

Trends Concerning Land in FY 2018  
Basic Measures in Relation to Land in FY 2019

Abstract

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Ministry of Land, Infrastructure, Transport and Tourism

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*Trends Concerning Land in FY 2018 and Basic Measures in Relation to Land in FY 2019* are created based on the provisions of Article 10, paragraphs (1) and (2), of the Basic Act for Land (Act No. 84 of 1989).

## Part 1 Trends Concerning Land

### Chapter 1 Trends in Land Prices and Land Transactions in FY 2018

The Japanese economy in fiscal 2018 continued a moderate recovery in the context of improved employment and the income environment and an increase in corporate capital investments.

#### Section 1 Economic Situation Surrounding the Real Estate Market in Japan

##### (Change in GDP)

Japan's real GDP in 2018 showed negative growth in the July–September quarter, but turned positive in the October–December quarter in the context of increased consumer spending and capital investments in the private sector.

##### (Trends in corporations)

The fundraising environment for corporations has been in good within the context of continued monetary easing by the Bank of Japan. Concerning the changes in the manufacturing and sales facilities diffusion index (DI), the sense of equipment overcapacity among companies that have been experiencing shortages since 2017 in manufacturing has remained unchanged as slight shortages in 2014–2016 in non-manufacturing, but the sense of a shortage slightly grew in 2017 and was broadly flat in 2018.

##### (Trends in loans to the real estate industry)

New loans from banks to the real estate industry, according to the *Loans and Bills Discounted by Sector* compiled by the Bank of Japan, changed to a decrease in 2017 and continued as a decline in 2018 to 11,112.5 billion yen, remaining at a high level and exceeding the new loans in 1989 during the economic bubble years (10,441.9 billion yen). The amounts outstanding of loans and bills discounted from banks to the real estate industry, according to the *Loans and Bills Discounted by Sector* compiled by the Bank of Japan, have been on the increase since 2011. In 2018, the amounts reached a record high since 1970 at 77,797.6 billion yen.

##### (Trends in households)

Concerning the employment environment, employers' perceptions regarding excesses in employment had fallen since the July–September quarter of 2009 for the whole industry and changed to a sense that there was a labor shortage in 2013. The sense of a labor shortage has been growing further in 2018. The active opening rate has been rising consistently since the July–September quarter of 2009. Regarding consumption by households, it has not shown a downtrend compared with the preceding quarter since the October–December quarter of 2016.

#### Section 2 Trends in Land Prices

According to the publication of the land values of standard sites by Ministry of Land, Infrastructure, Transport and Tourism, with regard to trends in land prices as of January 1, 2019, the national average volatility for all uses and commercial land increased for four consecutive years and that for residential land increased for two consecutive years, all of which developed the range of increase, strengthening the upward trend.

Concerning the land values of three major metropolitan areas, the average volatility has been rising for each of all uses, residential land, and commercial land of each area, strengthening the upward trend.

The average volatility in rural areas rose for all uses and residential land for the first time in 27 years. The average volatility for commercial land rose for two consecutive years, strengthening the upward trend. In particular, the average among Sapporo City, Sendai City, Hiroshima City, and Fukuoka City showed an increase in both residential and commercial land, exceeding those of the three major metropolitan areas.

The nationwide recovery of land values, regarding residential land, is because the demand particularly for convenient areas and areas with excellent dwelling environment are stable thanks to the supportive effect of demand by the continuation of low-interest rates and measures for supporting housing acquisition within the context of continuing improvement in employment and income conditions.

Regarding commercial land, as improvement in corporate performance continues along with the economic recovery, office building vacancies are generally on the decrease, and rents are increasing in response to the movement of widening or the relocation of offices for improving the environment in order to address workstyle reforms. In addition, the desire to open stores and hotels is still strong in central parts of major cities in response to an increase in foreign tourists and other visitors from inside and outside Japan, as well as increased convenience and turnout thanks to progress in infrastructure construction, redevelopment, and other projects. In the context of improved profitability along with the favorable financing environment owing to monetary relaxation, the willingness to invest in real estate is strong among corporate investors, and thus the commercial land prices are generally firm.

Figure Changes in Land Price Volatility (annual)

	(unit: %)														
	Residential land					Commercial land					All uses				
	FY2015 Property price index	FY2016 Property price index	FY2017 Property price index	FY2018 Property price index	FY2019 Property price index	FY2015 Property price index	FY2016 Property price index	FY2017 Property price index	FY2018 Property price index	FY2019 Property price index	FY2015 Property price index	FY2016 Property price index	FY2017 Property price index	FY2018 Property price index	FY2019 Property price index
Nationwide	▲ 0.4	▲ 0.2	0.0	0.3	0.6	0.0	0.9	1.4	1.9	2.8	▲ 0.3	0.1	0.4	0.7	1.2
Three major metropolitan areas	0.4	0.5	0.5	0.7	1.0	1.8	2.9	3.3	3.9	5.1	0.7	1.1	1.1	1.5	2.0
Tokyo area	0.5	0.6	0.7	1.0	1.3	2.0	2.7	3.1	3.7	4.7	0.9	1.1	1.3	1.7	2.2
Osaka area	0.0	0.1	0.0	0.1	0.3	1.5	3.3	4.1	4.7	6.4	0.3	0.8	0.9	1.1	1.6
Nagoya area	0.8	0.8	0.6	0.8	1.2	1.4	2.7	2.5	3.3	4.7	0.9	1.3	1.1	1.4	2.1
Rural areas	▲ 1.1	▲ 0.7	▲ 0.4	▲ 0.1	0.2	▲ 1.4	▲ 0.5	▲ 0.1	0.5	1.0	▲ 1.2	▲ 0.7	▲ 0.3	0.0	0.4
Sapporo, Sendai, Hiroshima, Fukuoka	1.5	2.3	2.8	3.3	4.4	2.7	5.7	6.9	7.9	9.4	1.8	3.2	3.9	4.6	5.9
Other	▲ 1.3	▲ 1.0	▲ 0.8	▲ 0.5	▲ 0.2	▲ 1.8	▲ 1.3	▲ 0.9	▲ 0.4	0.0	▲ 1.5	▲ 1.1	▲ 0.8	▲ 0.5	▲ 0.2

Data: MLIT "Land Market Value Publication"

Note 1: Region Classifications are as follows:  
 Three major metropolitan areas: Tokyo, Osaka, and Nagoya  
 Tokyo area: Cities including existing cities and suburb improvement zones based on Metropolitan Region Development Law  
 Osaka area: Cities including existing cities and suburb improvement zones based on Kinki Region Improvement Law  
 Nagoya area: Cities including urban improvement areas based on Chubu Region Development Improvement Law  
 Rural District: Regions besides the three major metropolitan areas  
 Other: City areas besides Sapporo, Sendai, Hiroshima, and Fukuoka among rural districts

Note 2: FY2015 Publish FY2015 Land Market Value Publication (Jan. 1, 2014–Jan. 1, 2015)  
 FY2016 Publish FY2017 Land Market Value Publication (Jan. 1, 2015–Jan. 1, 2016)  
 FY2017 Publish FY2017 Land Market Value Publication (Jan. 1, 2016–Jan. 1, 2017)  
 FY2018 Publish FY2018 Land Market Value Publication (Jan. 1, 2017–Jan. 1, 2018)  
 FY2019 Publish FY2019 Land Market Value Publication (Jan. 1, 2018–Jan. 1, 2019)

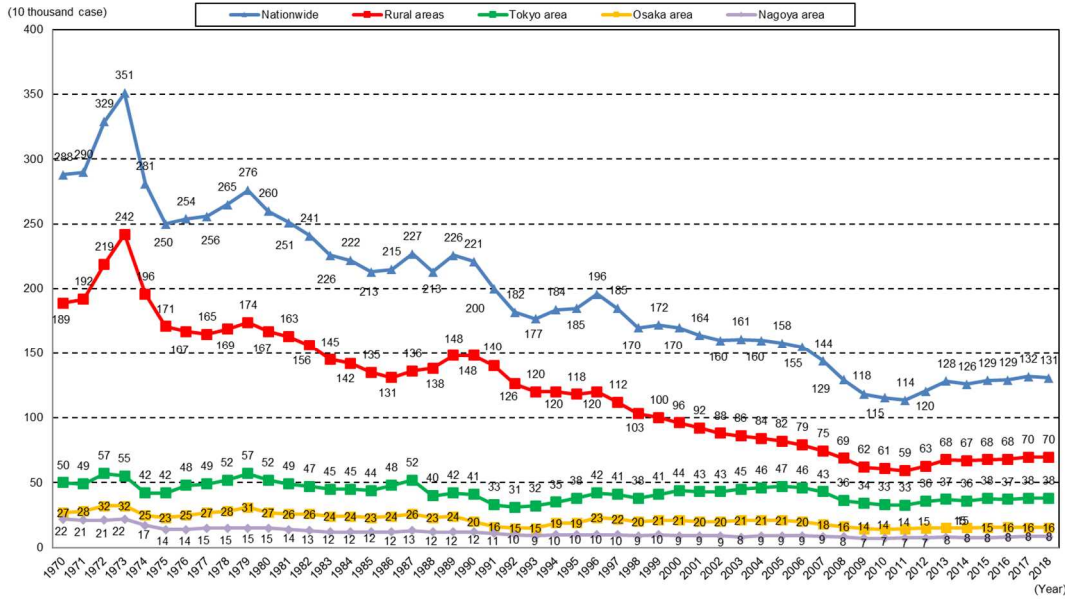
Note 3:  Decrease rate reduced from a year earlier, increase rate expanded from a year earlier  Decrease rate expanded from a year earlier, increase rate reduced from a year earlier  Unchanged from a year earlier

### Section 3 Trends in Land Transactions

#### (Changes in the number of land transactions)

The trends in land transactions are followed by the number of transfers of ownership registered through buying and selling according to *Registration Statistics Monthly Report* by the Ministry of Justice. The number of land transactions across the nation totaled 1.31 million in 2018, decreasing by 10,000 (down 0.7%) from the previous year.

Figure Changes in the number of land transactions of buying and selling

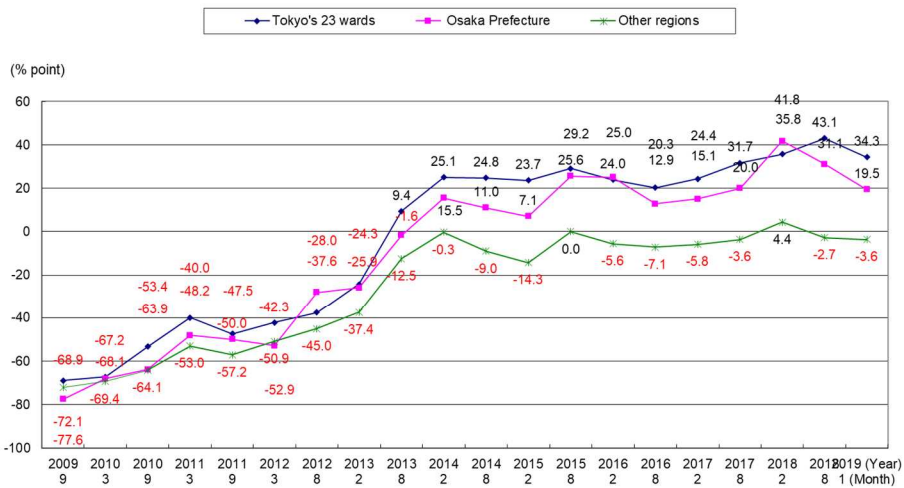


Data: "Judicial Statistics Monthly Report" by the Ministry of Justice  
 Note: Area Classifications are as follows:  
 Metropolitan area: Saitama Pref., Chiba Pref., Tokyo Pref., and Kanagawa Pref.  
 Nagoya area: Aichi Pref., Mie Pref.  
 Osaka area: Osaka pref., Kyoto pref., Hyogo pref.  
 Rural districts: Regions except for above

(Perception of land transactions by corporations)

According to the *Survey of Land Transaction Trends* conducted by the Ministry of Land, Infrastructure, Transport and Tourism, the diffusion index (DI: the rate of corporations responding that transaction activity is vibrant minus the rate of corporations responding that it is sluggish) regarding the perception of the current land transaction situation at the location of the headquarters decreased for Tokyo's 23 wards, Osaka, and other regions.

Figure DI in relation to current state of land transactions



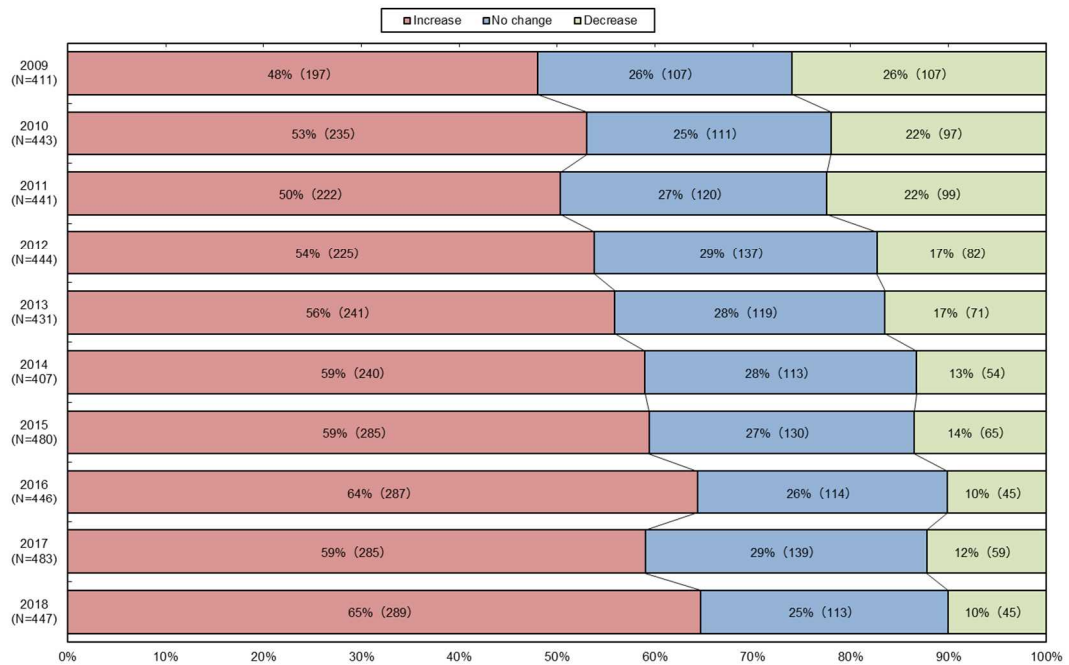
Data: "Trends in land transaction survey" by MLIT  
 Note 1: DI = "Active - Not active"  
 Note 2: The value of "Active" and "Not active" shows that respective rate (%) of corporations which responded "Active" and "Not Active" to the number of responses.

(Trends in the office market)

Regarding the trends in the rental office market, the questionnaire survey of corporations headquartered in Tokyo's 23 wards concerning the future demand for office rooms showed that 65% of the corporations had a plan to increase office areas by a new lease, marking the highest rate after 2009.

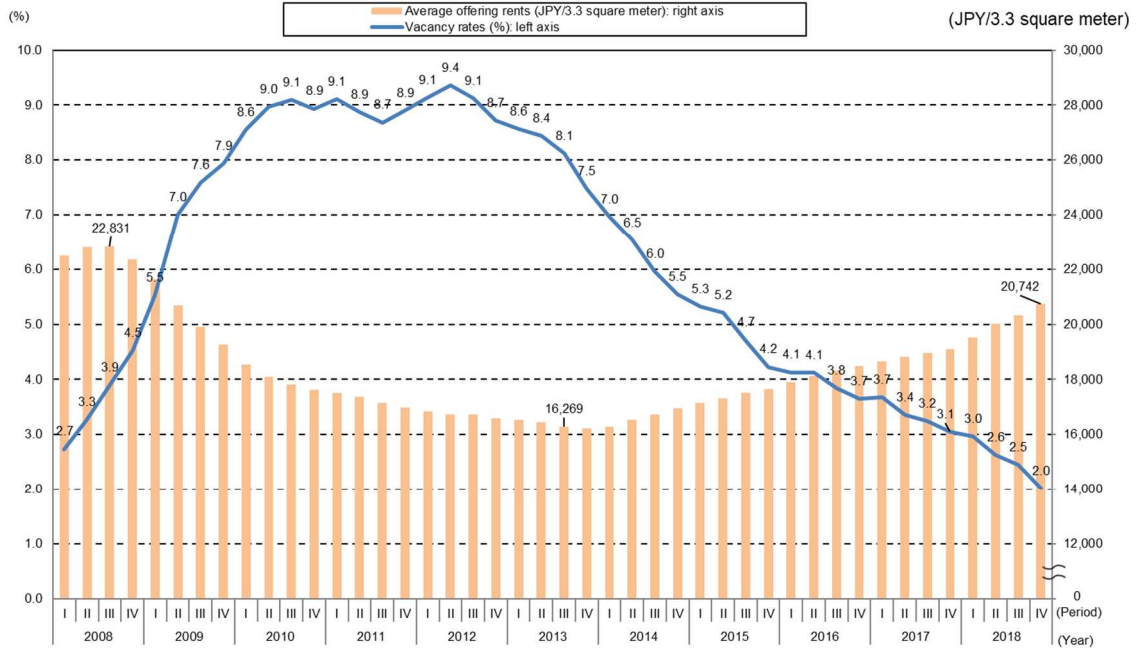
Against the background of strong demand for office rooms, the vacancy rate of the five inner-city wards of Tokyo (Chiyoda Ward, Chuo Ward, Minato Ward, Shinjuku Ward, and Shibuya Ward) declined to 2.0% in the October–December quarter of 2018, marking the lowest rate after 2007. Average offering rents have been on an upward trend since the January–March quarter of 2014.

Figure Proportion of plans to increase and decrease office areas by a new lease



Data: "Survey of needs for offices in Tokyo's 23 wards in 2017" by Mori Building Company, Limited  
 Note 1: The survey targets companies headquarters in Tokyo's 23 wards  
 Note 2: The figures in ( ) indicates the number of responses.

Figure Changes in rental price of office rooms and vacancy rate (the five inner-city wards of Tokyo)

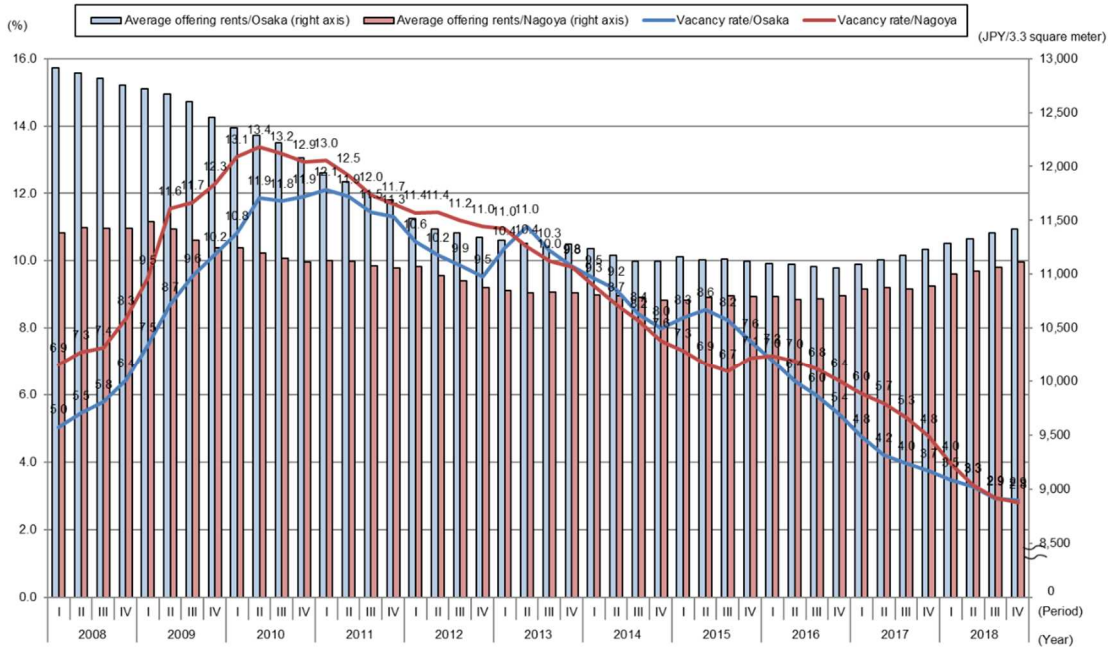


Data: Miki.com Co., Ltd.  
 Note: Values between I and IV are average of monthly value.

Regarding cities other than Tokyo, the decline in the vacancy rate and the rise in the average rents continued in Osaka and Nagoya as well in response to the steadily growing demand for office rooms. In Sapporo, Sendai, and Fukuoka, the vacancy rate continued to improve after 2010 or so. The vacancy rate dropped further in Sendai and Fukuoka and that of Sapporo was still low on the order of 2%.

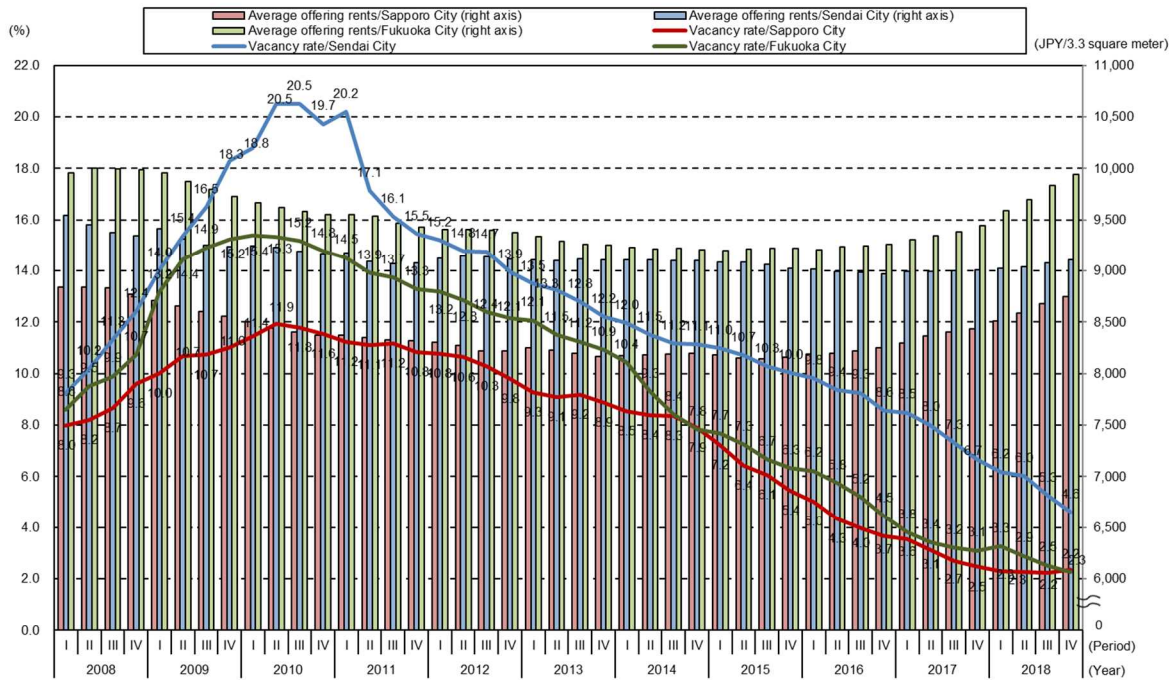


Figure Changes in rental price of office rooms and vacancy rate (Osaka and Nagoya)



Data: Miki.com Co., Ltd.  
 Note: Values between I and IV are average of monthly value.

