

# A QUICK LOOK AT HOUSING IN JAPAN

2025-2026



- CHAPTER I Land and Society
- CHAPTER II Housing Situation
- CHAPTER III Housing Policy
- CHAPTER IV Overseas Development and International Cooperation in Housing and Buildings

Published by Center for Beter Living



## FOREWORD

---

*A Quick Look at Housing in Japan* was written to help further international understanding of the housing situation and policies in Japan. Based on a wide range of data, it provides a clear, concise description of changes in housing, from the perspectives of geographical, climatic, economic, and social conditions in Japan, together with information about housing policies in Japan, including legal systems, financial assistance programs, housing-related taxation, and the development of technology.

*A Quick Look at Housing in Japan* is the ideal information source for anyone seeking a general overview of housing policies in Japan. We hope that it will be used by people with an interest in the housing situation and policies of this country and that it will lead to successful efforts for mutual learning of issues in housing toward better housing policies.

This edition has been prepared with the editorial cooperation of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The information presented in this edition is as of July 2025.

This is the English version of the Japanese original. The latest edition (2025–2026) can be downloaded free of charge as a PDF file from: <https://www.cbl.or.jp/slc/ql>

May 2026  
Center for Better Living (CBL)

This book had been published by The Building Center of Japan (the name since 2011) from 1985 until 2022. However, it was decided that beginning with the 2023–24 edition, it would be published by Center for Better Living, with its contents being specialized and organized more on matters related to housing.

# CONTENTS

<b>FOREWORD</b> .....	1
<b>INTRODUCTION</b> .....	3
<b>CHAPTER I Land and Society</b> .....	5
1. Land .....	5
2. Climate .....	6
3. Population .....	7
4. Life in Japan .....	9
<b>CHAPTER II Housing Situation</b> .....	11
1. Housing Stock .....	11
2. Public Opinion on Housing .....	14
3. Housing Construction .....	16
BL (Better Living) Component Certification System .....	19
<b>CHAPTER III Housing Policy</b> .....	20
1. Basic Approach to Housing Policy .....	20
(1) Changes in Housing Policy .....	20
(2) Current Housing Policy Framework .....	39
2. Diversified Housing Policies .....	44
(1) Housing Policies for an Aging Society .....	44
(2) Promoting Housing Quality Assurance .....	47
(3) Housing Dispute Resolution System .....	48
(4) Improvements in Schemes for Condominiums .....	48
(5) Improving the Existing Housing and Renovation Markets .....	51
(6) Promoting the Supply of Quality Rental Housing .....	54
(7) Building a Housing Safety Net .....	56
(8) Energy Efficiency in Housing and Buildings .....	58
(9) Promoting Wooden Housing .....	63
(10) Extending the Service Life of Housing .....	64
(11) Earthquake Resistance of Housing and Buildings .....	65
(12) Vacant House Countermeasures .....	72
3. Environmental Improvement in Urban Areas .....	74
(1) Development of Urban Residential Areas .....	74
(2) Changes in Supply of Land for Housing and Development of New Residential Areas .....	78
4. Housing Taxation .....	80
5. Housing-related Budget .....	84
<b>CHAPTER IV Overseas Development and International Cooperation in Housing and Buildings</b> .....	86
<b>Glossary</b> .....	88
<b>Names and Addresses of Concerned Organizations</b> .....	92

# INTRODUCTION: Housing in Japan and Its Market Characteristics

Dr. Seichi Fukao

Professor Emeritus, Tokyo Metropolitan University

Director of Sustainable Living Research Center, Center for Better Living

Housing in Japan is unique in many ways in comparison with housing in other countries.

Until the late 19th century, almost all houses in Japan were of wooden construction. Due to the climate of high temperatures and high humidity, houses had large openings under a roof that was supported by columns, with a minimal number of exterior walls, in the same manner as in other Asian countries. Glazed windows were not available yet, and sliding doors made of wood and *shoji* doors that have paper pasted onto thin wooden frames were used. For partitions, *fusuma* screens, another type of sliding doors of paper over wooden frames, were used.

Masonry construction did not develop in Japan most likely because it was not suitable for high temperatures and high humidity, in addition to the fact that large earthquakes frequently occurred. Until the end of the 19th century, partitioned tenement houses were built, but there were no multi-story apartment buildings where different households occupied different floors. In the 18th and 19th centuries, Japan already had densely populated cities, but multi-residential buildings were absent. That fact was certainly a feature of the housing situation of pre-modern Japan. Houses were mostly one-storied and were at most two-storied.

Wood houses in Japan had — and still have — many features that aren't seen in other countries. Houses are typically built with columns of approximately 12 cm square, and the columns are placed in modules of approximately 90 cm. This method is said to have been established in around the 15th or 16th century. Later, some columns were allowed to be spaced at irregular intervals to provide flexibility in accordance with the desired floor plan. Japan developed a sophisticated technique to tie beams onto randomly placed columns.

With the continuous development of carpentry skills, the wooden housing technology in Japan reached its apex in the 19th century. The building method was very much systematized, and it was common practice to make the floor plan of a house according to the needs and wishes of the homeowner. Therefore, there are many planar compositions that are considerably complex in Japanese housing. Also, the building system is small-scale and can easily be adapted to residential lots in urban areas in Japan, which are relatively small and often of irregular shape.

Many houses in urban areas were destroyed in World War II, leading to the rapid construction of housing in the postwar period in order to remedy the shortage. The majority of the newly built homes were of one- or two-story wooden construction, and carpenters built them one by one. Under such circumstances, prefabricated housing and industrialized housing were developed around 1960, and several large companies started producing them. This period was called the “dawn of the housing industry.” Some of those companies grew into large businesses by around 1970, constituting a large industry that now supplies tens of thousands of houses annually.

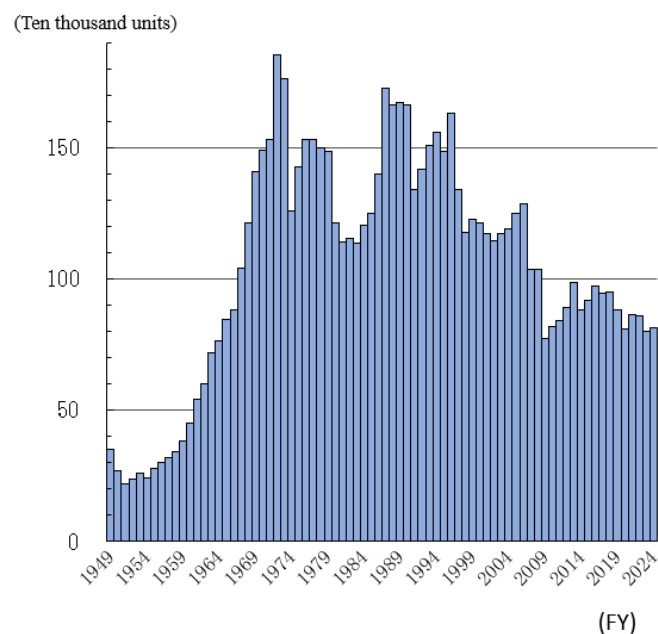
However, prefabricated housing meant simply the use of components of factory production, and the design was in many ways similar to that of traditional wooden housing, with freedom to customize. It allows the homeowners to have a feeling of satisfaction, knowing that they contributed to the design of their house that suits their needs and wishes. At the same time, because the houses are customized, it is difficult to resell them.

So, how did apartment buildings of several floors or more come to be built in Japan? As mentioned above, until the late 19th century, there were no multi-residential buildings in Japan. In 1923, the Great Kanto Earthquake caused severe damage, mainly in Tokyo. The subsequent fires consumed huge numbers of wooden houses, a catastrophic loss. As part of the reconstruction efforts, an organization called Dojunkai was created, and the construction of apartment buildings was begun, along with extensive reconstruction of detached houses. This period coincided with the global commercialization of reinforced concrete for construction, and the lessons learned from the urban conflagrations set one of the main goals of new housing construction to be non-combustible. Of course, seismic strengthening was another main target. The Dojunkai built ambitious multi-unit residential buildings, but their output was quite limited in quantity. Meanwhile, Japan rushed toward war.

Cities in Japan suffered devastating damage in World War II, especially from fires caused by incendiary bombs. Thus, providing non-combustible construction became an imperative of postwar housing construction. There were housing and building shortages around the country, which of course led to a construction boom. Around 200,000 housing units were built in 1950, and the number increased to nearly 1.9 million in 1972. It was then followed by a decreasing trend, but at present the number of new housing units built per year still hovers around 800,000.

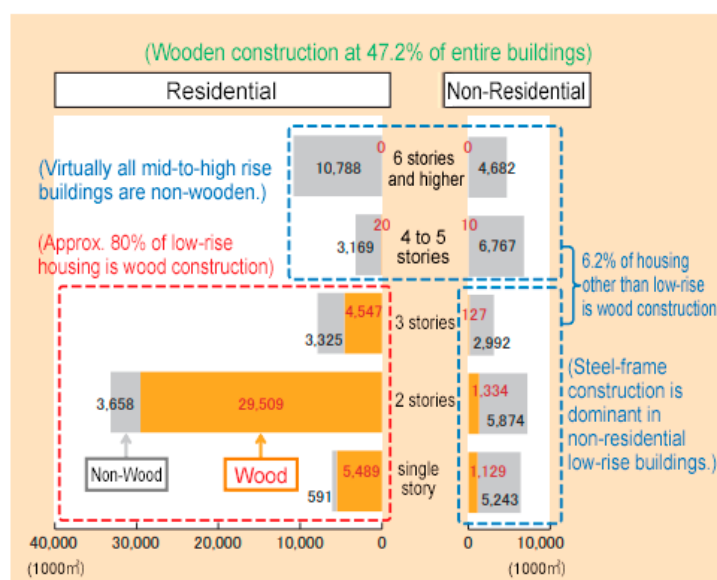
Today, detached houses and low-rise apartment buildings account for most of the newly constructed dwellings, although many medium- to high-rise multi-residential buildings are also constructed. Until the 1970s, new apartment buildings were mainly medium-rise of up to five stories without elevators, but after that, high-rise condominiums became popular, and at present, condominiums of about 40 stories (tower condos) are also constructed.

New Housing Starts in Japan (FY1949 to FY2024)



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Statistical Survey of Housing*

Floor areas of New Building Starts (2024)



Note: Residential includes exclusively residential, quasi-residential (shared kitchen with sleeping rooms), and residential/commercial. Non-residential is the aggregate of anything else.

Source: Wood Industry Division, Forestry Agency, *Annual Report on Forest and Forestry FY2024* (based on Statistics on Building Construction Started by the Ministry of Land, Infrastructure, Transportation and Tourism)

As stated earlier, until well over a hundred years ago, Japanese people had no experience of unrelated households occupying upper and lower floors. But due to the abovementioned history, they now live in apartment buildings without any sense of incongruity. However, apartment dwellers in Japan are especially sensitive to floor impact-sound. Therefore, Japanese people demand a higher standard than do people in other countries regarding the sound-insulation performance between the floors, and various technological developments are being made to address the problem.

Wooden multi-residential buildings are being built around the world out of environmental concerns, and Japan is experiencing increased activities in this sector with the impact-sound insulation of floors remaining a key issue.

We believe the unique characteristics of Japanese housing represent features that may be helpful to other countries. It is hoped that the Japanese experience of housing will provide insights for how housing should be stewarded going forward.

# CHAPTER I Land and Society

## 1. Land

Japan's total area is approximately 37.80 million hectares (ha), of which 36.46 million ha is land. The land area is calculated by excluding inland bodies of water from the total area. Much of this territory is mountainous. Only 32% of Japan's land area is habitable because the rest is forested. Developed land, used for housing or industrial activities, makes up just 5% of Japan's total land area. As a result, population density is extremely high compared with other countries.

Table 1-1-1: Comparison of Habitable Areas (FY2020)

	Japan	Korea	Indonesia	Malaysia	Germany	France	U.S.A.
<b>A. Land area (million hectares)</b>	<b>3,646</b>	<b>975</b>	<b>18,775</b>	<b>3,286</b>	<b>3,489</b>	<b>5,476</b>	<b>91,474</b>
<b>Forested area (million hectares)</b>	<b>2,494</b>	<b>629</b>	<b>9,213</b>	<b>1,911</b>	<b>1,142</b>	<b>1,725</b>	<b>30,980</b>
<b>B. Habitable area (million hectares)</b>	<b>1,152</b>	<b>346</b>	<b>9,562</b>	<b>1,374</b>	<b>2,347</b>	<b>3,750</b>	<b>60,495</b>
<b>B/A (%)</b>	<b>32</b>	<b>35</b>	<b>51</b>	<b>42</b>	<b>67</b>	<b>68</b>	<b>66</b>
<b>Population (millions)</b>	<b>125.3</b>	<b>51.3</b>	<b>273.5</b>	<b>32.4</b>	<b>83.8</b>	<b>65.3</b>	<b>331.0</b>

Note: Land area = total area – bodies of water; habitable area = land area – forested area

Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *White Paper on Land* (Land Area of Japan, developed land area: 1.97 million hectares), Statistics Bureau, Ministry of Internal Affairs and Communications, *World Statistics (Land and Climate) (Populations)*

Figure 1-1-1: Population Density of Habitable Area (FY2020)

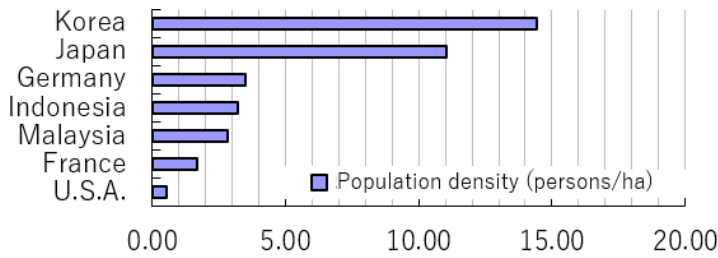
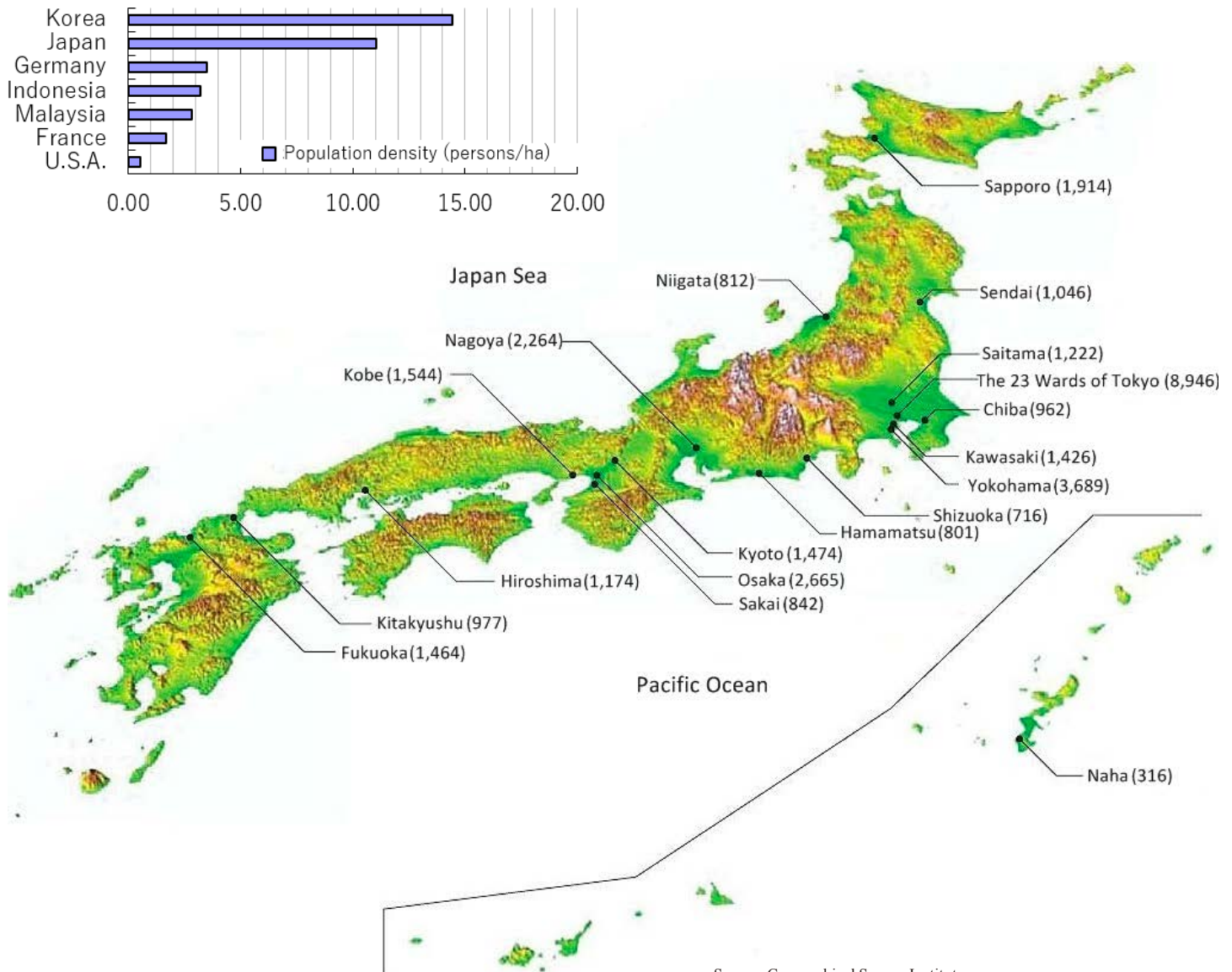


Figure 1-1-2: Population of Major Japanese Cities (Thousands)

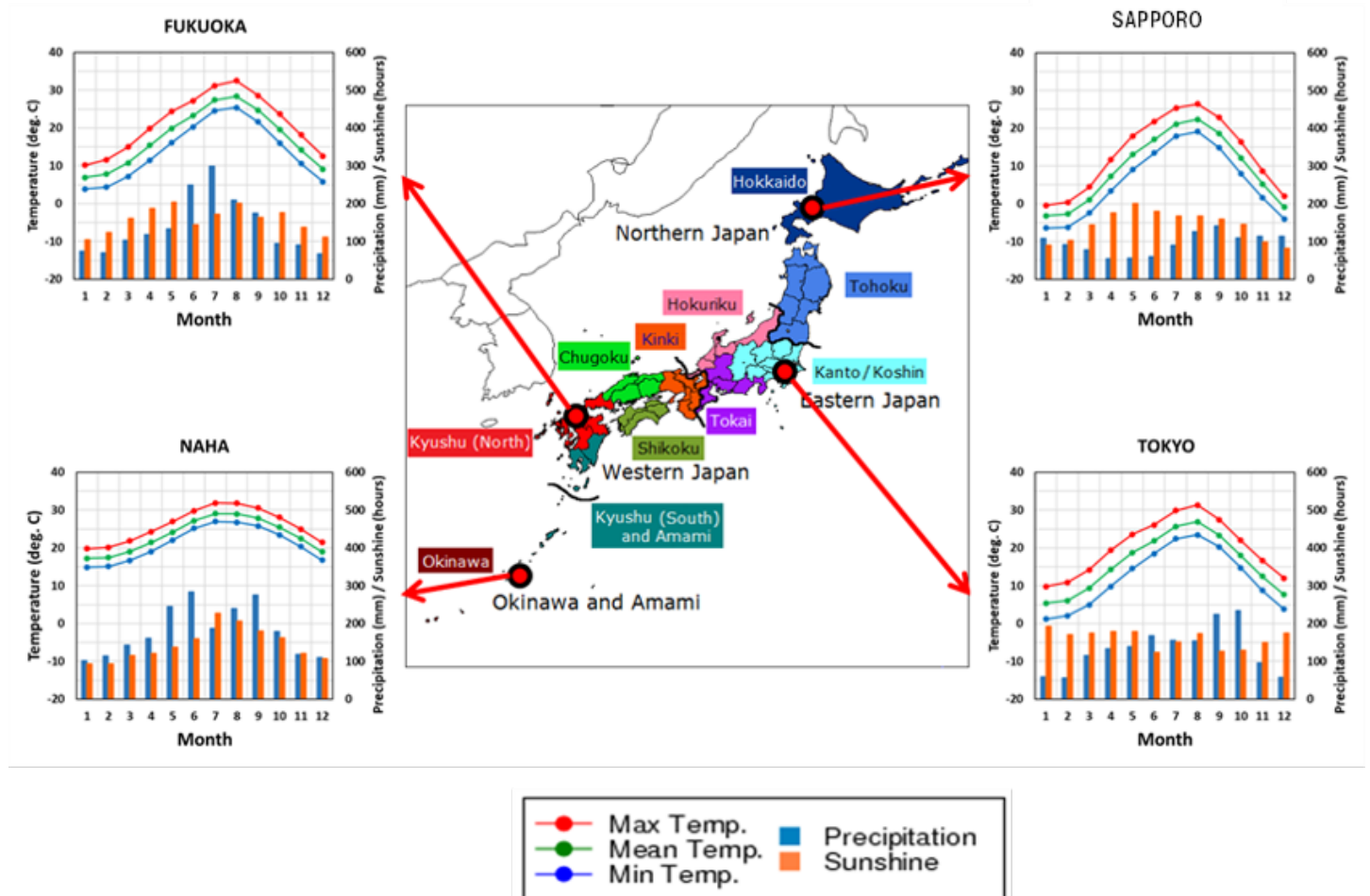


Source: Geographical Survey Institute, Ministry of Internal Affairs and Communications, *Population Census*

## 2. Climate

In terms of global climatic categories, most of Japan's territory is temperate and has changing seasons of spring, summer, fall and winter. Spring and fall are the most pleasant seasons, though Japan is frequently hit by typhoons around September. There is a one-month rainy season in early summer, followed by a hot, humid summer. Winter is generally cold. Regions along the Sea of Japan coast experience heavy snow, while on the Pacific coast the weather tends to be clear and dry.

Figure 1-2-1: Regional Climate in Japan



Source: Japan Meteorological Agency  
<https://www.data.jma.go.jp/cpd/longfcst/en/tourist.html>

### 3. Population

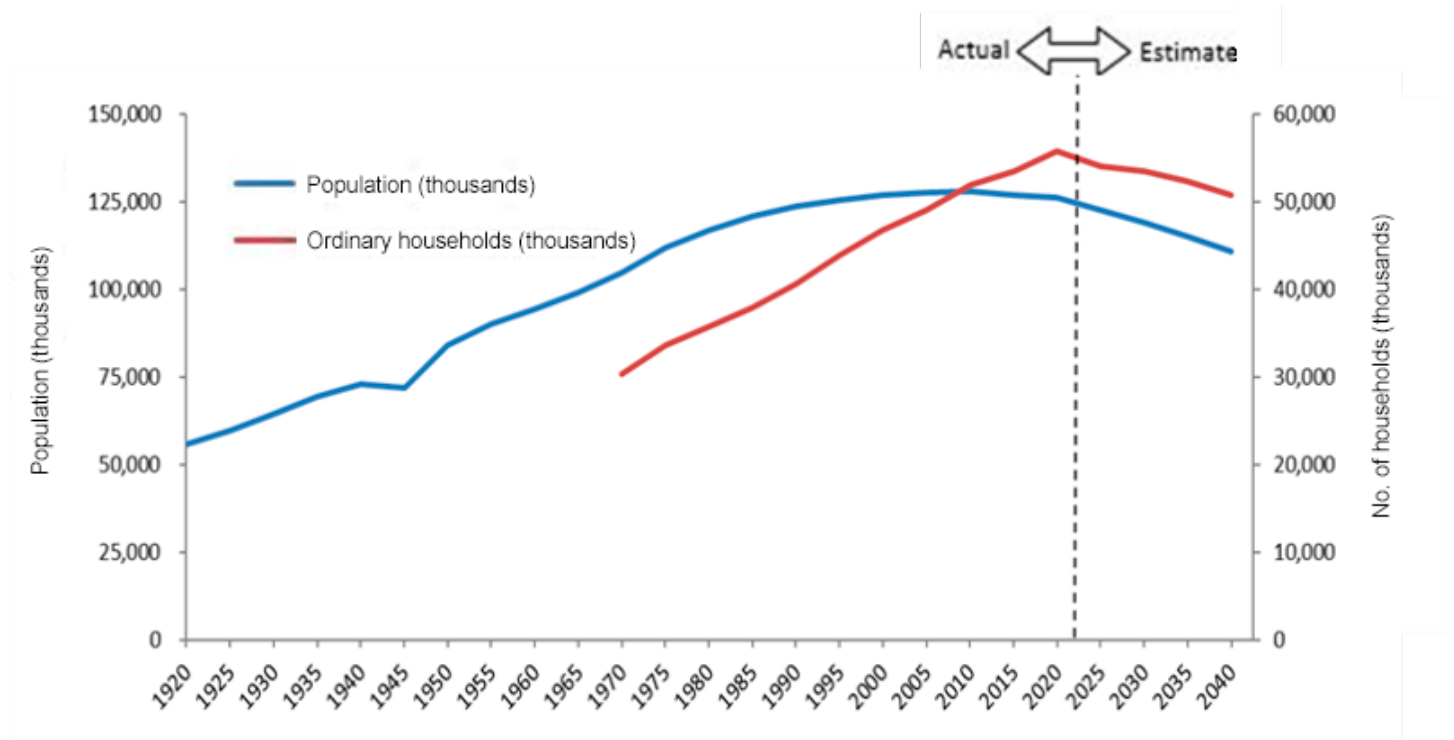
#### Population Trends

Japan's population tripled in the 100 years between 1872 and 1972. Before World War II, both the birth rate and death rate were high, though births exceeded deaths. In the postwar era, the death rate fell while the baby boom was reflected in a higher birth rate. Since then, the birth rate has also declined, and the population growth has slowed.

However, Japan's total population continued to increase, exceeding 100 million for the first time in 1970. It peaked at 128.06 million in 2010, and then began to decline. On the other hand, the foreign population (number of foreign residents) is increasing.

Reflecting a trend toward a nuclear family lifestyle, the average number of persons per household fell to 2.21 in 2020.

Figure 1-3-1: Trends in Population and Number of Households

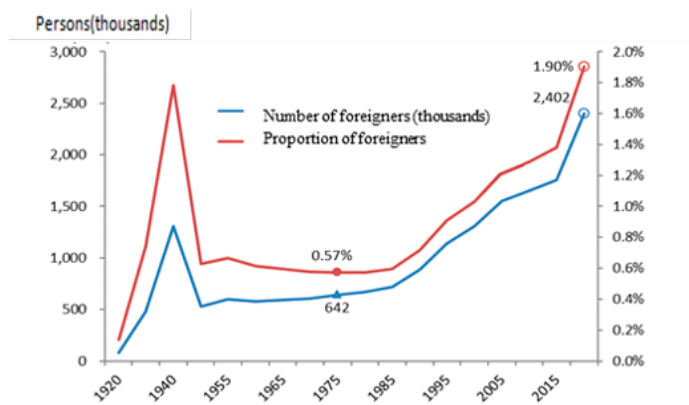


Source: Actual figures: Ministry of Internal Affairs and Communications, *Population Census*,

Estimates: National Institute of Population and Social Security Research, *Population Projections for Japan (2017)* and *Household Projections for Japan (2018)*

Note: Okinawa Prefecture not included in the 1945 census

Figure 1-3-2: Changes in Number and Proportion of Foreigners

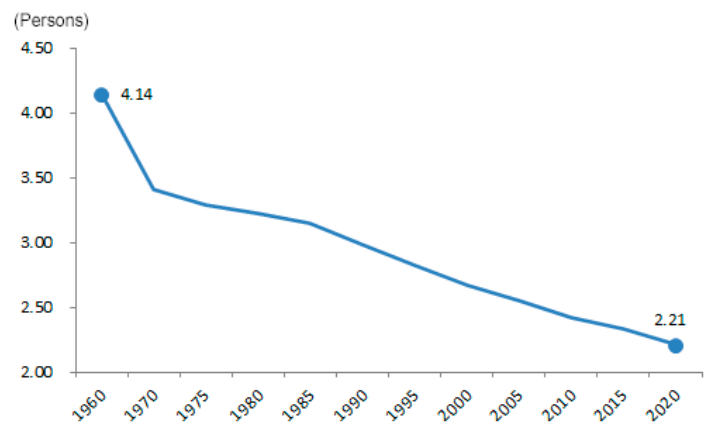


1965: Result of 20% extraction count

1990–2005: Result of special count of foreigners

Source: Ministry of Internal Affairs and Communications, *Population Census*

Figure 1-3-3: Changes in Number of Persons per Household



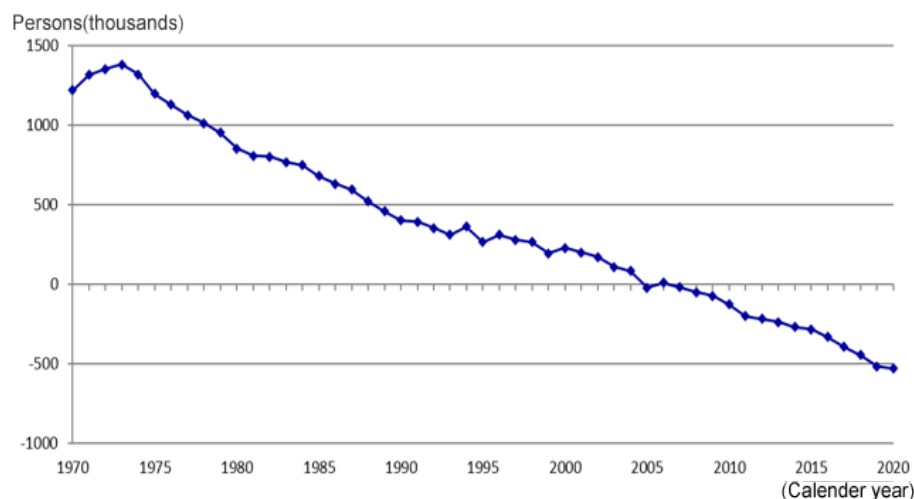
Source: Ministry of Internal Affairs and Communications, *Population Census*

## Rapid Demographic Aging and Birth Rate Decline

Rapid demographic aging and a falling birth rate are dramatically altering Japan's demographic structure. In 2020, the number of people aged 65 and older reached 36.28 million, or 28.9% of the total population. The pace of demographic aging in Japan has been extremely rapid compared with trends in Europe and North America. Moreover, the 65-plus population is expected to peak in excess of 30% of the total population, which is unprecedented in Western countries. Japan needs to take urgent steps to prepare for this change.

Japan's birthrate has continued to fall in recent years. In 2005, the total fertility rate (the average number of children born to a woman in her lifetime) fell to an historical low of 1.26. The rate has been slightly recovering since 2006 to 1.41 in 2018. There is concern that this decline in the birthrate could have serious social and economic consequences for Japan in the future. There is a need for countermeasures, including the development of an environment in which people will feel confident to raise children.

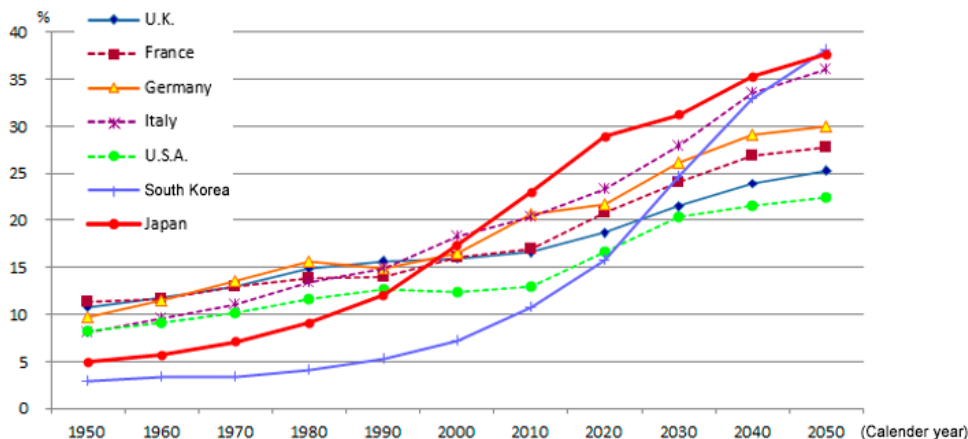
Figure 1-3-4: Number of Natural Increase (Births – Deaths)



Source: Ministry of Health, Labor and Welfare, *Overview of Vital Statistics 2020*

Note: Okinawa Prefecture is included from 1973.

Figure 1-3-5: Percentage of Elderly People (aged 65 and older)



Source: Statistics bureau, Ministry of Internal Affairs and Communications, *World Statistics 2021*

Table 1-3-1: Birthrate Comparison

Year	U.K.	France	Germany	South Korea	Italy	U.S.A.	Japan
1960	2.71	2.73	2.37	—	2.41	3.64	2.00
1980	1.89	1.95	1.56	2.70	1.64	1.84	1.75
2005	1.78	1.94	1.34	1.08	1.31	2.05	1.26
2011	1.96	1.99	1.36	1.24	1.38	1.89	1.39
2012 or later	1.74 (2017)	1.83 (2018)	1.58 (2017)	1.04 (2017)	1.32 (2017)	1.84 (2015)	1.41 (2018)

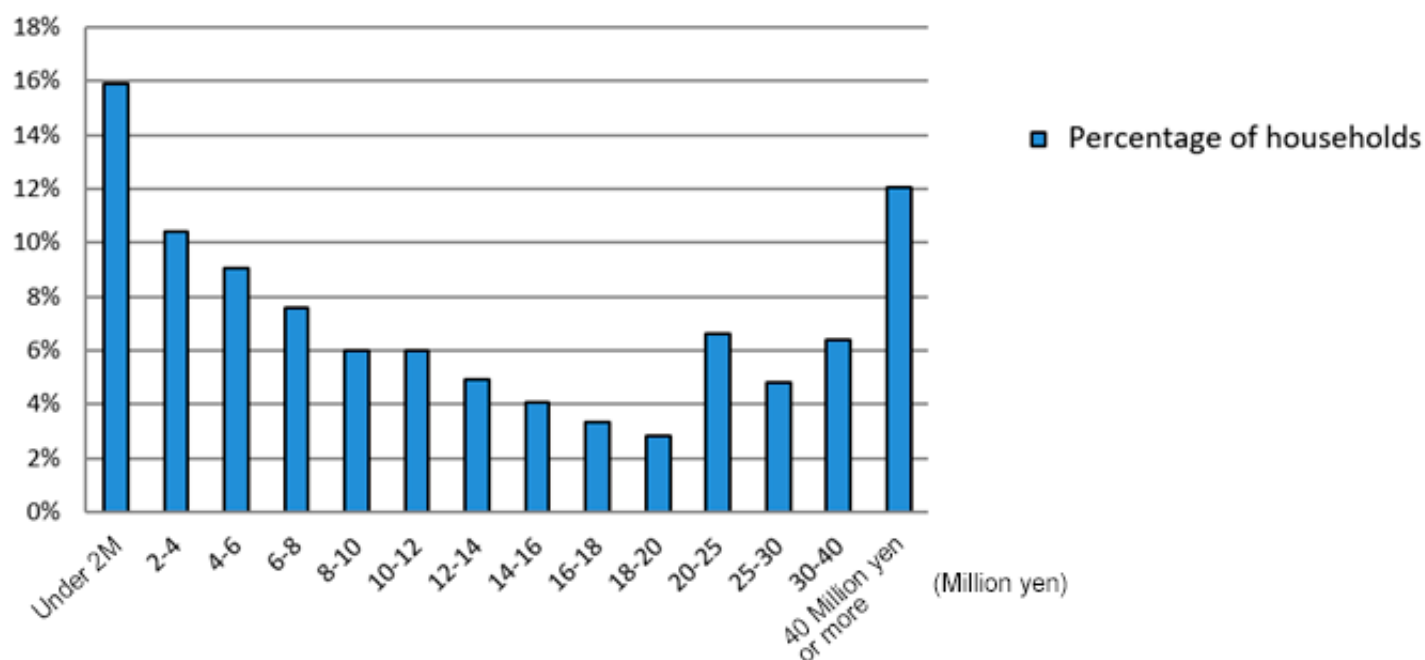
Source: Statistics bureau, Ministry of Internal Affairs and Communicating, *World statistics 2021*

## 4. Life in Japan

There is an increasing tendency for households in Japan to be divided between those who have substantial savings and those who do not. 26.3% of households with two people or more have savings of less than ¥4 million, while 29.8% have savings of ¥20 million or more. 15.9% have savings of less than ¥2 million, and 11.4% have savings of ¥40 million or more.

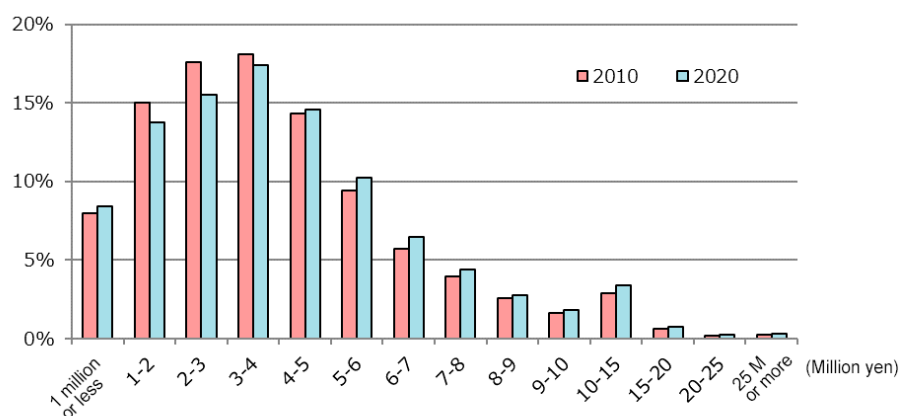
The percentage of people with an annual earned income of ¥2 million or less is declining (the number of people is increasing slightly). There is also an upward trend in the number of people with wages in excess of ¥10 million: from 1.76 million people in 2009 to 2.56 million in 2019.

Figure 1-4-1: Savings of Households with Two or More Persons



Source: Ministry of Internal Affairs and Communications, *Annual Report on the Survey of Household Economy 2020*

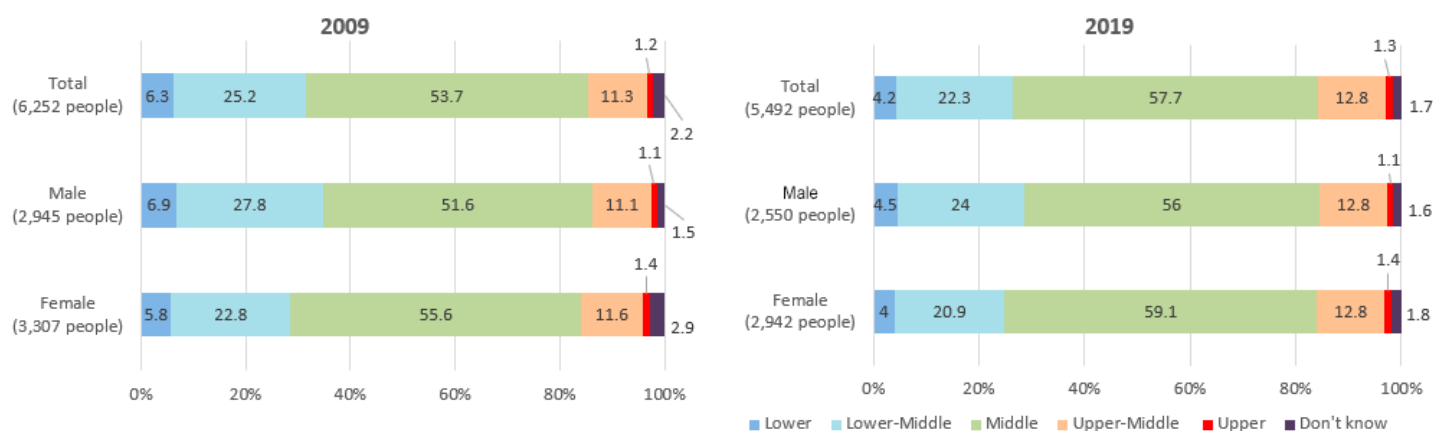
Figure 1-4-2: Income of Wage Earners Who Worked Full Year



Source: National Tax Agency, *Statistical Survey of Private Sector Salaries 2020*

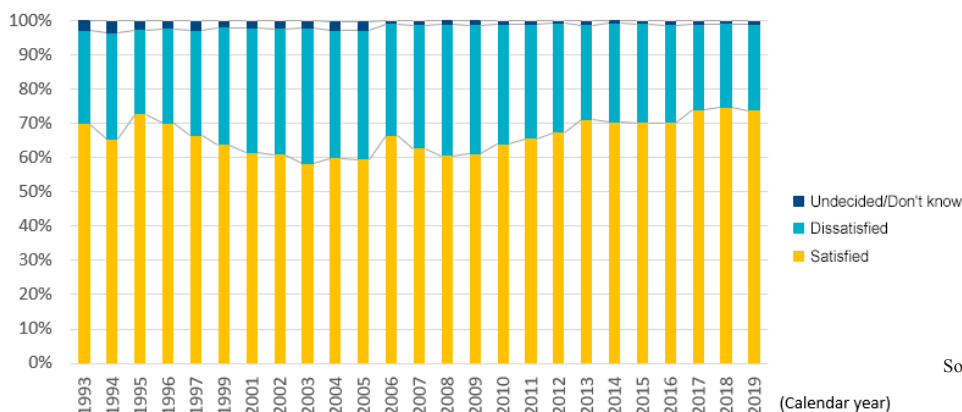
Over 50% of Japanese regard themselves as middle-class. The most common response in general surveys about perceived standards of living is “middle-middle.” However, the comparison between the results of 2009 and 2019 surveys shows that the percentages of those who classify themselves as “lower-middle” and “lower” have decreased, and that there has been a rise of responses of “middle-middle” and “upper-middle.” In recent years, the percentage of people indicating satisfaction with their standard of living gradually declined from 1995 but has been increasing since 2009.

Figure 1-4-3: Self-Reporting of Standard of Living



Source: Cabinet Office, *Public Opinion Survey on National Living Standards*

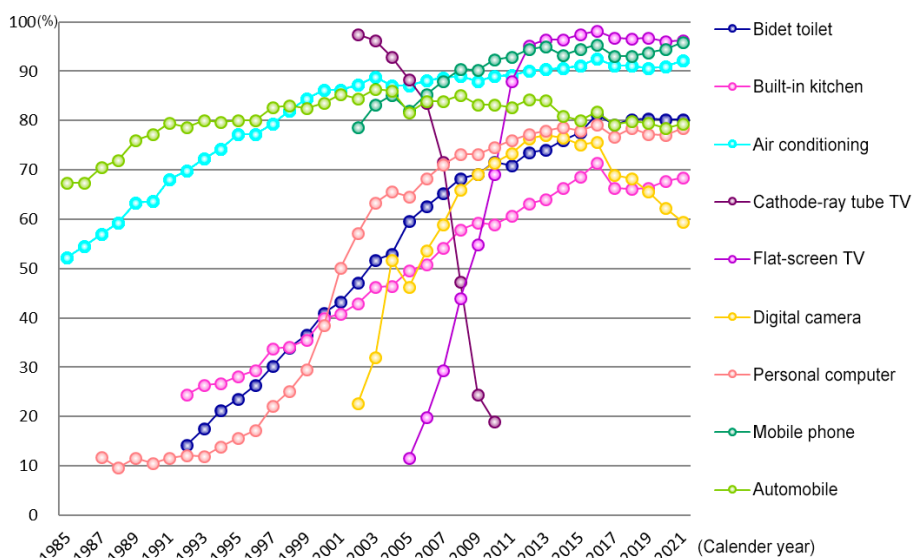
Figure 1-4-4: Satisfaction with Living Standard



Source: Cabinet Office, *Public Opinion Survey on National Living Standards*

One of the measures of the national standard of living is the penetration of durable consumer goods. During Japan’s period of rapid economic growth, the ownership of the “three sacred treasures” (washing machine, refrigerator and vacuum cleaner) was used as the general indicator of wealth. By the 1970s most households possessed these items. Since 1990 personal computers and since 2000 digital cameras have become popular. Since 2005, CRT color television have declined due to the spread of flat-screen televisions.

Figure 1-4-5: Ownership of Durable Consumer Goods (Private Households)



Note: The survey of digital cameras started in 2005. Cameras in mobile phones are excluded. The survey of cathode-ray tube color TVs was ended as of March 2013.

Source: Cabinet Office, *Consumer Confidence Survey*

# CHAPTER II Housing Situation

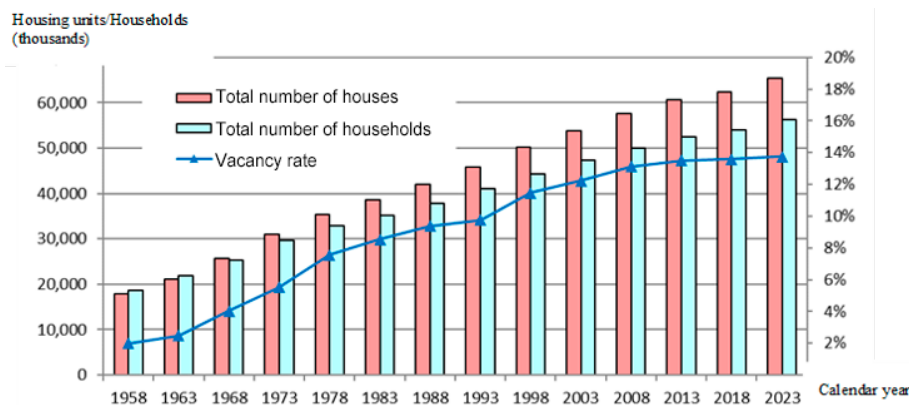
## 1. Housing Stock

### Total number of housing units

In the immediate postwar era, Japan had an absolute housing shortage estimated at 4.2 million units. Two decades later, in 1968, the total number of housing units (stock) became greater than the total number of households. The housing stock has continued to expand, and the total number of housing units has remained greater than the number of households. As a result, policy priority has shifted from quantity to quality.

By 2023 the total number of housing units stood at 65.41 million, 1.16 times greater than the total number of households at 56.22 million, and the vacancy rate had risen to 13.8%. In this environment, it is important to give priority to the housing stock in the discussion of housing in Japan.

Figure 2-1-1: Housing Units, Households and Vacancy Rate



Source: Ministry of Internal Affairs and Communications, *Housing and Land Survey 2023*

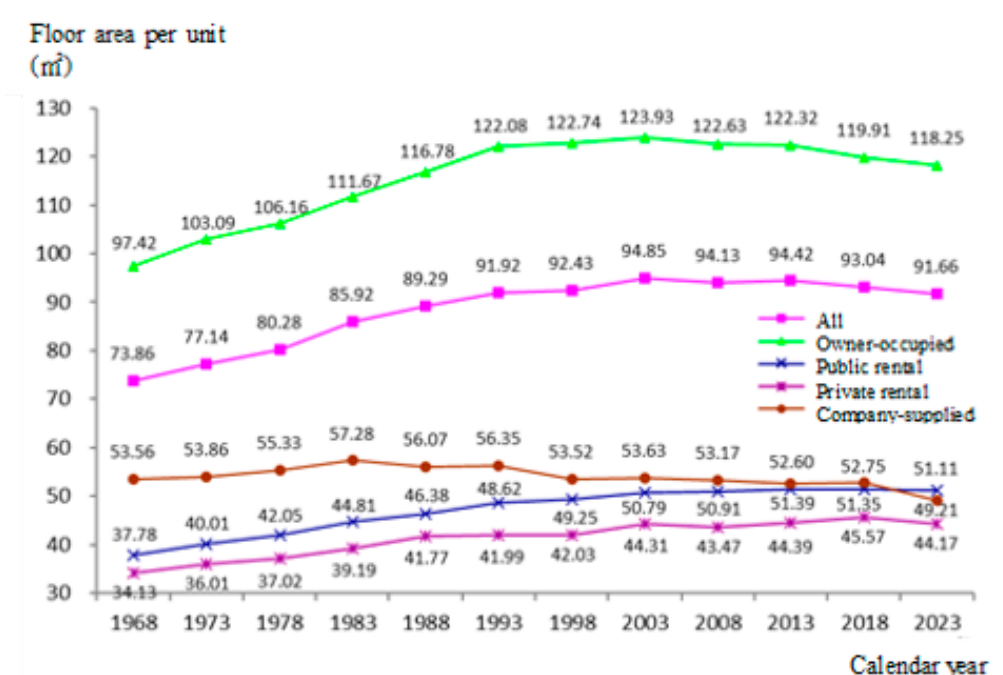
### Size of housing units

In the past, the average size of housing units in Japan (average floor area per unit of the housing stock) tended to be small. However, growth of the number of housing units has brought about a continuous increase in the size of housing units, with the exception of company-supplied employee housing.

In 2023, the average floor area per unit of Japan's housing stock was 91.7 m<sup>2</sup>. While Japan has not yet caught up with the United States, it has reached the same level as that of European countries.

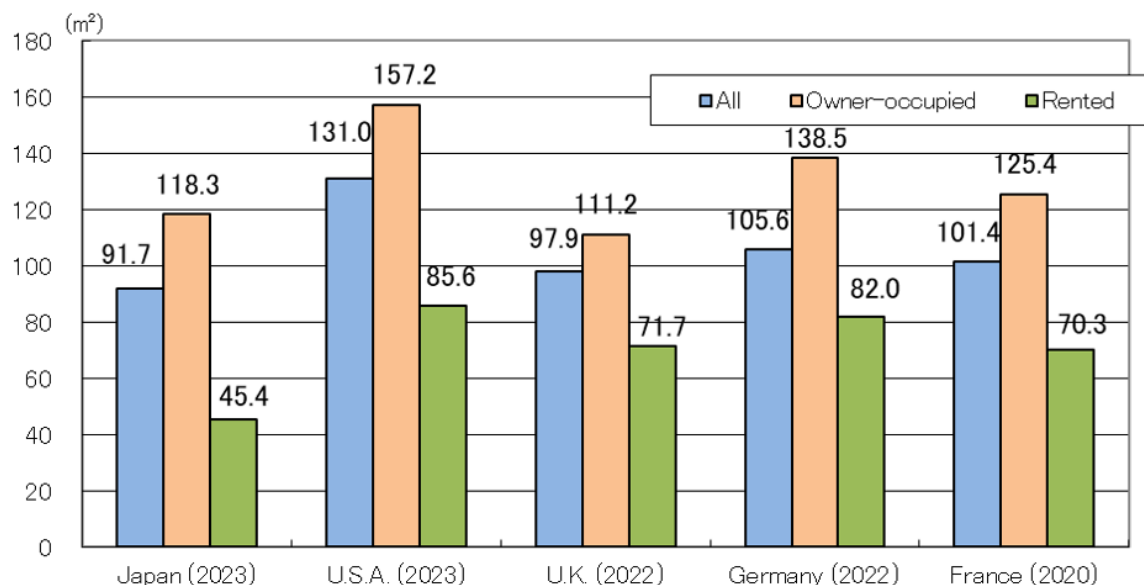
However, there is a wide gap between owner-occupied and rental housing. At 45.4 m<sup>2</sup> the average floor area of rental housing is still significantly smaller than in Europe and North America.

