A QUICK LOOK AT HOUSING IN JAPAN

June 2018

一般財団法人日本建築センター
The Building Center of Japan

FOREWORD

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

Compiled with the editorial cooperation of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the latest edition (June 2018) is drawn up. The information described in this book is as of February 2018.

A Quick Look at Housing in Japan is the ideal book for anyone seeking a general overview of housing policies in Japan. We hope that it will be used by people with an interest in housing conditions and policies in this country and that it will foster reciprocal understanding in the housing field and contribute to thought about housing policies.

We have published Japanese and English versions of this book. The English or Japanese version of the current edition (June 2018) can be downloaded free of charge as a PDF file from the following website: https://www.bcj.or.jp/en/services/reference/

June 2018
The Building Center of Japan (BCJ)

CONTENTS

CHAPTER I　Land and Population

1. Land

Japan's total area is approximately 37.79 million hectares, of which 36.45 million is land. Much of this territory is mountainous. Only 31% of Japan's territory, excluding forests and inland bodies of water, is habitable. Land consisting of residential areas, industrial areas and commercial areas account for only 5 % of all of the land area in Japan. As a result, population density is extremely high compared with other countries. Developed land, used for the construction of housing, factories, office buildings, stores and other facilities, makes up just 5% of Japan's total area.

Table 1-1-1: Comparison of Habitable Areas (FY2015)

	Japan	Korea	Indonesia	Malaysia	Germany	France	U.S.A.
A. Land area (millions of hectares)	3,645	971	17,186	3,286	3,486	5,477	91,619
＜Forest area＞ (millions of hectares)	2,498	618	9,101	2,220	1,142	1,699	31,010
B. Habitable land area (millions of hectares)	1,147	353	8,085	1,066	2,344	3,778	60,610
B /A　(%)	31	36	48	32	67	69	66
Population　(millions)	126.9	50.3	257.6	30.3	80.7	64.4	321.8

Note: Land area = Total area – bodies of water, Habitable land 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: 1.90 million hectares), Statistics Bureau, Ministry of Internal Affairs and Communications, *Sekai no Tokei* [World Statistics] (Land and Climate) (populations)

Figure 1-1-1: Population Density of Habitable Area　(FY2015)

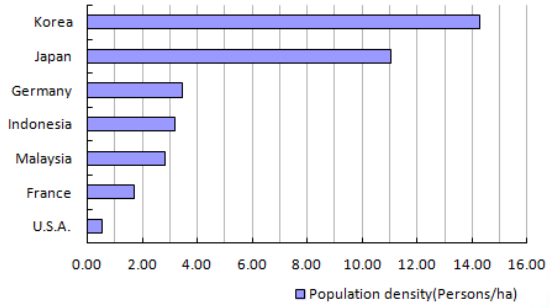
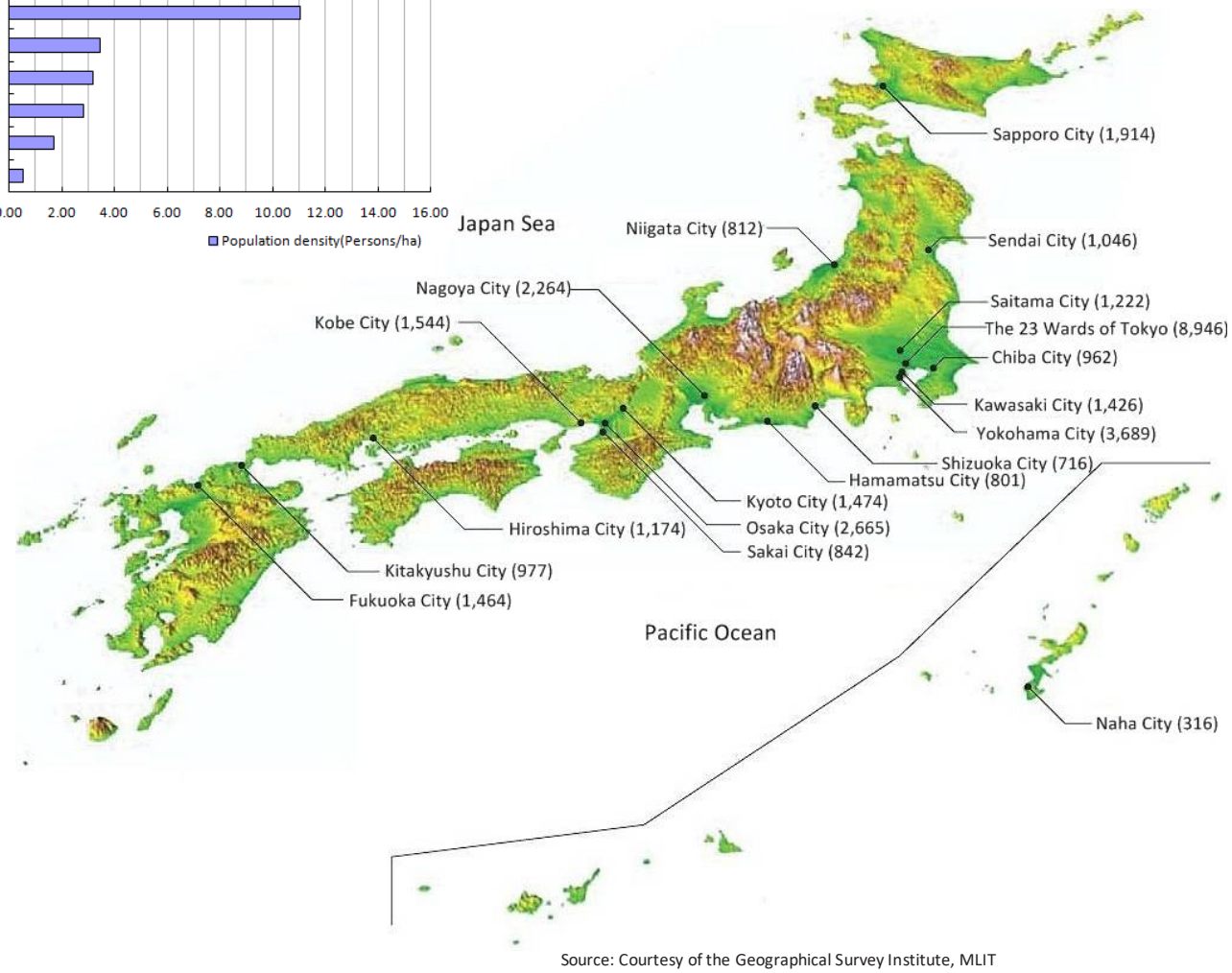


Figure 1-1-2: The Map of Japan (2010, Population: Thousands)

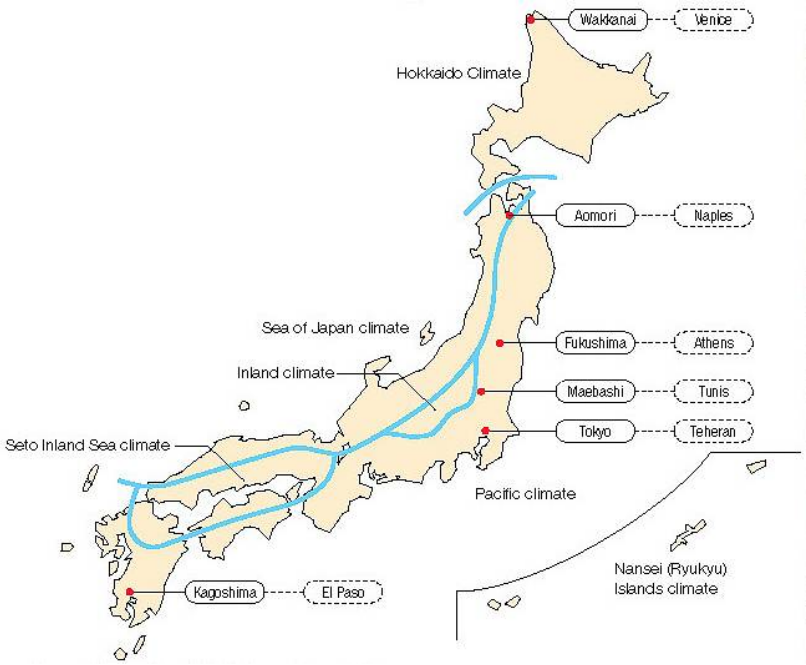


Source: Courtesy of the Geographical Survey Institute, MLIT
Material (Population): Ministry of Internal Affairs and Communications, *Population Census*

2. Climate

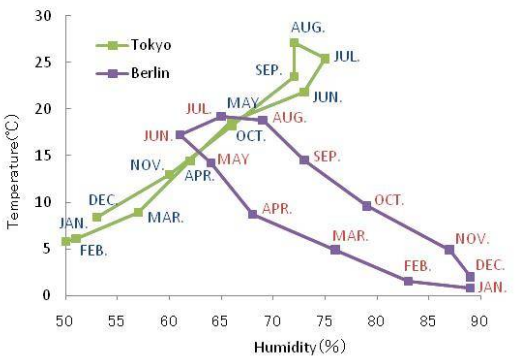
In terms of global climatic categories, most of Japan's territory is temperate. Japan has a richly varied climate with spring, summer, fall and winter seasons. Spring and fall are the most pleasant seasons, though Japan is frequently hit by typhoons around September. There is a one-month rainy season 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: Climate Distribution in Japan



Source: *Nippon no Sugata 2007* [Survey of Japan 2007] Tsuneta Yano Memorial Society ed.,

Figure 1-2-2: Climograph



Source: National Astronomical Observatory, ed., *Rika Nenpyo* [Chronological Scientific Tables], 2008 *(Maruzen)*

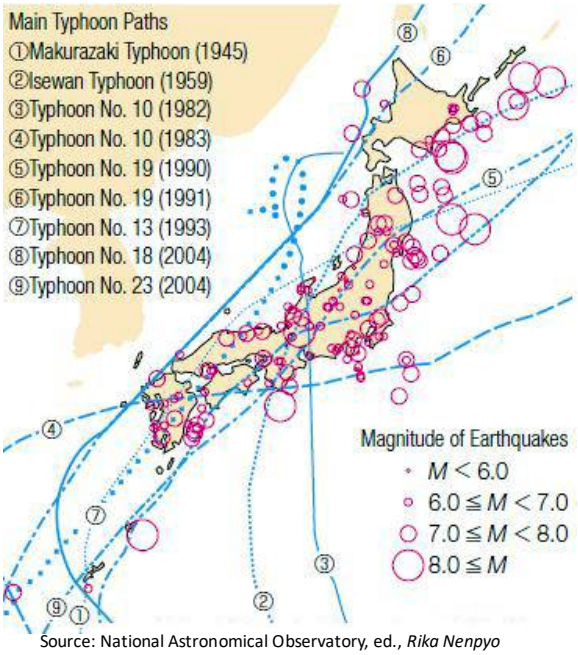
Figure 1-2-3: Distribution of Earthquake Epicenters and Main Typhoon Paths

Earthquakes

Over 10% of the world's earthquakes occur in the Japan and the surrounding region. Earthquakes have caused enormous loss of life and property. Traditionally, the most feared things in Japan have been earthquakes, lightning and fires. The ability to withstand earthquakes is an especially important requirement for buildings in Japan.

Typhoon Paths

A typhoon evolves from a tropical depression that occurs in the northern Pacific. A tropical depression has a maximum wind speed of 17.2m/s; Above that speed, it is categorized as a Typhoon. Japan is hit by typhoons every year, especially from July to September. On average there are 26.7 typhoons annually, of which between 10-14 reach in Japan and an average of 2.6 reach the shore of the Japanese mainland.



Source: National Astronomical Observatory, ed., *Rika Nenpyo* [Chronological Scientific Tables], 2008 (Maruzen)

1. *Hokkaido* Climate

Hokkaido has cool summers and harsh winters. Annual rainfall is low, and the rainy season and typhoons have little effect.

2. The Sea of Japan Climate

In winter, seasonal northwest winds from the continent bring moist air to the region, causing heavy snowfall. In summer there are long periods of fine weather, and temperatures tend to be high.

3. Inland climate

Seasonal winds have little effect, and rainfall is low throughout the year. There is a wide variation in temperature between summer and winter, and between night and day.

4. Pacific climate

In summer the region is affected by seasonal southeast winds, which cause frequent rainfall and high humidity. In winter, seasonal northwest winds blow across the mountains, bringing many fine, dry days. Southeast *Kyushu*, southern *Shikoku*, and the southern coastal area of the *Kii* Peninsula are frequently hit by typhoons. Rainfall is heavy in summer, but winters are mild and pleasant.

5. *Seto* Inland Sea Climate

This region is enclosed by the *Chugoku* Mountains on the north and the *Shikoku* Mountains on the south, and seasonal winds have little effect. Rainfall is low throughout the year, and there are many fine days.

6. *Nansei (Ryukyu)* Islands climate

The *Nansei* Islands include *Okinawa*, the *Amami* Islands and the *Ogasawara* Islands. Temperatures are high throughout the year, and frost and snow are unheard of.

Photo 1-2-1: Spring March, April, May

Photo 1-2-2: Summer June, July, August

Photo 1-2-3: Fall September, October, November

Photo 1-2-4: Winter December, January, February

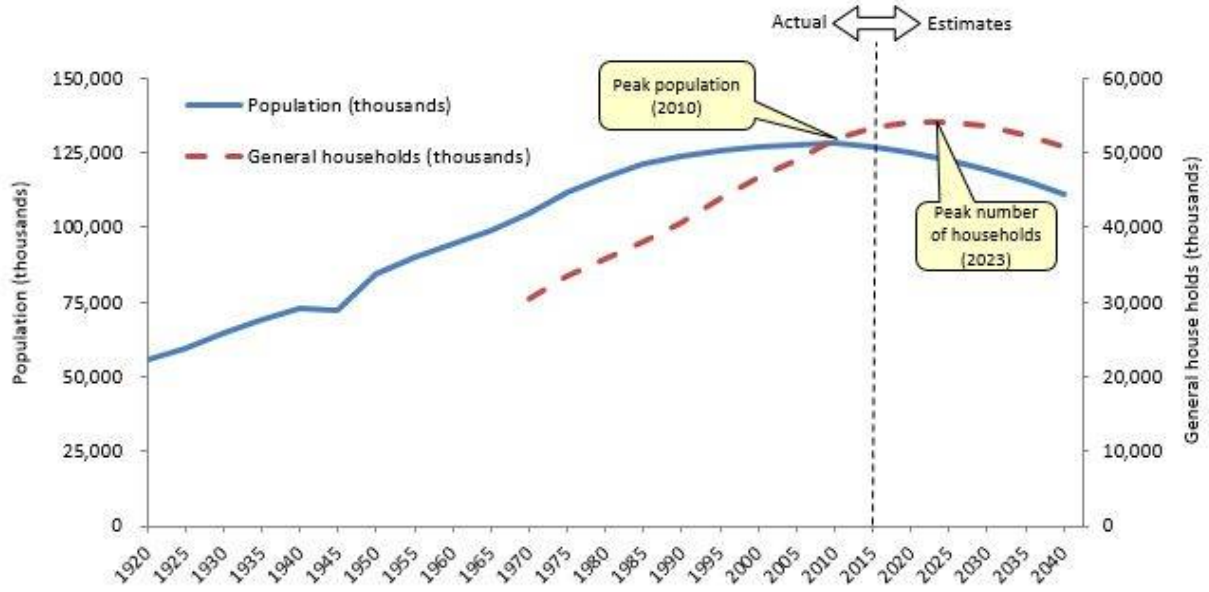
3. Population

Population Trends

Japan's population tripled in the 100 years between 1872 and 1972. Before World War II, both the birthrate 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 birthrate. Since then the birthrate has also declined, and the rate of increase in the population has decreased.

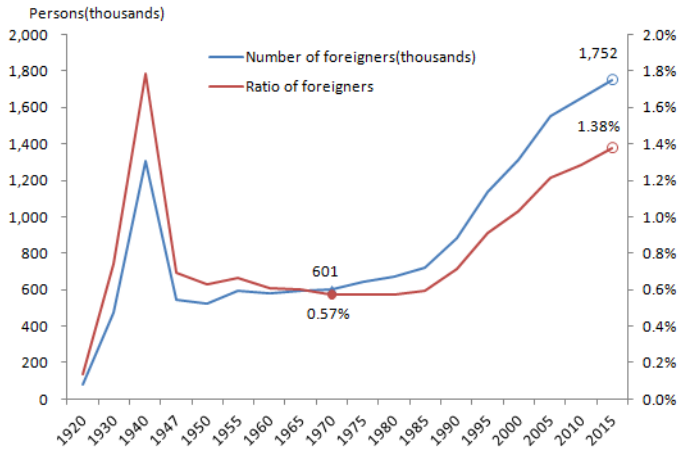
In 2010, the population of Japan increased contrary to expectations. The Japanese population is flat, and foreign populations have been increasing. Overall, the numbers of Japanese households continue to increase until 2023. The average number of persons per household fell from 5.0 in 1955 to 2.36 in 2015, reflecting a trend toward nuclear family lifestyle since 1955.

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



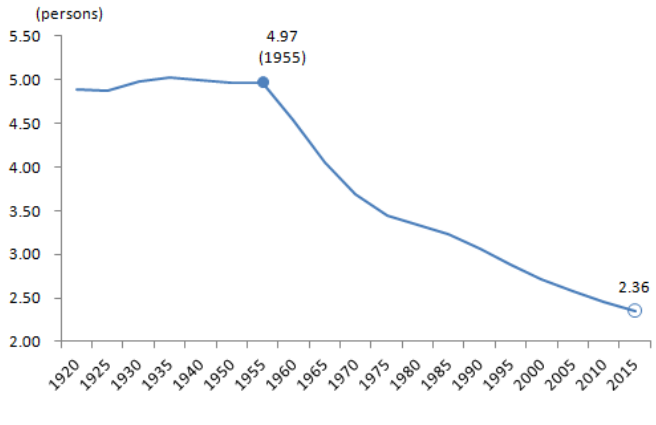
Source: Actual figures: Ministry of Internal Affairs and Communications, Population Census (estimated population after adjustment based on the 2015 census)
Estimates: National Institute of Population and Social Security Research, Population Projections for Japan (January 2017), Household Projections for Japan (January 2018)
Notes: No census was taken for Okinawa prefecture in 1945, so there is no data.

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



Source: Ministry of Internal Affairs and Communications, *Population Census*
Notes: For 1940, including military personnel and military civilians in Taiwan, Korea, Kanto-shuu, and Nanyou-syoto.

Figure1-3-3: Changes in Number of Persons per Household



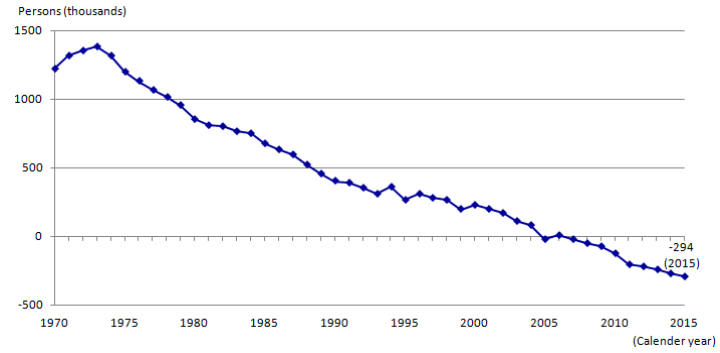
Source: Ministry of Internal Affairs and Communications, *Population Census*

Rapid Demographic Aging and Birthrate Decline

Rapid demographic aging and a falling birthrate are dramatically altering Japan's demographic structure. In 2010, the number of people aged 65 and older reached 29.25 million, or 23% 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.

