



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 2/8/2005

**GAIN Report Number:** JA5005

## Japan

### Solid Wood Products

### Japanese Housing Starts Update in 2004

### 2005

**Approved by:**

Rachel Nelson  
U.S. Embassy

**Prepared by:**

Masaaki Nagahama

---

**Report Highlights:**

After two years of consecutive growth, Japanese housing starts in 2004 totaled 1,189,049 units, up 2.5% from the previous year. Solid positive growth in the rental and developer-led speculative housing market sector more than offset a decline in the customized, owner-built housing sector, contributing to the overall growth. The share of wood framing in total starts, an important market indicator for the wood industry, also rose to 45.5% of total housing starts.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo [JA1]  
[JA]

Japanese housing starts in December 2004 totaled 98,849 units, down 2% from the same month a year earlier. While both owner-built and speculative housing starts declined, rental and corporate housing starts grew significantly. The best news is that the share of wood framing in total housing starts, a critical market indicator of strategic importance to the wood industry, rose in both the number and total floor space of residential housing starts. Stick-framed 2x4 housing starts also grew over 10% from a year earlier.

As a result of the solid, positive growth in the rental and real estate developer-led speculative housing sectors, more than offsetting a decline in the customized, owner-built sector, total housing starts in 2004 grew 2.5% from the previous year, continuing a 2 year growth trend, as shown in the following summary table.

<b>Japanese Housing Starts in 2004 (Units)</b>				
Sector	<b>December, 2004</b>	% Change ('04/'03)	<b>Jan. - Dec. 2004</b>	% Change ('04/'03)
<b>Total Starts</b>	<b>98,849</b>	<b>-2.0%</b>	<b>1,189,049</b>	<b>+2.5%</b>
-Custom housing	26,896	-2.2%	369,852	-0.8%
-Rental housing	42,025	+2.1%	464,976	+3.0%
-Corporate housing	1,216	+95.5%	8,720	-4.8%
-Built-for-sale	28,712	-8.9%	345,501	+5.8%
Wood-Framed	44,966	+ 3.2%	540,756	+3.3%
<b>Wood Share (%)</b>	<b>45.5%</b>	<b>+ 2.3 points</b>	<b>45.5 %</b>	<b>+0.4 points</b>
<b>By Framing Method</b>				
-Condominiums	28,712	+ 40.4%	345,501	+72.6%
-Prefab. Housing (Wood-framed)	14,558 (1,725)	+ 4.1 % (-14.6 %)	159,930 (22,304)	0.4% (3.8%)
<b>2x4 Wood-framed</b>	<b>7,707</b>	<b>+10.3%</b>	<b>90,706</b>	<b>+11.3%</b>
<b>By Floor Space (1,000 square meters)</b>				
All Housing Starts	8,320	-4.6%	105,540	+1.4%
Wood-Framed	4,437	+0.9 %	57,617	+2.2 %
<b>Wood Share (%)</b>	<b>53.3 %</b>	<b>+4.0 points</b>	<b>54.6%</b>	<b>+0.4%</b>

(Source: Ministry of Land, Infrastructure and Transport)

End of Report