

Shinsaibashi Retail Market

# Shinsaibashi-suji Shopping Street Pedestrian Traffic Volume Analysis Report

## VIEWPOINT

As foot traffic volume recovers on the Shinsaibashi-suji Shopping Street, what relationship does it have with retail vacancy rates?

CBRE KANSAI OFFICE  
JULY 2023



## 1. Introduction

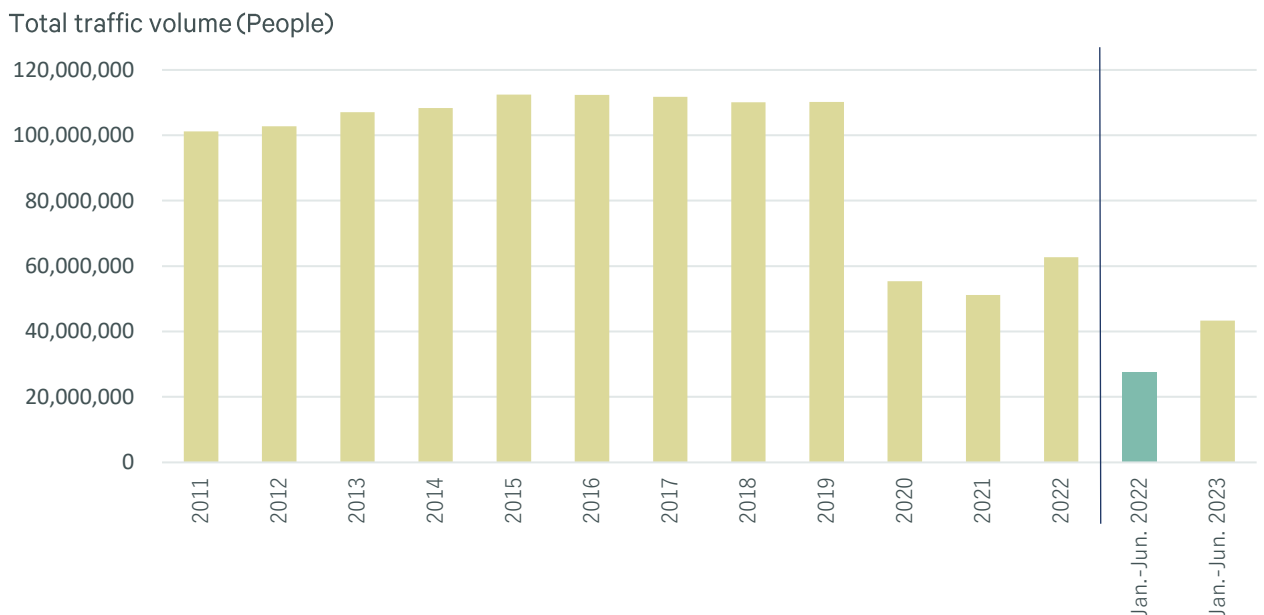
This project was launched when CBRE accepted the task of analysing the pedestrian traffic volume data for the Shinsaibashi-suji Shopping Street, one of the busiest shopping districts in all of Japan, and providing relevant public relations services. Already known for its analysis and public release of data relating to rental market rates and vacancy rates for street-level stores in Japan’s major retail areas, CBRE can now add traffic data to allow the formulation of a comprehensive analysis of the current state of the Shinsaibashi area.

## 2. The Shinsaibashi-suji Shopping Street this quarter

### 2-1. Pedestrian traffic volume for H1 2023 on the Shinsaibashi-suji Shopping Street has recovered to reach 79.4% of 2019’s figure, and represents a 57.3% increase over H1 2022

Pedestrian traffic volume on the Shinsaibashi-suji Shopping Street showed a steady increase from 2011 on the back of an increase in inbound foreign tourist numbers. From 2015 onward, pedestrian traffic volume remained largely unchanged from an annual peak of approximately 110 million people (Figure 1). The advent of the COVID-19 pandemic, however, resulted in a dramatic drop in foot traffic in the area from 2020, with annual pedestrian traffic volume in 2021 reaching just 46.4% of 2019’s figure. The release of restrictions on consumer movement and the relaxation of border controls from 2022, though, have resulted in a dramatic surge in foot traffic in the area, with total pedestrian traffic volume for H1 2023 (January to June) reaching approximately 43 million people, representing 79% of the equivalent figure for 2019. This is also a 57.3% increase over H1 2022, underscoring just how remarkable the recovery has been over the past 12 months.