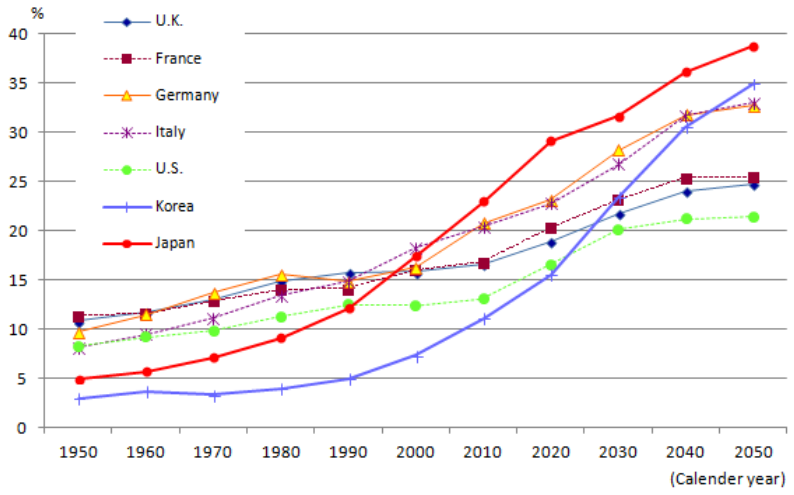
Japan's birthrate has continued to fall in recent years. In 2005, the total fertility rate (the average number of children born to a woman in her lifetime) fell to an historical low of 1.26. The rate has been slightly recovering since 2006 to 1.39 in 2010. There is concern that this decline in the birthrate 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, *Annual Estimate of Vital Statistics 2015*
Notes: Data of Okinawa Prefecture have been counted since 1973.

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



Source: Statistics bureau, Ministry of Internal Affairs and Communicating, *World statistics 2015*

Table 1-3-1: Birthrate Comparison

Year	U.K.	France	Germany	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	1.91	2.01	1.36	1.24	1.42	1.89	1.39

Source: Statistics bureau, Ministry of Internal Affairs and Communicating, *World statistic s2015*

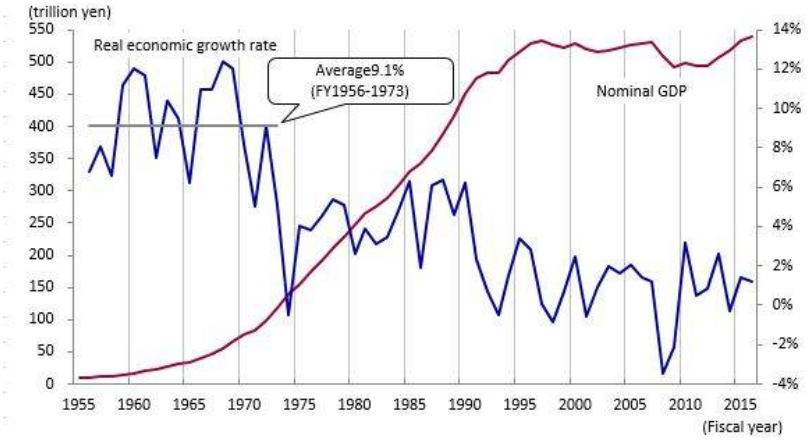
4. Industries

Economic Growth and Industrial Advancement

Japan achieved a remarkable economic recovery in the postwar era. Between 1955 and 1973 its average growth rate reached 9.1%. However, this period of rapid growth came to an end with the 1973 oil crisis.

The economic boom brought continuous expansion through the second half of the 1980s, until about 1990, after which the growth rate fell sharply. After the subsequent decade of prolonged stagnation, which lasted until 2000, the economy was thought to be entering a recovery phase. However, the economy began to decline from the peak in October 2007, and had been affected by a worldwide slumping economy since September 2008, and is gradually recovering from the spring of 2009. In 2016, Japan's nominal GDP reached approximately ¥539 trillion, which is the third highest in the world, after the United States and China.

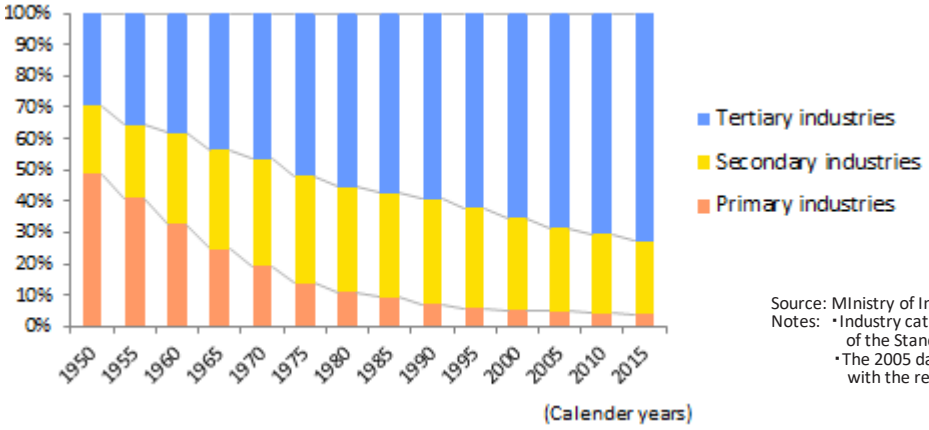
Figure 1-4-1: Trends in Gross Domestic Product and Real Economic Growth



Source: Cabinet Office, *National Accounts Statistics*

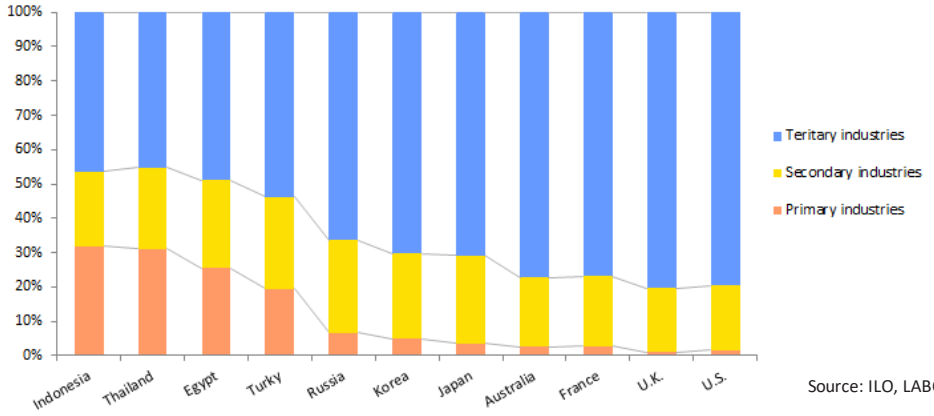
There have also been changes in Japan's employment structure. Employment in primary industries, mainly agriculture, forestry and fishery, has been falling steadily. The rate of secondary industry, mainly manufacture, rose during the high-growth period, but the importance of secondary industries has declined in recent years, and tertiary industries, mainly service and retail, now lead in terms of employee numbers.

Figure 1-4-2: Working Population according to Sector



Source: MInistry of Internal Affairs and Communications, *Population Census*
Notes: ・Industry categories were revised in accordance with the 12th Revision of the Standarsd Industrial Classification for Japan in November 2007.
・The 2005 data are based on the recombined tabulation in accordance with the revision.

Figure 1-4-3: International Comparison of Working Population according to Sector (2016)



Source: ILO, LABORSTA Internet

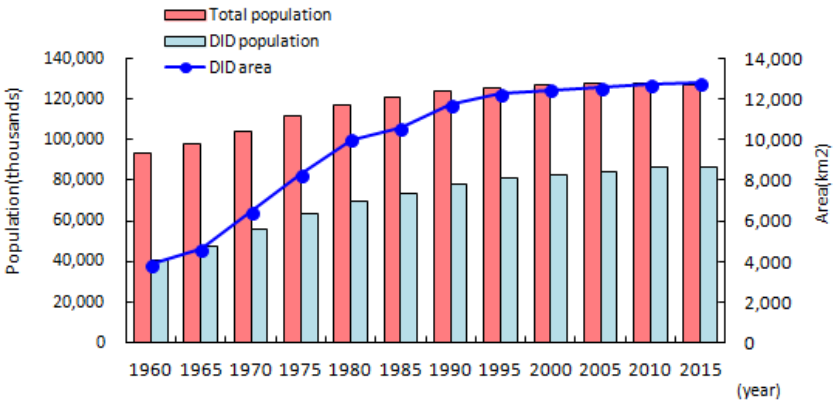
5. Cities

Urbanization

Urbanization advanced rapidly in Japan during the postwar period of high economic growth. In 2010, approximately 67% of the Japanese population lived in urban districts (densely inhabited districts, DIDs). However, the five year population growth rate of DIDs continued to decrease. This indicates that the concentration of populations in urban areas is beginning to decelerate. The rate of increase in DID area is also low. It indicates that of the urbanization within Japan's cities may be coming to an end.

However, Japan still lags behind the developed countries of Europe and North America in terms of social capital development indicators, such as the percentage of homes with sewage service, and the park area per person.

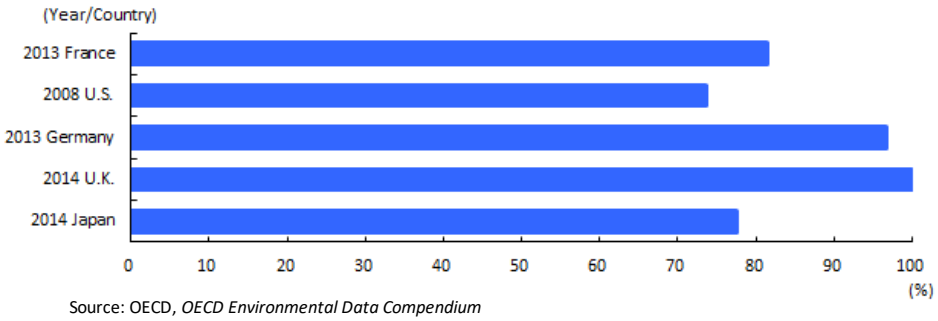
Figure 1-5-1: Population and Area of DIDs



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

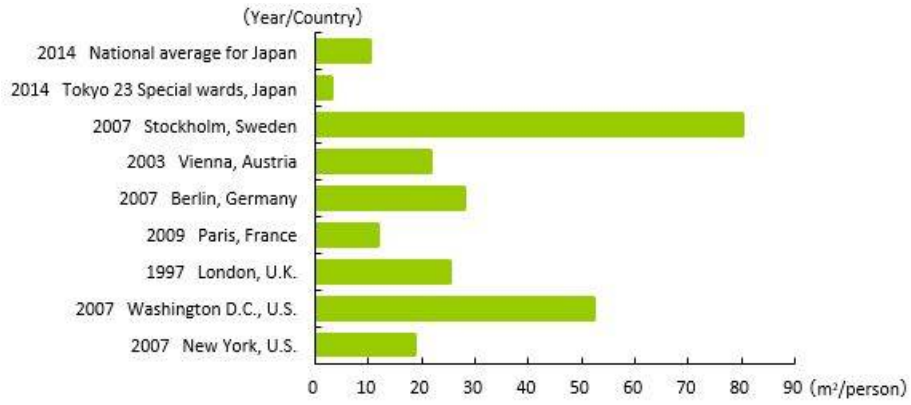
Note: Densely inhabited districts (DIDs) are defined as districts with populations of 5,000 or higher per km², in which there are contiguous census districts with population densities of 4,000 people per square kilometer or higher.

Figure 1-5-2: Percent of Home with Sewage Service



Source: OECD, *OECD Environmental Data Compendium*

Figure 1-5-3: Park Area per Person



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

Concentration of Population in Major Metropolitan Areas

Japan's three biggest cities, Tokyo, Osaka and Nagoya, suffered severe damage during World War II, and their populations declined drastically. In the postwar era, the populations of these metropolitan areas began to increase again because of renewed inflows, especially from evacuation areas and former colonies.

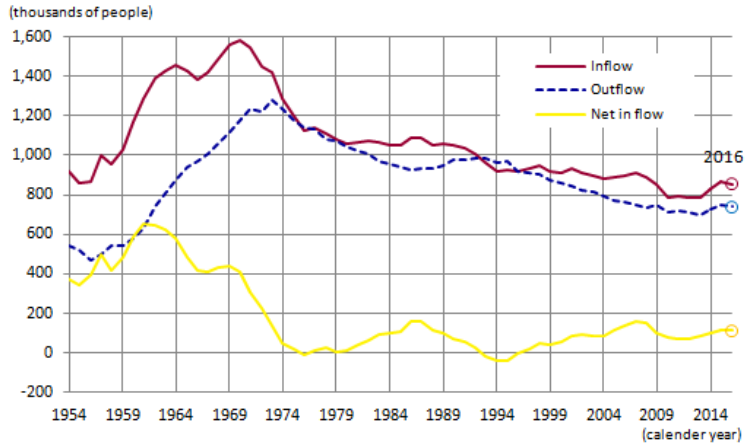
During the economic boom of the 1950s, large numbers of people began to gravitate toward the major cities in search of employment opportunities. This trend intensified in the subsequent period of rapid economic growth. By the 1960s, labor shortages had become a problem for many companies, especially in heavy industries. Mass-recruitment of teenagers, known as "golden eggs," further accelerated the concentration of population in the major cities.

The flow of population into metropolitan areas temporarily slowed when Japan's economic growth rate fell dramatically with the onset of the first oil crisis in 1973. However, the influx resumed during the economic expansion that began in the mid-1980s. The trend slowed again in the first half of the 1990s, when the collapse of the bubble pushed the Japanese economy into a major recession. However, the aggregate population of the three major metropolitan areas has shown a net population inflow for over 10 years, and the net inflow into the Tokyo area constitutes the great majority of the total net inflow of these three areas.

Japan's Changing Provincial Cities

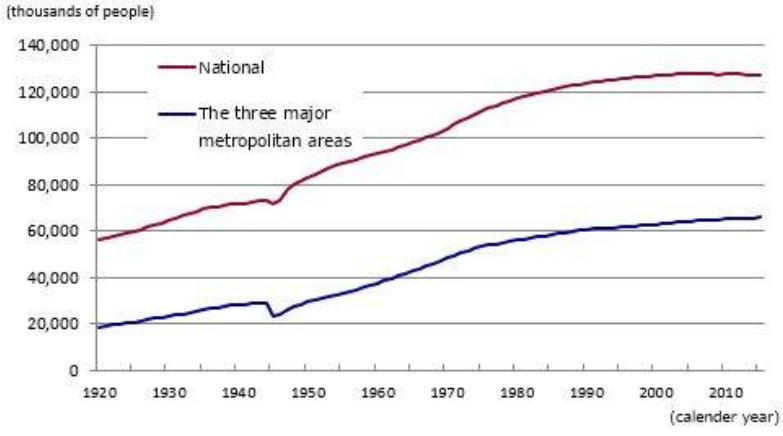
Core provincial cities, such as the prefectural seats, have been densely populated areas where residents engage in a variety of economic and social activities, including commerce and industry. As centers for regional economies, they have maintained substantial concentrations of population and activity. However, the shift to a decline in population and the onset of demographic aging are transforming provincial cities. The convenience of city life is being eroded with the relocation of public facilities, stores and other amenities to the suburbs, while regional industries are being weakened by regional economic stagnation and other factors. This environment is reflected in the atrophy of urban functions and the hollowing out of urban areas, as symbolized by declining populations and falling retail sales in central urban areas.

Figure 1-5-4: Population Inflows and Outflows in the Three Major Metropolitan Areas



Source:
Ministry of Internal Affairs and Communications, *Migration Report, Basic Resident Register in Japan*
Three Major Metropolitan Areas:
Tokyo metropolitan area (Saitama, Chiba, Tokyo and Kanagawa Prefectures), Chukyo metropolitan area (Gifu, Aichi, and Mie Prefectures), and Osaka metropolitan area (Kyoto, Osaka, Hyogo and Nara Prefectures).

Figure 1-5-5: Population Movement into the Three Major Metropolitan Areas and Nationwide



Source:
Ministry of Internal Affairs and Communications, *Annual Report on the Internal Migration in Japan*
Three Major Metropolitan Areas:
Tokyo metropolitan area (Saitama, Chiba, Tokyo and Kanagawa Prefectures), Chukyo metropolitan area (Gifu, Aichi and Mie Prefectures), and Osaka metropolitan area (Kyoto, Osaka, Hyogo and Nara Prefectures).

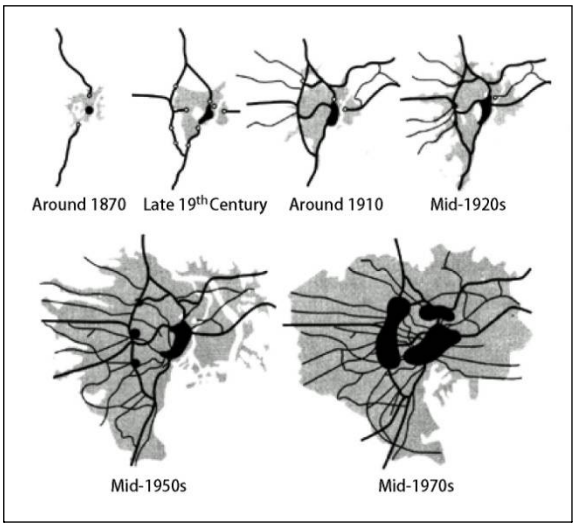
Urban Areas in Tokyo Metropolitan Area

Land Use

With the exception of new towns and other planned developments, residential areas in Japan consist mainly of low-rise housing. A dense concentration of low-rise housing covers extensive areas.

The concentration of population and industry has resulted in mixed land use in urban areas. In some areas, land for housing has been converted into commercial and business land, while other disused factory sites have been developed into residential complexes. This increased mingling of residential, commercial and industrial uses has in some cases led to environmental problems.

Figure 1-5-6: Expansion of Urban Areas in Tokyo Metropolitan Area



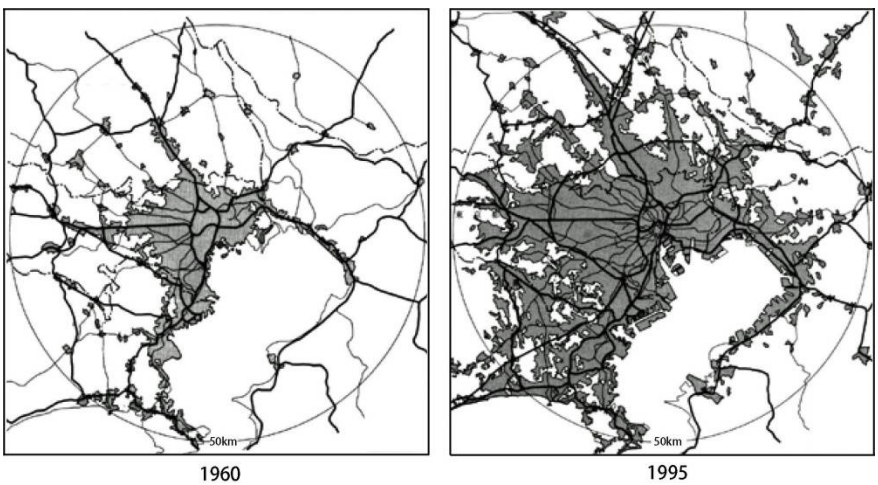
Source:
Tokyo Metropolitan Government,
Tashingata Toshi Kozo e no Tenkai ni Kansuru Chosa Hokokusho, 1984
National Land Agency,
Shutoken Seibi ni Kansuru Nenji Hokoku, 1998

Expansion of Peripheral Urban Areas

Urbanization in the Tokyo area began in the 19th century, when inflows of population led to expansion on the periphery of Tokyo. The populations of the 23 wards of Tokyo proper stopped expanding in the mid-1960s, and continuing growth in peripheral areas caused a rapid decline in the populations of the three central wards.

In recent years, this peripheral expansion has slowed, in contrast with growth in both the supply of housing and the population in central Tokyo. Population movement into the 23 wards of Tokyo has exceeded the outflow for over 10 years but began to decline from the peak of approximately 77,000 people in 2007, and there was a net inflow of approximately 57,000 people in 2016.

