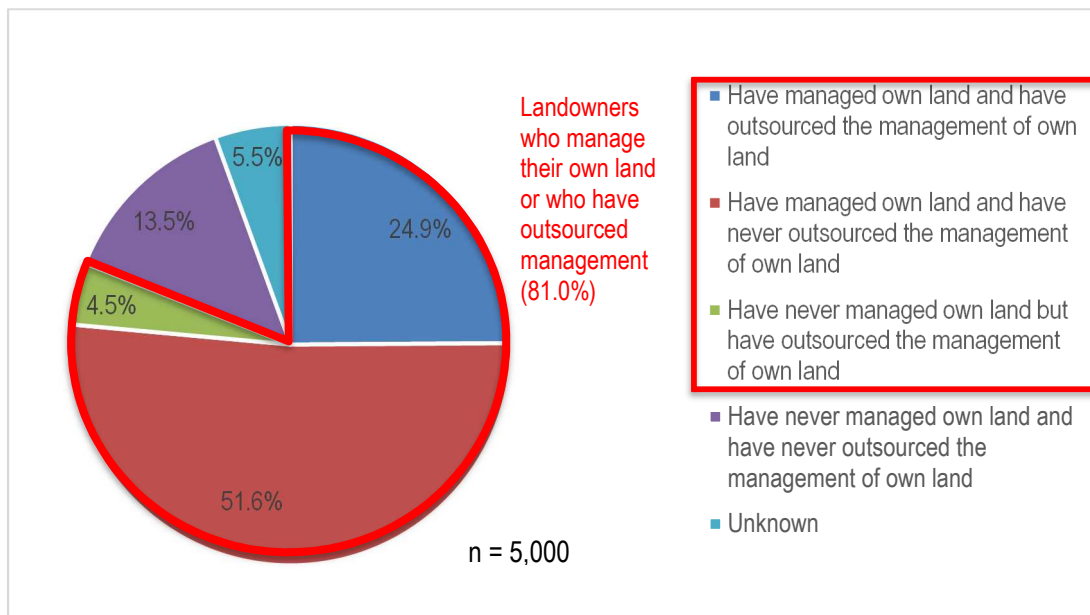
Source: *Online Questionnaire Survey Administered to Owners of Unused Land*, Ministry of Land, Infrastructure, Transport and Tourism (fiscal year 2019)

(The state of the management of land that is not being used on a daily basis)

The state of the management of land that is not being used on a daily basis is such that landowners who manage their own land or who have outsourced the management of their own land accounted for 81.0% of all owners of land that is not used on a daily basis. In contrast, landowners who have never managed their own land and who have never outsourced the management of their own land accounted for 13.5% of all owners of land that is not used on a daily basis. The management of land on one’s own often consists of mowing the grass, taking a look around the

property, and cleaning up the land. The outsourcing of management to a business often consists of having the grass mowed.

Figure. State of the management of land that is not being used on a daily basis



Source: *Online Questionnaire Survey Administered to Owners of Unused Land* (fiscal year 2019), Ministry of Land, Infrastructure, Transport and Tourism

(Frequency with which land that is not used on a daily basis is managed)

With respect to the frequency with which land that is not used on a daily basis is managed, “once to multiple times a year” was indicated by the highest percentage of respondents if we exclude “once to multiple times a month” for “taking a look around” in connection with the management of one’s own land. At the same time, management that is not undertaken on a regular basis (“I used to regularly manage my land but I no longer do so” and “I managed my land just once in the past”) accounted for approximately 10 to 20% of all responses. The outsourcing of management to business operators accounted for a greater percentage of all responses.

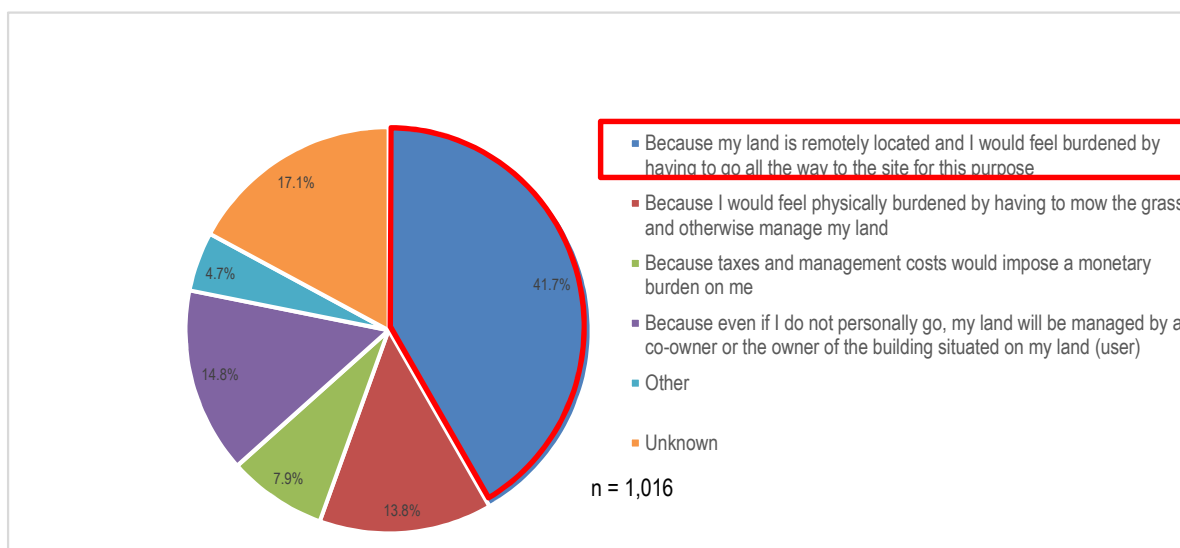
(Conditions applicable to the outsourcing of the management of land)

As a condition for outsourcing management to business operators, “If the costs of outsourcing were to go down” (34.9%) was indicated by the highest percentage of responses received, followed by “If an outsourcee that can be trusted could be found” (30.9%), “If there was information related to potential outsourcees” (16.0%), and “If the local government could refer outsourcees” (13.1%); thus, we see that the need for information on outsourcees is significant. On the other hand, 16.0% of respondents indicated that there was an organization or system that could manage their land on their behalf while 43.0% of respondents indicated that there was no such organization or system available to them.

(Reasons why land is not being managed)

With respect to the reasons why owners of land that is not being used on a daily basis do not manage their land (“land that they feel is least well-managed”), “Because my land is distantly located and I would feel burdened by having to go all the way there for this purpose” accounted for the highest percentage of responses received (41.7%). Other reasons why owners might feel burdened in order of percentage of responses received were “Because I would feel physically burdened by having to mow the grass and otherwise manage my land” (13.8%) and “Because taxes and management costs would impose a monetary burden on me” (7.9%).

Figure. Reasons why land is not being managed

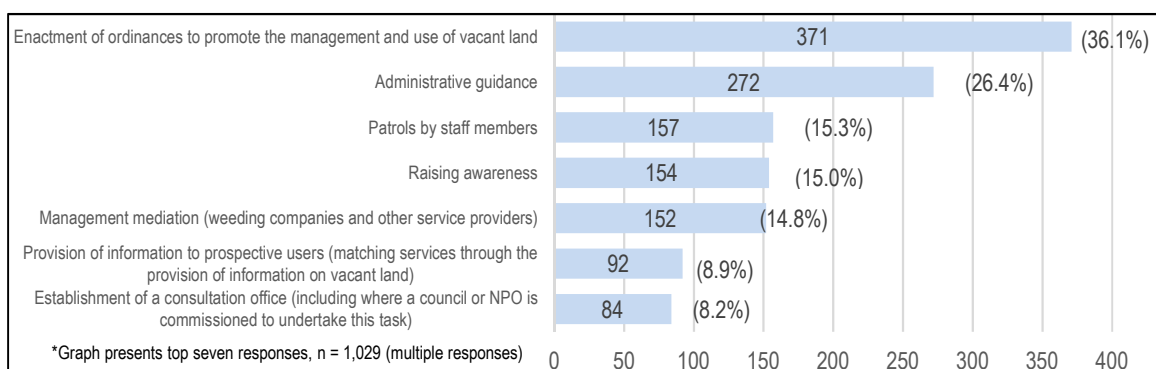


Source: *Online Questionnaire Survey Administered to Owners of Unused Land (fiscal year 2019)*, Ministry of Land, Infrastructure, Transport and Tourism

2. State of efforts on the part of local governments to carry out measures to deal with vacant land (Measures concerning the use and management of vacant land)

According to the Survey to Ascertain Actual Conditions Concerning Vacant Land Measures, 587 municipalities (57.2% of all responding municipalities) indicated that they have implemented measures related to the use and management of vacant land. Of these, 371 municipalities have enacted ordinances (36.1% of all responding municipalities) and 272 municipalities provide administrative guidance (26.4% of all responding municipalities). In addition, respondents indicated that they dispatch staff members tasked with the management of vacant land to patrol vacant land sites, endeavor to raise awareness, mediate for weeding companies, provide matching services through the provision of information on vacant land to prospective users, and engage in other initiatives.