Figure Changes in rental prices of office rooms and vacancy rate (Sapporo, Sendai, and Fukuoka)



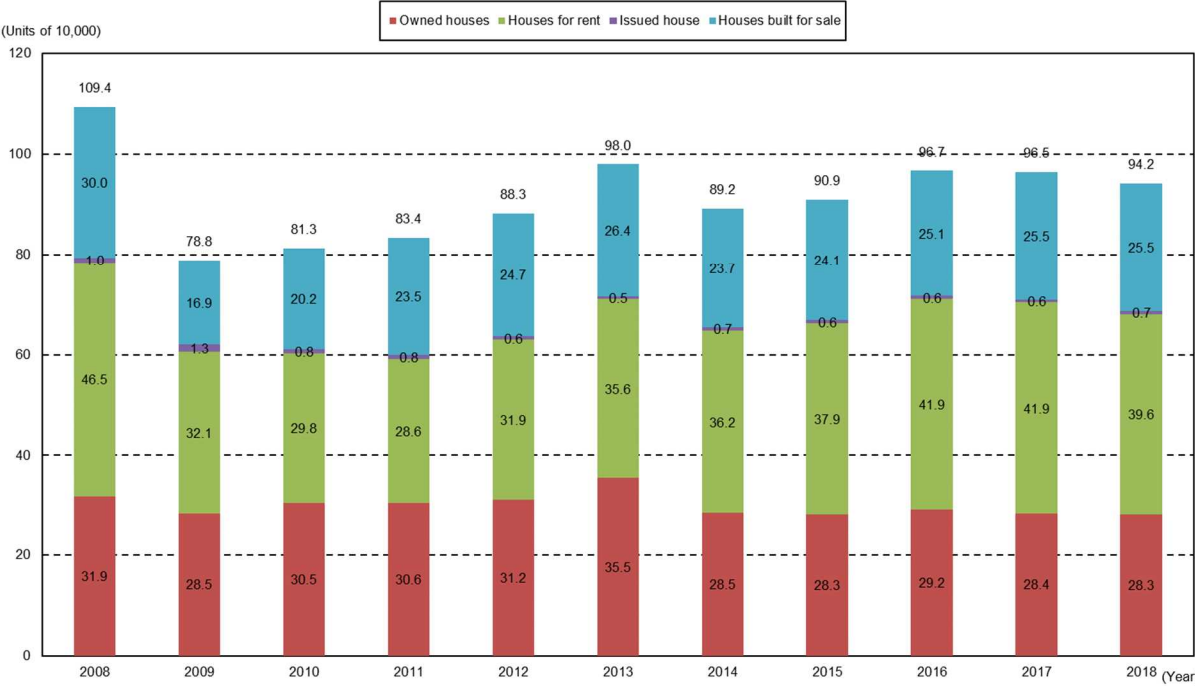
Data: Miki.com Co., Ltd.  
 Note: 1 As the data on Sendai City for March 2011 was not compiled due to being affected by the Great East Japan Earthquake, the value for the term I of 2011 is the average of monthly values from which that of March is excluded.  
 Note 2: Values between I and IV are the average of monthly values.

(Trends in the residential market)

The total number of new housing starts was 942,370 units in 2018, down 2.3% from the previous year. The numbers by purpose remained at the 280,000 level for owned houses and the 250,000 level for houses built for sale, the same as the previous year. The number of houses for rent, which had been on the increase since 2012, decreased at around 396,000 units compared with the previous year.

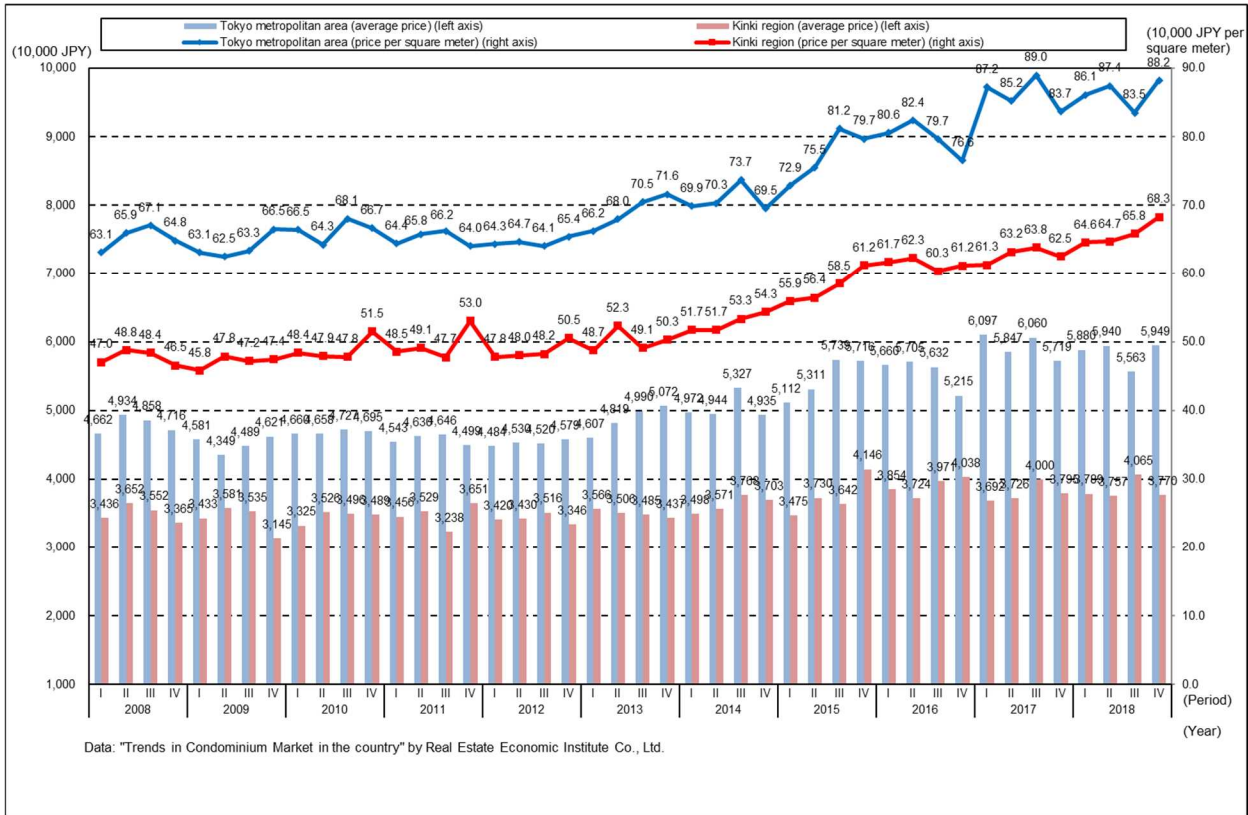
Regarding the condominium market trend, the price of a newly built condominium in the Tokyo metropolitan area in 2018 is at the high 800,000-yen level per square meter. That in the Kinki region is at the 600,000-yen level per square meter, which is still an upward trend. The average price was generally the same as the previous year in both the Tokyo metropolitan area and the Kinki region.

Figure Changes in newly built housing starts by purpose



Data: MLIT "Construction Starts Statistics Survey"

Figure Changes in newly built condominiums in metropolitan areas and the Kinki region

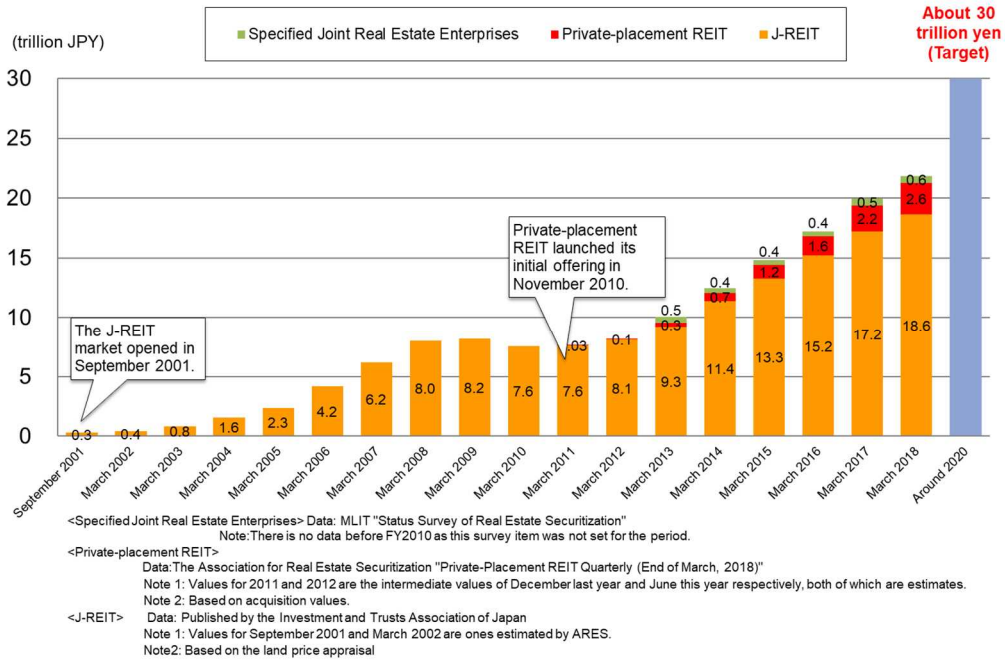


Section 4 Trends in the Real Estate Investment Market

(Trends in the real estate securitization market)

The total assets of the real estate investment market was around 21.8 trillion yen as of the end of March 2018, in the course of realizing the Investments for the Future Strategy 2017 (approved by the Cabinet on June 9, 2017), the target of achieving the total assets of around 30 trillion yen, including REIT, by around 2020 as part of the government's growth strategy.

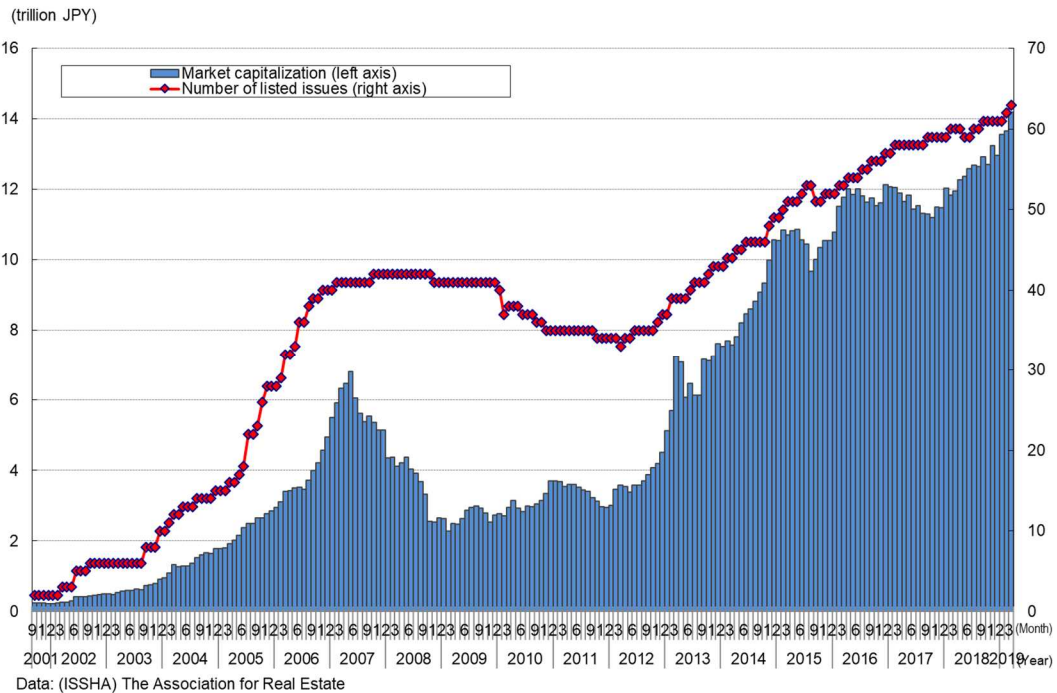
Figure Changes in the total assets of REIT



(Trends in the J-REIT market)

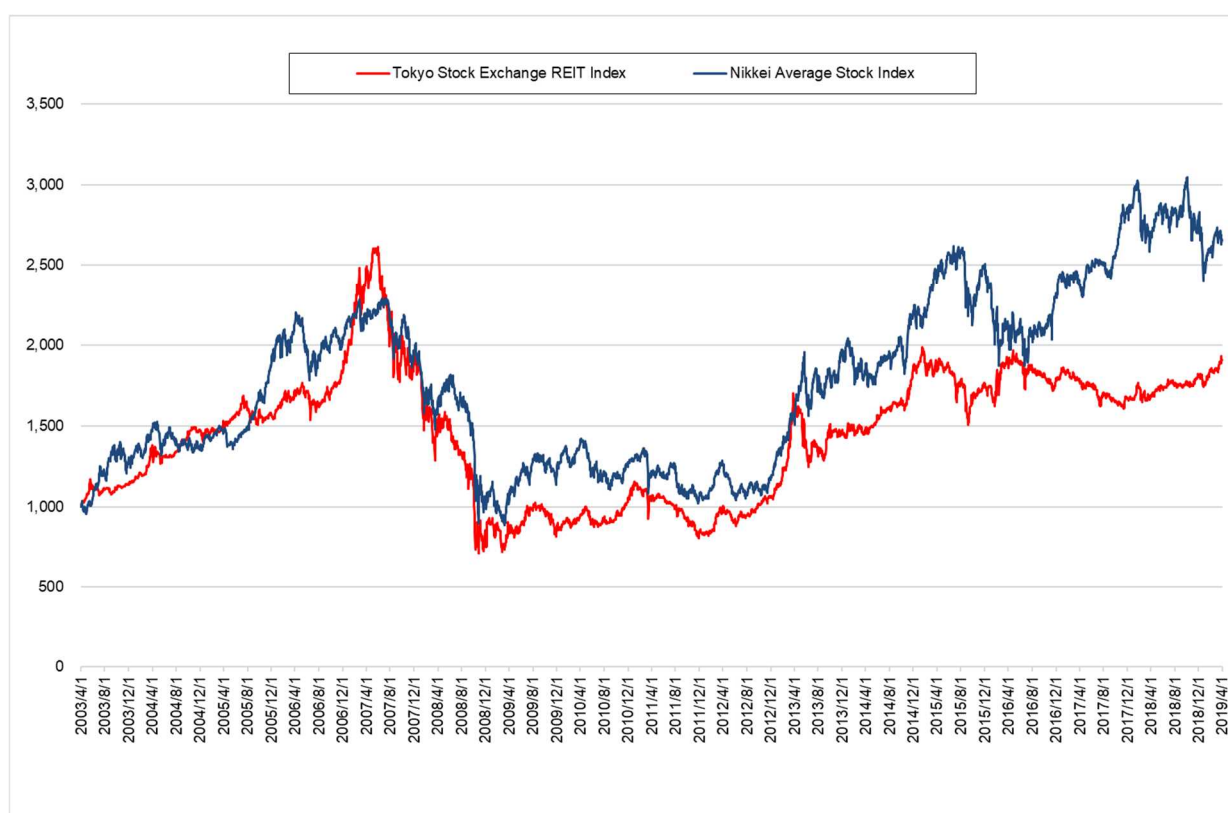
There were four new listings for J-REIT in fiscal 2018. As of the end of March 2019, 63 different stocks for J-REIT were listed on the Tokyo Stock Exchange, and the current aggregate market value of real estate investment trusts was about 14.2 trillion yen.

Figure Changes in the number of J-REIT listed issues and market capitalization



The Tokyo Stock Exchange REIT Index, which indicates the value movement of the whole J-REIT market, rose to points between upper 1,600 and upper 1,700 in the first half of FY 2018 in the context of the strong real estate market in spite of being affected by the long-term interest rate, and it jumped to 1,800-odd points in October 2018 because of attracting an inflow of money as a stable target for fund management and other reasons. Just after the turn of 2018, the Index rose to the upper 1,800 points. In March 2019, it reached the 1,900-point level for the first time after May 2016.

Figure Changes in the Tokyo Stock Exchange REIT Index and the Nikkei Average Stock Index (April 2003 - April 2019)



Data: Nikkei Inc., Tokyo Stock Exchange, Inc.

Note: Both figures are indexed using the figures on March 31, 2003 as 1,000.)

## Section 5 Trends in Land Use

### (Overview of land use)

As of 2017, the total area of Japan was approximately 37.80 million hectares. Forestland accounts for the largest portion (25.05 million hectares), followed by farmland (4.44 million hectares), thus marking a decrease from the previous year. When combined, forestland and farmland account for about 80% of the national land area. In addition, developed land, such as residential and industrial land, amounts to 1.95 million hectares, roads occupy 1.40 million hectares, surface water, rivers, and canals cover 1.35 million hectares, and fields total 0.35 million hectares.

(Overview of land use change)

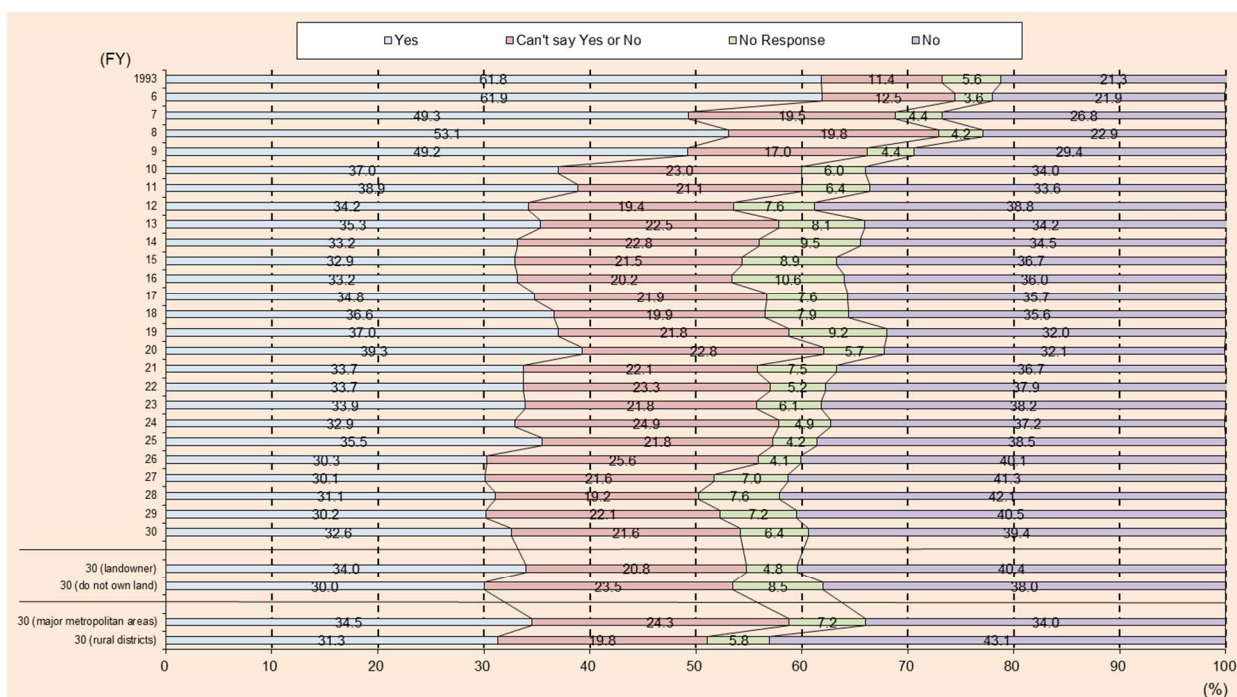
The area of land use change in 2016 was around 22,100 ha, increasing from the year before. It is roughly broken down into around 16,300 ha of the area changed from forest or farmland and reclaimed land for urban land use (residential, industrial, and public land, an increase of around 700 ha from the year before) and around 3,300 ha of the area changed from farmland to forestland for land use for agriculture and forestry (an increase of around 700 ha from the year before).

Section 6 Perception of Land among Corporations and Households

(Perception of land among households)

According to the Survey on the Public Attitude Toward Land Issues conducted by MLIT every year, the percentage of people answering "Yes" to the question "Do you think land is a profitable asset compared with deposits/savings or stocks?" has been on the order of 30% in recent years. In FY 2018, the percentage was 32.6% (up 2.4% year-on-year). The percentage of people answering "No" to the question has been around 40% in recent years. In FY 2018, the percentage was 39.4% (down 1.1% year-on-year).

Figure 1s land a profitable asset compared with deposits/savings?



Data: MLIT "Survey on the Public Attitude Toward Land Issues"  
 Note: Major metropolitan areas: Tokyo area, Osaka area, and Nagoya area  
 Tokyo area: A group of municipalities that includes existing urban areas and suburban development areas provided by the national Capital Region Development Act  
 Osaka area: City area including existing area according to Kinki area improvement law and Kinki improvement area  
 Nagoya area: City area including city improvement area according to Chubu area development improvement law  
 Rural districts: Areas other than major metropolitan areas



(Perception of ownership of land and buildings among corporations)

According to the Survey on the Attitude Toward Ownership and Use of Land, the percentage of corporations answering “Ownership” to the question “Which do you think will be profitable about land or buildings in the future, ownership or rental/lease?” decreased by 1.2 points from the year before at 40.4%.

(Perception of land prices)

As for the perception of land prices among corporations, the DI regarding the perception of the current level of land prices (the rate of corporations responding that the level is high minus the rate of corporations responding that it is low) dropped to 54.7 points in Tokyo’s 23 wards in the survey in January 2019 for the first time after August 2016. The DI in Osaka Prefecture was 17.8 points, and that in other regions was 1.5 points.

## Chapter 2 Changes in Land Policies and the Land/Real Estate Market in the Heisei Era

The 30-odd years of the Heisei era ended on April 30, 2019 and the new Reiwa era started on May 1. In the Heisei era, the land policies changed in line with the changes in the social and economic situations from the promotion of land policies based on the control over the soaring land prices during the so-called economic bubble to the promotion of the effective use of land to cope with the generation of underutilized/unused land in relation to bad debt caused by the decline in land prices after the bursting of the economic bubble, followed by the problem of vacant lots/houses and land of unknown ownership that became obvious in the era of actual population decrease and countermeasures for the problem.

In addition, the land/real estate market changed because of changes in lifestyle needs among people and industrial structures, growing awareness of environment, and advancing globalization. The occurrence of multiple large-scale disasters also led to the enhancement of measures for disaster prevention/mitigation making use of the lessons learned from the experience.

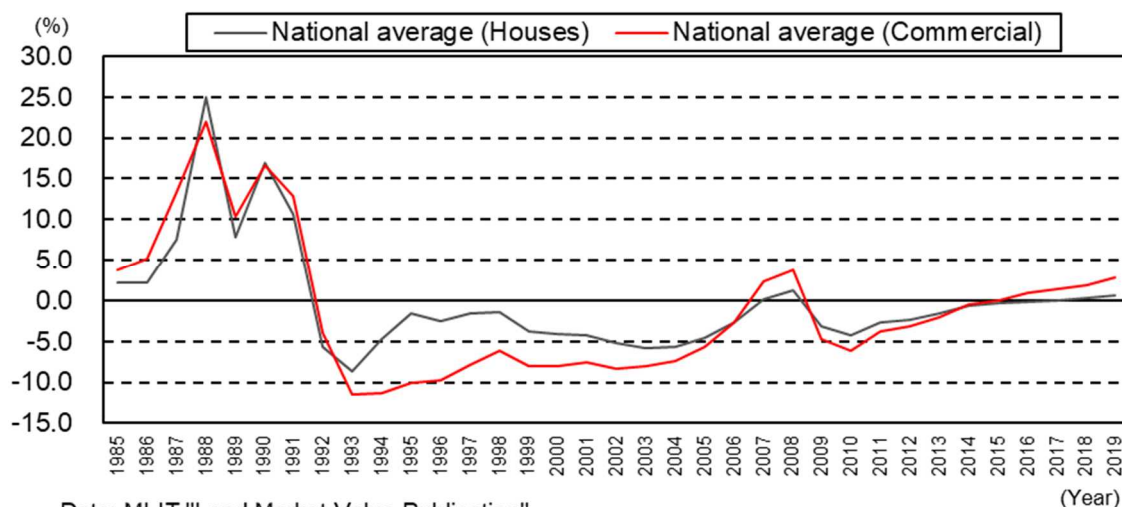
This chapter takes the opportunity of starting the new Reiwa era to look back on the changes in the social and economic circumstances, as well as those in land policies in the Heisei era in Section 1, followed by describing the changes in the land/real estate market by land use, the trend of land use, and other factors in Section 2. In the last Section 3, changes in the land policies and changes in the land/real estate market in the Heisei era are summarized, and challenges in land policies and the directions of measures for the policies in the new Reiwa era are viewed.

### Section 1 Changes in social and economic circumstances and land policies in the Heisei era

This section categorizes the Heisei era into (i) the period until the bursting of the economic bubble (around 1993), (ii) the period from the bursting of the economic bubble to entry into the era of a population decrease (around 2008), and (iii) the period from the beginning of the era of a population decrease to the present day to look back on the trend of land prices and changes in social and economic circumstances as the background to the trend, as well as to review the land policies.