Figure 2-1-2: Floor Area per Housing Unit



Source: Ministry of Internal Affairs and Communication, *Annual Report on the Housing and Land Survey 2023*

Figure 2-1-3: Floor Area per Unit by Country (based on wall center-line measurements)

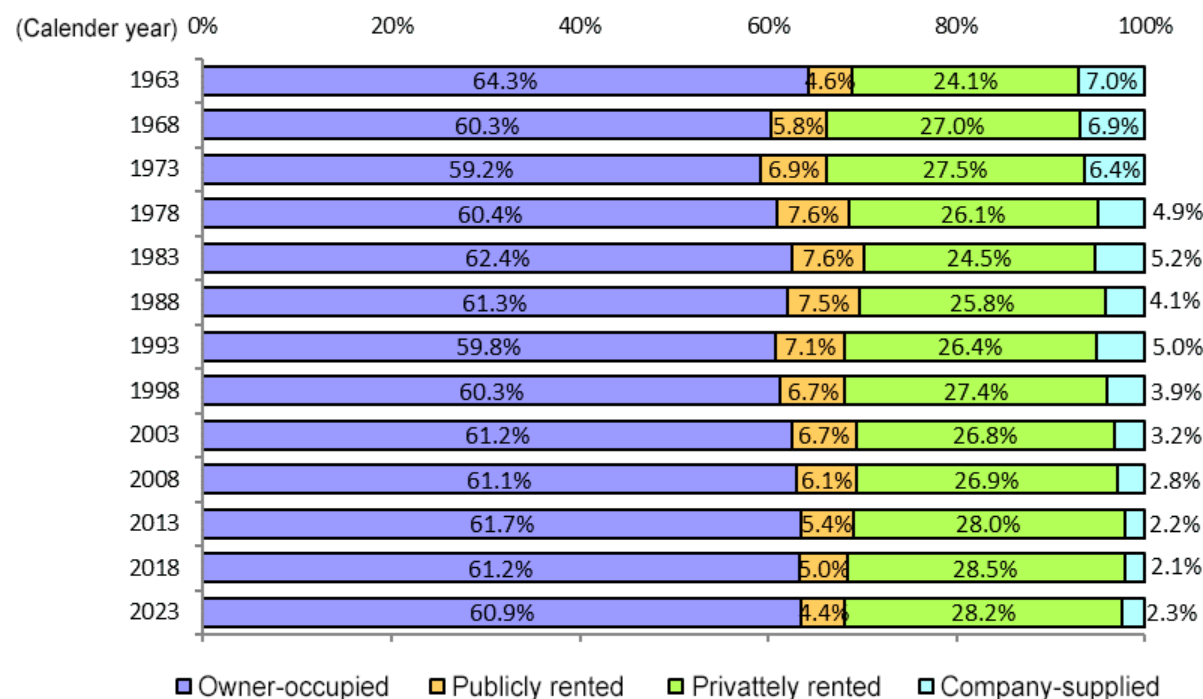


Source:  
 Japan: Ministry of Internal Affairs and Communications, *Housing and Land Survey 2023*  
 U.S.A.: U.S. Census Bureau, *American Housing Survey 2023*, <https://www.census.gov/programs-surveys/ahs.htm>  
 U.K.: Department for Levelling Up, Housing and Communities, *English Housing Survey data on stock profile 2023*, <https://www.gov.uk/government/statistical-data-sets/stock-profile>  
 Germany: Statistisches Bundesamt, *Wohnen in Deutschland - Zusatzprogramm Wohnen des Mikrozensus 2022*, <http://www.destatis.de/>  
 France: Parc Insee-SDES, *enquête logement 2020*, <https://www.statistiques.developpement-durable.gouv.fr>  
 Note 1: Floor areas are corrected to reflect wall center-line measurements (x 0.94 for the United States and 1.10 for France and Germany)  
 Note 2: The U.S. data are based on median values.

## Tenure

The home ownership ratio has remained at around 60% during the 60 years from 1963 to 2023.

Figure 2-1-4: Housing Tenure (proportion of housing stock)



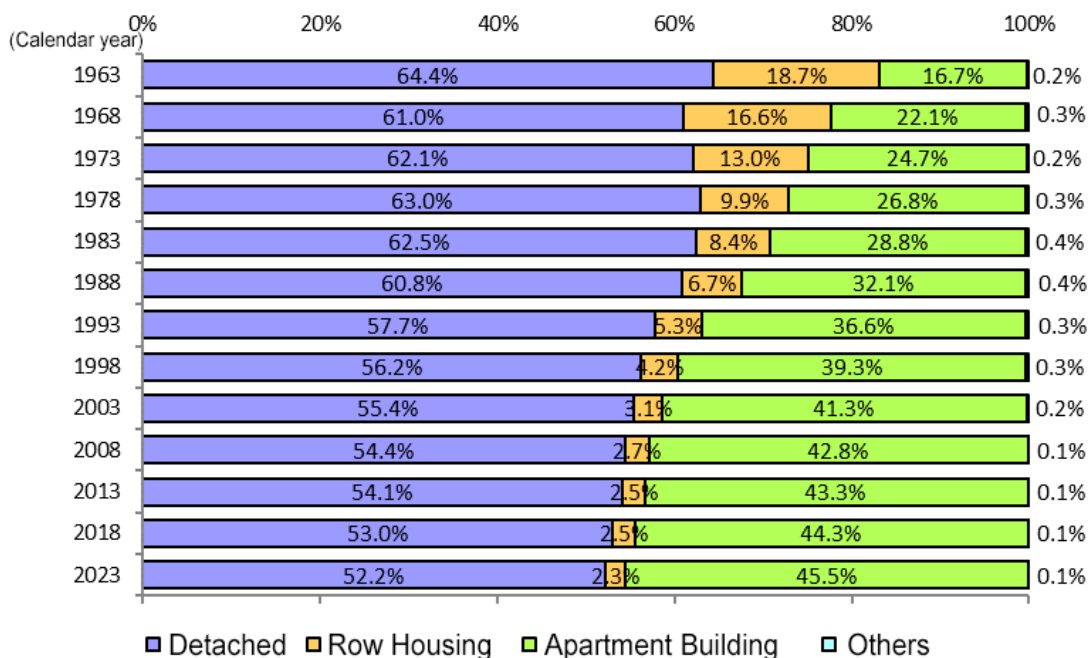
Source: Ministry of Internal Affairs and Communications, *Housing and Land Survey 2023*  
 Note: Units of unknown status excluded.

## Housing types and construction

In 1963 detached houses made up 64.4% of the housing stock, row houses 18.7%, and apartment buildings 16.7%. The percentage of apartment buildings has increased in subsequent decades. In 2023, the percentage of the housing stock that were detached homes had fallen to 52.2%, while row houses made up just 2.3%, and apartment units 45.5%.

Wooden houses accounted for 94.0% of Japan's housing stock in 1963. By 2018 this percentage had fallen significantly to 53.8%. The percentage of non-wooden construction has meanwhile expanded to 46.2%, representing a steady shift toward non-combustible and fire-resistant housing construction.

Figure 2-1-5: Residential Housing Types (proportion of housing stock)



Source: Ministry of Internal Affairs and Communications, *Housing and Land Survey 2023*

Figure 2-1-6: Construction Types of Residential Housing (proportion of housing stock)



Source: Ministry of Internal Affairs and Communications, *Housing and Land Survey 2023*

Note: Fire-resistant wooden construction has wooden framing and roofs and exterior walls covered with fire-resistant materials, such as mortar and galvanized metal. In 2023, the two wooden constructions are combined as "wooden."

## 2. Public Opinion on Housing

The quantitative expansion of the housing stock and improvements in the quality level of housing and the availability of equipment and facilities have been reflected in changes in public opinion on housing. Data relating to the overall satisfaction rate with housing and the living environment show that the total dissatisfaction rate (“very dissatisfied” + “slightly dissatisfied”) has fallen steadily over the years, dropping to 21.5% in 2018.

### Satisfaction rate with housing

Housing satisfaction rate data shows that the decline in the dissatisfaction rate became noticeable in 2003, and it dropped to 23.1% by 2018. Looking closely at the reasons for dissatisfaction with housing, “consideration for the elderly” remained the top reason from the previous (2013) survey, but the rate has improved since then (2013: 53.5%, 2018: 47.2%). “seismic safety” was second at 43.6%, “sound insulation” (42.9%) third, “typhoon safety” (38.8%) fourth, and “thermal insulation” (38.6%) fifth. The top reasons are mostly dissatisfaction with the basic performance of housing.

Figure 2-2-1: Overall Satisfaction with Housing and Residential Environment

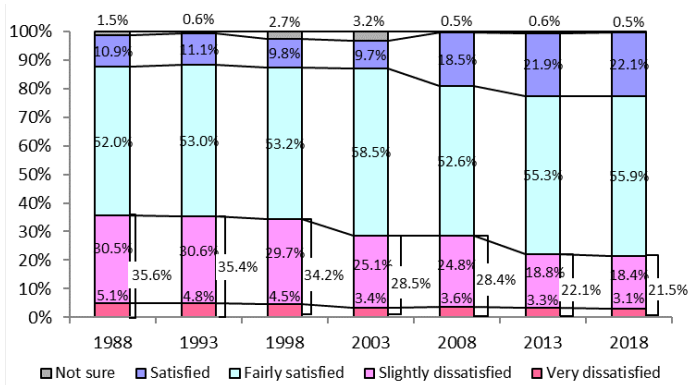
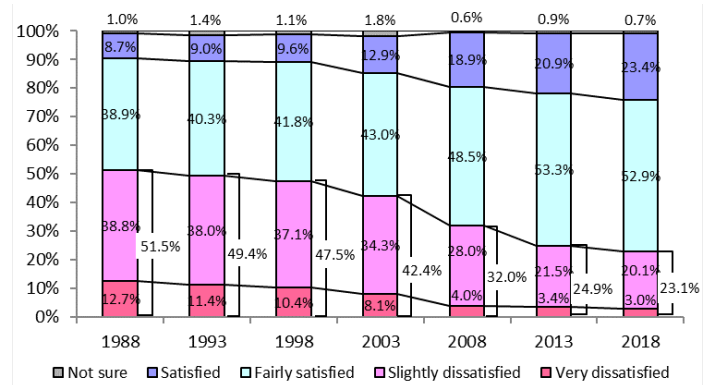
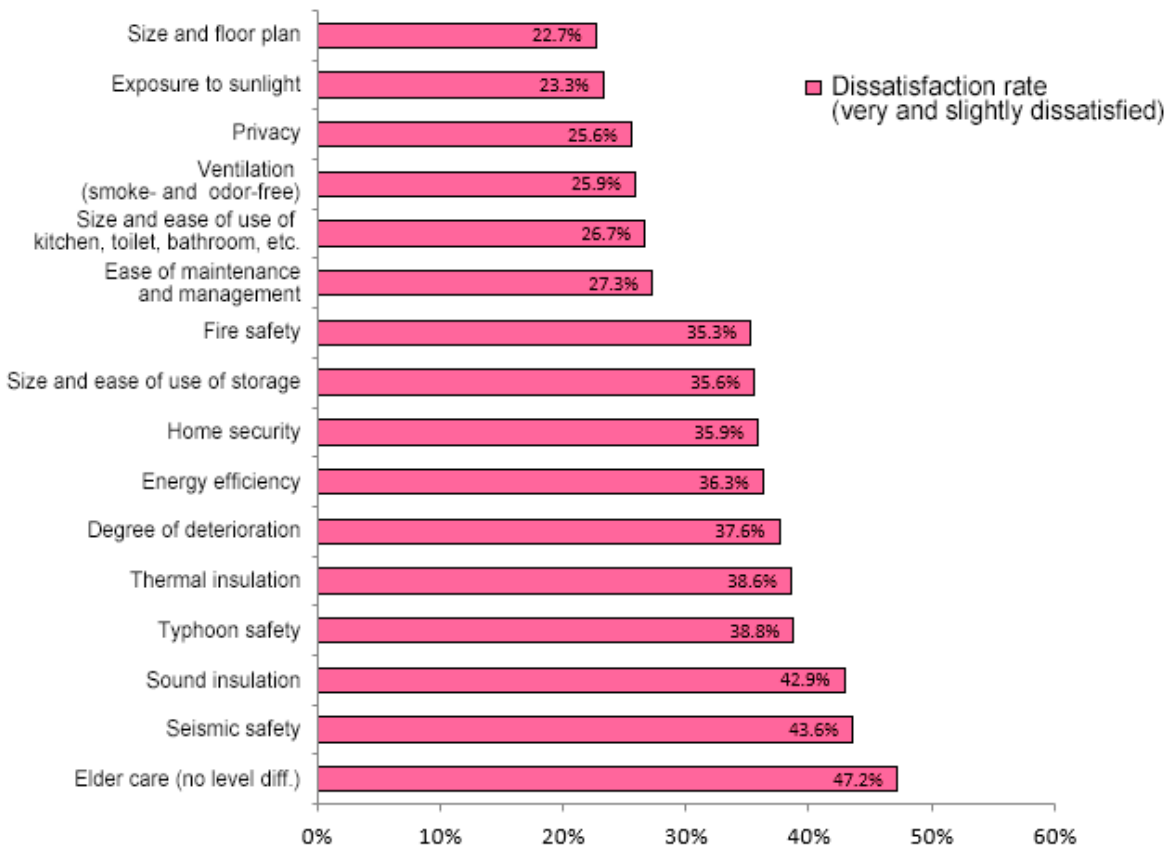


Figure 2-2-2: Satisfaction Rate with Housing



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Comprehensive Survey on Housing and Living Environment*

Figure 2-2-3: Dissatisfaction Rate with Housing by Factor (“very dissatisfied” + “slightly dissatisfied”)

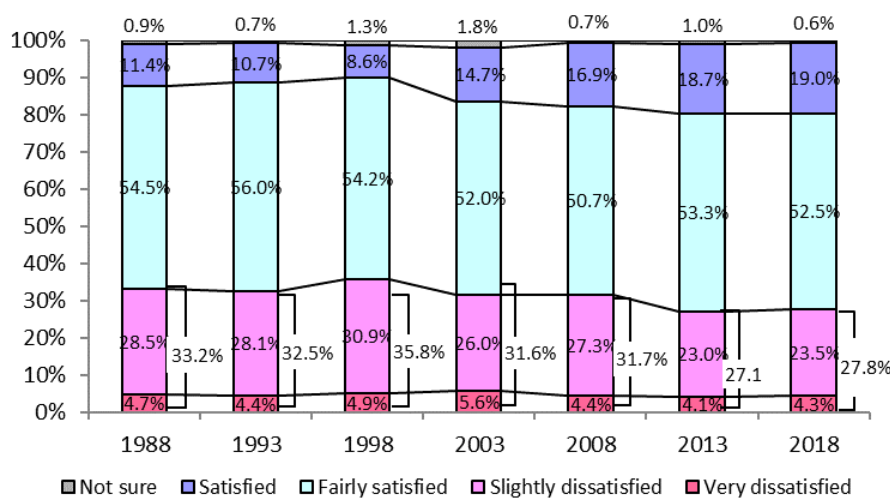


Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Comprehensive Survey on Housing and Living Environment*

## Satisfaction with living environment

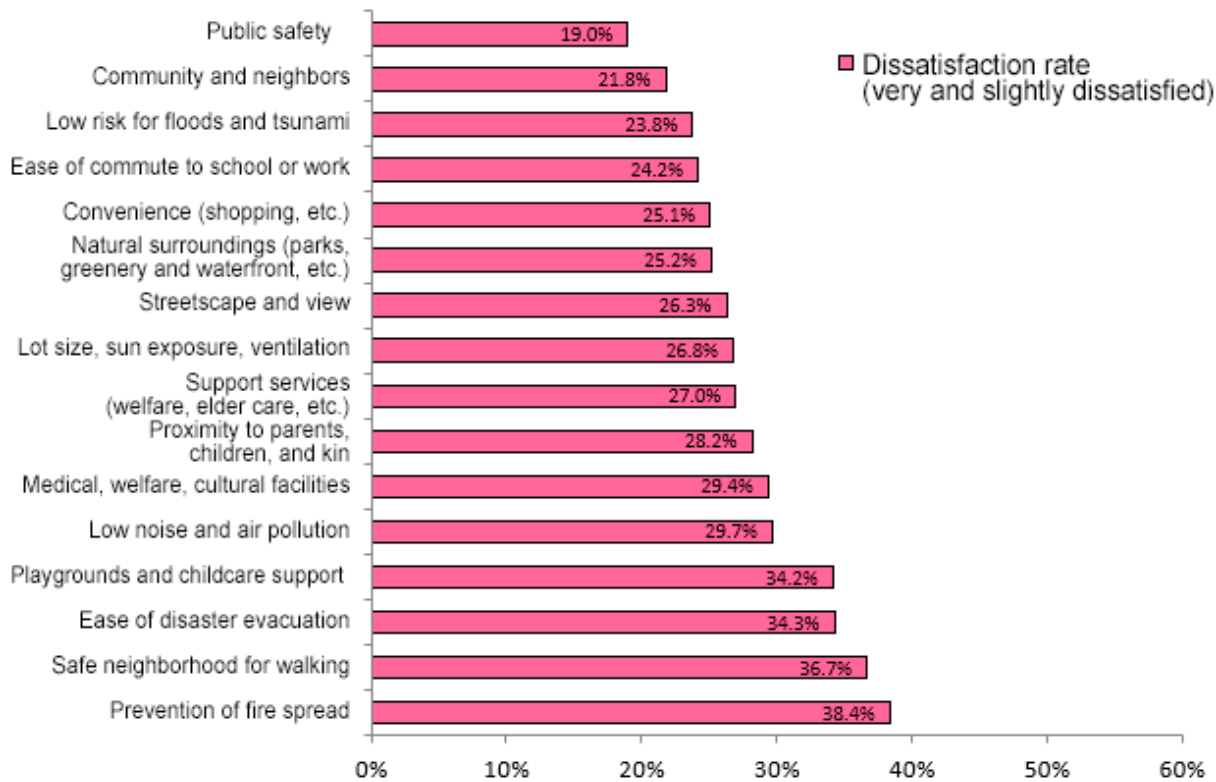
The levels of dissatisfaction with the living environment remained in the low 30% range, but declined to 27.8% in 2018. A detailed analysis reveals that dissatisfaction levels tend to be high in a number of areas, including “prevention of fire spread” (38.4%), “safe walkability” (36.7%), and “playgrounds and childcare support” (34.2%).

Figure 2-2-4: Satisfaction Rate with Living Environment



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Comprehensive Survey on Housing and Living Environment*

Figure 2-2-5: Dissatisfaction Rate by Element of Living Environment (“very dissatisfied” + “slightly dissatisfied”)



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Comprehensive Survey on Housing and Living Environment*

### 3. Housing Construction

#### New housing starts

Buoyant demand for owner-occupied housing and the need to overcome an absolute housing shortage were reflected in the expansion of new housing starts in postwar Japan. High economic growth drove an upward trend that continued until the early 1970s. At the peak in 1972, the number of starts reached 1.8 million units per year.

The number of housing starts declined after the first oil crisis in 1973 and the second oil crisis in the late 1970s and early 1980s. However, between 1.6 and 1.7 million units were started each year during the economic bubble period, which lasted from the late 1980s to the early 1990s. There was a period of deceleration after the collapse of the bubble economy, but government economic policies subsequently stimulated demand for owner-occupied housing, and additional demand was generated by reconstruction after the Great Hanshin-Awaji Earthquake. These and other factors brought renewed growth in the number of housing starts. In the second half of the 1990s, the government raised the consumption tax, and there was a financial crisis that resulted in the failure of major financial institutions. This situation triggered a period of economic stagnation, and the number of housing starts remained around the 1.2 million level.

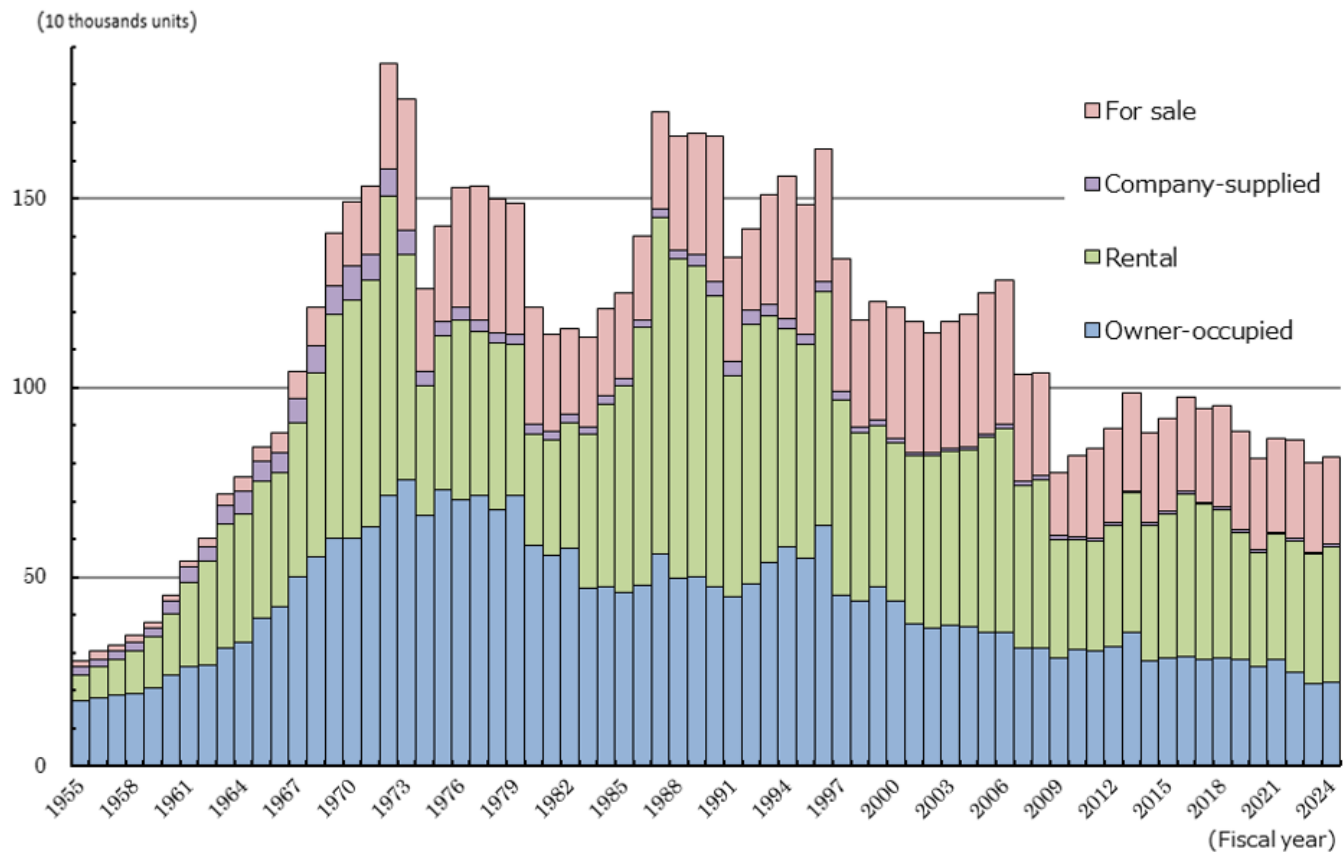
In 2007, rising house prices, the effect of inventory adjustments, income trends, and the impact of amendments to the Building Standards Act slowed demand. A dramatic worsening of economic conditions since the collapse of Lehman Brothers in 2008 also impacted new housing starts, which fell to less than one million units per year in FY2009 with a total of 775,000. However, that number recovered gradually, with year-on-year increases for four consecutive years, totaling 987,000 in FY2013.

Housing starts decreased for the first time in five years to 880,000 units in FY2014 due mainly to the effect of reaction to last-minute demand before the consumption tax rise, but after that, remained in the 900,000 range until FY2018.

In FY2019, the number of starts of detached houses decreased to 884,000, the first decrease in two years. In FY2020, due to factors such as the spread of coronavirus infections, the starts of owner-occupied houses, rental houses, and market housing decreased for the second consecutive year to 812,000.

In FY2021, housing starts recovered to 866,000 units but declined again to 861,000 units in FY2022 and to 800,000 units in FY2023. In FY2024, the number recovered from the significant decline of the previous year, reaching 816,000 units — the first increase in three years.

Figure 2- 3-1: New Housing Starts

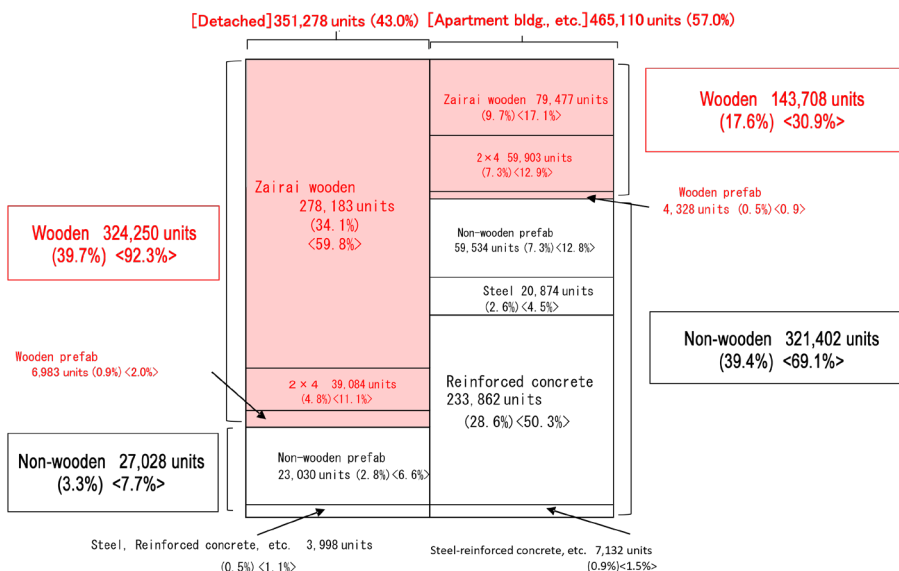


Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Statistical Survey of Housing Construction Starts*

An analysis of housing starts by housing type and construction shows detached houses accounted for 43.0% at 351,000 units and apartment building units 57.0% at 465,000 units in FY2022.

There were 468,000 (57.3%) wooden house starts, consisting of 324,000 detached units and 144,000 apartment units. The number of non-wooden starts was 348,000 (42.7%), including 27,000 detached and 321,000 apartment units, etc.

Figure 2-3-2: Types and Constructions of Housing Starts (FY2024)



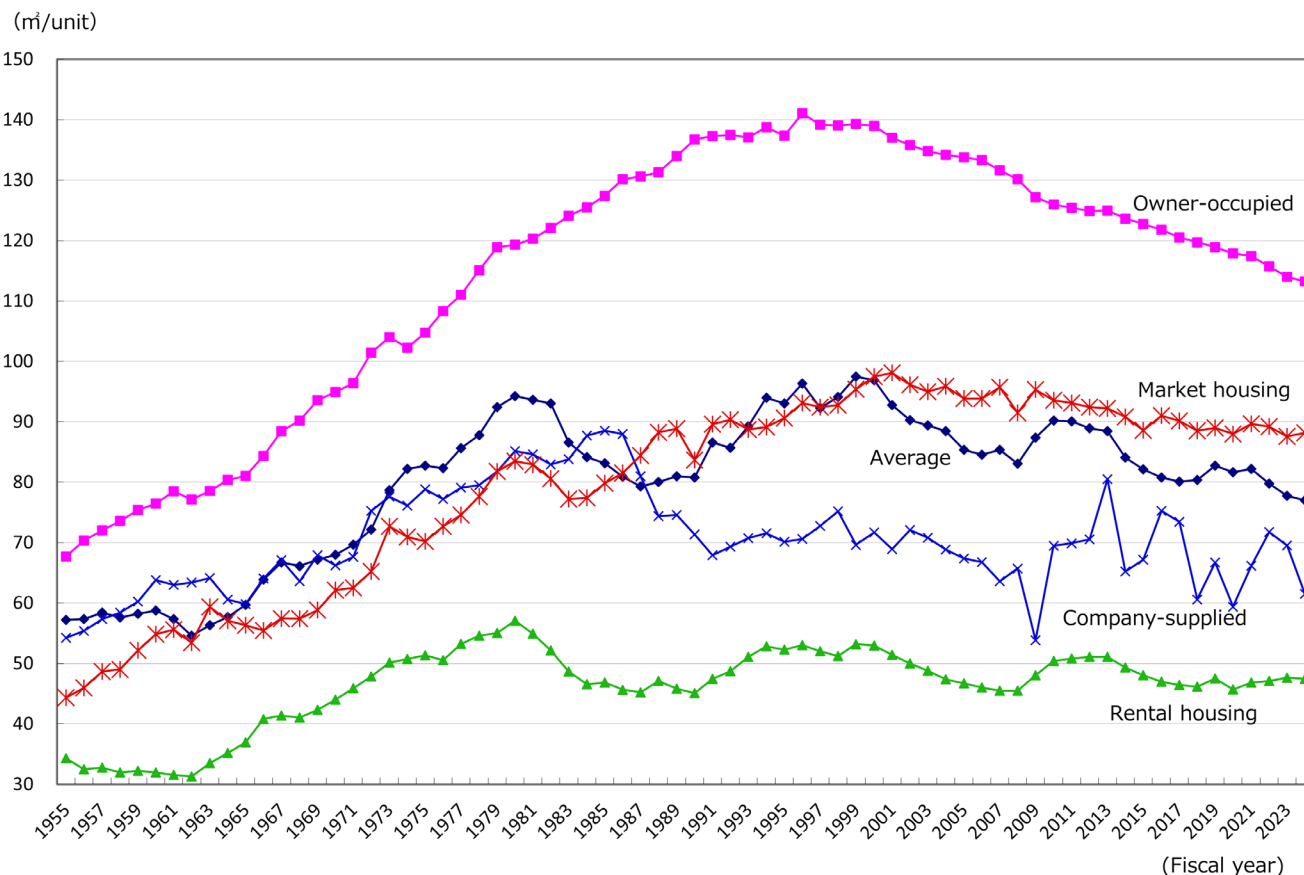
Note: Figures in ( ) are percentages of total housing units. Figures in <> are percentages of total detached units or apartments, etc. The numbers are rounded to the first decimal point, making the total not necessarily 100.  
Source: Ministry of Land, Infrastructure, Transport and Tourism, *Statistical Survey of Housing Construction Starts FY2024*

### Floor area per new housing unit

The expansion of the housing stock was accompanied by a continuing increase in the average floor area of newly built housing units. However, the average peaked out around 2000 and has shifted to a gradual decline in recent years.

Two factors appear to have caused peak-out of the growth of the average floor area per housing unit. First, Japanese housing is now comparable in size with that in Europe and North America. Second, the number of people per household is falling, mainly because of Japan's declining birth rate and the shift to nuclear family lifestyles. The recent downward trend in floor areas is probably linked to rising construction costs resulting from increases in the prices of crude oil and building materials. Another factor is likely a worsening income situation due to a rapid decline in the economy.

Figure 2-3-3: Average Floor Area of New Housing Units by Type



Source: Ministry of Land, Infrastructure, Transport and Tourism, *Statistical Survey of Housing*

## Housing investment

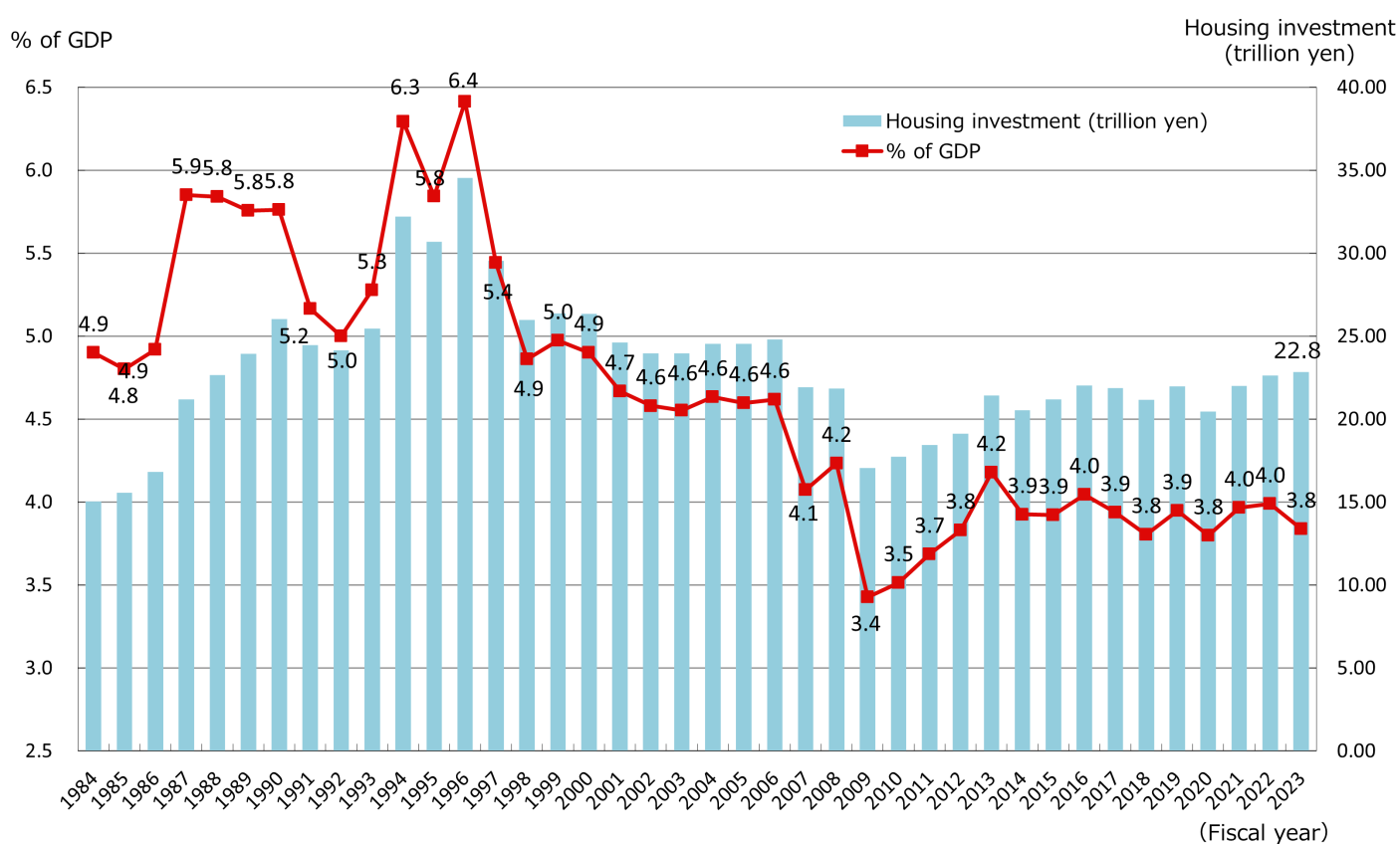
Housing investment produces flow-on effects in a wide range of related industries. There also are implications for consumer spending, including purchases of durable consumer goods for new houses. For these reasons, housing investment creates significant ripple effects at the macroeconomic level and is also seen as a tool that can stimulate economic activity.

Statistics for the past four decades show that housing investment expanded dramatically, in step with the growth of new housing starts during the economic bubble period in the late 1980s. A continuous upward trend lifted investment from ¥20 trillion to ¥30 trillion and from just over 4% of GDP to almost 6%.

After the collapse of the bubble economy, housing investment was underpinned by economic policy and other factors. However, the economic stagnation that followed the financial crisis caused investment to shrink to around ¥25 trillion in the late 1990s. The number of new housing starts then remained at around 1.2 million, housing investment hovered just below the ¥25 trillion level, and the contribution to GDP remained at around 4.6% of GDP.

A decline in new housing starts in 2007 and later forced housing investment down, along with the GDP ratio, but after 2010, thanks to such factors as improvement in consumer sentiment, reconstruction projects after the Great East-Japan Earthquake, and due to a rush to purchase houses before a consumption-tax increase, the investment gradually recovered. In FY2013, housing investment was ¥21.4 trillion and the GDP ratio moved up to 4.2%. In FY2014, due to the rise of the consumption tax, housing investment dropped. But after that, housing investment remained in the high ¥20 trillion range, and the ratio to GDP remained in the high 3% range. In FY2023, housing investment was ¥22.8 trillion, and the GDP ratio moved to 3.8%.

Figure 2-3-4: Housing Investment (nominal)



Source: Cabinet Office, *Annual Report on National Account*

## BL (Better Living) Component Certification System

To create a good living environment, components used in housing must be of high quality. However, it is not easy to know the difference in the quality of the various housing components on the market at the time of their installation. What's more, it is difficult for consumers to learn and know the quality of housing components.

For this reason, the BL Component Certification System has been established and implemented to ensure that everyone can easily understand whether or not a housing component is of good quality. The BL Component Certification System provides standards for the performance (safety, functionality and durability) and for after-sales service programs of housing components. The system also certifies conforming housing components as “Quality Housing Components (BL Components).”

In particular, the “BL-bs Component” status is given to housing components that meet the needs of society such as energy conservation, support for the elderly, housing stock utilization and improved security, which have been attracting much attention in recent years.

BL components (hereafter “BL components” will include “BL-bs Components”) are labeled with the “BL Mark,” which is a mark of assurance that is displayed on the products themselves and in catalogs and the like. The use of this mark is promoted in concert with certified companies and related industries.

Example of BL-bs Mark



### Features of BL-bs

1. Contributions to environmentally friendly lifestyles
  - (1) Environmental preservation
  - (2) The formation and utilization of quality housing stock
2. Contributions to safe and secure lifestyles
  - (1) The realization of a society in which everyone, including the elderly and people with disabilities, can live with peace of mind
  - (2) Improved security
  - (3) Healthy lifestyles
  - (4) Disaster prevention and mitigation
3. Features that contribute to meeting new needs of society
  - (1) Reduction of the burdens of housework and physical work
  - (2) Other features that contribute to the realization of a better society

The BL Component Certification System was launched in 1974; it covered four items at that time: water heater units, kitchen units, handrail units, and soundproof sashes. In response to the needs of society in the years since then, more items have been added for certification, and as of July 2025, the certification covers 67 items, with more than 300 million BL Marks issued.

In addition, BL components are covered by BL insurance, which provides defect warranties and compensation for damages related to the design and manufacture of BL components and their installation, thus offering consumers an extra level of peace of mind. Furthermore, as part of the ongoing work, a customer service center was opened in 1999 to provide consultation to, and to handle complaints from consumers, intermediate users and others regarding BL components and the Component Certification System.

# CHAPTER III Housing Policy

## 1. Basic Approach to Housing Policy

### (1) Changes in Housing Policy

#### History of Japanese housing policy

In the immediate postwar period, Japan faced a housing shortage of 4.2 million units. The government implemented emergency measures, including the construction of temporary housing. The economy subsequently began to recover, and by the early 1950s it was apparent that Japan would need to establish systems to supply permanent housing.

In 1950, the Government Housing Loan Corporation (GHLC, now the Japan Housing Finance Agency) was established to provide long-term, low-interest finance for the construction or purchase of homes. The Public Housing Act of 1951 enabled the national government to provide subsidies to allow local governments to supply low-rent housing (public housing). In 1955, the Japan Housing Corporation (JHC; now the Urban Renaissance Agency) was established to overcome a housing shortage resulting from an influx of people into Japan's major cities, by supplying housing and land for housing for working people. These three measures were the foundation of what is now known as the "publicly funded housing supply system."

Severe housing shortages continued during Japan's period of rapid economic growth, in part because of the concentration of people into major cities. Another factor was the shift to the nuclear family lifestyle. This situation led to the passage of the Housing Construction Planning Act in 1966, the aim of which was to provide a powerful impetus for housing construction based on cooperative efforts by the central and local governments and the public. Under this law, the Cabinet began to adopt comprehensive Five-year Housing Construction Plans encompassing construction by the private sector as well as by the central and local governments.

Although in 1968 nationwide the number of houses exceeded the total number of households, there was a severe shortage of housing in metropolitan areas. This planning led to the acceleration of housing construction in urban areas, with the result that by 1973 the total number of homes exceeded the total number of households in all metropolitan areas and prefectures. Japan had reached its goal of one home per household, ending two decades of postwar housing shortages. Quantitative housing needs had been met, and in subsequent five-year programs the emphasis shifted to factors relating to the quality of housing. The introduction of the living environments standard and the housing performance standard is a part of that.

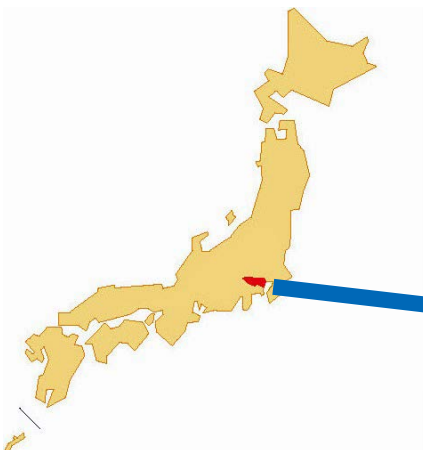
In recent years, rapid demographic aging and a falling birth rate have prompted a major shift in the focus of housing policy. Instead of policies designed to ensure an adequate quantity of housing, the emphasis now is on improvements in the overall quality of life at home. To institute this change, radical reforms were made in the policy tools used to directly supply housing and housing financing, including the Housing Loan Corporation, public housing, and public housing corporations.

The final step in this process was the legislation of the Basic Act for Housing in June 2006. This law provides a roadmap for enhanced housing for the Japanese people today and in the future. In September of the same year, a Cabinet resolution was passed that adopted the Basic Plan for Housing as the foundational national plan for the realization and promotion of the basic principles and measures set forth in the Act.

Note that the plan is reviewed about every five years as a rule in consideration of future changes in social and economic situations and, based on this, the plan that covers the period of 10 years from FY2021 to FY2030 was approved in a Cabinet meeting in March 2021.

Discussions are currently underway within the Housing and Land Subcommittee of the Social Infrastructure Development Council regarding the next plan revision (targeted for March 2026).

Figure 3-1-1: Local Governments in Japan



This is a general overview of local governments in Japan as the basis to understand the description of housing policy to follow.

a) There are two levels of local governments (prefecture and municipalities as basic LG) in Japan, as shown in the table below (as of July 2025).

Prefecture	Prefectures			
	47			

Only for Tokyo, it is called Tokyo Metropolitan Government

Basic-LG	Wards	Cities	Towns	Villages
	23	792	743	183
	1,741 in total			

Only Tokyo has wards as municipalities.

Tokyo has 23 wards, 26 cities, 5 towns and 8 villages in its jurisdiction.

(b) The head of each local government is directly elected by its residents, and is called governor or mayor.

(c) All assembly members of each LG are directly elected by its residents.

Figure 3-1-2: History of Housing Policy in Japan

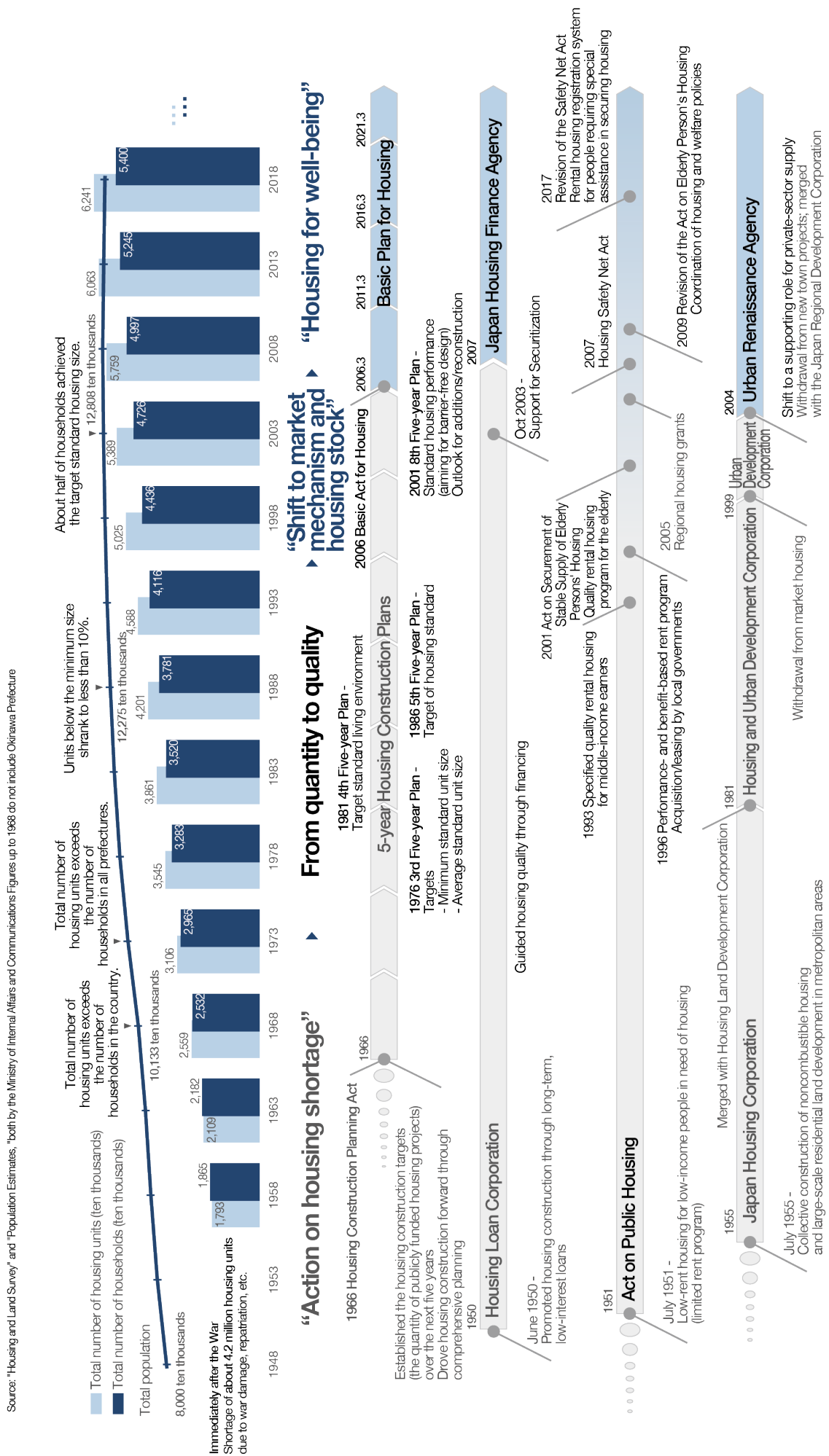


Table 3-1-1: Comparison of Five-Year Housing Construction Plans I to VIII

	Period (FY)	Background	Goals	Total units (in thousands)				Remarks
				Planned		Outcome		
				Total units to be constructed	Units to be publicly financed	Total units constructed	Units publicly financed	
I	1966-70	To resolve housing shortages and cope with housing demand due to population concentration to metropolitan areas caused by intensive economic growth	To resolve housing shortages and to realize "one housing unit per household"	6,700	2,700	6,739.3 <100.6*>	2,565.3 <95.0>	Total housing units outnumbered total households, nationwide. (1968 Housing Survey of Japan)
II	1971-75	To completely resolve housing shortage. To meet housing demand brought about by baby boomers' marriages.	To resolve housing shortage. To build homes having "one room per person"	9,576	3,838	8,280 <86.5>	3,108 <81.1>	Total housing units outnumbered total households in every prefecture. (1973 Housing Survey of Japan)
III	1976-80	To upgrade the standard of housing over the long-term since the housing shortage is resolved	To set two target levels for housing: - Minimum housing standard: Entire country to meet this by 1985; half of all substandard homes to be eliminated by 1980 - Average housing standard: the standard of housing desirable for average households to attain by 1985	8,600	3,500	7,698 <89.5>	3,649 <104.2>	The standard of housing, as a whole, was steadily improved. (1978 Housing Survey of Japan)
IV	1981-85	To continue upgrading the standard of housing mainly in metropolitan areas. To meet the demand of postwar baby boomers to acquire their own homes.	To make efforts to achieve the set housing standards. To set up the target standards for living environments.	7,700	3,500	6,104 <79.3>	3,231 <92.3>	Plan to eliminate households below the minimum housing standard behind schedule (1983 Housing Survey of Japan)
V	1986-90	To create a good-quality housing stock as the basis for stable, comfortable living in the 21st century	To set up a new version of housing standards • Minimum housing standard: basically the same as in the 4th plan. To have all households attain this as early as possible during this plan. • Target housing standard: to have half of all households attain this level by 2000. For urban areas: multi-residential projects in and around urban centers For suburban areas: detached houses in suburbs and provincial areas To maintain the levels set in the 4th plan and guide/upgrade living environments	6,700	3,300	8,356 <124.7>	3,138 <95.1>	The number of households below the minimum housing standard nationwide dipped to 9.5%. (1988 Housing Survey of Japan)

VI	1991-95	To advance the housing policies for the 1990s: to realize housing where people can feel a measure of well-being, by solving housing problems in metropolitan areas and addressing the aging of society	To remain committed to attain target housing standard. • Target housing standards: same as the one set in the 5th plan: to have half of all households meet the criteria by 2000 and for those in urban areas, as soon as possible after that • Minimum housing standard: to remain as the level to be attained by all households • Living environments standard: to be revised by setting different criteria for central and surrounding areas of large cities and suburban areas. To strive for improving living environments based on the standard	7,300	3,700	7,623 <104.4>	4,017 <108.6>	As a whole, progressing steadily toward reaching the targets <i>(1993 Housing Survey of Japan)</i>
VII	1996-2000	To focus on the following four issues: 1. Good quality housing stock that meets nation's needs 2. Promotion of safe, comfortable urban life and living environments 3. Creation of environment to facilitate active elderly communities 4. Quality housing and living environments that contribute to regional revitalization	To continue efforts to achieve target housing standard. • To simplify the detailed regulations set for each room type so that residents can make their own floor plans • To improve performance of housing and its equipment for safety, durability and adaptability to the needs of the elderly as well as environmental concerns • To continue efforts to improve living environments to reach its standard level	7,300	3,525	6,769 <92.7>	3,487 <98.9>	Almost one half (46.5%) of households met the target standard. <i>(1998 Housing Survey of Japan)</i>
VIII	2001-05	To focus on the following four issues: 1. Development of high-quality housing stock to meet the diverse needs of the people 2. Development of living environments to facilitate a lively society with an elderly population and low birth rate 3. Development of housing and living environments that contribute to the promotion of urban settlement and regional revitalization 4. Development of a housing market that is readily accessible by consumers	To set up targets for the standard of housing. • Target housing standard: To be achieved by two thirds of all households nationwide and half of households in urban areas by 2015 • Housing performance standards: By 2015, equipment such as grab bars to be installed in 20% of total housing stock, and barrier-free renovation to have been done also in 20% • Living environments standard: To establish "standards for the densely populated areas requiring urgent improvement" and "guidelines for improvement of urban residential areas" • Setting the target for the formation of barrier-free housing stock	6,400 additions/reconstructions 4,300 (others)	3,250	5,935 <92.7>	1,299 <39.9>	More than half (52.3%) of households met the requirements of target housing standard <i>(2003 Housing Survey of Japan)</i>

\* Fulfillment percentage

# Three Pillars of Housing Policy

## 1. Public housing, etc.

### a. Public housing

- Publicly Operated Housing Programs

Public housing is rental housing for low-income people, which is built, bought, or rented by prefectural or municipal governments using national government subsidies. As of the end of FY2023, Japan's stock of public housing amounted to approximately 2.115 million units.