Figure. Measures concerning the use and management of vacant land

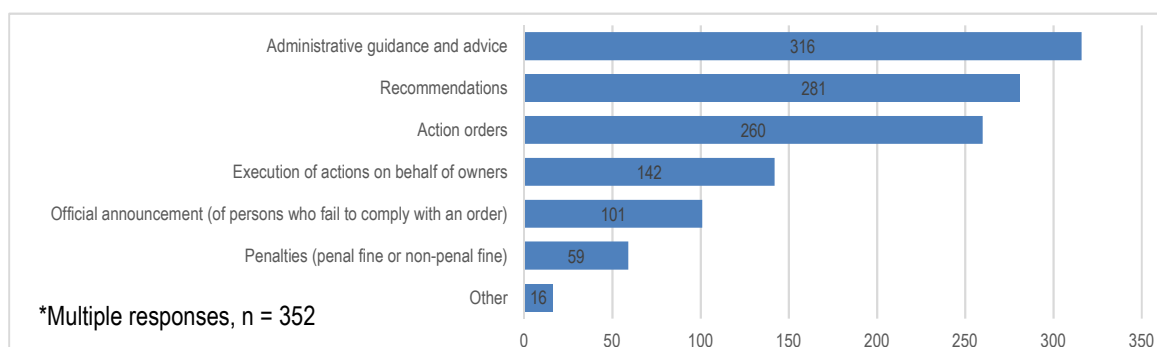


Source: *Online Questionnaire Survey Administered to Owners of Unused Land* (fiscal year 2019), Ministry of Land, Infrastructure, Transport and Tourism

(State of the drafting of ordinances concerning the use and management of vacant land)

Ordinances concerning the use and management of vacant land have been developed by 357 municipalities (34.7% of all responding municipalities). Many municipalities include provisions in these ordinances that address or govern “administrative guidance and advice,” “recommendations,” “action orders,” and “the execution of actions on behalf of owners.” When it comes to results in terms of administrative guidance applicable to insufficiently managed land as provided by municipalities that have developed ordinances concerning the use and management of vacant land, the response “administrative guidance and advice” was indicated by the highest percentage of responding municipalities, followed by “recommendations,” “action orders,” and “the execution of actions on behalf of owners.”

Figure. Contents of regulatory provisions governing vacant land



Source: *Survey to Ascertain Actual Conditions Concerning Vacant Land Measures* (fiscal year 2019), Ministry of Land, Infrastructure, Transport and Tourism

(Measures that should be undertaken to address the use and management of vacant land)

As for measures that municipalities would like to take in the future to address the use and management of vacant land, the “raising of awareness” on the part of the owners of vacant land (28.2%) was indicated by the highest percentage of responding municipalities, followed by “administrative guidance” (16.8%), “ascertainment of the

distribution and quantity of vacant land” (14.3%), and “government ascertainment of owners of vacant land on an area-wide basis” (12.0%).

3. Examples of initiatives concerning the proper use and management of land

In this section, we will look at initiatives by local governments concerning the proper use and management of land with respect to efforts to promote the use of vacant land by local residents and the removal of weeds at vacant land sites as examples of initiatives concerning the proper use and management of land and at local governments and nonprofit organizations that comprehensively engage in efforts concerning the use and management of vacant land.

(1) Initiatives concerning the use of vacant land

○ Initiative to promote the acquisition of adjacent land to form spacious residential lots (Daito City, Osaka Prefecture)

In Daito City, Osaka Prefecture, an adjacent land acquisition subsidy program is being operated to help form spacious, safe, and secure residential neighborhoods through the effective use of narrow sites that are highly likely to eventually feature vacant homes or become vacant lots after many years in light of what is known about residential neighborhoods where numerous row houses and other examples of narrow dwellings are situated. Through this program, the city helps to partially offset survey costs, registration costs, real estate brokerage fees, and real estate acquisition costs whenever an owner of residential land seeks to acquire land adjacent to a current residential lot. Since this program was launched in fiscal year 2017, it has been used thirteen different times as of fiscal year 2019.

○ Initiative to use vacant land as local snow dumpsites (Aomori City, Aomori Prefecture)

In Aomori City, Aomori Prefecture, a program to promote the use of vacant land in densely populated areas as public snow dumpsites for local communities is being run. By lending vacant land to neighborhood associations free of charge, landowners can receive a partial credit applied to property taxes owing in the following fiscal year. In fiscal year 2019, approximately seventy vacant land sites provided to neighborhood associations continuously over the previous decade were registered and 389 snow dumpsites were set up.

Figure. Public snow dumpsite project



[State of the use of a snow dumpsite]

Source: Aomori City



[Project scheme]

○ Initiative to utilize vacant land for community activities and as evacuation sites in the event of a disaster (Osaka City, Osaka Prefecture)

Osaka City, Osaka Prefecture, has implemented the Machikado Square Development Program to promote, in collaboration with local communities, the development of squares that can be used as sites for daily local disaster-prevention activities and community activities and as temporary evacuation sites in the event of a disaster in urban areas where there is a high risk of area-wide disasters due to a lack of open space and other factors. By providing land free of charge (based on a lease for a term of approximately twenty years), a landowner will be exempt from paying property taxes and municipal planning taxes. As of the end of fiscal year 2019, squares have been developed through the use of ten vacant land sites (one privately owned site and nine municipally owned sites) for the Machikado Square Program.

Figure. Machikado Square Program



Source: Osaka City

(2) Initiatives concerning the proper management of land

○ The removal of weeds from vacant lands by a local government on behalf of the owner (Nabari City, Mie Prefecture)

In accordance with the Ordinance Concerning the Removal of Weeds on Vacant Land in Nabari City, Nabari City, Mie Prefecture, has made it possible to remove weeds growing on vacant land existing in a poor state through the execution of actions on behalf of the landowner where the landowner fails to remove weeds despite receiving guidance, a recommendation, or an action order issued by the mayor and will execute such actions accordingly where warranted. Since 2007 when proxy actions were first made possible under this ordinance, sixteen cases involving the execution of proxy actions have been carried out as of the end of fiscal year 2019.

○ The outsourcing and performance of weed removal from vacant lands by a local government (Adachi Ward, Tokyo)

In accordance with the Ordinance Concerning the Maintenance of an Environment for Living in Adachi Ward, Adachi Ward, Tokyo, has rendered it possible for the ward mayor to conduct a survey or issue guidance whenever land exists in a poor state and enabled the provision of support upon the determination that it would be difficult for the landowner in a given case to resolve the poor state of the land on his or her own. Accordingly, the ward is

engaged in a program to outsource the mowing of grass on vacant land as a measure to provide support for the removal of weeds on vacant land.

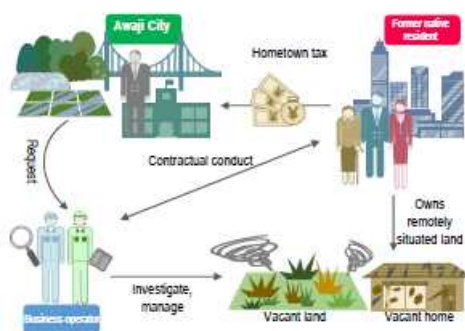
For this program, landscaping contractors commissioned in advance by the ward will mow grass according to applications submitted by landowners in order to respond promptly to complaints from local residents. Costs will be paid upfront by the ward, which will in turn be reimbursed at a later date by a payment submitted to the ward by the landowner. This program has been used fifty-nine times as of the end of fiscal year 2019.

○Provision of vacant land management services based on the use of a hometown tax system (Awaji City, Hyogo Prefecture, and elsewhere)

Many local governments designate local specialty products as gifts they send to taxpayers as part of the hometown tax scheme. Some local governments instead designate services for the management of vacant land as gifts they send to taxpayers under this scheme and utilize these services as a means of promoting the management of land owned by remotely situated residents.

According to a survey conducted by the Ministry of Land, Infrastructure, Transport and Tourism, fifty local governments, including Awaji City, Hyogo Prefecture, and Naruto City, Tokushima Prefecture, provide services as of the end of December 2019. For example, Awaji City, Hyogo Prefecture, installs administrator signs, carries out regular maintenance over the course of a year (regular patrols once every two months), carries out post-disaster inspections (unscheduled patrols), and reports the results of inspections and management actions (with photographs attached) depending on the amount of donations made.

Figure. Management of vacant land based on the use of the hometown taxation system



Source: Awaji City

(3) Comprehensive measures for dealing with vacant land

○Measures for dealing with vacant land as implemented by a local government (Kobe City, Hyogo Prefecture)

In accordance with the Ordinance on Promoting Measures for Dealing with Vacant Land in Kobe City, Kobe City, Hyogo Prefecture, is engaged in comprehensive measures for dealing with vacant land, which consist of the following: the names of owners who fail to fulfill their obligation to manage their vacant land are published when advice, guidance, recommendations, and measures pertaining to recommendations are not followed; a consultation office for matters concerning vacant homes and vacant land has been set up; a system for registering partner

businesses for the mowing of grass provides information on the dispatching of experts and on partner businesses who can mow grass; support for the management and operations of land, including with respect to the mowing of grass, is provided through the use of the hometown taxation system; a bank for the utilization of vacant homes and vacant land by the community matches the owners of vacant homes and vacant land with organizations looking for sites where community activities can be held; and subsidies to cover costs incurred when integrating adjacent lots for the purpose of improving the residential environment have been developed.