Figure Changes in land prices (Nationwide)

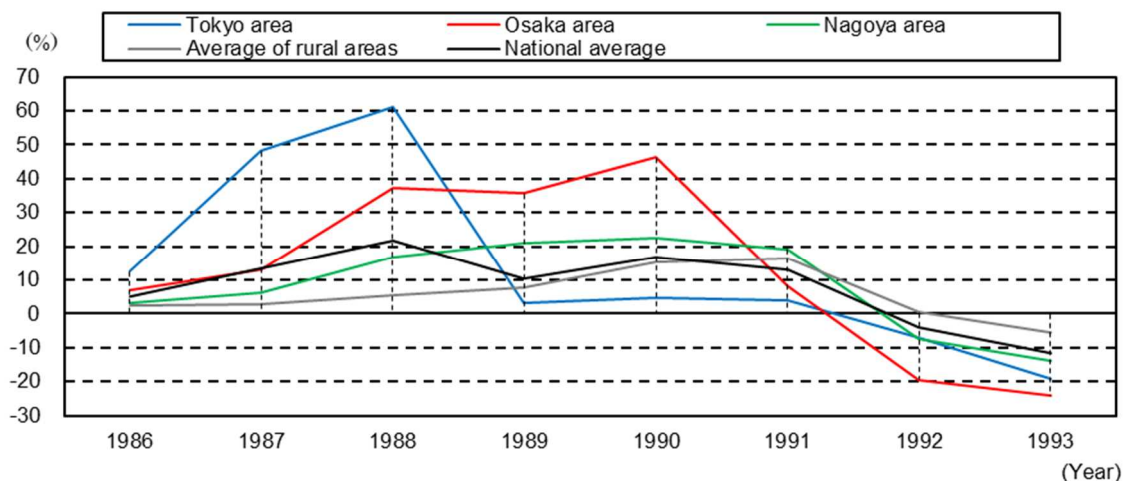


Data: MLIT "Land Market Value Publication"

1. Until the bursting of the economic bubble - Control over the soaring land prices and securement of proper and reasonable land use -

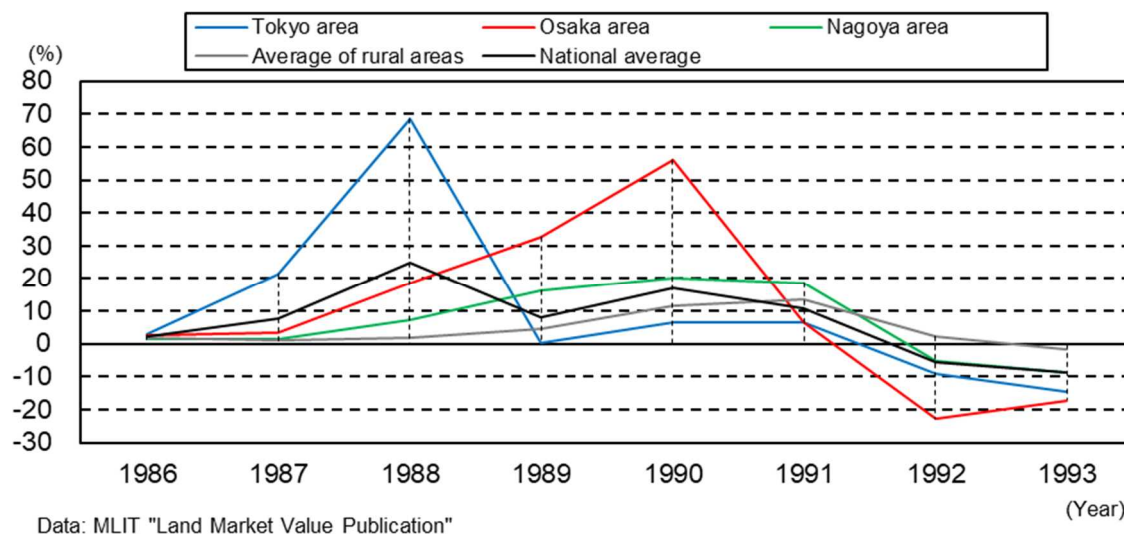
The Heisei era began with the problem of soaring land prices in an economic bubble. After the Plaza Accord in September 1985, measures for expanding domestic demand with coping with the yen's appreciation, which led to an asset price boom against the background of increased financing volume related to real estate transactions, and speculative transactions further spurred the steep rise in land prices.

Figure Year-on-Year Percentage Changes in Commercial Land (1986 - 1993)



Data: MLIT "Land Market Value Publication"

Figure Year-on-Year Percentage Changes in Residential Land (1986–1993)



(Promotion of comprehensive land policies based on the control over the soaring land prices)

In order to respond to the soaring land prices, land countermeasures were implemented several times through the Guidelines on Emergency Land Countermeasures (1987) and other guidelines. The countermeasures resulted in the cooling of the rise in land prices. The prices of both commercial and residential land turned downward in the three major metropolitan areas and rural areas in 1991 and 1992, respectively. The following is the discussion on the major countermeasures based on those guidelines.

(i) Proper transactions of land

Regarding the restrictions on land transactions, the National Land Use Planning Act was revised in June 1987, and a Supervised Area System was newly introduced in order to curb speculative land transactions.

As for financing restrictions in relation to land, countermeasures were implemented, including the request to finance institutions for restricting the increasing trend of lending to the real estate industry within that of the whole lending (so-called restrictions on total lending limits) in March 1990.

(ii) Decentralization of administrative functions and effective use of national land

From the viewpoint of remedying the overconcentration in Tokyo that is one of the backgrounds to soaring land prices, the main offices of national government agencies and government-affiliated corporations were relocated sequentially from the Tokyo area in accordance with the Basic Policy Concerning the Relocation of Government Organizations under the Act for Multipolar Development of the National Land (Organizations relocated: 79 agencies and 11 troops of the Self-Defense Forces).

(iii) Establishment of basic principles in relation to land by the enactment of the Basic Act for Land

In order to address the soaring land prices, it was necessary to dispel the myth about land and curb speculative land transactions; therefore, understanding and collaboration among all Japanese people were indispensable based on the shared awareness that land was a limited resource for the public and thus official welfare should take priority for land use. In this context, the Basic Act for Land was enacted in 1989 to clarify the basic principles in relation to land, including official welfare that shall be prioritized concerning land and control over speculative land transactions, as well as responsibilities of the national and local governments, business operators, and the public.

(iv) Review of the land appraisal system

In response to the enactment of the Basic Act for Land, the standards and management of land appraisals were reviewed from the viewpoint of promoting the proper formation of land prices. In 1990, a full-fledged revision of the real estate appraisal standards was made, involving the introduction of the basic principles in relation to land set forth in the Basic Act for Land, proper use of the transaction cases comparison method, and the active use of the capitalization approach. In addition, because there was a significant difference in value between publication of the value of standard sites and appraisals in relation to the inheritance tax and fixed asset tax, a revision was made to promote balanced and proper land appraisals between them considering the characteristics of those taxes.

(v) Use of land tax

In order to curb speculative land transactions and promote proper land use, as well as ensuring fair tax burdens, the Land Value Tax Law was enacted in 1991 to impose a Land Value Tax on individuals and corporations that own land and on land leaseholds in Japan. (The tax rate was 0.3% [0.2% only for the first fiscal year].)

(vi) Promotion of good town development

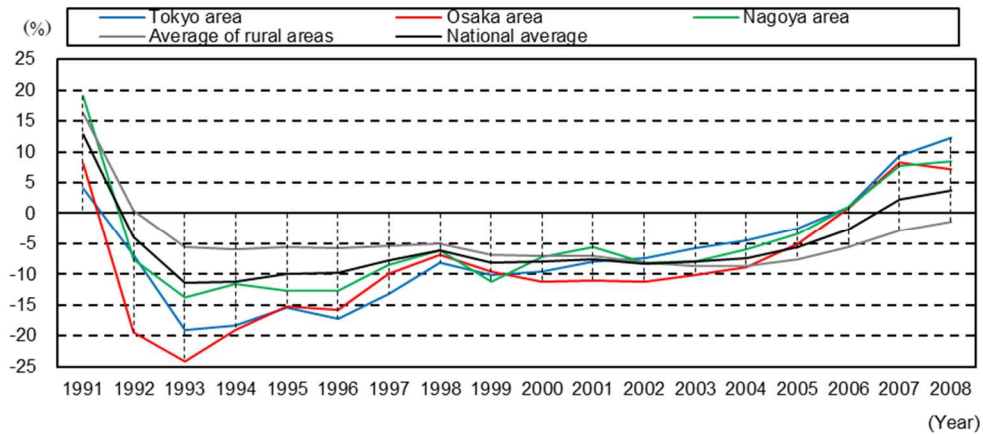
In order to promote land countermeasures for problems with housing and urban cities along with proper land transactions, including control over speculative land transactions, some measures were implemented, such as promotion of developing housing/residential land and re-developing urban cities, promotion of changing farmland in urbanization promotion areas to residential land, and promotion of using underutilized/unused land such as former factory sites.

2. From the bursting of the economic bubble to the beginning of the era of a population de-

crease - Response to the negative legacy after the bursting of the economic bubble and realization of effective land use aiming at creation of good and trusted communities -

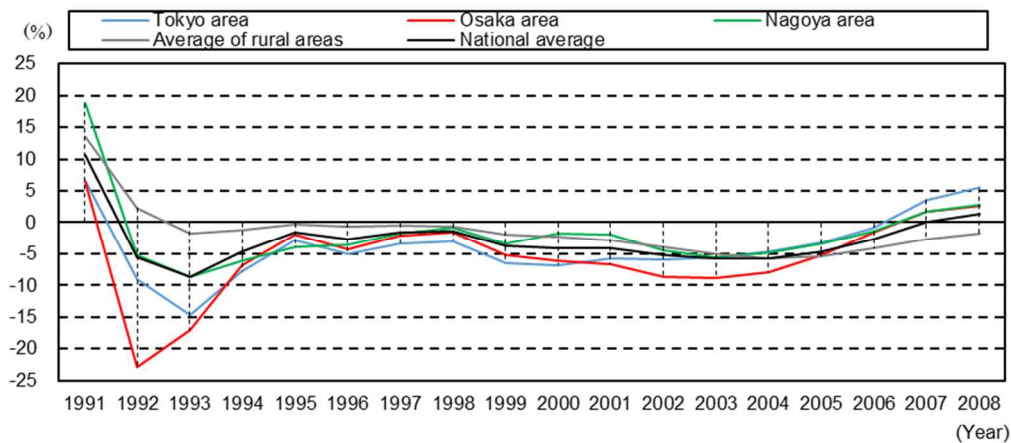
After the decline in land prices in 1991 in response to the bursting of the economic bubble, land prices continued to decline over a long period of time until the commercial land and residential land in the large metropolitan areas turned upward in 2005 and 2006, respectively.

Figure Year-on-Year Percentage Changes in Commercial Land (1991 - 2008)



Data: MLIT "Land Market Value Publication"

Figure Year-on-Year Percentage Changes in Residential Land (1991 - 2008)



Data: MLIT "Land Market Value Publication"

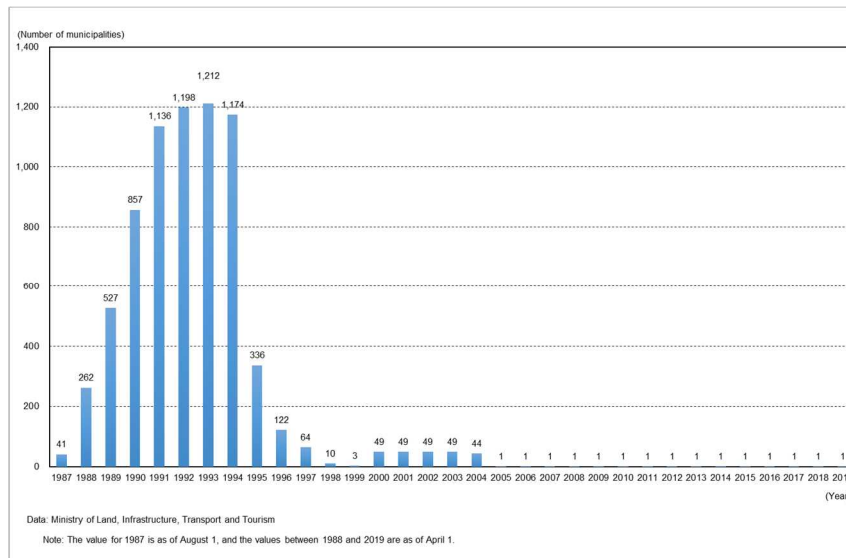
(Change in land policies based on the control over land prices)

In the situation of a continuing decline in land prices, a change in land policies based on the control over land prices was needed, and the New Comprehensive Guideline for Land Policy Promotion (hereinafter referred to as "the New Guideline") was decided in 1997. According to the New Guideline, the land policies were changed to promotion of effective land use aiming at the development of free and easy housing and social infrastructure and creation of good and trusted communities and the measures were put in place comprehensively based on the principle of

“From Possession to Use.”

Regarding the supervised areas designated under the National Land Use Planning Act, termination and reduction of the designation were proceeded with for the areas where there would be no possibility of a rise or further rise in land prices.

Figure Changes in the number of municipalities designated as a supervised area



(Measures for effective land use)

After the bursting of the economic bubble, various measures for effective land use were promoted mainly in the existing urban areas, such as the metropolitan areas based on the New Guideline, including the improvement in the urban infrastructure that was still insufficient, development of disaster-resistant towns through improvement of heavily built-up areas and habitation in the urban cities aiming for restoration of habitation and proximity between living and working activities.

(Promotion of urban renaissance)

At the dawn of the 21st century, efforts for an urban renaissance started for enhancing the attractiveness of urban cities and international competitiveness. The Act on Special Measures concerning Urban Reconstruction was established in 2002, under which effort was focused on the designation of Areas for Emergency City Regeneration and the establishment of systems for contribution to the urban reconstruction and realization of intensive land use within the said areas, including the Urban Renaissance Special Area System that enabled the setup of freer plans in which regulations, such as a standard floor-area ratio, were exempted and the Private Sector Urban Renaissance Project Plan Authorization System in which the Minister of Land, Infrastructure and Transportation authorized private business operators to proceed with large-scale good urban development projects with public facility improvement, as well as support for the authorized projects through financing and tax measures. In addition, support was provided for the effort

toward a nationwide urban renaissance, including the vitalization of central urban areas of local cities where hollowing-out was accelerated because of an increase in vacant stores.

(Realization of land use as the basis for a safe and high-quality life of the people)

Policies related to land after the bursting of the economic bubble were also focused on the efforts for the realization of land use as the basis for a safe and high-quality life of the people and sustainable economic growth, including the response to disaster prevention, safety and security issues, environmental problems of global warming, and the public's heightened interest in landscapes, streetscapes, and history/culture.

(Enhancement of the real estate transaction market/real estate investment market)

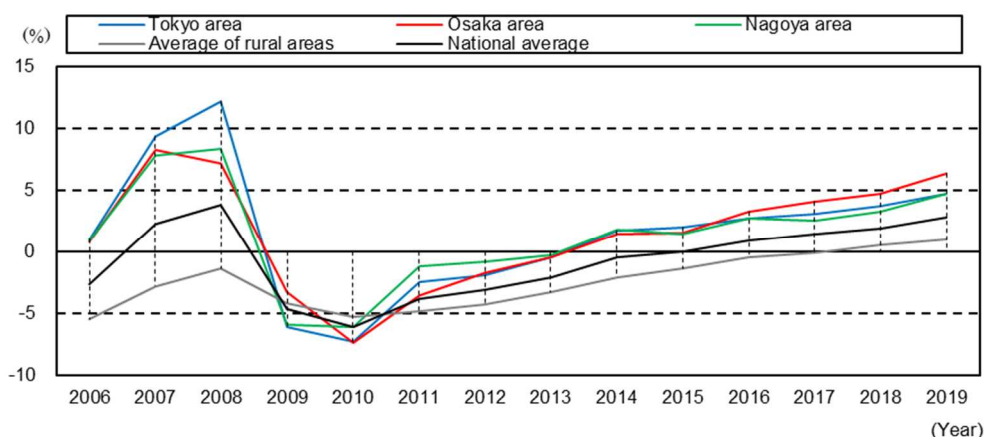
In promoting effective land use, a wide variety of financing methods were developed sequentially. The Act on Specified Joint Real Estate Ventures was enacted in 1994, and in 1998, the Act on the Securitization of Specified Assets by Specified Purpose Companies was established from the perspective of promoting the securitization of real estate by which the scheme for raising funds directly from investors in the form of investment trusts created by making real estates into beneficial interests in a trust was established. In addition, owing to the revision of the Act on Investment Trusts and Investment Corporations in 2000, the assets that were to be the subject of investment trusts were expanded to real estates. By the open of the J-REIT market in 2001, the investors increased in the general public.

3. From the beginning of the era of a population decrease to the present - Response to the demand for land in the growing field and realization of proper use/management of land -

Japan entered the era of a population decrease as its total population turned downward in 2008. The population decrease is expected to affect society significantly, including shrinkage in the size of the economy.

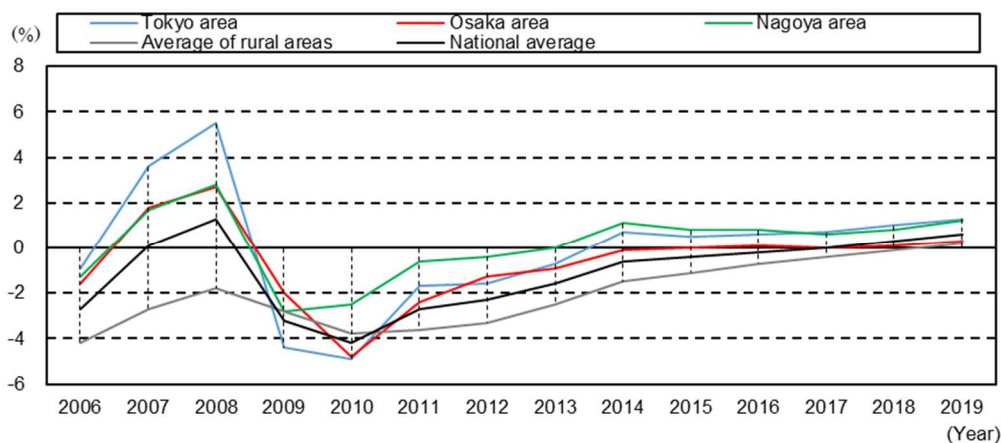
In addition, the global financial crisis starting from the bankruptcy of Lehman Brothers in September 2008 rapidly worsened the economy of Japan. The land prices for both commercial and residential use changed to a decrease in the national average this year, and the decreasing trend continued in 2011 and 2012 due to the Great East Japan Earthquake that struck on March 2011. Thanks to the monetary easing by the Bank of Japan in 2013, followed by the circumstances of low-interest rates due to enhanced monetary easing, the prices for commercial land turned upward in the three major metropolitan areas in 2013, and those in rural areas changed to an increase as well in 2017. The prices for residential land also turned upward in the Tokyo and Nagoya areas in 2013, and those in rural areas changed to an increase in 2019.

Figure Changes in Year-on-Year Percentage Changes in Commercial Land



Data: MLIT "Land Market Value Publication"

Figure Changes in Year-on-Year Percentage Changes in Residential Land



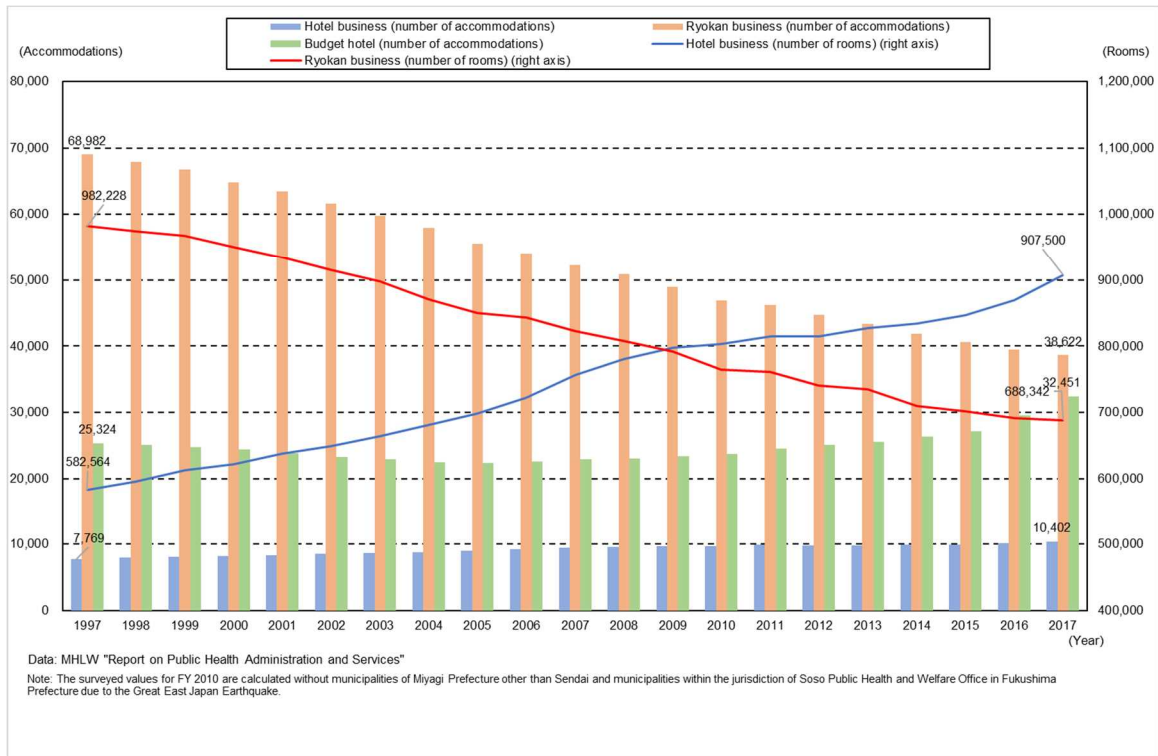
Data: MLIT "Land Market Value Publication"

(Improvement of the market environment to meet demand in growing fields)

In an era of a population decrease, demand for accommodations in response to the increase in foreign tourists, demand for large-scale logistic facilities in response to the growing E-commerce (electronic commerce) market, and demand for healthcare facilities in response to the significant increase in the elderly population are expected to expand as a growing field. It is necessary to meet those demands for land properly, and thus improvement in the environment for the real estate market and the real estate investment market is being promoted.



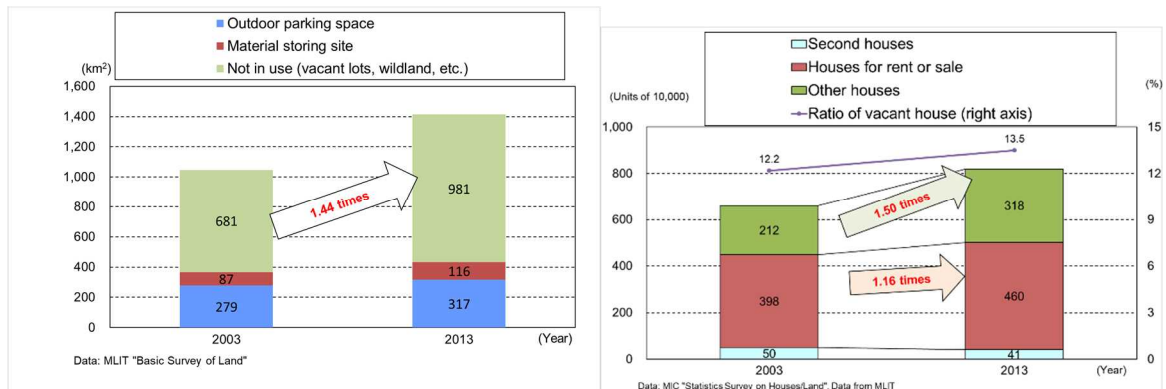
Figure Changes in the Number of Accommodations



(Increase in vacant lots/houses and countermeasures for them)

One of the problems in the era of a population decrease is an increase in vacant lots/houses. Vacant lots across Japan increased 1.4 times during the last decade. Concerning vacant houses across the nation, "Other houses," excluding secondary houses, such as villas and rental houses/houses for sale, increased 1.5 times during the last decade.

Figure State of Increase in Vacant Lots/Houses



[Changes in uses of land owned by households]  
 Data: MLIT "Basic Survey of Land"

[Changes by Type of Vacant Houses]  
 Data: MIC "Statistics Survey on Houses/Land", Data from MLIT

In the central urban areas of cities, the porosity of urban cities, which refers to an occurrence of low use vacant spaces, such as vacant houses/lots generated randomly in small units but



temporospatially considerable in quantity, is progressing. In 2018, the Act on Special Measures Concerning Urban Renaissance was revised, and the System for Project Promotion of Establishment of Rights for Low Use Vacant Lots, by which the government encouraged and coordinated concerned parties actively to establish rights required for use of multiple lots and buildings collectively, and others were created as countermeasures for the porosity of urban cities.