The local governments, which provide public housing, set monthly rents each fiscal year according to various criteria, including the declared incomes of occupants, and the location, size and age of the housing. To qualify for public housing, individuals must meet the income criteria established by the local ordinances and demonstrate that they are currently unable to meet their housing needs.

Occupants are generally selected through a public lottery system. However, elderly households, single-parent households and households of persons with disabilities, which have especially acute housing needs among low-income people, can be housed on a preferential basis at the discretion of the housing operator in consideration of the actual local situation.

- Construction

Following the establishment of the public housing program in 1951, public housing was constructed to overcome the housing shortage caused by war damage. During Japan's period of rapid economic growth, massive construction projects were undertaken to provide housing for workers and their families, who were moving in large numbers into urban areas. Construction of public housing reached a peak of over 100,000 units per year during this period. In recent years, the number has fallen to around 9,000 units per year, of which 90% or more are of reconstruction.

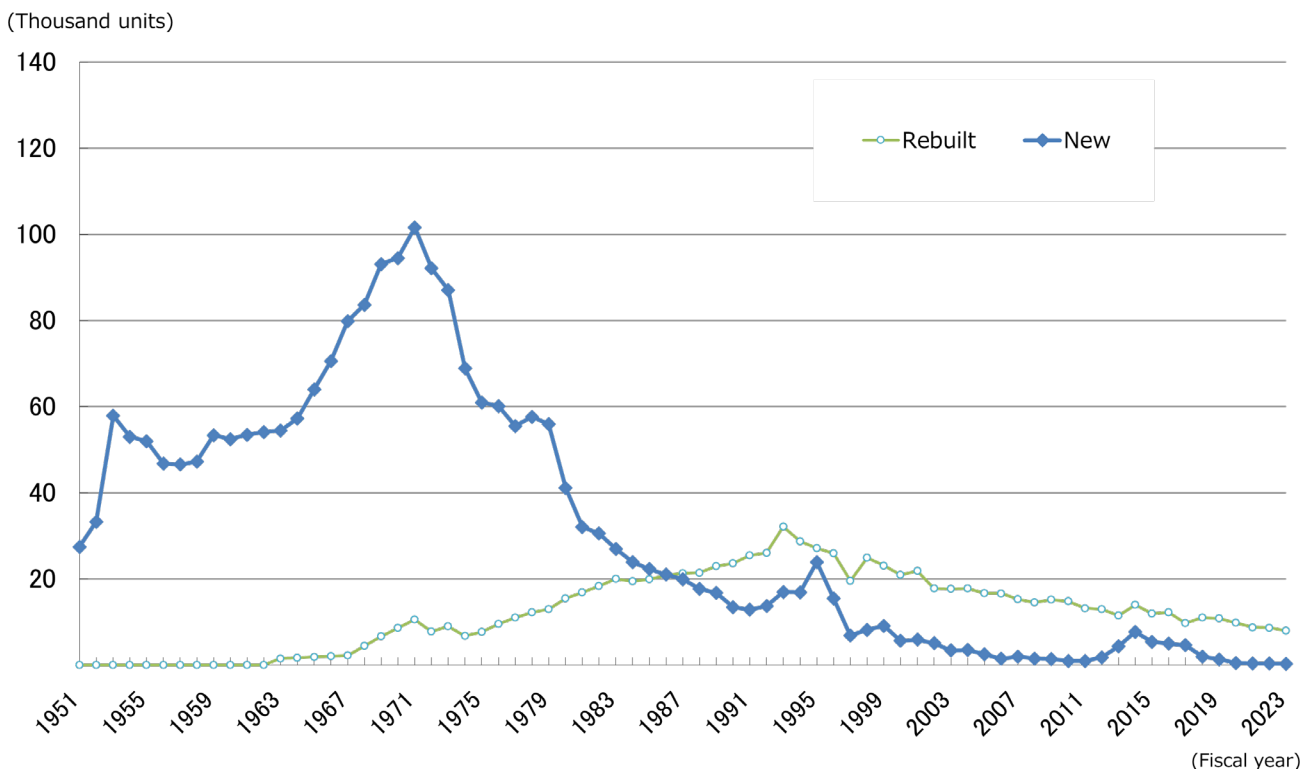
Figure 3-1-3: Typical Floor Plan of Standard Family Unit in Public Housing



Photo 3-1-1: Kiyosato-Maehara Housing Estate, Maebashi City



Figure 3-1-4: Supply of Public Housing



Source: Ministry of Land, Infrastructure, Transport and Tourism

Table 3-1-2: Overview of Public Housing Program

	Public housing	Quality regional rental housing leased from private owners
Target group	Low-income people with housing problems	Households with a special need for stable housing
Age criteria	None	None
Income criteria	<ul style="list-style-type: none"> <li>○ Applicable income bracket</li> <li>• In principle, the local government establishes by ordinance in the range of 50% or less (monthly income of ¥259,000), considering the 25% criteria (¥158,000) specified by Cabinet Order.</li> <li>• Discretionary provision (for the elderly, etc.): the local government establishes by ordinance the income requirement for the elderly, people with disabilities, and the like who are specified by ordinance, in the range of 50% or less (¥259,000).</li> </ul> <p>&lt;Eligibility for rent assistance&gt;</p> <ul style="list-style-type: none"> <li>○ Income bracket: 0–40%</li> </ul>	<ul style="list-style-type: none"> <li>○ Applicable income bracket</li> <li>• The following households in the 0–70% bracket:</li> <li>• Elderly households</li> <li>• Households of persons with disabilities</li> <li>• Households with children</li> <li>• Newly married households</li> <li>• Households for which occupancy is deemed appropriate because of special circumstances (disasters, etc.), as specified in regional housing plans</li> </ul> <p>&lt;Eligibility for rent assistance&gt;</p> <ul style="list-style-type: none"> <li>○ Income bracket: 0–40% in general (Households with children or newly married: 0–50%)</li> </ul>
Supply method	<ul style="list-style-type: none"> <li>○ Built by local government</li> <li>○ Built by private sector, purchased or rented by local government</li> </ul>	<ul style="list-style-type: none"> <li>○ Built by private sector</li> <li>○ Built or improved by local government, Urban Renaissance Agency or public housing supply corporation</li> <li>○ Purchased or rented by local government, private sector or public housing supply corporation</li> </ul>
Government funding	<ul style="list-style-type: none"> <li>○ Construction and other costs of a public housing project are used as the project cost for the calculation of grants. As a general rule, 1/2 of such project cost is to be granted to the local government (if applying for Grant for General Social Infrastructure Improvements or similar).</li> </ul>	<ul style="list-style-type: none"> <li>○ If built by private sector: As a general rule, 1/2 of the subsidy granted by the local government (such as 1/6 of the construction/purchase cost).</li> <li>○ If built by the local government: As a general rule, 1/2 of the housing cost is to be granted.</li> </ul>
Rent	<ul style="list-style-type: none"> <li>○ The project owner determines the rent based on occupant's income, and the location and size of the unit. (The national government provides grants to local governments to support the reduction of rents.) As a general rule, 1/2 of the difference between the rent and the local market rent of similar unit is provided to the local government.</li> </ul>	<ul style="list-style-type: none"> <li>○ Local market rent of similar unit, which may be reduced by local government The national government assists rent reductions by local governments up to a limit of ¥40,000 times the number of eligible households (project operation cost).</li> </ul>

#### • Effective Use of Housing Stock

While housing stock that was created during the first phase of the public housing program was conveniently located, it has deteriorated with age. Furthermore, many units fail to reflect a contemporary standard of living in terms of size, mechanical equipment and other factors.

Some of such stock is now being replaced with medium- and high-rise buildings, while others are undergoing additions or reconstruction. The aim of these projects is to improve the standard of housing, allow people to live closer to their places of work and optimize land utilization.

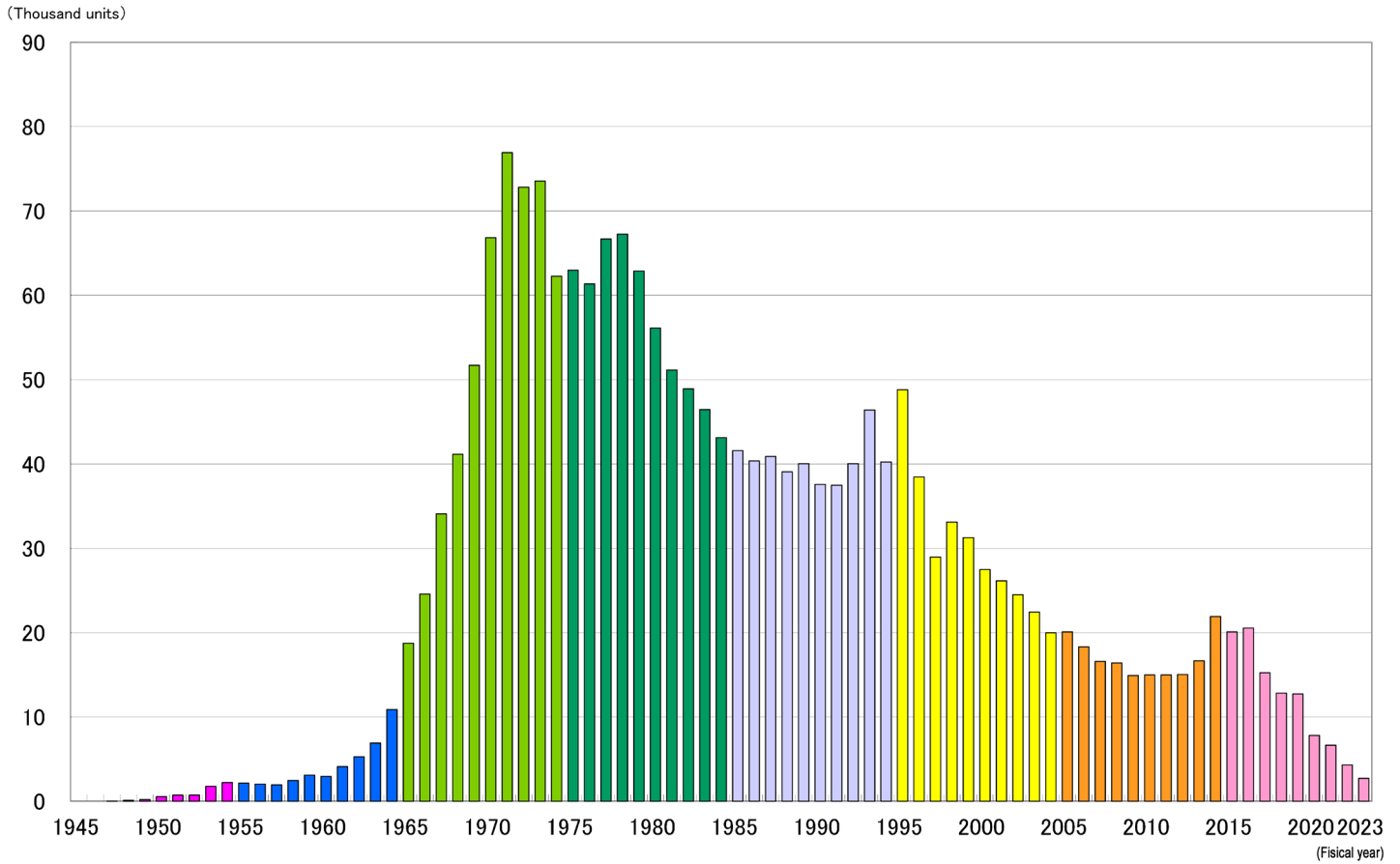
Another priority in recent years has been a shift to public housing that is more amenable for the elderly and for people with disabilities. Related improvements include the installation of handrails and the elimination of level differences. Public housing constructed around 1970 is now aging and has deteriorated, relative to other housing in terms of the standard of housing, mechanical equipment and other factors. There is a growing need for the improvement of such units. This is reflected in regional housing plans, which call for the utilization of housing stock in ways that are suited to regional characteristics. Housing is now being systematically improved in accordance with these plans.

Table 3-1-3: Public Housing Stock by Year of Construction

Year	1945-54	1955-64	1965-74	1975-84	1985-94	1995-2004	2005-14	2015-24	Total
Ten thousands of units	0.6	4.1	52.2	56.6	40.3	30.1	16.9	10.2	211.5
Percentage	0.3%	1.9%	24.8%	26.8%	19.1%	14.3%	8.0%	4.8%	100%

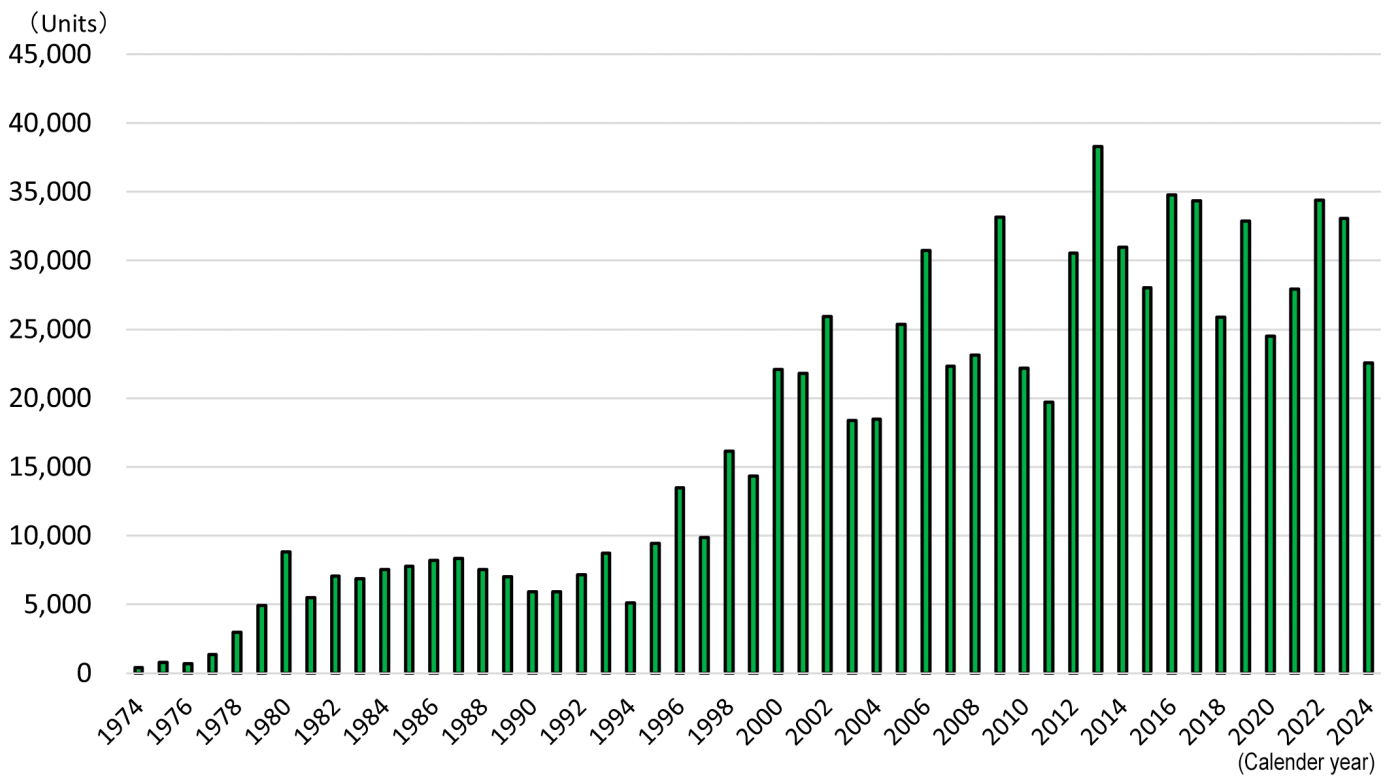
Source: Ministry of Land, Infrastructure, Transport and Tourism

Figure 3-1-5: Number of Public Housing Units under Management by Year of Construction



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Figure 3-1-6: Number of Publicly-Operated Housing Units Improved



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

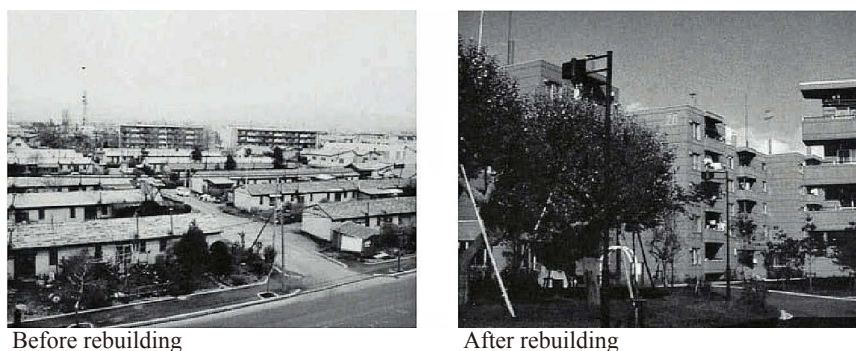
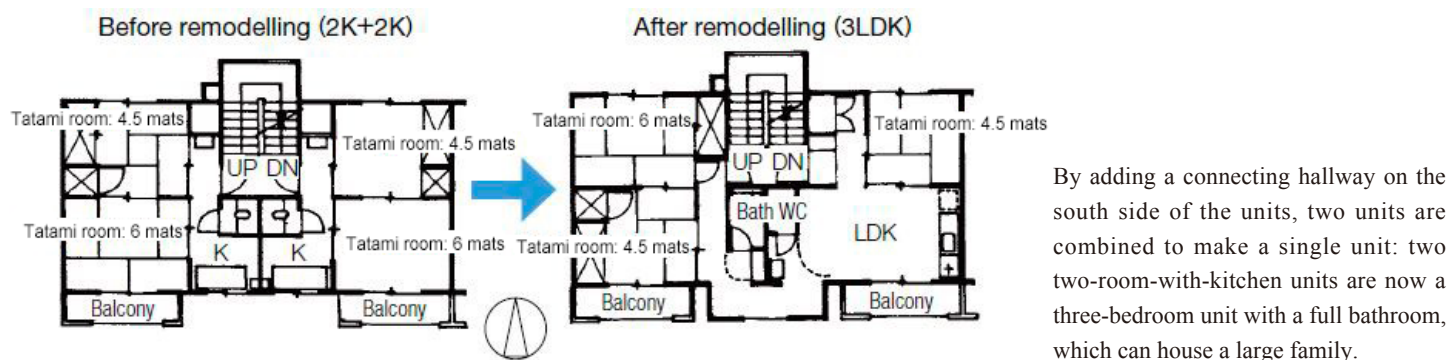


Figure 3-1-7: Remodeling of Public Housing—Two Units Combined into One



## b. Quality regional rental housing

The Specified Quality Rental Housing Program had mostly targeted middle-income households. Recent trends, including changing supply-demand patterns in the housing market and an increased emphasis on measures to support families with children, created an increasing need to review the program. At the regional level, there had also been calls for the creation of a framework to allow local government bodies to prioritize the program targets more flexibly according to local housing market conditions.

The public rental housing programs (Specified Quality Rental Housing and Quality Rental Housing for the Elderly), which are designed to complement public housing, were restructured in FY2007 to allow, at the regional level, the prioritization of households for which stable housing is a particular necessity, such as families with children. These changes resulted in the creation of the Quality Regional Rental Housing Program, the purpose of which is to facilitate the supply of quality rental housing through subsidies to cover the cost of building and rent reductions. (See III.2. (7) Building a Housing Safety Net.)

Further, in FY2011, reflecting the review of the housing policy for the elderly in accordance with the revision of the Act on Securement of Stable Supply for Elderly Persons' Housing (Act No. 26 of 2001) as well as from the viewpoint of strengthening the complementary role of rental housing programs through efficient utilization of the existing housing stock, the Quality Regional Rental Housing Program was restructured to be highly flexible and user-friendly, including the amalgamation of the previously divided "general type" and "elderly type" housing categories.

Under this program, subsidies are provided to private businesses and others for reducing project costs and rents, whereby a supply of rental housing of good quality is facilitated for households that require special consideration regarding the stabilization of living conditions in each region, such as households raising children, households of persons with disabilities, and elderly households.

## c. Specified quality rental housing

This program was established under the 1993 Act on Promotion of Supply of Specified Good Rental Housing in response to lagging improvement of standard unit sizes for households living in rental housing. The program was to address a serious shortage of quality rental housing stock, especially for middle-income households.

This program encourages private landowners to provide quality rental housing for middle-income households by offering them construction grants and rent subsidies, among other things. To be eligible for these measures, the housing provided must meet specific standards in terms of size, construction, equipment and facilities. The rental conditions, including rents, must also be appropriate.

By the end of FY2009 approximately 230,000 units were made available as specified quality rental housing.

**d. Housing with support services for the elderly**

The registration system of Housing with Support Services for the Elderly, which is designed to provide services to support the elderly in coordination with nursing and medical service organizations, was created in 2011 in cooperation with the Ministry of Health, Labor and Welfare based on the Act on Securement of Stable Supply for Elderly Persons' Housing, against the backdrop of the rapid aging of the population.

The requirements under the system include, in addition to the standard on the physical criteria such as room size and barrier-free design, the assessment of the applicant's condition, life support counseling and contracts with protection of prepaid rents. When a residence with support services for the elderly is registered, the information on the registration will be opened to the public through websites, and it can receive support for budgeting, taxes, loans, and others.

The number of registered housing units with support services for the elderly was approximately 290,000 as of the end of July 2025.

**e. Housing by regional public housing corporations**

Regional public housing corporations are corporations established under the Act on Regional Housing Corporations. Their mission is to supply workers multi-residential units and/or land for such housing in good residential environments, leveraging funds deposited by workers who need housing, together with funds from other sources.

To date, 37 regional public housing corporations have been created by prefectures and ordinance-designated cities with populations of 500,000 or more. They primarily supply the following types of housing:

- **Housing for sale to persons with installment deposit accounts**

Housing offered to an applicant who has been accepted and accumulated funds in the installment deposit account for a specified period. The funds are used as the deposit for the purchase of a home, with the remainder of the cost of the purchase sourced from loans from financial institutions and the like.

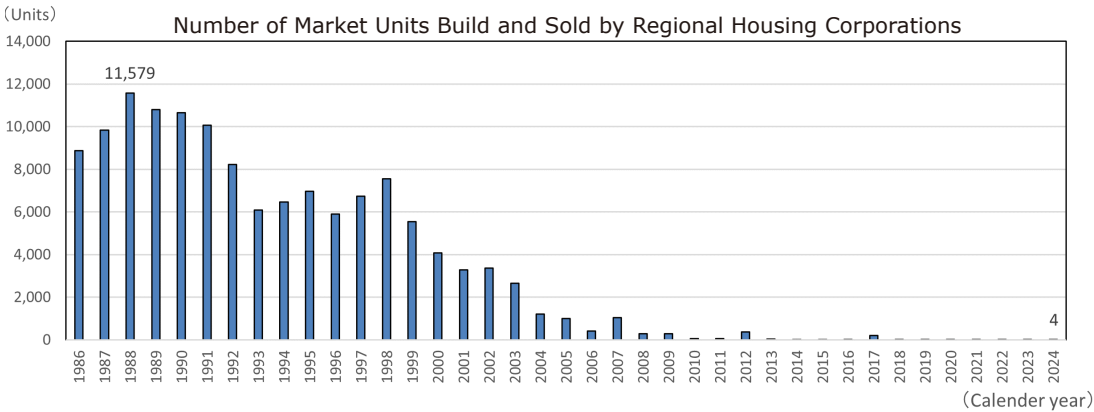
- **Quality regional housing**

Housing units that meet certain quality requirements for which the local government provides interest relief to reduce the burden on purchasers.

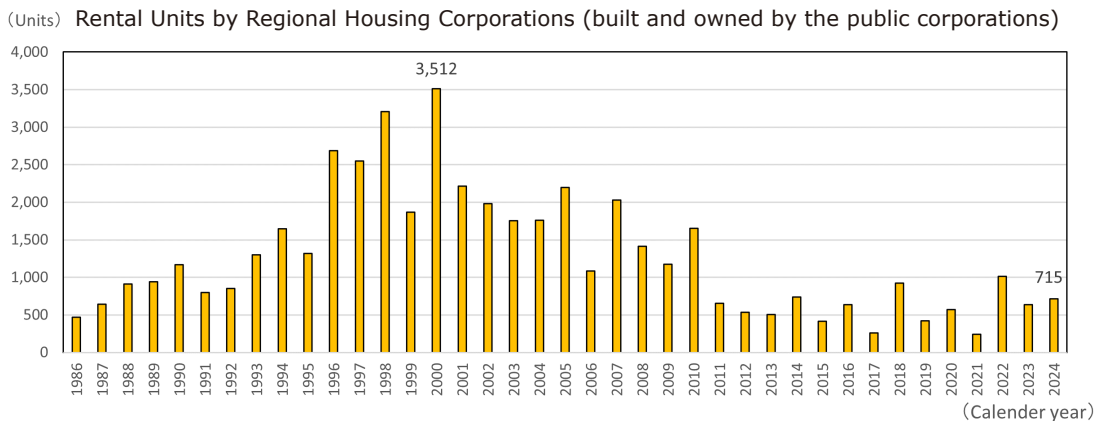
- **Quality regional rental housing**

Rental housing provided to middle-income wage-earning households that have difficulty affording owner-occupied housing, especially in major urban areas.

Figure 3-1-8: Number of Housing Starts by Regional Public Housing Corporations



Source: Ministry of Land, Infrastructure, Transport and Tourism



Source: Business Outcome Databook of Regional Housing Corporations

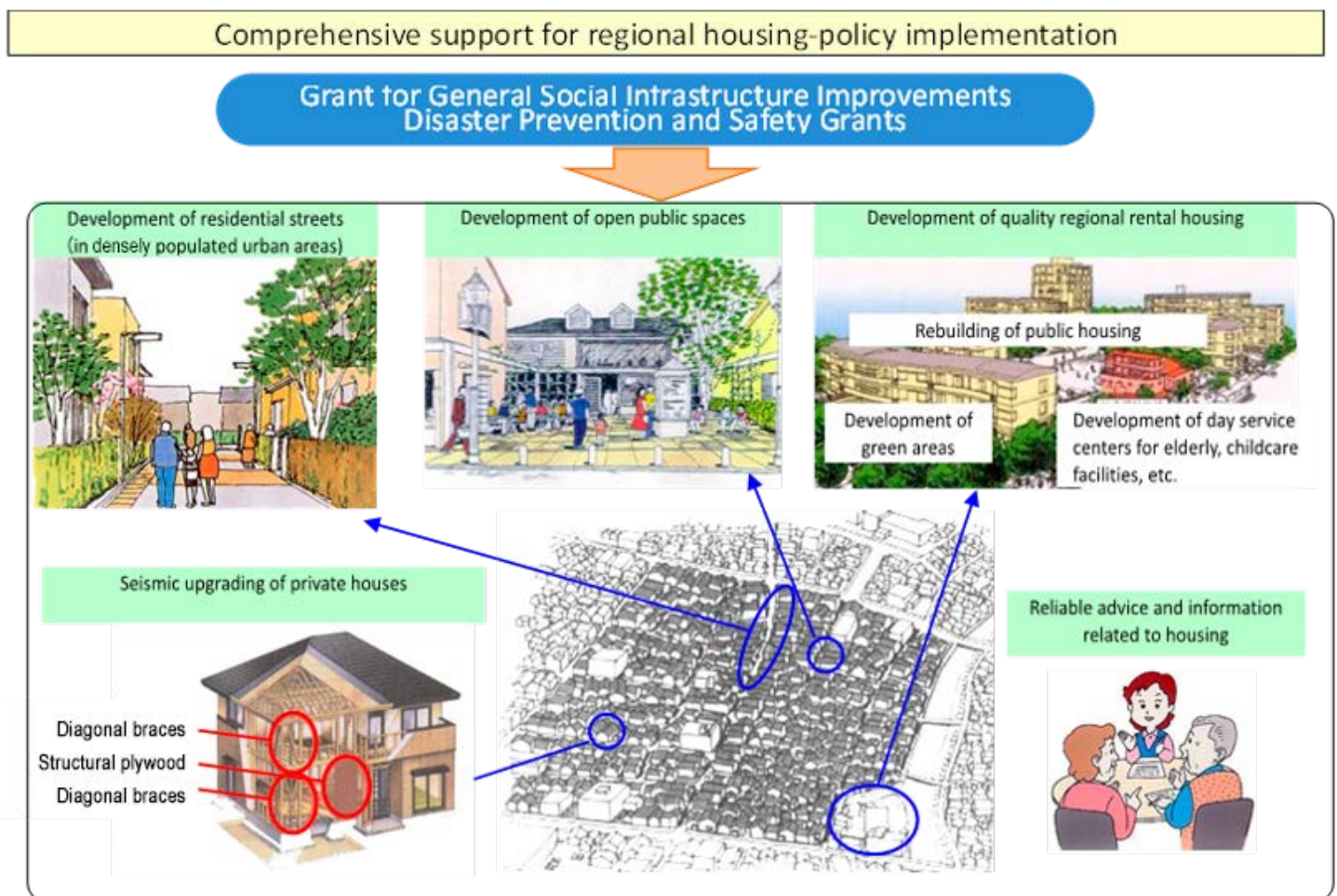
## f. Grant for general social infrastructure improvements (projects based on regional housing plans)

In 2005, existing subsidies for public housing were converted to grants to establish a program of regional housing grants under the Act on Special Measures concerning Development of Public Rental Housing, etc. to Accommodate Various Demands of Communities.

In 2010, existing grant programs, including the regional housing grants, together with different subsidy programs for local governments administered by the Ministry of Land, Infrastructure, Transport and Tourism were essentially consolidated to create the Grant Program for General Social Infrastructure Improvements, which provides local governments with a high level of flexibility so that they can use their own creativity in project design.

Further, in the FY2012 supplementary budget, the Disaster Prevention and Safety Grants Program was established to focus on supporting comprehensive measures against the deterioration of buildings and disaster prevention and mitigation measures for protecting the lives of local residents as well as activities to secure the safety of living space and environment in the respective regions.

Figure 3-1-9: Grant Program for General Social Infrastructure Improvements



### Features of the program:

- Increased local autonomy and decision-making
  - Existing subsidy/grant schemes are organized into a user-friendly menu to allow local governments to implement projects flexibly, according to their own regional housing plans.
  - Projects proposed by local governments, which would not have been eligible under the old grant programs, are now eligible.
- Improvement of user-friendliness for local governments
  - Grant-to-cost ratios of individual projects to be determined by the local government
  - Freedom to allocate grants across multiple projects or fiscal years
- Shift from pre-assessment to post-assessment
  - Projects subject to public post-assessment according to targets, etc., set by the local government

**Eligibility:**

- Core projects

Examples: Development of public housing and quality regional rental housing, improvement of existing public housing, improvement of poor-quality residential areas, development of populated urban residential areas, development of related public facilities, seismic diagnosis and seismic retrofitting of existing housing stock and buildings, and asbestos removal

- Proposed projects

Projects proposed by local governments as being essential to the implementation of regional housing policies.

Examples:

- Renovation of privately owned housing to make it barrier-free
- Provision of advice and information related to housing

**Amount of grants:** As a rule, 50% of eligible project costs

**2) Japan Housing Finance Agency (JHF)**

**a. From Government Housing Loan Corporation to Japan Housing Finance Agency**

The former Government Housing Loan Corporation (GHLC) was established in 1950 in response to a severe housing shortage in the immediate postwar period. Its mission was to facilitate housing construction, and in the years that followed it provided access to long-term housing finance at low, fixed interest rates to allow people to acquire homes systematically and with confidence. The GHLC also contributed to the development of quality housing and communities through its policies, including the provision of loans only for houses that met its own technical standards.

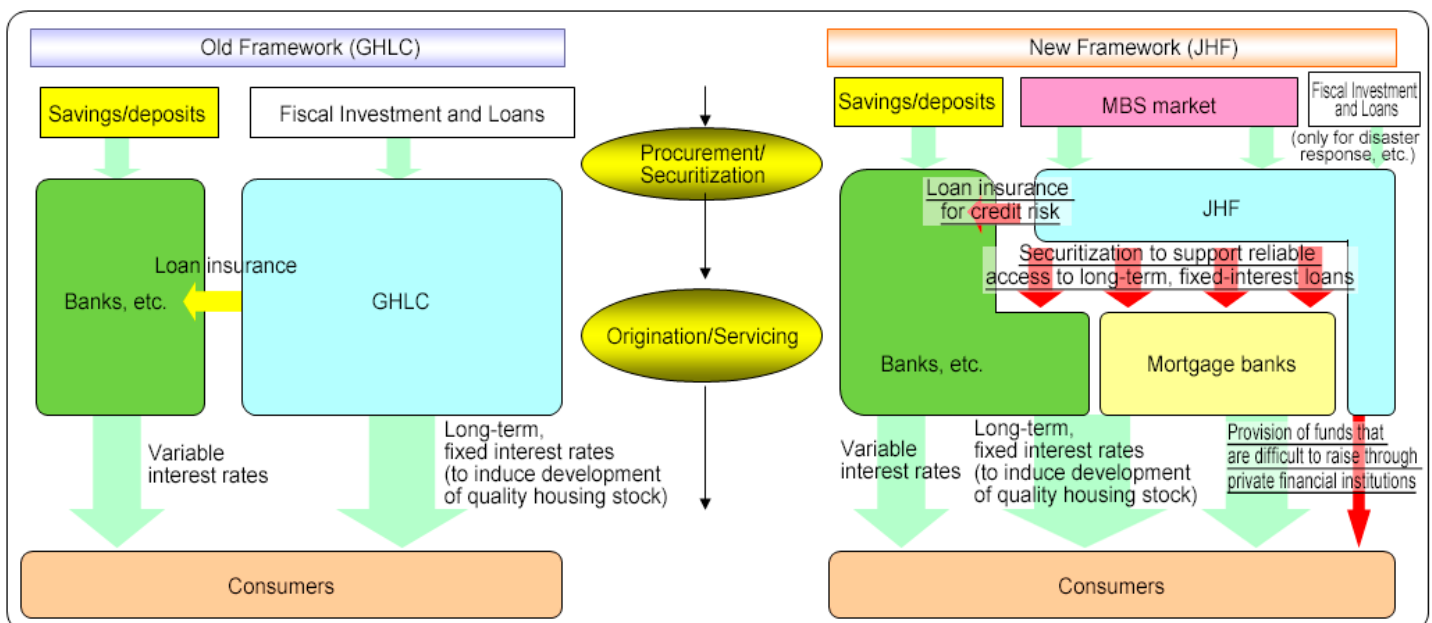
Another important role of the GHLC was to underpin housing investment by providing loans during recessions, when lending by private-sector financial institutions tends to decline.

However, it subsequently became apparent that a shift in overall housing policy would be required from the system based on the direct provision of housing and housing finance through the public sector to a market-oriented approach encouraging the improvement of housing quality. Changes in the financial market environment, including the liberalization of housing loan interest rates and financial products, led private-sector financial institutions to adopt a more active stance toward personal housing loans. As a result, the GHLC needed to move away from its traditional role as a direct lender and shift instead to primarily a support and supplementary role for lending by private-sector financial institutions.

One source of pressure for this change in the housing finance system was the reform of the Fiscal Investment and Loan Program. This process necessitated a shift away from the traditional approach, in which housing finance was based mainly on government investment and loans, toward a new system based on the use of market mechanisms.

In December 2001, the government adopted a plan to rationalize special corporations and other organizations. This resulted in the abolition of the GHLC and the establishment of an incorporated administrative agency with the mission of supporting securitization. The Japan Housing Finance Agency (JHF) was established on April 1, 2007, under legislation passed by the 162nd session of the Japanese National Diet.

Figure 3-1-10: Changes in the Housing Finance System



Source: Japan Housing Finance Agency (JHF)

Like the GHLC, the JHF will continue to carry out activities relating to the maintenance and improvement of housing quality. Its tasks include the following:

- Support for access to finance from private financial institutions, through securitization support and other means, to ensure that reliable, long-term loans at low, fixed interest rates are universally available without discrimination on the basis of occupation, gender, region or any other factors
- Direct lending in areas of high policy priority for which it would be difficult for private financial institutions to offer loans, such as disaster recovery housing and rebuilding in densely populated urban areas.

## b. Activities

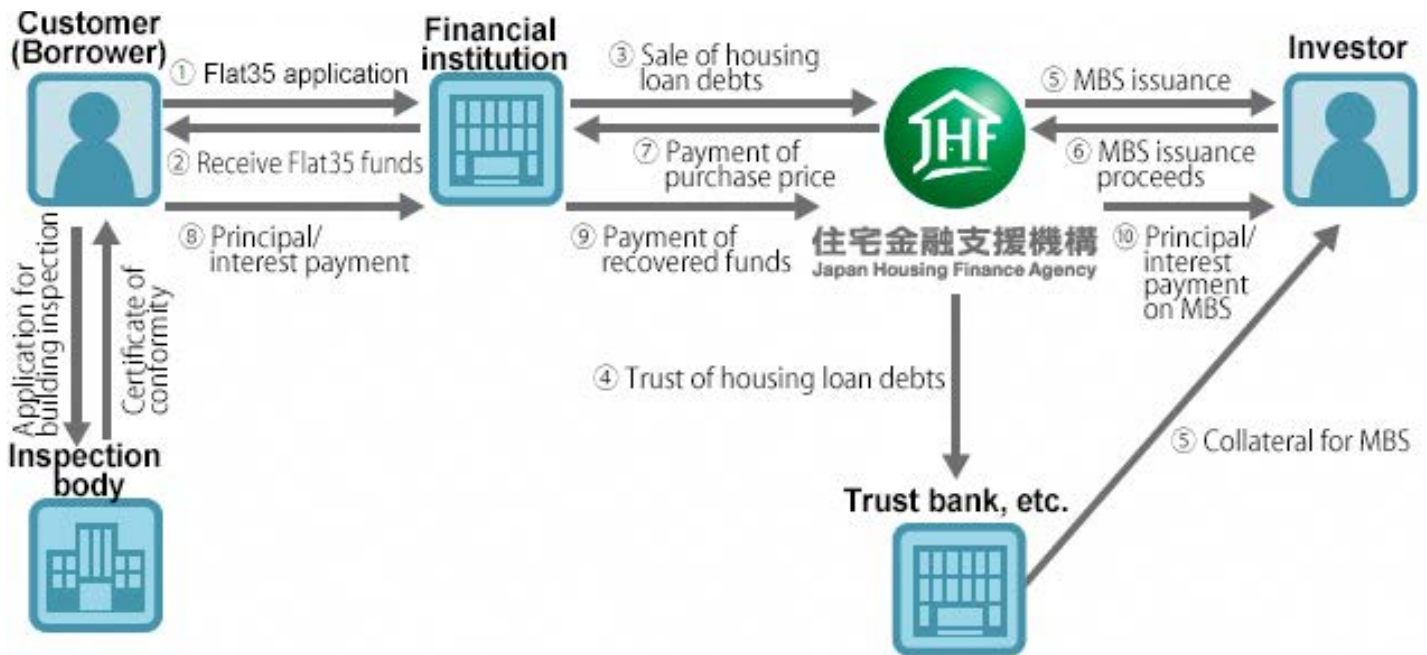
The core activity of the JHF is securitization support business, which provides the Purchase Program and the Guaranty Program. Under the former program, the JHF purchases housing loans provided by private-sector financial institutions and other organizations. These are used as collateral for Mortgage-Backed Securities (MBS) that the JHF issues, which are sold to investors to raise funds. The guarantee program is the provision of guarantees for investors for the payment of principal and interest on the housing loans that have financing insurance from JHF and have been securitized by the private financial institutions and other organizations.

The former GHLC commenced purchasing of housing loans in October 2003. By the end of July 2025, 312\* financial institutions were participating in the scheme and approximately 1,840,000 purchase applications had been received.

\* Excludes 7 institutions to which the JHF outsources only the collection of loan payments related to securitization business and from which the JHF does not purchase housing loan debts.

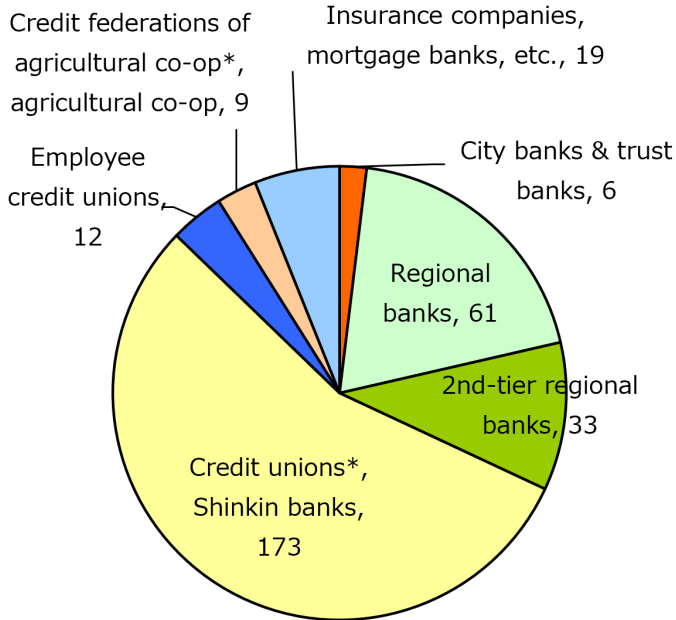
To be eligible under the securitization support plan, the housing units must meet the technical standards required by the JHF. The agency also encourages the improvement of housing quality through the Flat35S Program in the form of interest rate reductions for a certain period for dwellings that meet superior criteria in earthquake resistance, energy efficiency, barrier-free designs, durability and flexibility of usage.

Figure 3-1-11: Securitization Support Scheme (Purchase Type)



Source: Japan Housing Finance Agency (JHF)

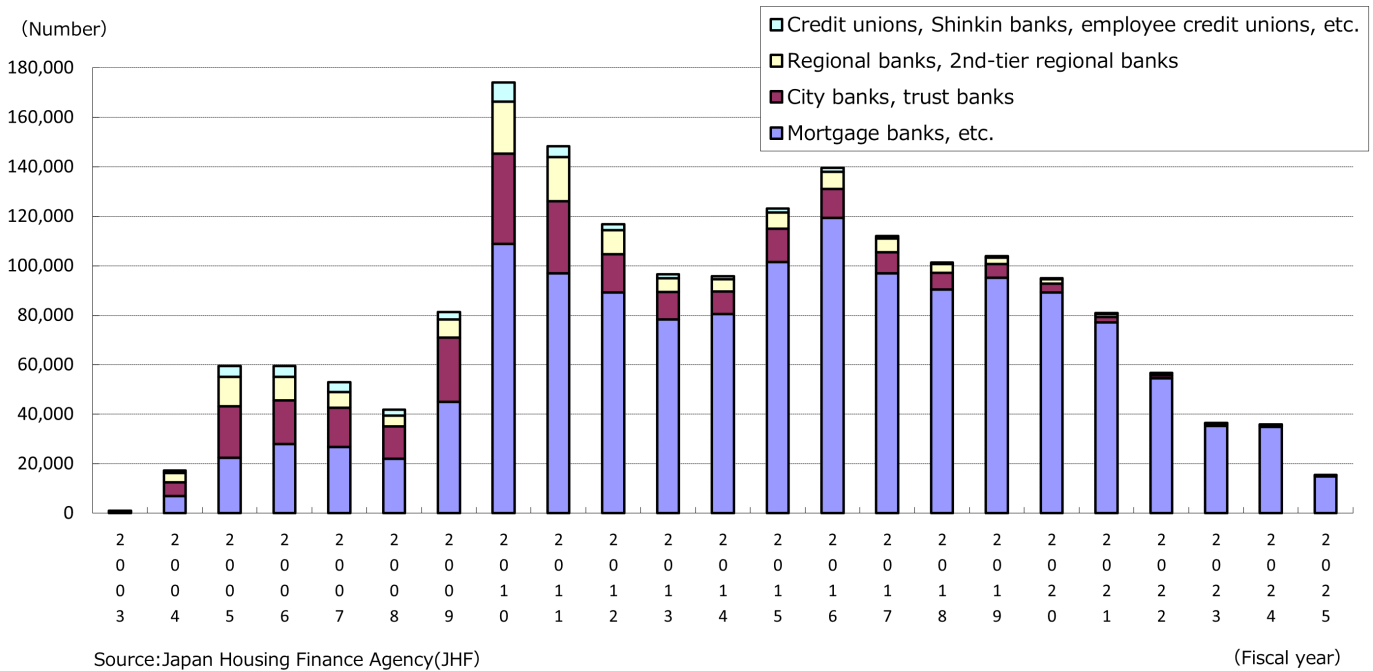
Figure 3-1-12: Participation in Securitization Support Scheme (Purchase Type) as of End of July 2025



Note:  
Excludes 7 institutions to which JHF outsources only the collection of repayments related to the securitization business and from which JHF does not purchase housing loan debts.

Source: Japan Housing Finance Agency (JHF)

Figure 3-1-13: Purchases under the Securitization Support Scheme as of End of July 2025



Source: Japan Housing Finance Agency (JHF)

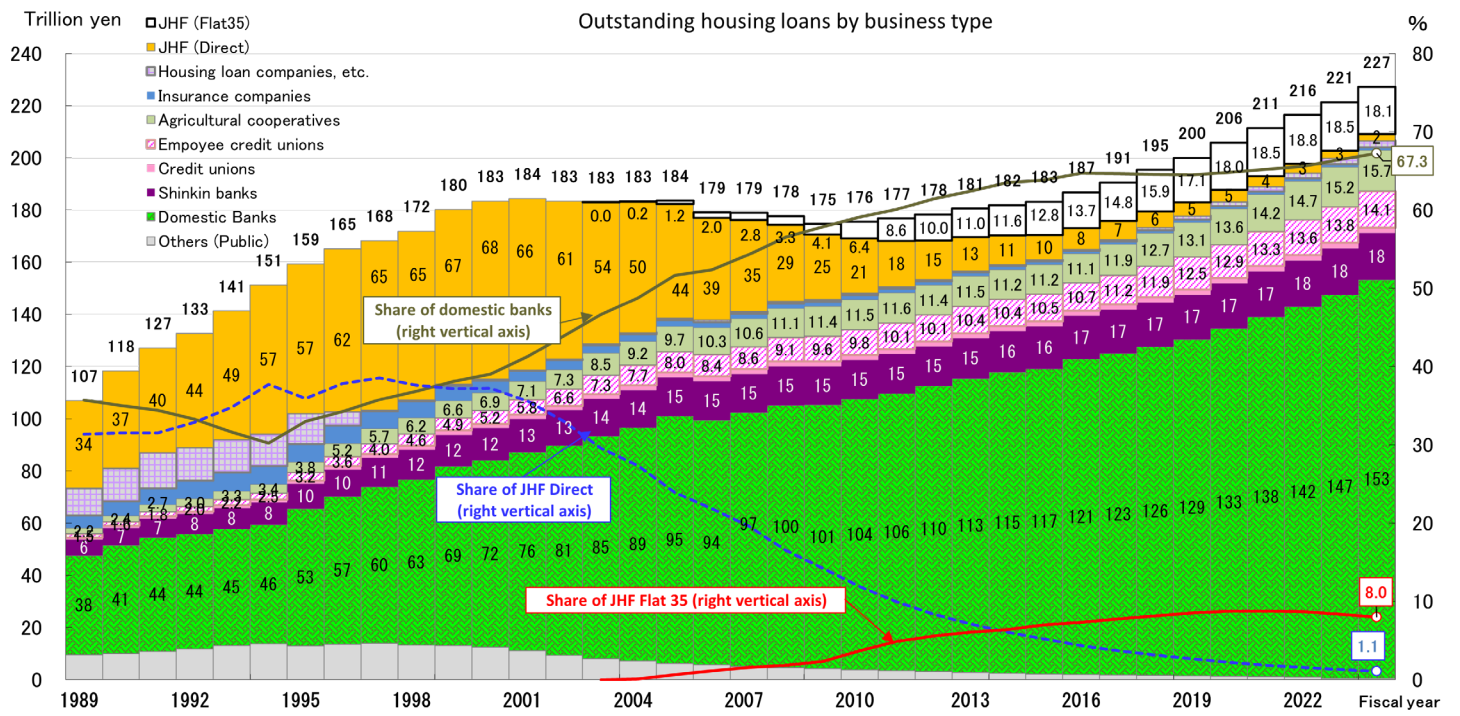
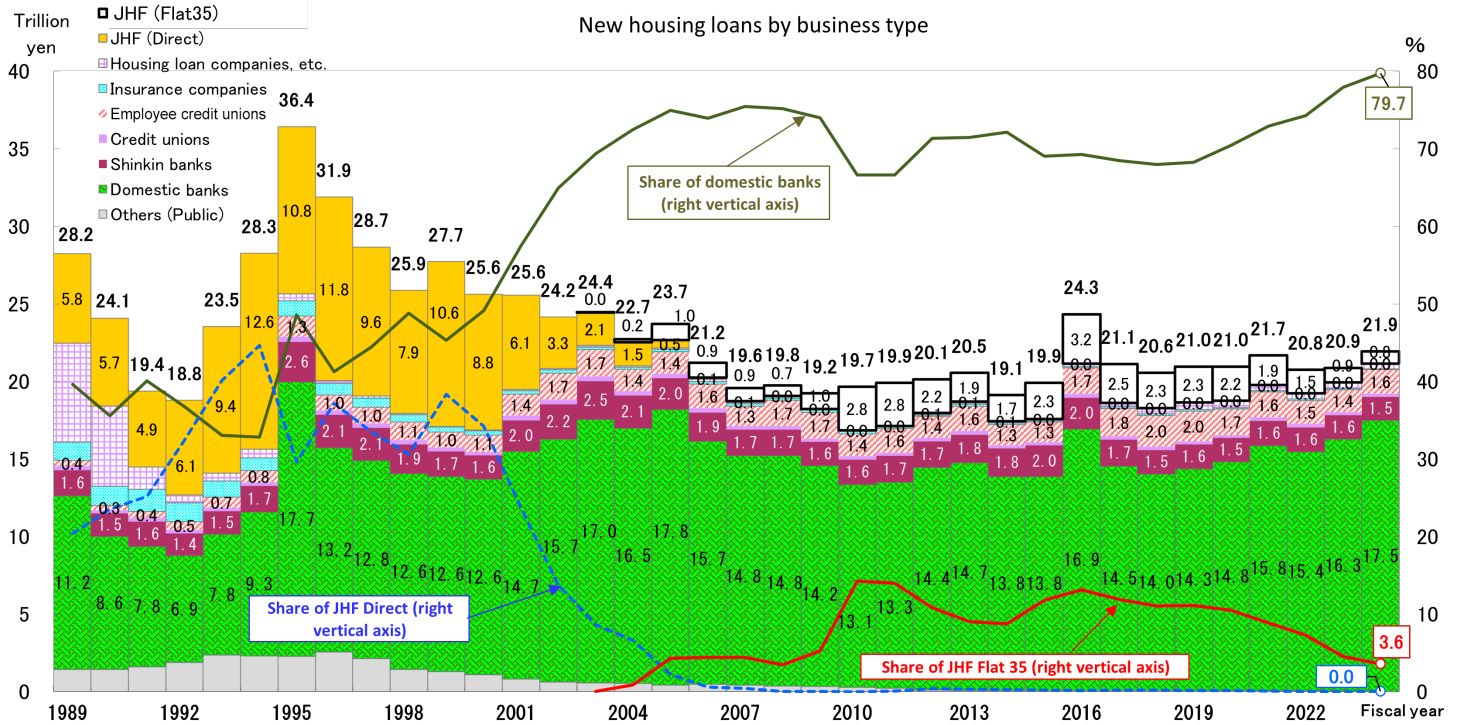
(Fiscal year)

### c. Current state of housing loan market and supply of private-sector loans

In FY 2024, new lending amounted to approximately ¥22 trillion and the outstanding balance stood at around ¥227 trillion.