Figure. Initiatives for managing vacant land based on the use of the hometown taxation system



[Before grass is mowed]



[After grass is mowed]

Source: Kobe City

In addition, the enactment of the Act on Special Measures Concerning the Facilitation of the Use of Land Plots With Unknown Owners of 2018 (Act No. 49 of 2018; hereinafter referred to as the “Land Plots With Unknown Owners Act”) enabled applications to have property administrators appointed by the head of a local government to be made. Thus, applications to appoint an administrator of an absentee’s property and an administrator of inherited property were submitted to family courts with respect to two cases involving an adverse impact on the living environment surrounding the properties in question in fiscal year 2018 through the use of the property administration system as provided for in the Civil Code. The appointed property administrators ascertained the owners and sold off the plots in question, which thereby led to the proper management of the plots in question. In fiscal year 2019, a manual for the standardization of a scheme pertaining to applications for the appointment of property administrators was drafted to help promote the use of the property administration system.

In order to promote the proper management of vacant land and revitalize local communities, a program for the utilization of vacant land by the community, which helps cover some of the costs of developing flower beds, faucets, and other elements and the costs of equipment where a community organization seeks to use vacant land for, among other ideas, a community garden or disaster-prevention warehouse has been operating since fiscal year 2018 and utilized for five different vacant land plots as of the end of fiscal year 2019.

Figure. Examples of initiatives based on the use of a program for the utilization of vacant land by the community

[Mori-no-yochien: Sumakko-no-mori]



[Multicultural community garden]



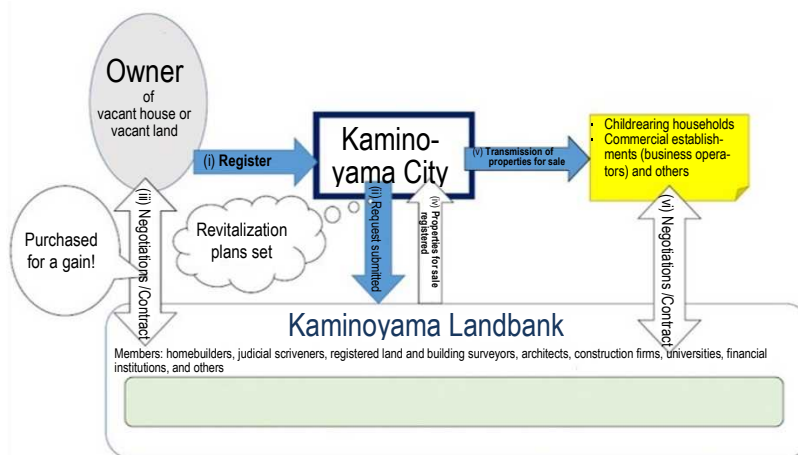
Source: Kobe City

○ Measures for dealing with vacant land through a public-private partnership (Kaminoyama Landbank (Kaminoyama City, Yamagata Prefecture))

Kaminoyama Landbank is a nonprofit organization that was established in June 2019 by ten entities, including Kaminoyama City, the Yamagata Prefecture Industrial Association of Residential Land and Buildings, the Prefectural Judicial Scriveners Association, and the Prefectural Land and Building Surveyors Association, in order to revitalize communities by, in part, encouraging young people and childrearing households to relocate and settle in these communities through the effective use of vacant homes and land, widening of roads, rezoning of sites, and otherwise the redevelopment of the living environment.

Kaminoyama City has established the area around Kaminoyama Castle in the city center as a so-called *land bank area* and urged the owners of vacant homes and land in this zone to register their properties. A program is being undertaken whereby Kaminoyama Landbank engages in sales negotiations with owners and develops and sells residential lots after the feasibility of given projects is investigated with respect to registered properties based on knowledge possessed by various experts belonging to the organization. Spearheading these projects, Kaminoyama Landbank is working to promote activities aimed at revitalizing the area by renting certain vacant lots in the area, developing a square, and organizing pop-up weekend marketplaces.

Figure. Scheme for a program being carried out by Kaminoyama Landbank



Source: Kaminoyama Landbank

Figure. Square developed by Kaminoyama Landbank



[Predevelopment]



[After development]

Source: Kaminoyama Landbank

Section 3: Revising the Basic Act for Land and promoting a comprehensive land policy based on the Basic Land Policy

1. Revising the Basic Act for Land

The handling of land plots with unknown owners and insufficiently managed land is a pressing issue against the backdrop of a decrease in land use needs due to a population that continues to shrink. In order to redefine a land policy to accommodate a society whose population is shrinking, a fundamental revision of the Basic Act for Land (Act No. 84 of 1989) was made in March 2020 for the first time since this statute was enacted in 1989. In May 2020, a Basic Land Policy setting forth the government's policy on land policy in general was enacted in accordance with the revised Basic Act for Land (approved by the Cabinet on May 26, 2020).

(1) Background and history

In order to respond to such social issues as the increasing difficulty in acquiring housing due to soaring land prices during the bubble period and impediments to the development of social capital, the Basic Act for Land was enacted in 1989 as a way to chart a course for land measures with a focus on land price measures. These measures included those that concerned the use of land in accordance with plans for the prioritization of public welfare and the proper and reasonable use of land; basic principles applicable to the suppression of speculative transactions; the responsibilities of the national government, local governments, and business operators; and basic measures.

Subsequently, the bubble economy collapsed, land prices decreased over the course of many years, the land myth fell apart, and socioeconomic structures changed in the face of globalization and other factors. The problem of land plots with unknown owners and other such issues have become apparent as public awareness of land as an asset has changed in line with a full-scale decline in the population. Promoting the proper use and management of land is thus required.

Under these circumstances, the Basic Policy on Promoting Measures to Deal With Land Plots With Unknown Owners was determined at a meeting of the relevant cabinet ministers for the promotion of measures to deal with land plots with unknown owners held in June 2018. Along with measures to ensure the smooth enforcement of the Land Plots With Unknown Owners Act, necessary systemic reforms were seen as required by 2020 with respect to revisions to basic systems related to the ownership of land and to the basic legal system applicable to civil affairs.

As for a survey of land registries, a ten-year plan for the seventh national land survey project to commence in fiscal year 2020 was enacted, and it was decided that the National Land Survey Act (Act No. 180 of 1951) would be revised to facilitate and speed up the conducting of such a survey.

Subsequently, revisions to the basic system for the ownership of land underwent studies by the Special Subcommittee and Planning Subcommittee of the Land Policy Subcommittee of the National Land Development Council.

In an interim summary produced by the aforementioned Planning Subcommittee in December 2019, the effective use of land and real estate, the prevention and mitigation of disasters, and the prevention of external diseconomies caused to local communities were seen as issues related to future land policy. In seeking to resolve these issues, the following points were made:

- As the development of local areas and communities for stimulating economic growth, revitalizing local communities, and ensuring sustainability is promoted, efforts should be made to create, fuel, and elicit demand for land.
- Along with promoting the proper management of land on the part of owners, efforts to make it possible to smoothly transfer land rights to parties able and willing to properly utilize and manage land where the proper management of land on the part of owners is difficult shall be regarded as an important direction to be taken when it comes to future land policy; it was then indicated that the Basic Act for Land should be revised accordingly.

Surveys of land registries have been conducted based on the National Land Survey Act. Since 1963, ten-year plans for national land survey projects have been formulated and carried out in accordance with the Special Measures Act for the Promotion of National Surveys (Act No. 143 of 1962). A project was carried out according to a ten-year plan for the sixth national land survey project (fiscal years 2010 to 2019) (approved by the Cabinet on May 25, 2010). The progress rate for this survey stood at 52% as of the end of fiscal year 2019.

From October 2018, a study was undertaken by an investigative subcommittee concerning national land surveys to be conducted by the Planning Subcommittee of the Land Policy Subcommittee of the National Land Development Council with a focus on the ten-year plan for the seventh national land survey project to be started in fiscal year 2020. A summary issued in June 2019 set forth the direction to be taken with respect to measures for smoothly and rapidly carrying out a survey inclusive of cases in which some owners are unknown given the need to deal with the need for time to search for landowners and verify boundary lines in a field-by-field land survey in order to quickly conduct a land registry survey while responding to changes in socioeconomic conditions and produce the results thereof to the maximum extent possible.

Accordingly, the government submitted a draft law to partially amend the Basic Act for Land and other statutes to the 201st session of the Diet with the aim of pursuing measures for ensuring the proper use and management of land in response to the pressing challenge of land plots with unknown owners and taking measures on an integrated basis to facilitate and speed up land registry surveys; this law was promulgated on March 31, 2020.

(2) Contents of revisions to the Basic Act for Land

Land plots with unknown owners and insufficiently managed land pose major problems as the failure to improperly use such land can cause a deterioration of the living environment and impede the development of infrastructure and disaster-prevention efforts. In order to remedy such problems, the proper *management* of land is important. To this end, the revised Basic Act for Land clarifies the importance of not just ensuring the proper *use of* and *transactions involving* land in a conventional sense but also of ensuring the proper *management* of land throughout all aspects of the law.

In order to ensure the proper management of land as a way to help inhibit and eliminate the emergence of land plots with unknown owners, it is most effective to raise awareness with respect to broadly ensuring the proper use and management of land on the part of landowners and to encourage landowners to engage in autonomous initiatives. To this end, the revised Basic Act for Land clearly stipulates the responsibilities of landowners as they relate to the proper *use* and *management* of land as well as the fact that, in fulfilling these responsibilities, landowners must endeavor to clarify registry entries and other rights-related matters and clarify boundaries.

In addition to adding measures to promote the proper use and management of underutilized land and measures to inhibit and eliminate the emergence and to promote the smooth use and management of land plots with unknown owners as basic measures to be put into place by the national government and local governments in order to endeavor to ensure the proper use and management of land under the revised Basic Act for Land, the notion of *basic measures* has been substantiated, and a basic land policy to ensure the effectiveness of measures by way of ensuring the integrity of land measures for the entire government in accordance with Cabinet decisions has been established.