Figure 1-5-7: Expansion of Urban Areas (DIDs) in Tokyo Metropolitan Area



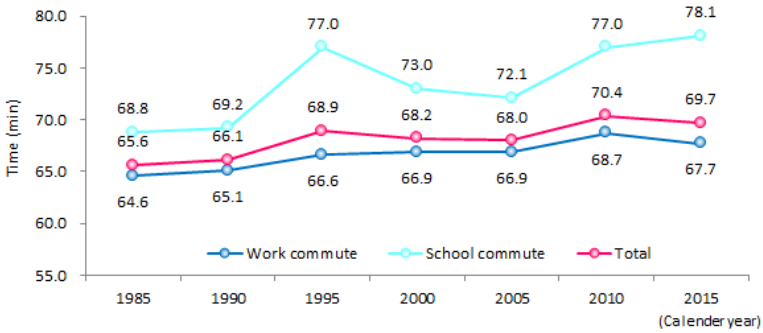
Source: National Land Agency, *Shutoken Seibi ni Kansuru Nenji Hokoku, 1998*

Transportation

Transportation systems in the Tokyo metropolitan area have spread in a radiating pattern, while central districts are crisscrossed by a subway network. However, peripheral expansion has created a range of transportation problems, including longer commuting distances and times, overcrowded trains in morning and evening rush hours, and traffic congestion.

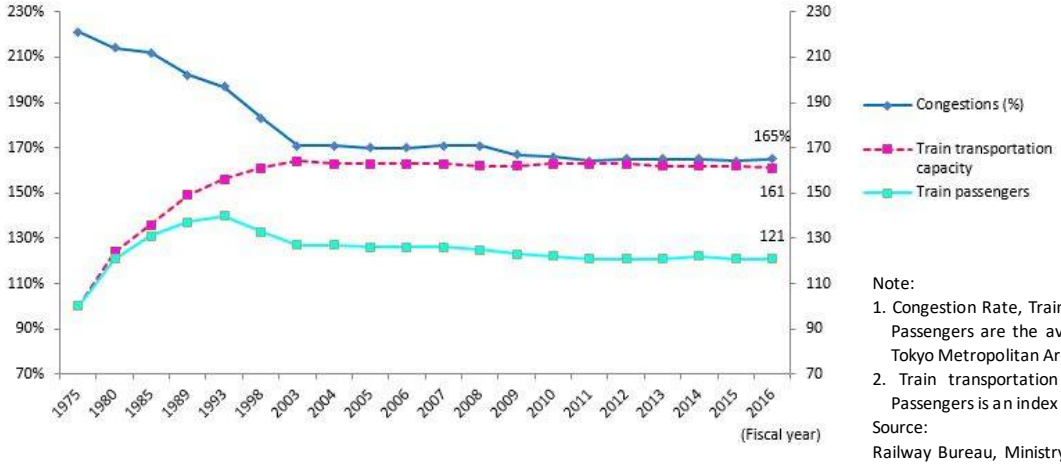
Surveys of recent trends in work and school commuting times have shown that it tends to increase from 2005.

Figure 1-5-8: Changes in Work and School Commuting Times in Tokyo Metropolitan Area



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), 12*th Census of Major Cities (2015)*

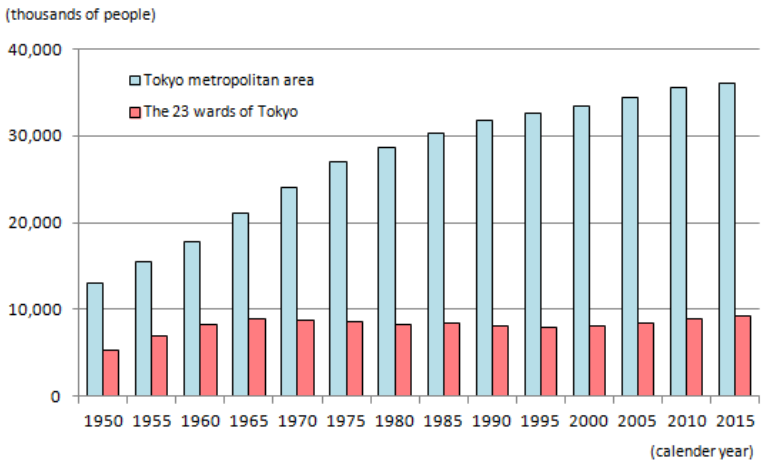
Figure 1-5-9: Congestion Rate, Train Transportation Capacity, and Train Passengers of Most Congested Sectors in Tokyo Metropolitan Area



Note:
1. Congestion Rate, Train Transportation Capacity, and Train Passengers are the average of 31 major railway lines of Tokyo Metropolitan Area
2. Train transportation capacity and numbers of Train Passengers is an index

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

Figure 1-5-10: Population Trends in Tokyo Metropolitan Area



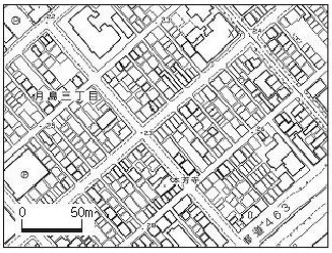
Note: Tokyo Metropolitan Area (Saitama, Chiba, Tokyo and Kanagawa Prefectures)
Source: Ministry of Internal Affairs and Communications, *Population Census*

Residential Areas around Tokyo

Profiled here are some examples of residential areas around Tokyo. Each has its own characteristics shaped by a range of factors, including the formation and evolution of individual housing areas, historical and cultural backgrounds, and economic development. Residential areas are generally classified according to their location (suburban or city center), type of housing (detached or multi-unit), or development history (planned development or natural emergence, public development or private development). The areas introduced here are representative examples of actual prevailing conditions today.

Figure 1-5-11: Locations

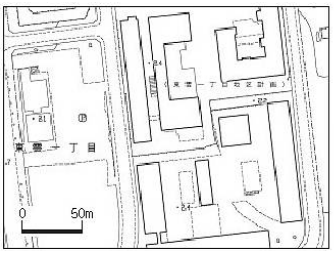
A *Tsukuda-Tsukishima* Mixed Residential-Commercial Area in Central Tokyo



Location	Tsukishima, Chuo-ku, Tokyo
Land Use Zone	Commercial Zone
Floor area ratio	500%
Building coverage ratio	80%

The *Tsukudajima* district and the neighboring *Tsukishima* district have survived as historical working-class communities with narrow streets and terraced housing. This mixed residential-commercial area has densely inhabited residential districts that also include home workshops and retail outlets. Wooden housing predominates, and the level of risk is high from a disaster prevention perspective. However, there is a strong sense of community, reflecting the fact that people live and work in the same area.

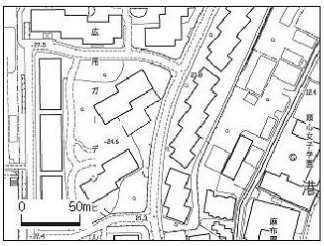
B *Shinonome* Canal Court Multi-Unit Residential Complex in Central Tokyo



Location	Shinonome, Koto-ku, Tokyo
Land Use Zone	Category II Residential Zone
Floor area ratio	400%
Building coverage ratio	60%

This residential area in central Tokyo resulted from a large-scale land rezoning project on a factory site with an area of approximately 16 hectares. The plan calls for the construction of approximately 6,000 units with a population of 15,000. The development also includes parks and commercial facilities.

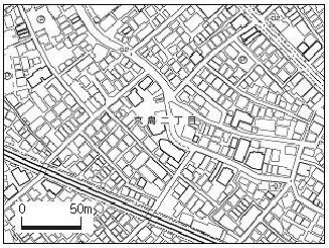
C *Hiroo* Garden Hills Multi-Unit Residential Complex in Central Tokyo



Location	Hiroo, Shibuya-ku, Tokyo
Land Use Zone	Category II Mid. high-rise Oriented Residential Zone
Floor area ratio	300%
Building coverage ratio	60%

This cluster of 15 high-rise residential buildings on a 6.6 hectare site contains 1,181 units. Situated on a low hill, the buildings are covered in sepia-colored tiles. This was probably the last area-wide residential development in central Tokyo, and the result is a unique housing environment.

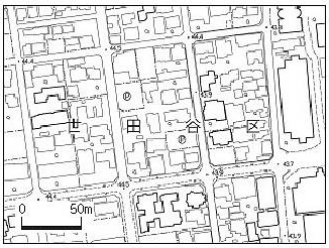
D *Kyojima* Densely Inhabited District with Wooden Housing



Location	Kyojima, Sumida-ku, Tokyo
Land Use Zone	Quasi-industrial Zone
Floor area ratio	200%
Building coverage ratio	80%

Kyojima is a typical DID with wooden housing. Having survived World War II without being bombed, it still has traditional terraced housing and maze-like streets. Many houses are built on small lots on narrow back streets. In addition, complex ownership relationships prevent owners from rebuilding their deteriorating houses, and the risk of fire spread is regarded as high.

E *Seijo* Prime residential area with detached housing



Location	Seijo, Setagaya-ku, Tokyo
Land Use Zone	Category I Exclusively Low-rise Residential Zone
Floor area ratio	80%
Building coverage ratio	40%

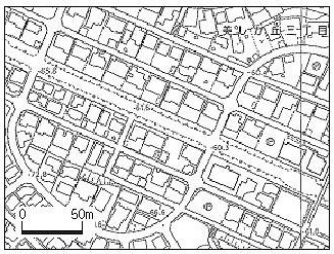
This area was subdivided into housing lots in the 1920s by a suburban railway company, which wanted to develop land along its tracks. Today it is one of Tokyo's prime residential areas. Characterized by comparatively large housing lots, *Seijo* has matured into a traditional residential area having good environment.

F *Shimo-Shakujii* Suburban Sprawl Area

Location	Shimo-shakujii, Nerima-ku, Tokyo
Land Use Zone	Category I Exclusively Low-rise Residential Zone
Floor area ratio	100%
Building coverage ratio	50%

This community has a mixture of farmland and high-density residential areas. It consists mainly of detached housing resulting from mini-developments in areas designated for urbanization. Because urbanization has not occurred on a planned basis, urban infrastructure, including roads, are inadequate.

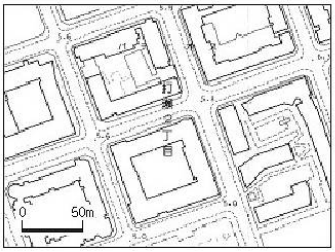
G *Utsukushigaoka* Subdivision with Detached Housing



Location	Utsukusigaoka, Aoba-ku, Yokohama-City
Land Use Zone	Category I Exclusively Low-rise Residential Zone
Floor area ratio	60%
Building coverage ratio	40%

Located about 30km from central Tokyo, *Utsukushigaoka* is on the northern edge of Yokohama City. Most of the area was developed through a land readjustment scheme as part of an integrated housing development plan by a private company. The plan was coordinated with the development of the *Tokyu Den-en Toshi* Rail Line. The majority of the area is reserved for Category I Exclusively Low-story residential zone. A variety of measures have been used to create a unified townscape, including the designation of low building coverage ratio and floor area ratio, and the establishment of building agreements.

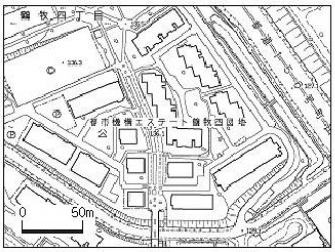
H *Makuhari* Bay Town Suburban Residential Complex



Location	Utase, Mihama-ku, Chiba-city
Land Use Zone	Category II Residential Zone
Floor area ratio	300%
Building coverage ratio	60%

This residential complex in the new urban center of *Makuhari* in *Chiba* Prefecture was planned with the aim of creating a new type of urban residential environment that would be different from traditional apartment-type developments. The basic plan calls for the construction of approximately 8,900 residential units for a planned population of around 26,000 on an area of 84 hectares, with a medium-rise zone in the center and high-rise and super-high-rise zones on the periphery.

I *Tama* New Town Suburban Multi-Unit Residential Complex



Location	Ochiai, Tama-city, Tokyo
Land Use Zone	Category I Mid. high-rise Oriented Residential Zone
Floor area ratio	200%
Building coverage ratio	60%

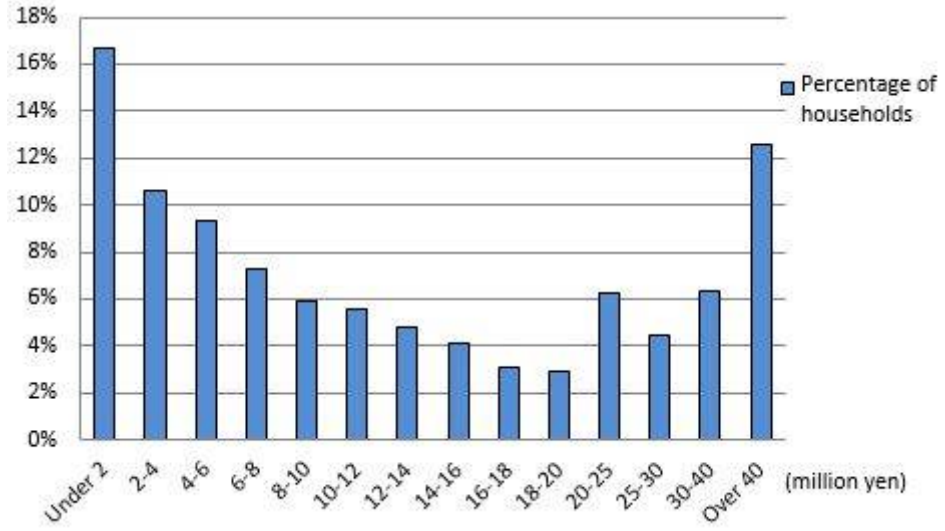
This is one of Japan's biggest and best-known new-town developments. It was planned in response to serious housing problems that emerged during Japan's period of rapid economic growth. The aim was to prevent irresponsible development and create substantial housing resources in a good residential environment. A new housing land development project and zoning scheme resulted in the development of a community of approximately 64,000 residential units with a planned population of 342,000 people on an area of 2,892 hectares.

6. 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. Approximately 27% of households with two or more members have savings of less than ¥4 million, while 30% have savings of ¥20 million or more. Another 16.7% have savings of less than ¥2 million, and 12.6% have savings of ¥40 million or more.

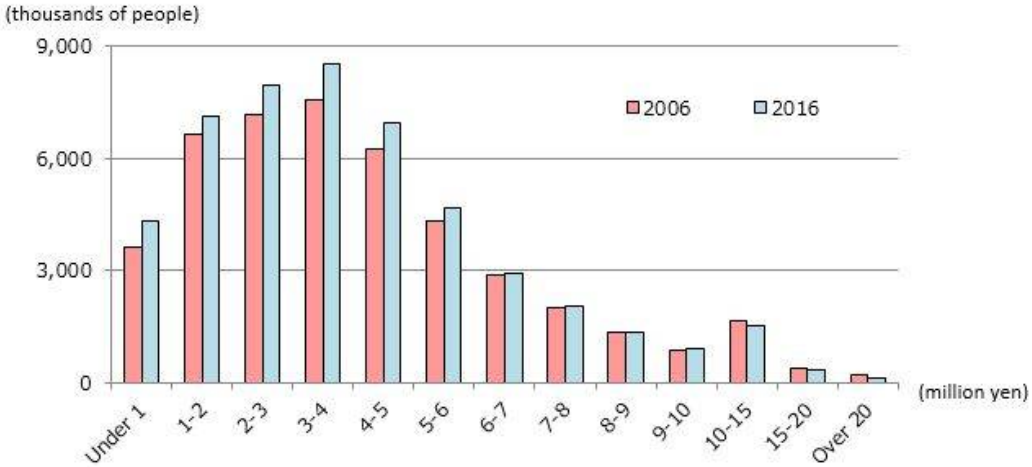
The number of people with an annual salary of ¥2 million or less is rising. There is also a downward trend in the number of people with salaries in excess of ¥10 million; from 2,150,000 people in 2006 to 2,090,000 people in 2016.

Figure 1-6-1: Household Savings (Household with two or more members)



Source: Ministry of Internal Affairs and Communications, *Annual Report on the Family Income and Expenditure Survey 2016*

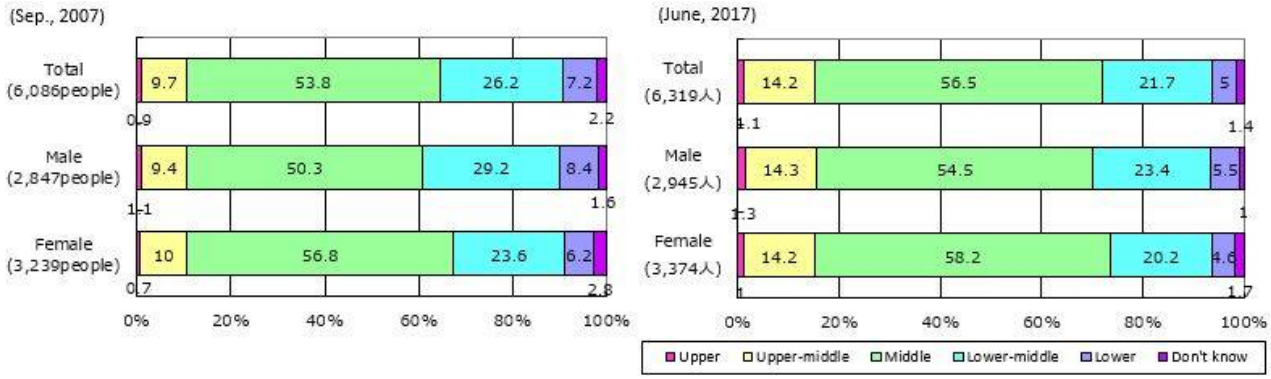
Figure 1-6-2: Annual Salary Incomes (Employment income earners who worked through a year)



Source: National Tax Agency, *Minkan Kyuyo Jittai Tokei Chosa [Statistical Survey of Private Sector Salaries], 2016*

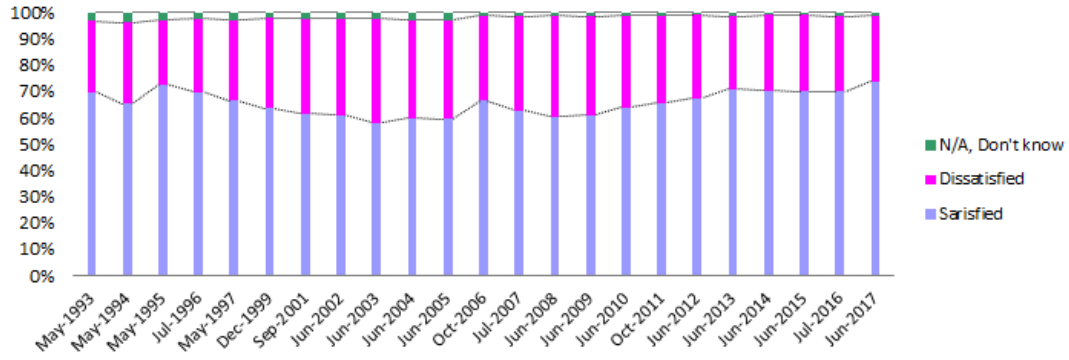
Over 50% of Japanese regard themselves as middle-class. The most common response in general surveys about perceived standards of living is "middle-middle." However, a comparison with the results of a 2007 survey shows that the percentages of those who classify themselves as "lower-middle" and "lower" have fallen, and that there have been a rise of responses of "middle-middle" and "higher-middle." In recent years, the percentage of people indicating satisfaction with their standard of living has been gradually declining since 1995 and gradually increasing since 2009.