Concerning vacant houses, the Act on Special Measures concerning the Promotion of Measures for Unoccupied Houses was enacted in 2014 in order to address the problems of vacant houses, including those that would have a serious impact on the surrounding living environment, in terms of disaster prevention, crime prevention, protection of living environment, and the landscapes of communities, and thus the legal framework was developed for the preparation of plans for measures against vacant houses by municipalities, measures for vacant houses, including demolition, which were recognized as being left in an inappropriate state in terms of security, hygiene, and landscapes due to poor management, and the use of information on fixed asset tax-payers for investigation on the owners of vacant houses.

It was also important to boost hidden demand for promoting the use of vacant lots/houses. In response, a bank of vacant houses and vacant lots in which information on vacant lots/houses is registered and provided to encourage matching those who want to use them was developed and started its operation in municipalities nationwide. In addition, the National Bank of Vacant Houses and Vacant Lots, which standardized and aggregated information on properties registered in the banks of vacant houses and vacant lots across Japan to deliver the information nationwide, has been developed and has started operation in FY 2018. As of April 30, 2019, 612 local governments participated in the National Bank to post information on vacant houses/lots.

(Response to land of unknown ownership and promotion of proper use/management of land)

The problem in relation to land of unknown ownership (land whose owner is not clear immediately based on the property register book or even if an owner is specified, any contact is impossible) has become obvious in Japan, which is facing a population decrease and a super-aging society. The social situation has been changing such that public awareness in relation to land as property has been decreasing owing to the decline in the necessity for land use and poor correspondence among relatives and the failure to register through inheritance for several generations.

Because of the existence of such land of unknown ownership, public projects and private-sector business are forced to spend a great deal of time, money, and labor searching for the owner in acquiring and using the land. In addition, there are some cases that have become visible as a matter of under-management, including a case where leaving land that no one has an intention to use for a long period of time without proper management leading to the deterioration of land.

In this context, the Act on Special Measures in Relation to Easement of Land Use of Unknown

Ownership was enacted in 2018, and the systems for easement of using land of unknown ownership were developed, including the streamlining and facilitation of land expropriation procedures for public projects, the establishment of the Community Welfare Promotion Project System that enabled the use of such land for public projects for community people, such as parks, for a certain period of time, and the creation of schemes for streamlining a search for land owners, including the use/delivery of information of fixed asset tax rolls.

In addition, the Ministerial Conference with Related Cabinet Ministers to Promote Measures against Land of Unknown Ownership was held on January 2018 for the promotion of comprehensive measures led by the government as a unit in close cooperation with related governmental organizations in relation to problems regarding land of unknown ownership. In June 2018, the Basic Guideline concerning the Promotion of Measures for Land of Unknown Ownership was decided at the Conference in which the measures for smooth enforcement of the Act on Land Use of Unknown Ownership, the revision of the basic system, and the basic civil legislation in relation to land ownership were regarded as important issues, stating “The specific guideline of the revision will be provided in FY 2018 and the revision will be realized by 2020.”

Among the issues, the Conference declared that the cadastral surveys used as basic data for proper land use as guidelines for necessary measures for them would be outlined, including measures and others for promoting the surveys of land smoothly and promptly, including one of unknown ownership.

## Section 2 Changes in the Land/Real Estate Market and Trend in Land Use in the Heisei Era

In this chapter, trends in changes in the land/real estate market and trends in land in the Heisei era use are reviewed by land use, such as houses, offices, commercial stores, plants/logistic facilities, and urban farmland/green spaces, and trends in the efforts for improvement of disaster-resistance, which was promoted through lessons of many natural disasters, are also discussed.

### 1. Response to problems with housing and improvement of the residential market

This section, under the subject of response to problems with housing and improvement of the residential market in the Heisei era, describes (i) promotion of systematic supply of houses/residential land in suburb areas of big cities, (ii) promotion of housing supply in urban city areas of the metropolitan areas and advance of returning to the center of a city, (iii) formation of a good housing stock and improvement of the existing house distribution and remodeling markets, and (iv) trends in the response to vacant houses and very aging condominiums.

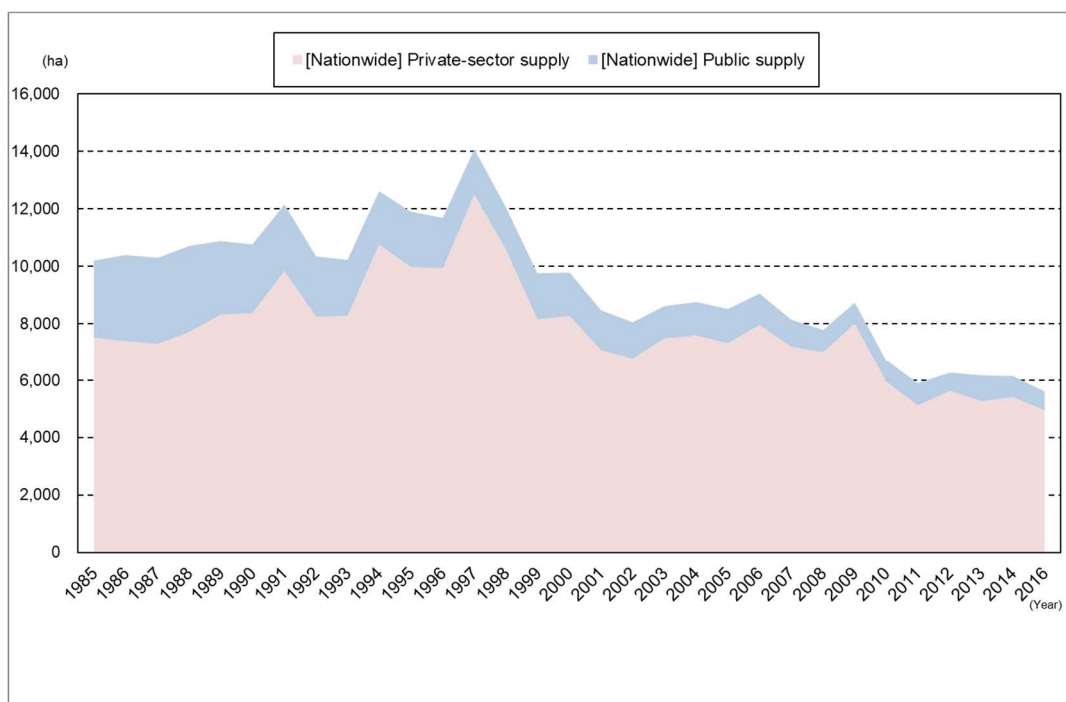
#### (1) Promotion of systematic supply of houses/residential land in suburb areas of big cities

In the early years of the Heisei era, the supply of houses/residential land were promoted so that they were available to an increasing population, including the development of new towns in suburb areas of big cities. Along with the public supply of residential land, such as that by the

Housing and Urban Development Corporation (present Urban Renaissance Agency), projects of good residential land development by the Private Sector were promoted by the use of the Good Residential Land Development Project Plan Certification System.

In 1989, the Act on Special Measures concerning Comprehensive Advancement of Housing Development and Railway Construction in Metropolitan Areas was enacted, and this act was applied to the construction of the Tsukuba Express and the area along the railroad line in which development of housing land was comprehensively advanced. In 1990, the Act on Special Measures concerning Comprehensive Advancement of Housing Development and Railway Construction in Metropolitan Areas (Metropolitan Act) was revised so that the national government could develop a basic policy for supply of houses and residential land by metropolitan area for the purpose of promoting the supply of houses/residential land.

Figure Changes in the supply of residential land in Japan



Data: Ministry of Land, Infrastructure, Transport and Tourism

Note 1 The estimates were made on the MG (Medium Gross = areas of narrow streets, play lots, etc. are added to an area of housing site) base until 1988, but the estimation method has been partially changed since 1989 to estimate only an area for housing.

Note 2 Public supply includes supply by public organizations such as the Urban Renaissance Agency and local governments and supply under land readjustment projects implemented by these organizations.

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

Note 4 For Iwate, Miyagi, and Fukushima Prefectures, the area converted from farmland and forestland to an area for housing is calculated for estimating the supply of residential land between 2011 and 2014.

Note 5 The three major metropolitan areas refer to one metropolis and 14 prefectures; Ibaraki, Saitama, Chiba, Tokyo, Kanagawa, Gifu, Shizuoka, Aichi, Mie, Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama.

Note 6 The calculation is on a biennial basis after FY 2014.

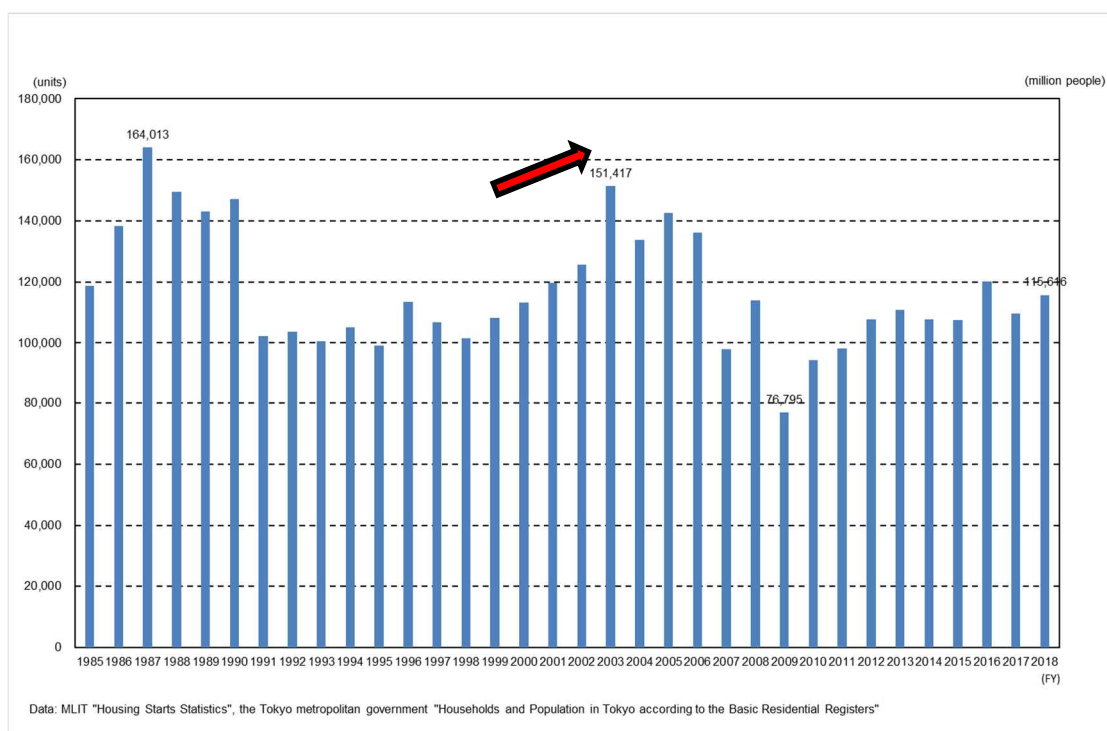
(2) Promotion of housing supply in urban city areas of the metropolitan areas and advance of returning to the center of a city

In the urban city areas of the metropolitan areas, as the soaring land prices during the economic bubble made it difficult to acquire a house and spurred conversion of land use for commercial purposes, population decreases in the urban city areas were significant.

In response to this situation, the Metropolitan Act was revised in 1995 to add a provision to the effect of improving the function related to habitation in urban city areas to the basic supply policy developed by the government, and measures for promoting habitation in urban city areas were implemented under the Act, including the launch of the Cooperative Dwelling Project for Habitation in Urban City Areas as a project system for promoting supply of apartment buildings in urban city areas.

After that, as the decrease in land prices caused by the bursting of the economic bubble and others made it easy to acquire lots for housing and housing supply using the underutilized/unused land was promoted in urban city areas, the demand and supply of housing in the areas, particularly those of condominiums rebounded, showing a remarkable trend of returning to urban city areas.

Figure Changes in the number of new housing starts in the wards of Tokyo



### (3) Formation of a good housing stock and improvement of the existing house distribution and remodeling markets

In the context of a sufficient quantity of the housing stock and a rising interest in environment and energy issues, the Basic Plan for Housing (a national plan) was developed according to the Basic Act for Housing, in which basic policies were set, including improvement in the quality of

newly supplied houses and the existing housing stock and improvement in the environment for cyclical use of the stock of well-maintained houses in the market.

(Formation of a good housing stock)

Under the policies set in the Basic Plan for Housing (a national plan), the Act on Promotion of Prevalence of Long-Life, High-Quality Houses was enacted in 2008, under which the Long-Life, High-Quality Houses Certification System was created to promote construction, maintenance, and distribution of long-life high quality houses, and the prevalence of such houses has been pursued.

(Improvement in the distribution/remodeling markets of existing houses)

The Basic Plan for Housing (a national plan) set the targets for the sizes of the existing housing distribution market and the remodeling market at 8 trillion yen by FY 2025 (4 trillion yen as of FY 2013) and 12 trillion yen by FY 2025 (7 trillion yen as of FY 2013) respectively for improvement and vitalization of the existing housing market. As one of specific measures for the targets, the Feeling Easy R House (Anshin R House) (Specific Existing Housing Information Provider Organization Registration System) started in FY 2018.

(4) Response to vacant houses and very aging condominiums

(Promotion of measures for vacant houses)

In the circumstances that vacant houses were increasing significantly, the Act on Special Measures to Forward Municipalities' Moves for Vacant Premises was enacted, and 848 municipalities developed a plan for addressing vacant premises as of October 1, 2018, according to the Act. Under the plan, various measures are being implemented, including utilization of usable vacant houses and demolition of ones to be retired. Among the specific vacant premises that were recognized as being in the inappropriate state due to poor management, 29 premises were demolished by way of administrative subrogation according to the Act as of October 1, 2018 (89 premises were demolished by way of summary subrogation).

(Response to very aging condominiums)

Very aging condominiums are increasing. The number of over 40-year-old condominiums was around 729,000 as of the end of 2017, and it is expected to increase around 2.5 times a decade from now and around 5 times two decades from now. Through the enactment of the Act on Advancement of Proper Condominium Management in 2001, and the revision of the Act on Building Unit Ownership and the enactment of the Act on Facilitation of Reconstruction of Condominiums in 2002, maintenance and rebuilding of condominiums are promoted.

2. Promotion of urban renewal and change in the office market

This section introduces systems related to the promotion of urban renewal, and then describes sophistication of office buildings, including large-scale ones, advance of globalization related to office buildings, renovation and conversion of existing buildings for enhancing utility value, and trends in the measures for maintaining and improving the value of communities by area management.

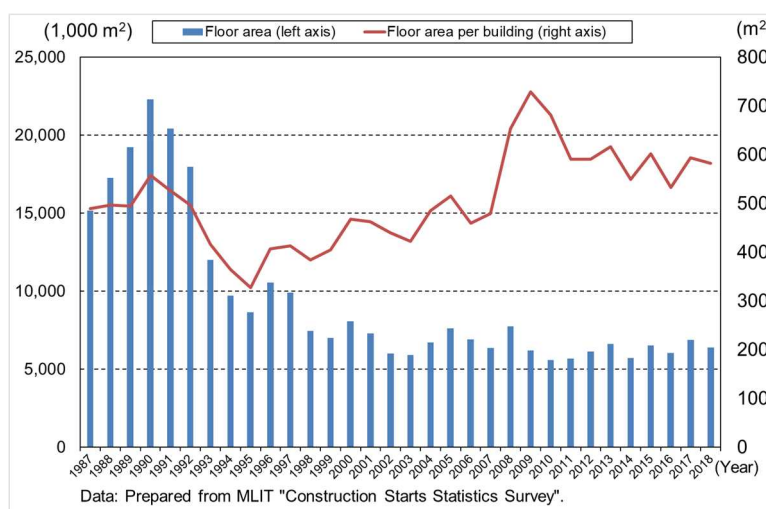
(1) Promotion of urban renewal and advance of sophistication and globalization of office buildings

(Promotion of urban renewal and construction of large-scale office buildings)

During the economic bubble, the construction of office buildings increased in response to the surging demand for office floors. After the bursting of the economic bubble, urban development using underutilized/unused land related to bad debt, land owned by the public sector was pursued.

After 2001, large-scale urban development projects, including offices, were carried into execution particularly in the urban city areas of metropolitan cities through the promotion of urban renewal. The gross floor area for offices per building has been on the increase since 1995 and has been exceeding that in the economic bubble in recent years due to the increase in large-scale buildings.

Figure Gross office floor areas of building start and changes in the gross floor area per building



(Sophistication of office buildings)

Newly built office buildings, including large-scale ones, are increasingly sophisticated from the viewpoints of improvement in asset value and response to users' needs. Specifically, (i) improvement in hazard resistance by securing high quake resistance, (ii) improvement in energy saving performance and reduction of environmental load by installation of photovoltaic facilities, (iii) considerations of seniors and disabled individuals by elimination of differences in level and installation of handrails, (iv) increase in productivity and comfortableness by improvement of office

spaces and resting spaces, and (v) enhancement of crime prevention by improvement in security facilities are advanced.

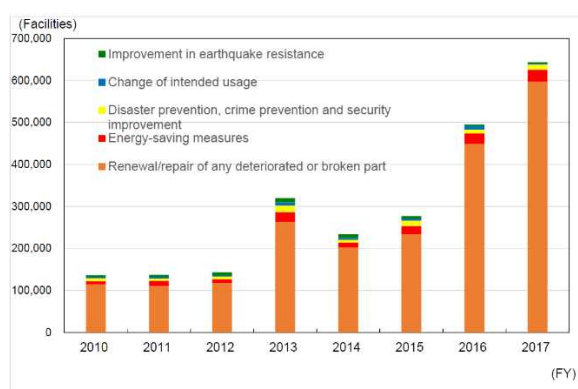
(Advance of globalization related to office buildings and enhancement of international competitiveness of cities)

Amid the advance in globalization, the Act on Special Measures Concerning Urban Renaissance was revised in 2011. Under the Act, a system was created for designating Specific Areas for Emergency City Regeneration among the areas for emergency city regeneration to promote the formation of bases for employees and stayers involved in international activities, and development of such bases has been advanced.

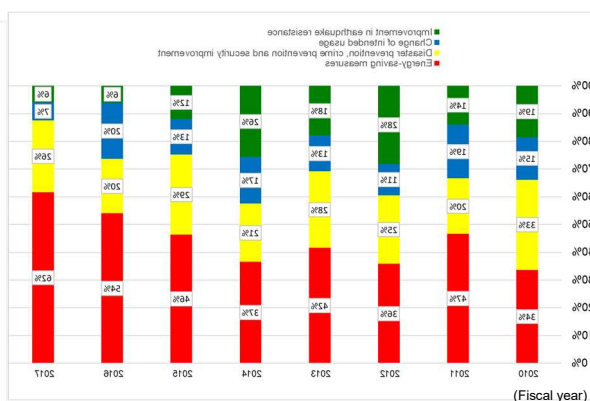
### (2) Spread of renovation/conversion of existing buildings

While large-scale office buildings with sophisticated functions are newly supplied, office buildings with relatively inferior functions due to aging undergoing renovation (i.e. renewing functions without changing the use) and conversion (i.e. generating new utility value by converting the use) for improvement in the utility value have been increasing in recent years.

Figure Changes in the number of work for non-residential buildings by purpose Figure Changes in the proportion of work for non-residential buildings by purpose



Data: Prepared based on the MLIT "Survey Report on the Remodeling/Renewal of Buildings".



Data: Prepared based on the MLIT "Survey Report on the Remodeling/Renewal of Buildings".

However, "renewal/repair of any deteriorated or broken part" are excluded.

### (3) Maintenance/improvement of community value by area management

There are examples of taking an approach of area management seen in recent years. Improvements in the facilities and equipment, such as the construction of complexes and public facilities, are not the completion of projects. Enhancing the attractiveness and vitality of the communities, as well as the maintenance and management after that, leads to maintaining and improving the value of assets in the communities. To implement such an approach, management organizations, such as councils, comprised of business operators and interested parties in the communities, urban renovation firms, and NPOs are established.

The approach of area management is becoming widespread as a self-motivated initiative of the interested parties in the communities, irrespective of implementation of urban development projects, and various systems are being improved and enhanced for support the approach, expecting the expansion of area management activities.



### 3. Trends in the locations of commercial stores/public utility facilities, vitalization of central urban areas and promotion of compactification of cities

This section describes an overview regarding trends in the locations of commercial stores, vitalization of central urban areas, and efforts for compactification of cities in the Heisei era, together with the introduction of related systems.

#### (1) Locations of commercial stores/public and utility facilities in the suburbs of cities and vitalization of central urban areas

(Increase in locations for large-scale retail stores in response to easing of the measures for adjustment of opening such stores)

In early years of the Heisei era, there was a move toward easing of regulations related to the opening of large-scale retail stores. In 1990, the Act on the Adjustment of Business Activities of Retail Business at Large-scale Retail Stores was amended, and the period set for the adjustment of opening such stores (18 months) was revised in order to address the prolonged adjustment period. Later, the Act was amended again in 1992 by which revision was made including the reduction of the adjustment period (from 18 months to 12 months). Thus, the number of notifications of opening stores according to the Large-scale Retail Store Act increased sharply after 1990.

(Suburban locations of commercial stores in local cities and response to the hollowing-out of central urban areas)

In response to the easing of the measure for adjustment of opening large-scale retail stores, while roadside commercial stores increased in the suburbs of local cities, hollowing-out advanced in central urban areas due to population decrease, increase in vacant stores, and decaying shopping districts in the central areas. In response to this situation, the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment was enacted as one of the so-called Three Acts on City Planning in 1998, converting the objective of the notification system to that for addressing traffic and environment problems caused by the opening of large-scale retail stores. In addition, the City Planning Act was revised, and a land use regulation system (for special use districts) was set up for realizing proper locations for large-scale stores by community. At the same time, in order to address the problem of the hollowing-out of central urban areas, the Act on the Uniform Promotion of Development and Improvement of Urban Districts and Vitalization of Commerce in Central Urban Areas was enacted, and measures for vitalization of commerce were implemented according to a master plan for vitalization of central urban area developed by municipalities.

(Guidance of locations for urban functions and vitalization of central urban areas)

In order to address problems with urban structures in which urban functions spread disorderly,

the Three Acts on City Planning were revised in 2006 from the viewpoint of promoting the integration of various functions comprising cities, including habitation, commerce, and public/utility facilities, into central urban areas. Regarding the proper locations of urban functions, those of large-scale attractions were subject to the city planning procedures, and public and utility facilities, such as hospitals, welfare facilities, and schools, were subject to development permission according to the revised City Planning Act. As for vitalization of central urban areas, a system for the Prime Minister's accreditation of a master plan developed by municipalities was created, along with the enhancement of support systems, including those for the promotion of integration of urban functions and promotion of habitation in central districts of cities.

#### (2) Promotion of compact cities

In many cities of Japan, houses, stores, and other facilities have been increasingly located in the suburbs. A low population density in urban districts, if it becomes even lower, will raise problems of a decline in living convenience, withering local economy, and severe fiscal circumstances caused by an increase in expenditures on maintenance and renewal of public facilities/infrastructures and a decrease in revenues from fixed asset taxes. To cope with it, the Act on Special Measures Concerning Urban Renaissance was revised in 2014 to create a Proper Location Planning System.

In the Proper Location Planning System, Urban Functions Encouragement Zones and Habitation Encouragement Zones were set to promote the encouragement to locate urban functions and habitation in central districts and along railroad lines. As of the end of FY 2018, 468 municipalities started specific actions for a proper location plan, and 231 municipalities among them developed and published the plan.

#### 4. Trends in the locations of factories and change in the market related

This section describes an overview regarding trends in the locations of factories and change in the market related to logistic facilities, such as warehouses, as well as trends in the locations of factories and logistic facilities in response to the advancement of expressways in the Heisei era.

