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Japanese Housing Stock in 1998 - Japanese Government Survey Report on Stock and Households

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Report Highlights:
A recent housing stock survey by the Japanese Government indicates a total of 50.2 million homes, as of October 1, 1998, outnumbering households by 5.9 million. The vacancy rate reached an all-time high due to construction exceeding growth in family formation during the previous 5 years. Residential construction for multi-family occupancy has favored mid-to-high rise buildings over detached homes. An increasing share of residential construction is comprised of fire-retardant structures.

Includes PSD changes: No
Includes Trade Matrix: No
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On June 28, 1999, Japanese Government announced a survey report of Japan's housing stock as of October 1, 1998 and changes in family formation since 1993 based on an official survey conducted every 5 years.

According to the report, total number of residential units (i.e. homes) was 50,220,000 and the number of families 44,330,000, with the total number of houses in place exceeding the number of families by 5,890,000. The number of housing units in 1998 was up 4,340,000 units, up 9.5% compared to the previous survey of 1993, and the number of families was up 3,170,000, up 7.7% during the previous 5 years. Furthermore, of the total number of houses, 87.4%, or 43,890,000 units, were found occupied by families for living.

As a result of growth in the numbers of homes built outnumbering growth in the number of family formation in 5 years, the number of "vacant" homes jumped to 5,760,000 units with the vacancy rate of housing stock accounting for 11.5%.

A statistical breakdown of the housing stock by type of framing and type of ownership for the construction, along with other highlights of this survey, is shown below.

Japan's Housing Stock by Type of Framing			Change from 1993 survey
Type of Framing	**Number of Units**	**% Share**	
Fire-proof Wood Framing	14,620,000	33.3%	+5.5%
Steel or Steel-reinforced Concrete	14,320,000	32.6%	+21.1%
Generic Wood Framing	13,630,000	31.1%	-2.1%
Others	1,320,000	3.0%	N/A
Total	43,890,000	100%	N/A
Japan's Housing Stock by Type of Ownership(As of Oct.,1998)			
Owner-built & Occupied	26,480,000	60.3%	+ 0.5 points
Rental Homes	16,690,000	38.0%	N/A

(Source: Management & Coordinating Agency, Government of Japan)

Other Highlights:

1) Of the total housing stock of 50,220,000 units, 25,750,000 or 51.3% of the total are concentrated in and around 3 major metropolitan markets; namely, greater Tokyo, Osaka and Nagoya areas.

2) The vacancy rate of the Japanese housing stock (i.e. houses with no family occupancy) has been consistently rising during the last 32 years, as shown in the following table of housing starts and vacancy rate for each survey year.

Japan's Housing Starts and Rising Vacancy Rate		
Year	**Vacancy Rate**	**Housing Starts**
1998	11.5 %	1,198,295
1993	9.0 %	1,485,684
1988	7.9 %	1,684,644
1983	6.8 %	1,136,797
1978	5.5 %	1,549,362
1973	3.7 %	1,905,112
1968	2.0 %	1,201,675
1963	1.0 %	688,743

(Source: Management & Coordinating Agency/Ministry of Construction)

3) Residential construction for Japanese multi-family occupancy tend to be mid-to-high rise buildings.

- The 43,890,000 housing units occupied by families for living included 57.6% of "single, detached houses" totaling 25,280,000 units, 37.5% of "multi-family constructions" totaling 16,460,000 units and 4.4% of "low-rise apartments"(i.e. up to maximum 2-stories) totaling 1,950,000 units.

- Compared to the last survey of 1993, the number of "single, detached homes" was up 4.7%, while the number of "multi-family construction" was up 15.4%, indicating an uptrend for "multi-family constructions" and downtrend for "single, detached houses".

- Of all the multi-family construction, the share of buildings with 3 to 5 stories increased 13.8% and the share of buildings with 6 stories or more 37.8% between 1993 and 1998, indicating an uptrend in the height of building constructions for multi-family occupancy.