Figure 1-6-3: Living Standards



Source: Cabinet Office, *Kokumin Seikatsu ni Kansuru Yoron Chosa [Public Opinion Survey on National Living Standards]*

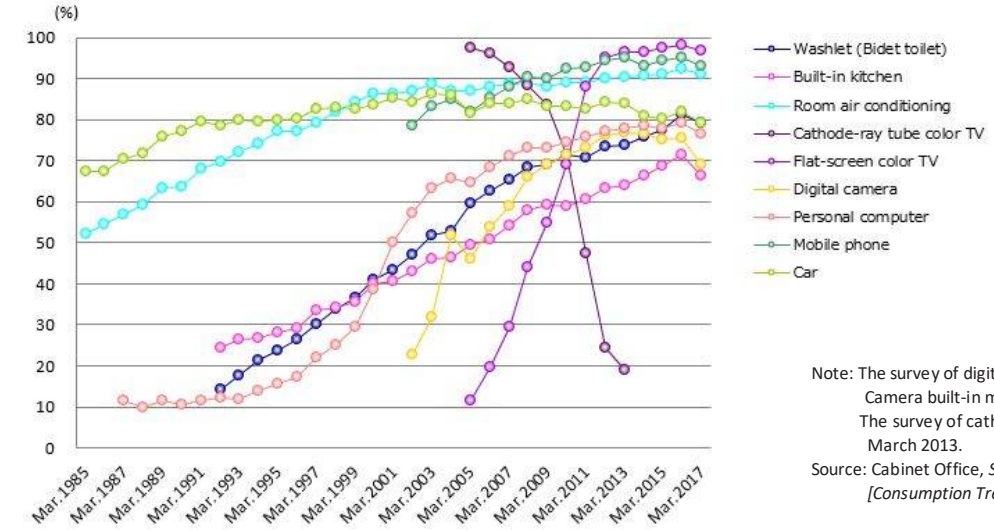
Figure 1-6-4: Satisfaction with Living Standards



Source: Cabinet Office, *Kokumin Seikatsu ni Kansuru Yoron Chosa [Public Opinion Survey on National Living Standards]*

During Japan's period of rapid economic growth, one of the measures of national living standards was ownership of the "three sacred treasures" (washing machine, refrigerator, and vacuum cleaner). By the 1970s most households possessed these items. Since 1990 personal computers and since 2000 digital cameras have become popular. Also, since 2005, CRT color television declined due to the spread of flat color television.

Figure 1-6-5: Ownership of Durable Consumer Goods (Private households)



Note: The survey of digital camera category had started at 2003.
Camera built-in mobile phones are excluded.
The survey of cathode-ray tube color TV category had finished at March 2013.
Source: Cabinet Office, *Shohi Doko Chosa [Consumption Trend Survey]*

CHAPTER II　Housing Situation

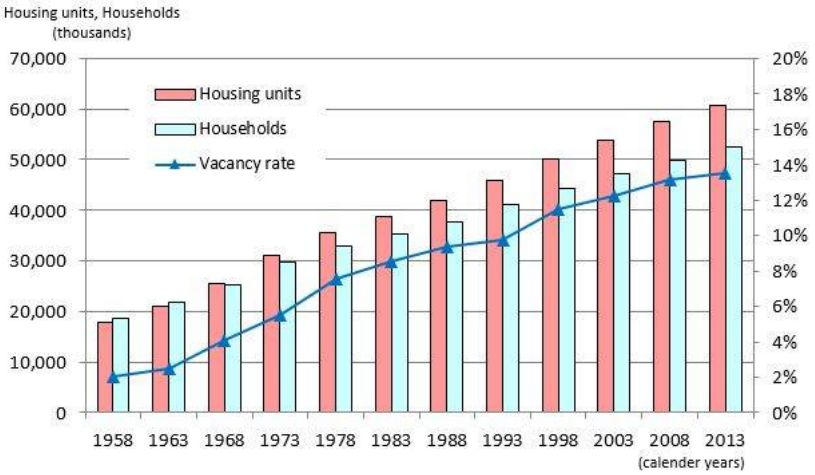
1. Housing Stock

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 2013 the total number of housing units stood at 60,630,000, 1.16 times greater than the total number of households at 52,450,000, and the vacancy ratio had risen to 13.5%. In this environment, it is important to give priority to the housing stock.

Figure 2-1-1: Total Numbers of Housing Units, Households and Vacancy Ratio



Source: Ministry of Internal Affairs and Communications, *Annual Report on the Housing Survey, Annual Report on the Housing and Land Survey, 2013*

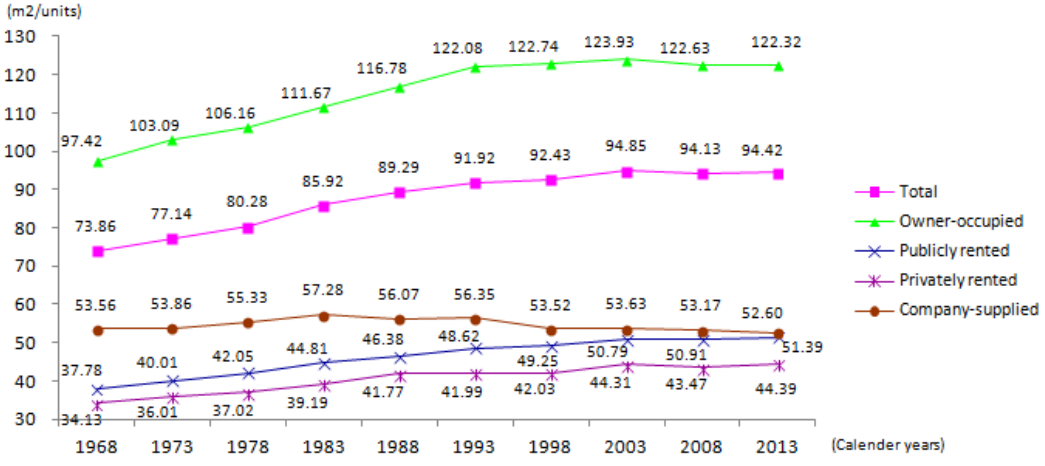
Size of Housing Units

In the past, the average size of housing units in Japan (average floor area per unit of housing stock) tended to be small. However, growth in the number of housing units has been accompanied by an increase in the size of housing units, with the exception of company-supplied housing.

In 2013, the average floor area per unit of Japan's housing stock was 94.4m^2. While Japan has not yet caught up with the United States, it has reached the same level as European countries.

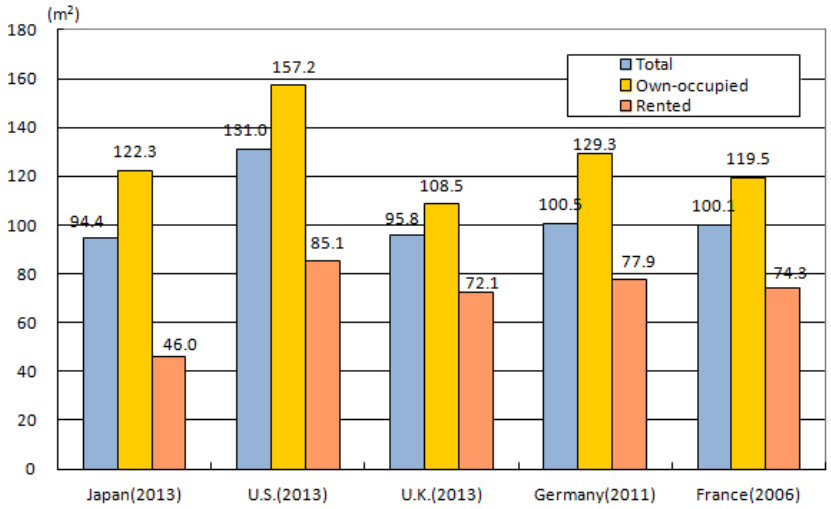
However, there is a wide gap between owner-occupied and rented housing. At 46.0m^2 the average floor area of rented housing is still significantly smaller than in Europe and North America.

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



Source: Ministry of Internal Affairs and Communications, *Annual Report on the Housing and Land Survey, 2013*

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

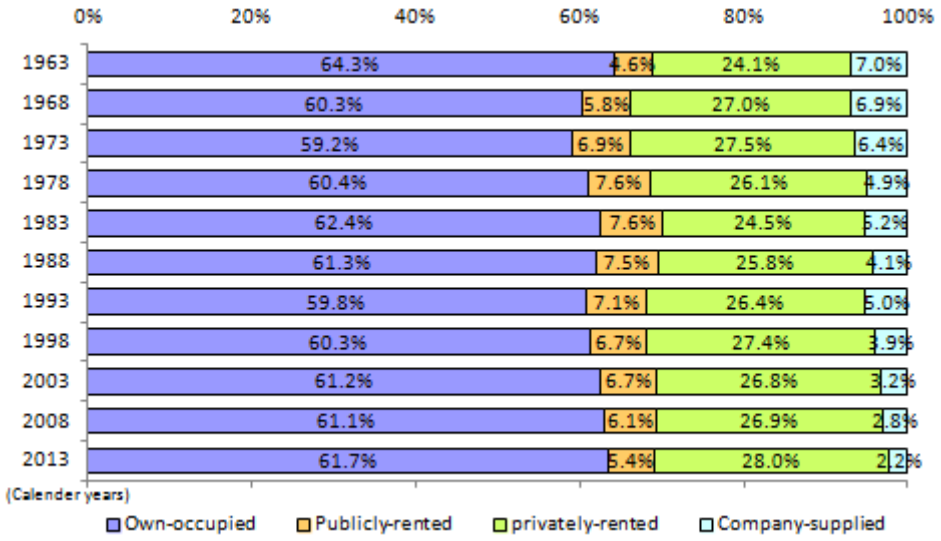


Source:
Japan: Ministry of Internal Affairs and Communications, *Housing and Land Survey, 2013*
U.S.A.: U.S.Census Bureau, *American Housing Survey 2013* (data:2011) http://www.census.gov/
U.K.: Department for Communities and Local Government, *English Housing Survey Housing Stock Summary Statistics Tables 2011* (data:2011) http://www.communities.gov.uk/
Germany: Statistisches Bundesamt, *Statistisches Jahrbuch Deutschland und Internationales 2014* (data: 2011) http://www.destatis.de/
France: Insee, *enquete logement 2006* (data:2006) http://www.insee.fr/
Note 1: Floor area totals have been corrected to reflect wall center-line measurements (multiplication by 0.94 for the United States and 1.10 for France and Germany)
Note 2: The U.S. data are based on median values and cover detached houses and mobile homes

Tenure

The home ownership ratio has remained at around 60% in the 50 years from 1963 to 2013. Company-supplied employee housing continues to be declining.

Figure 2-1-4: Housing Tenure (Percentages of Housing Stock)



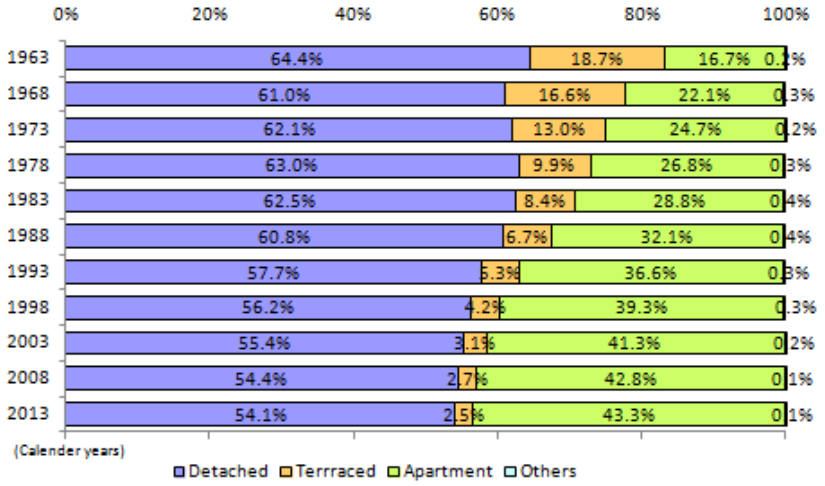
Source: Ministry of Internal Affairs and Communications, *Annual Report on the Housing and Land Survey*

Housing Types and Structures

In 1963 detached houses made up 64.4% of the housing stock, terraced houses 18.7%, and apartment 16.7%. The percentage of apartment has increased in subsequent decades. In 2013, the percentage of detached houses has fallen to 54.1%, while terraced houses now make up just 2.5%, and apartment 43.3% of the housing stock.

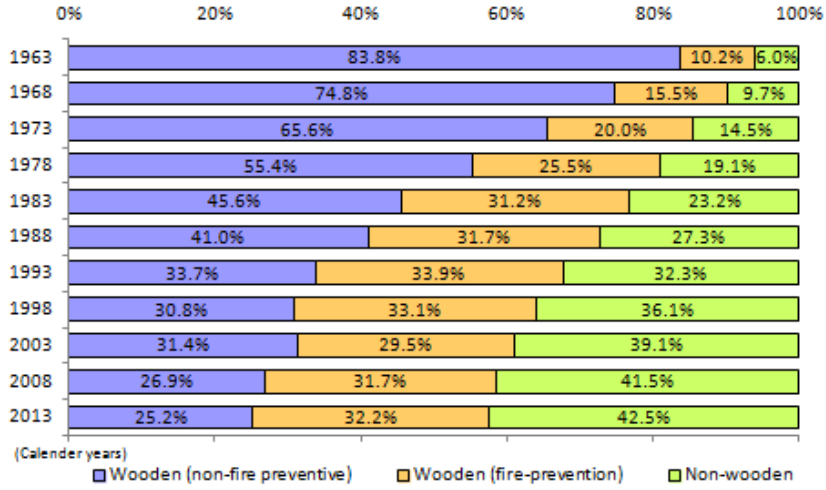
Wooden houses accounted for 94.0% of Japan's housing stock in 1963. By 2013 this percentage had fallen significantly to 57.4% (25.2% non-fire preventive, 32.2% fire preventive). The percentage of non-wooden housing has meanwhile expanded to 42.5%, and there has been a steady shift toward the construction of non-combustible and fire-retardant housing

Figure 2-1-5: Housing Types (Percentages of Housing Stock) (exclusively residential dwelling)



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

Figure 2-1-6: Housing Structures (Percentages of Housing Stock) (exclusively residential dwelling)



Source: Ministry of Internal Affairs and Communications, *Annual Report on the Housing and Land Survey*
Note: Fire preventive wooden houses are houses with wooden frames and roofs and outer walls covered with fire preventive materials, such as mortar and galvanized iron, etc.

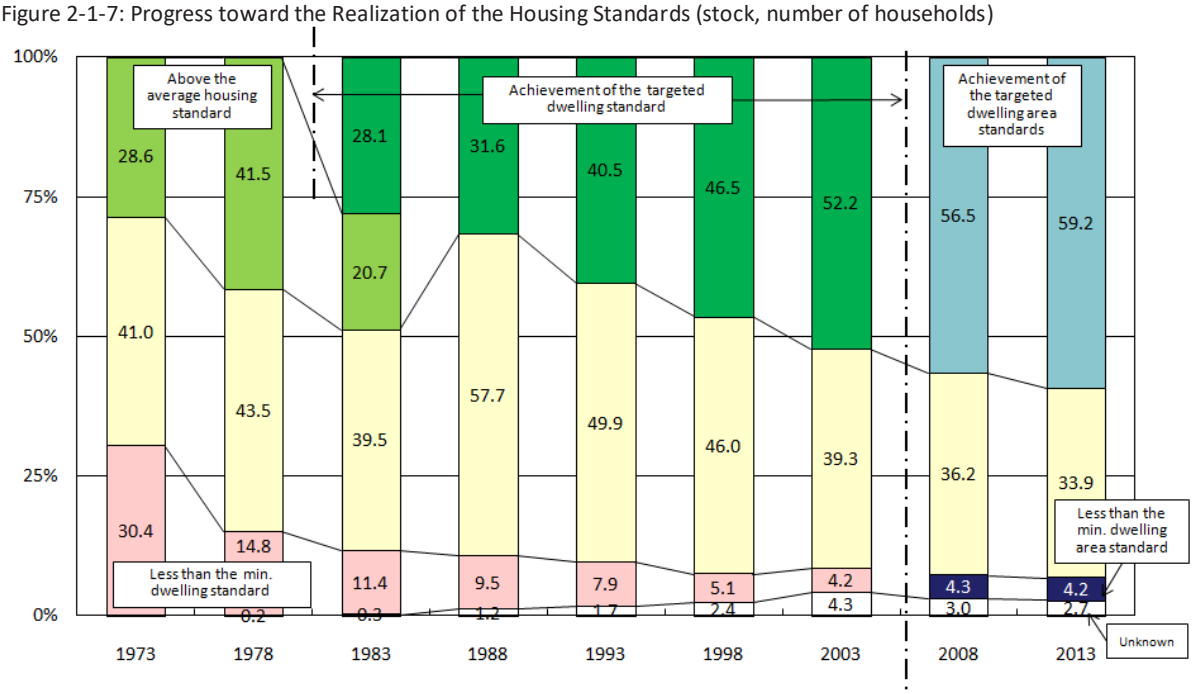
Transition of Housing Standards

The following graph analyzes progress toward the realization of the "housing standard" introduced under Japan's Third Housing Construction 5-Year Program. The main indicator for this standard was the area of dwellings (The Housing Construction 5-Year Program ended with the 8th Program in 2005 and the Basic Plan for Housing was formulated in 2006 to improve the quality of housing).

The trend of changes in the standard of housing from 1973, before the launch of the Third Housing Construction 5-Year Program, to 2013, shows that the percentage of households below the minimum housing standard has shrunk to under 5%, while the number of households now lives in dwellings that exceed the targeted housing standard has reached a majority. These results indicate that there has been steady progress toward the improvement of the standard of housing.

Note: For a description of the "Housing Standards," see Chapter Ⅲ (1. Basic approach to housing policy).

Figure 2-1-7: Progress toward the Realization of the Housing Standards (stock, number of households)



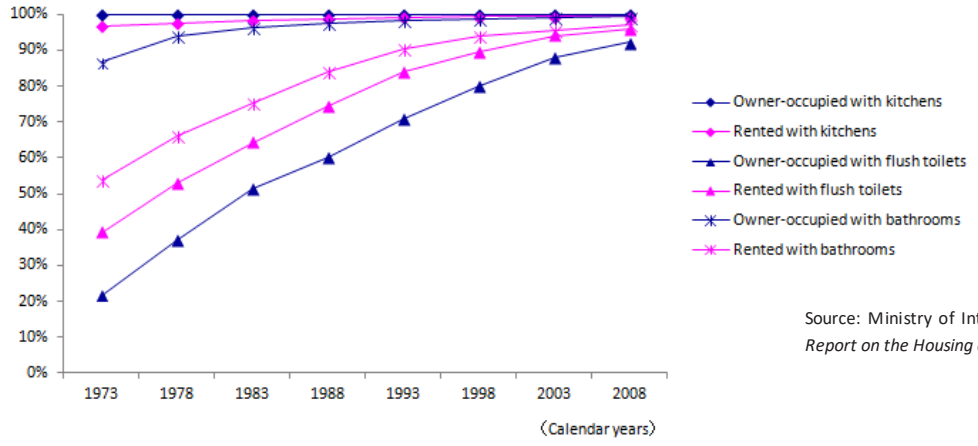
Source: Independently compiled by the MLIT based on *the House and Land Statistical Survey* (Ministry of Public Management, Home Affairs, Posts and Telecommunications) and the Comprehensive Survey on Housing and Living Environment (2008 and 2013) (MLIT).

Note: The percentage of households less than the minimum dwelling area standard and the percentage of achievement of the targeted dwelling area standard for 2008 and 2013 were independently compiled by the MLIT based on the dwelling area standard newly stipulated by the Basic Plan for Housing (Cabinet Decision in September 2006) and using the results of the House and Land Statistical Survey and the Comprehensive Survey on Housing and Living Environment, which cannot be simply compared with the results of the previous 2003 Survey since they were compiled based on the minimum dwelling area standard and the targeted dwelling area standard under the 8th Housing Construction 5-Year Program

Diffusion Rates for Household Facilities

There has been a steady rise in diffusion rates for household facilities. The rate for kitchens is now close to 100% for both owner-occupied housing and rented housing, and almost 100% of owner-occupied housing has bathrooms. Diffusion rates for bathrooms and flush toilets were low in the past. However, these have improved dramatically and have reached about 90% in 2008.