Figure 1: Annual pedestrian traffic volume

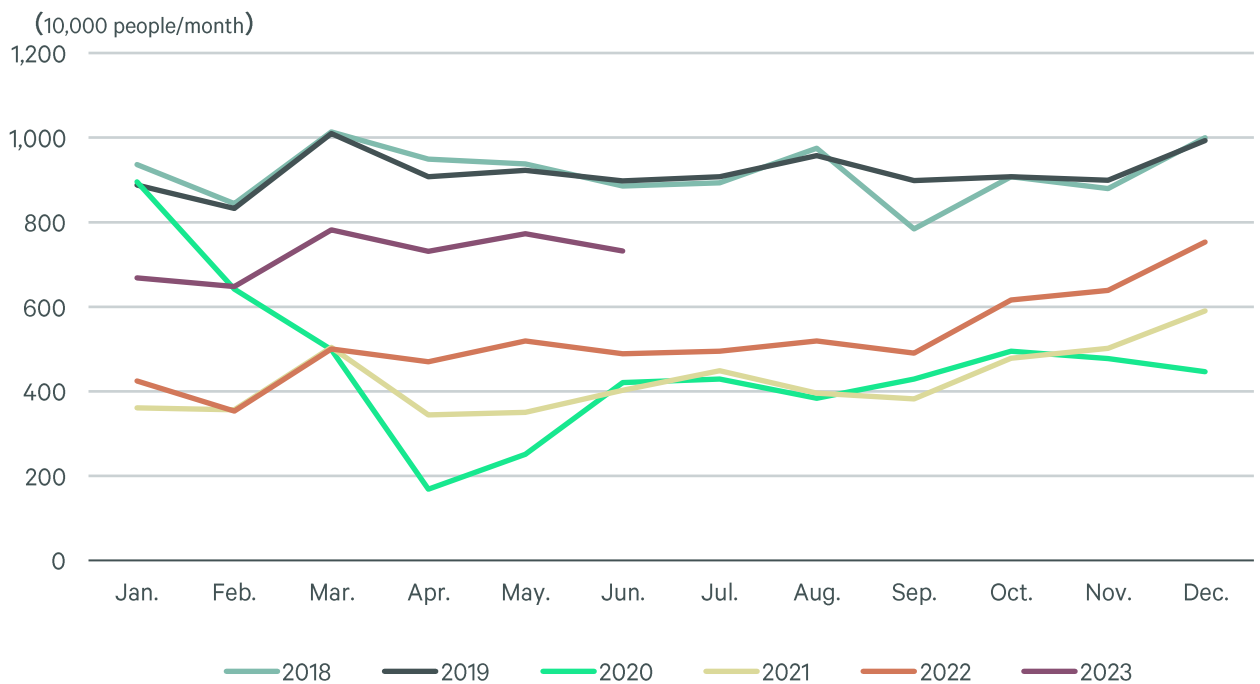


Source: Shinsaibashi-suji Shopping Street

## 2-2. Monthly pedestrian traffic volume data for the Shinsaibashi-suji Shopping Street also shows a clear recovery

Broken down by month, the foot traffic volume data for the Shinsaibashi-suji Shopping Street shows that pedestrian traffic was consistent throughout 2018 and 2019, with the only minor blip noted in September of 2018, when a typhoon caused the temporary closure of Kansai International Airport, leading to a drop in tourist numbers. The effect of the COVID-19 pandemic, however, can be clearly identified in the precipitous drop in pedestrian numbers recorded from February 2020 onwards. Subsequent restrictions on consumer movement meant that pedestrian traffic volume remained low throughout 2020 and 2021. 2022, though, saw an increasing number of months in which y-o-y increases in foot traffic were noted, before a major recovery was recorded in the data for the first half of 2023 (Figure 2).