- The combined share of 3 major metropolitan markets in Japan (i.e. Greater Tokyo, Osaka, Nagoya) in the country's total number of multi-family construction was 48.5%. In particular, the combined share of large metropolitan and suburban markets in and around Tokyo, Yokohama and Chiba area was more than half of the country's total at 53.0%.

4) An increasing share of residential construction is comprised of fire-proof or fire-retardant structures.

- Of the total housing stock of 43,890,000 occupied by families for living in 1998, 33.3% consisted of fire-proof wood framing, 32.6% of steel or steel-reinforced concrete framing, and 31.1% of generic wood framing.

- The share of fire-proof construction with steel or steel-reinforced concrete framing is increasing, as fire-proof construction with wood framing shows a downtrend.

5) The share of home-ownership in housing stock has risen to 60.3%.

- The share of housing units owned by families living in them as of October 1,1998 was 26,480,000 units or 60.3%, and the share of homes rented by families living in them was 16,690,000 or 38.0% of the total, respectively.

- While the share of home-ownership fell from 62.4% in 1983 to 61.3% in 1988 and to 59.8% in 1993, it rose again to 60.3% in 1998.

- Due to a higher population density and rate of scarcity in the availability of residential lots in 3 major urban markets than other sections of the country, the share of home ownership in Japan's 3 key metropolitan markets, such as greater Tokyo, Osaka and Nagoya, was 54.7%, down 5.6 points from the national rate of 60.3% and down 11.5 points from the non-metropolitan rate of 66.2% combining rates of other non-urban regions.

6) Total floor space of the housing stock per house was 90.61 square meters.

- In terms of the number of rooms available, number of Japanese tatami (i.e. traditional Japanese room floor design) and total floor space of a house, combining such sections as a living/family room, porch entrance, bathroom and kitchen area, a typical house had 4.75 rooms, 31.42 Tatamis and 90.61 square meters. Compared to the survey 5 years earlier, the number of rooms was down 0.04 room, the number of Tatamis up 0.46 Tatami and total, combined floor space up 2.23 square meters.

- Compared to the homes "owned" by families living in them, "rented" homes were found substantially smaller in scale, as shown in the table below.

"Rental" Homes are Smaller in Scale than "Self-Owned" Homes in Japan.

Form of Use	Number of Rooms	Number of Tatamis	Total Floor Space
"Self-Owned" House:	6.00	40.83	121.08
"Rented" House:	2.84	17.15	44.40

7) The share of families living in homes owned by themselves is decreasing across most "bread earner" age brackets.

- The share of families living in homes owned by themselves was 60.0% as of October 1,1998. The share of those families living in their "self-owned" homes, in terms of "bread earners" financially supporting livelihood of those families, was only 12.7% in the age bracket of 25-29 but it increased for those over 30 years of age, as an age bracket advanced into older age brackets, reaching almost 80% for those over 60 years of age.

- Compared to the survey of 1993, the share of families living in homes owned by those families as of 1998 had increased only in the age brackets of "less than 25 years of age" and "over 65 years of age", declining in all other age brackets in between, as shown in the table below.

- An implication of this finding is that, during the last few decades, many middle-aged, Japanese "bread earners"(i.e. typically father-husbands), who were assigned to new jobs at branch offices of firms or organizations sought residential quarters for themselves in the places of their new business assignment, leaving the rest of their family members in their own homes so that their school-age children could continue schooling without interruption, while persons below 25 or old folks over 65 years of age tended to live in the homes of their ownership for work in the neighborhoods or after retirement from active business life.