At the same time, the land registry survey constitutes an information infrastructure related to the ownership of land and boundaries and is vital for ensuring the effectiveness of measures to promote the proper management of land. Because it also plays a big role from the standpoint of measures for land plots with unknown owners, the National Land Survey Act was revised in conjunction with revisions made to the Basic Act for Land in order to facilitate and speed up the performance of this survey.

In order to deal with the fact that the land registry survey requires significant time to search for owners and confirm boundaries, the use of a property tax roll to search for owners, revisions made to survey procedures to enable surveys to be conducted even where the owner is not present on site, preliminary surveys of borders between roads and private land in urban areas, and the adoption of efficient survey techniques in accordance with regional characteristics in the form of the adoption of survey techniques based on the use of remote sensing data in mountain villages are among the measures that have been implemented under the revised National Land Survey Act.

By adopting these efficient survey techniques, surveys will be facilitated and sped up to promote and achieve progress in conducting surveys based on the ten-year plan for the seventh national land survey project to be started in fiscal year 2020 (approved by the Cabinet on May 26, 2020). Under this plan, the project is to be carried out across 15,000 square kilometers of land over the course of a decade. The goals are to raise the rate of progress in priority areas from 79% (as of the end of fiscal year 2019) to 87% (as of the end of fiscal year 2029) and to increase the rate of progress for all areas subject to the land registry survey from 52% to 57%.

*Areas where land registration has been clarified to a certain extent through the implementation of land readjustment projects and areas where land is unlikely to be subject to transactions, such as national and publicly owned land (excluding areas corresponding to a high level of survey prioritization for reasons related to disaster-prevention measures or the development of social capital), are excluded from the scope of areas subject to land registry surveys.

Figure. Ensuring the proper use and management of land (revising the Basic Act for Land)

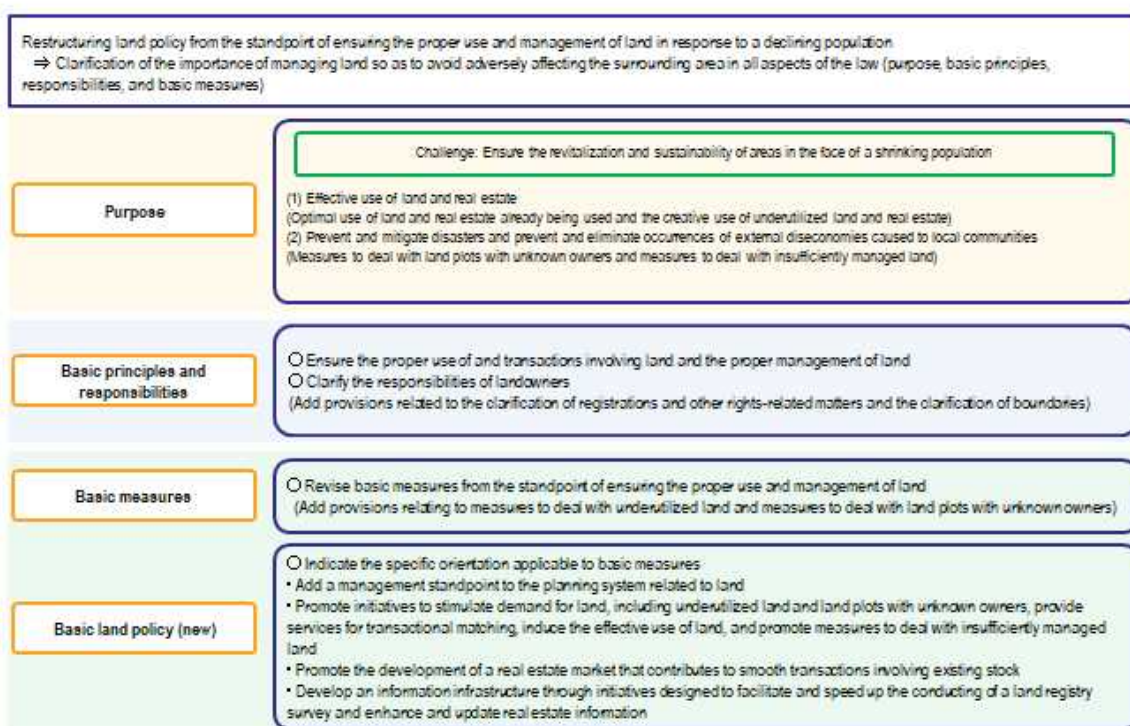


Figure. Facilitating and speeding up land registry surveys (revising the National Land Survey Act)

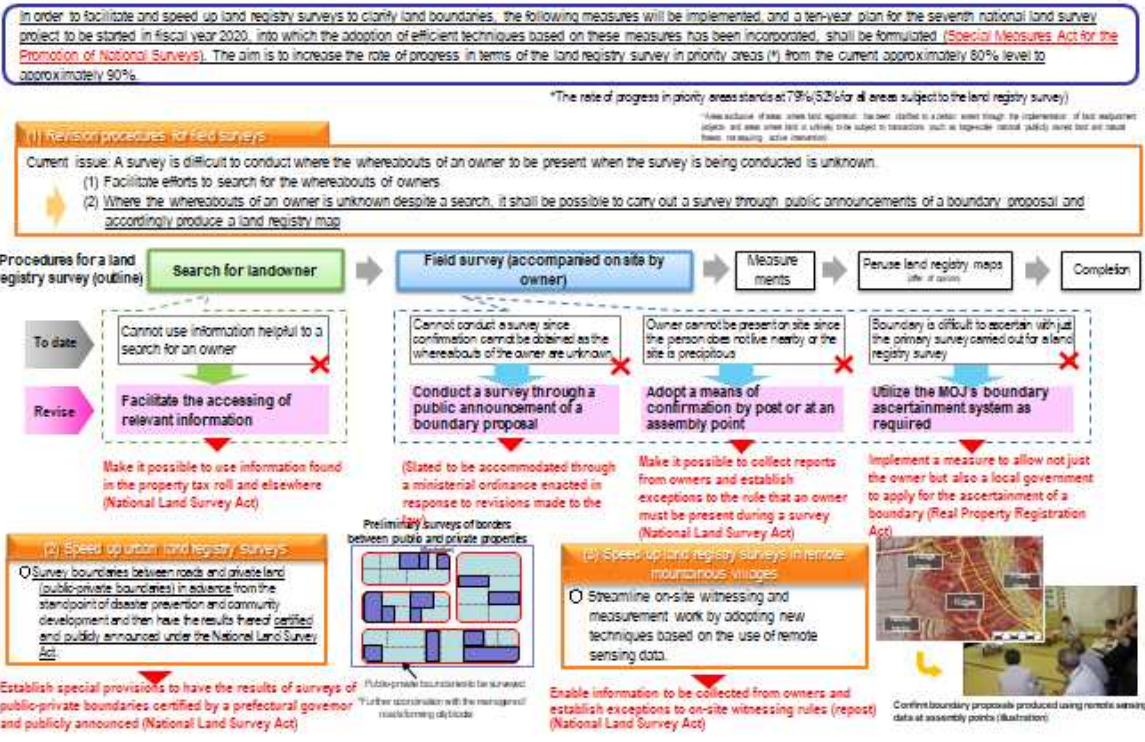
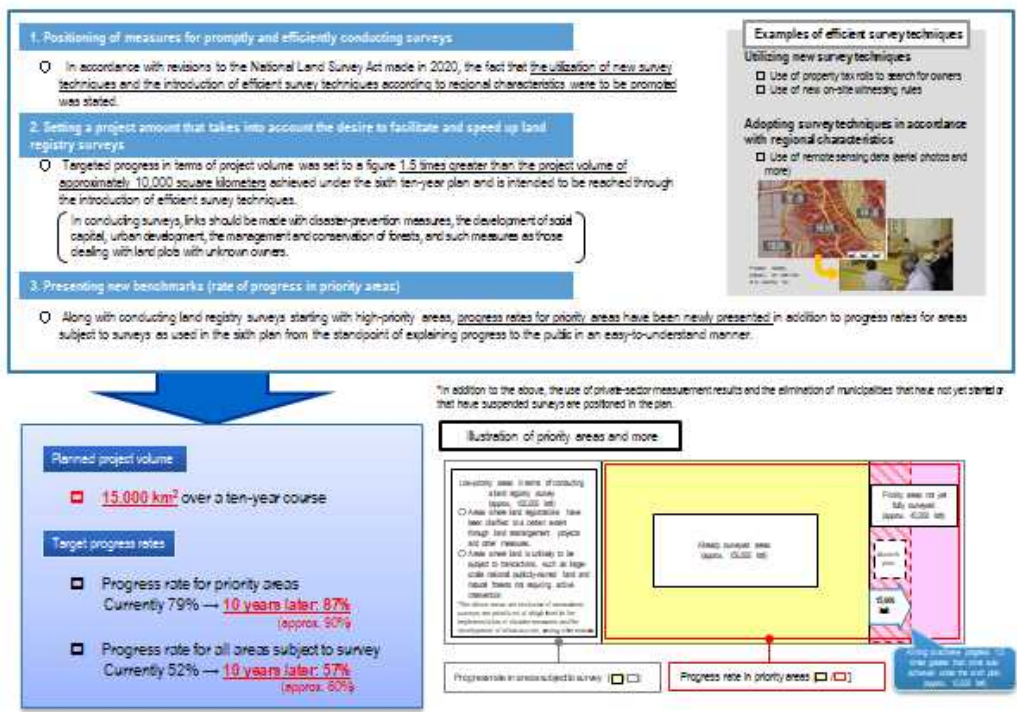


Figure. An outline of the ten-year plan for the seventh national land survey project (fiscal years 2020 to 2029)



2. Promoting a comprehensive land policy based on the Basic Land Policy

In response to revisions made to the Basic Act for Land, the Basic Land Policy was approved by the Cabinet as a government policy related to land policy in general on May 26, 2020. In the future, a new comprehensive land policy for a society with a shrinking population will be promoted in accordance with the Basic Land Policy.