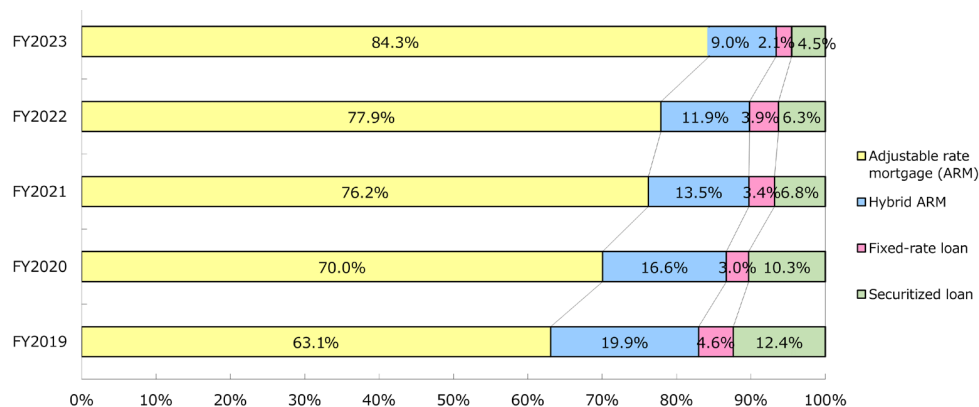
The majority of loans provided by private-sector financial institutions are mortgages with variable interest rates or fixed interest rates of selective terms. These allow borrowers to make relatively small payments initially.

Figure 3-1-14: New Housing Loans and Outstanding Balances by Business Type



Source: Bank of Japan, Japan Housing Finance Agency (JHF)

Figure 3-1-15: Supply of Private-Sector Housing Loans



Source: Ministry of Land, Infrastructure, Transport and Tourism, *Survey of Private-Sector Housing Loans (FY2024)*

### 3) Urban Renaissance Agency

#### a. From Japan Housing Corporation to Urban Renaissance Agency

The mission of the Urban Renaissance Agency is to contribute to sound urban development and the stabilization and improvement of the national standard of living through active initiatives in the area of urban renewal, and through activities that help to create new opportunities for private-sector business. It is also responsible for the management of rental housing and the like, taken over from the Urban Development Corporation.

One of the antecedent organizations of the Urban Renaissance Agency was the Japan Housing Corporation (JHC). It was established in 1955, when Japan was in a period of rapid economic growth; the purpose of its establishment included the construction of housing for working people and the systematic, large-scale development of housing subdivisions in regions affected by serious housing shortages. The first JHC development was the Kanaoka Estate in Sakai City, Osaka Prefecture. Occupancy of this 675-unit complex began in 1956. This project led to the creation of new residential styles and terminology, including “2DK” for a unit with two bedrooms and a separate dining-kitchen, and the separation of living and sleeping areas. It was also at this time that the word *danchizoku* (housing-estate dwellers) came into use. Projects undertaken by the JHC include some of Japan’s biggest residential developments, such as Tama New Town. The community development activities of the JHC included the development of blocks of apartments above retail outlets. Under the 1969 Urban Renewal Act, the JHC undertook redevelopment projects on a significant scale, as the project entity in its own right.

In 1981 the JHC merged with the Land Development Corporation to form the Housing and Urban Development (HUD) Corporation. During this period the priority for HUD housing construction shifted from quantity to quality.

In 1999, the Urban Development Corporation was established. It withdrew from the business of market housing and shifted its priority from the improvement of the housing situation through the large-scale supply of houses and land to the development of urban infrastructure to support efficient urban activities and healthy, culturally-endowed urban lifestyles.

In December 2001, the Cabinet approved a plan to restructure and rationalize special corporations. This plan resulted in the abolition of the Urban Development Corporation, and its merger with the Regional City Development Division of the Japan Regional Development Corporation to form the Urban Renaissance Agency (UR) in July 2004. The mission of the UR is to induce the private sector to enter into urban renewal activities.

While the UR has a policy of entrusting the private sector with tasks that can be performed by the private sector, its role includes the creation of new business opportunities for the private sector in the field of urban renewal, leveraging the full potential of private-sector participation, and the preparation of an environment conducive to those activities. The corporate philosophy of the UR is expressed in its “Mission” and “Spirit.” Its vision calls for the development of cities in which people can shine.

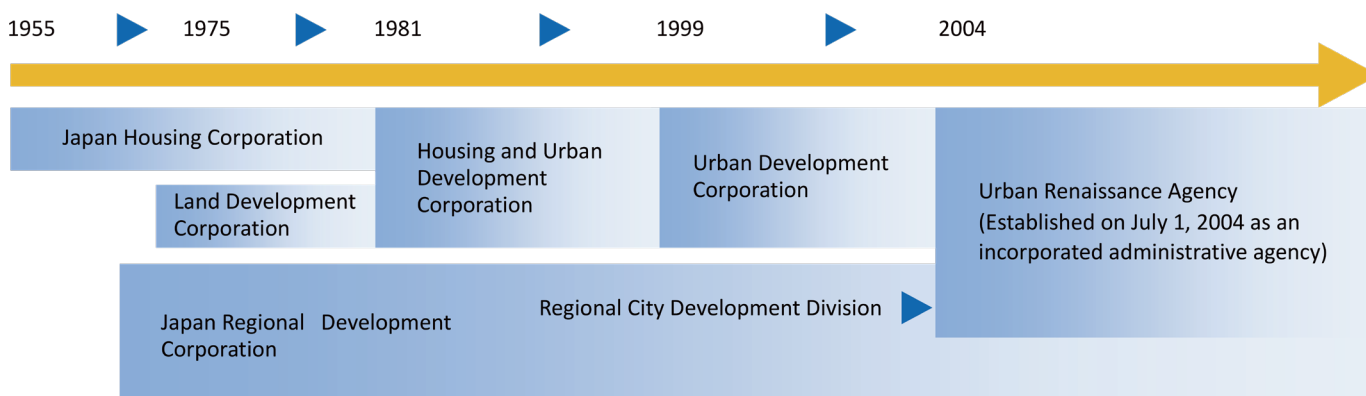
Table 3-1-4: Profile of Urban Renaissance Agency

Establishment date	July 1, 2004 (merger of the Urban Development Corporation and the Regional City Development Division of the Japan Regional Development Corporation)
Enabling legislation	Act on the Urban Renaissance Agency, Independent Administrative Agency (Act No. 100 of 2003), Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999)
Minister in charge	Minister of Land, Infrastructure, Transport and Tourism
Capital	¥988 billion (as of April 01, 2025)
Employees	3,215 (as of April 1, 2025)
Budget	¥1,531 billion (expenditure and revenues for FY2025)

Table 3-1-5: Philosophy of Urban Renaissance Agency

Mission:	Urban Renaissance Agency produces beautiful, safe and comfortable communities, aiming to create cities where people can shine.
Spirit	<ul style="list-style-type: none"> <li>• Create new values with top priority on customer satisfaction</li> </ul>
(commitments):	<ul style="list-style-type: none"> <li>• Actively and aggressively challenge with originality and ingenuity</li> <li>• United for speedy action</li> </ul>

Figure 3-1-16: From Japan Housing Corporation to Urban Renaissance Agency



## b. Activities

### 1. Urban renewal

The Urban Renaissance Agency (UR) aims to promote urban renewal of high policy significance that contributes to the solution of urban policy issues, and its projects are categorized into the following three main areas:

- Urban renewal to enhance international competitiveness and attractiveness
- Renewal of regional cities to revitalize local economy and realize compact cities
- Creation of safer, more secure communities through the improvement of disaster prevention

In advancing projects in these areas, there are bottlenecks, such as difficulty in coordinating the views and interests of various stakeholders, mismatch in schedule between public facility projects and private-sector urban development projects, difficulty in securing funds in the initial stage, risks that go beyond the capacity of private-sector businesses to bear such as the cost of accelerated land purchase, etc., and a lack of know-how and human resources in the local government to respond to urban development covering diverse needs. Accordingly, the UR, capitalizing on its public nature, neutrality and know-how as a public organization, coordinates the planning of a master concept, formulation of project plans and step-by-step consensus-building among stakeholders, and implements projects with high policy significance in partnership with private businesses and local governments as well as community builders.

### 2. Living environments

When the Japan Housing Corporation, a predecessor organization of the Urban Renaissance Agency, was established in 1955, Japan faced a severe housing shortage of 2.7 million units. The Japan Housing Corporation played a major role in efforts to alleviate this situation, and by the end of March 2025 the corporation had supplied approximately 1.6 million units (including market units).

When the age of the declining birth rate and aging population and the society of reduced population/households arrived, the Urban Renaissance Agency took over rental housing units from the former Urban Development Corporation. Tenants in these units are increasingly elderly with lower incomes, and large numbers of them reside in large public housing projects in suburban areas. As such, UR rental housing acts as a housing safety net for various groups, including the elderly and households with children.

In addition, the UR has about 700,000 units of rental housing stock (as of end of July 2025), and about 60% of them had been managed for 40 years as of 2019. It is therefore necessary to address the issue of aging stock (the regeneration of stock).

Accordingly, the “Vision for the UR Rental Housing Stock Utilization/Regeneration” was formulated in December 2018, setting out the direction for the diverse utilization of UR rental housing stock up to FY2033. This vision states that in order to continue to play a policy role, including the enhancement of the role as a housing safety net for the elderly, households with children, and others who require political considerations and to realize homes and communities where people of diverse generations can continue to live actively, the UR rental housing stock is to be utilized according to the characteristics of each region and housing estate from three perspectives: the development of an environment where diverse generations can continue to live with peace of mind; to promote the development of sustainable and dynamic regions and communities; and to improve the value of rental housing stock. The vision also aims to reduce the number of units under its management to about 650,000 by the end of FY2033 while securing housing stability for tenants.

Figure 3-1-17: Examples of Urban Renaissance Agency Projects

**1 Renewal of cities for international competitiveness and attractiveness**

**District around Shinagawa Station**

**Creation of a mixed-use area worthy of Shinagawa, a hub of international exchanges**

- Development of the area as a base for international competitiveness using land readjustment
  - Large-scale land-use conversion, primarily of vacant lots of former railroad rolling stock depot
  - Development of urban infrastructure such as roads and public squares as transportation nodal points of the wider area and attract convention centers as well as cultural facilities suitable as the base of international exchanges
- Realization of infrastructure development in tandem with railway operators
  - Construction of an access road for the opening of the Takanawa Gateway Station in 2020, which connects the built-up areas with the new station
  - Construction of public squares, etc., around Shinagawa Station in preparation for the opening of the SCMagLEV Line
- Coordination among developers in a fair and impartial manner
  - Close coordination of schedules with those involved in the adjacent projects, such as redevelopment projects, the construction of Circular Road 4, and a grade separation project, for smooth progress
  - Hosted the Advance Opening Ceremony in the north area of the station in FY2024.

Location	Minato Ward, Tokyo	Project area	North of Shinagawa Station: about 15.5 ha Shinagawa Station District: about 2.9 ha West Entrance of Shinagawa Station: about 11.9 ha
----------	--------------------	--------------	--

Project period (including final accounting)	North: FY2016–FY2033 Station District: FY2019–FY2037 West Entrance: FY2023–FY2050
---	---



**Shinbashi/Toranomon Area**

**Creation of a major business center conducive to strengthened international competitiveness**

- Participation in drafting the future vision for the area and efforts to increase the area value
  - Assist in drafting guidelines for urban development in the area since 2010. Participate with private businesses in local activities to maintain/improve the environment and value of New Toranomon Dori (Street)
- Development of environment for advanced medicine and businesses to make the area an international business center (Toranomon 2-chome)
  - Rebuild an existing hospital, one of the top medical centers in Tokyo, while maintaining its operation. Office development offering high functionality, operation assistance services and disaster prevention measures in conjunction with the hospital for better international competitiveness.
- Development of a new station:
  - Construct a new station for Hibiya Line (Toranomon Hills Station) as transportation infrastructure for this area of high-level use districts, transforming itself to become a business hub
- Area-wide management between Shinbashi Station and Toranomon Station
  - Capitalizing on the existing characteristics of the area, implement projects for walkable communities and a local innovation hub based on food culture.

Location	Minato Ward, Tokyo	Subject area	Approx. 2.9 ha (Toranomon 2-chome)
----------	--------------------	--------------	------------------------------------

Project period	FY2014–FY2031 (Toranomon 2-chome)
----------------	-----------------------------------



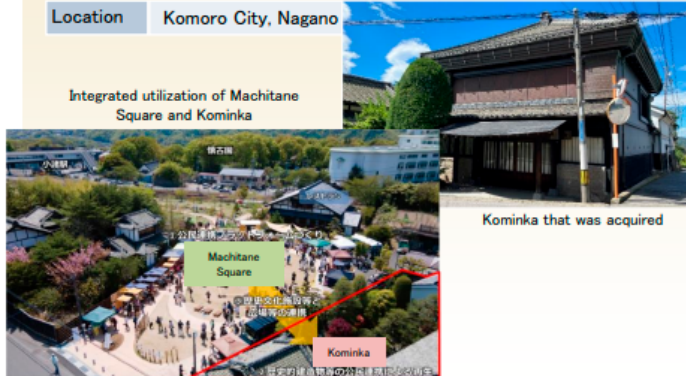
**2 Renewal of regional cities to revitalize local economies and achieve compact cities**

**Komoro Station Area**

**Community building by public-private partnership**

- Creation of the vision for community building
  - Support the city in planning and creating the redevelopment council (since 2017); community experiments to promote circular and longer visits by designing transportation; utilization of Machitane Square (community seeds) to recruit community activists and create community forums since 2022; assisted the preparation of the Future Challenge Vision
  - The city revised the Basic Plan as the action plan to achieve the Future Vision.
- Worked with local business partners toward integration of Kominka into the utilization of Machitane Square
  - UR acquired the Kominka, a historical building adjacent to the square based on the owner's wish and the request by the city.
  - A local longstanding business selected by public tender as the operator of the integration of the building into the square. Supported the setup of management structure for their integrated utilization.

Location	Komoro City, Nagano
----------	---------------------



**3 Create safe and secure communities by improving disaster prevention performance**

**Yayoi-cho 3-chome District**

**Improve disaster prevention performance in densely populated urban areas**

- Comprehensive support for disaster-resilient community building promoted by the ward government
  - Contribution to disaster-resilient community building at the request of the Nakano Ward government, which is working on the improvement of densely populated urban areas, through comprehensive approaches that utilize the expertise of the agency, such as coordination and implementation of various types of projects as well as its knowledge of urban functions.
- Steady progress on the solving of problems related to disaster preparedness based on the abundance of experience in this area
  - Commissioned by the ward to support the development of Evacuation Road 1, UR assisted in building consensus for acquisition of lands and compensation negotiations, etc.
  - In parallel, engaged in land readjustment work on the land acquired by UR in order to construct evacuation roads and parks, etc., as well as securing substitute lands for relocation
  - Constructed rental housing for former residents who were project collaborators, as one of the reconstruction measures that allows them to continue to live in the area

Location	Nakano Ward, Tokyo	Project area	About 0.5 ha
Project period	FY2013–FY2027 (schedule)		



### 3. Disaster response support

Since immediately after the Great Hanshin and Awaji Earthquake (January 17, 1995), the Urban Renaissance Agency has vigorously addressed the restoration and reconstruction of the affected areas, constructing approximately 20,000 housing units, along with the promotion of urban development that is resilient to disasters. On the occasion of the Chuetsu-oki Earthquake in Niigata Prefecture (July 16, 2007), the agency coordinated support for the drafting of restoration plans for Kashiwazaki City.

Based on these valuable experiences, the agency has continued to strengthen urban-disaster prevention measures. Immediately after the occurrence of the Great East-Japan Earthquake, which struck on March 11, 2011, it received requests from the central and local governments and has been implementing the following measures:

- Provide UR rental units to the victims
- Provide building sites for temporary housing
- Dispatch staff members to support construction of temporary housing
- Dispatch staff members for the risk evaluation of damaged buildings
- Dispatch staff members for technical support in drafting restoration plans and the like in affected municipalities
- Assist and support urban-area restoration and improvement projects and building projects of disaster-relief public housing in the areas the local governments commission or request the agency to do so

The UR also responded to the Kumamoto Earthquake (April 14, 2016) and Itoigawa City Station North Fire (December 22, 2016) for community reconstruction. For the Saku region of Nagano Prefecture following the October 2019 Eastern Japan Typhoon, the agency provided construction management services for post-disaster restoration. Furthermore, the following actions were implemented immediately after the 2024 Noto Peninsula Earthquake (January 1, 2024) and during the 2024 Noto Peninsula Heavy Rainfall (September 21–23, 2024):

- Provision of UR housing for disaster victims
- Support for the construction of temporary housing units
- Support for damage assessment of residential properties
- Wide-area support for assessing the hazard level of affected residential land
- Support for formulating reconstruction plans and the like and support for building plans of disaster-relief public housing

In addition, to foster human resources within local governments, ensure the transfer of know-how and enhance their capacity to respond to restoration/reconstruction, the UR has been providing training to local governments and the like on pre-disaster preparedness and restoration/reconstruction support, capitalizing on the expertise the agency has built up from past experience.

In order to carry out the above, the Minister of Land, Infrastructure, Transport and Tourism has provided medium-term goals in accordance with the Incorporated Administrative Agency system. Based on these medium-term goals, the UR is to establish a medium-term plan to carry out its responsibilities with independence and autonomy accordingly. The period of the fifth medium-term goals and the medium-term plan is from April 1, 2024 to March 31, 2029.

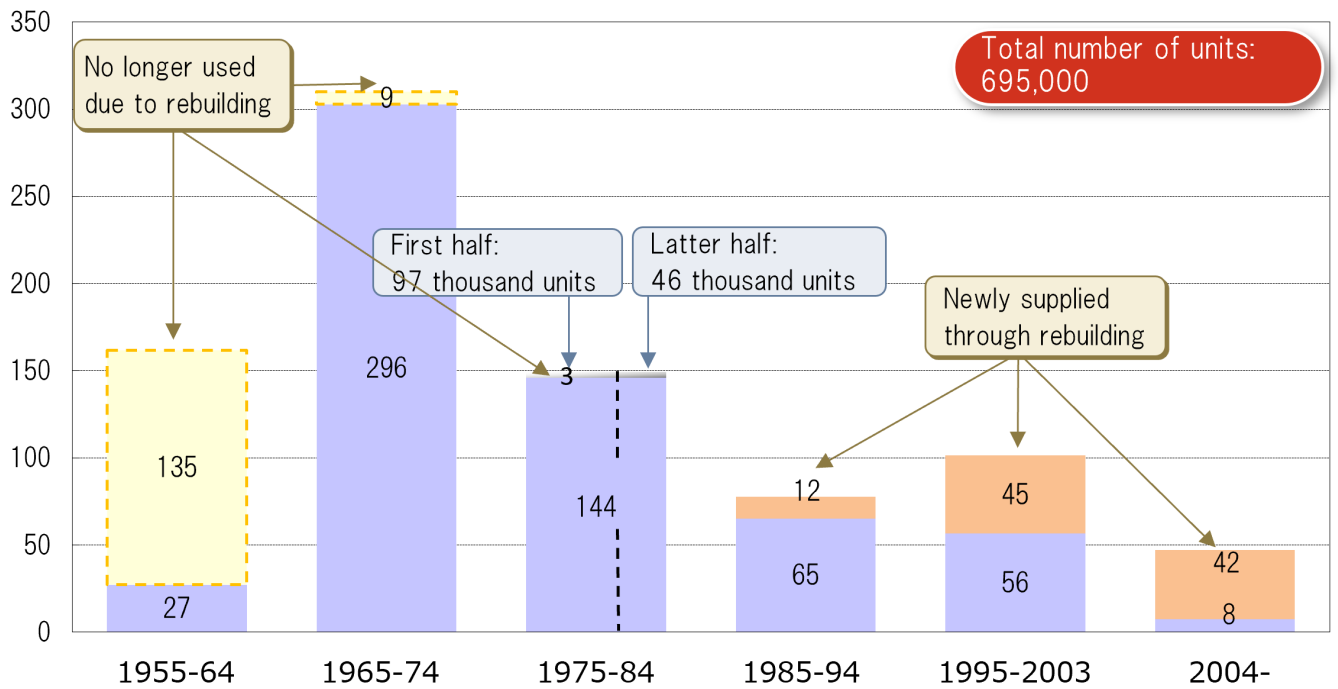
Figure 3-1-18: Overview of UR's Rental Housing Stock (as of the end of March 2025)

#### ■ Nationwide Distribution of UR Rental Housing

Region	Number of housing estates	Number of units
Tokyo Metropolitan Area (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki)	745	398,553
Chubu Region (Aichi, Shizuoka, Gifu, Mie)	107	47,791
Kinki Region (Osaka, Hyogo, Kyoto, Shiga, Nara, Wakayama)	377	196,113
Kyushu Region (Fukuoka)	138	42,966
Others (5 prefectures)	41	9,517
Total	1,408	694,940

Source: Urban Renaissance Agency

■Number of units by management start date (as of the end of March 2025)  
(thousand units)



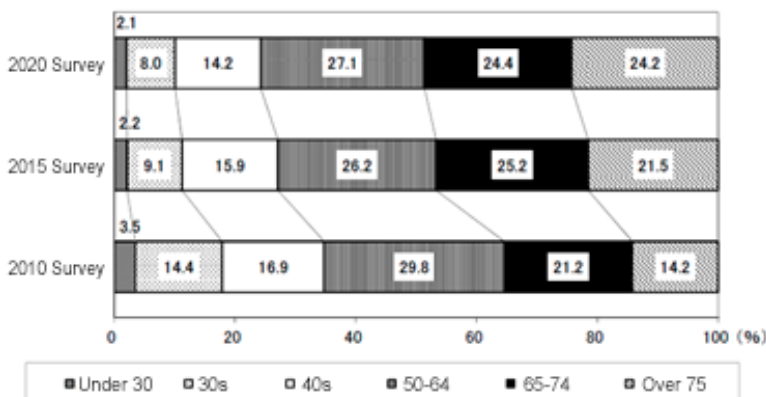
Source: Urban Renaissance Agency

■Stock Profile according to Years When Management Commenced (as of the end of March 2025)

	Total stock	1955~1964	1965~1974	1975~1984	1985~1994	1995~2003	2004~
Number of units under management	694,940 units	26,693 units	296,218 units	143,851 units	77,474 units	101,256 units	49,448 units
Number of housing estates	1,408 housing estates	53 housing estates	291 housing estates	298 housing estates	346 housing estates	315 housing estates	105 housing estates
Estate size	494 units/estate	565 units/estate	1,058 units/estate	470 units/estate	234 units/estate	307 units/estate	377 units/estate
Location			Shift to suburbs			Return to urban core	
Unit size	55.7m <sup>2</sup> /unit	40.5m <sup>2</sup> /unit	45.8m <sup>2</sup> /unit	52.3m <sup>2</sup> /unit (First half) 65.9m <sup>2</sup> /unit (Latter half) 56.7m <sup>2</sup> /unit	70.6m <sup>2</sup> /unit	70.4m <sup>2</sup> /unit	66.6m <sup>2</sup> /unit
Initial rent	77,300yen	48,700yen	55,700yen	71,500yen	102,100yen	118,400yen	122,000yen
Background		Overcoming housing shortage	Overcoming housing shortage in major cities due to population influx	Improvement of housing standard		Regeneration and utilization of housing stock	Promotion of urban living

Source: Urban Renaissance Agency

Figure 3-1-19: Age Distribution of Household Heads in UR Rental Housing



Source: Urban Renaissance Agency

Figure 3-1-20: Average Income in UR Rental Housing

	Annual income of head of household	Annual income of entire household
2015	¥3,840,000	¥4,700,000
2010	¥3,710,000	¥4,530,000

Source: Urban Renaissance Agency

## (2) Current Housing Policy Framework

### Reasons for housing policy reform

Housing policy in Japan has yielded certain benefits under the eight Five-year Housing Construction Plans. Those benefits include the alleviation of a severe housing shortage and the improvement of standard unit sizes, through efforts to ensure that quantitative requirements have been met while also responding to changing needs. At the core of housing policy have been measures on the direct supply of housing and housing finance by various organizations, including the Government Housing Loan Corporation (now the Japan Housing Finance Agency), public housing schemes and the Japan Housing Corporation (now the Urban Renaissance Agency).

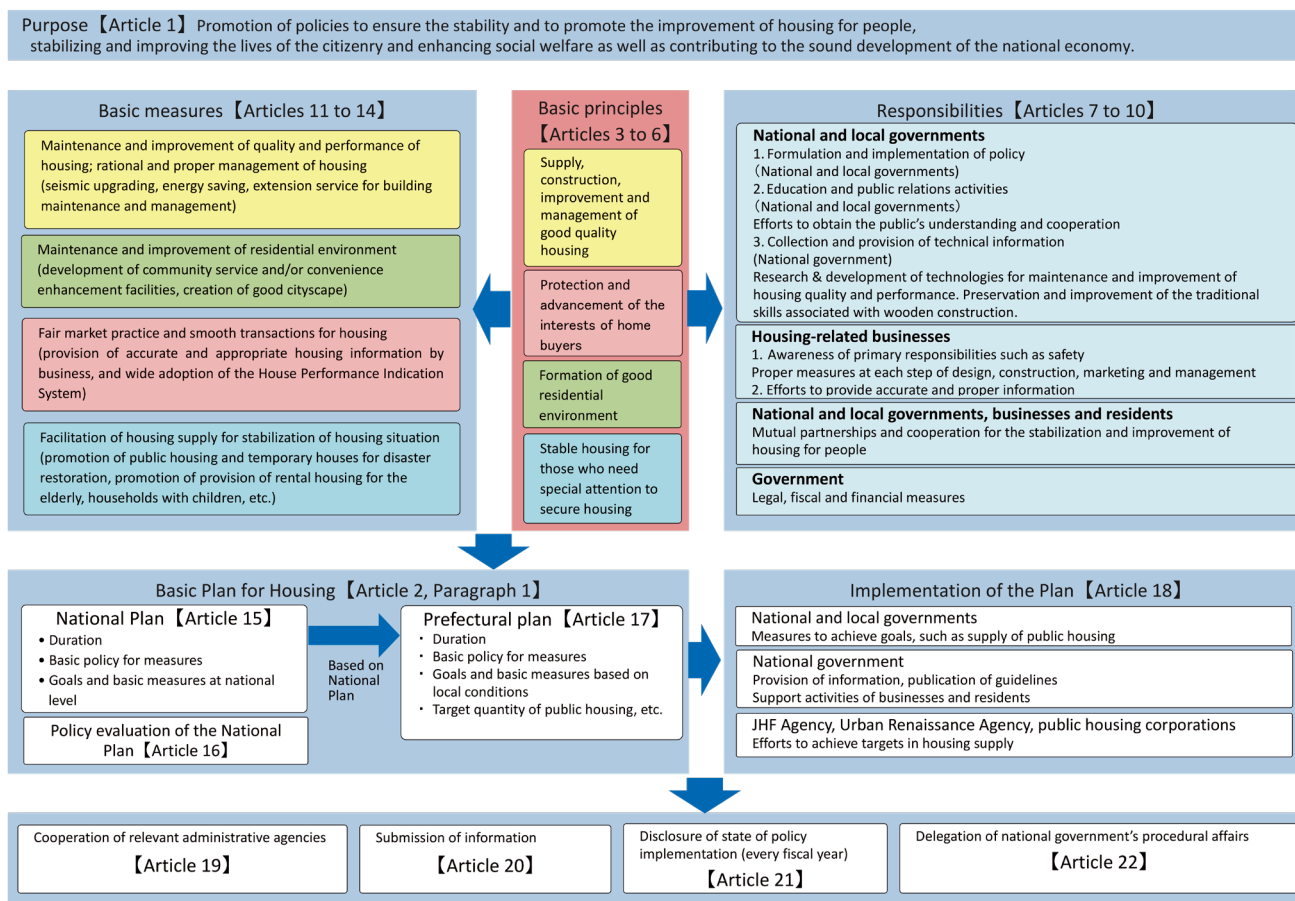
As a result, in the recent housing situation, quantitative needs have been met, and new priorities have arisen as a result of social and economic changes that include rapid demographic aging, a declining birth rate and increasingly serious environmental problems. From a qualitative perspective, the standards of housing and living environments are still inadequate, and Japan cannot yet claim to have developed a housing stock that provides good performance. This situation will require a major shift in the basic framework of housing policy. The priority now is to create an environment for a healthy housing market and to improve the overall quality of housing in Japan, including living environments, while also providing safety nets for those whose housing needs require special consideration, such as low-income people.

### New Basic Act for Housing

The Basic Act for Housing was enacted on June 8, 2006. It replaces the Housing Construction Planning Act, which focused on quantitative aspects of housing construction, as the basic legislation concerning the implementation of policies designed to accelerate the stabilization and improvement of housing in Japan. Four fundamental concepts are identified in the Basic Act for Housing for the stabilization and improvement of housing conditions: the supply, construction, improvement, and management of quality housing that will be the basis for housing in Japan today and in the future; the formation of a quality residential environment that residents will view with a sense of pride and affection; the protection and advancement of the interests of those who purchase housing as their home; and the provision of stable accommodation for those whose housing needs require special consideration. The Basic Act for Housing defines the basic policies required to implement these four fundamental concepts. It also sets out the obligations of various stakeholders in relation to housing and requires them to work together and cooperate.

In addition, the Act stipulates that the national government should formulate a basic plan for housing at the national level, and that prefectural governments prepare prefectural plans.

Figure 3-1-21: Overview of the Basic Act for Housing



## Basic Plan for Housing (National Plan)

Aiming at the promotion and materialization of the fundamental philosophy of the Basic Act for Housing, the Basic Plan for Housing was formulated in September 2006, with targets and basic policy measures for the next 10 years. The plan is to be reviewed approximately every five years. Thus, the Basic Plan for Housing (National Plan) for FY2021 to FY2030 was adopted by the Cabinet in March 2021.

From the three perspectives of “changes in social environment,” “residents and community,” and “housing stock and industry,” the Basic Plan for Housing indicates the eight targets to be achieved to secure stability in housing and to promote improved housing, along with the basic measures necessary to achieve them. At the same time, it has established the outcome indicators, which quantify the degree of achievement to show the effects of the measures in a manner that is easy for the Japanese public to understand against the targets for improvement of the quality of housing and residential environment. Thus, in contrast to the past five-year plans of housing, for which the target was the *quantity* of housing, the present plan sets its target on the *quality* of housing.

Furthermore, a new Basic Plan for Housing (National Plan) is scheduled to be formulated by March 2026, approximately five years after the establishment of the current plan. Discussions toward revising the plan are currently underway within the Housing and Residential Land Subcommittee of the Social Infrastructure Development Council.

Figure 3-1-22: Basic Plan for Housing (National Plan adopted by Cabinet in March 2021)

### Introduction

- Based on the Basic Act for Housing, a plan was established to comprehensively and structurally promote the housing improvement policies
- Duration of the plan is 10 years from FY2021 to FY2030

### Basic Principles

- To present the general direction of the housing policies in an easy-to-understand manner
- To present the policies for addressing the issues in the coming 10 years from a variety of perspectives and to implement them as a whole
- To set eight targets from three different perspectives

Target/Basic policies/Achievement indicators

#### Based on changes in social environment

##### Target 1: A new way of living that responds to “New Normal,” progress of DX (digitization), etc.

- (1) Diversification of living space that fulfills the people’s new views on life and promotion of flexible living space that allows people to flexibly choose their way of living according to their conditions.
  - To secure a telework space in residences and promote work and living in the same space or close proximity, improvement of home study environment and improvement of non-contact environment through installation of home delivery boxes, etc.
  - To promote living in rural areas, suburbs and multiple areas by focusing on the utilization of existing housing stock, including vacant houses, and increasing the provision of rental housing and property information
  - To improve the existing housing market, including better housing performance and improved housing dispute resolution mechanism. Improvement of the rental housing market for households raising children, etc., by facilitating planned repairs and smooth conversion of owner-occupied houses to rental housing.
- (2) Promotion of DX in housing for contract and transaction processes and for production and management processes, using new technologies
  - To promote DX in contracts and transactions, from information-gathering to property description, negotiation and contracting, including owner-occupied and rental housing
  - To promote DX at all stages of the housing life cycle from design to construction, maintenance and management, including productivity improvement with AI-assisted design, BIM trials, etc.

Indicator: Ratio of major businesses that have developed and implemented a DX promotion plan [0% (2020) → 100% (2025)]

##### Target 2: Safer homes and residential areas as well as housing for victims in this new disaster era when natural disasters are more frequent and intensifying

- (1) Development of safe houses and residential areas
  - To eliminate blind spots in water-disaster risk information by improving and disseminating hazard maps, etc., and provide disaster risk information at the time of real estate transaction
  - By strengthening cooperation among related agencies and formulating regional disaster prevention plans, location optimization plans, etc.:
    - Control residential development in areas with a high risk of torrential rain disasters, etc.; and
    - Encourage location or relocation to safer places, according to the actual conditions of areas, including disaster risks
  - To improve wind resistance, etc., and seismic resistance of housing and urban communities
  - To improve the resilience of housing and residential areas so that residents can continue to stay even in the event of a disaster
- (2) Promptly secure housing for victims in the event of a disaster
  - To temporarily provide public housing, etc., and/or smoothly provide rental emergency housing, based on the principle of utilization of existing housing stock and prompt supply of emergency shelters
  - In the event of a large-scale disaster in a region where there is insufficient housing stock, quickly build and provide emergency housing for disaster victims

Indicator: Ratio of municipalities that address both structural and non-structural measures for flooding based on local disaster prevention plans [0% (2020) → 50% (2025)]

### Target 3: Housing where it is easy to have and raise children

#### (1) High-quality housing where it is easy to have and raise children

- To facilitate the acquisition of homes that meet the needs of young households pressed for time and/or raising children to live in urban centers, in light of increases in the annual income multiple required to buy a home
- To facilitate the acquisition of homes by dual-income households with children, whose priority is convenience such as proximity to train stations, based on the holistic approach to location and size. To promote flexible relocation according to the number of children, living conditions, etc.
- To create a stock of high-quality and long-lasting private rental housing and improve the rental housing market through systematic maintenance and repair of private rental housing
- Improvement of rental housing with sound-proofing, energy efficiency, crime prevention and access to childcare, education, medical facilities, etc.

#### (2) Residential environment and community development conducive to raising children.

- When rebuilding a housing estate, create an environment where work and home or work and childcare are in close proximity by incorporating childcare support facilities, parks, green spaces and co-working spaces
- To promote a compact city in harmony with the local community development policy as well as favorable residential environment and townscapes by utilizing building and landscape agreements

Indicator: Proportion of private rental housing with a certain level of thermal insulation and sound insulation [approx. 10% (2018) → 20% (2030)]

### On residents and communities

### Target 4: Development of communities for diverse generations to support each other and for the elderly and others to live a healthy and peaceful life

#### (1) Secure housing where the elderly, disabled, etc., can live healthily and safely

- To promote a comprehensive consultation system for selecting appropriate housing to prepare for aging, including information service for renovation, relocation, barrier-free, etc.
- To promote housing and its upgrading with a good thermal environment against heat shocks and/or barrier-free design, including elevator installation, etc.
- To spread services utilizing IoT technology, etc., for health management and remote monitoring of the elderly
- To improve housing with services for the elderly and promote its information disclosure through appropriate involvement of local governments based on the local demand for it and the local medical and long-term care services delivery situation.

#### (2) Development of sustainable and vibrant communities and streetscape for multiple generations to live together in mutual support

- To create an environment where elderly families can live comfortably in their communities when rebuilding housing estates by incorporating medical welfare facilities, support facilities for the elderly and community spaces that also contribute to the alleviation of loneliness and isolation
- To promote three generations living together or in close proximity as well as smooth relocation according to physical/living conditions. Formation of a mixed community where the elderly can live a healthy life with the support of family and others and where multi-generations can connect and interact with each other.

Indicator: Proportion of housing occupied by the elderly that has a certain level of barrier-free and thermal insulation [17% (2018) → 25% (2030)]

### Target 5: Improvement of the safety net function to allow people requiring special assistance in securing housing to live in peace

#### (1) Secure housing for those requiring special assistance in securing housing (low-income earners, the elderly, the disabled, foreigners, etc.)

- To press forward the improvement of the stock of public housing, including planned rebuilding, barrier-free access, extension of service life, etc., which plays a central role in the housing safety net
- To promote the utilization of safety-net registered housing, which can respond even to emergency situations. Promotion of lower rents in response to the needs of local governments.
- UR rental housing has also carried out the function of supplementing public housing as a major player, in the housing safety net according to local conditions. It provided stability of residency to long-term residents since before the current system. UR promotes the provision of rental housing that meets the needs of diverse households and housing stock rehabilitation to improve the environment where diverse households can continue to live in peace.

#### (2) Support for move-in and living for those requiring special assistance in securing housing in conjunction with welfare policy

- To establish a life consultation and support system by creating an integrated and one-stop response program by housing and welfare departments for public housing, safety net registered housing, self-sufficiency support of needy persons, public assistance, etc.
- Local governments and community life support councils cooperate with each other to provide matching and consultation services for people requiring special assistance in securing housing, and to watch over them and respond to emergencies during their residency, including measures against their loneliness and isolation
- To disseminate and make tenants aware of the contract clause that allows for the disposal of remaining personal properties upon death. Make widely available guidelines, etc. that include multilingual occupancy procedures.

Indicator: Proportion of the population in the municipalities that have established a community life support council [25% (2020) → 50% (2030)]

## Target 6: Establishment of circular housing system and formation of high-quality housing stock for a decarbonized society

### (1) Vitalization of the market for existing housing to enable flexible relocation according to lifestyles

- To enhance confidence in the purchased property by improving the system for presenting information on existing houses with known performance in a way that is easy for purchasers to understand (Secure “R” houses and long-life quality houses)
- To promote the purchase of existing housing by focusing on existing houses with known performance, under a dispute resolution mechanism, or with documented historical information, etc.
- To improve the environment for the sale of existing housing with better defect insurance and expanded dispute resolution mechanism so that buyers can be confident in their purchase

### (2) Facilitation of appropriate maintenance / management and repair to extend service life and renewal of aging condominiums (rebuilding or sale of the land)

- To promote systematic housing inspection/repairs and the documentation of historical information, including maintenance plans for long-life quality houses
- To update the housing stock to have a good thermal environment through renovation or rebuilding with seismic resistance, energy efficiency, barrier-free design, etc.
- To promote the proper management, service life extension and smooth renewal of condominiums by establishing standards for proper management and for aging of condominiums, etc.

### (3) Formation of housing stock that can be marketed as existing housing for generations

- To achieve carbon neutrality by 2050:
  - Expand long-life quality housing stock and ZEH stock, both of which have long life and low life-cycle CO<sub>2</sub> emissions
  - Promote the recognition and penetration of LCCM housing that has negative CO<sub>2</sub> emissions over its life cycle
  - Further strengthen regulations, including mandatory energy saving standards for housing and for the labeling of energy-efficiency performance
- To promote and popularize V2H (a system that supplies electricity from electric vehicles to houses) for energy sharing/transfers between houses and automobiles
- To increase carbon storage in urban areas through the spread of wooden housing that is an efficient carbon storage and the construction of wooden medium- and high-rise residential buildings using CLT (Cross Laminated Timber), etc.
- To establish a system that consolidates information on developers' efforts to improve energy efficiency and publishes it in a manner that is easy for consumers to understand

Indicator: The number of certified long-life quality houses [1.13 mil. units (2019) → approx. 2.5 mil. units (2030)], etc.

## On housing stock and industry

## Target 7: Promotion of integrated approach to proper management, removal and utilization of vacant houses according to their conditions

### (1) Promotion of proper management of vacant houses and removal of vacant houses that adversely affect the surrounding residential environment

- To promote proper management by owners, etc. Strengthen measures to remove unmanaged vacant houses that adversely affect the surrounding residential environment and measures against specified vacant houses, etc.
- Local governments and community organizations work together to strengthen consultation programs to prevent houses from becoming vacant or falling into disrepair as well as to promote the removal of vacant houses
- To expand the utilization of the property management program for vacant houses whose owners are unknown.

### (2) Promotion of broad utilization of vacant houses in good locations and good management conditions

- To encourage renovation or DIY upgrading of vacant houses such as traditional Japanese houses as well as the utilization of vacant houses or a land bank, and promote two- and multi-region living, such as a second house or shared housing
- To promote integrated improvements of central urban areas in conjunction with regional revitalization and compact city policies, such as site preparation combined with the removal of buildings and the integrated use or sale of vacant houses and lands through a land bank
- To support the efforts of private organizations that address vacant-house issues through information collection, research and study activities, information dissemination, education and public relations activities,

Indicator: The number of unmanaged vacant houses that were removed through municipal efforts [90,000 units (May 2015 – March 2020) → 200,000 units (2021–2030)]

## Target 8: Development of housing industry that improves convenience and life for residents

### (1) Secure and foster tradesmen for the broad housing industry that supports the local economy

- To promote the recruitment and training of tradesmen such as carpenters in concert with the vocational skills development sector. To promote the use of local wood, the maintenance of traditional building techniques and Japanese-style housing
- To promote productivity improvement through labor-saving construction, DX, etc., because the working-age population is declining on a medium-term basis
- To popularize construction methods utilizing new materials such as CLT and wooden construction in new sectors such as mid- and high-rise residential buildings, and to develop designers who will employ such technologies

### (2) To further develop the housing industry by improving productivity through new technologies and new markets and by improving the environment for overseas expansion

- To promote the development of new technologies that contribute to the improvement of productivity and safety, such as AI-based design support and labor-saving construction using robots
- To improve productivity and safety in the maintenance and management of housing by remote inspections using sensors and drones, etc.

Indicator: Market size of existing housing and renovation [¥12 trillion (2018) → ¥14 trillion (2030)]

## Housing performance standard, residential environment standard, and dwelling area standards (target and minimum)

The National Plan sends a message to residents, housing-related companies, and other stakeholders by defining four criteria as the basis for targets as follows:

- **Housing performance standard**

Guideline values for the formation of quality housing stock with functions and performance that will meet the needs of occupants and society.

- **Residential environment standard**

Guidelines to secure quality residential environment that are aligned with the local situation. They are provided as a model reference in the preparation of prefectural plans, etc., by local governments.

- **Target dwelling area standard**

The floor area of housing required for a household with a given number of members, as the basis for quality housing for people, allowing for a variety of lifestyles. There are two standards. The General Targeted Dwelling Area Standard applies to detached houses in suburban areas and general non-urban areas, while the Urban Targeted Dwelling Area Standard is for multi-residential housing in central urban areas and their surrounding areas. Numerical targets have been set, especially for households with children.

- **Minimum dwelling area standard**

The absolute minimum area required for a household with a given number of members, as the basis for healthy and culturally enriched housing.

Figure 3-1-23: Criteria in the Basic Plan for Housing

Housing Performance Standard	Guidelines to create quality housing stock with functions and performance to meet the needs of residents and the demands of society	Residential Environment Standard	Guidelines to ensure quality residential environment aligned with the actual conditions of the region
<b>1. Basic functions</b> (1) Floor plans, (2) Common facilities of apartment buildings <b>2. Residential performance</b> (1) Earthquake resistance, (2) Fire prevention, (3) Security, (4) Durability, (5) Consideration for maintenance, (6) Thermal insulation, (7) Indoor air environment, (8) Natural light, (9) Sound insulation, (10) Consideration for the elderly, (11) Others <b>3. External performance</b> (1) Environmental performance Energy conservation, reduced waste during construction and demolishing, use of local or recycled building materials (2) Exterior Design and placement of exterior walls, roofs, gates and fences, and harmony with the surroundings		<b>1. Safety &amp; security</b> (1) Safety measures for earthquakes and major fires, (2) Safety measures against natural disasters, (3) Safety in daily life, (4) Prevention of environmental harm <b>2. Appearance&amp;wellness</b> (1) Greenery, (2) Spaciousness and streetscape in urban areas <b>3. Sustainability</b> (1) Maintenance of high-quality community and urban areas, (2) Consideration of environmental footprint <b>4. Easy access to community services</b> (1) Easy access to services for households with elderly and/or children, (2) Universal design	

Dwelling Area Standard		Area by the number of persons in the household (Unit: m <sup>2</sup> )					
		1 person	2 persons	3 persons	4 persons		
Minimum area	Floor area absolutely required for healthy and cultural living based on the number of persons in the household	25	30 [30]	40 [35]	50 [45]		
Target area	Floor area likely required, based on the number of persons in the household, to accommodate diverse lifestyles, as the prerequisite for achieving good home life		<b>Urban housing</b> For apartment units in city centers and surrounding areas	40	55 [55]	75 [65]	95 [85]
		<b>General housing</b> For detached houses in suburbs and non-urban areas	55	75 [75]	100 [87.5]	125 [112.5]	

[ ] If the household has a child 3–5 years old

## 2. Diversified Housing Policies

### (1) Housing Policies for an Aging Society

Until 1950, people aged 65 and over accounted for approximately 5% of Japan's total population, but in 2020 this figure reached 28.6%. The ratio is forecast to exceed 30% by 2030, which means that Japan's population is aging at a faster rate than the population of any other country in the world. In response to this trend, the following measures are being taken in the housing sector in tandem with welfare policies.

#### Act on Securement of Stable Supply for Elderly Persons' Housing

The Act on Securement of Stable Supply for Elderly Persons' Housing was enacted in 2001 in response to the rapid aging of Japan's population, and was designed to create a residential environment in which elderly people can feel secure. In 2011, it was amended to establish the registration system of housing for the elderly with services, which has barrier-free construction and provides support services in conjunction with care and medical services.

#### Guidelines concerning housing design for the elderly

The Act on Securement of Stable Supply for Elderly Persons' Housing establishes the basic policies for securing a stable supply of housing for the elderly. In accordance with these policies, the Guidelines concerning Housing Design for the Elderly were published to allow the elderly to continue living in their own dwellings even when their physical capabilities deteriorate as a result of aging. The guidelines call for attention to items that should generally be taken into consideration when designing housing, and will be reviewed as necessary to reflect changes in the social situation, technological advances and other developments.

In 2009, the guidelines were revised to reflect the amendments to the Act. Some guidelines were added to cover cases where the household already has a resident who suffers from impaired mental or physical functions or has disabilities and plans to make changes to the housing.