Share of Families Living in Homes They Own By Age-bracket of the "Bread-Earners"

	1978	1983	1988	1993	1998
Ages / Total	**59.9**	**62.0**	**61.1**	**59.6**	**60.0**
Below 25	9.9	7.6	4.5	3.1	3.3
25-29	27.9	24.8	17.9	13.0	12.7
30-34	44.4	45.5	38.3	31.6	29.0
35-39	58.0	59.8	56.6	51.9	48.6
40-44	66.8	68.2	66.0	64.2	62.4
45-49	73.4	73.1	71.7	70.1	69.7
50-54	77.1	77.0	75.1	73.8	73.2
55-59	79.0	80.1	79.3	77.1	76.7
60-64	77.9	78.3	80.3	79.9	79.1
Over 65	75.9	76.1	76.8	79.1	80.6

8) Installing handrails in critical sections of a house has become an important customer preference for new homes on the Japanese market with a rapid "aging" of the population mix requiring "user-friendly" features to care for aging and senior members of the families. The share of housing stock with handrails along stairways in the house was 18.7%, in the bathroom area 8.7% and in the toilet area 8.1%, as of October 1, 1998.

- Houses with handrails installed for senior members of the families accounted for 26.1% of the total (stairways-18.7%; bathroom-8.7%; toilet room-8.1%), with bath tub units sitting low enough to enable senior persons to easily cross over into the tub 18.3% and with hallways wide enough to allow free access and movement of wheelchairs 10.2%.

- These "extra" features in the house interiors for senior family members were found increasing with houses built after 1996, as follows.

"Extra" Features for Seniors	With houses built after 1996	National Survey
Handrails in the Houses	44.2%	26.1%
Handrails with stairways	29.1%	18.7%
Handrails with bath-tub area	30.0%	8.7%
Handrails with toilet room	18.2%	8.1%
Bath tubs sitting low enough	35.1%	18.3%
Wide hallways for wheelchairs	25.6%	10.2%

9) By law, "Minimum Residential Construction Standard" and "Residential Construction Standard Policy Guideline" have been established by the Japanese government as administrative programs . "Minimum Residential Construction Standard", contained in the government's "5-year Housing Construction Plan", sets forth a minimum standard of size requirements all Japanese houses are expected to fill and, under the "Residential Construction Standard Policy Guideline", 50% of the houses in place in 2000, are expected to fill a certain level of advanced amenity for the families. For a family of 4 including parents and 2 children, for example, the house is ideally expected to be equipped with at least 19.5 Tatami rooms (approx. 351 sq. ft.) with a combined floor space of 50 square meters under the"Minimum Residential Construction Standard" but, under the "Residential Construction Standard Policy Guideline", it is expected to have 36 Tatami rooms (approx. 650 sq. ft.) with a combined floor space of 91 square meters.

- As of October 1, 1998, houses with sizes over and above the "Minimum Residential Construction Standard" accounted for 92.3% of the total, up 0.3 points from 1993. Houses over and above the "Residential Construction Standard Policy Guideline" standards, on the other hand, accounted for 46.4% of the total, up 5.3 points from 1993.

- In terms of "self-owned" versus "rental" homes, 97.8% of the homes owned by occupant families were the houses over the "Minimum Residential Construction Standard", as opposed to 87.6% of "rental" homes falling under this category. The share of houses over the "Residential Construction Standard Policy Guideline" standards was 58.1% for houses owned by occupant families, as opposed to 29.8% for "rental" houses falling under this category, resulting in the big difference of 28.3 points between "self-owned" and "rental" homes.

10) The share of houses over the "Minimum Residential Construction Standard" is extremely low in urban and metropolitan markets.

- The share of houses over the "Minimum Residential Construction Standard" in 3 key urban, metropolitan markets of greater Tokyo, Osaka and Nagoya was 89.6% and the share of those over the "Residential Construction Standard Policy Guideline" standards was 40.7%, substantially lower than the national average rates of 92.3% and 46.4%, respectively.

- The average rates of Japan's 3 most densely populated prefectures in and around Tokyo, Yokohama and

Chiba were 88.3% under the "Minimum Residential Construction Standard" and 37.8% under the "Residential Construction Standard Policy Guideline" standards, even lower than the average rates of 3 urban markets including greater Tokyo, Osaka and Nagoya.