The Basic Land Policy consists of five basic matters in accordance with the revised Basic Act for Land. In line with the objectives behind the revisions made to this statute, a *management* standpoint has been added to plans and measures to go along with conventional standpoints in terms of the *use of* and *transactions involving* land. In addition, the Basic Land Policy sets forth basic matters related to surveys and the provision of information required for the comprehensive and efficient implementation of measures concerning land and basic matters related to the comprehensive promotion of measures for which the national government, local governments, and other concerned parties have come together.

(1) Basic matters related to the formulation of plans for the use and management of land

In looking at basic matters related to the formulation of plans for the use and management of land, it is to be noted that the national government and local governments shall, in order to promote the proper and rational use and management of land, take into account natural, socioeconomic, and cultural conditions, including conditions applicable to individual plots of land and the characteristics of the area in which a given plot of land is situated, under an appropriate division of roles and formulate plans related to the necessary use and management of land through appropriate consensus-building procedures that allow for the opinions of residents and other concerned parties to be incorporated. For this process, taking wide-area and long-term standpoints into account is also deemed to be important in terms of the wide-area development of socioeconomic activities in a region and projections as they pertain to population and industrial trends. In order to ensure the proper use and management of land, plans should seek to give rise to a positive environment for surrounding areas, one that is inclusive of the landscape and historical scenery, and need to be comprehensively formulated with sufficient consideration given to disaster-prevention efforts and the prevention otherwise of any adverse impact on surrounding areas.

In addition, initiatives for promoting the formulation of plans for the use and management of land in accordance with these objectives have been set forth.

(2) Basic matters related to measures to ensure the proper use and management of land

In looking at basic matters related to measures to ensure the proper use and management of land, it is to be noted that the national government and local governments shall, in order to ensure the proper use and management of land, implement measures for regulating and guiding the use and management of land and measures that are in accordance with plans. In proceeding with these actions and given that the adverse impacts of insufficiently managed land on surrounding areas, such as in cases of disaster, have become a serious problem in recent years, it is deemed important that efforts are made to ensure the proper management of land from the standpoints of creating and conserving a favorable environment and preventing disasters. It is also deemed necessary that ways to use land be studied from the standpoint of ensuring the proper use of land while opinions related to the use and management of land owned by foreign nationals and others are also considered. It is also deemed important that efforts be made to generate and stimulate demand for land from the standpoint of

substantially eliciting the potential inherent in land, including land that is currently being underutilized, after wide-area and long-term perspectives are also taken into account. From such standpoints, addressing issues related to underutilized land, insufficiently managed land, and land plots with unknown owners is a particularly pressing challenge. Specifically, measures for generating and stimulating demand and providing acquisition support in order to promote the proper use and management of underutilized land; measures to encourage landowners to personally engage in the proper management of insufficiently managed land that is adversely affecting surrounding areas and to also enable, where necessary, a local government, local residents, or parties other than landowners to ensure the proper management of such land; and measures to promote the smooth use and management of land plots with unknown owners and inhibit and eliminate the emergence of such land are deemed to be required.

In addition, initiatives for promoting the formulation of plans for the use and management of land in accordance with these objectives have been set forth.

(3) Basic matters related to land-transaction measures

In looking at basic matters related to land-transaction measures, it is to be noted that the national government and local governments shall develop a market environment pertaining to land transactions and implement measures related to the development of a real estate market that can help facilitate land transactions from the standpoint by which it is recognized that *smooth transactions*, in particular, constitute the means necessary for promoting the proper use and management of land. In addition, measures related to efforts to regulate land transactions shall be implemented from the standpoint of suppressing speculative transactions that would have a significantly adverse impact on the lives of the people.

In addition, initiatives for promoting the formulation of plans for the use and management of land in accordance with these objectives have been set forth.

(4) Basic matters related to surveys and provision of information concerning land

In looking at basic matters related to surveys and the provision of information related to land, it is to be noted that the national government and local governments, under an appropriate division of roles, shall conduct surveys on real estate market trends encompassing land registries and prices that are important when implementing, on a collaborative basis, land-related measures to promote the proper use and management of land. In order to help facilitate the implementation of land-related measures, collected land-related information shall be provided in an easy-to-understand manner to the public; consideration shall be given to protecting personal information and otherwise the rights and interests of individuals when providing such information. Efforts shall also be made to develop and upgrade an information infrastructure required to ensure the foregoing.

In addition, initiatives for promoting the formulation of plans for the use and management of land in accordance with these objectives have been set forth.

(5) Matters required for the comprehensive promotion of measures related to land

Initiatives have been set forth as matters required for the comprehensive promotion of measures related to land.

Figure. Outline of the Basic Land Policy

(1) Basic matters related to the formulation of plans for the use and management of land

- Investigating the concept of land management amid a declining population whereby the concept is guiding initiatives undertaken by local residents
- Formulating location optimization plans to enhance the sustainability of areas that are also linked with disaster-prevention measures
- Promoting the production of plans for the proper use and management of agricultural land and forests

(2) Basic matters related to measures to ensure the proper use and management of land

- Promoting the use and management of underutilized land through special measures for taxation and land bank initiatives
- Promoting measures for the proper management of insufficiently managed land that is adversely affecting surrounding areas
- Dealing with the issue of land plots with unknown owners through the smooth enforcement of the Land Plots With Unknown Owners Act and revisions made to the basic legal system applicable to civil affairs
- Promoting the proper use and management of agricultural land and forests inclusive of land plots with unknown owners

(3) Basic matters related to land-transaction measures

- Revitalizing the real estate investment market by developing an investment environment in line with new trends
- Revitalizing the distribution of real estate through special measures for taxation pertaining to real estate transactions and the promotion of the distribution of existing housing stock

(4) Basic matters related to the conducting of surveys and provision of information concerning land

- Clarifying land boundaries and information on owners by facilitating and speeding up land registry surveys and updating real estate registration information
- Developing information that assists in precisely ascertaining real estate markets, such as announcements of land prices and information on real estate transaction prices, and providing information on disaster risks and other relevant matters
- Developing and upgrading an information infrastructure relating to land and real estate underpinned by links with various kinds of registers, inclusive of efforts to promote online systemization

(5) Matters required for the comprehensive promotion of measures relating to land

- Coordination and cooperation among the national government and local governments
- Coordinating and cooperating with experts in relevant fields
- Timely reviews through the implementation of the PDCA cycle

Part 2: Basic measures implemented in connection with land in fiscal year

(Omitted)

Part 3: Basic measures related to land in fiscal year 2020

Chapter 1: Formulating plans related to the use and management of land

Section 1: Promoting the proper use of land in the context of national land plans

In order to smoothly revise and promote prefectural plans and municipal plans based on the National Land Use Plan (nationwide plan), measures required for surveys and the provision of information shall be implemented. Based on the fact that the decline in national land management standards resulting from a shrinking population is recognized in the National Land Use Plan (nationwide plan) as a major issue to be addressed, concepts guiding regional efforts with respect to the management of land that is expected to be left derelict in the future and other types of land, such as efforts related to the ascertainment of the current state of regional land, future projections, and measures to mitigate adverse effects, shall be studied. With a view to forming *convection-promoting national land* as a basic concept underpinning the National Land Formation Plan (nationwide plan), an effective promotional policy for this plan will continue to be studied by an expert committee attached to the Planning and Promotion Subcommittee of the National Land Development Council. A vision of national land to be formed by 2050 will be drawn and a long-term outlook for national land designed to promote investigations of tactics for summarizing and resolving future issues will be studied.

Section 2: Promoting the proper use of land in urban plans

The formulation of a Policy for the Maintenance, Development, and Conservation of Urban Planning Zones as set forth for each urban planning zone (master plan for urban planning zones) and a Basic Policy Concerning Urban Plans for Municipalities as set forth by municipalities (master plan for municipalities) shall be promoted. As the population continues to shrink and society continues to age, the production by municipalities of location optimization plans based on the Special Measures Act for Urban Revitalization shall be supported, and the formation of compact cities will be promoted.

In order to deal with natural disasters that are becoming more frequent and severe, proper land use in conjunction with disaster-prevention measures will be promoted through efforts to block the emergence of new sites in disaster-prone areas, encourage relocation from disaster-prone areas, and promote disaster-prevention measures within residential guidance zones as provided for in location optimization plans in accordance with a draft law to partially amend the Special Measures Act for Urban Revitalization, which was approved by the Cabinet in February 2020.

By formulating a plan for forming regional public transit networks aligned with local optimization plans and implementing projects related to these plans, wide-area public transit networks will be redeveloped, and inducements for the proper use of land linked with compact city measures will be promoted.