##### (1) Trends in factory locations

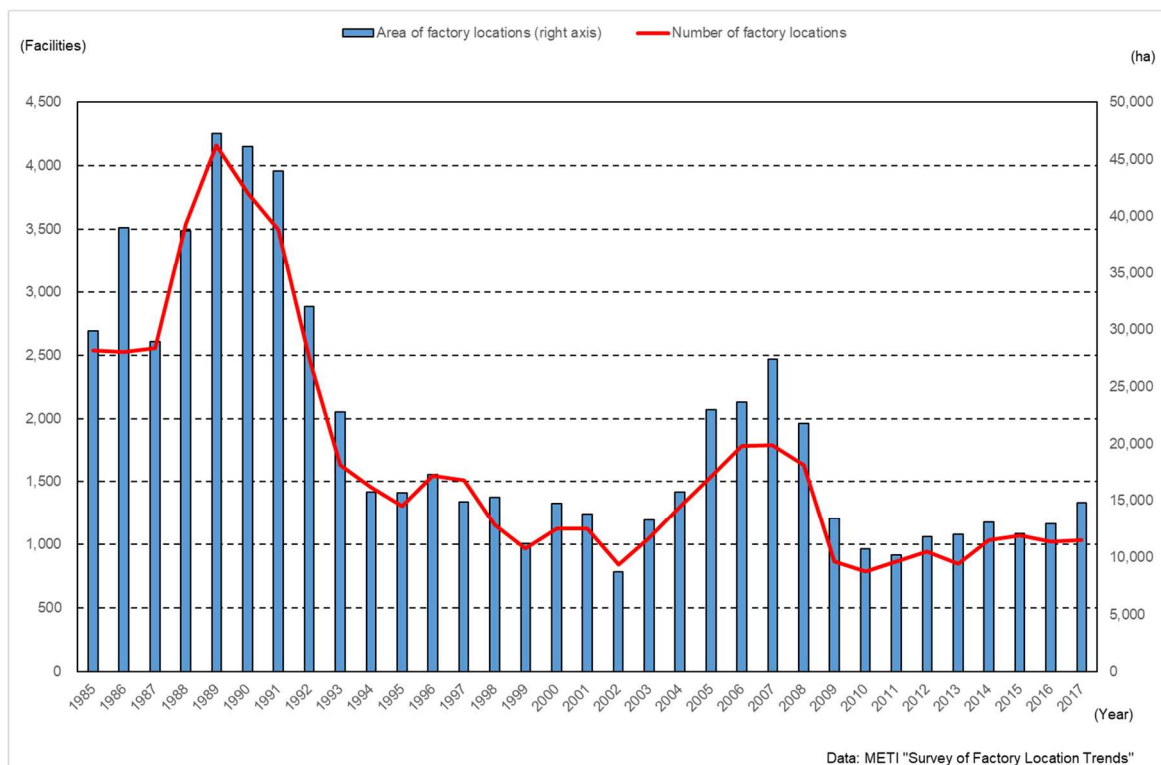
Regarding factory locations, restrictions were implemented in locating factories in the Tokyo metropolitan area and the Kinki region under the so-called Factory Restriction Act and promotion of factory relocation to rural areas under the Factory Relocation Promotion Act.

During the economic bubble, factory locations increased rapidly due to the active development of factory complexes by local governments and other factors. After the bursting of the economic bubble, factory locations in Japan decreased significantly in the context of change in the industrial structure, including the transfer of manufactures' production sites to overseas.

Later, along with Japan's modest economic recovery, domestic factory sites increased due to

the move to returning to Japan in some manufacturers in the context of enhancement of technology/research development, improvement in productivity by automation; however, they turned downward affected by the bankruptcy of Lehman Brothers in 2008. They have been in a moderately upward trend again recently.

Figure Number of factory locations and changes in the area of them

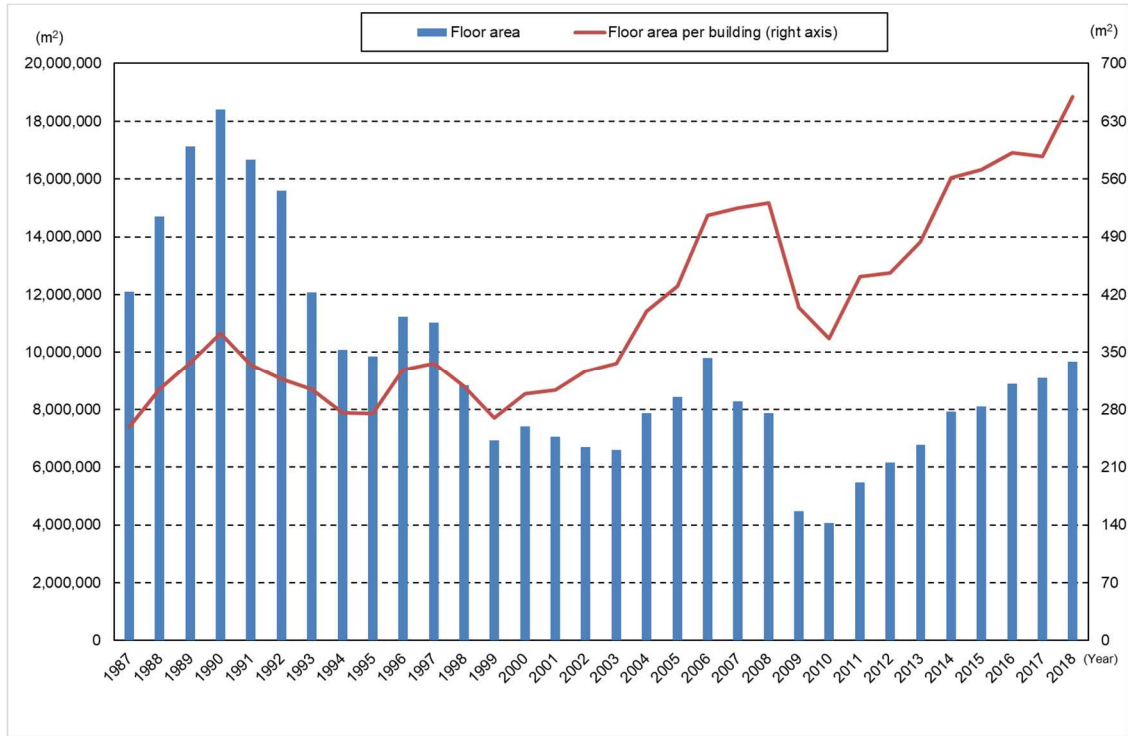


(2) Change in the market related to logistic facilities such as warehouses  
(Enlargement/sophistication of logistic facilities such as warehouses)

Logistic facilities, such as warehouses, increased rapidly because of aggressive capital investments made by companies during the economic bubble. After the bursting of the economic bubble, cargo owners, such as manufacturers, increasingly conducted a transfer of production sites to overseas and a review of logistic channels, and new development of logistic facilities decreased significantly.

As the Warehousing Business Act was revised in 2001, a system for entry into the warehouse business was changed from a permission-based one to a registration-based one. In 2005, because of the enactment of the Act on Advancement of Integration and Streamlining of Distribution Business, the move to entrusting distribution business to 3PL (third party logistics) took root and expanded. The 3PL businesses pushed ahead with the integration and enlargement of logistic facilities in order to gain advantages of consolidating multiple cargo owners, and thus the floor area per warehouse has been on the increase since around 2000.

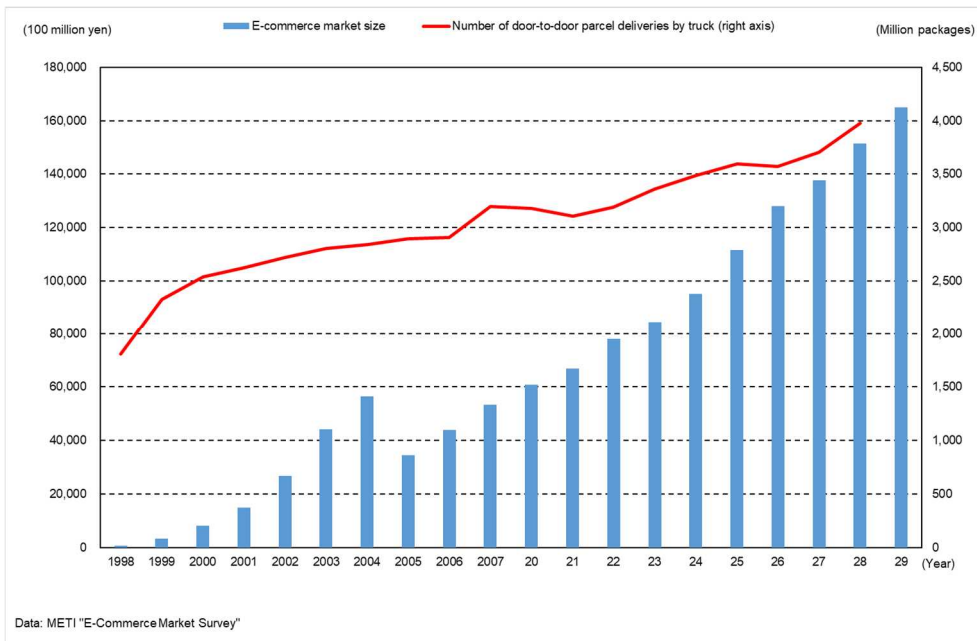
Figure Changes in floor areas of warehouse starts



Data: MLIT "Building Starts Statistics"

In recent years, the E-commerce market has been expanding rapidly, and frequent small-lot deliveries have been increasing. In addition, the move from corporate-owned facilities to rental ones is accelerating. Extremely large-scale rental-type logistic facilities in a multi-tenant style are increasing rapidly.

Figure The E-commerce market size and changes in the number of door-to-door parcel deliveries by truck



Data: METI "E-Commerce Market Survey"

(3) Advancement of the improvement in expressways and trends in the locations of factories/logistic facilities

The advanced improvements in expressways and interchanges, as well as roads around them, have had an impact on the locations of factories and logistic facilities such as warehouses.

As for factories, the proportion of those located within 10 km of the interchanges of expressways has been increasing in recent years. In 2017, factories located within 5 km of the interchanges of expressways accounted for around 55%, and if the factories within 5–10 km of them were included, the proportion reached around 80%. Regarding logistic facilities in the metropolitan area, large-scale logistic facilities in a multi-tenant style have been increasingly located in the surrounding areas of Ken-O Expressway after its partial opening.

5. Land use considering the various functions of urban farmland/green spaces

The following describes in terms of changes in the situations related to land use (i) conversion of urban farmland from one to be converted to residential lots into one to be retained in urban cities, (ii) securement and utilization of green and open spaces, and (iii) trends in land use for renewable energy generation.

(1) Conversion of urban farmland from one to be converted to residential lots into one to be retained in urban cities

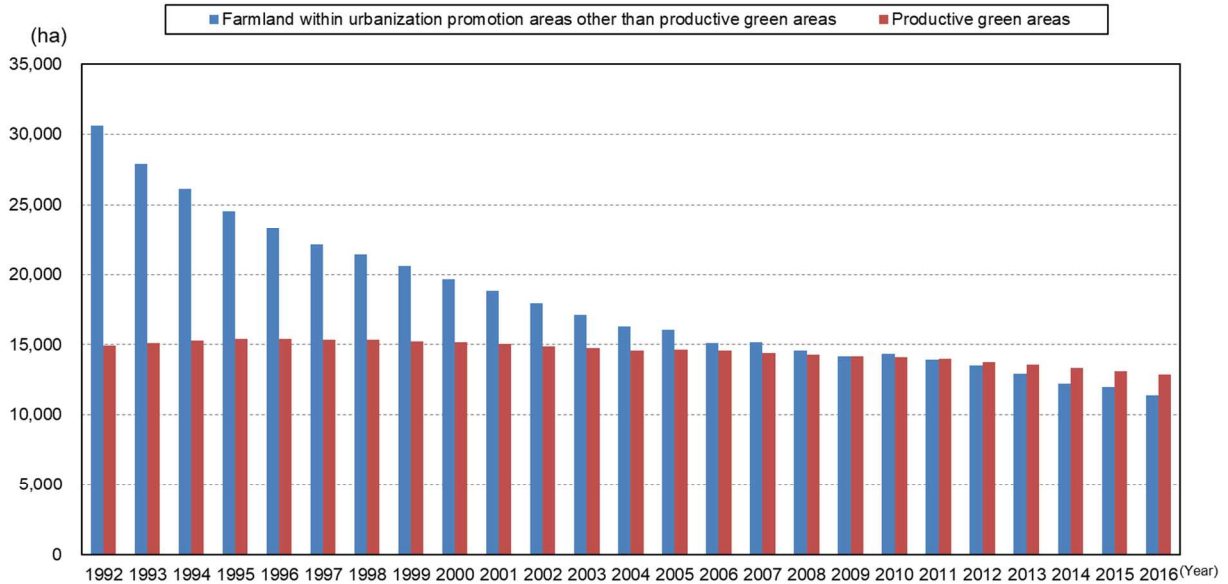
(Conversion of farmland in urbanization promotion areas into residential lots)

Regarding urban farmland, as an area classification system, which defined urbanization promotion areas and urbanization control areas, was created under the City Planning Act, farmland within urbanization promotion areas was positioned as one to be converted to residential lots, and thus, the change to residential lots was promoted through such conversion by notification under the Cropland Act, taxation systems, and other reasons.

After that, farmland in the urbanization promotion areas of specific cities in the three major metropolitan areas was to be clearly classified into one to be converted into residential lots and one to be preserved, and thus systematic conversion to residential lots was pursued for farmland to be converted to residential lots through active promotion of land readjustment projects, while various systems were reviewed for farmland to be preserved in order to preserve it by the use of the productive green area system.

Regarding farmland to be preserved, as the Productive Green Land Act was revised in 1991, regulations on land use in productive green areas were tightened while preferential measures for estimation of farmland prices for taxation, including fixed asset taxes, were implemented, and the grace period for payment of the inheritance tax was granted only for farmland within productive green areas. As for farmland to be converted to residential lots, on the other hand, the system for farmland for continuity of long-term farming was abolished, and taxation like residential land was applied.

Figure Changes in areas of farmland within specific urbanization promotion areas and productive green areas



Data: Farmland within specific urbanization promotion areas other than productive green areas: MIC *Summary Protocol of Fixed Asset Price*, Productive green areas: MLIT *Annual Report on City Planning*

Note 1: The data on farmland within specific urbanization promotion areas other than productive green areas are as of January 1 of each fiscal year and those on productive green areas are as of March 31 of each fiscal year.

Note 2: Farmland within specific urbanization promotion areas other than productive green areas refers to farmland within the urbanization promotion areas of the specific cities in the three major metropolitan areas.

(Preservation/utilization of urban farmland as one to be retained)

When the era of a population decrease started, urban farmland came to receive increased recognition in terms of a function of supplying agricultural products in proximity to consumption areas, as well as various functions of disaster-prevention, landscape formation, environment preservation, and places for experience/learning of agriculture. In this context, the Basic Act on the Promotion of Agriculture was enacted in 2015 and thus circumstances surrounding urban farmland changed significantly, which was shown in the Master Plan for Urban Agriculture Promotion developed according to the Act stating that urban farmland, which had ever been regarded as one to be converted to residential lots, should change its position to one to be retained in urban cities and measures for sustained promotion of urban agriculture should be implemented comprehensively and systematically.

## (2) Securement and utilization of green and open spaces

Regarding green spaces in urban cities, the Green Space Protection Systems have been increasingly arranged and utilized, including special green preservation areas with strict conduct control similar to freezing the status quo, focusing on the protection of good green spaces from the strong pressure of development. In 1994, the Urban Green Space Preservation Act was revised, and the Basic Planning System for Greenery was created in order to promote preservation of green spaces, as well as greening measures comprehensively and systematically.

Since the population began to decline, the Basic Plan for Greenery, a comprehensive basic plan for green and open spaces in urban cities, has been developed or revised by municipalities with a view to realizing a leafier and more relaxing urban lifestyle by making use of open spaces, such as unused land and vacant land in urban city areas (the Plan was developed in 685 municipalities as of the end of March 2018), and matching activities between the owners of unused or vacant land and the third parties that want to use such land have been implemented.

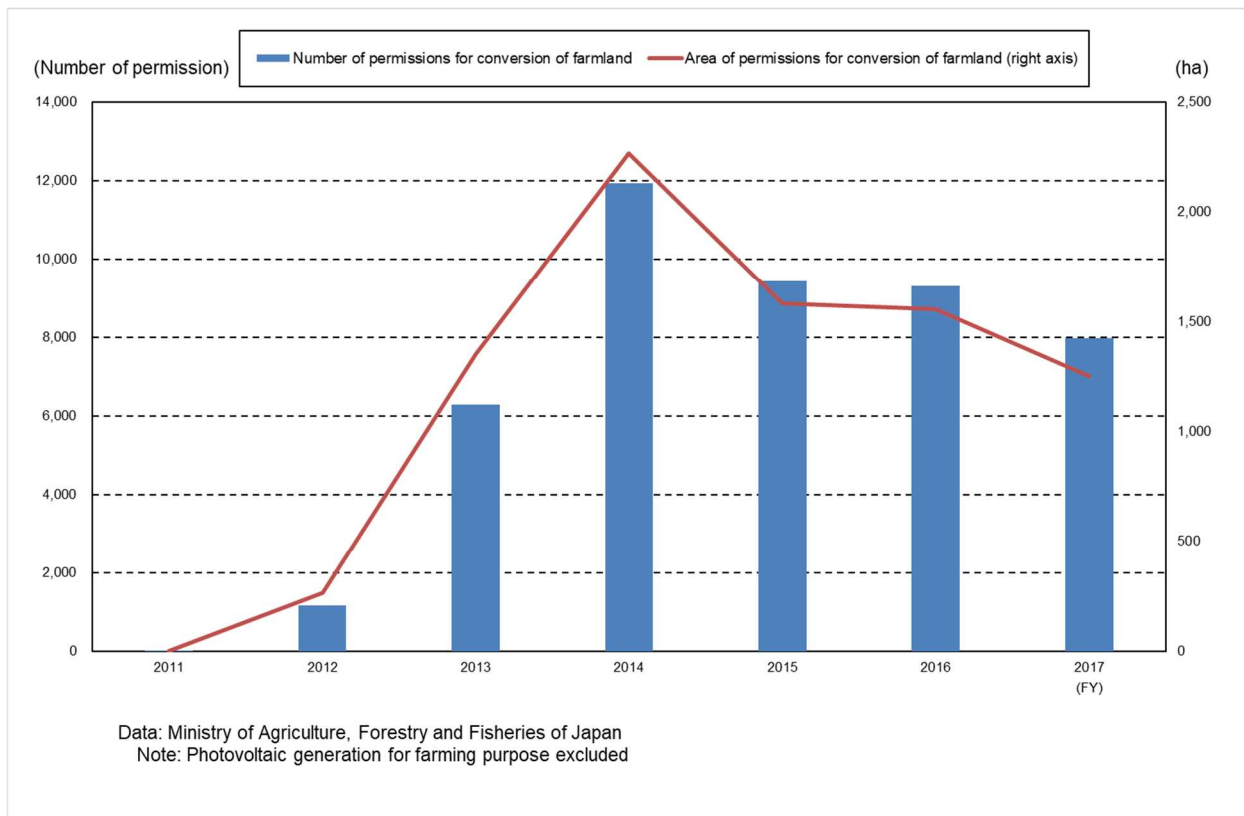
## (3) Land use for renewable energy generation

In the circumstances where the importance of renewable energy, such as solar, wind, and biomass, was increasing as a purely domestic energy source with no emission of carbon dioxide, the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities was enacted in 2011, and the Feed-in Tariff System (FIT), which imposed on an electricity utility an obligation to purchase electricity from renewable energy sources at a given price, was introduced.

On the other hand, in the circumstances of rural areas where vitalization was urgently needed due to the stagnating agriculture, forestry and fishery and other factors, the Act on Promoting Generation of Electricity from Renewable Energy Sources Harmonized with Sound Development of Agriculture, Forestry and Fisheries was enacted in 2013, under which new land use for development of renewable energy power generation facilities has been increasing.

The number of permissions for conversion of farmland for installation of photovoltaic facilities in the farmland (excluding photovoltaic generation for farming purpose) and the area for it increased significantly in 2012 and peaked in 2014. Since then, it has been remaining at a high level.

Figure Actually granted permissions for conversion of farmland for installation of photovoltaic facilities in the farmland





## 6. Development of disaster-resistant communities making use of the lessons learned from natural disasters

The following describes efforts for development of disaster-resistant communities taking into account the lessons learned from the Hanshin Awaji Earthquake, the Great East Japan Earthquake, and other large earthquakes that occur frequently and disasters caused by typhoons and torrential downpours.

### (1) Improvement in earthquake-resistance of buildings and safety improvement in densely populated urban areas taking into account the lessons learned from the Hanshin Awaji Earthquake

#### (Promotion of improvement in earthquake-resistance of buildings)

In the Hanshin Awaji Earthquake, around 80% of the deaths were caused by suffocation and crushing due to collapse of buildings. In this context, the Act for Promotion of the Earthquake Proof Retrofit of Buildings was enacted in 1995 to implement measures for the promotion of seismic rehabilitation of buildings.

As for improvement in earthquake-resistance of houses and buildings used by many people, the target of eliminating almost all buildings with insufficient earthquake-resistance by 2025 has been set in the Basic Plan for Housing (a national plan), and the target of eliminating almost all buildings with insufficient earthquake-resistance that are obligated to undergo an earthquake resistance inspection by the same year has been also set in the National Resilience Action Plan 2018, which promotes the improvement.

#### (Promotion of improvement in densely populated urban areas)

In the Hanshin Awaji Earthquake, a fire spreading over the wide area of the densely populated urban district caused extensive damage. In response, the Act on Promotion of Improvement of Disaster Control Districts in Populated Urban Districts (Populated Urban Districts Act) was enacted in 1997, and thus a basic framework for improvement of densely populated urban areas through demolition and reconstruction of old wooden buildings was established.

In the Basic Plan for Housing (a national plan), the target of eliminating around 6,000 ha of densely populated urban areas that are extremely dangerous at the time of earthquakes by 2020 is set, and safe urban areas are being formed to achieve the target by promoting measures under the Densely Populated Area Act, including the improvement of infrastructures such as roads, reconstruction of old buildings, land readjustment projects and urban redevelopment projects (Around 3,430 ha as of the end of FY 2017).

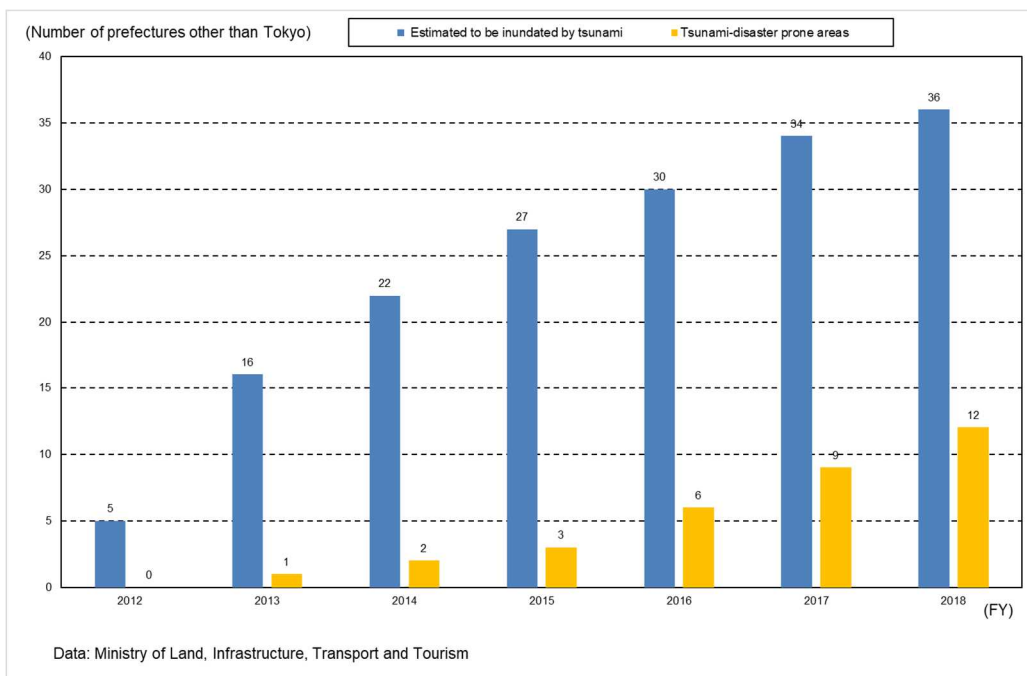
### (2) Development of tsunami-resistant communities taking into account the lessons learned from the Great East Japan Earthquake

#### (Promotion of community development resilient to tsunami)

In response to the massive and extensive damage caused by the Great East Japan Earthquake, as needs for measures to protect the lives of the people by evacuation against tsunami, which occurs extremely less frequently but causes tremendous damage, were recognized, the Act on Development of Areas Resilient to Tsunami Disaster was enacted in 2011 in order to promote measures for tsunami disaster management and damage reduction by defense in depth to draw on all structural and non-structural measures combined flexibly. According to this Act, the framework for comprehensive promotion of community development resilient to tsunami was established, including setting and announcement of areas estimated to be inundated by tsunami, the designation of tsunami-disaster prone areas, and improvements in the warning and evacuation systems in areas.

Along with the efforts in the areas affected by the Great East Japan Earthquake, efforts are being made in the areas estimated to be inundated by tsunami associated with the large-scale earthquake around the Nankai Trough ocean trench, including formation of a disaster management base in a highland area, designation of evacuation facilities in the tsunami-disaster prone areas, improvement in the warning and evacuation systems such as development of tsunami evacuation towers, restrictions on certain development activities in the specially tsunami-disaster prone areas, and preparation/sharing of tsunami hazard maps.