Figure2: Monthly pedestrian traffic volume on the Shinsaibashi-suji Shopping Street

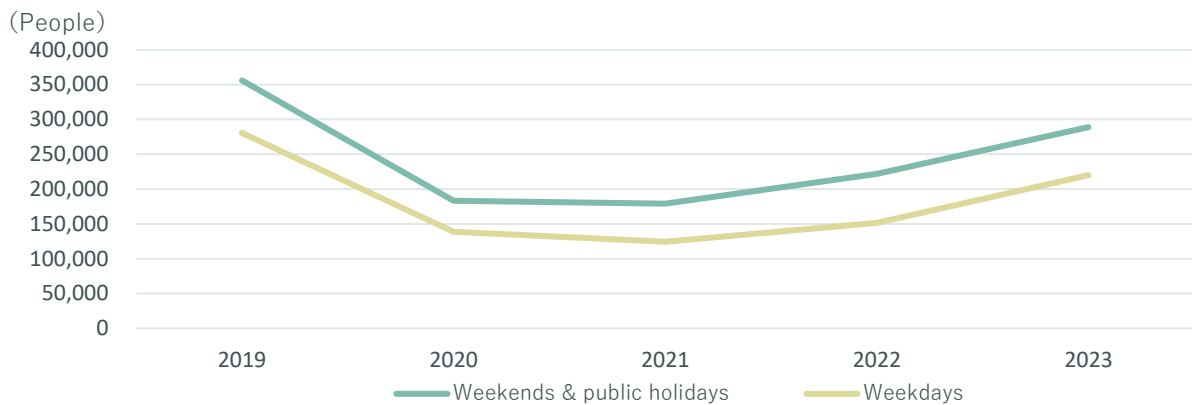


Source: Shinsaibashi-suji Shopping Street

### 2-3. Higher daily pedestrian traffic volume on the Shinsaibashi-suji Shopping Street recorded on weekends and public holidays

Divided by days of the week, daily pedestrian traffic volume recorded average figures in 2019 of 355,000 people on weekends and public holidays and 280,000 people on weekdays. The equivalent figures in 2023 (based on H1 data alone) are 288,000 on weekends and public holidays and 220,000 on weekdays. No noticeable differences in terms of trends prior to and after the pandemic can be determined, with weekends and public holidays still recording higher foot traffic numbers (Figure 3).

Figure 3: Daily pedestrian traffic volume on the Shinsaibashi-suji Shopping Street