Figure 2-1-8: Household Facility Diffusion Rates for Owner-Occupied and Rented Housing



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

2. Public Opinion on Housing

The quantitative expansion of the housing stock and improvements in the standard of housing and diffusion rates for household facilities has been reflected in changes in public opinion on housing. Data relating to overall satisfaction rate of housing and the living environment show that the total dissatisfaction rate (“very dissatisfied” + “slightly dissatisfied”) has fallen steadily over the years, dropping to 22.1% in 2013.

Satisfaction Rate of Housing

While housing satisfaction rate data shows that there was a significant beginning in decline of the dissatisfaction rate 2003, and it dropped to 24.9% by 2013. According to a detailed breakdown of the reasons for dissatisfaction with housing, "consideration for the elderly" remained the top reason from the previous (2003) survey, but the rate has improved since then (2003: 66.3%, 2013: 53.5%). Following that, the next reason was stated as being the "safety of housing during earthquakes" (48.6%), the third reason was “energy conservation, including the cost of heating and cooling” (46.7%), and fourth, "a small amount of damage in the housing" (45.2%), and finally the fifth reason for dissatisfaction with housing was the "thermal insulating properties and air-tightness of housing". So, the top reasons are mostly dissatisfaction with the fundamental performance of housing.

Figure 2-2-1: Overall Satisfaction Rate of Housing and Living Environment

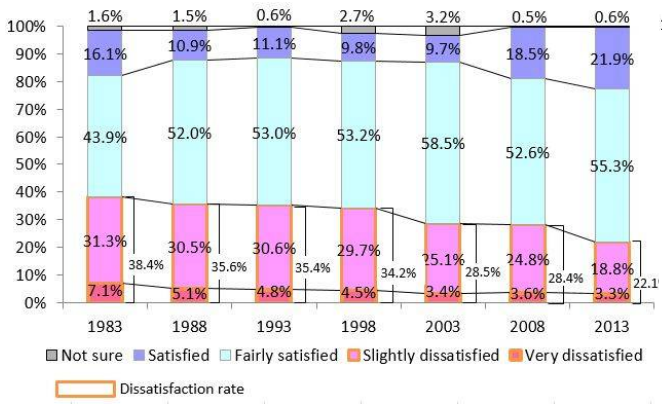
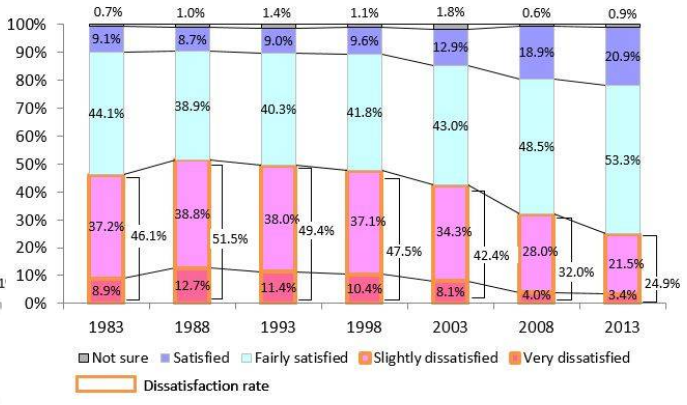
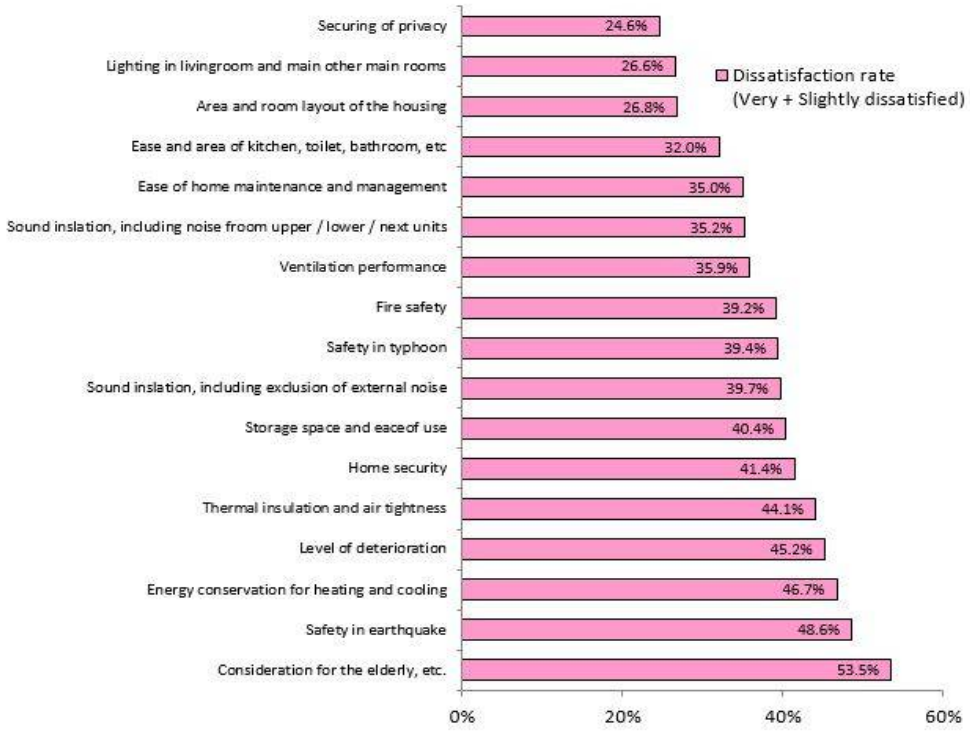


Figure 2-2-2: Satisfaction Rate of Housing



Source (F2-2-1, F2-2-2): Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Comprehensive Survey on Housing and Living Environment (2013)*

Figure 2-2-3: Dissatisfaction rate for each items with Housing (“very dissatisfied” + “slightly dissatisfied”)

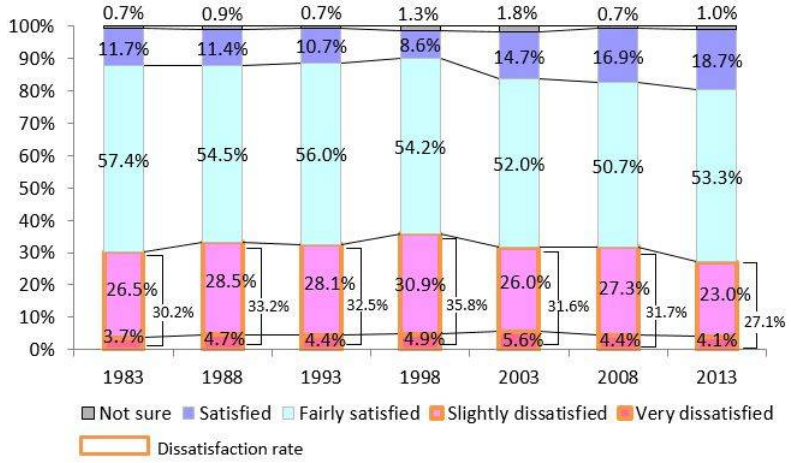


Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Comprehensive Survey on Housing and Living Environment (2013)*

Satisfaction with Living Environment

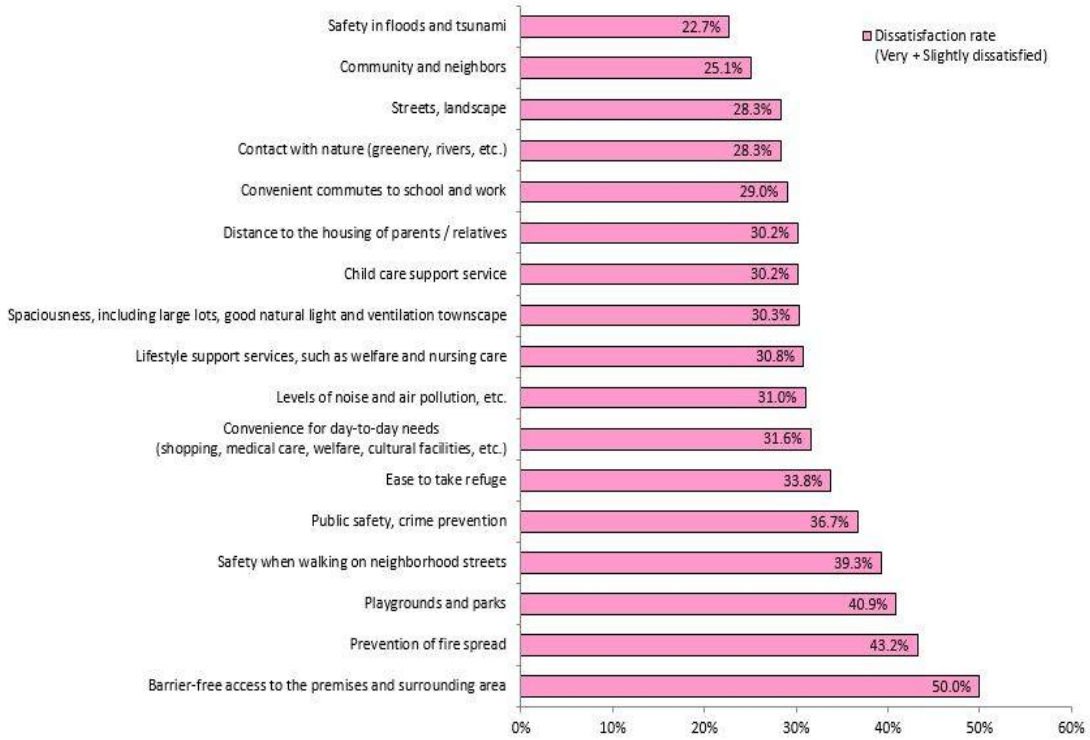
The levels of dissatisfaction with the living environment remained in the low 30% range, but it declines 27.1% in 2013. A detailed analysis reveals that dissatisfaction levels tend to be high in a number of areas, including “barrier-free access to the premises and surrounding area” (50.0%), “prevention the spread of fire” (43.2%), and “playground and parks” (40.9%).

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 (2013)*

Figure 2-2-5: Dissatisfaction rate for each items with Living Environment (“very dissatisfied” + “slightly dissatisfied”)



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Comprehensive Survey on Housing and Living Environment (2013)*

3. Housing Construction

New Housing Starts

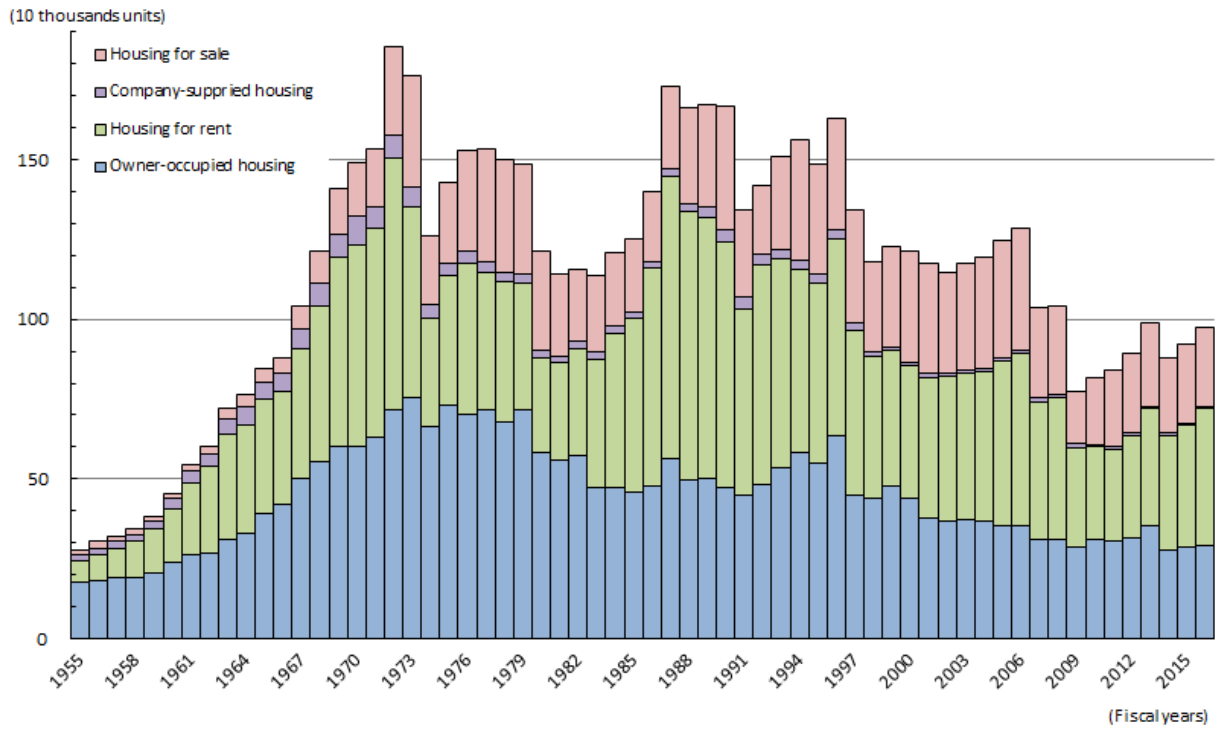
Buoyant demand of owner-occupied housing and the need to overcome an absolute housing shortage were reflected in the expansion of new housing starts in postwar Japan. High economic growth drove an upward trend that continued until the early 1970s. At the peak in 1972, the number of starts reached 1.8 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. The government raised the consumption tax, and there was a financial crisis that resulted in the failure of major financial institutions since the second half of the 1990s. This situation triggered a period of economic stagnation, and the number of housing starts has since remained around the 1.2 million levels.

Reasons for the ongoing stagnation of housing demand include rising house prices, effect of stock-price adjustments, income trends, and the impact of amendments to "The Building Standard Law" in 2007. A dramatic worsening of economic conditions since the collapse of Lehman Brothers has also impacted new housing starts, which were less than one million units per year and totaled 775,000 in FY2009. However, it has 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 the last-minute demand before the consumption tax rise, and are recovering since then.

The performance increased in two consecutive years, reaching 974,000 units in FY2016 due to a large growth of rental housing starts. This increase is due to a low interest rate and is a countermeasure to a rise in the inheritance tax in January 2015.

Figure 2-3-1: New Housing Starts

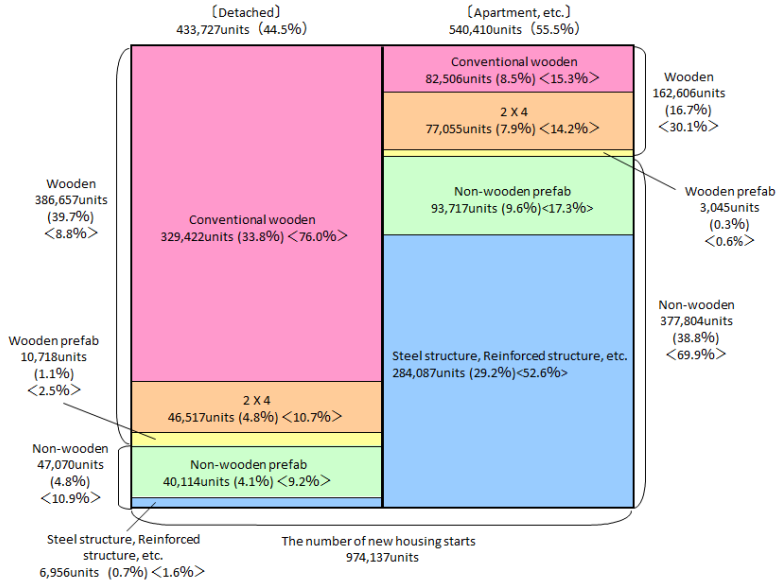


Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Statistical Survey of Housing Construction Starts*

An analysis of housing starts by housing type and structure shows detached houses accounted for 434,000 (44.5%) of housing starts and almost the same figures for apartment housing units 540,000 (55.5%) respectively.

There were 549,000 (56.4%) construction starts for wooden houses. This total consists of 387,000 detached houses and 163,000 apartment housing units. The number of non-wooden units started was 425,000 (43.6%), including 47,000 detached houses and 378,000 apartment housing units, etc.

Figure 2-3-2: Types and Structures of Newly Built Housing (FY2016)



Notes: Figures in ( ) are percentages of total housing units. Figures in < > are percentages of total detached units, apartments, etc.

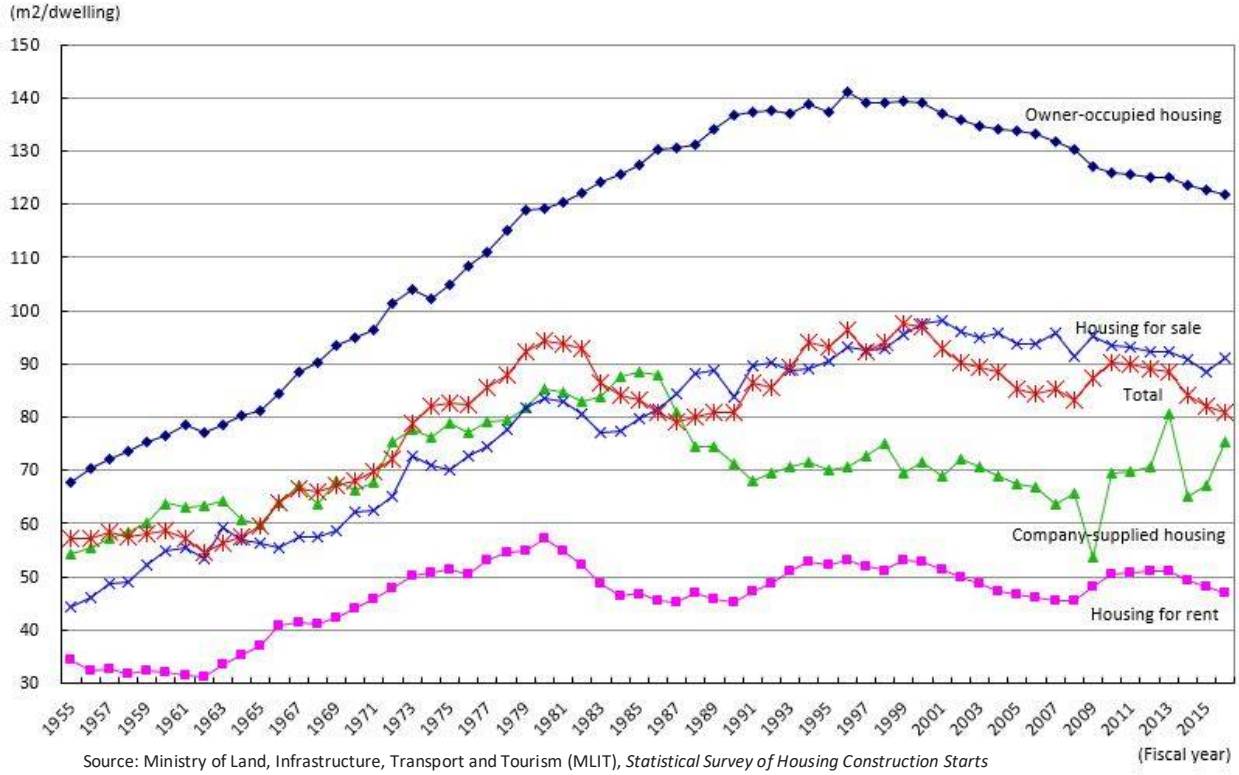
Source: Ministry of Land, Infrastructure, Transport and Tourism, *Statistical Survey of Housing Construction Starts, 2016*

Floor Area per Newly Built Housing Units

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 units. First, Japanese housing is now comparable in size with housing in Europe and North America. Second, the number of people per household is falling, mainly because of Japan's declining birthrate 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 construction materials. Another factor has been a worsening income-environment resulting from a dramatic decline in economic performance.