Figure 3-2-1: Schematic of the Guidelines concerning Housing Design for the Elderly

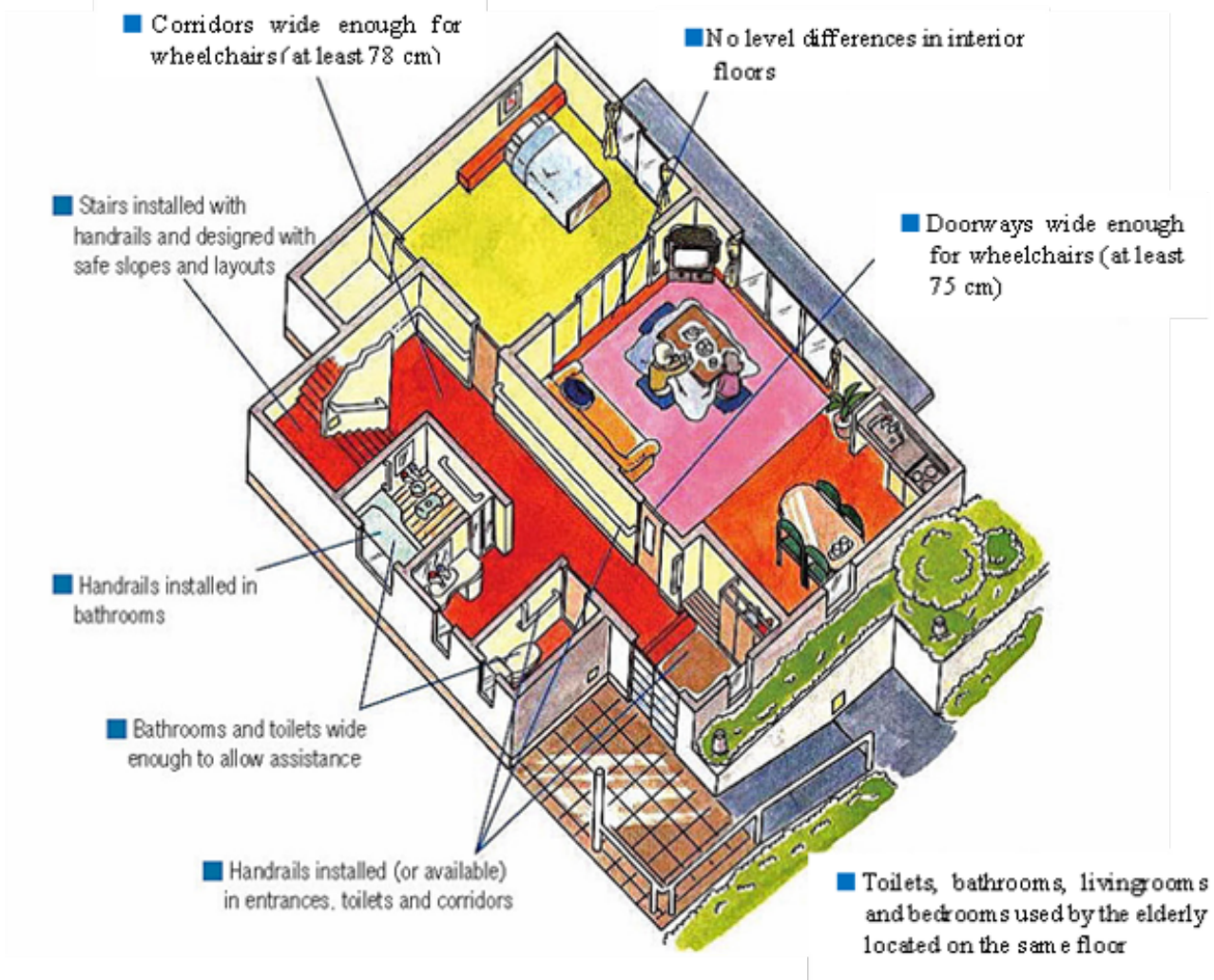
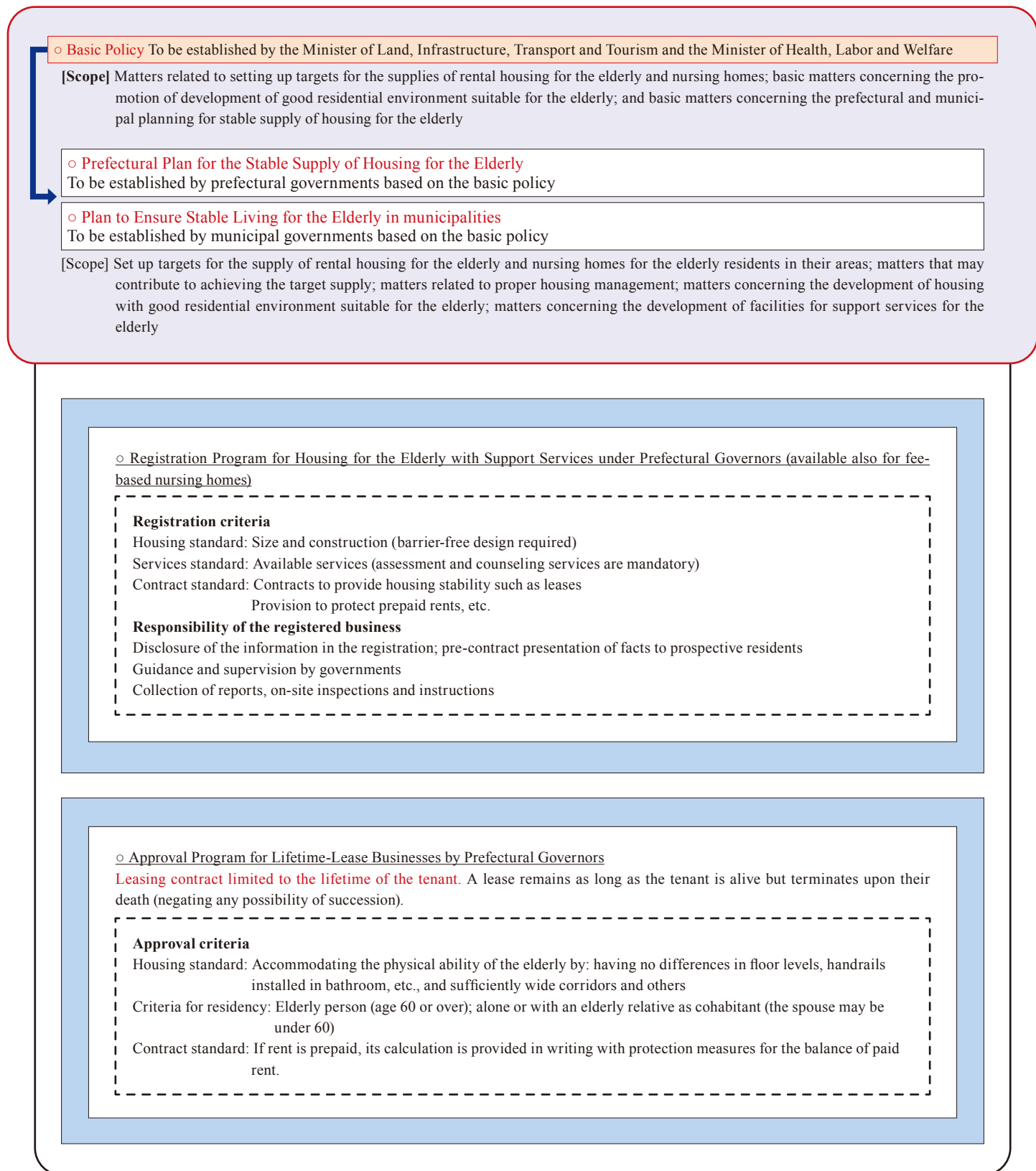


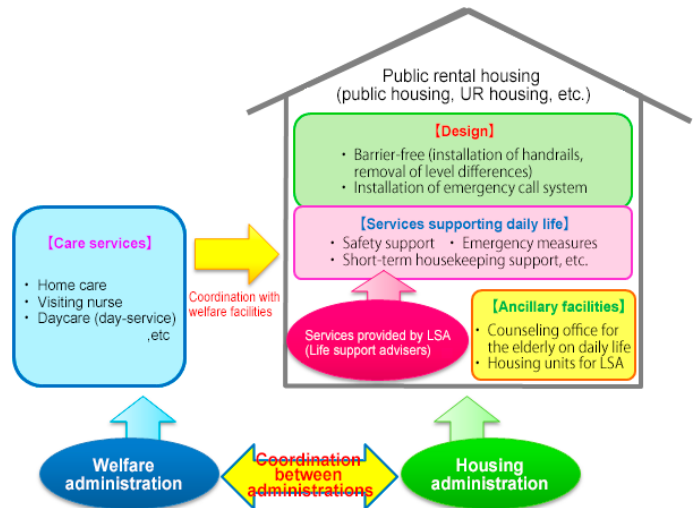
Figure 3-2-2: Outline of the Act on Securement of Stable Supply of Elderly Persons' Housing



## Silver Housing Project

The Silver Housing Project is designed for people aged 60 or older who are able to live independently. The project provides public rental housing with facilities and specifications that take the needs of the elderly into consideration, as well as services offered by life-support advisers. These include daily life guidance, checking on the well-being and safety of the residents and liaison in cases of emergency. The project was started in FY1987 in cooperation with the Ministry of Health, Labor and Welfare (MHLW), and had 29,682 housing units on 1,447 housing estates under its management as of the end of March 2024.

Figure 3-2-3: Silver Housing Project



## Relocation support program for the elderly

A mismatch has arisen between the housing stock and people's needs as a result of the fact that smaller households such as the elderly often live in larger dwellings while larger households with growing children tend to live in smaller ones. This program encourages those homeowners who are basically age 50 or over to move to dwellings that are more suited to the needs of their advanced age. The program then leases their homes for subleasing to households with children.

Photo 3-2-1: Example of Silver Housing: Sun Gold Villa, Ebetsu City, Hokkaido

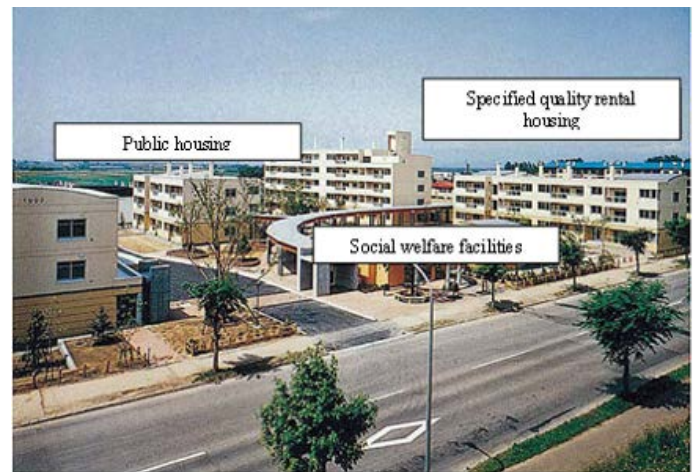
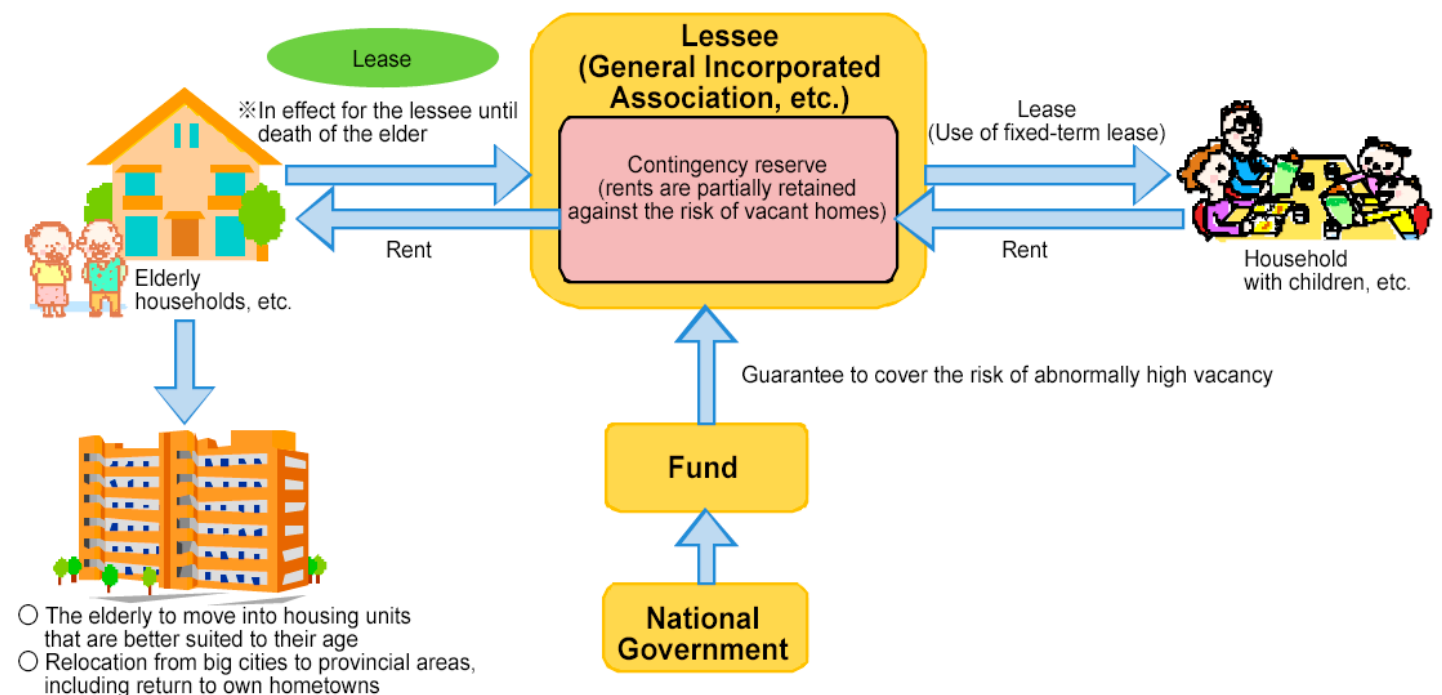


Figure 3-2-4: Relocation Support Program for the Elderly



## (2) Promoting Housing Quality Assurance

The Act on the Promotion of Housing Quality Assurance (1999 Housing Quality Assurance Act or HQAA) was enacted to create market conditions that allow consumers to buy housing with confidence and to develop the mechanisms for handling disputes over housing. The Act called for the establishment of the Housing Performance Indication System, the Housing Dispute Resolution System, and Warranty against Defects. The Act on Assurance of Performance of Specified Housing Defect Warranty was also enacted in 2007 to require suppliers of new housing to secure funds for enforcing the warranties provided in the HQAA. This Act came into effect on October 1, 2009. These two laws are described below.

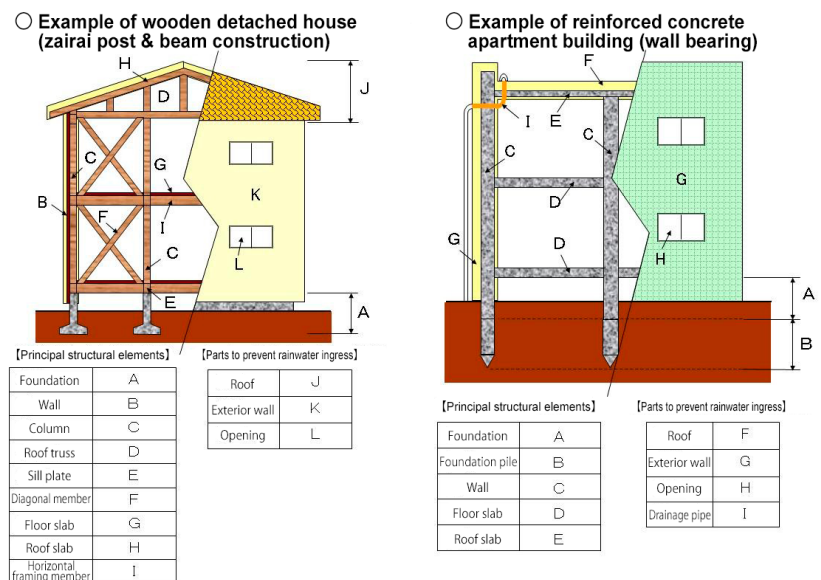
### Housing Performance Indication System

- Common rules (the criteria for indication and evaluation methods) are established to ensure that housing performance (such as structural capacity, sound insulation and energy efficiency) is properly indicated, thus allowing consumers to make objective comparisons.
- To enhance the validity of evaluation results, third-party bodies have been set up to carry out objective evaluations of housing performance.
- An evaluation report is attached to a contract and, as a rule, forms a part of the contract. This ensures the indicated performance reflects the actual performance of that house.

### Warranty against Defects

- In the acquisition contract of a newly built home (custom-built or purchase), the law requires home builders to provide a defect warranty (including the buyer's claim for repairs) against defects in principal structural elements such as columns and beams, as well as parts for preventing rainwater ingress, for 10 years.
- The law also allows the extension of the warranty to 20 years in an acquisition contract of a newly built home (custom-built or purchase).

Figure 3-2-5: Principal Structural Parts for which 10-Year Defect Warranty Is Mandated



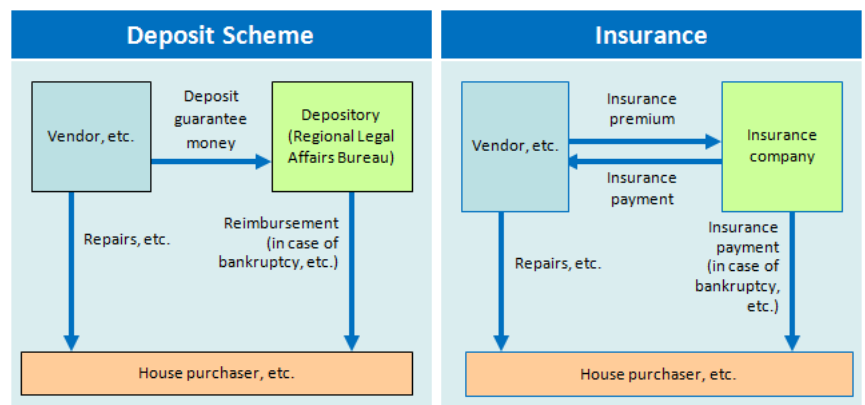
### Act on Assurance of Performance of Specified Housing Defect Warranty

This Act requires suppliers of new housing to set aside funds for the 10-year warranty stipulated under the HQAA.

To ensure that this funding is available, the law provides that housing suppliers participate in deposit or defect warranty insurance schemes and specifies insurance corporations as underwriters.

This enables a home purchaser to claim the reimbursement of repair costs and other necessary expenses from the deposit, or to make a direct claim to the insurance company if the warranty is not fulfilled due to the supplier's bankruptcy or other reasons.

Figure 3-2-6: Funding Approaches



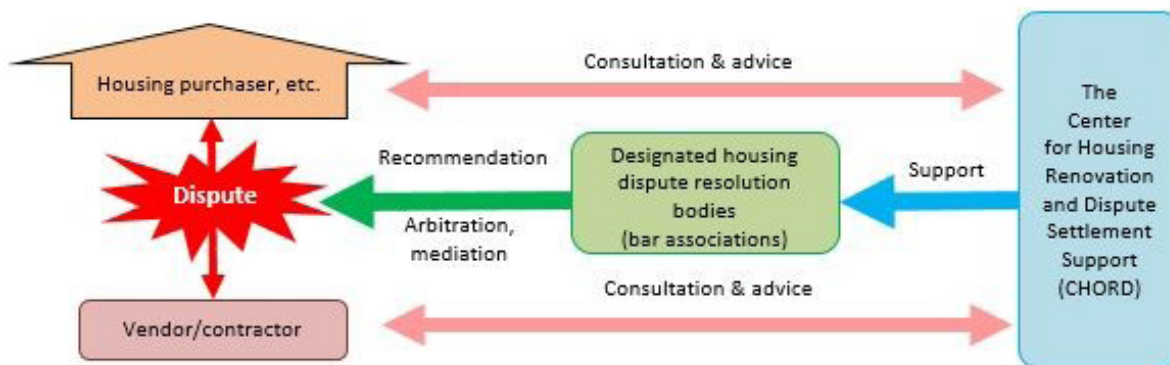
### (3) Housing Dispute Resolution System

#### Housing dispute resolution system

Housing dispute resolution bodies (all 52 bar associations in Japan) have been put in charge of quickly and fairly resolving disputes between vendors or contractors and home purchasers for houses whose performance has been evaluated under the HQAA, or for housing for which an insurance policy has been placed under the Act on Assurance of Performance of Specified Housing Defect Warranty.

The Center for Housing Renovation and Dispute Settlement Support (CHORD) was also established to support the dispute settlement activities of the housing dispute resolution bodies.

Figure 3-2-7: Dispute Resolution System



### (4) Improvements in Schemes for Condominiums

#### Situation of condominiums

The supply of condominiums began to increase significantly in the late 1970s, and in recent years has reached almost 100,000 units per annum. By the end of 2024, the cumulative number of units supplied had reached approximately 7,131,000 units, many of which are owner-occupied units housing some 16 million people. As such, they constitute an important component of Japan's housing, and the number is increasing steadily.

However, condominiums are based on strata-titled ownership of a single building by many owners. As a result, there are many tough issues to deal with, including differences in individual owners' attitudes toward community life, problems in reaching decisions among people with different values and difficulties in making technical determinations concerning the building's structural state. Thus condominium owners' associations frequently find it very hard to reach a consensus.

In particular, there is concern that a rapidly growing number of aging condominiums and also the rapidly progressing aging of the resident population could cause very serious problems if nothing is done to deal appropriately with maintenance, management and renewal. These problems include not only deterioration in the residential environment of the strata owners of aging buildings but also a decline in the quality of living and urban environments of others in the neighborhood. Both the owners of condominiums and society at large are under pressure to find solutions.

#### Laws relating to condominiums

Rights and obligations concerning condominium ownership are stipulated by the Act on Building Unit Ownership, which was enacted in 1962. The Act on Advancement of Proper Management of Condominiums was legislated in 2000, aiming to ensure that condominiums provide a good residential environment. The law established measures for promoting the appropriate management of condominiums by creating the Condominium Manager Licensing Program and the registration system for condominium management companies.

Since an increase in the number of aging condominiums is likely to result in an increase in rebuilding projects, the Act on Facilitation of Reconstruction of Condominiums enacted in 2002 provides for the establishment of condominium reconstruction partnerships and the smooth transfer of related rights. In 2014, the law was revised to establish a condominium-site sales system and special exemptions to floor-area ratio limits.

In addition, for the purpose of promoting the seismic upgrading of condominium buildings, the Act on Promotion of Seismic Retrofitting of Buildings was amended in 2013, by which the required conditions for resolutions were eased for large-scale seismic retrofitting work for a condominium building if such has been certified as needed. Also, the Urban Renewal Act was amended in September 2016, for the purpose of promoting the renewal activities of housing estates.

In June 2020, the Act Partially Amending the Act on Advancement of Proper Management of Condominiums and the Act on Facilitation of Reconstruction of Condominiums was established with the aim to strengthen the government's involvement in the management of condominiums, expand the scope of certification program for buildings requiring removal, and create a system for subdi-

viding housing estate sites.

In May 2025, in light of the growing challenges posed by the two types of aging affecting condominiums—the aging of the buildings themselves and the aging of their residents—the Act Partially Amending the Acts concerning Building Unit Ownership for Facilitating the Management and Renewal of Aging Condominiums (hereinafter referred to as the “Condominium-Related Amendment Act”) was enacted. This law aims to facilitate the management and renewal of condominium buildings in consideration of their entire life cycle from new construction to renewal.

## **Policies for condominiums**

A condominium comprises a single building strata-titled to a large number of owners, and it is necessary for them to lay down basic rules for maintaining and managing the building in order to keep their daily lives comfortable. The Standard Management Bylaws for Mid- to High-Rise Apartment Buildings was drawn up in 1982 as a reference for condominium management associations to prepare or revise their management bylaws based on the circumstances of each condominium. The bylaws have been revised several times in step with the strengthening of the legislative framework for condominium management and to reflect the various changes surrounding condominiums. The Standard Bylaws was renamed as the Standard Condominium-Management Bylaws in 2004, and revisions were made in 2016 to address the utilization of external experts and the emerging issues such as reorganization of community provisions, and in 2017 to reflect the establishment of the Private Lodging Business Act. In 2021, the document was amended to accommodate IT-based general meetings, board of directors meetings and the like.

The most recent update was made in 2025 to prepare for the implementation of the Condominium-Related Amendment Act in April 2026, as the Act involves provisions material to the operation of condominium management associations such as calling for a general meeting and adopting a resolution.

In 2006, a condominium management information system called Condominium *Mirai* [Future] Net was set up to allow condominium management information to be registered and viewed. The system’s objectives are to advance proper management by enabling strata owners to determine the condominium’s management situation from historical information about repairs and other matters, as well as to improve the environment for potential purchasers by allowing them to view and take into consideration the management situation.

In 2007, the Manual for Seismic Retrofitting of Condominiums was published. It provides a comprehensive overview of issues that should be considered in connection with seismic diagnoses and improvements, and operational problems that may arise. It also describes currently feasible countermeasures.

In 2008, the Standard Formats for Long-Term Improvement Plans and the Guidelines and Comments on the Creation of Long-Term Improvement Plans were formulated to encourage systematic maintenance and improvements. The Guidelines for the Condominium Reserve Fund for Repairs were published in 2011, in order to provide the basic knowledge on reserve funds for repairs and indicate the appropriate level of its amount, and to provide fundamentals for understanding the amount of repair reserve indicated by marketers. In 2021, the Standard Formats and the Guidelines and Comments were revised to reflect the review of the planning period for existing condominiums, and the Guidelines for the Condominium Reserve Fund for Repairs were revised to reflect the review of the standard amount of reserve funds for repairs, among other things.

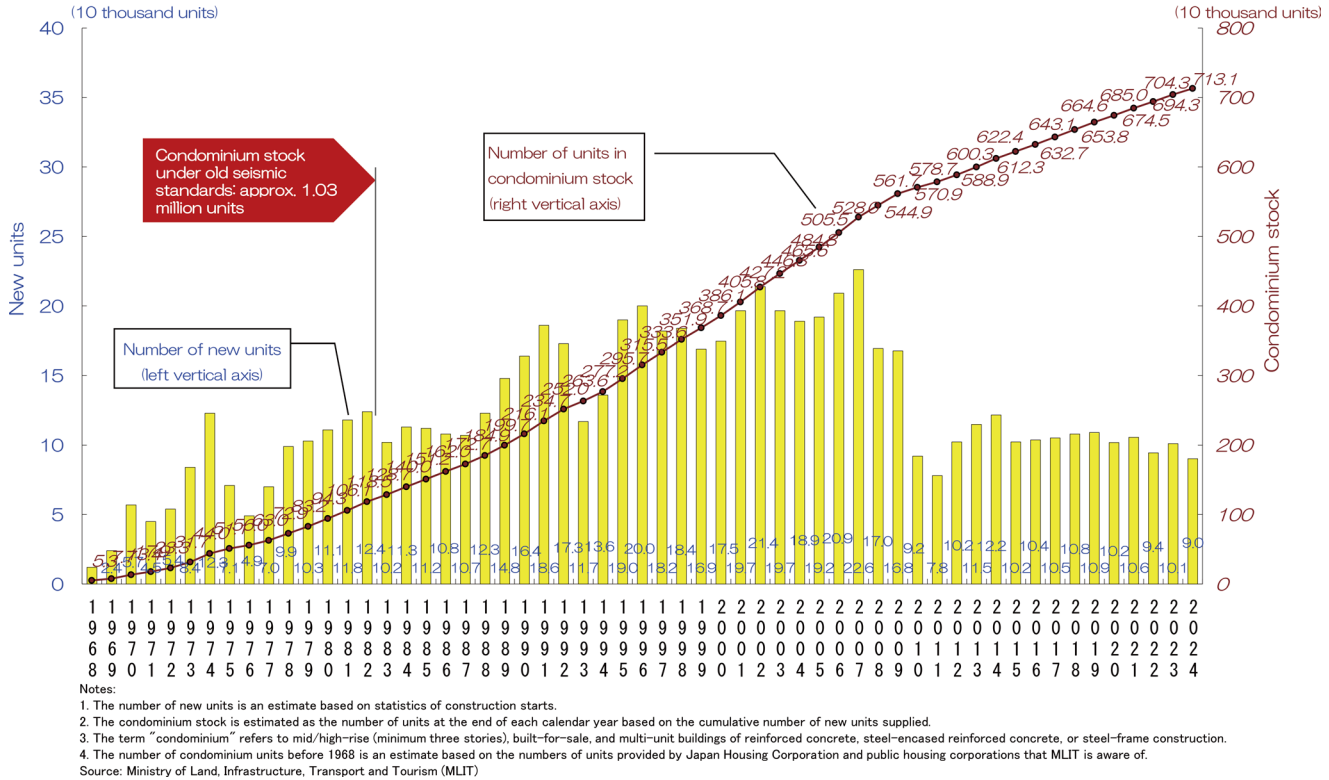
In addition to the above measures, in the amendment of the Act on Advancement of Proper Condominium Management of 2020, the Condominium Management Plan Approval System was created to encourage management associations to take voluntary efforts for proper management. Also, in the amendment of the Act on Facilitation of Reconstruction of Condominiums, the criteria to designate condominiums for condemnation were expanded to include the danger of exterior wall fall-off, insufficient fire safety, corrosion of plumbing systems, and non-compliance with barrier-free requirements in order to facilitate the smooth removal and rebuilding of aged condominium buildings and to promote the renewal of housing estates, and the subdivision program of estate housing land was introduced.

Along with these, the Guidelines for the Sale of Condominium Sites were revised, and the Certification Manual of Buildings to be Removed as well as the Guidelines for Site Subdivision to Revitalize Estate Housing were prepared. In the taxation reform of 2023, property tax incentives were introduced, and those condominiums with approved management plans that had undertaken large-scale repair work for extending their service life became eligible for reduced property taxes.

Efforts have been kept up to further the policies on condominiums. The Condominium-Related Amendment Act, enacted in May 2025, introduced many changes to facilitate smooth management by enabling new condominium buildings to be properly managed based on management plans from the start; smooth renewals to allow decisions on renewal projects—such as sales of land and building together or renovations of whole buildings—to be made by a majority vote, similar to demolish-and-reconstruct decisions for smooth renewals; and to strengthen support systems for management associations at the local level by creating a registration system to complement local governments and enhance cooperation with private organizations that support management associations. The Amendment Act will go into effect on April 1, 2026. To ensure its smooth implementation, the Ministry of Land, Infrastructure, Transport and Tourism is actively working to publicize the revised provisions, in cooperation with the Ministry of Justice.

Figure 3-2-8: Number of Units in Condominium Stock

- (1) Condominium stock at the end of 2024 is about 7,131 million units
- (2) Multiplying (1) by 2.2 (average number of people per household according to the 2020 census), it is estimated that about 16 million people (over 10% of the population) live in condominiums.



### Demolish-and-rebuild condominium projects

Aging condominiums present a number of problems. They suffer from various structural and service insufficiencies, including limited unit sizes, poor seismic resistance and/or a lack of elevators. Vacancies are increasing; more of them are offered for rent; and the remaining residents are becoming increasingly elderly.

At the same time, since condominiums are private property collectives, any rebuilding should basically be carried out through the self-help efforts of the unit owners. Reconstruction of a condominium building cannot be easily decided because it requires the agreement of the owners. That is why the national and regional governments work closely together to develop consultation and information programs and to provide supports, such as subsidies, loans and tax incentives.

Figure 3-2-9: Example of Rebuilding Project (Ota Ward, Tokyo)

	Before rebuilding construction: 1968	After rebuilding completion: 2006
Site area	Approx. 15,900 m <sup>2</sup>	Approx. 15,900 m <sup>2</sup>
Number of buildings*	8 buildings	2 buildings
Number of stories	5 stories above ground	18 stories aboveground and 1 story underground
Total floor area	Approx. 18,600 m <sup>2</sup>	Approx. 48,800 m <sup>2</sup>
Number of units	368 units	534 units



Before rebuilding

After rebuilding

Photo by Akira Kawakami

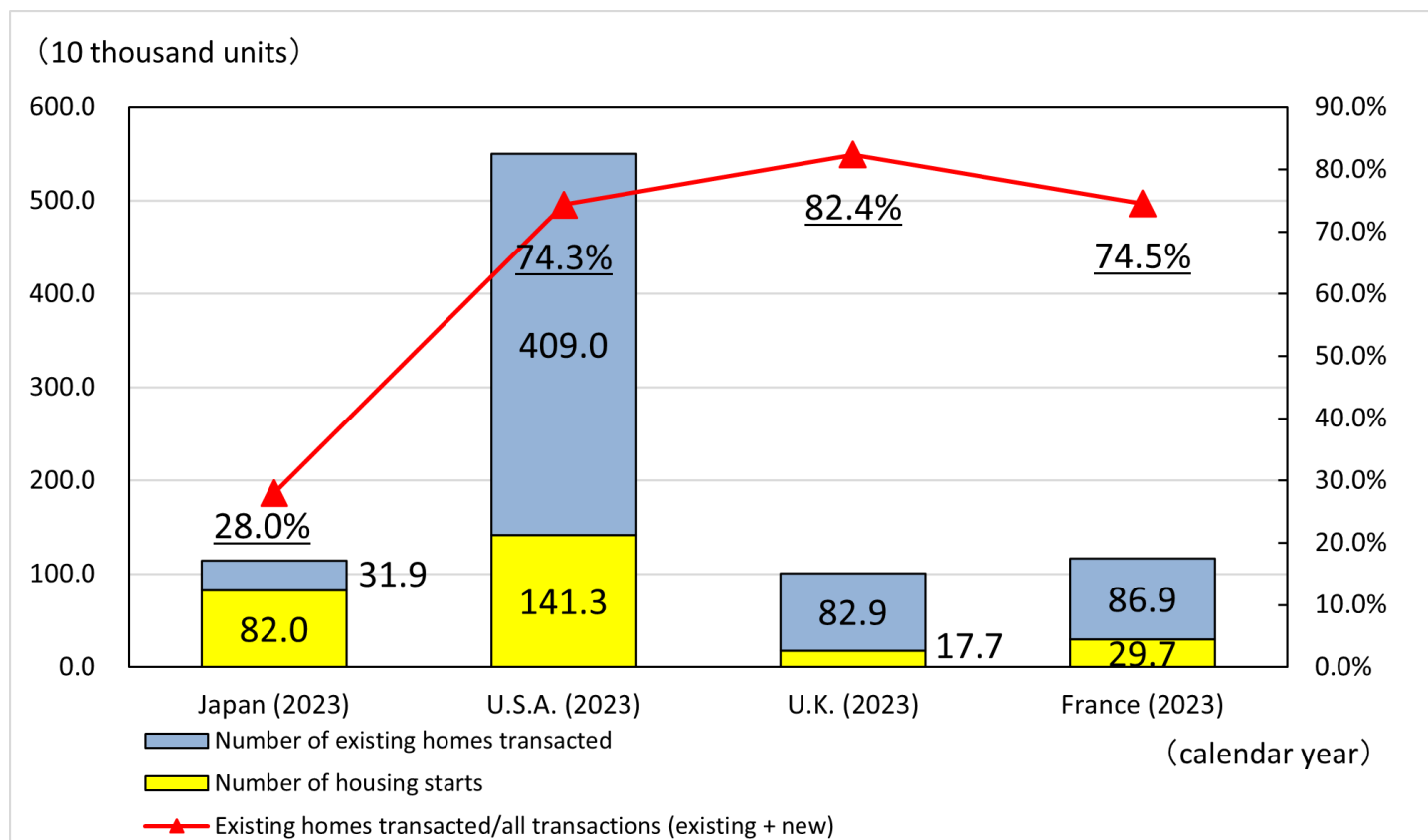
## (5) Improving the Existing Housing and Renovation Markets

### **Existing Housing Market: Current Situation and Policies**

Estimates suggest that existing (second-hand) housing accounts for approximately 28% of Japan's housing market (existing housing units as a proportion of total new and existing housing units available). This is low compared with about 74% in the United States, about 82% in the United Kingdom, and about 75% in France. Moreover, it is difficult to argue that housing stock is used for a long time in Japan because estimates show that demolished housing in Japan has an average age of approximately 38 years as compared to 55 years in the United States and 68 years in the United Kingdom. Since Japan has entered the age of full-scale depopulation and aging, activation of the existing-house distribution market is important from the viewpoints of effective use of housing stock, economic benefits of market expansion, and facilitating change of residence according to life stages for better home life, among other things. Accordingly, the following activities are ongoing in order to develop an environment where the proper evaluation of the asset value of housing and secure transactions of existing homes are available:

- Promotion of the dissemination of the existing-housing transaction warranty insurance, which combines inspections and warranties, including the authorization in 2016 of a service that for the first time supports guarantees of brokers in transactions between individuals.
- Promotion of the dissemination of proper inspections through developing an implementation system of inspections by the enforcement of the Act Partially Amending the Building Lots and Buildings Transaction Business Act in April 2018, the nurturing of engineers through the existing-house inspector training conducted by registered training institutions and the rationalization of the inspection items by revising the standard on the survey method for existing-house inspections.
- The appraisal manual for real estate brokers was revised in July 2015 so that price valuations accurately reflect the quality and the maintenance and management conditions of existing housing, including remodeling.
- For transactions involving existing housing, a system started operation in FY2007 for providing transacted real estate prices and other information held by designated real estate distribution organizations via the Internet (Real Estate Information Network System, or REINS), which has been upgraded to cover more information from time to time.
- The Land General Information System on the home page of the MLIT started operation from FY2006 to provide information on individual prices, etc., of real estate transactions based on the information from questionnaires sent to purchasers registered in the land title office, ensuring that individual properties cannot be identified.
- The Condominium Mirai (Future) Net became fully operational in 2006. This serves as a condominium record system that allows condominium management information to be registered and viewed.
- The 2021 tax reform extended the special measure for registration and license tax when acquiring housing handled by buy-and-resell businesses. Furthermore, regarding the special measure for real estate acquisition tax imposed on buy-and-resell businesses, the 2018 tax reform expanded the scope to include the land when the housing qualifies as Anshin R Jutaku (certified quality pre-owned house), among other cases. The 2025 tax reform extended this measure. In addition, in the 2014 tax reform, tax deductions for housing loans and other tax incentives also became applicable in those cases where seismic retrofitting works are carried out after purchasing a second-hand home.

Figure 3-2-10: International Comparison of Market Share of Existing Home



Sources:

Japan: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Housing Starts and Existing Home Sales Index*

U.S.A.: U.S. Census Bureau, *New Residential Construction*;

<https://www.census.gov/construction/nrc/index.html>

National Association of Realtors, *Existing-Home Sales*;

<https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>

U.K.: Office for National Statistics, *House building, UK: permanent dwellings started and completed*;

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ukhousebuildingpermanentdwellingsstartedandcomplete>

*Monthly property transactions completed in the UK with value of £40,000 or above*

<https://www.gov.uk/government/statistics/monthly-property-transactions-completed-in-the-uk-with-value-40000-or-above>

France: Inspection générale de l'environnement et du développement durable, *House Prices in France: Property Price Index, French Real Estate*

*Market Trends in the Long Run*

<https://www.igedd.developpement-durable.gouv.fr/house-prices-in-france-property-price-index-french-a1117.html#t1-2-French-home-price-and-rent-indices-published-by-the-National-Institute-nbsp>

price-and-rent-indices-published-by-the-National-Institute-nbsp

*Construction de logements : résultats à fin juillet 2022 (France entière) | Données et études statistiques*

<https://www.statistiques.developpement-durable.gouv.fr/construction-de-logements-resultats-fin-juillet-2022-france-entiere?rubrique=53&dossier=1047>

Construction de logements : résultats à fin juillet 2022 (France entière) | Données et études statistiques

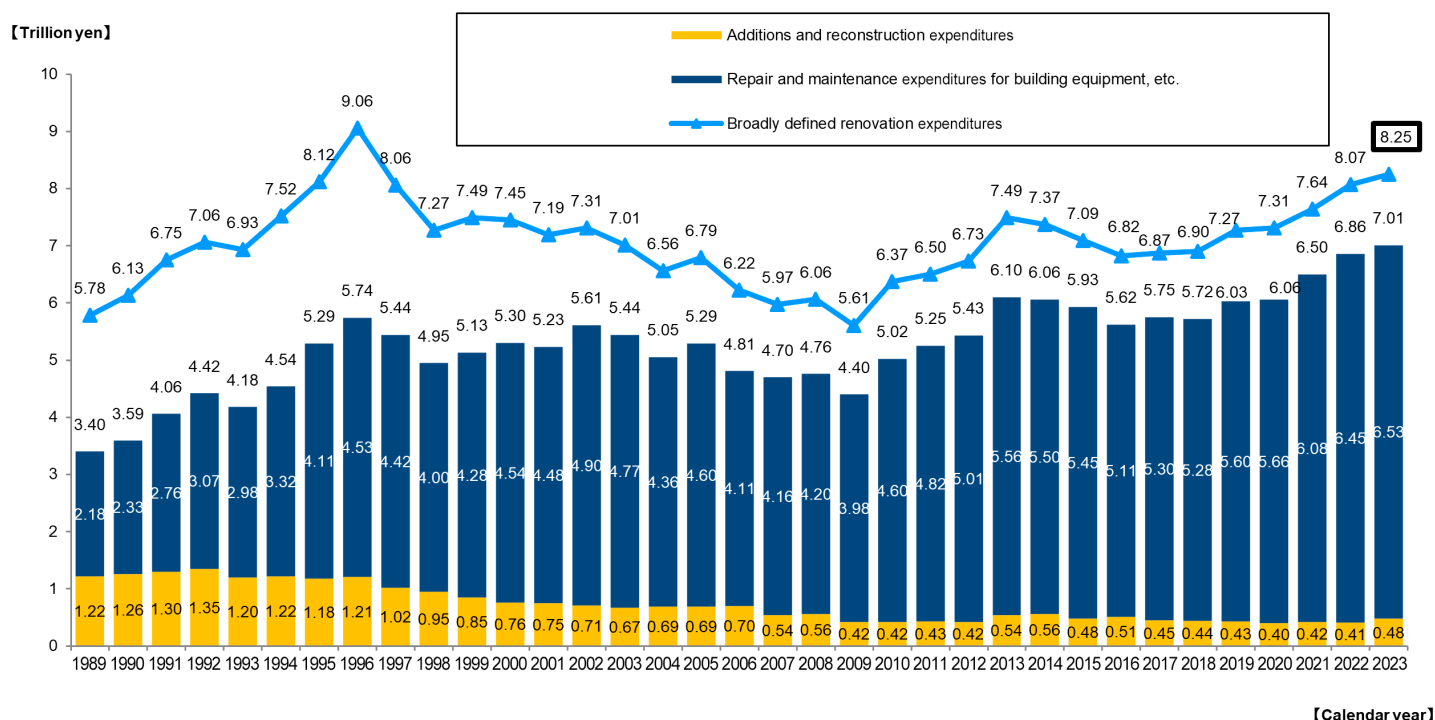
## Renovations: Current situation and policies

While quantitative improvements of Japan's housing stock have continued, the number of dwellings that do not satisfy the new earthquake resistance standards amounted to approximately 5.7 million units out of the total housing stock of 55.7 million in 2023. It is thus necessary to vitalize the renovation market to assist in creating a high-quality housing stock, making the residential environment safer, secure and comfortable, and promoting the secondary market for existing housing units.

To make more effective use of the existing housing stock, renovation is vital for proper management and maintenance, better seismic resistance, enhanced energy conservation and improved barrier-free access. The following measures are in place to encourage renovations and upgrading:

- Promotion of defect insurance schemes for renovations and major repair work that combine inspections and warranty
- Introduction of the Free Renovation Estimate Review Service to provide an opportunity to consult on specific estimates and the Professional-consultation Program by local bar associations in FY2010.
- More information on renovation by creating offices for housing consultation services that cover renovations at the regional level
- Promotion of seismic upgrading under the Act on Promotion of Seismic Retrofitting of Buildings, Projects for Creating a Stock of Safe Housing and Building, regional housing grants, and tax incentives to promote seismic retrofits of buildings
- On top of the existing housing loan tax measures, an investment-type tax incentive was introduced for energy-efficiency improvements or barrier-free renovations in FY2009, which was consolidated with the tax incentive for housing loans in FY2022. A special tax measure was implemented for renovations to convert existing houses to certified long-life quality ones in FY2017 and for child-friendly home renovations in FY2023.
- Broader adoption of the Standard Condominiums Management Bylaws, the Standard Format for Long-Term Improvement Plans, the Guidelines and Comments on the Creation of Long-Term Improvement Plans, and the Guidelines for the Reserve Fund for Condominium Repairs as well as general education on the topic through the provision of consultation services and workshops by the Condominium Management Center.

Figure 3-2-11: Trends in the Size of Housing Renovation Market



Source: Center for Housing Renovation and Dispute Settlement Support

Notes:

1. The estimated market size does not include large-scale repairs of condominiums, remodeling of common areas, renovation of rental units by owners, and outside work such as landscaping.
2. "Broadly defined renovation cost" refers to additions and alteration costs, including increasing the number of units as well as the purchase of durable household consumer goods and interior furnishings related to the renovation.

## (6) Promoting the Supply of Quality Rental Housing

### Conventional tenancy contracts

Under the Act on Land and Building Leases, tenancy contracts have been renewed automatically, and the tenancy is maintained when the contract expires, unless one of the parties concerned gives notice rejecting renewal. The law also provides that a landlord who gives notice rejecting renewal must have valid reasons. In other words, once landlords lease their housing, they cannot terminate the contract unless there are valid reasons for doing so. The reasons are reviewed for validity in a holistic manner, including compensation for eviction as well as the respective needs of the landlord and the tenant to use the building in question, creating a problem in that it is impossible to predict whether such valid reasons exist or not.

### Overview of fixed-term tenancy

#### • Introduction of the fixed-term tenancy system

The Act on Special Measures concerning Promotion of Supply of Good Rental Housings, etc., was established in 1999 and the fixed-term tenancy system was created to address such issues as mentioned above. Fixed-term tenancy means that a rental contract terminates without renewal on the expiry date mutually agreed by the landlord and the tenant.

#### • Fixed-term tenancy contracts

A fixed-term tenancy contract terminates without renewal on the expiry of the period specified in the contract. Consequently, the tenant cannot continue to lease the property unless the landlord and the tenant mutually agree to conclude a new contract.

Fixed-term tenancy contracts cover buildings for commercial and other uses, as well as buildings for residential use.

Landlords are required to enter into written contracts (electromagnetic recording is deemed to be equal to written documentation) with tenants with an obligation to provide the written material information of the contract in advance (electromagnetic recording is deemed to be equal to written documentation).

For tenancy contracts to be concluded on or after March 1, 2000, the landlord and the tenant have the option of mutual agreement to either a conventional tenancy contract (ordinal tenancy contract) or a fixed-term tenancy contract.

Table 3-2-1: Comparison of Fixed-term Tenancy and Conventional Tenancy Contracts

	Fixed-term tenancy	Conventional tenancy
Contract method	1. Limited to written contracts such as notarized ones * Contracting by electromagnetic recording means is deemed to be equal to written documentation. 2. The landlord must deliver to the tenant, in advance, a document separately from the contract, explaining that “this tenancy won’t be renewed and will end when the contract period expires.” * Contracting by electromagnetic recording means is deemed to be equal to written documentation.	May be written or oral. (It is desirable to prepare a written contract to clarify the terms and conditions in order to prevent any disputes from occurring, even though oral contracts are valid.)
Renewal	Terminates when the contract period expires with no renewal. (Re-contracting is possible.)	Renewed unless there are valid reasons for not doing so
Maximum lease period	Unlimited	Contracts concluded prior to March 1, 2000: 20 years Contracts concluded on or after March 1, 2000: unlimited
Leases of less than one year	Contract period of less than one year is acceptable.	Deemed to be leases with no defined contract period.
Special provision pertaining to rent changes	Claims for both increases and decreases may be excluded by a special provision.	Only the claim for increases may be excluded by a special provision.
Termination before expiry	1. For residential buildings with a floor area of less than 200 m <sup>2</sup> , if the tenant finds it difficult to use the building as their primary residence due to unavoidable circumstances such as job relocation, illness or the care of a family member, the tenant may request to terminate the lease before full term (the lease will be terminated one month after the date of request). 2. In cases other than item 1 above, any termination before expiry is subject to the special provisions on termination in the contract, if any.	Any termination before expiry is subject to the special provisions on termination in the contract, if any.