Section 3: Promoting initiatives for securing and effectively utilizing excellent agricultural land according to plans for the development of agricultural promotion areas

In order to promote initiatives for securing and effectively utilizing excellent agricultural land, measures related to the promotion of agriculture will be promoted on a planned basis through the designation of agricultural promotion areas, and the formulation of plans for developing agricultural promotion areas and efforts will be made to promote the accumulation and consolidation of agricultural land through plans applicable to people and farmland and ensure the proper and efficient use of agricultural land for agricultural purposes in accordance with, among other statutes, the Act on Promoting the Fortification of Agricultural Management Infrastructure (Act No. 65 of 1980) and the Act Concerning the Promotion of Agricultural Land Intermediary Management Businesses (Act No. 101 of 2013).

Section 4: Promoting the proper use and management of forests according to forestry plans

With respect to the proper use and management of forests, efforts are being made to appropriately promote afforestation and thinning in order to ensure that forests can fully function in multifaceted ways through the operations of forest planning systems based on the Forest Act (Act No. 249 of 1951). In addition, forest management practices are being integrated and consolidated in accordance with the Forest Management Act (Act No. 35 of 2018).

Chapter 2: Measures to ensure the proper use and management of land

Section 1: Promoting regional revitalization and urban revitalization

1 Promoting regional revitalization

In accordance with the second-phase Comprehensive Strategy for the Cultivation of Communities, People, and Work, efforts are being made to develop communities by enhancing community functions for higher-quality living with the goals being to both build dynamic communities and ease centralization in the Tokyo metropolitan area. In order to promote initiatives for revitalizing regions for which the national government and regions have joined forces, initiatives for comprehensively and effectively realizing various measures concerning national strategic special zones, special zones for structural reform, comprehensive special zones, future cities for SDGs, the notion of future environmental cities, urban revitalization, regional revitalization, and the revitalization of city centers will be pursued.

In order to increase the value of a region and promote area management activities that contribute to the proper use of land, the utilization of an area management payment assumption system for regional revitalization shall be promoted through consulting services based on the use of guidelines explaining the contents of this system and the procedures needed to be undertaken.

In addition, in collaboration with various entities and through the establishment of links with different measures, life-service functions for supporting the daily lives of residents in small-population areas shall be consolidated in certain areas, small hubs constituting sites where networks connecting the sphere of daily existence within a village to the outside world are secured shall be formed, and efforts to ensure the proper use of land from the standpoint of revitalizing and enhancing the sustainability of a region will be promoted.

2 Promoting urban revitalization

In order to promote urban revitalization in urban revitalization emergency development areas, the proactive utilization of support measures consisting of mezzanine support services provided to support the procurement of middle-risk funds by private sector urban organizations, examples of which include tax support and the provision of preferential treatment under urban plans, in urban revitalization emergency development areas designated in accordance with the Special Measures Act for Urban Revitalization will be promoted. In addition, the creation of downtown areas where people can walk in comfort through the integrated restoration and use of public-private spaces, such as streets, parks, and squares in downtown areas, will be promoted. (A draft law to partially amend the Special Measures Act for Urban Revitalization was submitted to the 201st session of the Diet.)

3 Promoting the use of private sector capabilities

With respect to the framework for reviewing the adoption of PPP/PFI mechanisms on a priority basis, efforts are being made to promote precise operations on the part of organizations that have already formulated priority review rules by rendering visible the state of the formulation and operations of these rules and ascertaining and horizontally deploying issues and know-how in accordance with population size through follow-up actions and have local governments in municipalities with at least 200,000 residents where such rules have not yet been formulated to promptly formulate such rules. Efforts will also be made to expand operations to local governments in municipalities with less than 200,000 residents based on local conditions, operational circumstances, and prior cases.

Section 2: Promoting the development of disaster-resistant communities

Preventive flood-control measures designed to prevent floods from occurring and disaster recurrence-prevention measures targeting areas that have been severely damaged or areas where above-floor-level flooding occurs frequently are being promoted. In addition to designating and publicly announcing zones that are expected to be flooded by the largest possible amount of rainfall (zones that are expected to be flooded if a river overflows) and providing support for the production of hazard maps for affected municipalities, the development of communities that are resistant to disasters in terms of both tangible and intangible elements shall be promoted by installing crisis management water level gauges and simple river monitoring cameras to convey detailed information of an urgent nature regarding nearby rivers and providing real-time disaster-prevention information on river water levels and rainfall amounts through multi-display monitors providing information on the weather and flood- and sediment-related disasters.

Section 3: Promoting the use of underutilized land

The following measures shall be implemented to promote the use of underutilized land.

- Special tax measures pertaining to the transfer income earned by individuals when underutilized land, for which transaction-related costs are relatively high since the transfer price is low, is transferred shall promote transfers by granting an incentive to sell by way of reducing the burden that is normally incurred by sellers when engaging in a

transaction and thereby promote the proper use and management of underutilized land by persons indicating a new intent to use the land in question.

- As local advisory systems based on the use of government and private sector experts are established and information on vacant land and houses are shared, the proper use of land will be promoted through the nationwide deployment of the following initiatives: a matching and coordination service to promote the proper use and management of land, a land bank initiative to provide management and other functions on behalf of landowners, and an initiative for revitalizing underutilized real estate through renovations and other means. In addition, support by local governments engaged in promoting the proper use and management of land in local areas will be extended through the provision of information and the production and dissemination of guidelines concerning positive examples.
- Transactions involving underutilized land and real estate will be promoted by standardizing and consolidating information on vacant land and vacant houses retained by local governments and matching demand and supply through the promotion of the use of a national bank of vacant houses and vacant land that will enable information on vacant land and vacant houses across the country to be easily accessed and searched.
- The proper use of underutilized land in agricultural areas will be promoted by providing support for the smooth acquisition of vacant houses with agricultural land from the standpoint of tapping into the need to see people migrating to agricultural, mountain, and fishing villages.
- Proper transactions involving underutilized land and real estate and the proper use of underutilized land and real estate will be promoted by revitalizing small-scale real estate in local areas by way of promoting the use of small-scale specified joint real estate projects, the development of an environment for crowdfunding, and special tax measures pertaining to specified joint real estate projects. In addition, the smooth financing of projects for revitalizing local land and real estate will be promoted by utilizing *aspirational funds* to be deployed with expectations of crowdfunding-based growth for a specific region or of individual activities.
- The proper use of land will be promoted by developing and maintaining underutilized land as green infrastructure in the form of a flood basin or in the form of green space or farmland with features that enhance environmental conservation in accordance with the attributes of a local area.

Section 4: Utilizing publicly-owned land

1 Promoting the optimal use of state-owned property

In the New Economic and Fiscal Revitalization Plan's Reform Process Chart 2019 (approved by the Council on Economic and Fiscal Policy in December 2019), it is stated that adjustments will be made with respect to the optimal use of state-owned property in each region in collaboration with local governments to promote the optimal use of state-owned property while information on state-owned property situated in certain areas is shared and the opinions of local governments are also respected.

2 Planned acquisition of public land

In order to help facilitate public investments and support the planned prior acquisition of public land by local governments, efforts will be made to secure required funds, the costs of acquiring forests for which public ownership is deemed necessary shall be covered by local government bonds, and measures for allocating local taxes to cover such costs shall be implemented.

Section 5: Promoting housing measures

1 Promoting the Basic Plan for Housing and Living

Necessary measures will be promoted based on eight targets set forth in the Basic Plan for Housing and Living (approved by the Cabinet in March 2016) from three standpoints, namely *residents*, *housing stock*, and *industry and region*.

2 Promoting the supply of public rental housing

Efforts will be made to have public housing, high-quality local rental housing, rental housing provided by the Urban Renaissance Agency, service-included housing for elderly persons, and other high-quality rental housing to elderly households, disabled households, childrearing households, and other households for which consideration of residential stability needs to be given in each region. In particular, efficient provision with weight given to existing stock and private sector vitality shall be promoted. The registration of safety net housing will continue to be promoted within the context of a new housing safety net system based on the use of private sector rental housing and vacant houses (which came into effect on October 25, 2017) and support will be extended for home renovations and to help mitigate costs incurred by residents.

3 Proactively promoting the supply of urban housing primarily in large cities

The development of infrastructure and facilities within a residential environment, including roads required in connection with the construction of housing, parks, sewerage systems, rivers and related public facilities, community roads, and multipurpose squares, shall be promoted on a priority and comprehensive basis through housing and urban infrastructure development projects.

4 Forming favorable living space through the redevelopment of existing urban areas

In order to promote city dwelling through the creation of comfortable habitats, upgrading of urban functions, development and upgrading of dense urban areas, and supply of housing situated in proximity to workplaces in existing urban areas, comprehensive housing and urban development projects and projects for developing superior buildings are among the projects that will be promoted.

5 Forming high-quality housing stock and effectively utilizing the housing stock

In order to further promote the optimization of condominium management and further facilitate the rebuilding of condominiums to address the issue of aging condominiums in accordance with the draft law to partially amend the Act Concerning the Promotion of the Optimization of Condominium Management and the Act Concerning the

Facilitation of the Rebuilding of Condominiums, which was approved by the Cabinet in February 2020, such measures as those consisting of the establishment of a system to enable the production by prefectures of plans to promote the optimization of condominium management, expansion of the scope of certification pertaining to the necessity of dismantling a condominium structure, and subdivision of the site of a certified condominium structure that needs to be dismantled within a complex to be carried out by a majority decision shall be implemented.

In addition, an environment necessary for the smooth operations of the new system will be developed, and efforts will be made to optimize the management of rental housing based on the draft law related to the optimization of the management of rental housing as submitted to the 201st session of the Diet.