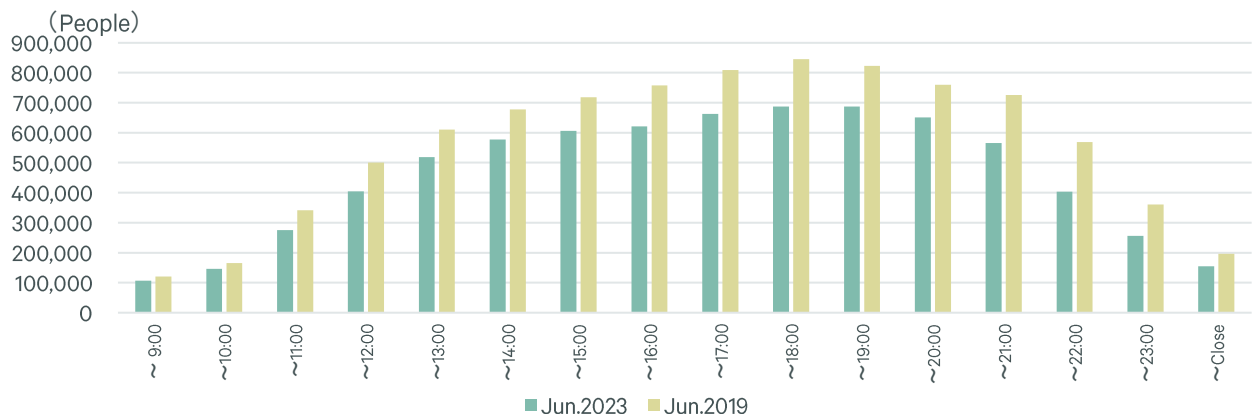


Source: Shinsaibashi-suji Shopping Street

### 2-4. Shinsaibashi-suji Shopping Street pedestrian traffic volume peaks after 5 PM

An analysis of foot traffic on the Shinsaibashi-suji Shopping Street for June 2023 by time of day reveals that traffic begins to increase from 10 AM, when the department stores open, reaching its peak between 5 and 6 PM, and still maintaining high levels until around 8 PM. The same general trend can be observed in the data for June 2019, indicating that the district remains busy throughout the majority of the day (Figure 4).

Figure 4: Shinsaibashi-suji Shopping Street pedestrian traffic volume by time of day



Source: Shinsaibashi-suji Shopping Street

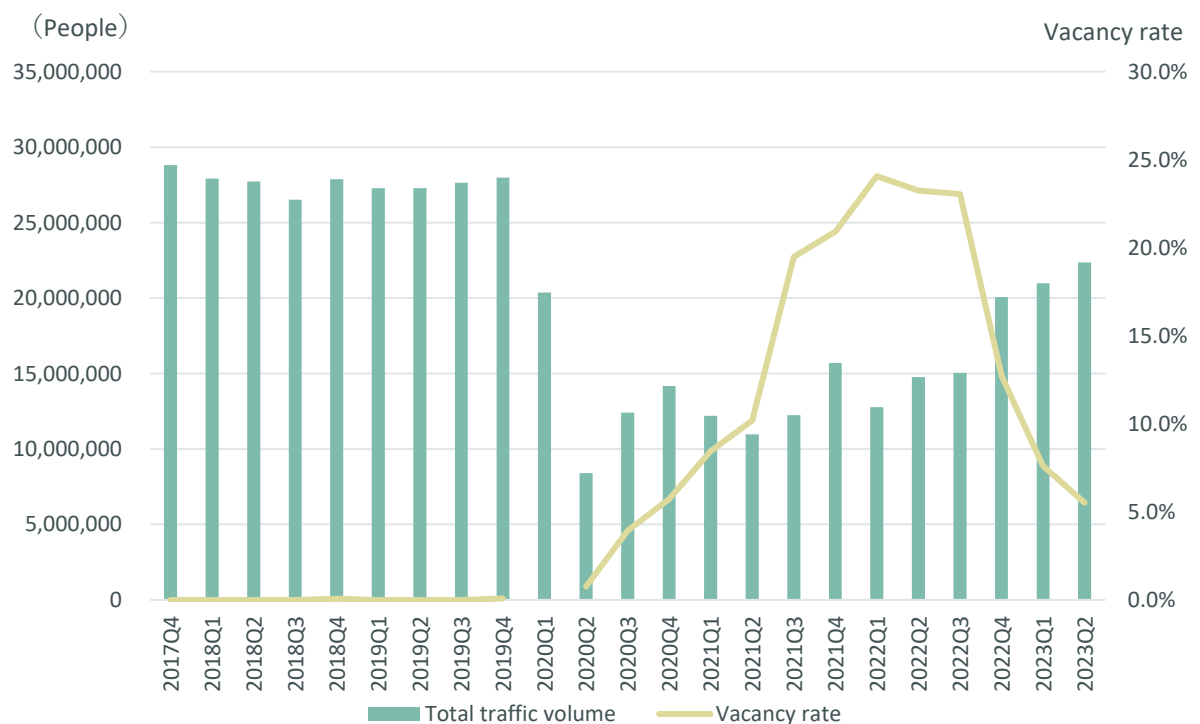
### 2-5. Recovery in pedestrian traffic leads to a dramatic reduction in the vacancy rate