Figure 2-3-3: Average Floor Area of Newly Built Housing units (by Tenure)



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

Housing Investment

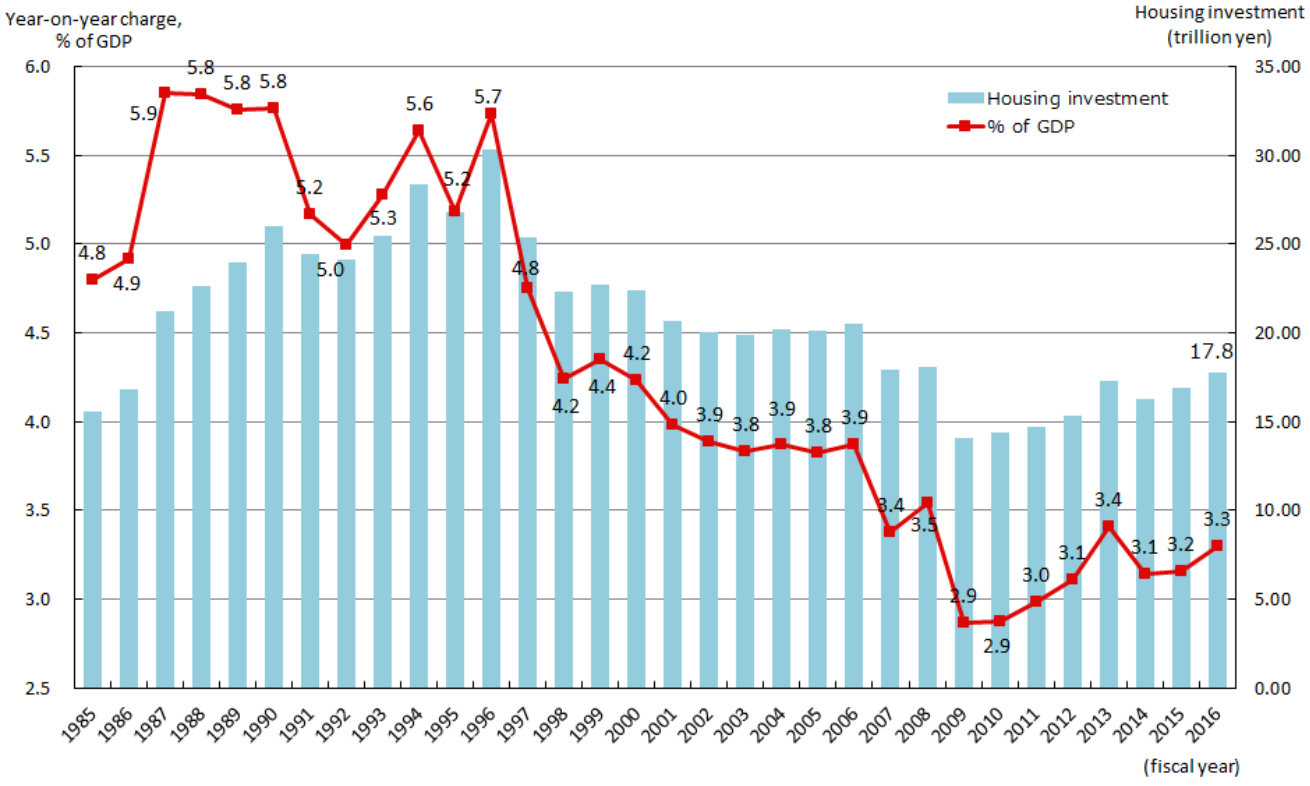
Housing investment produces flow-on effects in a wide range of related industries. There also are implications for consumer spending, including purchases of durable consumer goods for newly built dwellings. For these reasons, housing investment creates significant flow-on effects at the macro-economic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

Statistics for the past three 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 ¥15 trillion to ¥25 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 ¥20 trillion in the late 1990s. Since then the number of new housing starts has remained at around 1.2 million, housing investment has hovered just below the ¥20 trillion level, and the contribution to GDP has remained at around 3.8% of GDP in recent years.

A decline in new housing starts after 2007 forced housing investment down, along with the GDP ratio, but after 2010, thanks to such factors as improvement in consumer sentiment, restoration project after the Great East-Japan earthquake, and due to a rush to purchase housing before a consumption-tax increase, they gradually recovered. In FY2013, housing investment was ¥16.5 trillion and the GDP ratio moved to 3.4%. In FY2014, due to the rise of the consumption tax, housing investment had dropped. But after that it shows tendency to recovery, and in FY 2016, housing investment became to ¥17.8 trillion and the GDP ratio moved to 3.3%.

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



Source: Cabinet Office, *National Accounts*

CHAPTER III Housing Policy

1. Basic Approach to Housing Policy

(1) Changes in Housing Policy

Trends in 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, however, and by the early 1950s it was apparent that Japan would need to establish systems to supply permanent housing.

In 1950, Government Housing Loan Corporation (GHLC, now Japan Housing Finance Agency) was established to provide long-term, low-interest finance for the construction or purchase of houses. "The Publicly-Operated Housing Act" of 1951 enabled the central government to provide subsidies to allow local governments to supply low-rent housing (publicly-operated housing). In 1955, Japan Housing Corporation (JHC, now 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 to 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 central and local governments and the public. Under this law, the cabinet began to adopt comprehensive Housing Construction Five-year Programs encompassing construction by the private sector as well as by the central and local governments.

These programs led to the acceleration of housing construction, with the result that by 1973 the total number of houses exceeded the total number of households in all metropolitan areas and prefectures. Japan had reached its goal of one house 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, including residential environments and housing performance.

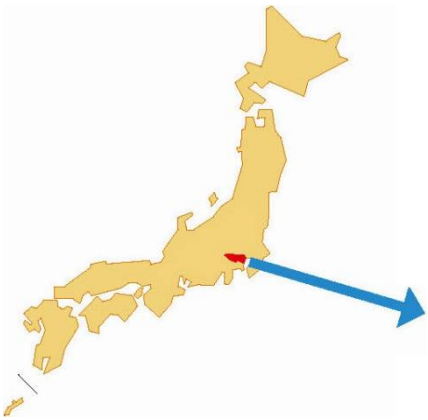
In recent years, rapid demographic aging and a falling birthrate have prompted a major shift in the focus of housing policy. Instead of policies designed to ensure an adequate quantity of housing, the emphasis now is on improvement in the overall quality of residential life, including the residential environment. There have also been radical changes in the policy tools used to directly supply housing and housing financing, including the Loan Corporation, publicly-operated housing and the Housing Corporation.

The final step in this process was the passage of "The Basic Act for Housing" in June 2006. This law provides a road map for the achievement of enhanced residential living standards by the Japanese people today and in the future. In September of the same year, a cabinet resolution was passed that adopted the Basic Program for Housing as the basic 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 5 years as a rule in consideration of the forecast of the future social and economic situations and, based on this, a plan that covers a period of 10 years from FY2016 to FY2025 was approved in a cabinet meeting in March 2016.

Measures are now being implemented under this program with the aim of ensuring that all citizens are able to achieve enhanced residential living standards.

Figure 3-1-1: Local Governments (LG) in Japan



This is a general introduction of LG in Japan as basic information to help understand the housing policy explanation below.

(a) There are two levels of LG (Prefecture and Basic-LG) in Japan as shown in the table below. (The numbers are as of October 2016.)

	Prefecture
Prefecture	47

Only for Tokyo, it is called Tokyo Metropolitan Government

	Ward	City	Town	Village
Basic-LG	23	791	744	183
	1,741 in total			

Only Tokyo has wards of Basic-LG in the center area

Take Tokyo for example of a prefecture; there are 23 wards, 26 cities, 5 towns, and 8 villages in its area.

(b) A president of each LG is directly elected by its local residents, who is called a Governor or a Mayer.
(c) All members of each parliament of LG are directly elected by its local residents.

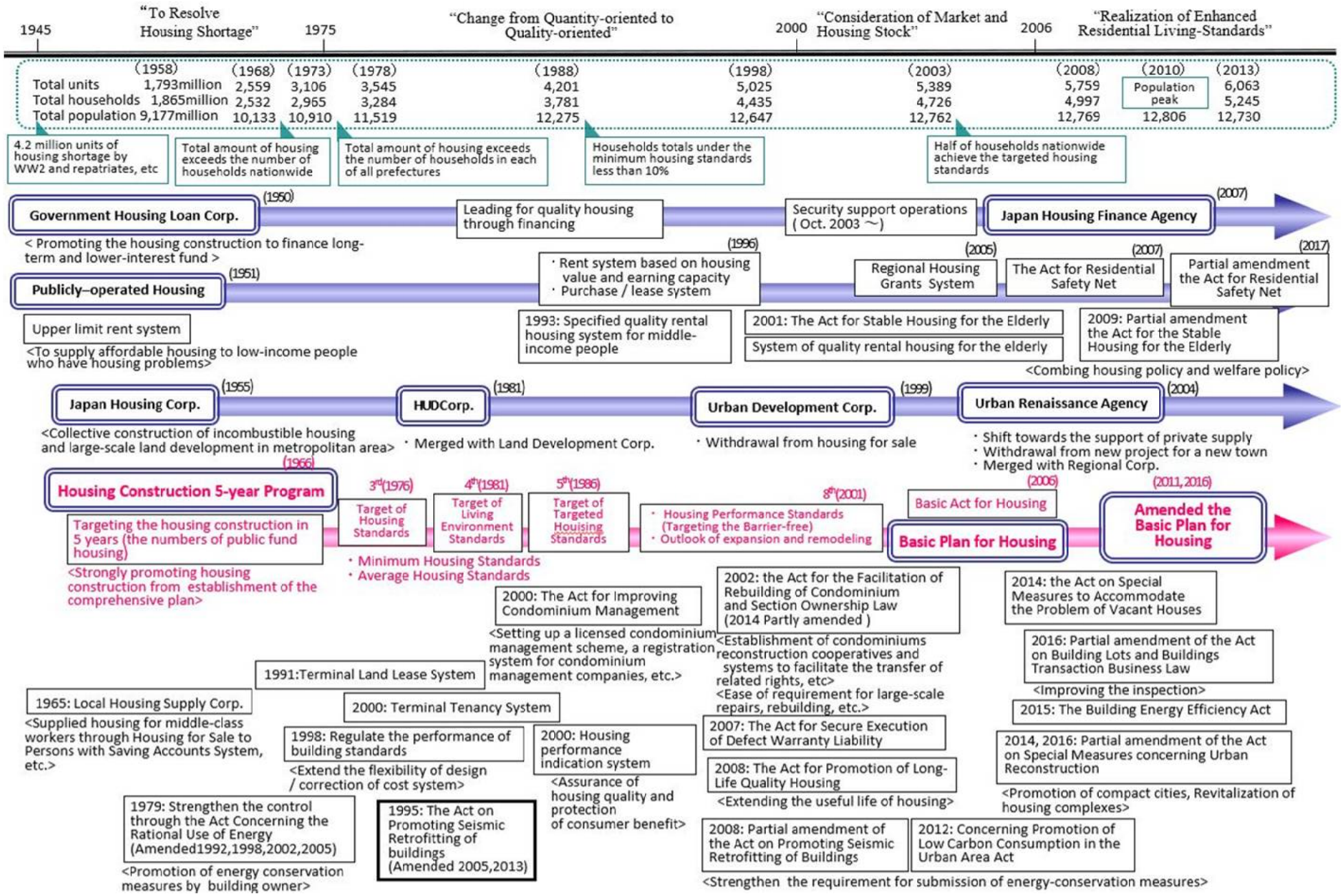


Figure3-1-2: Progress of Housing Policy in Japan

The Three Pillars of Housing Policy

1）Publicly-Operated Housing, etc.

a. Publicly-Operated Housing

- Publicly-Operating Housing Systems

Publicly-operated housing is rental for low-income people that is built, bought or rented by prefectural and municipal governments using central government grants. As of March 31, 2017, Japan's stock of publicly-operated housing amounted to about 2.16 million units.

The local government, who provide publicly-operated housing, set monthly rents each financial year according to various criteria, including the declared incomes of occupants, the location and size of the housing, and how old the housing is. To qualify for publicly-operated housing, individuals must meet income criteria that issued by local ordinances and demonstrate that they are currently unable to meet their housing needs.

Occupants are generally selected through a public lottery system. However, low-income people with housing problems, especially aged households, single-parent households and households of persons with disabilities, can be housed on a preferential basis at the discretion of housing providers, depending on circumstances in the locality.

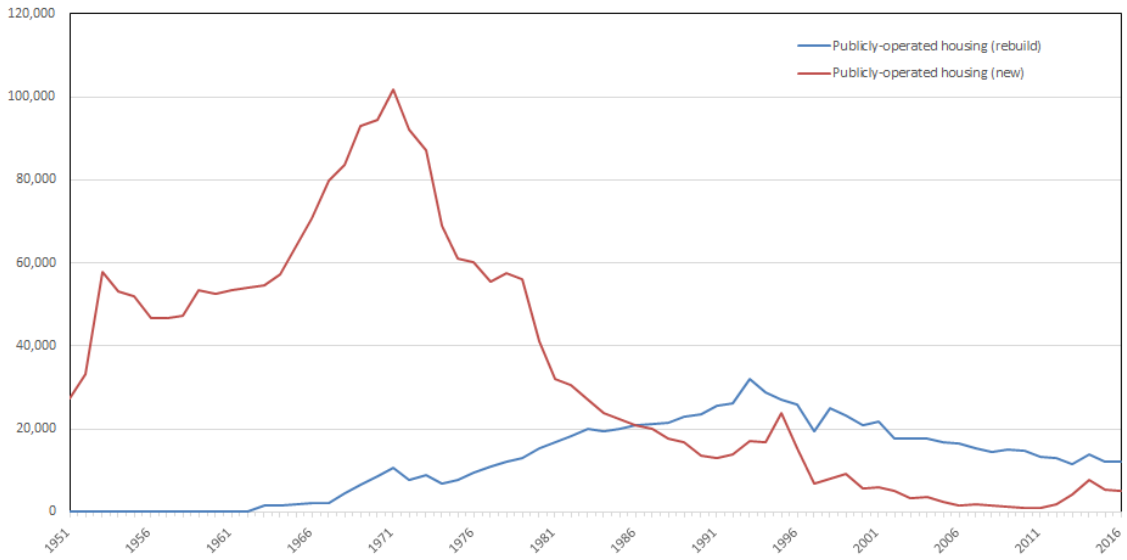
- Construction of Housing

Following the establishment of the publicly-operated housing system in 1951, construction of publicly-operated housing was used as a method to overcome the housing shortage caused by war damage. During Japan's period of rapid economic growth, massive construction programs were undertaken to provide housing for workers and their families, who were moving in large numbers into metropolitan areas. Construction of publicly-operated housing reached a peak of over 100,000 units annually during this period. In recent years, the number has fallen to around 18,000 units per year, of which about 60-80% are rebuilt units.

Figure 3-1-3: Floor Plan for Standard Family-Type Publicly-Operated Housing Unit

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

Figure 3-1-4: Supply of Publicly-Operated Housing, etc.



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

Table 3-1-1: System Overview of Publicly-Operated Housing, etc.

	Publicly-Operated Housing	Quality Regional Rental Housing Leased from Private Owners
Target group	Low-income people with housing problems	Households with a special need for housing stability
Age criteria	None	None
Income criteria	○ Income bracket ・ In principle, in the range of less than 50% (¥259, 000 of monthly income), the local government establish the ordinance, considering the 25% (¥158,000) criteria specified by a Cabinet Order. ・ Discretionary provision (for the elderly, etc.): the local governments establish the ordinance. In the range of less than 50% (¥259, 000 of monthly income), the local government establish the ordinance about income standard for the discretionary provision. <Eligibility for rent assistance> ○ Income bracket: 0-40%	○ Income bracket ・ The following households in the 0-70% bracket ・ Aged households ・ Households of persons with disabilities ・ Households with children ・ Newly married households ・ Households for which occupancy is deemed appropriate because of special circumstances (disasters, etc.), as stipulated in regional housing plans, etc. <Eligibility for rent assistance> ○ Income bracket: 0-40% in general (Household with children and newly married households: 0-50%)
Supply method	○ Built by local government ○ Build by private sector, purchased or rented by a local government	○ Built by private sector ○ Built or modified by local government, an Urban Renaissance Agency or local housing supply corporation ○ Purchased or rented by a local government, private sector or local housing supply corporation
Housing improvement cost	○ By including the construction cost, etc. of public housing in the project cost which is subject to the calculation of a grant-in-aid, as a general rule 1/2 of such project cost (in the case of using a social-capital improvement general grant-in-aid, etc.) shall be granted to the local government.	○ In the case of a project-implementing body being a private business, etc. As a general the cost covered by a subsidy granted by the local government (such as 1/6 of the construction/purchase cost of the housing), 1/2 shall be granted. ○ In the case of a project implementing body being the local government As a general 1/2 of the housing improvement cost shall be granted.
Rent	Rent based on occupant's income, location and size of house, etc. (The central government provides grants to local governments to support the reduction of rental fees.)	Prevailing local rent for similar housing. May be reduced by a local government. The central government pays for rent reductions by local government up to a limit of ¥40,000 times the number of eligible households (project expenditures).

• Effective Use of Housing Stock

While housing stock that was created during the first phase of publicly-operated housing construction was conveniently located, it has deteriorated with age. Furthermore, many units fail to reflect contemporary standards in terms of size, facilities and other factors.

Some of these units are now being replaced with medium- and high-rise structures, while others are being extended and renovated. The aim of these projects is to improve residential living standards, allow people to live closer to their places of work, and optimize land utilization.

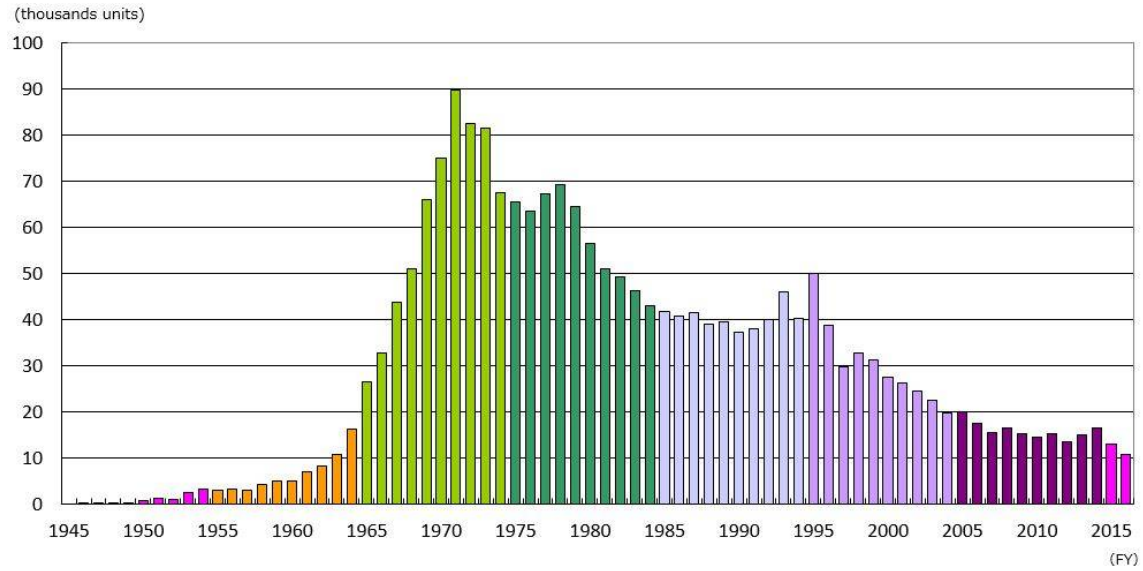
Another priority in recent years has been the development of publicly-operated housing that is more amenable for the elderly and for people with disabilities. Related improvements include the installation of handrails and the elimination of level differences. Publicly-operated housing constructed around 1970 is now aging and has deteriorated, relative to other housing in terms of residential living standards, facilities and other factors. There is a growing need for the improvement of this housing. 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 policies.

