

News Release

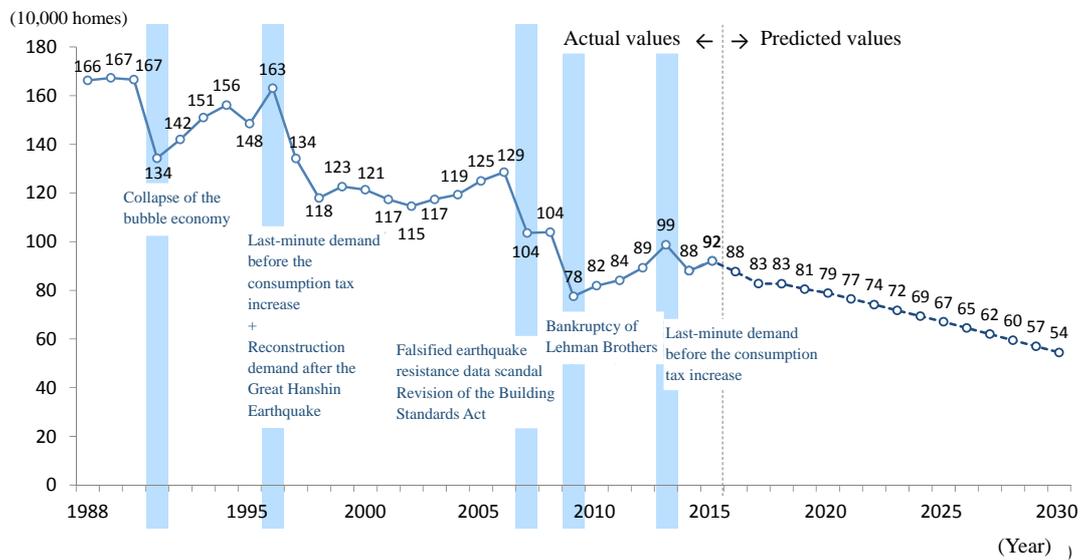
Japan’s New Housing Starts to Decrease to 540,000 in FY2030

~ Renovation Market Scale to Level Out at Six Trillion Yen ~

Tokyo, August 1, 2016 – Nomura Research Institute, Ltd. (NRI), a leading provider of consulting services and system solutions, has announced its predictions*¹ regarding Japan’s new housing starts and the renovation market scale from (FY) 2016 to 2030.

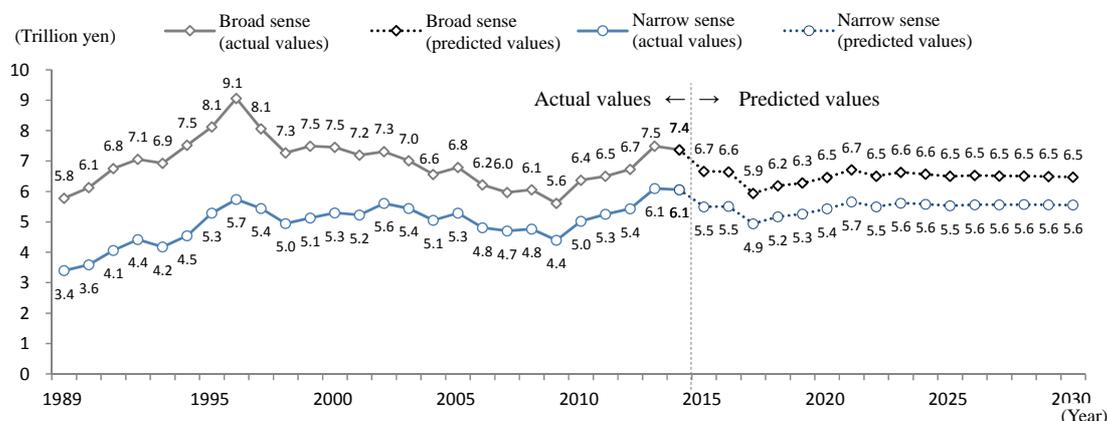
The expected number of new housing starts for FY2020 is approximately 790,000, for FY2025 is approximately 670,000, and for FY2030 is approximately 540,000 (Figure 1). The renovation market scale in the broad sense of the word*² is predicted to level off at six trillion yen per year by 2030 (Figure 2; the market in the narrow sense of the word is around one trillion yen smaller).

Figure 1: Actual and predicted new housing starts in Japan



Source) Actual values are from the construction starts statistics by the Ministry of Land, Infrastructure, Transport and Tourism. Predicted values are by NRI.

Figure 2: Actual and predicted renovation market scale (broad sense/narrow sense) in Japan



Source) Actual values are from the housing renovation market scale (2014) by the Center for Housing Renovation and Dispute Settlement Support. Predicted values are by NRI.

For more information see [“The 2030 Housing Market”](#)

***1 Predictions on new housing starts and the renovation market scale:**

These predictions do not take into account the impacts of the consumption tax increase planned in the future (last-minute demand before the tax increase and downturn). Starts, etc. may be accelerated or postponed according to economic trends or other circumstances, leading to fluctuations in the actual number of starts and renovation market scale.

***2 Definition of “renovation market” in the narrow and broad senses:**

In the narrow sense, “renovation market scale” refers to building additions and reconstruction work included under “new housing” in the housing starts statistics, as well as repair and maintenance costs for facilities, etc.

In the broad sense, “renovation market scale” includes the renovation market scale in the narrow sense with the amount including the purchase expenses for durable consumer goods related to renovation (such as air conditioners and furniture), interior products, etc. (according to the Center for Housing Renovation and Dispute Settlement Support).

###

NRI is a leading global provider of system solutions and consulting services, including management consulting, system integration, and IT management and solutions for financial, manufacturing and service industries. Clients partner with NRI to expand businesses, design corporate structures and create new business strategies. NRI has 10,000 employees in 35 offices globally and reports annual sales above \$3.7 billion. For more information, visit <https://www.nri.com/global/>

Media Inquiries:

Yumi Wakao / Takashi Shimizu

Nomura Research Institute, Ltd.

Corporate Communications Department

+81-3-6270-8100 kouhou@nri.co.jp