Figure Changes in the designations of tsunami-disaster prone areas, etc.



(3) Improvement in disaster management measures taking into account the lessons learned from the disasters caused by the large-scale earthquakes, typhoons and torrential downpours occurring frequently

(Promotion of improvement in earthquake-resistance of residential land)

In the 2004 Niigata-ken Chuetsu Earthquake and 2005 Fukuoka-ken-Seihou-oki Earthquake, significant damage was caused by the collapse of developed residential land. In order to secure the safety of land developed for residential lots, the Act on the Regulation of Residential Land Development was amended in 2006, and the Project for Promotion of Improvement in Earthquake Resistance in Residential Land was launched for supporting projects to prevent sliding and collapse of large-scale developed residential land for improvements in the earthquake resistance and municipalities' preparation/publication of maps of large-scale developed embankments. As of November 2018, 1,148 municipalities announced that there was no large-scale developed embankment or published a map of largescale developed embankments.

(Upgrading of land information related to disaster risk and regulations/guidance of land use)

In Japan, as disasters of typhoons and torrential downpours occur frequently, disaster prevention measures have been strengthened. In response to the landslides triggered by the heavy downpours that occurred in June 1999 in Hiroshima, the Act on Promotion of Sediment Disaster Countermeasures for Sediment Disaster Prone Areas was enacted in 2000, and a framework was established for enhancing not only structural measures, such as projects to prevent landslides but also non-structural measures, including improvements in the warning and evacuation systems in the sediment disaster prone areas and restrictions of development activities and construction in the sediment disaster prone special areas,.

In response to the floods caused by the heavy downpours that occurred in Niigata and Fukushima in July 2004, the Flood Control Act and the Sediment Disaster Prevention Act were revised in 2005 to provide an obligation to make the means of communicating flood forecasts and landslides information, evacuation centers known to residents by hazard maps.

In response to the landslides caused by the heavy downpours that occurred in Hiroshima in August 2014, the Sediment Disaster Prevention Act was revised again in November 2014 to provide an obligation to publish the result of basic investigation for designation of sediment disaster prone areas and to improve/enhance the evacuation systems. Owing to this revision, the basic investigation by prefectures progressed. The total number of sediment disaster prone areas, which was 395,894 as of the end of FY 2014, increased around 1.3 times to 531,251 as of the end of FY 2017.

### Section 3 Summary of Land Policies, etc. in the Heisei Era and Prospects of Land Policies in the Reiwa Era

#### 1. Summary of land policies in the Heisei era

(Change in the land policies in the Heisei era)

The summary of the change in the land policies of the Heisei era begins with the proper and reasonable land use promoted under the philosophy of "official welfare that shall be prioritized

concerning land” in the Basic Act for Land enacted in 1989 in response to the soaring land prices caused by speculative land transactions and finding value in the ownership of land as symbolized by the land myth during the economic bubble. After the bursting of the economic bubble, in the circumstances of a continuing decline in land prices, measures against the negative legacy after the bursting of the economic bubble were implemented in order to overcome asset deflation and effective land use was promoted aiming at the development of free and easy housing and social infrastructure and the creation of good and trusted communities.

In the era of a population decrease, under the circumstances of changing social situations, including the decline in the necessity of land use and decreasing public awareness in relation to land as property, the problem with increasing vacant land and houses in terms of disaster prevention, crime prevention, landscapes, and the problem with land of unknown ownership in terms of the burden of searching the owners, including time and cost, and under-management became obvious. In response to those situations, land policies suitable for the depopulating society are needed, including effective land use by improving the market environment, and meeting the demands for land and real estate for the growing field accurately, as well as appropriate use and management of land for which active use/transactions are not expected and land that is not managed well. In this context, the government as a whole is pushing ahead with comprehensive measures for problems concerning land of unknown ownership while revisions of the Basic Act for Land and systems/measures related to land are being discussed now.

When the chain of the land policies are looked back on, the Heisei era, in a sense, began with the enactment of the Basic Act for Land and ended with the revision of the Basic Act for Land, following the significant change in the social circumstances where population decrease advanced and needs for land use declined.

## 2. Prospects of land policies in the Reiwa era

In light of the arrival of a society whose decline in population is underway in earnest, it is continuously necessary to not only improve the real estate market in order to meet the needs for land/real estate along with the effective use of the stocks of land/real estate that are managed adequately but also pursue the effective use of land/real estate whose use and transactions are sluggish by digging out the latent demand.

In addition, under the circumstances of increasing undermanaged land against a background of a decrease in users of land and a decline in the need for land use in recent years, it is increasingly demanded to revise the Basic Act for Land and redevelop the systems/measures related to land for securing the proper use and management of land.

In particular, the current Basic Act for Land prescribes the direction of land policies comprehensively in the situation of soaring land prices caused by speculative transactions due to the high need for land; therefore, it does not clearly prescribe rules on land for which active use/transactions are not expected and land that is not managed well.

The *Report of the Subcommittee Special Group for Land Policy of National Land Development Council* says that “it is necessary to review the responsibility land owners should have in relation to the use and management of land as well as the measures for ensuring the responsibility, including one with no intended use,” and the direction for it is listed as follows. Hereafter, under the basic policies proposed in the Ministerial Conference with Related Cabinet Ministers, the revision of the Basic Act for Land and the systems/measures related to land will be reviewed specifically, along with the revision of the related civil legislation, to promote the proper use and management of land.

(1) Basic philosophy on land and responsibility

- In terms of official welfare, land must be used and managed properly according to the conditions.
- The ownership of land is associated with restrictions pursuant to the Constitution of Japan and the Basic Act for Land. Regarding land, official welfare is prioritized, and when landowners’ nonfulfillment of responsibility produces a negative effect, the ownership of land can be restricted for the purpose of securing the proper use and management of the land.

(2) Measures needed for proper use and management of land

- (i) Measures for the promotion of proper use and management of land
- (ii) Measures associated with restriction on ownership
- (iii) Improvement in the information infrastructure supporting the proper use, management and transaction of land

### Chapter 3 Use of Land and Real Estate in Society in View of a 100-Year Lifetime

Japan is a society enjoying the world's highest life expectancy, and the number of people aged 100 or over has increased to around 70,000 in 2018. The *Outline of Policy Measures for an Aging Society* decided by the government in February 2018 says "The general tendency to consider people aged 65 or over as the elderly is, in light of the current situation, becoming no longer realistic. The era in which people aged 70 or over can demonstrate their abilities based on their own motivations and skills is coming; therefore, it is necessary to develop a social environment that enables the motivated elderly to exercise their abilities, along with the idea of supporting the elderly." Furthermore, the Basic Concept for Human Resources Development Revolution compiled by the Design Council for a 100-year lifetime in June 2018 says that "for an era of a 100-year lifetime, it is necessary to create a society where all the people, irrespective of whether they are young or old, can find a field of performance, continue to play a vigorous, active role in the field, and live with security."

In this chapter, trends in the use of land and real estate in relation to the creation of environment where the elderly whose healthy life-span is increasing can live with security and play a vigorous, active role are described in Section 1, and trends in the use of land and real estate that support diverse workstyles and lifestyles are discussed in Section 2.

#### Section 1 Trends in relation to the creation of environment where the elderly can live with security and play a vigorous, active role

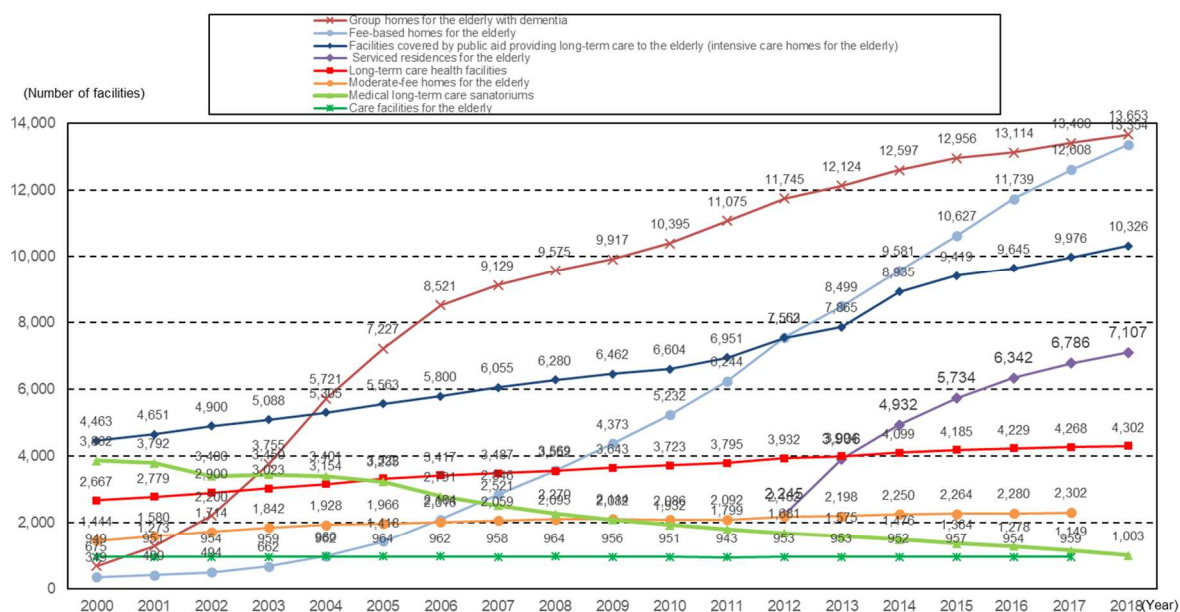
##### 1. Trends in facilities, houses, etc. for the elderly and a way of life in old age in view of the era of a 100-year lifetime

###### (1) Increase in the population of the elderly and trends in facilities, houses, and other dwellings for them

The number of old people (aged 65 or over) in Japan is increasing each year, reaching around 35.57 million (males are around 15.45 million and females are around 20.12 million), accounting for around 28% of the Japanese population as of September 1, 2018.

In response to the increase in old people who need care, facilities and houses for the elderly, such as group homes for dementia patients, fee-based homes for the elderly, facilities covered by public aid providing long-term care for the elderly (intensive care homes for the elderly), and serviced residences for the elderly, are increasing. In addition, providers of care service are also increasing.

Figure Changes in the number of facilities for the elderly



Note 1: Data on the three facilities where nursing care insurance can be used and group homes for the elderly with dementia are from MHLW *Survey of Nursing Care Service Facilities/Service Providers (2000–2001)*, *Survey of the Cost of Nursing Care Benefits (2002–2017)*, and *Statistics on the Actual Cost of Nursing Care Benefits (2018)*.

Note 2: The number of facilities covered by public aid providing long-term care to the elderly (intensive care homes for the elderly) is the total of providers that requested an allowance for facility service for long-term care covered by public aid and community-based facility service for long-term care covered by public aid.

Note 3: Data on group homes for the elderly with dementia is indicated as those for communal daily long-term care for mental deterioration between 2000 and 2004 and as those for communal daily long-term care for a dementia patient in and after 2005. (Short-term use is excluded.)

Note 4: Data on care facilities for the elderly/moderate-fee homes for the elderly are from MHLW *Survey of Social Welfare Facilities*. However, the numbers between 2009 and 2011 are based on the numbers of facilities that are subject to the survey and those between 2012 and 2017 are based on the basic survey slip.

Note 5: Data on fee-based homes for the elderly are based on the result of the survey conducted by the Health and Welfare Bureau for the Elderly of MHLW.

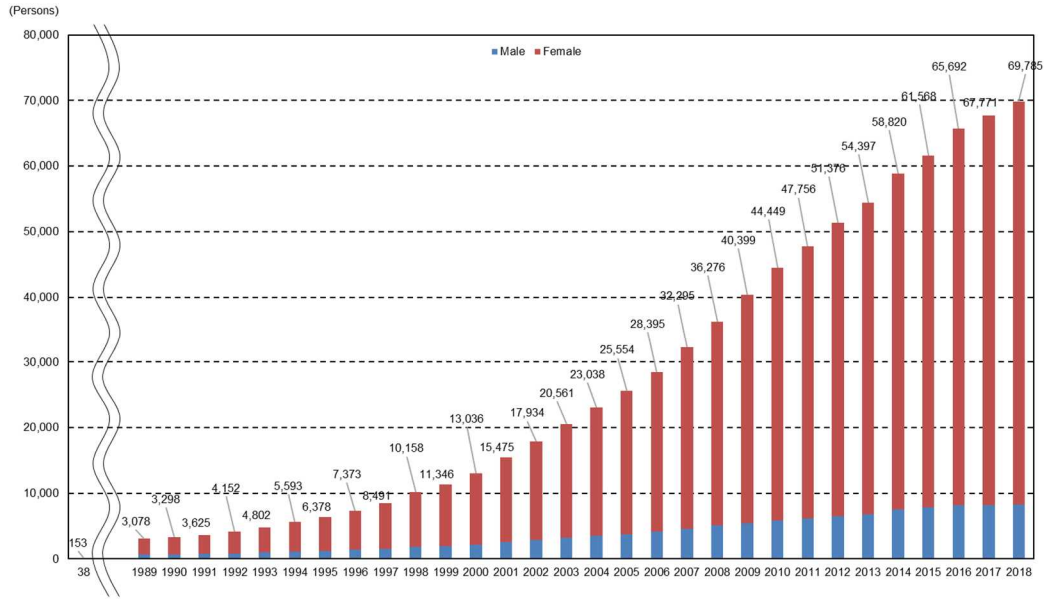
Note 6: Data on serviced residences for the elderly are from the *Delivery System for Information on Serviced Residences for the Elderly*.

(2) Increase in healthy life expectancy and intention regarding a way of spending life in old age  
(The population of people aged 100 or over and changes in the average life expectancy/healthy life expectancy)

The number of old people aged 100 or over in Japan was 153 in 1963 when the Act on Social Welfare for the Elderly was enacted, but it increased year after year and reached 69,785 as of September 1, 2018 (increase by 2,014 year-on-year).

Both the average life expectancy and healthy life expectancy in Japan are also on the increase.

Figure Changes in the population aged 100 or over by gender

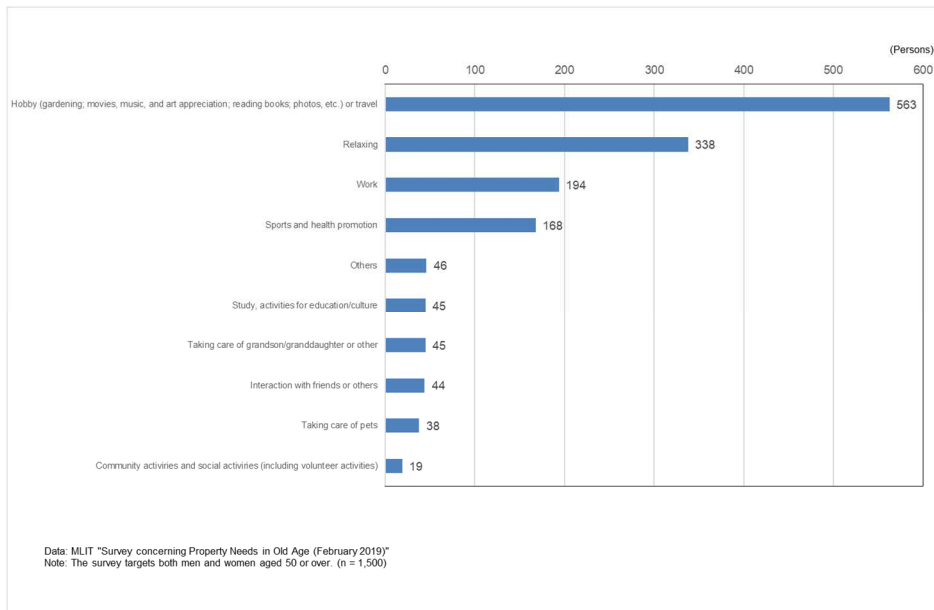


Data: Prepared by MLIT from MHLW "Changes in the Number of the Elderly Aged 100 or over by Gender".

(Intention regarding a way of spending life in old age in view of the era of 100-year lifetime)

As health life expectancy is increasing and thus the period of living a healthy life in old age is expected to be longer, the Ministry of Land, Infrastructure, Transport and Tourism conducted a questionnaire survey on the intention regarding a way of spending life and places people want to use in old age. As a result, the most popular response to the intention regarding a way of spending life in old age was "hobby," followed by "relaxing," "work," "sports and health promotion," and "study, activities for education/culture."

Figure Intention regarding a way of spending life in old age



Data: MLIT "Survey concerning Property Needs in Old Age (February 2019)"  
 Note: The survey targets both men and women aged 50 or over. (n = 1,500)



## 2. Trends in relation to the creation of environment where the elderly can live with security and play a vigorous, active role

The *Outline of Policy Measures for an Aging Society*, aiming at a society that enables motivated old people to demonstrate their abilities, declares policies, including securing employment in old age making use of old people's knowledge and experience, providing various learning opportunities, promoting health and care prevention, and promoting activities for multi-generational social engagement, and various measures have been implemented according to those policies. The following describes trends in relation to the creation of environment where the elderly live with security and play a vigorous, active role making use of land and real estate, focusing on (i) working/learning, (ii) promoting health, (iii) enjoying hobbies (gardening), and (iv) interacting with a diverse range of people by reference to the result of the said questionnaire survey on the intention regarding a way of spending life in old age.

### (1) Efforts for supporting the realization of an ageless society

#### (Trends in the working of the elderly)

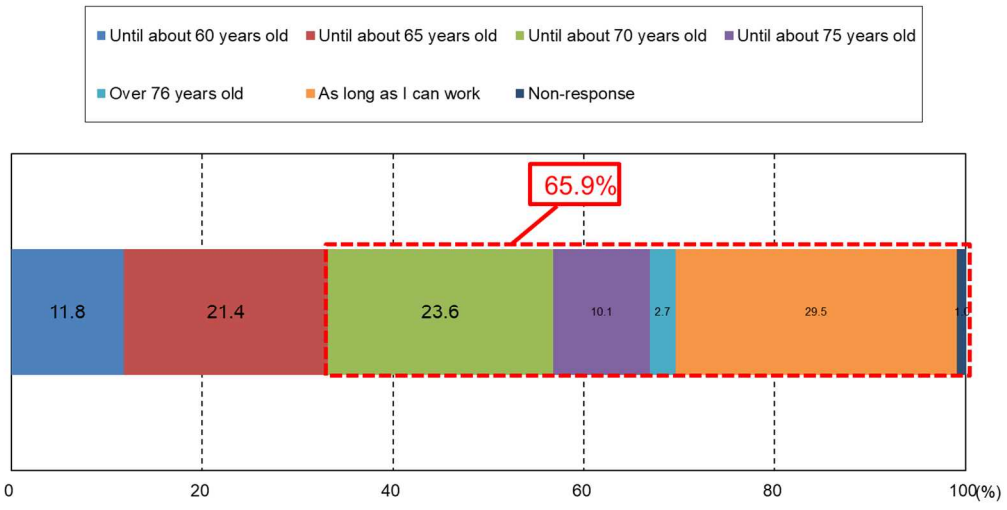
As the decrease in the labor force population is expected because of the rapid aging of the population resulting from the decline in the birthrate, it is necessary to realize a society where old people can continue to work irrespective of age as long as they are healthy, motivated, and competent (an ageless society).

In this context, comprehensive measures have been implemented for the working of the elderly according to the Act on Stabilization of Employment of Elderly Persons. The data on the changes in the participation in workforce by age from the *Labor Force Survey* conducted by the Ministry of Internal Affairs and Communications show that the participation in the workforce between 60 and 64 years old was 57.2% in 2008 and increased to 68.8% in 2018, rising by 11.6 points during the decade, particularly in and after 2013 when the Act was revised. The participation in workforce between 65 and 69 years old and between 70 and 74 years old during that decade also increased by 10.4 points and 8.4 points respectively.

#### (Intention to work in old age)

According to the *Survey regarding Old People's Participation in Communities* in FY 2013 conducted by the Cabinet Office, the responses to the age until which they wanted to work were "until about 70 years old" at 23.6%, "until about 75 years old" at 10.1%, "over 75 years old" at 2.7% and "as long as I can work" at 29.5%. That is, those who answered they would like to work over age 65, the age until which employment should be secured currently, accounted for 65.9%.

Figure Ages until which old people want to work



Data: Prepared by MLIT from the "Survey regarding Old People's Participation in Communities in FY 2013" conducted by the Cabinet Office.

(Trends in business commencement of the elderly)

According to the data on the age distribution of entrepreneurs by fiscal year (self-employed individuals) from the *Basic Survey on Employment Structure*, age 65 or over accounted for 29.7% in 2007 but it reached 37.1% in 2017, increasing by 7.4 point in the decade.

(Trends in the support for lifelong learning)

In view of the era of a 100-year lifetime, it is important to create environment in which people can live worthwhile lives through mastering knowledge and skills needed for work in old age and learning necessary for community involvement and contribution to society. In response, some measures have been implemented as efforts for supporting specific lifelong learning, including encouragement of extension lectures at universities and increases in the opportunities to attend lectures of programs for improvement in the abilities needed for employment at universities, graduate schools, junior colleges, and colleges of technology. For example, the number of extension lectures at universities, which had been around 21,000 in 2004, reached around 31,000 in 2014, increasing around 1.5 times during the decade.

(Efforts related to realizing an ageless society and providing opportunities for lifelong learning)

(i) Setup of counselling service for employment of senior citizens making use of a vacant office

The Yoriai Chaya (Caffe) in Yamagata City, Yamagata Prefecture, is a one-stop counselling service for employment of senior citizens, which was set up making use of a vacant office as an action for the community collaboration project for the promotion of lifelong active service pushed by the Ministry of Health, Labour and Welfare.

In the Yoriai Chaya (Caffe), Hello Work (the public employment security office), the Yamagata Silver Human Resources Center and the Yamagata City Council of Social Welfare collaborate to facilitate matching between companies seeking workers and old people in search of employment by referring those who want to work full-time to the Hello Work, explaining those who want a part-time job about the operation of the Silver Human Resources Center. The Yoriai Chaya also holds career seminars for the elderly and orientation meetings for companies.

Figure Yoriai Chaya (Caffe) (Yamagata City, Yamagata)



Data: Yamagata Council of Community Collaboration Project for Promotion of Lifelong Active Service

(ii) Rental offices for senior entrepreneurs

As senior citizens who want to continue working after their retirement are increasing, the Entre Salons are available for the elderly as rental offices that provide comprehensive service to support such senior citizens who intend to commence business.

These rental offices provide not only free desks and individual rooms but also services necessary for those who want to commence business, such as application for registration of incorporation and accounting record on behalf of them. Before the opening of an office, various opportunities are also available, including participation in seminars for mastering know-how necessary for commencing business, individual consultation, networking events for interacting among senior citizens who intend to commence business or seek employment, and relationship building for business development after commencement.

Figure Entre Salon (Chuo Ward, Tokyo)



[Rental office]

[The scene of a networking event]

Data: Ginza Second Life Corporation

(iii) A school for the elderly based on a public facility

The Shiga Prefecture Lacadia University is run by the Shiga Prefecture Council of Social Welfare, targeting the elderly aged 60 or over living in Shiga Prefecture in order to support them so that they can play an active role as a labor force in the community by acquiring new knowledge, accomplishments, and skills.

This university opened its campuses at the Shiga Prefectural Social Welfare Center for Longevity (Kusatsu City) and the Shiga Theatre for Cultural and Industrial Development (Maibara City), which offers two-year programs comprising a compulsory course for learning, planning, and management of community activities and six optional courses (gardening, pottery art, Lake Biwa environment, local culture, and northern Ohmi culture) based on attendance of four hours a day and five days a month.

The graduates engage in the planning and management of community development activities, pruning at schools, parks, and public facilities within the community, or sightseeing guide service on a voluntary basis as human resources that can contribute to the community.

Figure Shiga Prefectural Social Welfare Center for Longevity (Kusatsu City, Shiga)



[The scene at Kusatsu Campus]

Data: Shiga Prefecture Council of Social Welfare



[The scene of a lecture]

## (2) Trends in efforts related to providing places for maintenance/promotion of health

In view of the era of a 100-year lifetime, it is important to build environment for maintenance/promotion of health from the viewpoint of bringing meaning into the lives of the elderly, nursing care prevention, etc. In this context, fitness facilities are on the increase. There are many old people using such facilities, and fitness facilities for the elderly have been put in place. In addition, local governments have increasingly worked on providing places for maintenance/promotion of health for old people.