6 Enhancing housing-acquisition measures

Various measures have been implemented in revisions made to the tax system in fiscal year 2020, including the extension of the date of expiration for the application of a measure to reduce property taxes pertaining to newly built homes (reduced by half for three years for detached houses and five years for condominiums) by two years to March 31, 2022, the extension of the date of expiration for the application of a special measure intended to promote the spread of certified long-term high-quality housing by two years to March 31, 2022, and the extension of the date of expiration for the application of a special measure concerning property taxes where a home renovation has been undertaken by two years to March 31, 2022.

7 Forming a high-quality residential environment

Measures to inhibit the emergence and promote the proper use of underutilized land, such as projects undertaken to revitalize local housing complexes (including by way of allowing procedures for relaxing usage controls and procedures for obtaining permits required to introduce community buses to be carried out on a one-stop basis) and other initiatives to revitalize housing complexes through the introduction of a variety of building uses and improvements made to the convenience of local public transit options, shall be promoted.

Section 6: Promoting the development of communities in which urban sections coexist with greenery and farmland

The development of sustainable, attractive cities and local communities and the proper use of land and real estate will be promoted through the promotion of a green infrastructure that cleverly harnesses the extensive range of functions possessed by the natural environment. Efforts will also be made to smoothly carry out a number of initiatives for creating a pleasant, rich urban environment—including the urban residents' green space certification program, green corporations program, and productive green space and rural residential areas program—by spreading awareness of these programs in collaboration with concerned organizations.

Section 7: Appropriate conservation of agricultural land

The integration and consolidation of agricultural land into the hands of responsible parties will be promoted by giving impetus to intermediary institutions that manage farmland as established by all prefectures through the full enforcement of relevant laws, including the Act Concerning the Promotion of Projects for the Intermediary

Management of Farmland (April 2020). In addition to promoting initiatives undertaken by farmers to reclaim degraded farmland, efforts will be made to prevent the emergence of and eliminate degraded farmland by promoting the vesting in intermediary institutions that manage farmland of usage rights over degraded farmland reclaimable through the application of a series of procedures, such as investigations of usage intent carried out by the Agricultural Affairs Committee and the issuance of recommendations for consultations with intermediary institutions that manage farmland.

Section 8: Ensuring the proper conservation and use of forests

In order to enable the multifaceted functionality of forests to be harnessed at an advanced level, guidance and advice shall be provided with respect to the planned development of forests by local governments and forest owners in accordance with the forest planning system set forth in the Forest Act. A forest administration and management system shall be promoted for integrating and consolidating the administration and management of improperly managed forests into the hands of municipalities and forestry managers in accordance with the Forest Management Act.

Section 9: Promoting measures pertaining to environmental conservation

Land-related measures for environmental conservation shall be promoted in concert with the aim to create local recycling and symbiosis zones in accordance with the Fifth Basic Environmental Plan (approved by the Cabinet in April 2018). In addition, environmental conservation will be taken into account when formulating and implementing different types of land-related measures and projects. In order to develop low-carbon communities to reduce medium- to long-term emissions of greenhouse gases and based in part on the contents of the second-phase Comprehensive Strategy for the Cultivation of Communities, People, and Work (approved by the Cabinet on December 20, 2019), the formulation and implementation of local government execution plans based on the Act Concerning the Promotion of Measures to Counteract Global Warming will be promoted, and support will be extended to the production of low-carbon community development plans by municipalities according to the Act Concerning the Promotion of the Decarbonization of Cities and initiatives based on these plans.

Section 10: Appropriately protecting cultural properties and promoting the formation of excellent landscapes

With respect to historical communities and townscapes, guidance and advice will be given regarding the preservation and use by municipalities of districts where groups of heritage buildings are preserved. Districts where groups of important heritage buildings are preserved will be selected, and efforts devoted to the preservation and use of such districts will be made. In addition, the formation of excellent landscapes will continue to be promoted through education on basic principles contained in the Landscape Act, education related to landscapes carried out to encourage participation on the part of a diverse pool of actors, and the extension of support for initiatives to provide information on the effective use of the legal system and for the formulation of landscape plans.

Section 11: Promoting policies to ensure the proper management of land

1. Measures related to insufficiently managed land that adversely affects its surroundings

Support for initiatives undertaken by local governments, such as measures for the development of tangible elements by public enterprises and initiatives based on ordinances governing vacant land and the Act on Special Measures Concerning the Promotion of Measures for Dealing with Vacant Houses (Act No. 127 of 2014), will continue to be provided.

In addition, mechanisms for ensuring proper management by landowners of land adjacent to infrastructure and for facilitating disaster prevention and prompt recovery by infrastructure managers where necessary will also be studied from the standpoint of implementing disaster-prevention measures for infrastructure.

2. Ensuring the proper management of land in the context of relationships between private parties (revising the basic legal system applicable to civil affairs)

With a view to establishing a property management system focused on the management of land as a measure for rationalizing the management of land plots with unknown owners, an investigation is being conducted by the Legislative Council's Civil Code and Real Estate Registration Act Subcommittee. Mechanisms for facilitating the use and management of land plots with unknown owners by neighboring owners, such as a system for enabling neighborhood landowners to submit requests to have management measures carried out to the owners of insufficiently managed land, are also being studied by the same subcommittee, and the basic legal system applicable to civil affairs will be revised accordingly.

Section 12. Promoting measures to address the issue of land plots with unknown owners

Measures to inhibit and eliminate the emergence and ensure the smooth use and management of land plots with unknown owners will be promoted by the government on a concerted basis in accordance with the Basic Land Policy (approved by the Cabinet on May 26, 2020) based on the basic principles and basic measures set forth in the Basic Act for Land.

In revising the basic legal system applicable to civil affairs, the following contents shall be pursued:

- Mechanisms for smoothly and properly using land for which certain co-owners are unknown, and systems that allow land to be used by others for the installation of lifeline conduits are being studied by the Legislative Council's Civil Code and Real Estate Registration Act Subcommittee and the basic legal system applicable to civil affairs will be revised accordingly.
- Given the emergence of land plots with unknown owners that have been neglected without a registration of inheritance, which can occur because an application to register an inheritance is not mandated or because someone who inherits low-valued land would be especially burdened when carrying out inheritance registration procedures, policies for mandating inheritance registration applications and for updating real estate registration information by way of lessening the burden of carrying out registration procedures are being studied by the Legislative Council's Civil Code and Real Estate Registration Act Subcommittee, and the basic legal system applicable to civil affairs will be revised accordingly.

- From the standpoint of preventing land from becoming insufficiently managed and inhibiting the emergence of land plots with unknown owners, the establishment of a system for recognizing the relinquishment of title over land upon the satisfaction of certain conditions, such as the fact that land to be relinquished is being properly managed and the fact that land to be relinquished cannot be transferred even when considerable effort is expended, and for allowing ownership of land to revert to the state is being studied by the Subcommittee and the basic legal system applicable to civil affairs will be revised accordingly.

Efforts will also be made to facilitate and speed up land registry surveys according to the new ten-year plan for the seventh national land survey project launched in fiscal year 2020. Promoting the clarification of boundaries, which constitute basic information related to land, will help inhibit the emergence of land plots with unknown owners.

Chapter 3: Measures related to land transactions

Section 1: Developing the market for real estate transactions

In order to comprehensively promote measures to pursue the development and revitalization of the real estate distribution market, an environment necessary for the smooth operations of a new system will be developed, and efforts will be made to optimize the management of rental housing based on the draft law related to the optimization of the management of rental housing as submitted to the 201st session of the Diet. In addition, the empirical results of social experiments, such as those involving the digitization of IT recaps, statements of important matters, and other documents concerning sales transactions, shall be verified in order to improve consumer services and operational efficiency in the real estate industry.

In addition, a market environment to enable sellers and buyers to engage in transactions with peace of mind shall be developed, and the distribution of existing homes shall be promoted by encouraging the use of inspections (of the state of building structures) and the Anshin R Housing program, which certifies that a given home is one for which an inspection has already been performed.

In addition, measures shall be implemented that are necessary in light of the globalization of the real estate market, such as the dissemination of manuals for preventing problems that could arise in connection with real estate transactions carried out with foreign nationals.

At the same time, requests shall be submitted through real estate-related organizations to real estate rental companies to have the implementation of flexible measures investigated, such as in terms of the granting of rent payment deferrals to tenants finding it difficult to pay rent due to the impact of the coronavirus crisis, and support measures shall be extended to rental companies depending on whatever rent reductions and deferrals have been applied.

Section 2: Developing the market for real estate investments

In addition to building a network of local governments and businesses in connection with the securitization of public real estate (PRE), support for projects modeling the securitization of real estate for the revitalization of empty homes and the use of PRE, as well as support for operational managers of small-scale specified joint real estate projects, shall be provided. In order to promote appropriate real estate investments, including those that incorporate

the standpoints of SDGs and an ESG framework, necessary measures concerning specified joint real estate projects shall be implemented.

Section 3: Measures implemented through the system of land taxation

In order to promote the appropriate use and management of underutilized land, a special measure to provide for the deduction of one million yen from long-term transfer earnings in the event that an individual transfers certain underutilized land with a transfer value of up to five million yen shall be established on July 1, 2020. In addition, the period during which long-term buildings and land are replaced by land and buildings in Japan in the context of special tax provisions applicable where specific assets are replaced was extended by three years after excluding vehicles used for railway operations from the scope of replaced assets.