Table 3-2-2: Utilization and Use Cases of Fixed-term Tenancy Contracts

Utilization rate of fixed-term tenancy contracts *1	<ul style="list-style-type: none"> <li>• Utilization rate: 2.1%</li> </ul>
Awareness of fixed-term tenancy contracts *1	<ul style="list-style-type: none"> <li>• Know: 15.8%</li> <li>• Only know the name: 24.7%</li> <li>• Don't know / NA: 59.5%</li> <li>○ Based on the answers of “Know” and “Only know the name,” about 40% of respondents are aware of the system.</li> <li>○ The MLIT has prepared and published the Standard Contract for Fixed-term Rental Housing along with Q &amp; A regarding the fixed-term rental housing system in order to promote its use.</li> </ul>
Major examples of use of fixed-term tenancy contracts *2	<ul style="list-style-type: none"> <li>• Renting out a property with a reconstruction in planning</li> <li>• Renting out a property with a major repair in planning</li> <li>• Renting out a private residence during the owner's absence for job relocation, etc.</li> </ul>

Source: \*1 Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Survey of the housing market (FY2024)*

\*2 Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Booklet “A fixed-term tenancy contract for landlords”*

## (7) Building a Housing Safety Net

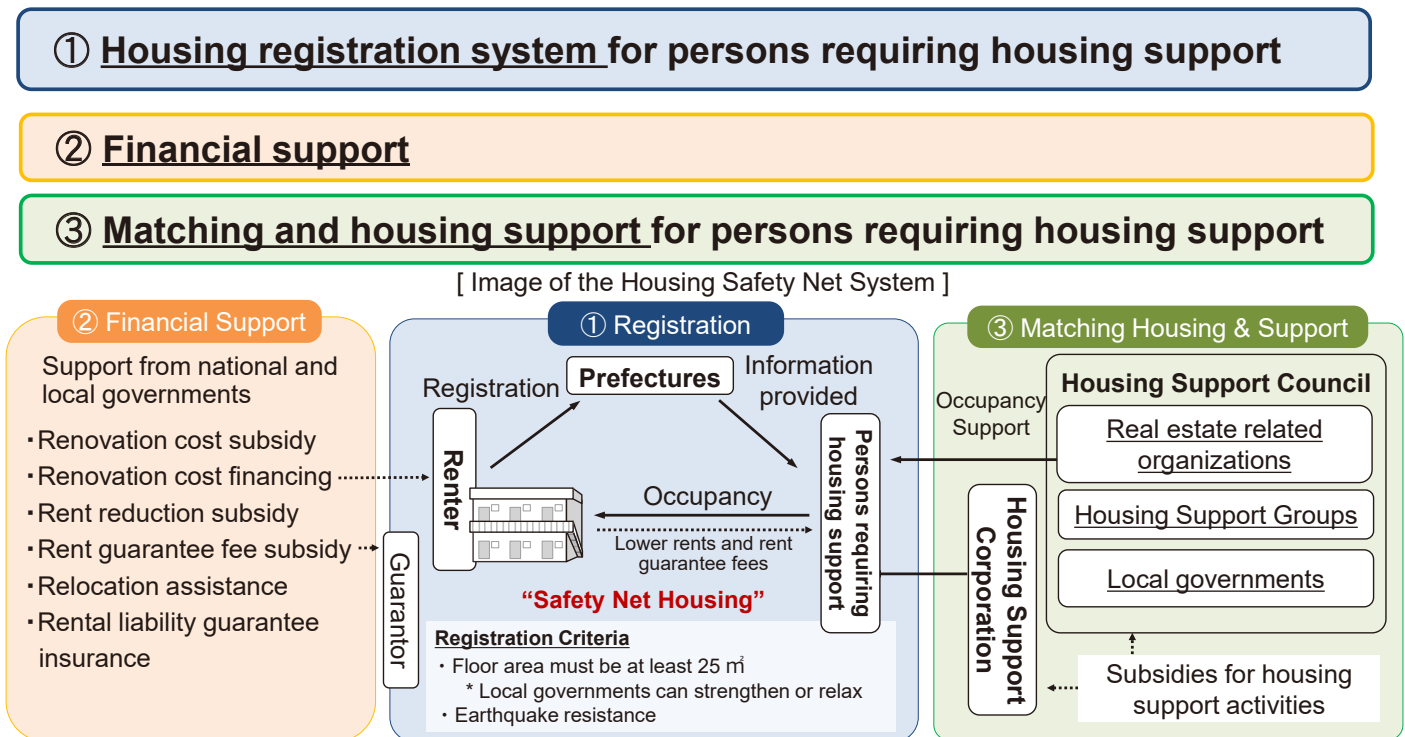
The Act on Promotion of Offering of Rental Housing for Persons Requiring Special Assistance in Securing Housing (the Housing Safety Net Act) was enacted in July 2007. Based on the spirit of the law, it has become important to build up multi-layered and flexible housing safety nets that are tailored to the local conditions by actively utilizing the entire housing market. A major component of this effort is to encourage the effective use of the existing stock of public housing, which had played the central role in securing stable housing for the elderly, households with children and other low-income people, by streamlining its management and better use of priority residence schemes. At the same time, the private sector is encouraged to supplement public housing by supplying public rental housing, and there is recognition of the need for the development of information systems to support people in moving into rental housing that accepts the elderly and households with children, rent debt guarantee programs and an environment that allows NPOs and other organizations to provide support for housing.

Recently, under the Act Partially Amending the Act on Promotion of Offering of Rental Housing to Persons Requiring Special Assistance in Securing Housing (enforced on Oct. 25, 2017), a new housing safety net system has been established, including a registration program for rental housing that is intended to promote smooth move-ins for persons requiring housing support, leveraging vacant houses and units in private-sector rental housing.

This program consists of three pillars: 1. A registration system for rental housing that is intended to promote smooth move-ins for persons requiring housing support; 2. Financial support for the renovation and occupancy of registered housing; and 3. Matching and move-in support for persons requiring housing support. As of the end of FY2024, more than 940,000 housing units had been registered.

To further promote the creation of an environment that enables renters to smoothly move into housing, the Act Partially Amending the Act on Promotion of Offering Rental Housing to Persons Requiring Special Assistance and Other Acts (promulgated June 5, 2024) came into effect on October 1, 2025, in order to ensure that vulnerable individuals can secure housing that serves as the foundation for a life that offers a feeling of security. The law has the following three pillars: 1. Developing a market environment that both landlords and persons requiring housing support can use with peace of mind; 2. Promoting the supply of rental housing where residential support is provided by housing support corporations, etc., during tenancy (residential support housing); and 3. Strengthening local housing support systems through coordination between housing and welfare policies.

Figure 3-2-12: Framework of Housing Safety Net



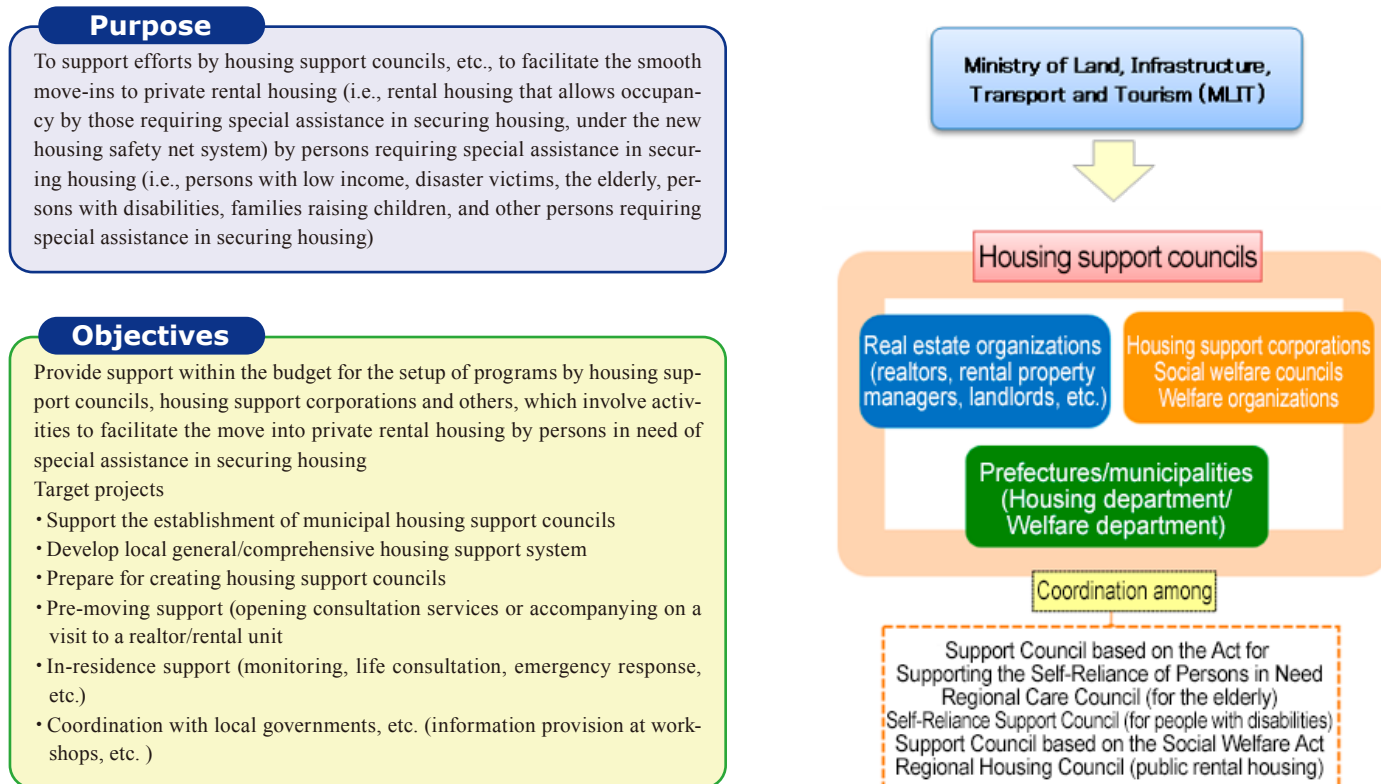
Act Partially Amending the Act on Promotion of Offering of Rental Housing to Persons Requiring Special Assistance in Securing Housing (promulgated on April 26, 2017, and enforced on Oct. 25, 2017)

## Assistance Program for Housing Support Councils

The Assistance Program for Housing Support Councils was established under the FY2011 budget in order to facilitate smooth provisioning of housing for persons requiring housing support, such as low-income people, disaster victims, the elderly, the disabled, and households with children.

The designation system of housing support corporations was established in the Act Partially Amending the Act on Promotion of Offering of Rental Housing to Persons Requiring Special Assistance in Securing Housing, promulgated in April 2017. From the FY2017 budget on, a program to assist the activities of housing support councils has been operating to provide support to the councils and the corporations for continuing to facilitate the smooth occupancy of private rental housing for persons requiring housing support.

Figure 3-2-13: Support Program for Housing Support Councils, etc.



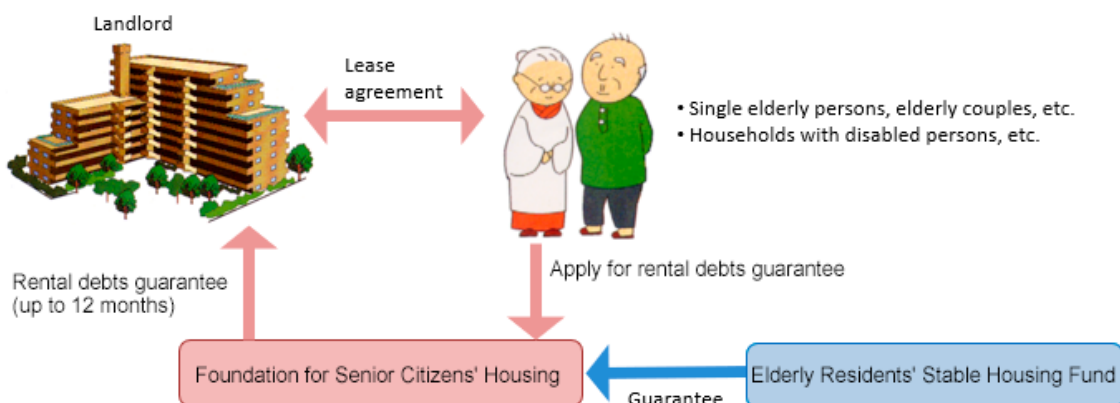
## Rental Debts Guarantee Scheme

The Foundation for Senior Citizens' Housing operates the Rental Debts Guarantee Scheme for the elderly, disabled, foreigners, households with children, and households who have been evicted due to job loss. The foundation provides guarantees against unpaid rents, expenses for restoring vacated properties to their original state, and expenses required for litigation. This eliminates landlords' concerns for risk and makes it easier for such households to move into private-sector rental housing.

In 2017, the national government started a register of rent-debts guarantee companies that demonstrated their ability to properly perform a rent-debts guarantee business by meeting certain requirements.

Furthermore, in FY2025, a new certification program of those among the registered companies which are deemed to be more accessible by vulnerable individuals was established by the national government.

Figure 3-2-14: Rental Debts Guarantee Scheme



## (8) Energy Efficiency in Housing and Buildings

### Recent trends in energy conservation measures for housing and buildings

In Japan, energy consumption in the business and residential sectors increased by approximately 4% in the period from 1990 to 2023 and accounts for about one-third of the total energy consumption of the country, while consumption has been decreasing in the industrial and transportation sectors. The Paris Agreement, an international framework for reducing greenhouse gas emissions, was adopted in December 2015 and enforced in November 2016. Based on this agreement, the Japanese government announced its reduction target as an international commitment. Then-Prime Minister Suga declared in his general policy speech on October 26, 2020, that Japan would aim to achieve carbon neutrality by 2050, and at the Leaders' Summit on Climate on April 10, 2021, he declared that Japan would strive to reduce its greenhouse gas emissions by 46% by FY2030 from its FY2013 level and continue efforts in its challenge to meet the lofty goal of cutting its greenhouse gas emissions by 50%.

To achieve these goals, it is necessary to undertake fundamental reviews of the energy-saving measures in the housing and building sectors, which account for about 30% of Japan's total energy consumption. In the 208th Session (ordinary session) of the Diet, the Act Partially Amending the Act on the Improvement of Energy Consumption Performance of Buildings and Other Acts for the Purpose of Realizing Decarbonized Societies was enacted and was promulgated on June 17, 2022. This was a part of the revision of four pieces of legislation made for the realization of a decarbonized society: the enhancement of energy-saving measures, based on the Act on the Improvement of Energy Consumption Performance of Buildings (the Building Energy Efficiency Act), and the promotion of the use of wood through an amendment of the Building Standards Act were set as the two pillars of this round of revisions. In conjunction with these, the *Kenchikushi* (architects and engineers) Act and the Act on the Japan Housing Finance Agency were also amended.

In recent years, reducing the life cycle carbon emissions of buildings through the implementation of building life cycle assessments (LCA) has gained significant importance. In 2024, J-CAT, Japan's life cycle CO<sub>2</sub> (LCCO<sub>2</sub>) calculation tool, was released. In April 2025, the Basic Concept for Promoting Initiatives to Reduce Building Life Cycle Carbon (hereinafter referred to as the "Basic Concept") was prepared and published by the Inter-Ministerial Liaison Conference on Reducing Life Cycle Carbon in Buildings, which had been established within the Cabinet Secretariat. This initiative aims to launch a program encouraging the implementation of building LCA by around 2028. In response, the Ministry of Land, Infrastructure, Transport and Tourism has established the Study Group on Systems to Promote the Calculation and Evaluation of Building Life Cycle Carbon Emissions, which is currently discussing the establishment of a formal system.

### Specific measures adopted for the housing and building sectors

#### 1) Regulations and guidance under the Act on Rationalizing Energy Use

The Act on Rationalizing Energy Use was established in 1979, imposing an obligation to make efforts for energy saving in all new buildings immediately upon implementation, followed by introduction of the energy saving standards (the 1980 Standards) for the insulation and solar radiation shielding performances of the housing envelopes. These standards were gradually strengthened (the 1992 Standards and the 1999 Standards). Since 2003, notification of energy-saving measures has been required for new buildings of a certain size or larger, and the notification requirement was expanded to cover broader ranges of building sizes and energy saving measures. In 2013, the concept of primary energy consumption was introduced to the energy-saving standards to enable comprehensive evaluation of thermal insulation performance and equipment energy performance (the 2013 Standards).

Further, since 2008, home builders who construct a certain number or more of market houses have been required to make efforts to comply with standards higher than the energy efficiency standards (the Housing Top Runner Standards). This is called the Housing Top Runner Program.

The Building Energy Efficiency Act, promulgated in 2015, introduced a requirement for non-residential buildings of 2,000 m<sup>2</sup> or more to comply with the energy-efficiency standards (enforced in April 2017), and compliance was ensured by linking the conformity assessment of building energy-consumption performance with building confirmation inspections. In addition, the certification and indication systems for buildings with good energy performance were introduced as guidance measures.

Further, aiming to implement highly effective and comprehensive measures catering to the characteristics of houses and buildings according to their size and use, the revised Building Energy Efficiency Act of 2019 includes the following (partially enforced in November 2019 and fully enforced in April 2021):

1. Addition of medium-sized (300 m<sup>2</sup> to 2,000 m<sup>2</sup>) non-residential buildings to the scope
2. Enhancement of oversight of the notification requirement for medium-to-large residential buildings such as condominiums
3. Inclusion of custom-built detached houses and rental apartment buildings in the scope of the Housing Top Runner Program
4. New obligation of architects for small-scale houses and buildings to explain the energy-efficiency performance to their owners

Further, the revised Building Energy Efficiency Act of 2022 introduced the following measures to raise the minimum energy-saving performance, encourage higher energy efficiencies, promote energy-related upgrading of the building stock, and facilitate the introduction of renewable energy use, among others:

1. Conformance to the energy efficiency standards for all newly built housing and non-residential buildings (enforced in April 2025)
2. Inclusion of condominiums in the Housing Top Runner Program (implemented in April 2023)
3. Promotion of the Energy Efficiency Labeling System (implemented in April 2024)
4. Creation of the Renewable Energy Use Promotion Area Program for Buildings (implemented in April 2024)

## 2) Promotion of assessment and indication of energy-efficiency performance

### a. Energy Efficiency Labeling System based on the Building Energy Efficiency Act

Pursuant to the Building Energy Efficiency Act, a new Building Energy Efficiency Labeling System went into effect in April 2024 to develop a market environment in which buildings with high energy efficiency are valued, by enabling consumers renting or purchasing a building to understand its level of energy efficiency and compare it with those of other buildings.

In the new Building Energy Efficiency Labeling System, obligations to make efforts for energy efficiency labeling are imposed on businesses that lease out or sell buildings. Changes from the old system include the following:

1. A new notification specifies the labeling detail, labeling method, etc. (Labels to be used by businesses on marketing and advertisements are specified.)
2. Recommendations and other measures are available against businesses that do not provide labeling in accordance with the notification.
3. BELS (Building-Housing Energy-efficiency Labeling System), a third-party certification system, is also updated in line with the new labeling system.

Figure 3-2-15: Overview of Energy Efficiency Performance Labeling

	Housing	Non-residential
Third-party evaluation		
Self-declaration		

\* Also applicable to residential buildings.

### b. Housing performance indication under the Housing Quality Assurance Act

To provide consumers with information regarding housing performance when they are making their choices in housing, efforts are underway in line with the Act on the Promotion of Housing Quality Assurance to promote the wider use of the Housing Performance Indication System, which provides labeling of housing performance, including energy efficiency.

### c. Development and promotion of CASBEE

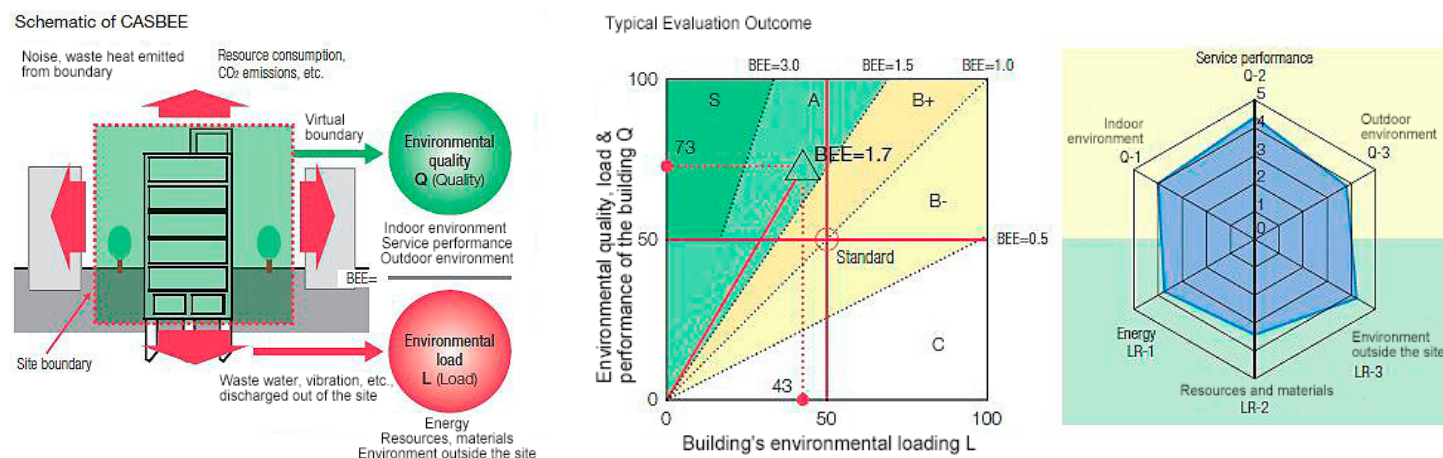
To promote the market supply of buildings with superior environmental performance, a consortium of industry, government and academia has been developing and promoting the wider use of the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). CASBEE is used to comprehensively evaluate buildings in two perspectives: enhancing the quality and performance of the indoor environment, and reducing the environmental footprint through energy conservation. It also presents its findings in an easy-to-understand format.

CASBEE is expanding its scope of evaluating the environmental performance of buildings in a range of scenarios, from new construction and existing buildings, to renovated ones. Efforts are also being made to strengthen assessments of life cycle CO<sub>2</sub> as part of actions against global warming.

In municipal building administration, there has been a growing trend in recent years to require building owners to seek comprehensive environmental performance assessments of their buildings. Some local governments have introduced programs that employ

CASBEE as one of their requirements. These include integrated design recognition, project subsidies, certification of assessment results, and preferential interest rates made available in partnership with private financial institutions, among other things. It is hoped that more and more local governments will take advantage of CASBEE by adapting it to their respective local characteristics.

Figure 3-2-16: Schematic of the Comprehensive Assessment System for Built Environment Efficiency (CASBEE)



### 3) Tax incentives to encourage building energy-efficient housing (Taxation relating to energy-efficient retrofits)

A tax deduction scheme for income and property taxes is in place to encourage energy-efficient retrofits (see 4. Housing Taxation).

Table 3-2-3: Taxation Relating to Energy-Efficient Retrofits of Housing (Income and Property Taxes)

#### Income Tax Credit

Tax Incentives for Renovations	
Eligible work categories	<ul style="list-style-type: none"> <li>i. Thermal insulation of windows</li> <li>ii. Thermal insulation of floors</li> <li>iii. Thermal insulation of ceilings</li> <li>iv. Thermal insulation of walls</li> <li>v. Installation of solar power generation equipment</li> <li>vi. Installation of high-efficiency air-conditioning systems; installation of high-efficiency hot water systems; installation of solar-heating systems</li> </ul> <p>* Works in Categories ii through vi are only eligible if carried out together with Category i works. (Category vi became available as of April 2014.)</p> <p>* Works in Categories i through iv must meet or exceed the 2016 standards, and Categories v and vi must be of specified types.</p> <p>* Category i: The requirement was changed to “windows” from “all windows in all habitable rooms” in FY2022.</p>
Tax credits	<p>Up to March 2014: Equivalent to 10% of the actual cost or the standard cost of energy-efficient retrofits, whichever is lower (maximum: ¥2 million, or ¥3 million if solar power generation equipment is installed)</p> <p>Between April 2014 and December 2023: Equivalent to 10% of the standard cost of energy-efficient retrofits (maximum: ¥2.5 million, or ¥3.5 million if solar power generation equipment is installed)</p> <p>* It is necessary to calculate the “standard cost” of the renovations.</p>
Issuer of certificate	<ul style="list-style-type: none"> <li>• A <i>Kenchikushi</i> (licensed architect) working for an architectural firm</li> <li>• A registered housing performance evaluation body</li> <li>• A designated confirmation and inspection body</li> <li>• Housing defect warranty insurance corporation</li> </ul>
Availability	From April 1, 2009 to December 31, 2025

#### Property Tax Credit

Tax incentives for energy-efficient retrofits	
If an energy-conservation retrofit is carried out for housing that existed on or before April 1, 2014 (excluding rental housing), property tax on that unit will be reduced by one-third in the following year.	

## 4) Subsidies

### a. Project to promote utilization of environment and building stock

Financial assistance is available for leading housing or building projects featuring energy efficiency, reduced GHG emissions, the utilization of wood, promotion of wooden construction, low-carbon construction using building technology or creative ideas catering to the local climate and landscape, human health, disaster resistance, measures against the declining birth rate, crime prevention, or longer service life, as well as energy-efficiency improvements of existing buildings (¥4.203 billion in the FY2025 budget).

#### 1. Leading projects for sustainable buildings

Financial assistance to leading housing and building projects featuring energy efficiency, reduced GHG emissions, the utilization of wood, promotion of wooden construction, low-carbon construction using building technology or creative ideas catering to the local climate and landscape, human health, disaster resistance, measures against the declining birth rate, crime prevention, or longer service life

Primary candidates: Cost of improvements or construction of building structures related to advanced technology or of verification of performance, and the like

Subsidy rate: 1/2, etc., of the cost

#### 2. Projects to promote energy efficiency of existing buildings

Financial assistance to energy-efficient retrofitting of buildings that will reduce energy consumption by more than a certain percentage and barrier-free renovation in conjunction with the retrofit, as well as for energy-efficiency diagnosis and indication of existing houses and buildings of a certain size or larger

Primary candidates: Cost of energy-efficient retrofits, cost of barrier-free renovation, verification of energy improvements, and the like

Subsidy rate: 1/3, etc., of the cost

### b. Projects to promote renovations for long-life quality housing

Financial assistance is available for renovations to upgrade existing houses to long-life quality housing that will improve the quality of housing stock, such as the prevention of deterioration and the improvement of energy-efficiency performance (included in ¥37.34 billion allocated to the Project for Comprehensive Promotion of Carbon Neutrality in Housing and Buildings in the initial FY2025 budget).

Primary candidates: Renovation cost of the improvement of housing performance, cost of inspections, cost of renovation records, maintenance planning, and the like

Subsidy rate: 1/3, etc., of the cost (up to ¥800,000 per house)

### c. Projects to promote eco-friendly renovations

The national government provides direct assistance to the retrofitting efforts of existing housing to achieve the energy efficiency of zero emissions housing (ZEH) (included in ¥37.34 billion allocated to the Project for Comprehensive Promotion of Carbon Neutrality in Housing and Buildings in the initial FY2025 budget).

Primary candidates: Cost of energy-efficiency diagnosis, design and upgrading cost to ZEH equivalent energy-efficiency

Subsidy rate: 1/3 of the cost of energy-efficiency diagnosis by private sector, 1/2 by public sector;

40% of the total cost of design and upgrading work (up to ¥350,000 per house)

### d. Project to promote energy-efficient retrofitting of housing and buildings

In conjunction with the support provided by local governments, financial assistance is available for energy-efficient retrofitting of existing housing and buildings (included in the Grant for General Social Infrastructure Improvements in the initial budget of FY 2025).

Primary candidates: Cost of energy-efficiency diagnosis, the total cost of energy-efficient design and upgrading

Subsidy rate: For housing, on the total cost of energy-efficient design and upgrading based on the post-retrofit energy efficiency as follows:

- Energy efficiency standard: 40% (up to ¥300,000 per house)
- ZEH level: 80% (up to ¥700,000 per house)

For buildings, on the cost of energy retrofit based on the post-retrofit energy efficiency as follows:

- Energy-efficiency standard: 23% for private sector and 11.5% for public sector (up to ¥5,600/m<sup>2</sup>)
- ZEB level: 23% for private sector and 11.5% for public sector (up to ¥9,600/m<sup>2</sup>)

#### **e. Projects to promote GX and DX of buildings**

Financial assistance is available to support the wider adoption of LCA and BIM for buildings to promote the reduction of life cycle CO<sub>2</sub> emissions through building LCA implementation (GX) and enhance productivity across the entire building industry (DX) in an integrated and comprehensive manner.

(FY2024 Supplementary Budget: ¥0.5 billion; FY2025 Initial Budget: ¥6.5 billion)

Primary candidates:

1. BIM-utilization type: Additional cost of design/survey fees and construction costs incurred due to BIM utilization
2. LCA-utilization type: Costs required for conducting LCA  
The cost to establish CO<sub>2</sub> emission factors required for LCA calculations, if any

Subsidy rate:

1. 1/2 of the cost
2. Fixed amount

#### **f. Promotion of energy-efficient housing through reduced interest rates**

For purchasing a house that is superior in energy efficiency and the like, the Japan Housing Finance Agency (JHF) offers a reduction of interest rates of Flat 35 for a certain duration of time. Flat 35 is a housing loan with a fixed interest rate over the entire life of the loan, which is provided by JHF in cooperation with private financial institutions.

## (9) Promoting Wooden Housing

### Current status of wooden housing

An opinion poll conducted by the Cabinet Office underlined the deep-rooted preference for wooden housing in Japan when it revealed that approximately 75% of the respondents said they would choose wooden housing when building or purchasing their own homes.

In fact, wooden housing is steady, accounting for approximately 50% of total housing starts. It exceeds 80% for detached houses.

An analysis of wooden-house builders shows that about 50% of detached houses in zairai construction method (traditional post & beam construction) are built by firms that supply fewer than 50 units per year. However, the number of skilled carpenters, who are central to this construction method, has been decreasing in recent years.

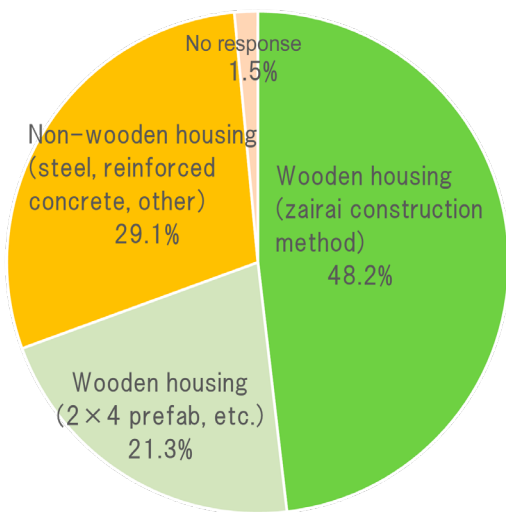
### Measures to promote wooden housing

To promote wooden housing, the Basic Act for Housing sees wooden housing promotion measures as part of the “formation of favorable living environments that match the nature, history and culture of the region,” and calls for the “continuation and improvement of traditional technology and techniques for using wood in housing construction.” The Basic Plan for Housing prepared pursuant to the Act has also incorporated “securing and training skilled carpenters and the like,” “development of designers,” and “popularization of wooden housing, etc.”

More specifically, the government supports the joint activities of local wooden house producers and related businesses such as small-to-medium builders to educate and train carpenters with the knowledge, theory, and practical skills needed to carry on wooden home construction.

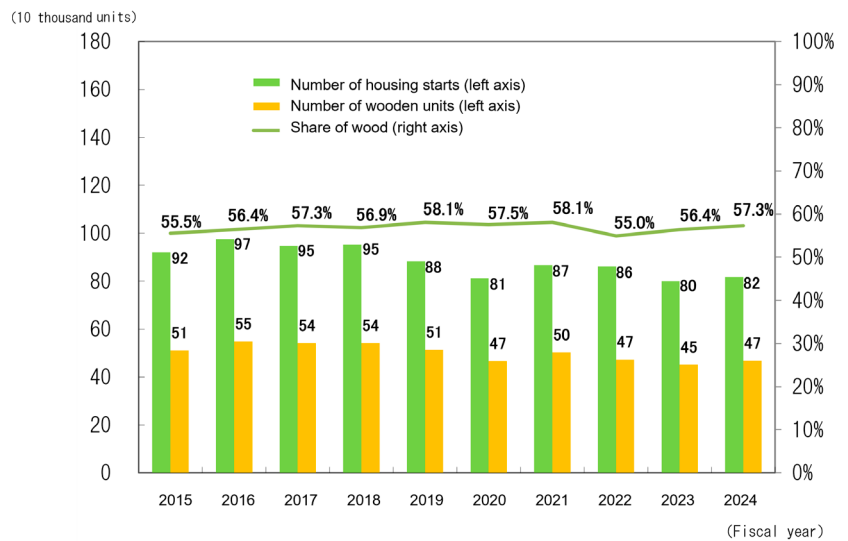
Local governments take the lead in advancing comprehensive and systematic regional housing policies, including the promotion of wooden housing, leveraging own independent thinking and creativity, using the Grant for General Social Infrastructure Improvements.

Figure 3-2-17: Preference for Wooden Housing



Source: Cabinet Office, *Survey of Forests and Daily Life* (2023)

Figure 3-2-18: Housing Starts During the Last 10 Years



Sources: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Statistical Survey of Housing Starts (FY2024)*

Figure 3-2-19: Initiatives to Promote Wooden Housing



## (10) Extending the Service Life of Housing

### Initiatives to extend the service life of housing

The Basic Plan for Housing (National Plan), drawn up in September 2006 and reviewed in March 2011, indicated a transition to a stock-based housing policy. This has resulted in initiatives to extend the service life of housing.

In light of the fact that the average age of demolished houses in Japan is about 40 years, it has become vital to use housing more carefully and for a longer time if the country is to become a stock-based society.

To extend the service life of housing, it is required to construct houses that have good durability and are easy to manage and maintain. At the same time, it is necessary to promote systematic inspections and repairs, and housing must be designed to accommodate future changes in interior finish and building equipment according to the needs of the inhabitants. It is also important to assist the secondary market of existing houses by developing their historical records, such as how they were built, maintained, and managed, and improving information service on the performance and quality of existing housing.

The Act on Promotion of Dissemination of Long-Life Quality Housing was promulgated on December 5, 2008, and came into force on June 4, 2009, as the core legislation for the creation of an approval system for the construction and maintenance plans of Long-Life Quality Housing, which is defined as quality housing with features to support long-term use in good condition. The main focus of this law is to facilitate the penetration of Long-Life Quality Housing. On May 28, 2021, the Act Partially Amending the Act on the Promotion of Long-Life Quality Housing and Other Acts for the Purpose of Improving Housing Quality and Establishing an Environment for Smooth Transactions, which mainly provides for expansion of the scope of certification and streamlining of certification procedures, was promulgated in order to promote the formation of good housing stock by accelerating the spread of long-lasting high-quality housing. If the house is certified, the owners are eligible for incentives such as an income tax reduction. Other initiatives to promote the shift to long-life housing include subsidies for long-life housing, development of historical records of houses, and improved housing finances.

These measures are intended to reduce the environmental impact caused by the waste generated by demolished homes and to decrease the financial burden on citizens by reducing the cost of rebuilding housing. Ultimately, they are expected to create an environment in which people can enjoy enriched lifestyles commensurate with Japan's status as a mature society and keep their residence with confidence.

Figure 3-2-20: International Comparison of Average Age of Demolished Houses

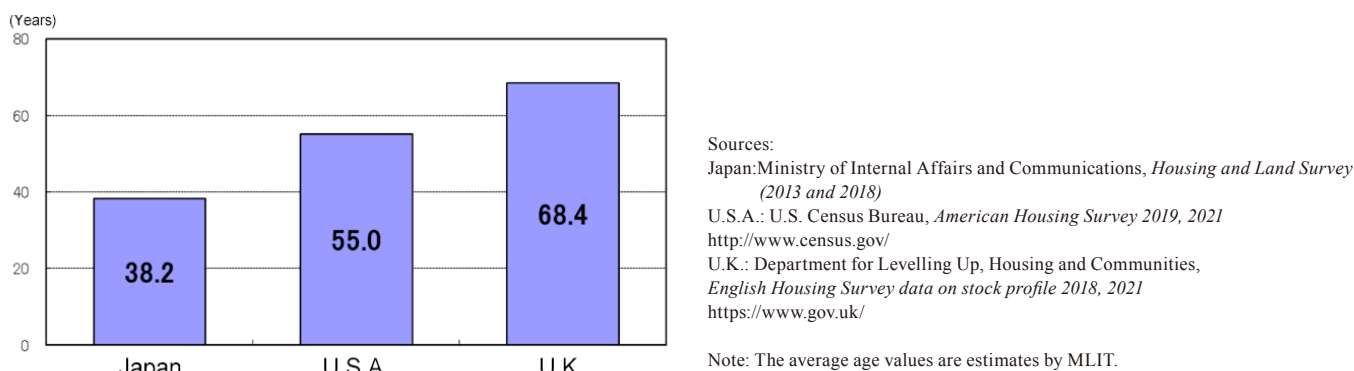
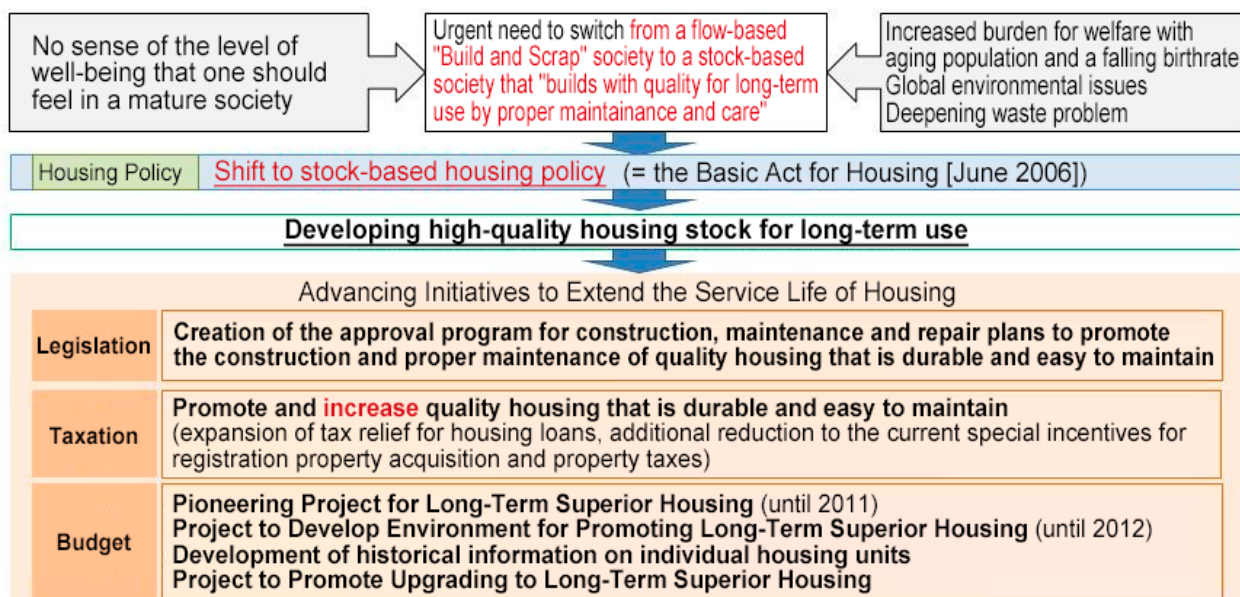


Figure: 3-2-21 Initiatives to Extend the Service Life of Housing



# (11) Earthquake Resistance of Housing and Buildings

## Promoting earthquake-resistant housing and buildings

For the preparedness against disasters such as the Tokyo Metropolitan Area earthquake and the Nankai Trough earthquake, the national government is promoting the seismic upgrading of houses and buildings, based on the Act on Promotion of Seismic Retrofitting of Buildings, through the reporting requirement of seismic diagnosis results for large-scale buildings used by an unspecified number of people and the labeling system for the earthquake resistance of buildings. As of 2023, the conformance rate of housing for seismic strength is about 90%. Among the large buildings subject to mandatory safety diagnosis, approximately 94% of those found to need seismic upgrading had completed the retrofit as of March 31, 2025.

The seismic retrofitting of housing and buildings has been supported by grants under the Grant for General Social Infrastructure Improvements and the like.

Figure 3-2-22: Overview of the Act on Promotion of Seismic Retrofitting of Buildings

The Act enforced in 1995  
 Partial revision enforced in 2006  
 Partial revision enforced in 2013  
 Partial revision enforced in 2019

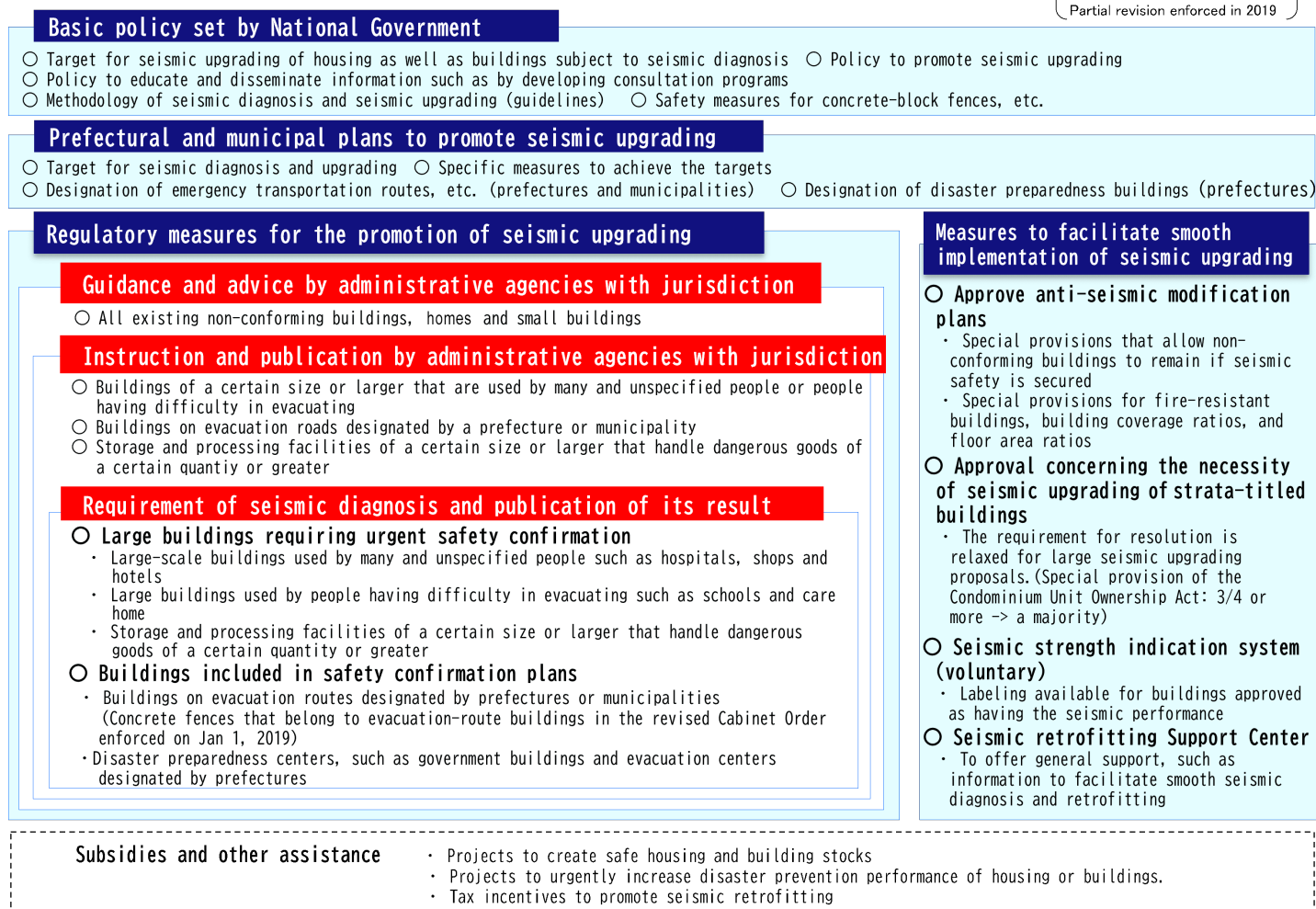


Table 3-2-4: Subsidy Criteria and Rates for Safe Housing and Building Stock Formation (Seismic-related only) (As of 2025)

\* Core projects under the Grant for General Social Infrastructure Improvements, etc.

		Housing (Including apartment buildings)	Government buildings, etc.
Seismic diagnoses		<ul style="list-style-type: none"> <li>Subsidy rate</li> <li>[By private sector]</li> <li>National government:1/3</li> <li>Local government:1/3</li> <li>[By local government]</li> <li>National government:1/2</li> </ul>	<ul style="list-style-type: none"> <li>Subsidy rate</li> <li>[By private sector]</li> <li>National government:1/3; Local government:1/3</li> <li>[By local government]</li> <li>National government:1/3</li> </ul>
Individual support	Seismic Improvements, etc. (* Rebuild and removal costs, are eligible if certain criteria are met.)	<p><b>Housing</b></p> <ul style="list-style-type: none"> <li>Regional requirements:N/A</li> <li>Subsidy rate</li> <li>[By private sector]</li> <li>National government:11.5%</li> <li>Local government:11.5%</li> <li>[By local government]</li> <li>National government:11.5%</li> <li>* A detached house has an option of either 1 or 2 below:</li> <li>1. 23% of the cost of seismic retrofit work</li> <li>2. For the cost of seismic retrofit work of:                             <ul style="list-style-type: none"> <li>less than ¥1 million, receive ¥204,000;</li> <li>¥1 million or more and less than ¥2 million, ¥306,000;</li> <li>¥2 million or more and less than ¥3 million, ¥509,000;</li> <li>more than ¥3 million, ¥713,000</li> </ul> </li> <li>* Condominiums:</li> <li>National government:1/6</li> <li>Local government:1/6</li> </ul>	<p><b>Buildings used by large numbers of people, etc.</b> (3 stories or higher with floor area of 1,000 m<sup>2</sup> or more such as department stores)</p> <ul style="list-style-type: none"> <li>Regional requirements:None</li> <li>Subsidy rate</li> <li>[By private sector]</li> <li>National government:11.5%; Local government:11.5%</li> <li>[Local government]</li> <li>National government:11.5%</li> <li>(Large buildings subject to mandatory safety diagnosis:1/3)</li> </ul> <p><b>Disaster management centers such as evacuation centers</b></p> <ul style="list-style-type: none"> <li>Building requirements: Evacuation centers, etc., included or planned to be included in area disaster management plans</li> <li>Subsidy rate</li> <li>[By private sector]</li> <li>National government:1/3; Local government:1/3</li> <li>[By local government]</li> <li>National government:1/3</li> <li>(Buildings subject to mandatory safety diagnosis included in disaster management plans that may interfere with disaster response:2/5 )</li> </ul>
		<p><b>Buildings alongside emergency transportation or evacuation roads</b> (limited to buildings important for disaster prevention, such as those related to densely populated areas and areas prone to tsunami, flood, etc.)</p> <ul style="list-style-type: none"> <li>Location requirements: On emergency transportation routes or evacuation routes</li> <li>Subsidy rate</li> <li>[By private sector] National government:1/3; local government:1/3</li> <li>[By local government] National government:1/3</li> <li>(Buildings subject to mandatory safety diagnosis included in disaster management plans that may interfere with disaster response:2/5)</li> </ul>	
		<p><b>Buildings alongside evacuation routes</b> (other than the routes important for disaster prevention)</p> <ul style="list-style-type: none"> <li>Location requirements:On evacuation routes, etc.</li> <li>Subsidy rate</li> <li>[By private sector] National government:11.5%; Local government:11.5%</li> <li>[By local government] National government:11.5%</li> </ul>	
	Planning, PR, etc.	<ul style="list-style-type: none"> <li>Applicable to: Projects based on policies set out in seismic retrofit promotion plans, etc. (Cost of: planning, seismic design, PR, property appraisal for loans with a lump-sum repayment in the event of death, related administration, etc.)</li> <li>Subsidy rate</li> <li>[By private sector] National government:1/3; Local government:1/3</li> <li>[By local government] National government:1/2</li> </ul>	
Packaged support	<p>Housing except condominiums</p> <ul style="list-style-type: none"> <li>Location requirements: N/A</li> <li>Applicable to: Total cost of seismic upgrading design and retrofit work</li> <li>Subsidies (fixed amounts by both national and local governments)</li> <li>Densely populated urban areas (including fire retrofit): ¥1.75 million; heavy snow areas: ¥1.4 million; others: ¥1.15 million</li> <li>Eligible municipalities</li> <li>Those that perform the following activities with annual review and verification of the progress:                             <ol style="list-style-type: none"> <li>Direct promotion of seismic retrofit to homeowners by visiting them or other means</li> <li>Follow-up on houses that have received the support for seismic diagnosis to take up retrofit</li> <li>Improvement of technical capability of retrofit contractors and facilitation of access to contractors by homeowners</li> <li>Extension work of the need for seismic resistance</li> </ol> </li> </ul>	—	

## **The Great Hanshin-Awaji Earthquake**

### **• Overview of earthquake damage**

An earthquake of magnitude 7.2 hit the Hanshin-Awaji region before daybreak on Jan. 17, 1995, and caused the worst damage that Japan had suffered since WWII until the Great East Japan Earthquake occurred in 2011. The number of deaths exceeded 6,000, about 250,000 houses were completely or half-destroyed, and about 390,000 houses were partially destroyed. The earthquake also caused serious damage to transportation networks, such as roads and railways, and critical urban infrastructure, such as electricity, gas and water supply.

### **• Recovery and reconstruction measures**

The national and local governments set up headquarters to take necessary measures for immediate recovery and reconstruction of the area, and energetically proceeded to support victims and restore the urban infrastructure through emergency risk evaluation of earthquake-damaged buildings, the construction of about 50,000 emergency temporary housing units, and the legislation of the Act on Special Measures for Reconstruction of Disaster-Stricken Urban Areas.

To ensure enough housing for people who lost their homes, public housing was constructed quickly and on a massive scale; 73,000 units were started in Hyogo Prefecture by August 1996.

In parallel, support for disaster victims toward their home rebuilding efforts was provided by loans extended by the GHLC (currently Japan Housing Finance Agency, JHF) and other measures.

### **• Realization of the importance of safety and earthquake-resistance**

With the occurrence of this earthquake, people realized again that “safety and a sense of security” form the foundation of daily life. It also highlighted the importance of urban planning that provides extra spaces and incorporates alternatives for urban functions in the event of emergency.

The earthquake-resistance of housing and buildings also received a great deal of attention again, and the Act on Promotion of Seismic Retrofitting of Buildings was enacted, under which the owner of a building that is used by many people is required to make an effort to have a seismic diagnosis performed, among other things.