### (Trends in fitness facilities and efforts at fitness facilities for the elderly)

The number of fitness club providers is on the increase. It increased around 1.4 times in the decade from around 1,000 in 2008 to around 1,400 in 2018. According to the *Analysis of All Industrial Activities* (October-December quarter of 2014 [retrospection of the year]) conducted by the Ministry of Economy, Trade and Industry, the amount of annual expense for gym fees per household by age group of householders is the largest among the householders in their 60s at around 7,000 yen, and even that amount among those in their 70s or over is larger than that among those in their 40s or below.

Under the circumstances, fitness facilities for the elderly have been put in place in which half of the floors of the facilities are allocated to rest spaces and lounges for old people for the purpose of fostering interaction with each other, equipment focusing on stretching is installed, or exercise programs for maintenance/improvement of physical functions or prevention of lifestyle-related diseases are provided. There are also fitness facilities offering services of group exercises or training for improvement in motor function by care prevention instructors as day care service providers dedicated to rehabilitation, making use of their know-how about the management of fitness facilities.

Figure An example of fitness facilities for the elderly: Aeon Wellness Lounge 3FIT



[The scene in the lounge]



[The scene of a group lesson]

Data: Aeon Retail Co., Ltd.

### (Efforts of local governments in relation to providing places for maintenance/promotion of health)

Under the circumstances of increase in the elderly population, efforts of local governments of



providing places for maintenance/promotion of health has been made from the viewpoint of bringing meaning into the lives of the elderly, nursing care prevention, etc.

(i) Improvement in parks considering the elderly

As the elderly population increases, there has been increasing cases where local governments install play equipment for health promotion in parks for the purpose of maintaining and promoting health and physical strength. According to the survey conducted by the Ministry of Land, Infrastructure, Transport and Tourism, the number of play equipment for health promotion installed in parks in urban areas increased around 1.9 times from around 14,000 in 2007 to around 26,000 in 2016. Itami City, for example, has started the installation of play equipment for health promotion for stretching, maintenance/strengthening of muscles, maintenance/improvement of physical strength and stimulation of the pressure points in since 1998. As of the end of FY 2018, a total of around 300 pieces of such equipment are installed in 87 parks in the city, in other words, several pieces of such equipment per park.

Figure Improvement in parks considering the elderly (Installation of play equipment for health promotion) (Itami City, Hyogo)



Data: Itami City

(ii) Community development aiming at maintenance/promotion of health

Mitsuke City of Niigata Prefecture, putting the maintenance/promotion of the citizens' health at the center of the measures, has enforced Japan's first Let's Walk Ordinance and Basic Ordinance for Wellness for the purpose of increasing the opportunities for old people to go out and has worked on the community development aiming at a city where people can live a healthy life only if they live there = Wellness.

Figure Efforts in relation to wellness (Mitsuke City, Niigata)



[Citizens Exchange Center (Navel Mitsuke)] [Lively Health Promotion Center]

Data: Mitsuke City

(3) Trends in efforts related to providing places for hobby/interaction (gardening)

Gardening is one of the hobbies very popular among old people as a way of living a worthwhile life for them. The number of community gardens is on the increase. It increased around 1.3 times in the decade from around 3,200 in 2007 to around 4,100 in 2017. There are some gardens for which the local governments borrowed farmland and developed it as allotment gardens to rent them out exclusively to old people free of charge for the purpose of supporting the maintenance/promotion of their health through hobbies, care prevention, and rehabilitation.

Figure An example of community gardens for the elderly (Nakano Ward Tokyo)



Data: Advice Center of Urban Farmland Use in Japan "Super-Aging Society and Life with Farming"

#### (4) Trends in efforts related to providing places for multi-generational interaction

Under the circumstances where around half of household with old persons are one-person households or elderly couple households due to rapid aging of the population, efforts for encouraging multi-generational interaction in local communities has been made, such as providing places for interaction among the elderly who tend to be socially isolated and places for interaction with children.

As the housing developments that were built mainly in the suburbs of the large metropolitan areas during the period of high economic growth have been aging faster than elsewhere for the reasons that the residents are often of the same generation that moved into the developments during the same period, efforts for encouraging the vitalization of local communities and multi-generational interaction have been made in the context of having various problems, including increases in vacant lots/houses, declines in living convenience, and decreases in young families.

In addition, there are some cases of building a local community through the development of a new town where a wide variety of people, including the elderly and children, can live together and interact with each other.

Figure The scene of multi-generational interaction in the Tamadaira Housing Complex (Hino City, Tokyo)



Data: Urban Renaissance Agency



## Section 2 Efforts for the use of land/real estate that support the realization of diverse workstyles and lifestyles

This section describes efforts for realization of diverse workstyles and lifestyles in view of the era of a 100-year lifetime, presenting from the viewpoint of the use of land/real estate the creation of environment that supports working while raising children, the creation of an environment that supports diverse workstyles and the creation of an environment that supports relocation to rural areas and living in two regions alternately for realization of diverse lifestyles.

### 1. Creation of an environment that supports working while raising children

As the female employment rate is rising and double-income households are increasing, it is indispensable to create an environment that supports working while raising children.

The following overviews the trends in recent countermeasures to the falling birthrate and support for women's active participation, as well as problems with making work and childrearing compatible. In addition, regarding trends in recent preference in housing/residential land among double-income households and households raising children and trends in the locations of childrearing support facilities, recent cases are presented from the viewpoint of living in a place convenient in terms of access to work and childrearing.

#### (1) Trends in countermeasures to the falling birthrate and support for women's active participation

The data on changes in the number of households with full-time homemakers and that of double-income households show that the latter has exceeded the former since 1997, increasing rapidly. (The number of double-income households and that of households with full-time homemakers in 2017 were around 12 million and around 6.4 million respectively.)

Particularly the Childrearing Security Plan sets a target of raising the employment rate of women aged between 25 and 44 to 80% by the end of FY 2022 in order to toss out the so-called M-shaped curve under which measures have been worked on.

#### (2) Awareness regarding preference in housing/residential land and workstyles among double-income households and households raising children

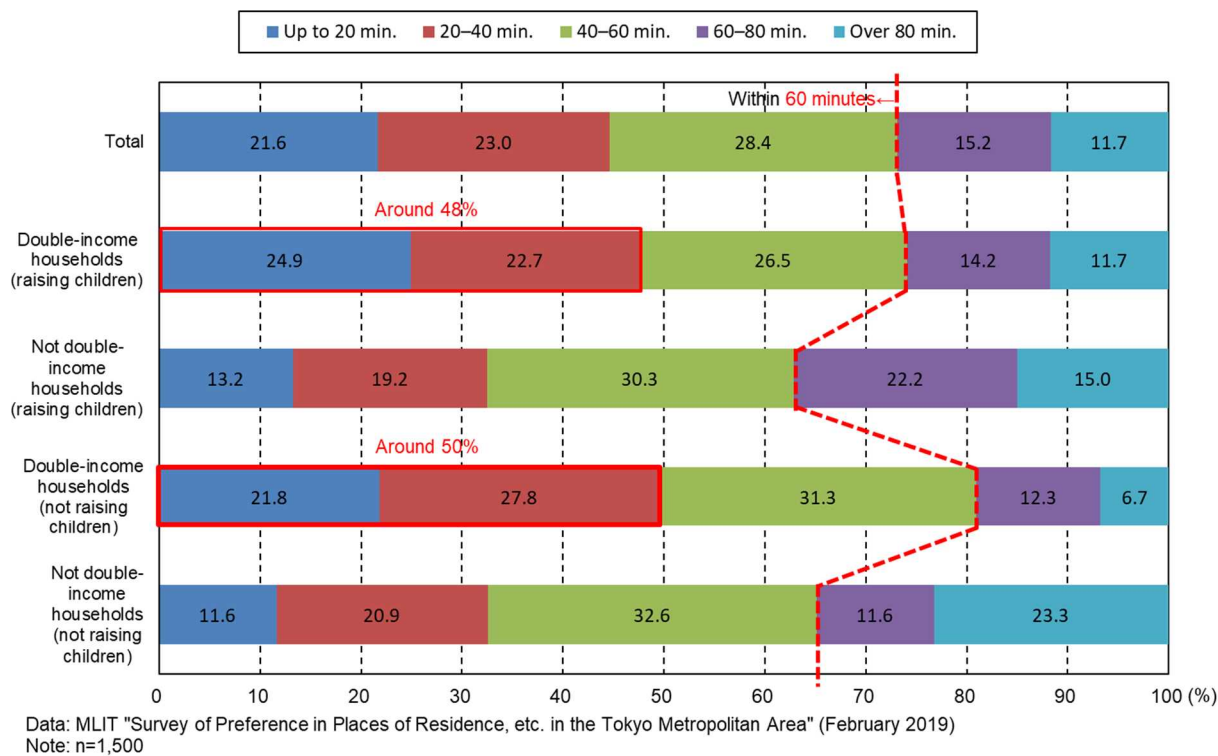
Marriage and childrearing often acts as a trigger for individuals' relocation and acquisition of houses or residential lots. The Ministry of Land, Infrastructure, Transport and Tourism conducted a questionnaire survey via the Internet targeting households living in the Tokyo metropolitan area that have ever experienced moving during the last 20 years in order to grasp the needs and the reality in terms of selecting residences and acquiring real estate.

#### (Commuting time)

Concerning commuting time, the households that selected residences within a 60 minutes'

commuting distance accounted for over 60%. Particularly among the double-income households, nearly half of them selected residences within a 40 minutes' commuting distance.

Figure Commuting time



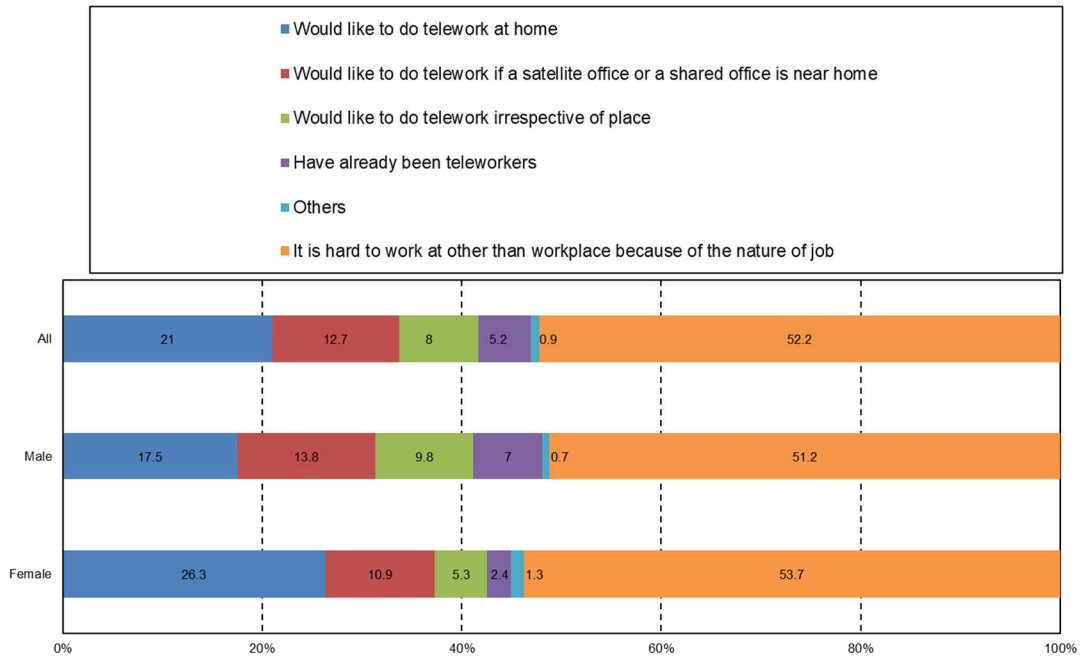
(Location environment)

Concerning the locations and living environments on which importance was placed in selecting residences, the most popular response was "Traffic convenience in terms of access to work" irrespective of "double-income or not" or "Raising children or not." The response following the most popular one among the households raising children was "Environment convenient for childrearing and education including access to childcare facilities and elementary/junior high schools" irrespective of "double-income or not" while that among the households with no children was "Living convenience in daily life including sufficient commercial facilities."

(Awareness regarding diverse workstyles)

When a question was asked to the double-income households about their awareness of diverse workstyles, such as work at a satellite office near their homes and telework at home, the result was that around half of the respondents answered that they would like to do telework or they had been already teleworkers.

Figure Awareness regarding diverse workstyles



(3) Trends in securing childrearing support facilities

In order to accelerate the elimination of waiting lists for nursery schools that are recognized as a serious problem particularly in urban areas, the Elimination Acceleration Plan for Waiting Lists for Nursery Schools was developed in April 2013 setting a target of securing childcare services for around 500,000 children between FY 2013 and FY 2017, and childcare services for around 535,000 children were actually secured.

In addition, the Childrearing Security Plan published in June 2017 and the New Countermeasures Package decided by the Cabinet in December of the same year declare that policy resources will be aggressively mobilized for households raising children as well as children, including preparation of childcare services for around another 320,000 children by the end of FY 2020 so as to address the women’s employment rate targeting 80%.

(4) Efforts for realization of living in a place convenient in terms of access to work and childrearing

According to the said survey of preference in places of residence, it is clear that there are strong needs for traffic convenience in terms of access to work and a good environment that is convenient for childrearing and education among double-income households. The following presents the trends in actual use of land/real estate in relation to childrearing support by categorizing the locational situations into places close to residences, workplaces, and traffic facilities.

(i) A case of rental housing that is convenient in terms of access to central Tokyo and is close to various childrearing support facilities [Location close to housing]

○ The Park City Kashiwanoha Campus The Gate Tower West

This property, located in Kashiwa City, Chiba, was developed by Mitsui Fudosan Co., Ltd., as a large-scale rental condominium with a highly convenient location with living convenience, including just three minutes on foot to Kashiwanoha-campus Station on Tsukuba Express line and the 30 to 40 minutes range by train to Tokyo Station. This condominium offers various facilities for supporting childrearing, including a childcare center that assigns higher priority in admissions to residents of the building, the pediatric clinic that is also available for late night, Sunday, and national holiday consultations, a daycare facility providing services for sick children and children recovering from illness, an after-school daycare facility, and a dining hall providing dinner for children.

Figure Appearance of the Gate Tower West and the childrearing support facilities (Kashiwa City, Chiba)



[Kashiwanoha-campus Station and the appearance of the condominium]

[A nursery school and an after-school facility within the building]

Data: Mitsui Fudosan Co., Ltd.

(ii) Cases of childcare facilities installed by corporations [Location close to workplaces]

○ BuuBu Forest (A nursery within the business site)

The Buubu Forest is a nursery opened by Toyota Motor Corporation in Toyota City, Aichi Prefecture, which was improved and expanded as a nursery that can offer childcare services in early morning and overnight in order to address shiftwork in the factories. The shuttle bus service from and to all the factories in the headquarters area is available in order to lessen the burden of taking children to and from the facility. The Buubu Forest also has a daycare facility for sick children, which works with the Toyota Memorial Hospital to provide services for the security of sick children.

Figure Appearance of Buubu Forest (Toyota City, Aichi)



Data: Toyota Motor Corporation

○ Hibari-no-Hoiku –Ishigaki-no-le– (A corporate-sponsored childcare facility)

The Hibari-no-Hoiku –Ishigaki-no-le– is a corporate-sponsored childcare facility opened within the hotel named Hotel Cucule run by Time Aloha Yaeyama Co., Ltd., on Ishigaki Island, Okinawa Prefecture. There were many employees who sought childcare services on Sunday and national holidays due to the characteristics of the lodging industry, however, there was no such childcare center in Ishigaki City. Therefore, the company remodeled the main hall of the hotel into a childcare facility.

Figure A childcare facility into which a main hall of the hotel was remodeled (Ishigaki City, Okinawa)



[The main hall before being remodeled]

[The facility center after the remodeling]

Data: Hibari-no-Hoiku –Ishigaki-no-le–

(iii) A case of a childcare facility installed with/close to stations (station-based childcare centers)[Location close to traffic facilities]

○ Happy Child Project

Station-based childcare centers are ones built under elevated stations or in the buildings directly connected to stations. As the users can take their children to the childcare centers on their way to work and pick them up from the facilities on the way to home, they can reduce time needed for taking their children to and from the facilities and increase the time spending with children.

The East Japan Railway Company has expanded the approach since it opened a station-based childcare center at Kokubunji Station (Kokubunji City, Tokyo) in 1996. It opened 131 childcare facilities (including after-school daycare facilities) as of the end of FY 2018. In 2011, the Company launched the Happy Child Project as a project for vitalization of the area along the railway through childrearing support to implement measures including the opening of station-based childcare centers and station-based after-school daycare facilities.

Figure Sakuraso Childcare Center in front of Toda Station (Toda City, Saitama)



Data: East Japan Railway Company

2. Creation of an environment supporting diverse workstyles

In the context of a decrease in the working-age population due to the declining birthrate and the growing proportion of elderly people, as well as the diversified needs of workers, including

making work and childrearing/caregiving compatible, it is increasingly important to increase opportunities for employment and create environment for showing willing and abilities fully.

The Action Plan for the Realization of Workstyle Reform (Road map) states nine themes for realization of workstyle reforms, and comprehensive measures have been implemented based on the Plan, including the promotion of flexible work arrangements.

The following describes trends in the efforts of corporations for realization of workstyle reforms as part of creation of an environment support diverse workstyles and trends in measures in terms of use of land/real estate, such as shared offices.

## (1) Trends in efforts of corporations for realization of workstyle reforms

The survey of the said diverse workstyles showed a high interest in telework among workers.

According to the result of the surveys conducted by a private research firm related to real estate business in 2017 and 2018, all of the measures, in other words, arrangements for telework system, installation of company-owned satellite offices, and use of rental offices and shared offices were promoted irrespective of the number of employees. In particular, installation of company-owned satellite offices increased in the group of corporations with 1,000 or more employees and use of rental offices and shared offices increased in both the groups of corporations with 100 to less than 1,000 employees and corporations with 1,000 or more employees.

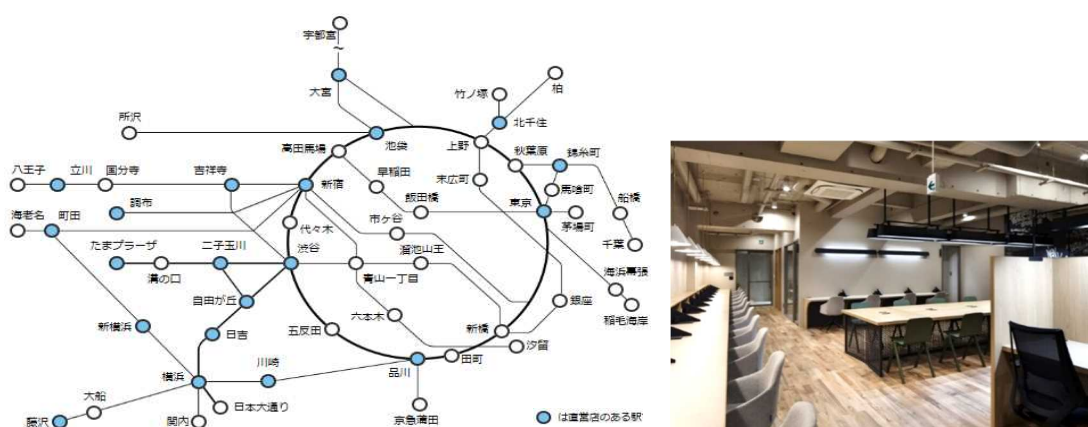
## (2) Trends in efforts at shared offices

As telework is increasingly adopted along with the advance of information-communication technology as part of the measures for workstyle reforms, shared offices and co-working offices have increased particularly in large urban cities. The result of the research regarding the market of share offices in the five inner-city wards of Tokyo conducted by a private firm showed that the area of rented floors as of the end of December 2018 was 156,000 m<sup>2</sup>, significantly increasing by 48% year on year, indicating the rapid increase in co-working offices in recent years.

### ○ NewWork

NewWork is a network of membership-based satellite shared offices for corporations, operated by Tokyu Corporation. It aims at reduction of commuting stress, promotion of work-life balance and improvement in productivity, as well as promotion of off-peak commuting and increase in working opportunities in suburban areas for the benefit of its railway business by building share offices at the major stations including ones in suburban areas.

Figure The office network in the Tokyo metropolitan area (as of March 2019)



Data: Tokyu Corporation

[Jiyugaoka, Meguro Ward]



- WeWork

WeWork is a leading company in the design, offering, and management of shared offices/co-working spaces, headquartered in New York. It established WeWork Japan Limited Liability Company and opened the first site of Japan in Roppongi, Minato Ward, in February 2018. Since then, it has expanded the scope of business rapidly, including the opening of 17 sites in five cities across Japan (Tokyo, Yokohama, Osaka, Nagoya and Fukuoka) by May 2019.

Each site secures relatively large-scale space by leasing a whole building or several floors located in the convenient areas to provide office spaces in pursuit of good design and comfort and lounges installed in the shared open areas, featuring a layout that encourages interaction between the tenants.

Figure The scene of co-working offices (Chiyoda Ward, Tokyo)



Data: WeWork Japan Limited Liability Company

### 3. Creation of an environment that supports relocation to rural areas and living in two regions alternately for realization of diverse lifestyles

In selecting workstyles and places of residence suitable for individual lifestyles and life stages flexibly, there is an option to relocate to rural areas or live in two regions alternately. In addition to the options, “wocation” (the term combining work with vacation) which means telework while travelling also attracts attention.

In the Basic Policies for Vitalization of Towns, People, and Jobs in 2018, measures for regional revitalization in view of the era of a 100-year lifetime are promoted, including support for the U-I-J turn that encourages people to select places of residence in line with their diverse lifestyles and their own life stages and promotion of living in two regions alternately that may lead to the U-I-J turn in the future.

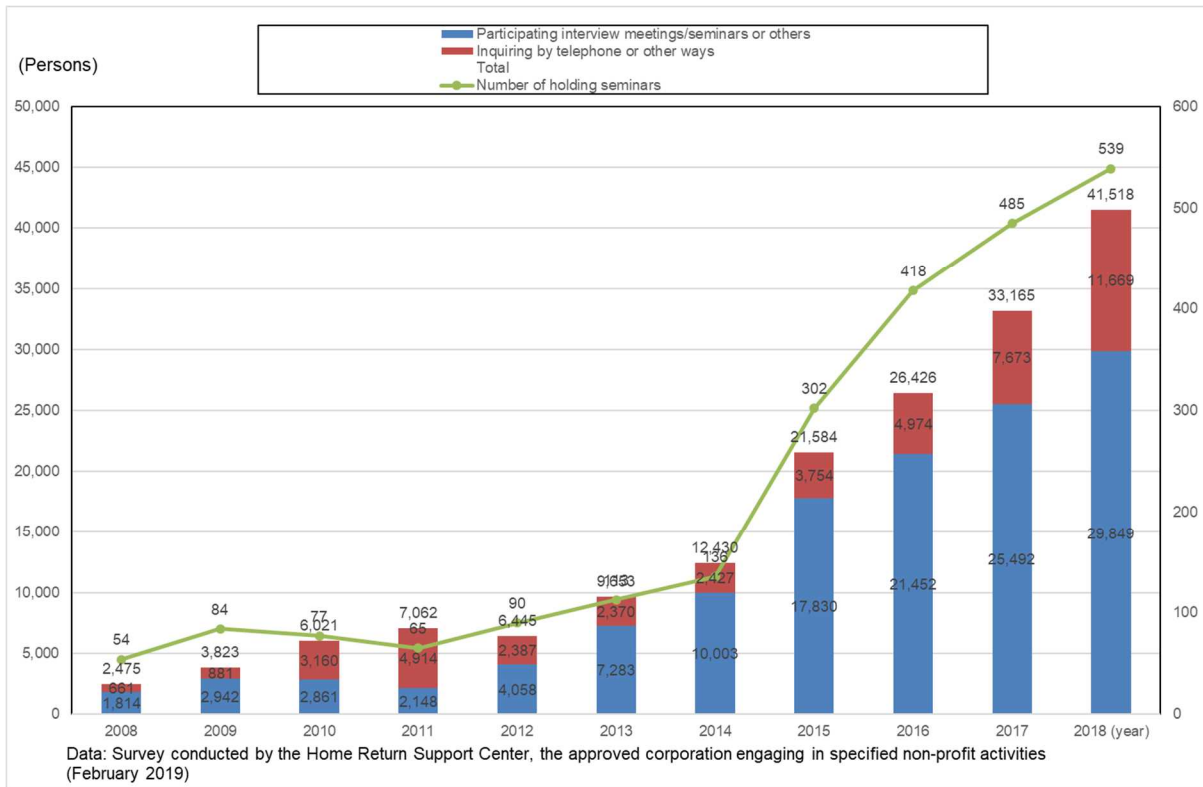
As examples of creating an environment that supports relocation to rural areas and living in two regions alternately for realization of diverse lifestyles, the following describes efforts related to installation of satellite offices in rural areas and utilization of vacant houses with farmland from the viewpoint of the use of land/real estate.