Section 4: Supporting international expansion in the real estate market

The development and dissemination of systems that help improve the business environment in markets where Japanese real estate companies seek to expand operations shall be supported through the training of government employees in ASEAN member countries. Efforts will be made to develop business environments by ensuring legal stability in the conducting of business activities in local markets and through improvements made to systems and operations made possible by the utilization of bilateral frameworks and international negotiations.

Section 5: Appropriate operations of a land transactions system

In order to eliminate the adverse effects of speculative land transactions and soaring land prices on the lives of people and ensure that land is properly and reasonably used, basic surveys on regulations governing land transactions that are conducted to ascertain information on land transactions will continue to be conducted, and efforts shall be made to appropriately operate regulatory systems governing land transactions based on the National Land Use Planning Act (Act No. 92 of 1974).

Chapter 4: Measures related to land-related surveys and provision of information

Section 1. Promoting national land surveys

Based on the ten-year plan for the seventh national land survey project, efforts will be made to have new procedures for smoothly carrying out surveys even where owners are unknown and efficient survey techniques tailored to the characteristics of urban areas and mountain villages adopted under amendments made to the National Land Survey Act. By supporting land registry surveys in areas with a high degree of policy effectiveness on a focused basis, land registry surveys will be promoted. In addition, the results will be released of confirmatory tallying undertaken for a Basic Survey of Corporate Land and Buildings (Basic Five-Year Statistical Survey Conducted in Fiscal Year 2018) and Household Land Statistics (Derived Statistics for Transcribing and Tallying the Results of the Statistical Survey of Housing and Land as Conducted by the Ministry of Internal Affairs and Communications in Fiscal Year 2018) shall be publicly disclosed. Furthermore, a Comprehensive Report on Basic Land Surveys, which combines these two sets of results.

Section 2. Promoting the development of national land-related information

With respect to numerical data on national land, land price announcements and prefectural land surveys will be updated, and information required for the national land policy will continue to be developed. With a view to realizing a society that is capable of utilizing basic map information, thematic maps, ledger information, statistical information, aerial photographs, and other examples of geospatial information at an advanced level, basic map information and other forms of geospatial information constituting social infrastructure will be developed and updated, and a geospatial project will be promoted through the distribution and utilization of geospatial information as spearheaded by the G-Spatial Information Center in accordance with the Basic Plan to Promote the Utilization of Geospatial Information (approved by the Cabinet in March 2017).

Section 3. Developing a registration system for land

A policy for updating real estate registration information through the mandating of inheritance registration and a reduction in the burden of registration procedures is being studied by the Legislative Council's Civil Code and Real Estate Registration Act Subcommittee and the basic legal system applicable to civil affairs will be revised accordingly.

Mechanisms to enable concerned administrative agencies to smoothly ascertain information related to landowners through links established with registries centered on real estate registries and the ledgers of other public entities are to be established in a way that also takes the protection of personal information into account, and studies to this end are being carried out. In concert with these efforts, the establishment of links with land-related information in different registries and ledgers shall be promoted, the revision of data formats and actions to coordinate among different systems for the facilitation of the foregoing shall be undertaken, and studies for the construction of mechanisms for linking information, including by way of bringing information online, will be pursued.

Section 4. Promoting information on real estate transactions

The results of an analysis of land price trends will be released based on the results of investigations conducted on 26,000 standard land sites nationwide in order to enable the announcement of land prices to be made in 2021 and allow this announcement to fulfill its role as an element of institutional infrastructure. With respect to this announcement of land prices, land price trends will be ascertained and communicated in greater detail by revising survey methods to accommodate the individualization and multi-polarization of land prices. At the same time, the development of diverse indicators, including the existing housing sales volume index, will be promoted to help ascertain trends in real estate prices in a timely and accurate manner and improve the transparency of the real estate market.

Section 5. Promoting the provision of information on disaster risks

The smooth implementation of measures related to the use and management of and transactions involving land will be promoted through the promotion of the development, public disclosure, and use of information for enabling the use of disaster risk information, such as flood-related assumptions and historical records of local land disasters

that contribute to disaster prevention and mitigation efforts in accordance with societal needs, real estate price information, and information on banks of vacant houses and vacant land in a geospatial context, and through the development of technologies for the i-Urban Revitalization program for visualizing urban data by way of rendering such data into a three-dimensional format.

Along with providing an explanation as to whether a given area falls within a sediment disaster warning zone or tsunami disaster warning zone as an explanation of important matters to be given during a transaction involving real estate, the notion of providing an explanation pertaining to flood risks based on the use of hazard maps will be further examined with a view to including it within the scope of important matters to be explained.

Furthermore, environmental development to promote the disclosure of information concerning risks and opportunities due to climate change as based on recommendations made by the TCFD in the area of real estate shall be pursued.

Chapter 5: Comprehensively promoting measures concerning land

Section 1: Cooperation between the national government and local governments

In order to promote the formation of specific PPP/PFI projects, the spread of regional platforms nationwide will be promoted. Moreover, efforts will continue to be made to support local governments through meetings of local councils in order to further deepen understanding of the Act on Special Measures Concerning the Facilitation of the Use of Land Plots With Unknown Owners (Act No. 49 of 2018).

Support for initiatives constituting advanced case studies that can be used as models for projects designed to promote local welfare will be supported, seminars for promoting the spread of relevant systems will be held, awareness of special tax measures pertaining to projects designed to promote local welfare that were extended through tax reforms enacted in 2020 will be raised, and the proactive use of the statute will continue to be promoted.

Section 2: Cooperating with experts in in relevant fields

In order to enable the smooth implementation of land registry surveys, efforts will be made to further utilize a land registry advisor dispatching system whereby experienced experts on land registry surveys are dispatched to municipalities and advice on overcoming survey-related issues is given. Efforts on the part of the national government to disseminate and promote the spread of new systems and techniques will fortify support for municipalities.

Section 3: Disseminating basic principles concerning land

Efforts shall be made to disseminate the basic principles concerning land and introduce various measures and systems related to land through the publication of a White Paper on Land and activities related to Land Month in October (with October 1 declared Land Day) in collaboration with concerned organizations.

Section 4: Securing funds and leaders

Multiple renovation projects will be pursued in tandem while community development funds are established jointly with local financial institutions and areas are managed accordingly. At the same time, community development based on the use of crowd-funding tools and other forms of *aspirational funds* shall be promoted by providing support through financial contributions made to community development funds operated by local governments and other stakeholders in support of parties engaged in community development projects through the use of crowd-funding options.

Chapter 6: The Great East Japan Earthquake and restorative and reconstructive measures concerning land

Section 1: Measures related to the use of land

1. Measures concerning residential land

In order to promote tsunami disaster countermeasures, support will be extended to local governments engaged in collectively relocating homes to elevated zones through a project to promote disaster prevention and group resettlement and urban areas constituting hubs for area-wide reconstruction where urban functions can be maintained even in the event of a tsunami will be formed through a project to develop tsunami reconstruction hubs.

2. Measures concerning agricultural land

Projects for restoring and desalting farmland and agricultural facilities in the wake of a disaster and for readjusting zones accordingly shall be carried out in accordance with the Agricultural and Rural Reconstruction Master Plan, which has clarified schedules for the restoration of farmland and measures required at all stages up to and including restoration.

3. Initiatives for land-use reorganization

In accordance with the reconstruction and development planning system as provided for in the Act on Special Zones for Reconstruction after the Great East Japan Earthquake, efforts to harness special cases of one-stop processing for licensing and zoning procedures and an easing of standards pertaining to such licenses shall be made, and the smooth and prompt implementation of such projects as those involving the development of urban areas and the development of agricultural production infrastructure required to promote the development of communities and regions for reconstruction will be promoted.

Section 2: Housing-related measures

1. Support for the supply of disaster public housing

Local governments are working to supply public housing (disaster public housing) to disaster victims who are finding it difficult to rebuild or acquire housing on their own. Aid to cover development costs and costs incurred to extend rent-reduction assistance to residents will continue to be provided and special measures pertaining to criteria for tenancy eligibility and transfers will remain in place.

2. Supporting the reconstruction of homes belonging to individuals

In order to continue to support the rebuilding of housing for disaster victims, the period during which interest rates will be lowered and the principal will not need to be repaid on disaster recovery housing loans extended by the Japan Housing Finance Agency will be extended, and disaster recovery residential land loans will also be offered to provide support even in cases where residential land has been damaged.

Section 3. Initiatives for accelerating the reconstruction of homes and development of communities

In order to ensure that such projects as those involving the construction of disaster public housing and the development of residential land for private housing are steadily completed, detailed practical support will be provided to municipalities, and new problems arising in connection with project-related progress and changes in societal conditions will be flexibly and promptly addressed.

Section 4. Land information-related measures

1. Promoting the clarification of land boundaries

In order to contribute to the early restoration and reconstruction of disaster-affected areas through the clarification of land boundaries, local disaster-affected governments will be supported in accordance with the status of land registry surveys that are underway.

2. Providing information on land transactions to ensure proper transactions

In order to ensure that proper land transactions are carried out in disaster-affected areas, registration information and transaction price information corresponding to land transactions in Iwate, Miyagi, and Fukushima prefectures will continue to be provided to bureaus in charge of land measures in these prefectures, as well as in Sendai City as information that can help ascertain the actual state of land transactions.

Section 5. Tax measures

Necessary tax measures will continue to be implemented at each stage in acquiring, possessing, and transferring land from the standpoint of seeking to promote initiatives for reducing the burden on victims of the Great East Japan Earthquake and for carrying out restoration and reconstruction work in affected areas.