Table 3-2-5: Overview of the Great Hanshin-Awaji Earthquake  
Based on the *Hanshin-Awaji Earthquake* (final version) published by the Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications on May 19, 2006

Outline of earthquake (Japan Meteorological Agency)	Date occurred	5:46 a.m., Tuesday, Jan. 17, 1995																																											
	Name	1995 South Hyogo Prefecture Earthquake																																											
	Location of epicenter	Awaji Island (Lat. 34° 36' N, Long. 135° 02' E)																																											
	Hypocenter depth	16 km																																											
	Seismic intensity	M 7.3																																											
	Local seismic Intensity	<p>Presumably 7: * Kobe City: Takatori (Suma-ku), Ohashi (Nagata-ku), Daikai (Hyogo-ku), Sannomiya (Chuo-ku), Rokkomichi (Nada-ku), Sumiyoshi (Higashinada-ku); Ashiya City: Around Ashiya Station; Nishinomiya City: Shukugawa, etc.; part of Takarazuka City; North of Awaji Island (Hokudan-cho, Ichinomiya-cho and part of Tsuna-cho), all in Hyogo Pref.</p> <p>Presumably 6: Kobe City and Sumoto City in Hyogo Pref.</p> <p>Presumably 5: Kyoto City in Kyoto, Hikone City in Shiga, Toyooka City in Hyogo Pref.</p> <p>* Reported by the mobile field observation team of the Japan Meteorological Agency</p>																																											
	Tsunami	No occurrence																																											
Damage	Earthquake victims and damage to structures	<p>Casualties: Deaths: 6,434 Missing: 3 Injured: 43,792 (serious injury: 10,683; minor injury: 33,109)</p> <p>Damage to housing: Completely destroyed: 104,906 buildings, 186,175 households Half destroyed: 144,274 buildings, 274,182 households Partially destroyed: 390,506 buildings otal: 639,686 buildings</p> <p>Damage to non-residential buildings: Public buildings: 1,579 buildings; Others: 40,917 buildings Educational and cultural facilities: 1,875 Roads: 7,245 sections; Bridges: 300</p> <p>Rivers: 774 sections; Landslips: 347 sections; Block fences, etc.: 2,468 places</p> <p>Water supply interrupted: approx. 1.3 million households * Ministry of Health, Labor and Welfare Gas supply interrupted: approx. 860,000 households * Agency for Natural Resources and Energy Electric power interrupted: approx. 2.6 million households * Agency for Natural Resources and Energy Number of subscribers' telephone lines affected: over 300,000 * Ministry of Posts and Telecommunications</p> <p>* The statistics of interruptions of water, gas, electricity, and telephone lines are as at the peak time.</p>																																											
	Fire	<p>Fire outbreaks Building fires: 269 locations; Vehicle fires: 9 locations; Others: 15 cases; total of 293 fires Area destroyed by fire: 835,858 m<sup>2</sup></p> <table border="1"> <thead> <tr> <th rowspan="3">Fire damage class \ Use</th> <th rowspan="3">Hyogo</th> <th colspan="3">Outside Hyogo</th> <th rowspan="3">Total</th> </tr> <tr> <th rowspan="2">Residential</th> <th colspan="2">Non-residential</th> </tr> <tr> <th>Public bldg.</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>Fully burned</td> <td>7,035</td> <td>1</td> <td>0</td> <td>0</td> <td>7,036</td> </tr> <tr> <td>Half burned</td> <td>89</td> <td>5</td> <td>0</td> <td>2</td> <td>96</td> </tr> <tr> <td>Partially burned</td> <td>313</td> <td>8</td> <td>2</td> <td>10</td> <td>333</td> </tr> <tr> <td>Small fires</td> <td>97</td> <td>6</td> <td>1</td> <td>5</td> <td>109</td> </tr> <tr> <td>Total</td> <td>7,534</td> <td>20</td> <td>3</td> <td>17</td> <td>7,574</td> </tr> </tbody> </table> <p>* Residential/non-residential info is not available for Hyogo. Affected households: 8,908 in Hyogo. Outside Hyogo: total loss: 16; half loss: 6; minor damage: 39. A total of 8,969 households affected. * Fully collapsed, half collapsed or minor damage info is not available for Hyogo.</p>				Fire damage class \ Use	Hyogo	Outside Hyogo			Total	Residential	Non-residential		Public bldg.	Others	Fully burned	7,035	1	0	0	7,036	Half burned	89	5	0	2	96	Partially burned	313	8	2	10	333	Small fires	97	6	1	5	109	Total	7,534	20	3	17
Fire damage class \ Use	Hyogo	Outside Hyogo			Total																																								
		Residential	Non-residential																																										
			Public bldg.	Others																																									
Fully burned	7,035	1	0	0	7,036																																								
Half burned	89	5	0	2	96																																								
Partially burned	313	8	2	10	333																																								
Small fires	97	6	1	5	109																																								
Total	7,534	20	3	17	7,574																																								

# The Great East Japan Earthquake

## • Overview of earthquake damage

Table 3-2-6: Overview of the Great East Japan Earthquake

*About the 2011 Off the Pacific Coast of Tohoku Earthquake (the Great East Japan Earthquake)*, published on March 9th, 2021, by the Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications

Outline of earthquake (Japan Meteorological Agency)	Date occurred	14:46 p.m., Friday, March 11, 2011
	Name	The 2011 Off the Pacific Coast of Tohoku Earthquake
	Location of epicenter	Sanriku offshore (Lat. 38° 1' N, 142° 9' E)
	Hypocenter depth	24 km
	Seismic intensity	M 9.0
	Local seismic intensity (maximum presumably weak 6 or higher)	<p>Presumably 7 Kurihara City, Miyagi</p> <hr/> <p>Presumably strong 6 Miyagi Pref.: Wakuya-cho, Tome City, Misato-machi, Osaki City, Natori City, Zaou-machi, Kawasaki-machi, Yamamoto-cho, Sendai City, Ishinomaki City, Shiogama City, Higashimatsushima City, Ohira-mura</p> <p>Fukushima Pref.: Shirakawa City, Sukagawa City, Kunimi-machi, Kagamiishi-machi, Tenei-mura, Nara-ha-machi, Tomioka-machi, Okuma-machi, Futaba-machi, Namie-machi, Shinchi-machi</p> <p>Ibaraki Pref.: Hitachi City, Takahagi City, Kasama City, Hitachiomiya City, Naka City, Chikusei City, Hokota City, Omitama City</p> <p>Tochigi Pref.: Ohtawara City, Utsunomiya City, Moka City, Ichikai-machi, Takanezawa-machi</p> <hr/> <p>Presumably weak 6 Iiwate Pref.: Ofunato City, Kamaichi City, Takizawa-mura, Yahaba-cho, Hanamaki City, Ichinoseki City, Oshu City, Fujisawa-cho</p> <p>Miyagi Pref.: Kesenuma City, Minamisanriku-cho, Shiroishi City, Kakuda City, Iwanuma City, Oga-wara-machi, Watari-cho, Matsushima-machi, Rifu-cho, Taiwa-cho, Osato-cho, Tomiya-machi</p> <p>Fukushima Pref.: Fukushima City, Koriyama City, Nihonmatsu City, Koori-machi, Kawamata-machi, Nishigo-mura, Nakajima-mura, Yabuki-machi, Tanagura-machi, Tamakawa-mura, Asakawa-machi, Ono-machi, Tamura City, Date City, Motomiya City, Iwaki City, Soma City, Hirono-machi, Kawauchi-mura, Iitate-mura, Minamisoma City, Inawashiro-machi</p> <p>Ibaraki Pref.: Mito City, Tsuchiura City, Ishioka City, Joso City, Hitachiota City, Kitaibaraki City, Toride City, Tsukuba City, Hitachinaka City, Kashima City, Itako City, Bando City, Inashiki City, Kasumigaura City, Sakuragawa City, Namegata City, Tsukubamirai City, Ibaraki-machi, Shirosato-machi, Tokai-mura, Miho-mura</p> <p>Tochigi Pref.: Nasu-machi, Nasushiobara City, Haga-machi, Nasukarasuyama City, Nakagawa-machi</p> <p>Gunma Pref.: Kiryu City</p> <p>Saitama Pref.: Miyashiro-machi</p> <p>Chiba Pref.: Narita City, Inzai City</p>
Tsunami	<ul style="list-style-type: none"> <li>• Soma Maximum wave 15:51 p.m. March 11, upper 9.3 m *</li> <li>• Ayukawa, Ishinomaki City Maximum wave 15:26 p.m. March 11, upper 8.6 m *</li> <li>• Miyako Maximum wave 15:26 p.m. March 11, upper 8.5 m *</li> <li>• Ofunato Maximum wave 15:18 p.m. March 11, upper 8.0 m *</li> <li>• Hachinohe Maximum wave 16:57 p.m. March 11, upper 4.2 m *</li> <li>• Kamaishi Maximum wave 15:21 p.m. March 11, upper 4.2 m *</li> <li>• Oarai Maximum wave 16:52 p.m. March 11, 4.0 m</li> <li>• Shoya, Erimo-cho Maximum wave 15:44 p.m. March 11, 3.5 m</li> </ul> <p>* There are some periods of no data because the observatory was damaged by the tsunami. So there is some possibility that higher tsunami waves hit after these. (Japan Meteorological Agency)</p>	
Statistics	Earthquake victims and damage to structures	<p>Casualties:</p> <p>Deaths: 19,747</p> <p>Missing: 2,556</p> <p>Injured: 6,242</p> <p>Damage to housing:</p> <p>Completely destroyed or lost: 122,005 buildings</p> <p>Half destroyed: 283,156 buildings</p> <p>Partially destroyed: 749,732 buildings</p> <p>Inundation above ground floor level: 1,489 buildings</p> <p>Inundation under ground floor level: 9,786 buildings</p> <p>Damage to non-residential buildings:</p> <p>Public buildings: 14,527 buildings</p> <p>Others: 92,890 buildings</p> <p>Water supply interrupted: approx. 257,000 households * Ministry of Health, Labor, and Welfare</p> <p>Gas supply interrupted: approx. 40,000 households * Agency for Natural Resources and Energy</p> <p>Electricity interrupted: approx. 871,000 households * Agency for Natural Resources and Energy</p> <p>Number of subscriber's telephone lines affected: over 190,000 * Ministry of Posts and Telecommunications</p> <p>* The statistics of interruptions of water, gas, electricity and telephone lines are as at the peak time.</p>
	Fire	<p>Fire outbreaks: 330 locations</p> <p>Hokkaido: 4; Aomori: 11; Iwate: 33; Miyagi: 137; Akita: 1; Yamagata: 2; Fukushima: 38; Ibaraki: 31; Gunma: 2; Saitama: 12; Chiba: 18; Tokyo: 35; Kanagawa: 6</p>

Photo 3-2-2: Damage from Tsunami



Photo 3-2-3: Damage from Earthquake



● **Progress of measures taken for recovery and reconstruction  
(to secure stable housing for those who lost their homes)**

Various measures are being taken for the full-fledged recovery and rebuilding in the areas affected by the Great East Japan Earthquake of March 11, 2011. This is being done urgently and, in particular, the following measures are being taken to secure stable housing for those who lost their homes. All-out efforts will be made continuously for recovery and reconstruction in the affected areas and for the stability of the lives of the victims.

**1) Securing stable housing for victims**

**a. Support for supply of public housing in the affected areas**

In order to reduce the burden on local governments to supply disaster-relief public housing, the rates of subsidies for housing supply and reduced rents have been raised. Furthermore, as special support measures, a new subsidy program was created for the purchase and preparation of land for disaster-relief public housing, additional reductions of rents for low-income residents in disaster-relief public housing, and supplying quality rental housing for disaster-recovery. At the same time, applicants seeking public housing are given special consideration for their qualification.

Table 3-2-7: Number of Public Housing Units Provided Disaster Relief and Future Outlook (as of September 2024)

(Number of households)

		End of FY2016	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021	End of FY2022	End of FY2023	End of FY2024	Planned
Iwate Pref.		4,594	5,284	5,672	5,734	5,833	5,833	5,833	5,833	5,833	5,833
Miyagi Pref.		13,784	15,415	15,823	15,823	15,823	15,823	15,823	15,823	15,823	15,823
Fukushima Pref.	Tsunami and earthquake	2,758	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807	2,807
	Evacuees from nuclear plant	3,400	4,707	4,767	4,767	4,767	4,767	4,767	4,767	4,767	4,890
	Returnees	69	283	293	397	423	423	431	445	453	453
<b>Total</b>		<b>24,605</b>	<b>28,496</b>	<b>29,362</b>	<b>29,528</b>	<b>29,653</b>	<b>29,653</b>	<b>29,661</b>	<b>29,675</b>	<b>29,683</b>	<b>29,806</b>

Notes: Tsunami and earthquake means disaster-relief public housing for tsunami and earthquake victims. *Evacuees from nuclear plant* means the public housing for evacuees from nuclear plant, and *returnees* means the public housing for returnees who have returned from evacuation. The planned number for evacuees from nuclear plant is 4,890 units, including 123 cancelled units.

Photo 3-2-4: Example of Public Housing Provided for Disaster Relief (Soma City, Fukushima Pref.)



Photo 3-2-5: Example of Public Housing Provided for Disaster Relief (Otsuchi-cho, Iwate Pref.)



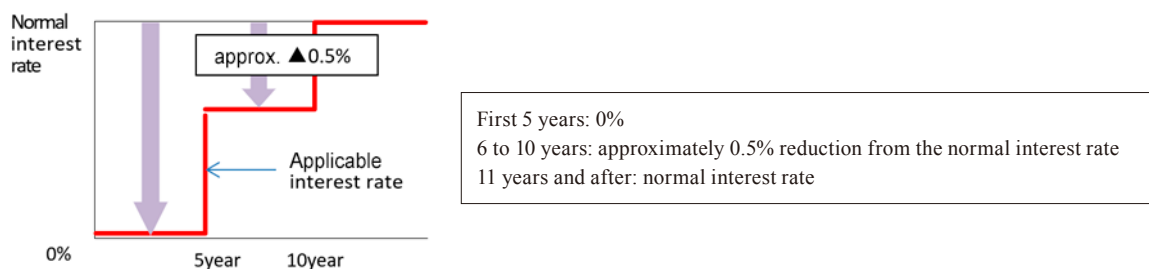
## 2) Assistance for self-rebuilding by victims

### a. Expansion of disaster-recovery housing loans

In order to support housing reconstruction by disaster victims, reduced interest rates and longer interest-only periods are offered by the Japan Housing Finance Agency for its housing loans to rebuild disaster-damaged homes. In addition, disaster restoration housing land loans for land are provided to help out the cases in which the site of the house itself has suffered damage.

Figure 3-2-23: Reduction of Interest Rates and Example Repayment Plan for Disaster-Recovery Housing Loans (Construction or Purchase)

#### ■ Reduction of loan interest rate



#### ■ Example of repayment

Loan amount	Repayment amount			Total interest payment
	First 5 years	6 to 10 years	11 years on	
¥20,000,000	¥0 (0%)	¥57,394 (1.10%)	¥61,816 (1.63%)	¥5,697,340

#### Assumptions

- Loan amount: ¥20,000,000
- ( ) is the applicable loan interest rate (as of July 1, 2025)
- Prevailing interest rates with a group life insurance policy
- Repayment period is 40 years (interest payment only for the first 5 years)
- Equal monthly payments with principal and interest

### b. Expansion of the special repayment allowance for victims with loans from the Japan Housing Finance Agency

For disaster victims who have loans from the Japan Housing Finance Agency (JHF) (including loans from predecessor GHLC and Flat 35 (zero-down type)), special measures are in place such as the postponement of payment for up to five years and reduction of interest rates during the grace period.

For the victims of the Great East Japan Earthquake, we are thankful that we received generous contributions and assistance from other countries.

Please visit the following websites to see details regarding the March 2011 disasters, and actions that have been taken for reconstruction by MLIT and the rest of the Japanese government offices and agencies.

MLIT: [https://www.mlit.go.jp/page/kanbo01\\_hy\\_001411.html](https://www.mlit.go.jp/page/kanbo01_hy_001411.html)

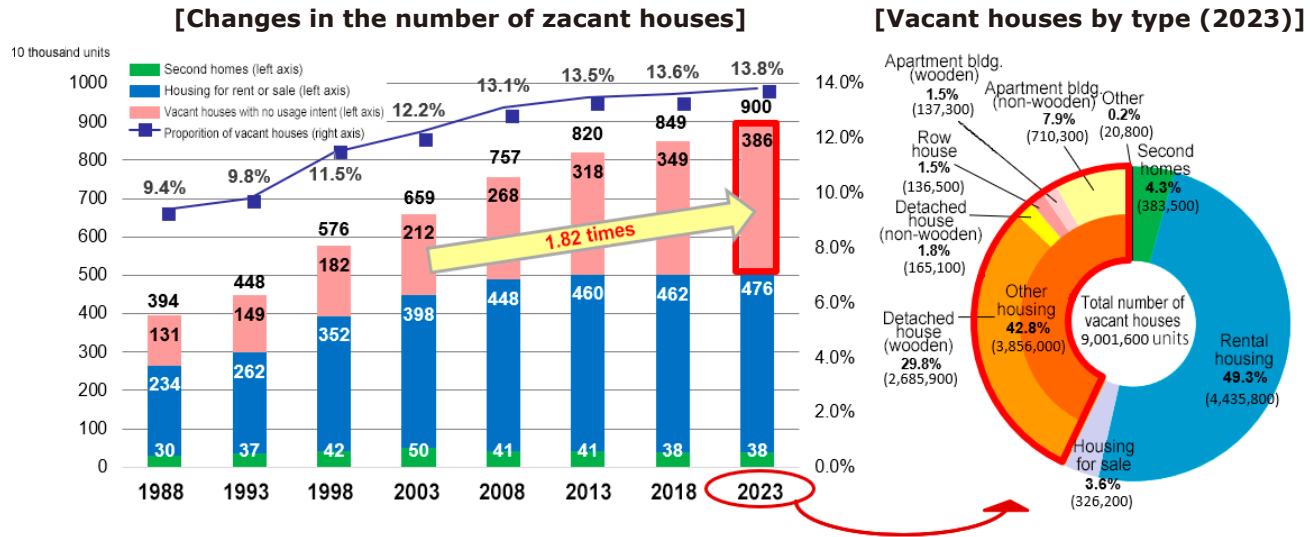
Reconstruction Agency: <http://www.reconstruction.go.jp/english/topics/links/>

## (12) Vacant House Countermeasures

### Current status of vacant houses

In recent years, the number of vacant houses has been increasing year by year due mainly to the declining population, aging of existing houses, and changes in social needs. According to the Housing and Land Survey conducted by the Ministry of Internal Affairs and Communications, the total number of vacant houses in Japan as of October 1, 2023, was 9.00 million, accounting for 13.8% of the total number of houses. Of the total number of vacant houses, the number without any purposeful use, excluding secondary houses such as villas, houses for rent and houses for sale, was 3.86 million, an increase of about 1.8 times in the past 20 years.

Figure 3-2-24: Number of Vacant Houses by Type



Source: Ministry of Internal Affairs and Communications, *Housing and Land Statistics Survey*

Types of vacant houses:

Second home: Villas and others (residences where people stay overnight occasionally)

House for rent or sale: Houses, whether new or used, that are vacant in order to rent or sell

Vacant houses without any purposeful use: Houses other than the above that have no residents, such as those where the residents are absent for a long period due to job transfer or hospitalization, or houses that are to be demolished for rebuilding

### Amendment of the Act on Promoting Countermeasures on Vacant Houses

The issue of vacant houses had become increasingly serious throughout Japan, and the Act on Special Measures on Promoting Countermeasures on Vacant Houses (hereinafter called the “Vacant Houses Act”) was enacted in 2014, mainly focusing on specified vacant houses that have significant adverse effects on their surroundings. Since the enforcement of the Vacant Houses Act in 2015, local governments have made steady progress in countermeasures to vacant houses, such as drawing up plans to resolve the issue of vacant houses and the demolition of specified vacant houses.

At the same time, the number of vacant houses is on the rise due to a population decline. The number of vacant houses with no purposeful use is expected to increase to 4.7 million by 2030. Thus stronger and more extensive measures are essential, and there is an increasing need to take action even before houses become vacant and at an earlier stage when vacancies do occur. There is an even more urgent need to utilize vacant houses catering to the local needs, creating value for the community and contributing to the vitalization of local economies and communities.

In order to strengthen countermeasures through the regulatory system, the government tabled a bill for the amendment of the Vacant Houses Act in the 211th ordinary session of the Diet, and after deliberations in the House of Representatives and the House of Councilors, the Act was passed on June 7, 2023, promulgated on June 14, and enforced on December 13. The amended Act has three pillars for strengthening measures: expanded utilization, management control of vacant houses and removal of specified vacant houses.

### Utilization of the Vacant Houses Act by municipalities

As of March 31, 2024, a total of 1,501 municipalities (about 86% of all municipalities in Japan) had already formulated a vacant house countermeasure plan, which forms the basis of actions against vacant houses for municipalities. In addition, 152 municipalities are going to create such a plan in the future. As a result, about 95% of municipalities will have such a plan.

The number of actions taken by the mayors of municipalities against specified vacant houses has been increasing year by year. As of March 31, 2024, municipalities recorded 39,180 cases of advice/guidance, 3,589 cases of recommendation, 456 cases of order, 213 cases of administrative subrogation and 510 cases of summary subrogation.

Table 3-2-8: Status of Vacant House Countermeasure Plans

	Number of municipalities	Ratio
Already formulated	1,501	86%
To be formulated	152	9%
FY2023	52	3%
FY2024 or thereafter	21	1%
Time not determined	79	5%
No plan to formulate	88	5%
Total	1,741	100%

Table 3-2-9: Measures Taken against Specified Vacant Houses, Etc. (Number of municipalities in parentheses)

	Advice/guidance	To be formulated	Order	Administrative subrogation	Summary subrogation
FY2015	2,194(121)	60(24)	6(5)	2(2)	8(8)
FY2016	3,062(203)	215(73)	19(16)	10(10)	28(24)
FY2017	4,058(275)	304(93)	37(27)	12(12)	40(33)
FY2018	4,524(325)	379(107)	43(21)	18(14)	51(46)
FY2019	5,320(398)	442(136)	38(30)	28(25)	67(55)
FY2020	5,755(403)	484(150)	64(46)	24(22)	67(55)
FY2021	5,453(417)	549(156)	85(61)	47(43)	84(74)
FY2022	4,568(417)	622(159)	90(58)	39(36)	71(54)
FY2023	4,246(374)	534(161)	74(61)	33(31)	94(79)
Total	39,180(850)	3,589(458)	456(219)	213(151)	510(263)

Source: Surveys by Ministry of Land, Infrastructure, Transport and Tourism and Ministry of Internal Affairs and Communications

The measures taken by municipalities are producing results. For instance, the number of specified vacant houses that have been removed or repaired has reached 24,435. Moreover, as a result of the various measures taken by municipalities, including not only advice and guidance under the Vacant Houses Act but also measures based on ordinances and the provision of information under the Vacant Houses Act, the cumulative number of houses that were removed or otherwise disposed of by their owners reached about 193,000 as of March 31, 2024.

### Tax incentive utilization

In addition to measures under the Vacant Houses Act, a special taxation measure was introduced to facilitate removal of vacant houses by municipalities and marketing of vacant houses. Specifically, an heir who inherits a house that was used as the residence of the deceased sells the house (including its site, provided that the house will undergo seismic retrofitting if it is not already earthquake-proof) or the site after demolition by December 31 of the year in which three years have elapsed since the date of inheritance, the heir is entitled to a taxable income exemption of ¥30 million from the proceeds of the sale of the house or site. As of March 31, 2024, a total of 77,357 confirmation letters for such exemption had been issued.

As a result of the amendments to the taxation system in FY2023, the above measure has been extended to December 31, 2027. For sales concluded up to the end of 2023, the seller must have completed a seismic retrofit or demolition prior to the closing of the sale. For sales made on or after January 1, 2024, this incentive is also applicable to cases where the buyer undertakes the seismic retrofit or demolition pursuant to the sale and purchase agreement between the conclusion of the sale to February 15 of the following year.

### Support for vacant house countermeasures

#### 1) Comprehensive support program for vacant house countermeasures

Support is provided for the initiatives implemented by municipalities under their vacant house countermeasure plans, based on the Vacant Houses Act, such as removal or utilization of vacant houses, and to NPOs and private businesses for their initiatives to conduct studies/surveys for model utilization projects of vacant houses or to perform renovations.

#### 2) Support program for promotion of vacant house renewal

Support is provided to local governments that are engaged in the utilization of vacant houses or the demolition of vacant and substandard houses in order to improve the residential environment in the target areas under the vacant house countermeasure plan based on the Vacant Houses Act.

### 3. Environmental Improvement in Urban Areas

#### (1) Development of Urban Residential Areas

Some existing urban areas require renewal because of high concentrations of aging wooden housing and inadequate development of public facilities.

Depending on local characteristics, a variety of project approaches are employed to improve these areas. Some projects are designed to create good urban environments, supply comfortable urban housing or improve living environments and facilities, while others seek to improve the ability to withstand disasters. Described below are five representative types.

##### i. Urban renewal projects

###### Project objectives

Based on the Urban Renewal Act, which was enacted in 1967, these projects are executed in existing urban areas where low-rise wooden houses are densely built and public facilities are insufficient. After existing buildings are demolished, medium- to high-rise fire-resistant buildings are constructed. The original property owners together with new investors become condominium owners of the new building by means of property rights conversion and preferential sale to former owners. The district is completely renewed through new construction of roads, parks and plazas, which make the area resistant to earthquakes and fires.

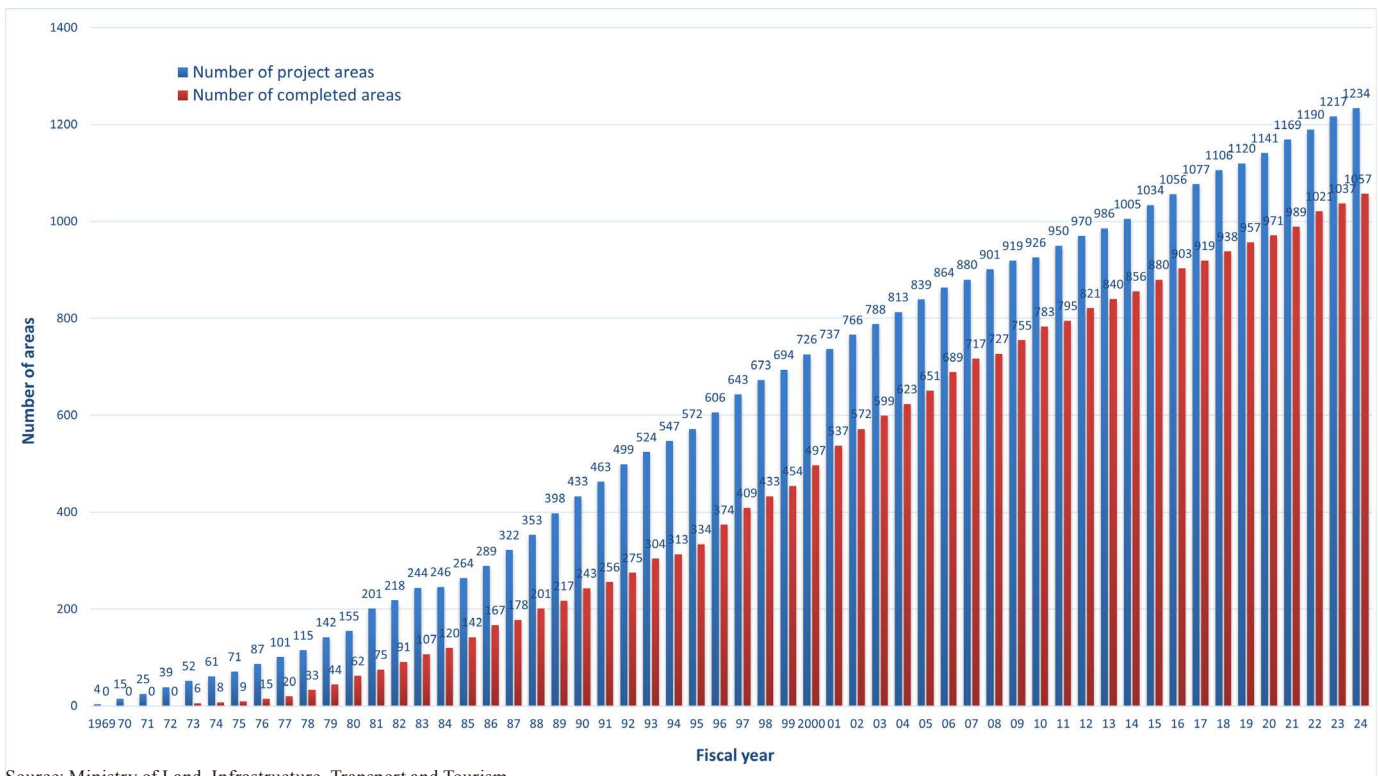
###### Implementing bodies

Implementing bodies may be public organizations, such as local governments, the Urban Renaissance Agency and regional housing corporations; urban renewal cooperatives consisting of landowners, leaseholders and others; renewal companies; or individuals.

###### Project structure

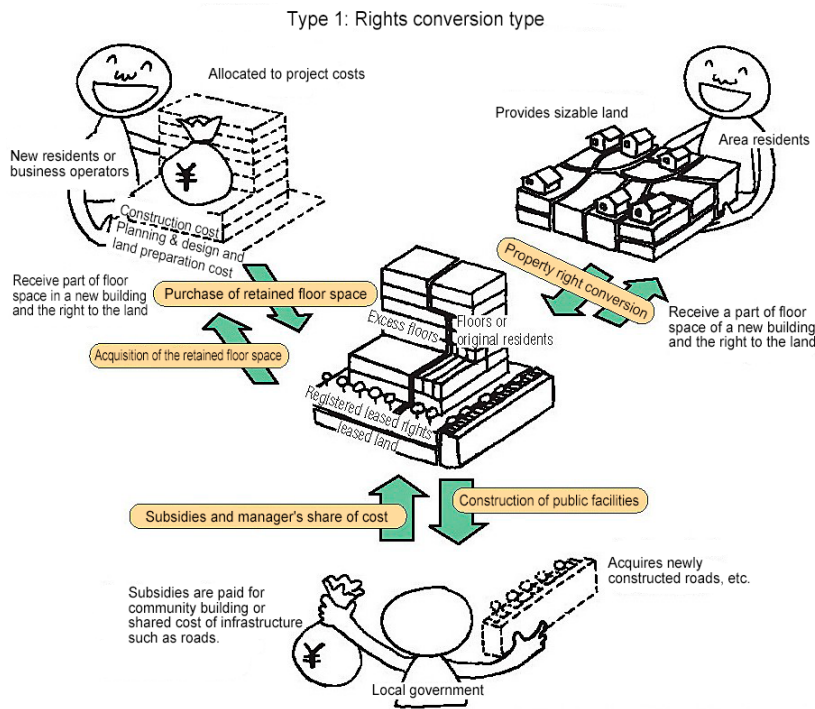
Funds required for implementing the projects, such as construction costs of buildings and public facilities, are covered by revenue from selling the excess floors produced by intensive utilization of land; funds paid by local governments for the cost of public facilities such as roads and public open spaces that are brought about as a result of renewal; and subsidies from the central and local governments. The original rights to land and buildings are converted to rights to part of the floor space of the new building and rights in common to the land. Therefore, those who have been doing business or living in the district, in principle, occupy the newly constructed building (property rights conversion type: TypeI). There is another measure where the implementing body first expropriates all the land and buildings, then sells them back preferably to the former owners after completion (preferential sale to former owners type: TypeII).

Figure 3-3-1: Urban Renewal Projects (as of March 31, 2025)



Source: Ministry of Land, Infrastructure, Transport and Tourism

Figure: 3-3-2: Mechanism of Urban Renewal Projects



Source: Urban Renewal Association of Japan, *Illustration of Urban Renewal Projects*

Figure 3-3-3: Urban Renewal Projects by Implementing Body (Cumulative from FY1970 through FY2024)

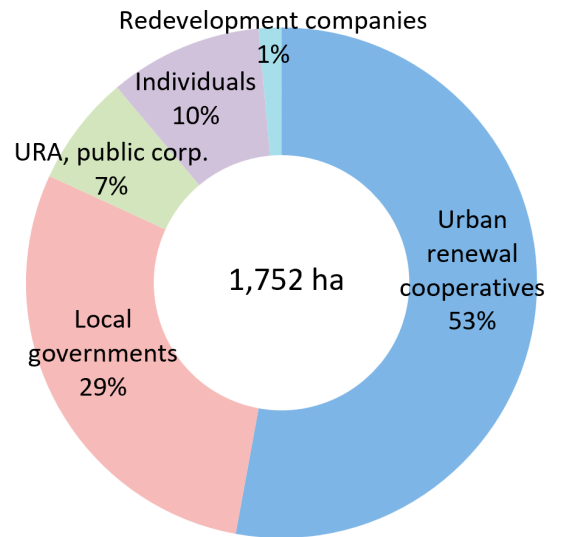
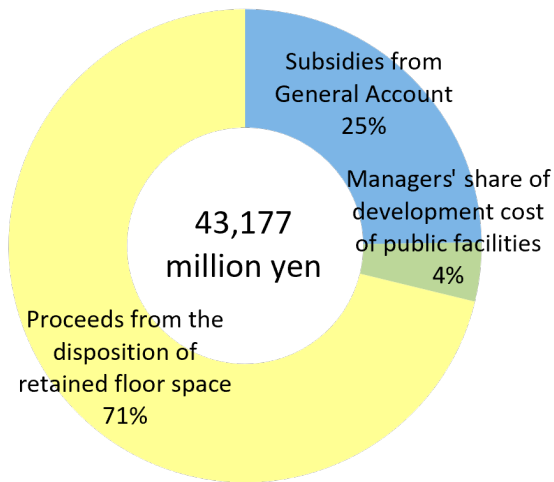


Figure 3-3-4: Example of Urban Renewal Project Revenues and Expenditures (Hikifune Station Front District by UR)

**Revenues**



**Expenditures**

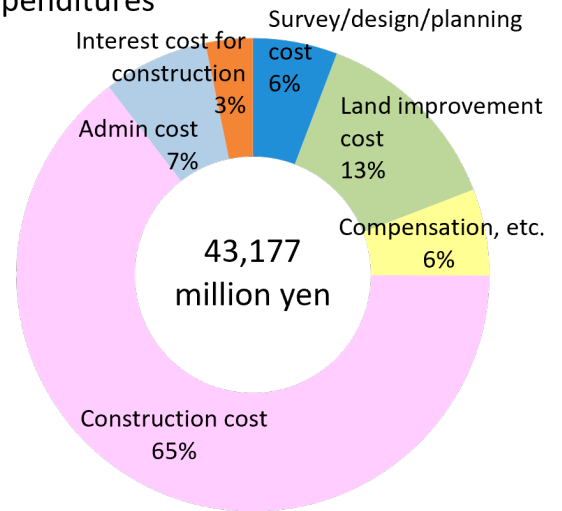


Photo 3-3-1: Hikifune Station Front District



Before



After

## ii. Comprehensive urban residential area improvement projects

### Project objectives

Comprehensive urban residential area improvement projects target existing urban areas. Their objectives include the creation of comfortable residential environments, the updating of urban functions, the improvement of densely populated areas, the promotion of inner-city living and the renewal of housing estates.

### Project types

These projects can be divided into the following types, according to the nature of the improvements made in urban residential areas:

#### 1) Improvement projects of densely populated areas

To improve housing and living environments and disaster prevention, including the development of public facilities and the removal and replacement of dilapidated houses in densely populated areas

#### 2) Center-development projects

To create sustainable living environments and update urban functionality in existing urban areas, especially in major cities, by providing public facilities and quality housing

#### 3) Inner-city residential renewal projects

To encourage relocation to central city areas by developing public facilities and supplying quality housing

#### 4) Estate housing stock-utilization projects

To revitalize housing estates, where a rapid aging of residents and an increase in the number of vacant units are expected, by providing comprehensive supports toward the redevelopment of existing stock to life-assisting facilities for elderly/child-rearing households, and remodeling existing units to promote move-in of young households

Project owners include local governments, the Urban Renaissance Agency, regional housing corporations or private-sector businesses. The national government provides assistance for the following costs:

- a. Preparation of development plans
- b. Improvement/development of housing and community support facilities, etc.
- c. Improvement of public infrastructure (roads, parks, etc.)

## iii. Comprehensive disaster-prevention projects for densely populated areas

### Project objectives

Comprehensive development is sought to improve the residential environment for densely built-up areas where aging is rapidly progressing, along with disaster prevention. To attract different types of households to the area, community support facilities such as childcare and welfare facilities are to be developed.

### Project overview

Local governments first create a council that includes private sector participation for each project area for the comprehensive improvement of the residential environment. The development/improvement of childcare support facilities, housing for the elderly with services, and welfare facilities, among other things, are encouraged and facilitated, while promoting disaster prevention measures.

Project owners are local governments, the Urban Renaissance Agency, regional housing corporations or private businesses. The national government provides assistance for the following costs:

- a. Preparation of development plans
- b. Improvement/development of housing and community support facilities, etc.
- c. Improvement of public infrastructure (roads, parks, etc.)

Photo 3-3-2: Ikeda-Otoshi District, Neyagawa City (comprehensive urban residential area improvement project & improvement of densely populated residential area)

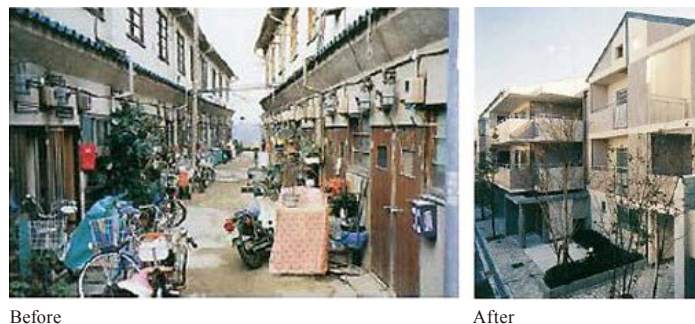


Photo 3-3-3: Nakagawa Riverside District (comprehensive urban residential area improvement project & localized development project)

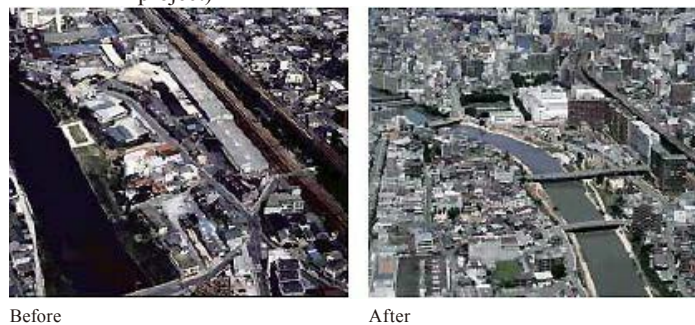
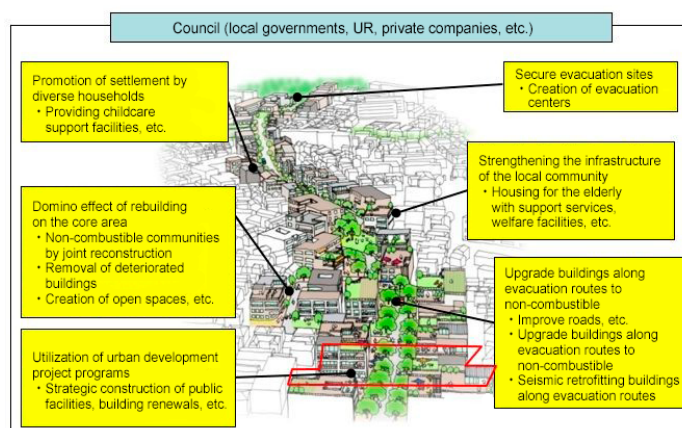


Figure 3-3-5: Comprehensive Disaster Prevention Project for Densely Populated Areas



#### iv. Townscape improvement projects

##### Project objectives

Townscape improvement projects aim to develop residential areas with plenty of space and comfort in areas where development/improvement of the living environments is necessary as cooperative efforts between local governments and resident groups that have signed community development agreements.

##### Project overview

These projects are implemented by local governments and residents who have signed community development agreements. They develop and improve their communities by improving the exterior appearance of houses, burying power and telephone cables underground, and working on roads, public squares and other community facilities.

Projects are executed by local governments and residents. The national government provides assistance for the following costs:

- a. Council activities
- b. Preparation of development plans
- c. Provision of community facilities
- d. Work to enhance the exterior appearance of houses, etc.

Photo 3-3-4: Chofu District, Shimonoseki City (Townscape improvement project)



#### v. Residential area improvement projects

##### Project objectives

These projects are created pursuant to the Residential Area Improvement Act and aim to improve areas that are dense with sub-standard housing. They are a kind of slum clearance projects that strive to improve the residential environment and promote collective construction of housing that provides for healthy and culturally satisfying living conditions.

##### Project overview

A local government implements a project with financial assistance from the national government in the following steps, pursuant to the Act:

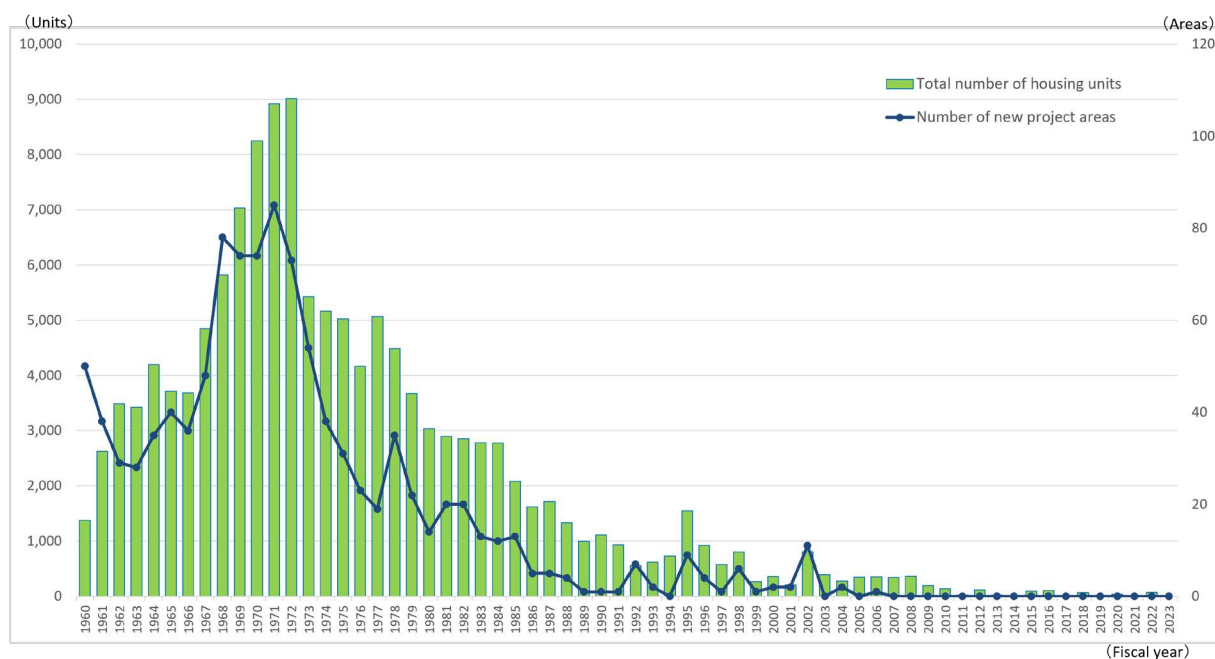
- a. Purchase and removal of substandard houses
- b. Land preparation (land acquisition, etc.); site preparation; relocation of buildings other than substandard houses; development of public facilities such as roads, parks and community centers
- c. Construction of improved housing for the residents of the removed housing (mainly rental, but may be for sale)
- d. Provision of temporary housing, etc.

If the property owner does not consent to the sale of their substandard house and land in a or b above, the project owner may expropriate the property pursuant to the Act.

##### Record of the project

A total of approximately 134,000 housing units were constructed under this project from FY1960 through FY2023.

Figure 3-3-6: Numbers of Housing Units Constructed and Areas under the Residential Area Improvement Projects



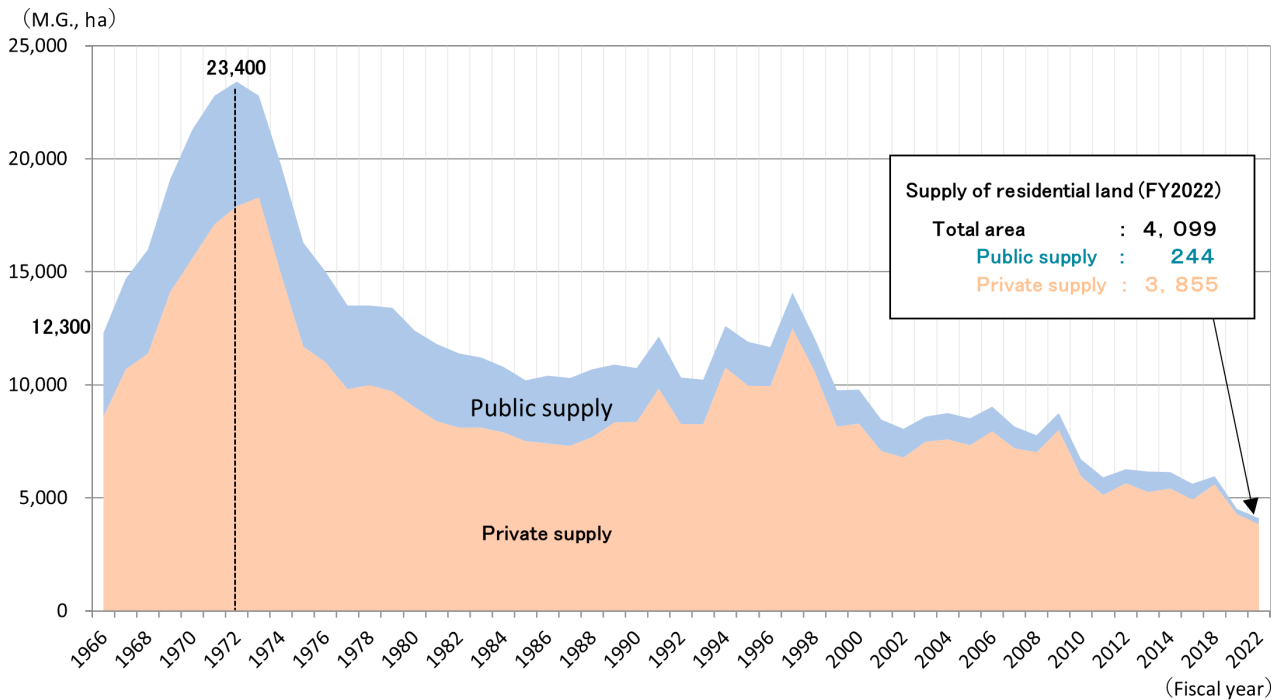
Source: Ministry of Land, Infrastructure, Transport and Tourism

## (2) Changes in Supply of Land for Housing and Development of New Residential Areas

### Trends in the Supply of Land for Housing

In FY2022, the total area of land supplied for housing was 4,099 ha, of which the public sector supplied 244 ha and the private sector 3,855 ha.

Figure 3-3-7: Changes in Supply of Land for Housing



Source: Ministry of Land, Infrastructure, Transport and Tourism

Note: 1. From 1966 to 1988, estimates were carried out using M.G. (medium gross = site area plus a narrow back street and play lots, etc.). However, the methodology was partially revised, and since 1989, the area of housing lots has been used.

2. "Public supply" refers to land supplied by the public sector such as the URA, local governments and others, including land supplied through Land Readjustment Projects carried out by these organizations.
3. "Private supply" includes land supplied by other than the above.
4. For Iwate, Miyagi and Fukushima Prefectures, the amount of residential land from FY2011 to FY2014 includes the area converted from agricultural and forest lands to residential land.
5. For FY2014 and later, statistics are taken every two years.

### New Town Construction

The concentration of population in major cities during Japan's high economic growth period created a need for the systematic supply of large areas of land for housing. Since the 1960s, large new towns have been built on the outskirts of major cities through new housing and urban development projects and land readjustment projects. The national government has provided subsidies for the development of public facilities, including roads, parks and rivers, needed for these new town projects. Public housing project entities have built a number of large residential cities (with a population of several hundreds of thousands) on areas covering several thousand hectares. Examples include Senri New Town and Senboku New Town in Osaka Prefecture, and Tama New Town and Kohoku New Town on the outskirts of Tokyo.

Photo 3-3-5: Tama New Town

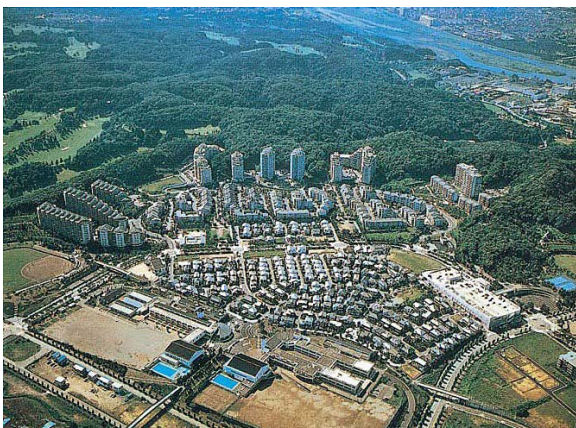
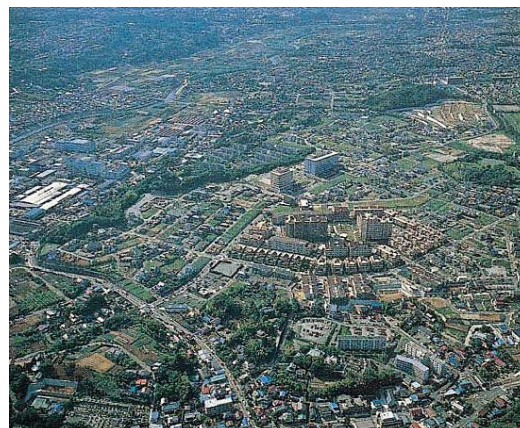


Photo 3-3-6: Kohoku New Town



## • New Housing and Urban Development Projects

New Housing and Urban Development Projects are implemented under the New Housing and Urban Development Act, which was enacted in 1963. Their purpose is to develop healthy residential communities near urban residential areas where the demand for housing is especially high by providing substantial tracts of land for housing with a good residential environment. The project owners, such as local governments or local housing corporations, acquire the planned area in its entirety and develop residential communities.

## • Land Readjustment Projects

Land readjustment projects are carried out under the Land Readjustment Act to develop and improve public facilities and facilitate better utilization of residential lands. Land substitution is used to achieve various goals, including the creation or changes of roads, parks and other public facilities, and the redrawing of lot lines. Benefits include the formation of healthy urban areas and the supply of quality land for housing. These projects are initiated by individual landowners, land readjustment cooperatives formed by landowners and others, local governments, the Urban Renaissance Agency or regional public housing corporations.

## • Urban Residential Area Infrastructure Improvement Projects

The aim of these projects is to encourage residential land projects and housing stock improvement projects, especially in priority areas within Japan's three major metropolitan areas, for housing and residential land supply through the comprehensive development of public facilities and other infrastructure that are directly related to them.