Figure 5 plots quarterly pedestrian traffic volume for the Shinsaibashi-suji Shopping Street against the high street vacancy rate (for Shinsaibashi-suji\*) collated by CBRE. The reduction in foot traffic seen from 2020 as a result of the spread of COVID-19 coincides exactly with a spike in the Shinsaibashi high street vacancy rate, with that vacancy rate reaching a peak of 23.3%. Since pedestrian traffic volume began to show a strong rebound in Q4 2022, however, the vacancy rate has dropped significantly, falling as low as 5.5% in the most recent survey of Q2 2023. As pedestrian traffic volume is projected to continue to increase, the Shinsaibashi high street vacancy rate is expected to continue to decline moving forward.

\*The vacancy rate data for Shinsaibashi-suji also covers some stores that lie outside the Shinsaibashi-suji Shopping Street.

\*Due to the unique conditions created by the spread of COVID-19, no high street vacancy rate tabulations or reports were made in Q1 2020.

Figure 5: Shinsaibashi-suji Shopping Street pedestrian traffic volume and Shinsaibashi-suji high street vacancy rate



Source: CBRE, Shinsaibashi-suji Shopping Street

## Study overview

Data for this study was compiled on the Shinsaibashi-suji Shopping Street, with the headquarters of its Promotion Association located at 2-2-22 Shinsaibashi-suji, Chuo-ku, Osaka. The Shinsaibashi-suji Shopping Street is an arcade-style shopping street running for a total length of 580 metres from Unagidani-dori in the north to Soemoncho-dori in the south, and containing around 150 stores.

Data used in the study consists of the pedestrian traffic volume data compiled between January 1st, 2011 and June 30th, 2023, provided by the Shinsaibashi-suji Shopping Street, as well as the high street vacancy rate data compiled quarterly by CBRE.

## Pedestrian traffic volume data

Using footage recorded by four cameras installed along the length of the Shinsaibashi-suji Shopping Street, the number of people crossing each of the official recording points are counted for a period of 24 hours. The numbers are then added together to obtain total traffic volume data.

## High street vacancy rate data

<b>Subject Area</b>	High street vacancy rate	<ul style="list-style-type: none"> <li>Subject area independently established by CBRE, consisting of 179 buildings in the high street areas of Shinsaibashi</li> <li>All units for lease, including those on the ground floor, fall within the purview of the survey</li> </ul>
	High street rents/ Prime rents	<ul style="list-style-type: none"> <li>Subject area independently established by CBRE</li> <li>Rents are set for a theoretical building with units of around 200m<sup>2</sup> per floor</li> <li>Survey restricted to ground floor units, which command the highest demand</li> </ul>
<b>Term</b>	Quarterly	Q1: End of March Q2: End of June Q3: End of September Q4: End of December
<b>Survey Method</b>	High street vacancy rate	<ul style="list-style-type: none"> <li>Vacant units are those which are ready for immediate occupancy at time of survey (for new buildings, only fully completed buildings are counted)</li> </ul>
	High street rents	<ul style="list-style-type: none"> <li>Averages of upper limit and lower limit of estimated achievable rents calculated based on a sample survey of the area (including service fees, and not taking free-rent periods or other incentives into account)</li> </ul>
	Prime rents	<ul style="list-style-type: none"> <li>Upper limit of estimated achievable rents calculated based on a sample survey of the areas (including service fees, and not taking free-rent periods or other incentives into account)</li> <li>Rents for prime sites within key retail districts of major metropolitan areas</li> </ul>

Note: From Q3, vacancy rate surveys will no longer be restricted to ground floor properties for which tenant demand is highest, but will instead cover all units for lease, including those on the ground floor.

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