Table 3-1-2: Publicly-Operated Housing Stock by Year of Construction

Year	1945-1954	1955-1964	1965-1974	1975-1984	1985-1994	1995-2004	2005-2014	2015-2016	Total
Ten thousands of units	1.0	6.7	61.7	57.6	40.5	30.4	16.1	2.4	216.2
Percentage	0.4%	3.1%	28.5%	26.7%	18.7%	14.0%	7.4%	1.1%	100%

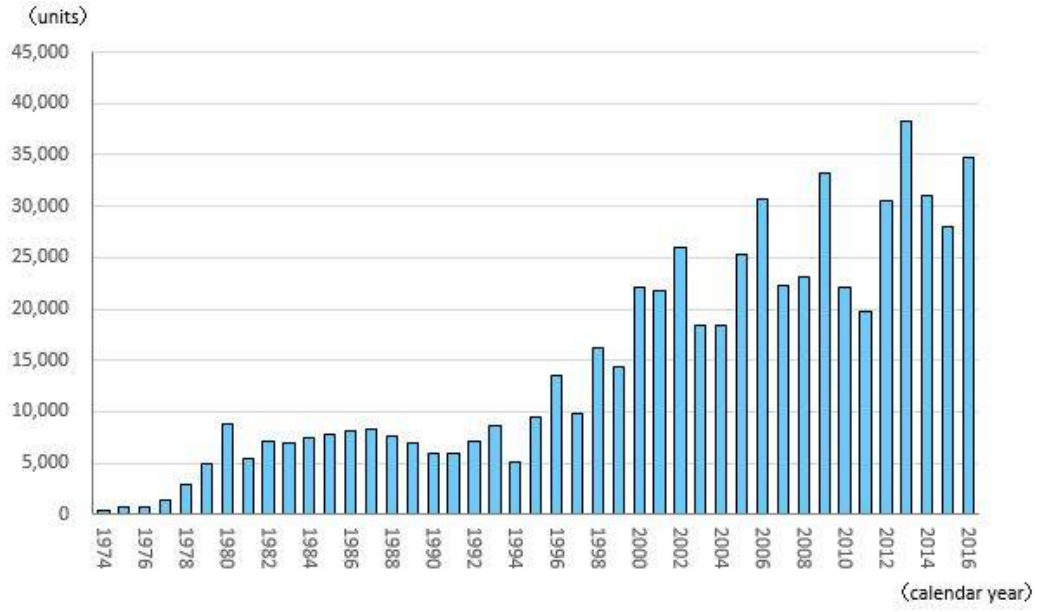
Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Figure 3-1-5: Management of Publicly-Operated Housing Stock by Year of Construction



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

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



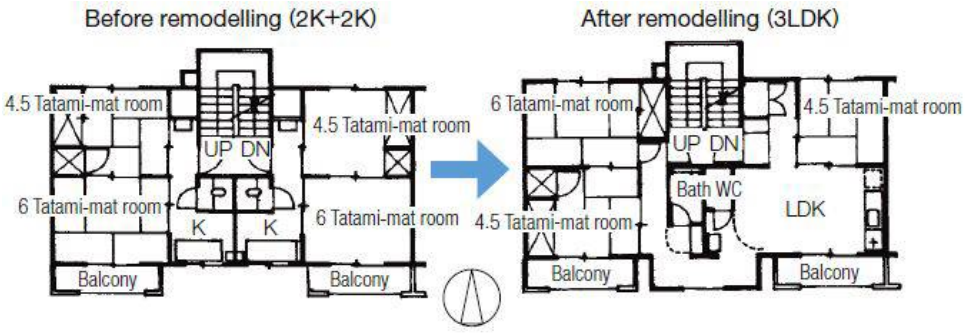
Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Photo 3-1-2: Rebuilding of Publicly-Operated Housing—Taya Housing Estate, Hokkaido

Before rebuilding

After rebuilding

Figure 3-1-7: Remodeling Publicly-Operated Housing—Two Units Combined into One



By adding a passage on the south side of the housing units, two units are combined.
Two 2K units are remodeled into a 3LDK unit with a bathroom, which can house a large family.

b. Quality Regional Rental Housing

Specified Quality Rental Housing system is mostly targeted toward 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 have created an increasing need for modifications to the system. At the regional level, there have also been calls for the creation of a framework to allow local government bodies to prioritize the targeting of measures more flexibly according to local housing market conditions.

The public rental housing systems (Specified Quality Rental Housing and Quality Rental Housing for the Elderly), under which publicly-operated housing is held, were restructured in FY2007 to allow measures to be targeted at the regional level toward households for which housing stability is a particular priority, such as families with children. These changes resulted in the creation of Quality Regional Rental Housing System, the purpose of which is to facilitate the supply of quality rental housing through grants to cover the cost of housing improvement and rent reductions. (See "Ⅲ2. (7) Building a Residential Safety Net").

Further, in FY2011, reflecting the review of the housing policy for the elderly in accordance with the revision of "The Act for the Stable Housing for the Elderly" (Act No. 26 of 2001) as well as from the viewpoint of strengthening the complementary role of publicly-operated housings through efficient utilization of the existing housings, the local subsidized housing system was revised through which a new system with high convenience was established, including unification of the previously divided "general type" and "elderly type" housing.

Under this system, subsidies for reducing improvement costs and rents are granted to private businesses, etc., whereby a supply of rental housing of good quality is facilitated, if it is intended for households, etc. that require special consideration regarding the stabilization of lifestyle in each of the various regions, such as households raising children, households to which persons with disabilities belong, aged households, etc.

c. Specified Quality Rental Housing

This system was established under the 1993 "The Act on Promotion of Supply of Specified Quality Rental Housing", in response to delays in the improvement of residential living standards for Japanese households living in rental housing. Its purpose was to overcome a serious shortage of quality rental housing stock, especially for middle-income households.

Under this system, private landowners are encouraged to provide quality rental housing for middle-income households through various measures, including construction grants and rent subsidies. To be eligible for these measures, the housing provided must meet specific standards in terms of size, structure, facilities and other characteristics. The terms under which the housing is provided, including rental fees, must also be appropriate.

By the end of FY2009, approximately 230,000 units had been provided as specified quality rental housing leased from private owners.

d. Housing with Support Services for the Elderly

The registration system of the "housing with support services for the elderly" which is designed to render 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 for the Stable Housing for the Elderly", against the backdrop of the rapid aging of population.

The required conditions of the system include, besides the standard from the hardware viewpoint such as the scale of housing and the barrier-free structure, such standards from the software viewpoint as service of ascertainment of safety and life counseling as well as conclusion of contracts including preservative measures such as prepayment of the rent. Regarding housing with support services for the elderly, once registered, the information on the registration will be opened to the public through an on-line site and, at the same time, such housing receives support for budgets, taxes, loans and others.

The number of registered housing with support services for the elderly was approximately 220,000 at the end of January 2018.

e. Housing Supplied by Local Housing Supply Corporations

Local Housing Supply Corporations are corporations established under the Local Housing Supply Corporation Act. Their mission is to design and develop housing environments for workers by supplying collective housing and land for housing, using funds deposited by workers who need housing, together with funds from other sources.

To date, 41 Local Housing Supply Corporations have been established by prefectures and ordinance-designated cities with populations of over 500,000. They primarily supply the following types of housing.

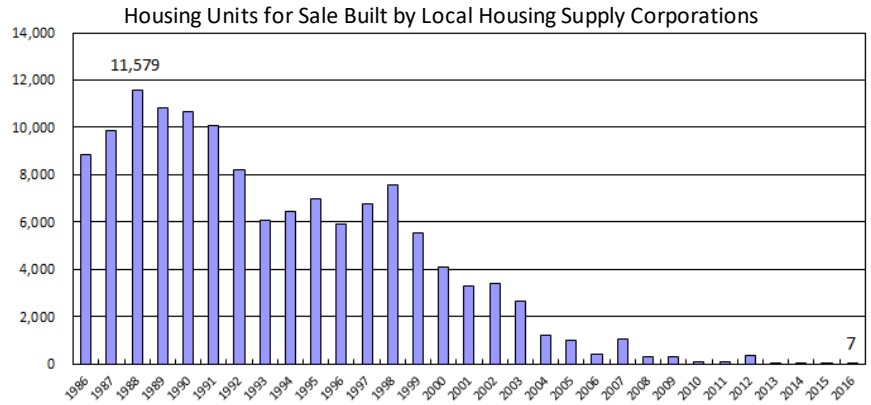
- Housing for sale to persons with savings accounts

  This type of housing is available to persons who have accumulated funds in savings accounts for specified periods. Purchasers are selected from applications issued by the public and other means. The savings are used as deposits, with the remainder of purchase costs provided in the form of loans from the financial institutions and other sources.
- Quality regional housing for sale

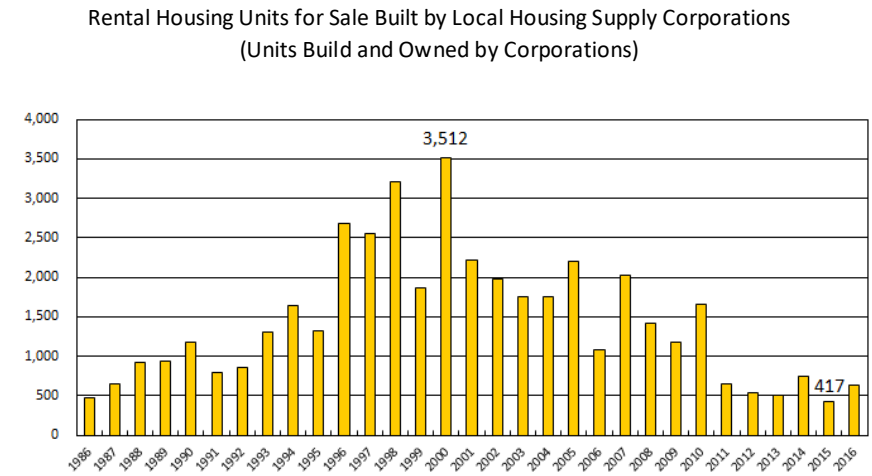
  Local government interest subsidies are used to reduce the burden on purchasers of housing who meet certain criteria.
- Quality regional rental housing, etc.

  This category consists of rental housing provided to middle-income working households, especially in major cities where owner-occupied housing is not affordable.

Figure 3-1-8: Number of Housing Construction Starts by Local Housing Supply Corporations



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



Source: Business Result Sourcebook of Local Housing Supply Corporation

f. Comprehensive Subsidies for Social Infrastructure Development (Businesses Based on Regional Housing Plans)

In 2005, existing subsidy systems for publicly-operated housing were converted into grant systems. This change resulted in the establishment of a system of regional housing grants, under "The Special Measures Law Concerning the Development, etc., of Public Rental Housing, etc., to Meet Diverse Regional Needs."

This is the comprehensive grants, "Comprehensive grants for social infrastructure development", created in 2010, giving much flexibility to local public bodies which are allowed to fully utilize their creativity, in principle, by packaging existing grants including regional housing grants, together with individual subsidies for local public bodies administered by the Ministry of Land, Infrastructure, Transport and Tourism.

Further, in the FY2012 supplementary budget, the "disaster prevention / safety grants –plan" was established to focus on support of comprehensive measures against deterioration of structures and components to protect the lives of local residents, and to implement preliminary disaster prevention measures / mitigation measures and activities to comprehensively ensure the safety of living space in local communities.

Features of the grants:

- Increased scope for local autonomy and decision-making
  - List of existing subsidy schemes provided to allow local governments to implement projects flexibly, according to their own regional housing plans
  - Availability of grants for projects proposed by local governments, which would not have been eligible under the old grant systems
- Improvement of Ease of Use for Local Governments
  - Local governments could decide the percentage of grants to be used for each project
  - 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 local governments

Eligibility for grants:

- Core Projects

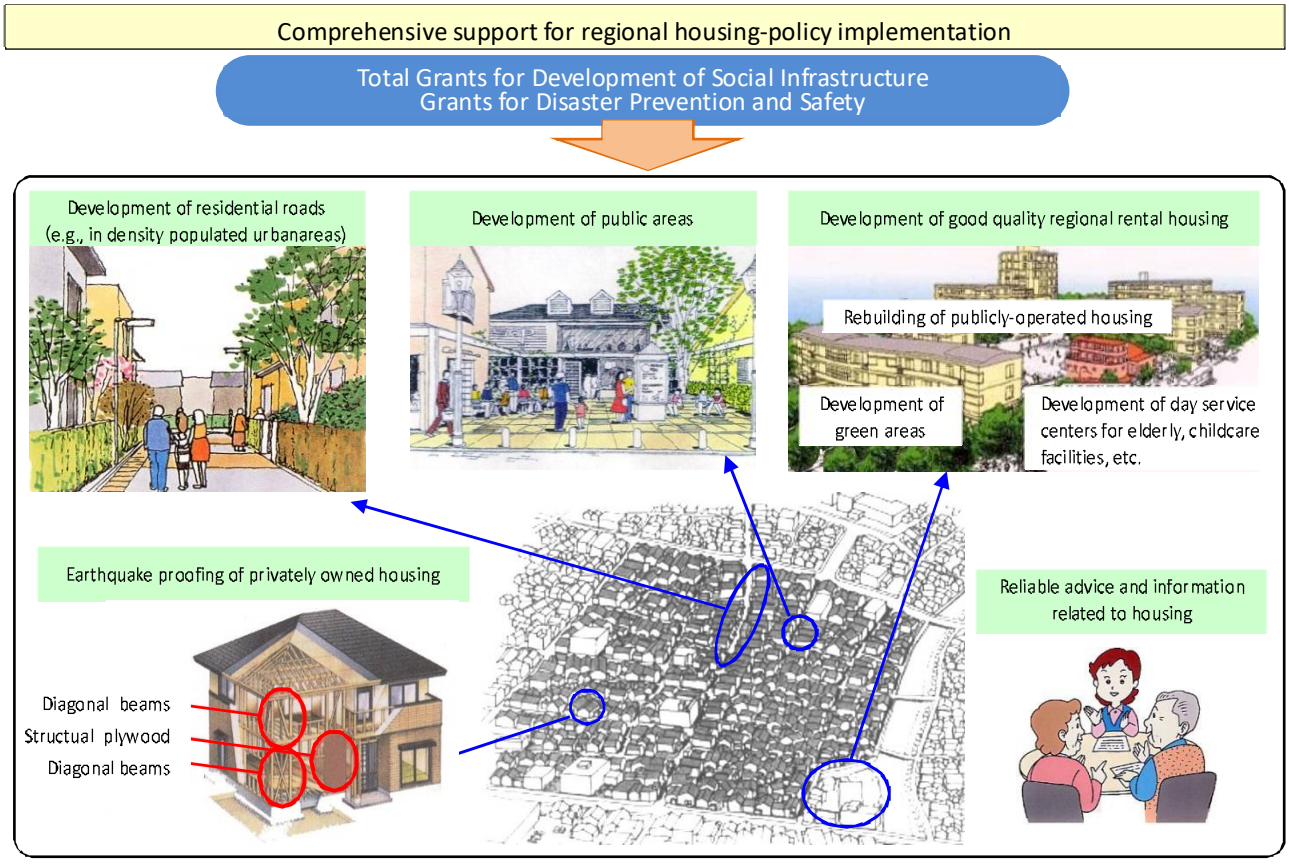
  E.g., development of publicly-operated housing and quality regional rental housing, improvement of existing publicly-operated housing, improvement of poor-quality housing areas, development of densely populated urban residential areas, development of related public facilities, seismic diagnosis and seismic retrofitting of existing housings and buildings, and asbestos removal.
- Proposed Projects

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

  Examples
  - Rebuilding to make privately owned housing barrier-free
  - Provision of advice and information related to housing

Amount of grants: In principle 50% of eligible project costs

Figure 3-1-9: Total Grants for Development of Social Infrastructure



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 task 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 housing systematically and with confidence; this is the foundation of national living standards. The GHLC also contributed to the development of quality housing and communities through its policies, including the provision of loans only for dwellings that met its 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 tended to decline.

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

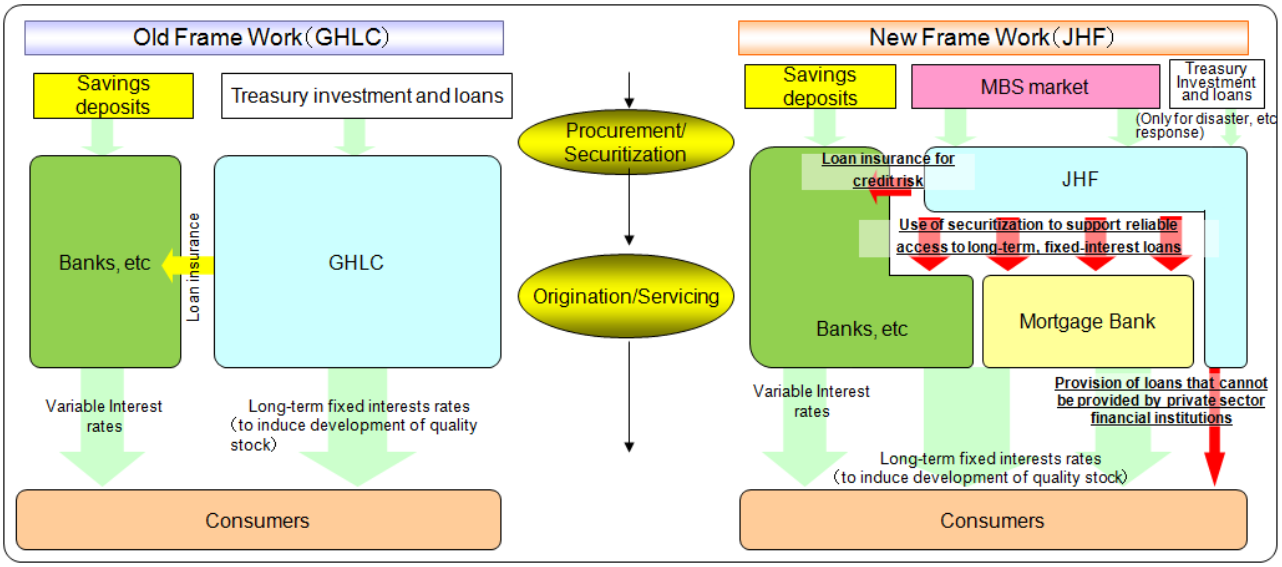
One source of pressure for change in housing finance systems was the reform of the treasury investment and loan program. This process necessitated a shift away from the traditional approach, in which housing finance was based mainly on government investment and loans, toward a new system based on use 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 independent administrative agency with the task of supporting securitization. Japan Housing Finance Agency (JHF) was established on April 1, 2007 under legislation passed by the 162nd session of the Japanese National Diet.

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 sector financial institutions, through securitization support and other means, to ensure that reliable, long-term loans at low, fixed interest rates are uniformly 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 to obtain finance from private sector financial institutions, such as disaster recovery housing and rebuilding in densely populated urban areas

Figure 3-1-10: Changes in Housing Finance Systems



Source: Japan Housing Finance Agency (JHF)

b. Activities

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

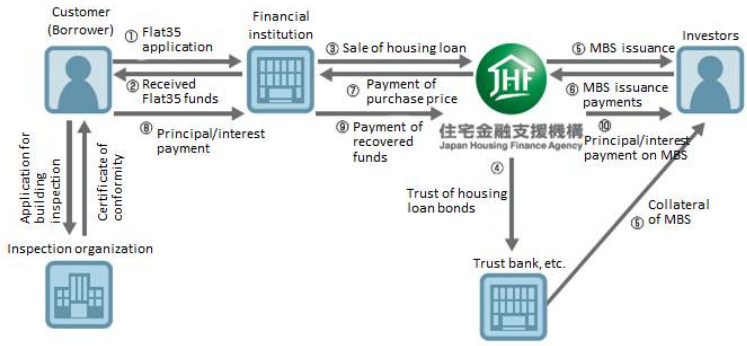
The former GHLC commenced purchasing of housing loan in October 2003. By the end of March 2017, 332* financial institutions were participating in the scheme and approximately 120,000 purchase applications had been received.