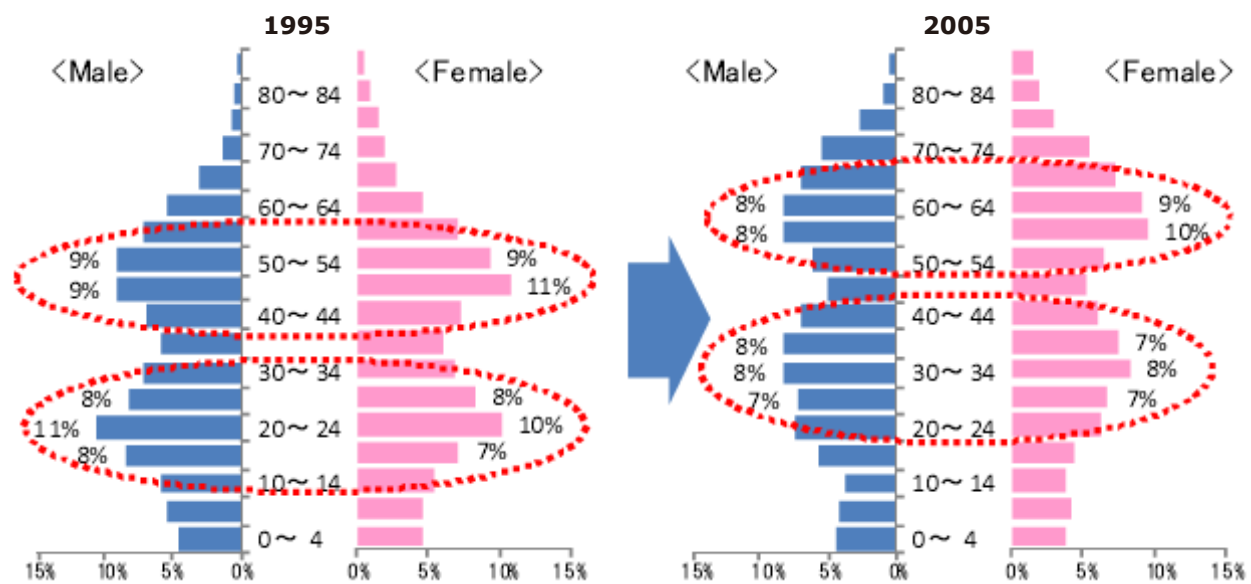
## New Town Regeneration

New towns established several decades ago are now facing a range of problems, including the rising average-age of residents, the aging of the housing and facilities, and a growing gap between land-use patterns and actual needs.

It is necessary to work on the following matters to deal with these problems.

- Utilization of existing stocks including urban infrastructure and housing, accompanied by remodeling and rebuilding of facilities and changes in use to reflect contemporary needs.
- Dynamic utilization of community resources to maintain and manage communities established in new towns, and fostering of community businesses
- Regeneration of attractive communities in which diverse households and generations can benefit from nature and various urban facilities while also maintaining a good work-life balance
- Community development based on initiatives by residents, through cooperation among residents, local governments and public housing project entities, with the aim of creating communities in which community regeneration can be combined with the maintenance of an enriched environment.

Figure 3-3-8: The Demographic Configuration of Suwa-Nagayama, Tama New Town



Source: Ministry of Internal Affairs and Communications, *Population Census*

## 4. Housing Taxation

### Main Types of Housing-Related Taxation

The following taxes are currently applied to housing, including the acquisition and maintenance of houses. The information described in this section is as of July 2025.

#### • Acquisition

##### 1) Stamp duty (national tax)

- Tax amount is based on the value stipulated in the contract such as a real estate sale agreement.

##### 2) Registration and license tax (national tax)

- Ownership preservation registration: 4/1000 of assessed value
- Ownership transfer registration: 20/1000 of assessed value (if inheritance or division of co-ownership is the cause of the transfer: 4/1000)
- Mortgage registration: 4/1000 of debt amount

##### 3) Real estate acquisition tax (local tax)

- 4/100 of property value (substituted by the assessed value for property tax) (standard tax rate)

##### 4) Consumption tax (national/local tax)

- 10/100 of consideration for the sale of a house (including 2.2/100 for local consumption tax)
- Land sales are exempted.
- Rents on rental housing are exempted.

#### • Maintenance

##### 1) Property tax (local tax)

- 1.4/100 of assessed value for property tax purposes (standard tax rate)

##### 2) Urban planning tax (local tax)

- 0.3/100 of assessed value for property tax purposes (maximum allowed)

### Special Measures on Housing-Related Taxes

A variety of special measures have been established concerning taxes applicable at various stages, including acquisition and maintenance. Their ultimate goal is the improvement of the population's standard of housing by facilitating home ownership and the formation of quality housing stock. The main special tax measures are as follows:

#### • Special Measures Relating to Acquisition

##### 1) Tax relief for housing loans (income tax, personal resident tax)

If a house has been newly built, acquired or undergone a construction work of addition and/or reconstruction through the utilization of a housing loan\*, 0.7% of the outstanding balance of the loan at each year-end can be deducted from the income tax for up to 13 years. (See table below.)

\* A loan taken out together with the loan on a house to pay for the cost of the land of the house is also eligible.

#### Deduction from personal resident tax

If a person has any excess tax deduction room after applying it to their income tax, they may use it against the personal resident tax in the following year (up to ¥97,500).

New construction or resale of new construction (deduction at 0.7%)

Environmental performance	Borrowing limit: 2022, 2023	Borrowing limit: 2024, 2025	Deduction period
Long-life quality housing/low-carbon housing	¥50 million	¥45 million *1	13 years *2
ZEH-level energy-efficient housing	¥45 million	¥35 million *1	
Housing meeting the Energy Efficiency Standards	¥40 million	¥30 million *1	
Other housing	¥30 million	¥0 *2	

\*1 The borrowing limit for households with children and young married couples moving in during 2024 and 2025 will be the same as in 2022 and 2023.

\*2 "Other housing" for which building confirmation for new construction is issued in 2024 or after is not eligible for the housing loan tax reduction. (If "other housing" that received building confirmation by the end of 2023 is occupied in 2024 or 2025, the borrowing limit is ¥20 million with a deduction period of 10 years).

Acquisition of an existing house (deduction at 0.7%)

Environmental performance	Borrowing limit Occupancy to start in 2022–25	Deduction period
Long-life quality housing/low-carbon housing/low carbon housing ZEH-level energy-efficient housing Housing meeting the energy efficiency standard	¥30 million	10 years
Other housing	¥20 million	

**Qualification**

- (1) Income limit: ¥20 million or less\*
  - (2) Floor area requirement: 50m<sup>2</sup> or more\*
  - (3) Occupancy requirement: within 6 months from the time of acquisition or completion of construction
  - (4) Repayment term of 10 years or more
  - (5) Requirements for the acquisition of a pre-owned house: either of the following to be met:
    - (i) Built on or after January 1, 1982
    - (ii) Demonstrate its conformance with a certain seismic standard by any of the following documents (including cases where seismic retrofit was conducted to meet the standard prior to occupancy):
      1. A document certified by a *Kenchikushi*, designated confirmation and inspection body, registered housing performance evaluation body or housing defect warranty insurance corporation (Seismic Standard Conformance Certificate)
      2. A copy of the housing performance evaluation report in the construction stage (limited to seismic resistance grade of 1, 2 or 3)
      3. A document proving that the house is covered by a defect warranty insurance policy for the sale and purchase of existing house (defect warranty insurance certificate for existing house)
  - (6) Requirements for addition or reconstruction work, etc.: exceeding ¥1 million in value and with a floor area of 50m<sup>2</sup> or more upon completion (Including seismic retrofit)
  - (7) Carried-over losses from the sale of previous house are applicable with the housing loan deductions.
  - (8) Re-application is allowed if a person benefiting from the deduction was relocated due to unavoidable reasons such as a job transfer and has returned.
  - (9) Applicable even when a person took residence but moved out of the house during the same year due to unavoidable reasons such as a job transfer and eventually moved back by December 31 of the same year
  - (10) Interest rate of a housing loan offered by the employer and other related bodies to an employee because he/she is an employee: 0.2% or more
- \* 40m<sup>2</sup> or more when moving into a newly built house that received building confirmation by the end of 2025 (income: ¥10 million or less)

**2) Special Income Tax Deduction for Newly Constructed Certified Housing**

If one constructs new long-life quality housing certified under the Act on Promotion of Dissemination of Long-Life Quality Housing, low-carbon housing certified under the Act on Promotion of Low-Carbon Cities, or ZEH-level energy-efficient housing, and uses it as a residence, 10% of the standard cost of the performance enhancement may be deducted from the income tax for that year. (Any excess tax deduction room after setting off the income tax of that year may be used against the income tax of the following year.)

Year of occupancy	Applicable to	Upper limit of base amount	Deduction rate	Upper limit of deduction
January 2022 to December 2025	- Long-life quality housing - Certified low-carbon housing - ZEH-level energy-efficient housing	¥6.5 million	10%	¥650,000

**Qualification**

- (1) Income limit: ¥20 million or less
- (2) Floor area requirement: 50m<sup>2</sup> or more
- (3) Occupancy requirement: within 6 months from the time of acquisition or completion of construction
- (4) Elective between this or housing loan tax deduction. Possible to use with special measures for selling and buying a residential asset.
- (5) Applicable period: June 4, 2009, to December 31, 2025

### 3) Registration and license tax reduction

1. The following reduced rates are available on the registration and license tax on residential buildings:

Ownership preservation registration: 1.5/1000 (1/1000 for certified long-life quality housing and certified low-carbon housing)  
(Normal rate: 4/1000)

2. Ownership transfer registration: 3/1000 (1/1000 for certified long-life quality housing [detached houses at 2/1000] and certified low-carbon housing) (Normal rate: 20/100)

3. Mortgage registration: 1/1000 (Normal rate: 4/1000)

### 4) Real estate acquisition tax reductions

• The following reduced tax rates are available for the real estate acquisition tax on the acquisition of housing:

1. Special measures for the standard taxable values

i) Newly built houses: ¥12 million (certified long-life quality housing: ¥13 million) deducted from the standard taxable value

ii) Existing housing: a certain amount based on the year of construction deducted from the standard taxable value (maximum of ¥12 million)

2. Reduction of tax rate to 3/100 (normal tax rate: 4/100)

• The following reduced tax rates are available for the real estate acquisition tax on the acquisition of residential land:

1. Reduction of standard taxable value by one-half

2. Reduction of tax rate to 3/100 (normal rate: 4/100)

3. Deduction of the amount calculated using specific formula from the acquisition tax amount

## • Special Measures Relating to Retrofitting Work

### 1) Tax measures to facilitate seismic retrofitting

When certain individuals carry out the seismic retrofitting of existing housing for their own residence within a specified period of time, they can deduct 10% of its standard construction cost (up to ¥250,000) from their income tax for the year of the retrofit. Also, property tax is reduced by 50% (within the upper limit) for the year following the retrofitting work.

For homes undergoing seismic retrofitting that were previously classified as existing buildings not meeting seismic standards and causing traffic obstructions, a reduction of two-thirds will be applied to the property tax for the following year, and a reduction of one-half of that for the year after that. In other words, reductions are available for two years.

### 2) Tax incentives to facilitate barrier-free retrofitting

When persons of a certain age or older, persons requiring care or persons with disabilities carry out certain barrier-free retrofitting of existing housing for their own residence within a specific period of time, they can deduct 10% of its standard construction cost (up to ¥200,000) from their income tax for the year of the retrofit. Also, property tax is reduced by one-third for the year following the retrofit (within the upper limit). The eligible retrofitting work includes corridor widening, reducing the gradient of staircases, improvements to bathrooms and toilets, and the elimination of floor level differences.

### 3) Tax incentives to facilitate energy-efficiency retrofitting

When certain individuals carry out certain energy-efficiency retrofitting of housing for their own residence within a specific period of time, they can deduct 10% of its standard construction cost (up to ¥250,000 or ¥350,000 depending on the type of work) from their income tax for the year of the retrofit. Also, property tax is reduced by one-third for the fiscal year after the retrofit (within the upper limit). (See Table 3-2-3.) The eligible retrofitting work includes thermal windows as well as the thermal insulation work of floors, walls and ceilings performed in conjunction with the windows, and the installation of photovoltaic systems.

### 4) Tax measures to facilitate retrofitting for living together

When certain individuals carry out certain retrofitting of housing for their own residence to accommodate extended family within a specified period of time, they can deduct 10% of its standard construction cost from their income tax for the year of the retrofit (up to ¥250,000). The eligible retrofitting work includes the addition of a kitchen, bathroom, toilet or exterior entrance.

### 5) Tax incentives to promote upgrading to long-life quality housing

When certain individuals carry out certain work to improve durability of housing for their own residence together with a seismic retrofit and/or energy-efficiency retrofit within a specified period of time, they can deduct 10% of the construction cost of those works from their income tax (up to ¥2.5 million if with seismic or energy-efficiency; up to ¥5 million if both) of the year of upgrading. Also, property tax is reduced by one-third for the fiscal year following the retrofit (within the upper limit).

## 6) Tax incentive to promote upgrading to childcare-friendly housing

When certain individuals carry out certain upgrading of housing to make it childcare-friendly for their own residence within a specified period of time, they can deduct 10% of the standard construction cost of those works from their income tax for the year of upgrading (within the upper limit). The eligible upgrading includes safety features for children, installation of open-design kitchen, addition of storage, improved soundproofing and security, and change of floor plans.

### • **Special Measures Relating to Ownership**

For newly built housing that meets certain requirements, property tax is reduced by one-half for a three-year period (a five-year period for fire-resistant medium- and high-rise buildings).

For long-life quality housing that meets certain requirements, property tax is reduced by one-half for a five-year period (a seven-year period for fire-resistant medium- and high-rise buildings). (For houses with a floor area of 50 m<sup>2</sup> [rental units other than detached houses: 40 m<sup>2</sup>] to 280m<sup>2</sup>, an area up to 120 m<sup>2</sup> is covered.)

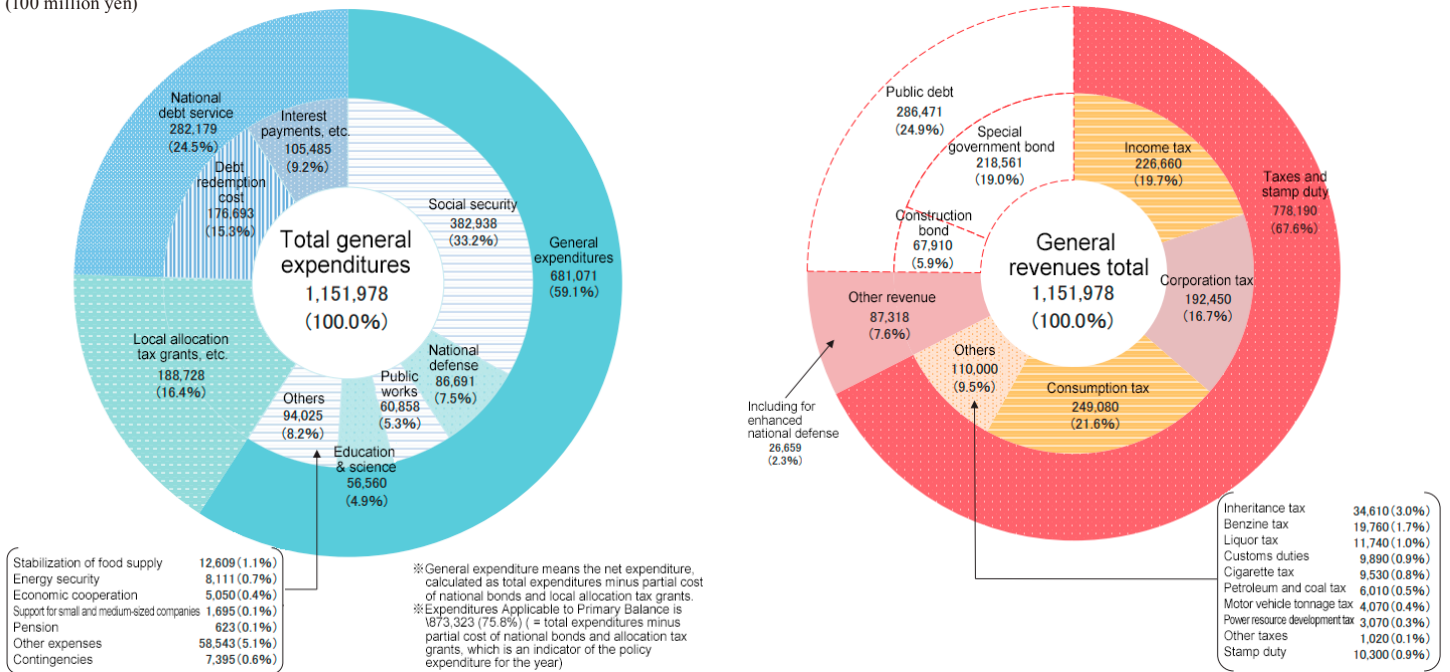
# 5. Housing-related Budget

## National Budget

The FY2025 national budget for the general account amounts to ¥115 trillion, of which ¥6.1 trillion is earmarked for public works and ¥0.7 trillion for housing and urban environment improvement projects.

Figure 3-5-1: General Account of FY2025 National Budget

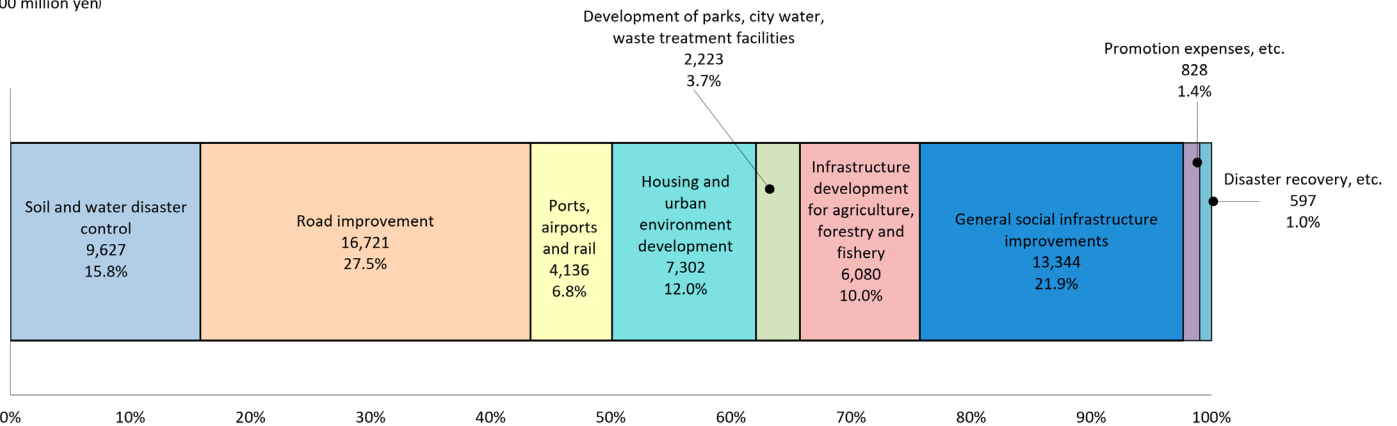
(100 million yen)



Source: Ministry of Finance, *Japan's Fiscal Condition*

Figure 3-5-2: Breakdown of Expenditures Related to Public Works (FY2025)

(100 million yen)



## Fiscal Investment and Loan Program

The national government provides loans or investments using the funds that have been raised capitalizing on the credit status of the state to the national special account, local governments and incorporated administrative agencies for their projects that are deemed worthy of the national government's support. In addition, the national government helps incorporated administrative agencies and other entities to procure funds readily and on favorable terms in the financial market by providing guarantees.

In the plan for FY2025, the Fiscal Investment and Loan Program amounts to approximately ¥12.2 trillion, of which about ¥0.6 trillion, or 5.2%, is allocated to housing.

Table 3-5-1: Allocation of Fiscal Investment and Loan Program Expenditures

¥100 million

Classification	FY2025		FY2024	
		Ratio		Ratio
(1) Small and medium-sized companies	22,584	18.5%	29,647	22.2%
(2) Agriculture, forestry, and fisheries	6,821	5.6%	7,722	5.8%
(3) Education	7,851	6.4%	8,234	6.2%
(4) Welfare, medical care	3,596	3.0%	4,422	3.3%
(5) Environment	1,133	0.9%	932	0.7%
(6) Industry, innovation	10,848	8.9%	11,341	8.5%
(7) Housing	6,297	5.2%	8,084	6.1%
(8) Social capital	24,135	19.8%	27,431	20.6%
(9) Overseas investments and loans, etc.	35,549	29.2%	29,933	22.41%
(10) Others	3,003	2.5%	5,630	4.2%
Total	121,817	100.0%	133,376	100%

### Local Government Bonds

The Local Government Act and the Local Government Financial Act require the approval of the national government for issuance of local government bonds. The approval is given only for specific projects in accordance with certain acceptance policies.

Parts of the cost for housing construction carried out by local governments are allowed to be financed by bonds, helping the local governments with unstable financial bases to secure funds and execute their projects smoothly.

The local government bonds issued in FY2025 totaled about ¥9 trillion, of which ¥1.11 billion, or about 1.2%, has been allotted to the construction of public housing.

Table 3-5-2: Local Government Bond Program (FY2025)

¥100 million units, %

Item		Planned for FY2025 (A)	Planned for FY2024 (B)	Difference (C = A-B)	Increase or Decrease (C/B) × 100
1	General account bonds				
	(1) Public works projects and the like	15,908	15,794	114	0.7
	(2) Construction of public housing	1,110	1,083	27	2.5
	(3) Disaster reconstruction projects	1,128	1,120	8	0.7
	(4) Education & welfare facilities	5,723	4,813	910	18.9
	(5) Self-financed projects	26,626	26,846	△ 220	△ 0.8
	(6) Rural and underpopulated area projects	6,490	6,270	220	3.5
	(7) Advance land acquisition for public projects	345	345	0	0.0
	(8) Advancement of administrative reform	700	700	0	0.0
	(9) Adjustments	100	100	0	0.0
	Subtotal	58,130	57,071	1,059	1.9
2	Bonds by public corporations	31,988	29,776	2,212	7.4
3	Emergency finance bonds		4,544	△ 4,544	All down
4	Retirement allowance bonds	800	800	0	0.0
5	Loans-from-government bonds	(177)	(351)	(△ 174)	(△ 49.6)
	Total	(177)	(351)	(△ 174)	(△ 49.6)
		90,918	92,191	△ 1,273	△ 1.4

Other items for which agreement and the like are anticipated:

- Emergency Bonds for Disaster Prevention, Mitigation, and National Resilience Projects issued to cover the share of the local governments for the Five-Year Accelerated Measures Project for Disaster Prevention, Mitigation, and National Resilience
- Decreased Revenue Compensation Bond issued in the event of a reduction in revenues from local taxes and other sources
- Corporate bonds to be issued to address revenue shortfalls due to the 2024 Noto Peninsula Earthquake, to be issued when funding shortfalls occur or worsen in public corporations
- Special Recovery Transfer Bonds issued by financially distressed local governments
- Refinancing bonds issued when changing funding categories, etc.
- Supplementary budget bonds issued in conjunction with the national supplementary budget or contingency fund
- General Subsidized Facility Improvement Bonds issued when implementing projects using treasury expenditures under the Great East Japan Earthquake Reconstruction Special Account Budget
- Bonds by public corporations when implementing projects using treasury expenditures under the Great East Japan Earthquake Reconstruction Special Account Budget
- Earthquake-Related Revenue Shortfall Countermeasure Corporate Bonds issued by public corporations in their business divisions

Remarks: Items shown in ( ) under loans-from-government bonds are funded by loans based on the government budgets, etc., such as special loans for disaster relief funds, and are not included in the total.

# CHAPTER IV Overseas Development and International Cooperation in Housing and Buildings

The housing market is rapidly expanding because of increasing populations and urbanization around the world. Some predict that Asia-Pacific countries will account for more than half of global new housing starts. Under such circumstances, the Ministry of Land, Infrastructure, Tourism and Transportation (MLIT), Urban Renaissance Agency (UR) and Japan Housing Finance Agency (JHF) are working together and in cooperation with private-sector businesses to develop the housing sector in emerging countries and cooperate with overseas countries.

## **The Overseas Infrastructure Development Act and the government's support for overseas development**

In recent years, as a move to promote the overseas development of Japan's infrastructure systems, the Act on the Promotion of Participation by Japanese Businesses in Overseas Social Infrastructure Projects (Overseas Infrastructure Development Act) was implemented in 2018. This Act allows independent administrative agencies, etc., under the jurisdiction of the MLIT to develop overseas projects on a full scale. Accordingly, independent administrative agencies are increasing their activities in emerging countries in the field of housing and buildings, including knowhow transfers by JHF on mortgage financing and by the UR on mass supply and management of housing.

In addition, the support project for the international expansion of housing technology was newly established by the MLIT in FY2018, providing support for initiatives to improve the environment for project development in emerging countries, in order to promote the overseas development of Japanese businesses in the field of housing and to raise the standard of housing construction in those countries. Leveraging this support, a number of private-sector businesses, including the Japan International Association for the Industry of Urban Development, Building and Housing (JUBH) and the Hokkaido Building Engineering Association, have been developing projects in emerging countries every year.

## **Technical cooperation with emerging countries and others**

As part of technical cooperation with emerging countries in the field of housing and buildings, training projects have been conducted periodically through the Japan International Cooperation Agency (JICA). Recent topics include disaster prevention and improvement of housing/living environments. Based on Japan's extensive expertise and experience, the training programs provide insight into policies on housing and buildings and attract trainees from many countries every year.

In addition, Japan has a track record of dispatching experts to Indonesia, China, Thailand, the Philippines, Vietnam, Laos, Myanmar, Romania, Peru, Mexico and El Salvador for long-term work in those countries. The Building Research Institute, a national research and development agency, has been conducting training on seismology and earthquake engineering since 1962 for engineers and technicians of developing countries in cooperation with the JICA to contribute to improvements in the seismic-disaster preparedness of developing countries or regions. Note that since 2005, a master's degree has been conferred to trainees who have participated in the year-long training and acquired specified credits, in cooperation with the master's program (disaster management) of the National Graduate Institute for Policy Studies. In addition, Japan has developed seismic resistance and isolation technologies for houses and buildings through its experience of many earthquakes and made them available throughout Japan, and the Japan Society of Seismic Isolation and other organizations are striving to disseminate these technologies to overseas countries through training and workshops.

In certain fields, Japan provides technical cooperation in response to requests from other countries. For example, given the growing interest in China in the industrialization of home building, in August 2019, five private-sector parties from Japan and China, including the Building Center of Japan, the Center for Better Living, and the Japan-China Association of Building and Housing Industry, signed a memorandum of cooperation on the industrialization of building production. In November of the same year, a seminar was held in Beijing by both China and Japan, where a series of Japan's strengths, such as industrialization of building production and technologies for mass supply of housing, were introduced. In addition, for the technical regulations to be published under the Construction Law enacted in Cambodia in 2019, the MLIT conducted studies to prepare and propose draft model standards for structural safety and fire safety in a three-year plan starting in FY2020; these were proposed to Cambodia in March FY2023. This development of the model standards for building technology regulations based on Japan's expertise and experience is expected to help improve the investment environment in Cambodia and facilitate the overseas business development of Japanese companies.

## **Promotion of international standardization**

In the field of housing and buildings, we are actively participating in discussions for international standardization through the International Institute of Building and Housing (IIBH), with the aim to create an environment that facilitates the entry of Japanese companies into overseas markets. In the development of international standards by the International Organization for Standardization (ISO), we have been working vigorously in the fields of fire prevention and structures, among others, to reflect Japan's views.

## **Information exchanges and international contributions through bilateral and international conferences and other activities**

In order to exchange information and have discussions with other countries on housing and buildings, we participate in relevant international conferences and hold bilateral meetings on a regular basis.

Specific activities to this end include participation in the Inter-jurisdictional Regulatory Collaboration Committee (IRCC), which exchanges information with organizations in charge of building regulations in various countries, and regular hosting of the Building Experts Meeting (BEC) among Japan, the U.S. and Canada, the Japan-China Building and Housing Conference, and the Japan-France Building and Housing Conference, to exchange views on the standards for and research on wooden buildings. In October 2023, the Japan International Association for the Industry of Building and Housing (JIBH)\* co-organized WOODRISE 2023 BORDEAUX, a global event aimed at developing mid- to high-rise wooden buildings.

\*JIBH changed its name to Japan International Association for the Industry of Urban Development, Building and Housing (JUBH).

Moreover, the MLIT, in cooperation with UNESCO, dispatches staff to mitigate earthquake damage to housing and other buildings, and is also contributing to the improvement of the environmental performance of housing and other buildings in cooperation with the OECD.

# Glossary

## 用語索引

Region	地域
<b>Three major metropolitan areas</b> The Tokyo, Nagoya and Osaka metropolitan areas	三大都市圏 (sandai toshiken) 東京圏、名古屋圏、大阪圏からなる大都市圏。
<b>Tokyo Metropolitan Area</b> A mega metropolitan area including Tokyo and its surrounding areas. Typically refers to Tokyo, and Kanagawa, Chiba and Saitama Prefectures altogether. In this book this is the same as the keihin-yō (京浜葉) metropolitan area in the Population Census.	東京圏 (tōkyō-ken) 東京を中心とする大都市圏。通常、東京都・神奈川県・千葉県・埼玉県からなる一都三県をいう。本書では、国勢調査で定義される京浜葉大都市圏も東京圏と標記している。
<b>The 23 Wards of Tokyo</b>	東京 23 区 (tōkyō nijūsanku)

Housing type	住宅のタイプ
<b>row house</b> A building that consists of two or more dwelling units joined by walls but each having an independent entrance from the street	長屋建て、長屋 (nagaya-date or nagaya) 二つ以上の住宅を一棟に建て連ねたもので、各住宅が壁を共通にし、それぞれ別に外部への出入り口を有しているものをいう。
<b>detached house</b> A house which consists of one dwelling unit	一戸建て (戸建住宅) (ikko-date (kodate jūtaku)) 一つの建物が一住宅であるものをいう。
<b>wooden construction/structure</b>	木造 (mokuzō)
<b>market housing</b> In the housing starts data, housing constructed to be sold	分譲住宅 (bunjō jūtaku) フロー統計において、他者に売却するために建設される住宅をいう。
<b>owner-occupied housing</b> Owner-occupied housing in the housing stock data. In the housing starts data, housing that owners construct as their own residences.	持家 (mochiya) ストック統計においてはその所有者が居住する住宅をいい、フロー統計においては自ら居住するために建設される住宅をいう。
<b>rental housing</b> In the housing stock data, housing in which someone other than the owner lives.	借家 (shakuya) ストック統計において、その所有者以外の者が居住する住宅をいう。
<b>company-supplied employee housing</b> Housing that is owned or administered by private companies and rented to their employees as an employment benefit.	給与住宅 (kyūyo jūtaku) 企業等が所有又は管理し、福利厚生の一環として従業員に賃貸する住宅。
<b>non-wooden construction/structure</b>	非木造 (hi-mokuzō)
<b>apartment building</b> A building with two or more dwelling units with common passages, staircases, etc., or with dwelling units on two or more levels.	共同住宅 (kyōdō jūtaku) 一棟の中に二つ以上の住宅があり、廊下・階段などを共用しているものや、二つ以上の住宅を重ねて建てたものをいう。
<b>wooden prefab housing/building</b>	木質系プレハブ (mokushitsu-kei purehabu)
<b>reinforced concrete construction</b>	鉄筋コンクリート造 (tekin konkurīto-zō)
<b>steel-frame construction</b>	鉄骨造 (tekkotsu-zō)

## Japanese Concept of Apartment Buildings

<b>Mansion</b> ”Manshon” in Japanese means a non-wooden middle- or high-rise apartment building. This differs very much from the original English <i>mansion</i> , meaning a large home. Residents usually own their occupied units but <i>manshon</i> also includes rentals. The Act on Advancement of Proper Condominium Management defines <i>manshon</i> as “a building of any construction which has two or more strata owners as well as exclusive use areas for dwelling, and its land and attached facilities.”	<b>マンション (manshon)</b> 日本でのマンションは、元の意味 (大邸宅) とは異なり、一般的には非木造の中高層共同住宅のことをさしており、分譲だけでなく賃貸の場合についてもマンションと呼ばれている。 但し、「マンションの管理の適正化の推進に関する法律」においては、マンションとは、構造に関係なく、「二以上の区分所有者が存する建物で人の居住の用に供する専有部分のあるもの並びにその敷地及び付属施設」と定義されている。
<b>Apartment</b> <i>Apāto</i> in Japanese has its origin from “apartment house,” but it mainly means a wooden or light steel-framed, low-rise (rather low quality) rental apartment building.	<b>アパート (apāto)</b> 日本でのアパートは、英語の「アパートメント・ハウス」に由来しており、主に木造又は軽量鉄骨造の低層賃貸共同住宅をさしている。

## Collective housing

“*Korekutibu jūtaku*” in Japanese means co-dwelling, multi-unit housing, where residents share common space such as a living room and a kitchen in addition to kitchens and other rooms for the exclusive use of individual households. It differs from co-op housing (housing cooperative) or collective housing (multi-residential building) in Europe and North America. This type of housing was recently introduced from Northern Europe.

## Cooperative housing

In Europe, original cooperative housing is developed by a housing cooperative, owned by the cooperative and occupied by the cooperative members. *kōporatibu jūtaku* in Japanese means a multi-residential building that is planned and designed with the participation of persons planning to be owner-residents. It differs from the cooperative housing started in Europe more than 100 years ago.

## コレクティブ住宅 (korekutibu Jūtaku)

日本で言う「コレクティブ住宅」は、個々の家族が専用する台所等に加え、共用の居間や台所などを備える同居型の集合住宅をさす。欧米のコープ住宅（組合住宅）やコレクティブ住宅（集合住宅一般）とは異なる。北欧から紹介されたものである。

## コーポラティブ住宅 (kōporatibu Jūtaku)

日本で言う「コーポラティブ」は、居住・所有する予定の人が住宅の計画や設計に参加する集合住宅を指す。それは100年以上前から西欧で始まったコープ住宅とは意味が異なっている。元来のコープ住宅は、住宅組合が開発し、所有し、組合の構成員が居住する集合住宅を指すものである。

Acts	法律
<b>Act on Public Housing</b>	公営住宅法 (kōei jūtaku hō)
<b>Basic Act for Housing</b>	住生活基本法 (jūseikatsu kihon hō)
<b>Act on Regional Public Housing Corporations</b>	地方住宅供給公社法 (chihō jūtaku kyōkyu kōsha hō)
<b>City Planning Act</b>	都市計画法 (toshi keikaku hō)
<b>Act on Promotion of Offering of Rental Housing for Persons requiring Special Assistance in Securing Housing</b> <b>Also referred to as the Housing Safety Net Act</b>	住宅確保要配慮者に対する賃貸住宅の供給の促進に関する法律 (jūtaku kakuho yōhairiyōsha ni taisuru chintai jūtaku no kyōkyū no sokushin ni kansuru hōritsu) 住宅セーフティネット法 (jūtaku sēfutīnetto hō)
<b>Act on Promotion of Supply of Specified Good Rental Housings</b>	特定優良賃貸住宅の供給の促進に関する法律 (tokutei yūryō chintai jūtaku no kyōkyū no sokushin ni kansuru hōritsu)
<b>Act on Securement of Stable Supply for Elderly Persons' Housing</b>	高齢者の居住の安定確保に関する法律 (kōreisha no kyōjūno antei kakuho ni kansuru hōritsu)
<b>Act on Assurance of Performance of Specified Housing Defect Warranty</b>	住宅瑕疵担保履行法 (jūtaku kashitanpo rikō hō)
<b>Act for Building Unit Ownership</b>	建物の区分所有等に関する法律 (tatemono no kubun shoyū-tō ni kansuru hōritsu)
<b>Act on Promotion of Seismic Retrofitting of Buildings</b> <b>Also referred to as the Seismic Retrofitting Act</b>	建築物の耐震改修の促進に関する法律 (耐震改修促進法) (kenchikubutsu no taishinkaishū no sokushin ni kansuru hōritsu) 耐震改修促進法 (taishin kaishū sokushin hō)
<b>Act on Special Measures concerning Promotion of Supply of Good Rental Housings, etc.</b>	良質な賃貸住宅等の供給の促進に関する特別措置法 (ryōshitsuna chintai jūtaku-tō no kyōkyū no sokushin ni kansuru tokubetsu sochi hō)
<b>Act on Promotion of Dissemination of Long-Life Quality Housing</b>	長期優良住宅の普及の促進に関する法律 (chōki yūryō jūtaku no fukyū no sokushin ni kansuru hōritsu)
<b>Building Standards Act</b>	建築基準法 (kenchiku kijun hō)
<b>Residential Area Improvement Act</b> This act is to implement “Blighted Residential Area Renewal Projects.”	住宅地区改良法 (jūtaku chiku kairyō hō) 住宅地区改良事業を実施するための法律。
<b>New Housing and Urban Development Act</b>	新住宅市街地開発法 (shin jūtaku shigaichi kaihatsu hō)
<b>Land Readjustment Act</b>	土地区画整理法 (tochi kukaku seiri hō)
<b>Kenchikushi Act</b> <i>Kenchikushi</i> (licensed architect) is a profession that comprises the dual role of an architect and a building engineer.	建築士法 (kenchikushi hō) 建築士とは、建築家と建築技術者の両方の役割を担うことができる資格者。

<b>Act on the Promotion of Housing Quality Assurance</b>	住宅の品質確保の促進等に関する法律 (jūtaku no hinshitsu kakuho no sokushin-tōni kansuru hōritsu)
<b>Construction Business Act</b>	建設業法 (kensetsu-gyō hō)
<b>Act on the Rationalization of Energy Use</b>	エネルギーの使用の合理化に関する法律 (enerugī no shiyō no gōrika ni kansuru hōritsu) 省エネ法 (shō ene hō)
<b>Act on the Improvement of Energy Consumption Performance of Buildings</b> <b>Also referred to as the Building Energy Efficiency Act</b>	建築物のエネルギー消費性能向上等に関する法律 (kenchikubutsu no enerugī shōhi seinō no kōjō-tō ni kansuru hōritsu) 建築物省エネ法 (kenchikubutu shō ene hō)
<b>Act on Land and Building Leases</b>	借地借家法 (shakuchi shakuya hō)
<b>Private Lodging Business Act</b> <b>Also referred to as the New Minpaku Act</b>	住宅宿泊事業法 (jūtaku shukuhaku jigyō hō) 民泊新法 (minpaku shin hō)
The Act was established to set out rules for rapidly increasing <i>minpaku</i> (private lodging) to facilitate the availability of good private lodging services so that the lodgings are safe and clean, that troubles with neighbors, such as noise and wrong garbage disposal, which are becoming social issues, are prevented, and that ever-diverging needs of visitors are met in Japan.	急速に増加している「民泊（住宅の全部又は一部を活用して、旅行者等に宿泊サービスを提供すること）」について、安全面・衛生面の確保がなされていないこと、騒音やゴミ出しなどによる近隣トラブルが社会問題となっていること、観光旅客の宿泊ニーズが多様化していることなどに対応するため、一定のルールを定め、健全な民泊サービスの普及を図るものとして制定された法律。
<b>Act on Special Measures on Promoting Countermeasures on Vacant Houses</b> <b>Also referred to as the Vacant Houses Act</b>	空家等対策の推進に関する特別措置法 (akiya tō taisaku no suishin ni kansuru tokubetsu sochi hō 空家法 (akiya hō))
<b>Housing Policy</b>	住宅政策 (jūtaku seisaku)
<b>housing standard</b>	居住水準 (kyojū suijun)
<b>Five-year Housing Construction Plan</b> A five-year program based on the Housing Construction Planning Act, which sets out target housing standards and target numbers of housing units to be built.	住宅建設五箇年計画 (jūtaku kensetsu gokanen keikaku) 達成すべき居住水準の目標及び住宅建設戸数の目標を定めた、住宅建設計画法に基づく五箇年計画。
<b>minimum housing standard</b> The level of housing that is necessary and essential as the basis for a healthy, civilized living.	最低居住水準 (saitei kyojū suijun) 健康で文化的な住生活の基礎として必要不可欠な水準。
<b>average housing standard</b>	平均居住水準 (heikin kyojū suijun)
<b>living environments standard</b>	住環境水準 (jūkankyō suijun)
<b>public housing</b> Rental housing offered by local governments.	公営住宅 (kōei jūtaku) 地方自治体の賃貸住宅
<b>Housing Safety Net</b>	住宅セーフティネット (jūtaku sēfuthī netto)
<b>Housing Performance Standard</b>	住宅性能水準 (jūtaku seinō suijun)
<b>Specified Quality Rental Housing</b>	特定優良賃貸住宅 (tokutei yūryō chintai jūtaku)
<b>Basic Plan for Housing</b> A plan established to comprehensively and systematically advance the residential living improvement policy under the Basic Act for Housing.	住生活基本計画 (全国計画) (jū seikatsu kihon keikaku) 住生活基本法に基づき、住生活安定向上施策を総合的かつ計画的に推進するため策定された計画。
<b>Silver Housing</b>	シルバーハウジング (shirubā haujingu)
<b>Specified Public Rental Housing</b>	特定公共賃貸住宅 (tokutei kōkyō chintai jūtaku)
<b>Quality Rental Housing for the Elderly</b>	高齢者向け優良賃貸住宅 (kōreisha-muke yūryō chintai jūtaku)
<b>Housing for Sale to Persons with Installment Savings</b>	積立分譲住宅 (tsumitate bunjō jūtaku)
<b>Long-Life Quality Housing</b>	長期優良住宅 (chōki yūryō jūtaku)
<b>Quality Regional Housing for Sale</b>	地域優良分譲住宅 (chiiki yūryō bunjō jūtaku)
<b>Quality Regional Rental Housing (System)</b>	地域優良賃貸住宅 (制度) (chiiki yūryō chintai jūtaku)
<b>regional public housing corporation</b>	地方住宅供給公社 (chihō jūtaku kyōkyū kōsha)
<b>Fiscal Investments and Loan Program</b>	財政投融资 (zaisei tōyūshi)

<b>residential environment standard</b> Guidelines to ensure quality living environments reflecting the local conditions.	居住環境水準 (kyojū kankyō suijun) 地域の実情に応じた良好な居住環境の確保のための指針。
<b>target dwelling area standard</b> Standard for the floor area of a housing unit for comfortable living based on the number of persons in the household, assuming they have different lifestyles.	誘導居住面積水準 (yūdō kyojū menseki suijun) 世帯人数に応じて、豊かな住生活の実現の前提として、多様なライフスタイルを想定した場合に必要なと考えられる住宅の面積に関する水準。
<b>minimum dwelling area standard</b> Standard for the minimum floor area of a housing unit for healthy and civilized living based on the number of persons.	最低居住面積水準 (saitei kyojū menseki suijun) 世帯人数に応じて、健康で文化的な住生活の基礎として必要不可欠な住宅の面積に関する水準。
<b>Housing Performance Indication System</b>	住宅性能表示制度 (jūtaku seinō hyōji seido)
<b>Standard Condominium Management Bylaws</b>	マンション標準管理規約 (manshon hyōjun kanri kiyaku)
<b>Standard Condominium Management Guidelines</b>	マンション管理標準指針 (manshon kanri hyōjun shishin)
<b>Condominium <i>Mirai</i> Net</b>	マンションみらいネット (manshon mirai netto)
<b>REINS (Real Estate Information Network System)</b>	レインズ (不動産取引情報提供サイト) (reinzū (fudōsan torihiki jōhō teikyō saito))
<b>fixed-term tenancy system</b>	定期借家制度 (teiki shakuya seido)
<b>Kyoto Protocol Target Achievement Plan</b>	京都議定書目標達成計画 (kyōto giteisho mokuhyō tassei keikaku)
<b>Energy Efficiency Standards</b>	省エネ判断基準 (shō ene handan kijun)
<b>Comprehensive Assessment System for Built Environment Efficiency (CASBEE)</b>	CASBEE (kyasubi)
<b>Model Projects to Promote CO<sub>2</sub> Reductions</b>	省 CO <sub>2</sub> 推進モデル事業 (shō CO <sub>2</sub> suishin moderu jigyo)
<b>tax relief for housing loans</b>	住宅ローン減税制度 (jūtaku rōn genzei seido)
<b>emergency risk evaluation of damaged buildings</b>	応急危険度判定 (ōkyū kikendo hantei)
<b>Urban Development</b>	都市開発
<b>building coverage ratio (BCR)</b> Ratio of building area to site area	建ぺい率 (kempei ritsu) 敷地面積に対する建築面積の割合。
<b>floor area ratio (FAR)</b> Ratio of total floor area to site area	容積率 (yōseki ritsu) 敷地面積に対する延べ面積の割合。
<b>Land Readjustment Project</b>	土地区画整理事業 (tochi kukaku seiri jigyo)
<b>new housing and urban development project</b>	新住宅市街地開発事業 (shin jūtaku shigaichi kaiatsu jigyo)
<b>Urbanization Promotion Areas (UPA)</b> Areas already built up and priority areas to be urbanized systematically within the next 10 years or so	市街化区域 (shigaika kuiki) 既に市街地を形成している区域及びおおむね十年以内に優先的かつ計画的に市街化を図るべき区域。
<b>Urban Renewal Project</b>	市街地再開発事業 (shigaichi saikaihatsu jigyo)
<b>Residential Areas Improvement Project</b> Slum-clearance type redevelopment project based on the Residential Areas Improvement Act	住宅地区改良事業 (jūtaku chiku kairyō jigyo) 住宅地区改良法に基づいて実施されるスラムクリアランス型の再開発事業。
<b>Comprehensive Urban Residential Area Improvement Project</b>	住宅市街地総合整備事業 (jūtaku shigaichi sōgō seibi jigyo)
<b>Urban Residential Area Infrastructure Improvement Project</b>	住宅市街地基盤整備事業 (jūtaku shigaichi kiban seibi jigyo)
<b>Urbanization Control Areas (UCA)</b> Areas where urban development is restricted	市街化調整区域 (shigaika chōsei kuiki) 市街化を抑制すべき区域。
<b>Designated Confirmation and Inspection Body</b>	指定確認検査機関 (shitei kakunin kensa kikan)
<b>Others</b>	その他
<b>Fiscal year (FY)</b> The fiscal year of the Japanese government is from April 1 to March 31 of the following year.	会計年度 (kaikei nendo) 日本の会計年度は、4月1日から翌年の3月31日まで。

# Names and Addresses of Concerned Organizations

## 関係機関

---

**Housing Bureau, The Ministry of Land, Infrastructure, Transport and Tourism (MLIT)**

Add: 2-1-3, Kasumigaseki, Chiyoda-ku, Tokyo 100-8918  
Tel: 03-5253-8111  
<http://www.mlit.go.jp>

国土交通省 住宅局  
(Kokudo-Kôtsû-shô Jûtaku-Kyoku)

---

**National Institute for Land and Infrastructure Management, The Ministry of Land, Infrastructure, Transport and Tourism (NILIM, MLIT)**

Add: 1 Tachihara, Tsukuba-shi, Ibaraki 305-0802  
Tel: 029-864-2211  
<http://www.nilim.go.jp>

国土交通省 国土技術政策総合研究所  
(Kokudo-Kôtsû-shô Kokudo Gijutsu Seisaku SôgôKenkyûjo)

---

**Building Research Institute (BRI)**

Add: 1 Tachihara, Tsukuba-shi, Ibaraki 305-0802  
Tel: 029-864-2151  
<https://www.kenken.go.jp>

建築研究所  
(Kenchiku Kenkyûjo)

---

**Urban Renaissance Agency (UR)**

Add: 6-50-1 Honchou, Naka-ku, Yokohama-shi,  
Kanagawa (Yokohama Island tower) 231-8315  
Tel: 045-650-0111  
<https://www.ur-net.go.jp>

都市再生機構 (UR 都市機構)  
(Toshi Saisei Kikô (UR Toshikikô))

---

**Japan Housing Finance Agency (JHF)**

Add: 1-4-10, Koraku, Bunkyo-ku, Tokyo 112-8570  
Tel: 03-3812-1111  
<https://www.jhf.go.jp>

住宅金融支援機構  
(Jûtaku Kin-yu Shien Kikô)

---

**The Building Center of Japan (BCJ)**

Add: 1-9, Kanda-Nishikicho, Chiyoda-ku, Tokyo 101-8986  
Tel: 03-5283-0479  
<https://www.bcj.or.jp>

日本建築センター  
(Nihon Kenchiku Sentâ)

---

**Center for Better Living**

Add: 4F Stage Building,  
2-7-2 Fujimi, Chiyoda-ku, Tokyo 102-0071  
<https://www.cbl.or.jp>

一般財団法人ベターリビング  
(Betâ Libingu)

---

# A Quick Look at Housing in Japan

---

**May 2026**

**2025-26 年版**

**Edited by**

Housing Bureau, Ministry of Land, Infrastructure, Transport and  
Tourism (MLIT)  
Urban Renaissance Agency (UR)  
Japan Housing Finance Agency (JHF)  
Center for Better Living

**編集**

国土交通省 住宅局  
独立行政法人 都市再生機構  
独立行政法人 住宅金融支援機構  
一般財団法人 ベターリビング

**Published by**

Center for Better Living  
4F Stage Building,  
2-7-2 Fujimi, Chiyoda-ku, Tokyo 102-0071  
TEL +81-3-5211-0585  
FAX +81-3-5211-1056  
<https://www.cbl.or.jp/>

**出版**

一般財団法人 ベターリビング  
〒102-0071  
東京都千代田区富士見 2-7-2  
TEL 03-5211-0585  
FAX 03-5211-1056  
ホームページ: <https://www.cbl.or.jp/>

**Copyright**

© 2026, Center for Better Living, All Rights Reserved. Reproduction of this publication or any of its contents is prohibited without prior written permission from Center for Better Living

**著作権**

本出版物の著作権は、一般財団法人ベターリビングに帰属します。本出版物のどの部分についても、一般財団法人ベターリビングに事前に書面による許可を得ない限り、複製等を行うことはできません。

2023-2024 March 2024  
2025-2026 May 2026

2023-24 年版 2024 年 3 月  
2025-26 年版 2026 年 5 月

(Following are published by The Building Center of Japan)

1st Edition, March 1985  
2nd Edition, February 1987  
3rd Edition, August 1992  
4th Edition, April 1998  
5th Edition, January 2003  
6th Edition, August 2008  
November 2009  
March 2011  
March 2013  
May 2014  
June 2015  
May 2016  
June 2017  
June 2018  
March 2021  
March 2022

(参考 一般財団法人日本建築センターによる出版)

第 1 版 1985 年 3 月  
第 2 版 1987 年 2 月  
第 3 版 1992 年 8 月  
第 4 版 1998 年 4 月  
第 5 版 2003 年 1 月  
第 6 版 2008 年 8 月  
2009 年 11 月版  
2011 年 3 月版  
2013 年 3 月版  
2014 年 5 月版  
2015 年 6 月版  
2016 年 5 月版  
2017 年 6 月版  
2018 年 6 月版  
2021 年 3 月版  
2022 年 3 月版





Center for Better Living

4F Stage Building, 2-7-2 Fujimi, Chiyoda-ku, Tokyo 102-0071

TEL +81-3-5211-0585

FAX +81-3-5211-1056

<https://www.cbl.or.jp/>