#### (1) Needs in relation to relocation to rural areas/living in two regions alternately

The questionnaire survey continuously conducted by the Home Return Support Center, the

approved corporation engaging in specified nonprofit activities in Chiyoda Ward, Tokyo, shows that participants in interview meetings/seminars in 2018 reached nearly 30,000, significantly increasing about four times more than the same period five years ago.

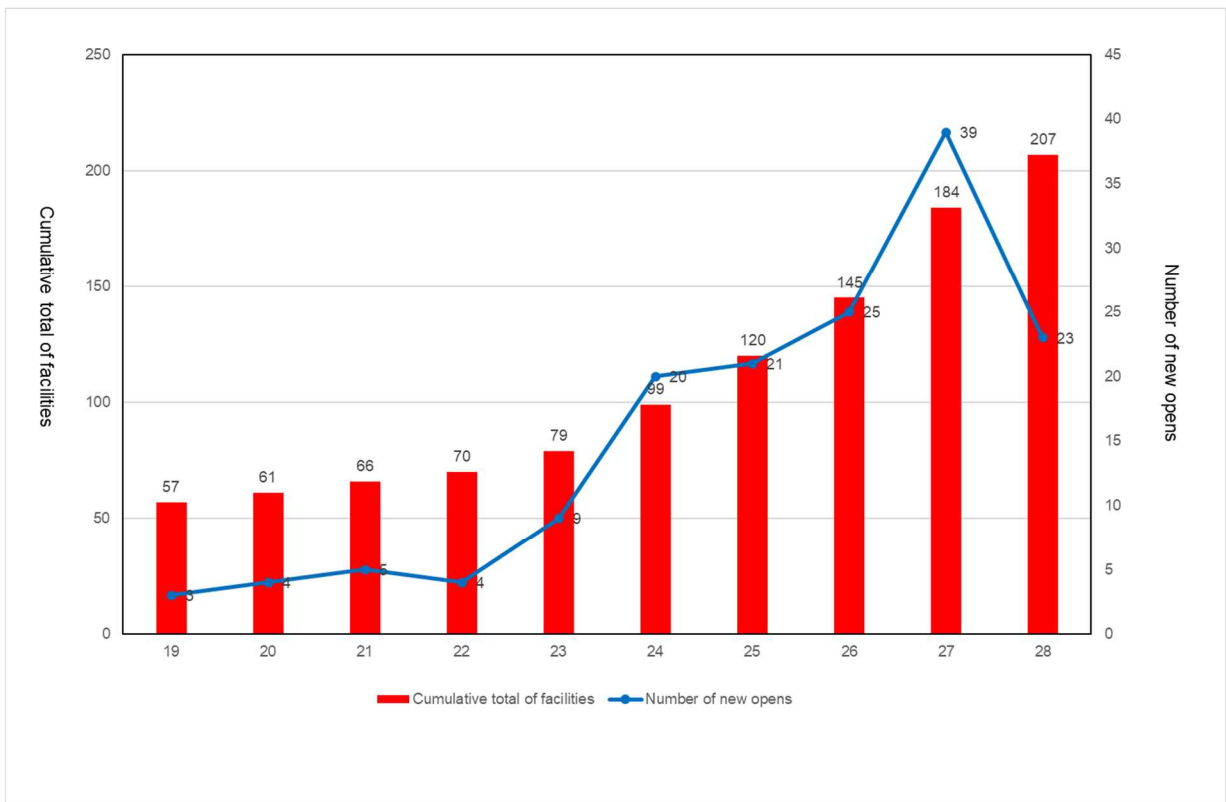
Figure Changes in the number of people who held a consultation about relocation



## (2) Efforts for support of relocation to rural areas/living in two regions alternately

As part of efforts for supporting residents in urban areas in their relocation to rural areas/living in two regions alternately, the movement of establishing satellite offices in rural areas is seen among corporations whose headquarters functions are located in large urban areas, and the movement of inviting satellite office facilities or developing base facilities for them is seen among local governments seeking for regional job creation, creation of new industries, and the effective use of vacant houses/stores and idle facilities.

Figure Years of opening satellite offices (Excerpts for rural areas in and after 2007)



Data: MLIT Survey for Discussion on Measures for Improvement and Promotion of Telework Development Bases in FY 2016" (March 2017)  
 Note: The number of facilities is the total in all the prefectures other than Tokyo, Saitama, Chiba, Kanagawa, Aichi, Kyoto, Osaka, and Hyogo.

○ Tokushima Satellite Office Project

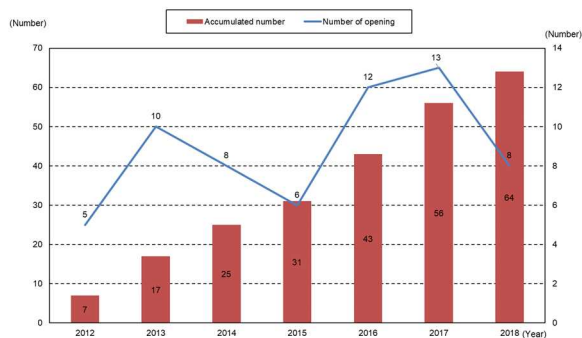
In Tokushima Prefecture, as the environment of a high-speed communications had been well developed owing to the fiber-optic network laid all around the prefecture, Sansan, Inc., which provides a cloud-based business card management service, opened its first satellite office by remodeling an old folk house in Kamiyama Town in 2010. In addition, in response to the movement to open sites at places with a less risk of being affected by disasters simultaneously from the viewpoint of business continuity, which was triggered by the Great East Japan Earthquake, and the movement of reviewing the way of working seen among many corporations, the Tokushima Satellite Office Project was begun in March 2012 to send messages about a new workstyle in rural areas.

Figure An example of opening a satellite office by remodeling an old folk house (Kamiyama Town, Tokushima)

Changes in the number of new satellite offices opened in Tokushima Prefecture (as of the end of March 2019)



Data: Kamiyama Town



Data: Prepared by MLIT from the data provided by Regional Revitalization Section of Regional Revitalization Bureau, Policy Development Department of Tokushima Prefecture

(Promotion of relocation to rural farming areas)

In selecting relocation to rural areas of living in two regions alternately, there is a need for life with engaging in farm work. The following describes the utilization of vacant houses with farmland as a recent trend surrounding land/real estate mainly in relation to relocation to rural farming areas/living in a region with farmland and another region alternately.

- Efforts for promoting relocation to rural areas by making use of vacant houses with farmland
 

As part of efforts for making use of vacant houses effectively in rural areas, the measure that is increasingly implemented by local governments is to offer vacant houses and accompanying small-scale farmland (vacant houses with farmland) registered in the banks of vacant houses in local governments to applicant for relocation through reducing the lower limit of a farmland area required for acquiring the right to around 1 a (100 m<sup>2</sup>) (in principle, the lower limit is 50 a (5,000 m<sup>2</sup>) in prefectures other than Hokkaido).

Figure A transaction case of a vacant house with farmland (Shiso City, Hyogo)



Data: Shiso City

- Efforts for the promotion of living in two regions alternately through farm work experience

In the context of the increasing needs of residents in urban areas for relocation to rural areas and living in two regions alternately, there is a system called “Kleingarten” ( “small garden” in German) under which farmland accompanied with a dedicated simple accommodation facility in rural areas is leased under a yearly contract. There is also an approach of setting several to several dozens of farming lots with dedicated accommodation facilities in a certain area, in which shared farm equipment is lent, and those who experience farm work for the first time can receive advice about cultivation from the operators of the facilities and community people. In addition, an approach to active interactions between people in urban areas and rural communities through holding harvest festivals is adopted aiming at an increase in the population involved in such interactions and promotion of future relocation and settlement.

Figure Agricultural experience at farmland accompanied with dedicated simple accommodation facilities using shared farm equipment (Miyota Town, Nagano)



Data: Application Guidebook for Gardeners at Kleingarten Oboshi no Mori in Omogae, Shinshu Miyota

## Part 2 Basic Measures in Relation to Land in FY 2018 (omitted)

## Part 3 Basic Measures in Relation to Land in FY 2019

### Chapter 1 Dissemination of Basic Philosophy on Land

During the Land Month of October (October 1 is Land Day), the government works to disseminate the basic philosophies on land and introduce various measures and systems concerning land in collaboration with relevant organizations.

### Chapter 2 Enhancement of Information on Land

#### Section 1 Systematic Maintenance of Land Information

In order to systematically maintain information on land ownership, utilization, transactions, and prices, the government will conduct publication of the value of standard sites and cadastral surveys, as well as grasp transaction information according to the National Land Use Planning Act. It will also create and improve statistical data in order to clarify the actual state of land transactions. In addition, it will publish a preliminary report on the basic survey of land and buildings for corporations conducted in FY 2018 as a basic statistics survey on a five-year cycle.

#### Section 2 Promotion of National Land Surveys

Regarding the cadastral surveys conducted by municipalities, the government will focus its support on those that contribute to facilitation of improvement in infrastructures, promotion of disaster prevention measures, promotion of urban development, facilitation of measures for forests, and measures for land of unknown ownership. For the development of the next ten-year plan for the national land survey project after 2020, the government will explore effective measures and concepts of setting targets for the plan in order to push ahead with cadastral surveys further while responding to the changes in social and economic situations, including the problem with land of unknown ownership.

In addition, as fundamental land classification surveys, the government will implement a land-use history survey according to the Sixth Ten-Year Plan for the National Land Survey Project, as well as exploring concepts of setting targets for the next ten-year plan for the national land survey project. Furthermore, it will collect and organize data on underground water as water surveys (an underground water survey).

#### Section 3 Promotion of Enhancement of National Land Information

As for digital national land information, the government will revise publication of values of standard sites and publication of values of standard sites by prefectural government. Concerning geospatial information, the government will prepare and update map information and geospatial information (i.e., social foundation) based on the basic plan for advancing the use of geospatial information that was decided by the Cabinet in March 2017.

#### Section 4 Enrichment of the Land Registration System

The government will focus on the intensive mapping of urban areas for which the lot numbers are not adequately registered and other areas requiring urgent mapping across the nation in order to provide them at registries. In addition, concerning land that has not been registered for inheritance for a long time, the government will work for the further promotion of registration for inheritance by searching for inheritors of the land and simplifying the registration procedures.

### Chapter 3 Accurate Understanding of Land Prices Trends

#### Section 1 Promotion of the Publication of Values of Standard Sites

The government will publish the results of analyses of trends in land prices based on the results of the standard sites expanded to 26,000 in the 2020 Publication. It will also publish the results of analyses of the trends in land prices based on the 2019 investigation of prefectural land prices carried out by prefectural governors.

#### Section 2 Provision of Real Estate Transaction Prices

The government will conduct surveys on real estate transaction prices nationwide and publish information on transaction prices obtained in the surveys on the Internet on a quarterly basis.

#### Section 3 Development of Property Price Index

The government will announce the price indexes for both residential property and commercial property at the same frequency as those of the previous year to grasp trends of property price in a timely and accurate manner and try to improve the transparency of real estate markets.

#### Section 4 Enhancement of Real Property Appraisal

The government will continuously conduct appraisal evaluation monitoring that includes an on-the-spot inspection of real estate appraisers to improve the reliability of real estate appraisers further. In addition, the government will proceed to review the criteria for real estate appraisals in order to meet the social needs and environmental changes properly.

#### Section 5 Balanced and Proper Land Appraisal by the Public Sector

The government will make efforts to balance and optimize plots in relation to fixed asset tax and inheritance tax and properly reflect trends in land prices for suitable land prices and tax.

### Chapter 4 Improvement of Real Estate Market

#### Section 1 Improvement of Real Estate Transaction Market

The government will pursue popularization of the inspection of building conditions further by notification of the revised Building Lots and Buildings Transaction Business Act and the Feeling Easy R House (Anshin R House) system, aiming at vitalization of the existing housing market, in order to promote measures for enhancement and vitalization of the real estate transaction market. The government will also promote the use of the national bank of vacant houses and vacant lots

further and support advanced approaches to the utilization of vacant houses employed by the real estate industry association and others.

## Section 2 Improvement of Real Estate Investment Market

In order to achieve the target of realizing the total assets of around 30 trillion yen including REIT by around 2020, which is set in the Investments for the Future Strategy 2017, the government will promote the expansion of real estate investment in rural areas and the formation of a diverse and sound real estate investment market. The government will also make efforts at notification of the system under the Real Estate Specified Joint Enterprise Act and appropriate supervision of Specified Joint Real Estate Enterprises, as well as promoting the effective utilization of Public Real Estate (PRE) by making use of the real estate securitization method.

## Section 3 Land Tax Measures

In view of the enhancement of land transactions and the promotion of land use, the government will continue to implement tax measures for the acquisition, possession, and transfer of land at each step.

## Section 4 Support for Global Business Development in Real Estate Markets

The government will support the development and spread of systems contributing to improvement of the business environment in ASEAN countries by securing legal stability and improving systems and operations at sites. In addition, people engaged in real estate business domestically and overseas will hold an international convention for the purpose of promoting business exchanges.

# Chapter 5 Improvement and Enhancement of the Land Use Plan

## Section 1 Promotion of the Land Use Plan

In order to ensure a smooth transition and promotion of prefectural/municipal plans based on the National Land Use Plan (National Plan), the government will implement the necessary measures of surveys and information provision. The government will also promote proper and reasonable land use by properly implementing the general plan of land use.

## Section 2 Promoting Proper Use of Land in City Planning

The government will promote appropriate implementation of the Policy for Improvement, Development and Preservation of City Planning Areas (master plan), which is laid out in each city planning area, and a formulation of the Basic Policy Concerning Municipal City Planning (municipal master plan). The government will also promote appropriate utilization of land use systems and support municipalities in developing location optimization plans based on the Act on Special Measures Concerning Urban Renaissance to promote the formation of compact cities.



### Section 3 Coordination with National Land Policy

The government will conduct a continuous review of effective promotion measures for the National Spatial Strategies (National Plan) for the formation of Circulate Promoting National Land, which is the basic concept of the Plan, make a long-term forecast to draw up an image of the national land by 2050 and identify future problems to explore the solution. For hilly and mountainous areas, the government will promote measures for formation of a small hub in a core village that has a collective functions and services a network with villages around it. In addition, the government will continuously promote regional economy towing business capitalizing on regional characteristics using the Regional Future Investment Promotion Act, aiming at creating a ripple effect on regional economy.

## Chapter 6 Promotion of Housing Measures

### Section 1 Promotion of Housing Measures

The government strives to promote basic plans for housing and the supply of public rental housing, push ahead with a new housing safety net system using privately rented housing and vacant houses, actively promote housing supply in urban areas centered on big cities, and form good living spaces through redevelopment of existing urban areas. In addition, in order to form a good stock of houses available for long-term use, the government will promote the spread of long-life high quality houses, as well as pushing ahead with formation of a good housing stock and effective use of a housing stock by utilization/removal of vacant houses and support for comprehensive measures for vacant houses in partnership with private companies based on the plan for vacant houses. Furthermore, the government will work on enhancement of measures for housing acquisition through various tax measures.

### Section 2 Creation of Favorable Living Environment by Promoting the Provision and Management of Good Residential Land

The government will promote the supply of good residential land, while trying to support for actions to maintain and renew the residential environment utilizing existing funds with the cooperation of the government and private corporations regarding new towns facing a decrease in various activities in the community and other challenges owing to the advance of rapid population aging and decline.

## Chapter 7 Promotion of Effective Land Use

### Section 1 Promotion of Regional Revitalization and Urban Renewal

According to the Comprehensive Strategy for Vitalization of Towns, People, and Jobs revised in 2018, the government will work on promotion of community development that can enhance regional attractiveness. The government will continue to support local governments that have a

motivation and enthusiasm for full-scale projects from the aspects of information, human resources, and finance.

In addition, the government will promote efforts for implementing the measures comprehensively and effectively, including the national strategic special zone, special zones for structural reform, and comprehensive special zones, as well as putting forth all efforts into exploring institutional arrangements necessary for realization of the “Super City” initiative, the high-tech city that materializes the fourth industrial revolution. Furthermore, the government will push ahead with urban renaissance nationwide making use of city renewal in the zones designated for urban regeneration and improvements and innovative approaches in local communities.

## Section 2 Promotion of Urban Infrastructural Development and Enhancement of Disaster Resistance

The government will promote urban infrastructure development by promoting utilization of the know-how of private corporations, as well as the space above and below ground level. The government will also advance development of disaster-resistant towns by formation of safe urban areas in the densely populated urban areas with disaster risks, increase in disaster resistance by improvement of urban housing areas, enhancement of disaster prevention measures for roads, enhancement of measures for sewerage systems against disasters, promotion of flood control measures, promotion of designation of flood-prone areas, and the enhancement of measures against sediment disasters.

## Section 3 Promotion of Use of Underutilized/Unused Land

The government will promote the use of unutilized land in littoral regions based on the Land Information in Littoral Areas, as well as the use of underutilized/unutilized land in urban areas by collecting and publishing PRE information in an integrated manner through the National Bank of Vacant Houses and Vacant Lots.

In addition, in order to promote enhancement of city functions and economic vitality in a comprehensive and integrated manner, the government will support projects contributing to development and improvement of urban areas, improvement in urban welfare facilities, promotion of habitation in urban areas, and enhancement of economic vitality in the areas that receive the approval of the Prime Minister for a master plan for vitalization of central urban area.

Furthermore, in order to realize redevelopment of urban areas, the government will make use of a special exception from the regulation of a floor-area ratio for excellent projects accompanying improvement in infrastructures and development of open spaces as an incentive to promote effective and highly efficient use of existing urban areas.

## Section 4 Development of Comfortable Residential Environment by Utilizing Farmland

With respect to farmland in urbanization promotion areas in regions with significant housing

demand, the government will promote the provision of residential land with a good living environment. Meanwhile, it will promote use of productive green areas as places for exchange by urban residents through development of allotment gardens, for example.

#### Section 5 Promotion of Town Development for Coexistence of City, Greening, and Agriculture

The government will promote town development smoothly through notifications on a green space authorization system for citizens to form nature-rich urban cities and a system for residential areas in the country in cooperation with related organizations and conduct a survey on problems and measures for utilization. With regard to the systems for facilitation of leasing urban farmland, the government will continuously notify them in collaboration with related organizations and will work for appropriate and smooth management of the systems.

#### Section 6 Utilization of Land Owned by the Public Sector

The government will make adjustments for optimal use of national and public properties in cooperation with local governments by sharing information on national and public properties in certain areas and establishing coordination for optimal use of such properties while respecting the opinions of relevant local governments.

#### Section 7 Facilitation of Public Land Acquisition

In order to generate the effects of public work projects at an early stage, the government will continue to promote land acquisition in line with Land Acquisition Management, under which bottlenecks in land acquisition are examined and analyzed with careful preparations being made regarding all stages from the planning of projects to their future use, along with ensured schedule control.

#### Section 8 Promotion of Measures for Land the Owners of Which are Difficult to Locate

For smooth enforcement of the Act on Special Measures in Relation to Easement of Land Use of Unknown Ownership, the government will work for supporting local governments through preparation of guidelines, and the holding of regional councils. In addition, the government will also work on support for innovative approaches in relation to regional welfare promotion projects, preparation of guides for searching landowners and holding of workshops for the diffusion of the systems, as well as reporting the preferential measures related to the regional welfare promotion projects created in the context of the tax system reform in FY 2019 to promote the active use of the Act.

For smooth enforcement of the Act on Forest Management, the government will work for support of local government through guidance on clerical work related to the forest management system. In addition, the government will work on providing information on forest of unknown co-ownership or that of unknown ownership via the Internet according to the provisions of Article 47

of the Act. Furthermore, the government will work on publicizing the new system after the establishment of the Bills on Registration and Proper Management of Land of Ownership Unknown from the Heading Section of the Registration Record submitted in the 198th session of the Diet.

For controlling and solving the generation of land of unknown ownership, the government will discuss specific measures for important issues, such as the state of a basic system related to land in the depopulating society, measures for facilitation and speed-up of cadastral surveys, and the review of the basic civil legislation based on the Basic Guideline concerning the Promotion of Measures for Land of Unknown Ownership (in the Ministerial Conference with Related Cabinet Ministers to Promote Measures against Land of Unknown Ownership held on June 1, 2018) in consideration of the consensus published in February 2019, aiming at implementation of the necessary revision of the systems by 2020.

## Chapter 8 Promotion of an environmental Conservation

### Section 1 Promotion of Measures Concerning Environment Conservation

The government will promote land-related measures for environmental conservation while aiming at the creation of a Regional Circulation-based Symbiotic Area and give consideration to environmental conservation in various land-related policies and when selecting and implementing projects, based on the Fifth Basic Environment Plan approved by the Cabinet in April 2018. For the plans related to land that define the matters in relation to environment conservation, coordination with the Basic Environment Plan shall be secured.

### Section 2 Appropriate Conservation of Farmland

The government will promote improvement of land conditions through infrastructure-development projects for enhancing agricultural competitiveness and subsidies for development of rural areas. The government will conduct measures to promote setting the right for use of reusable blighted farmland to the intermediary institutions that manage farmland for controlling and solving the generation of blighted farmland.

### Section 3 Ensuring Appropriate Conservation and Utilization of Forests

In order to maximize the multi-functionality of forests, the government will provide guidance and advice to local governments and forest owners on the systematic development of forests based on the forest planning system provided by the Forest Act.

### Section 4 Proper Conservation of River Basins

In special river basins for comprehensive flood control measures, the government will encourage proper land use in river basins and the control of rainwater runoff based on the river basin improvement plans created by the river basin conferences consisting of the river divisions of the national, prefectural and municipal governments, and other divisions related to city, housing, and land.

Section 5 Promotion of Proper Protection of Cultural Property and Creation of Favorable Landscapes Taking Advantage of Local History, Culture, etc.

As for historic villages and streetscapes, the government will provide guidance and advice to municipalities regarding the preservation and utilization of conservation zones for clusters of traditional structures<sup>¥</sup> and will carry out selection of conservation zones for clusters of important traditional structures, as well as promoting the preservation and utilization of such structures. For landscapes created through interaction between people and nature, the government will advance the selection of important cultural landscapes while working to preserve and use them.

## Chapter 9 Measures for Recovery/Reconstruction from the Great East Japan Earthquake

### Section 1 Measure in Relation to Land Use

As measures concerning residential land, the government will promote measures against tsunami disasters, such as projects for promoting mass relocation for disaster prevention, projects to develop post-tsunami restoration centers, and projects to enhance disaster prevention functions in fishery settlements, as well as countermeasures against sediment disaster and liquefaction.

The government will also implement projects to recover farmland and agricultural facilities from the disaster, remove salt elements, and rearrange land in conjunction with the recovery and removal while developing an agricultural infrastructure improvement plan and supporting investigation/coordination activities conducted by farmers' organizations for farmland integration through land rearrangement and replotting.

Moreover, the government will promote utilizing special provisions of land use, including an one-stop handling of procedures for permits and approvals based on the Reconstruction Improvement Plan System set forth in the Law on Special Great East Japan Earthquake Reconstruction Areas and support the smooth and prompt implementation of projects to develop urban areas and agricultural production bases.

### Section 2 Measures in Relation to Housing

The government will support the provision of public housing for disaster victims. It will also support disaster victims in rebuilding their residences by providing housing loans for disaster reconstruction and application of a special provision for disaster victims taking loans from the Japan Housing Finance Agency, as well as preferential measures on loaning for the promotion of workers' property accumulation.

### Section 3 Efforts for acceleration of residence rebuilding and urban renovation

In order to ensure that the construction of disaster public housing, the development of land for private housing and other projects will complete, the government will provide municipalities with finely tuned practical support, while flexibly and promptly responding to new problems emerging along with the advance of the projects and changes in social circumstances.

### Section 4 Measures in Relation to Land Information

Taking into account the importance of clarifying land boundaries for speeding up the recovery

and reconstruction projects, the government will support the disaster-affected areas in line with the implementation of cadastral surveys through financial support to municipalities for the promotion of cadastral surveys in coordination with the recovery and reconstruction projects, in order to contribute to early recovery and reconstruction of the affected areas through the clarification of land boundaries. The government will also provide the land measures departments of Miyagi and Fukushima prefectures and Sendai City with information on registration of land transactions and real estate transaction prices in the respective prefecture or city.

#### Section 5 Tax Measures

The government will continue the tax measures at each stage of land acquisition, holding, and transfer as they are necessary to promote the reduction of burdens on victims of the Great East Japan Earthquake as well as efforts toward recovery and reconstruction.