*Excludes 3 institutions to which JHF outsources only the collection of loan payments related to Securitization Business and from which JHF does not purchase housing loan.

To be eligible under the securitization support plan, the housing must meet the level of technical standards required by the JHF.

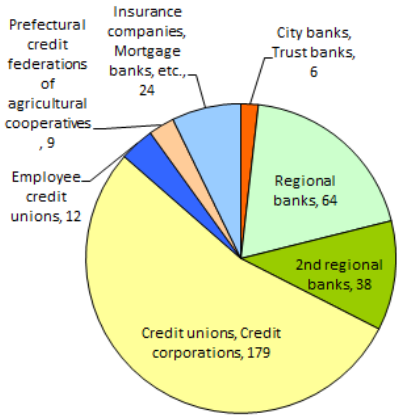
The system also encourages the improvement of housing quality by providing support for "Flat35 S" in the form of interest rate reductions for a certain period for dwellings that meet superior standards in terms of earthquake resistance, energy efficiency, barrier-free designs, durability and adjustability.

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



Source: Japan Housing Finance Agency (JHF)

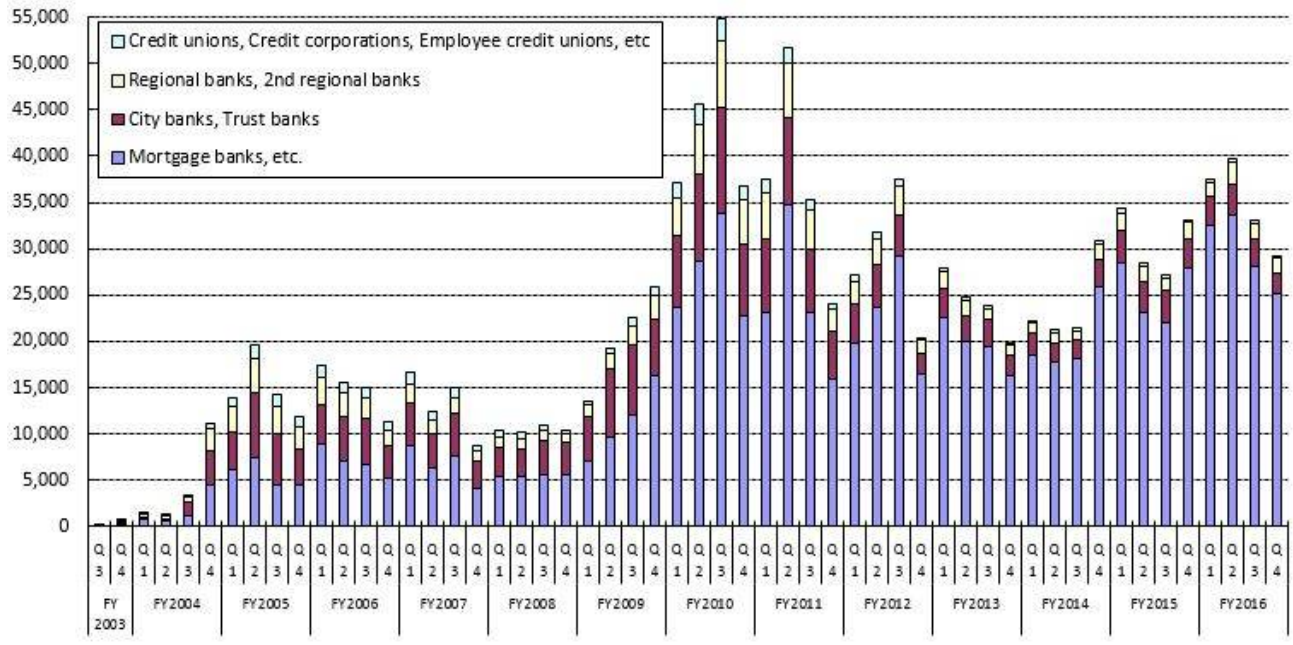
Figure 3-1-12: Participation in Securitization Support (Purchase-Type) Scheme (as of March 2017)



Notes: Excludes 3 institutions to which JHF outsources only the collection of loan payments related to Securitization Business and from which JHF does not purchase housing loan.

Source: Japan Housing Finance Agency (JHF)

Figure 3-1-13: Purchase Applications for Securitization Support Scheme (as of March 2017)



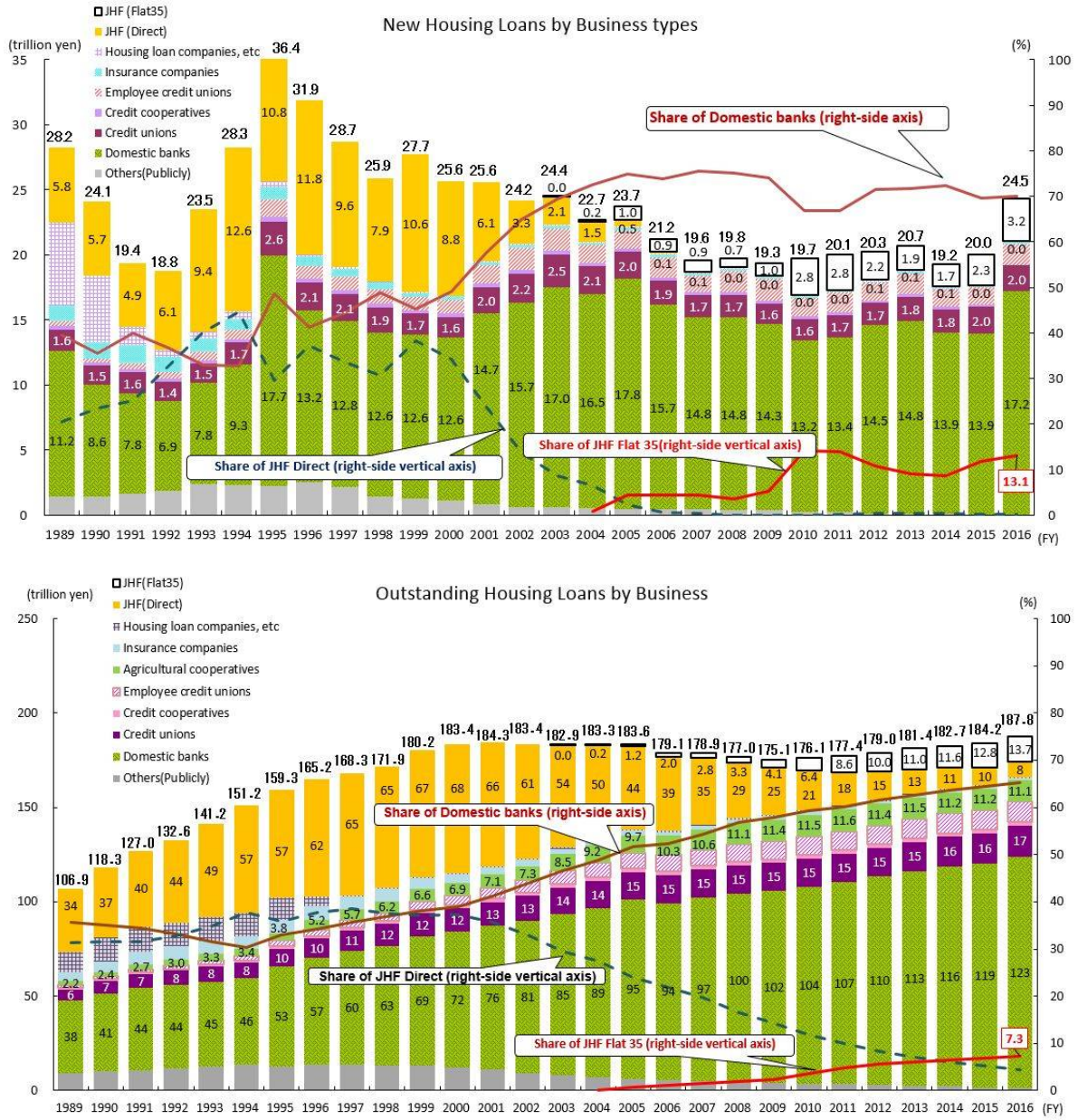
Source: Japan Housing Finance Agency (JHF)

c. Current State of Housing Loan Market and Supply of Private Sector Loans

In recent years, the new lending has amounted to about ¥25 trillion per year and the amount of outstanding loans is around ¥188 trillion.

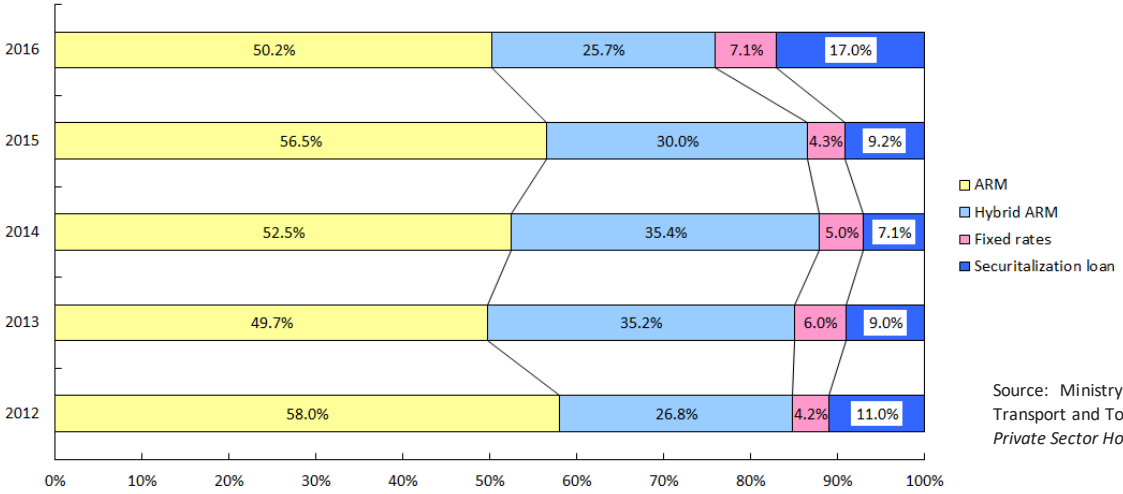
The majority of loans provided by private sector financial institution are adjustable rate mortgage (ARM) and selective fixed interest rate mortgage. These allow borrowers to make relatively small payments initially.

Figure 3-1-14: Changing of New and Outstanding Housing Loans by business types



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 Supply of Private Sector Housing Loans (FY2017)*

3) Urban Renaissance Agency

a. History—From Japan Housing Corporation to Urban Renaissance Agency

The mission of Urban Renaissance Agency is to contribute to sound urban development and the stabilization of national living standards 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 dwellings, etc., taken over from the Urban Development Corporation.

One of the antecedent organizations of Urban Renaissance Agency was the Japan Housing Corporation (JHC). It was established in 1955, when Japan was enjoying a period of rapid economic growth; the purpose of its establishment was to carry out a number of tasks, including the construction of housing for working people in regions affected by serious housing shortages, and to undertake systematic, large-scale housing land development. The first JHC development was the *Kanaoka* Estate in *Sakai* City, Osaka Prefecture. Occupation 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 units with separate living and sleeping areas. It was also at this time that the word *danchizoku* (housing project 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 became involved in redevelopment schemes on a significant scale, as a 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. It was in this period the priority for HUD housing construction shifted from quantity to quality.

In 1999, the Urban Development Corporation was established. It withdrew from business of housing for sale 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, cultural 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 Urban Renaissance Agency (UR) in July 2004. The mission of the UR is to induce private sector 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, activities designed to ensure that the full potential of private sector activities is realized, and the establishment of conditions conducive to those activities. The corporate philosophy of the UR is based on the concepts of "Mission" and "Spirit." Its vision calls for the development of cities in which people can shine.

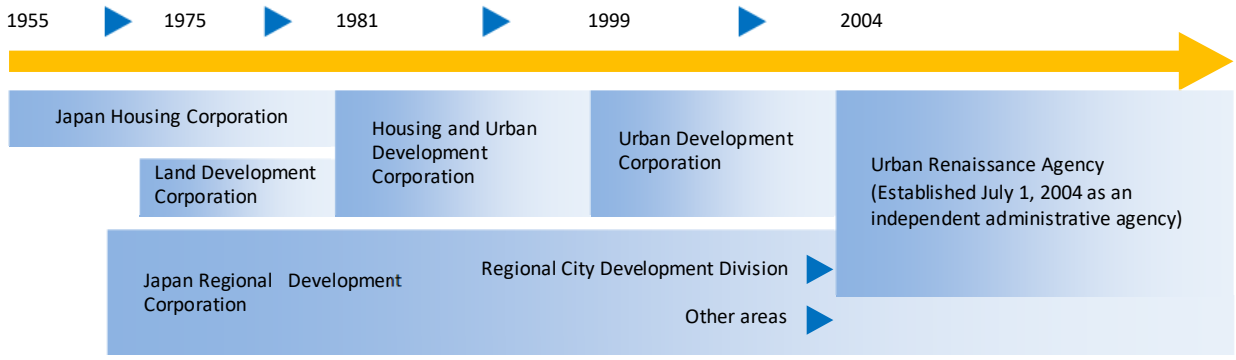
Table 3-1-3: Profile of Urban Renaissance Agency

Establishment date	July 1, 2004 (through the merger of the Urban Development Corporation and the Regional City Development Division of the Japan Regional Development Corporation)
Enabling legislation	Urban Renaissance Independent Administrative Agency Law (Law No. 100 of 2003), Act on General Rules for Incorporated Administrative Agency (Law No. 103 of 1999)
Minister in charge	Minister of Land, Infrastructure, Transport and Tourism
Capital	¥10,717 billion (as of March 31,2017)
Employees	3,199 (as of April 1, 2017)
Budget	¥18,060billion (expenditure and revenues FY2017)

Table 3-1-4: The Philosophy of Urban Renaissance Agency

Mission:	Urban Renaissance Agency aims to produce beautiful, safe and comfortable cities while aiming to create cities in which people shine with joy.
Spirit:	● Create new values with top priority on customer satisfaction. ● Actively and boldly Challenge with originality and ingenuity. ● Concentrate power and Speedy action.

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



b. Activities

① Urban Renewal

Urban Renaissance Agency facilitates urban renewal by private sector entities through its activities as an “urban renewal producer.” This role includes support activities, such as concept planning, the establishment of the necessary conditions, and coordination. It also participates in projects as a partner.

The Agency is involved in four main areas of activity in relation to urban renewal.

・Promotion of urban renaissance projects to strengthen international competitiveness of cities
・Creation of urban structures that reflect changes in socioeconomic conditions
・Regional vitalization, such as the realization of compact cities within local cities, etc.
・Creation of safer, more secure communities through the improvement of disaster-prevention systems

② Residential Environment

When the Japan Housing Corporation, the predecessor organization of Urban Renaissance Agency, was established in 1955, Japan faced a severe housing shortage of 2.7 million housing units. The Japan Housing Corporation played a major role in efforts to alleviate this situation, and by 2006 there were approximately 1.5 million dwellings (including the supply of dwellings for sale).

However, when the age of the declining birthrate and aging population and the society of reduced population/households are coming, the Urban Renaissance Agency took over rental housing units from the former Urban Development Corporation. Tenants in these units increasingly tend to be aged and have lower incomes, and most reside in major residential areas in suburban areas, where there are large numbers of publicly-operated housing units. As such, UR rental housing is used as a residential safety net for various groups, including the elderly and households with children.

For about 740,000 units (as of the end of March 2017) of UR rental housing stock, mostly consisting of such units, UR plans to manage them in a timely and appropriate manner and make renewal/utilization of them according to their locations and characteristics of housing complexes using various approaches, including the supply of renovated housing, the development of exterior environments, and rebuilding programs, aiming to provide barrier-free access, improve room layouts, and raise the standard of facilities to reflect current social conditions, while ensure housing stability for residents.

To this end, the UR has formulated “UR Rental Housing Stock Renewal/Realignment Policy” in December 2007, which defined the direction for the renewal and utilization of its rental housing stock up to 2018. Under this policy, the UR will study area-specific approaches to the renewal and utilization of its rental housing stock and has established a “Development Policy by Housing Complex” for individual housing estates to ensure prioritization of safety net and designation of such areas as welfare centers, etc. for local communities. In addition, while ensuring housing stability for residents in its existing housing stock (approximately 770,000 units), it will initiate a restructuring process that will affect around 100,000 units and lead to a reduction of about 50,000 in the total stock by FY2018. Further, by around 2048, the UR aims to reduce the total housing stock of about 770,000 housing units (at that time) by 30%.

③ Post-Disaster Reconstruction

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

Based on valuable experience, the Agency has continued addressing the strengthening of urban-disaster prevention measures and, since immediately after the occurrence of the Great East-Japan Earthquake, which struck on March 11th, 2011, it has been implementing the measures that are enumerated below, upon receiving requests from the Government and from local public bodies.

・Provision of UR (Urban Renaissance Agency) rental housing to the victims
・Provision of land for building temporary houses
・Dispatch of staff members to support construction of temporary houses
・Dispatch of staff members to assess the degree of risk to the areas where housing was damaged
・Dispatch of staff members for technical support in drawing up of restoration plans and other activities in affected cities, towns and villages
・Support of restored urban-area improvement project and improvement of disaster-relief publicly-operated housing in the regions upon being assigned or requested by the local public bodies of the affected areas

Support has also been provided to the development of publicly-operated housing for recovery from the 2016 Kumamoto Earthquake and to community development for rebuilding after the Northern Itoigawa Station Area Great Fire.

④ Suburban Environments

Urban Renaissance Agency has been involved in new-town development schemes in around 300 areas. Through this work, it has helped to meet the demand for housing land and improve living standards for residents. With the themes of "Safe and secure", "Eco-friendly," "Community support", etc., Urban Renaissance Agency aims to develop attractive suburban and provincial residential areas using local characteristics and complete projects as early as possible.

Urban Renaissance Agency carries out its work in accordance with medium-term goals set by the Minister of Land, Infrastructure, Transport and Tourism under the independent administrative agency system. The Agency implements its activities autonomously and independently under medium-term plans based on these medium-term goals. The 3rd medium-term goals and medium-term plan cover the period from April 1, 2014 to March 31, 2019.

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

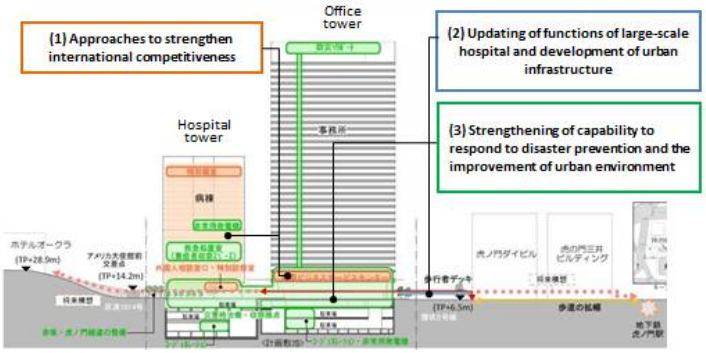
1 Promotion of urban renaissance projects to improve international competitiveness of cities.

Toranomon 2-chome District

Development of international business area with infrastructure construction as the turning point

- A cosmopolitan area with high percentage of foreign residents
- The development of Loop Highway No. 2 is the impetus for the revitalization in to an international business area
- Coordination of matters related to rights of land owners, both public institution and private owners
- Development of a hospital that provides medical services of an international standard
- Development progresses step-by-step without suspending hospital functions.
  - → Prolonged project period
  - → Request of UR participation from land owners and leaseholders

Outline of the project	Category 1 urban redevelopment project at Toranomon 2cho-me district		
Location	Minato-ku, Tokyo	Area	Approx. 2.9ha



2 Shift to urban structure responding to changes in socioeconomic Circumstances.

Akishima district of the site of Tachikawa Base

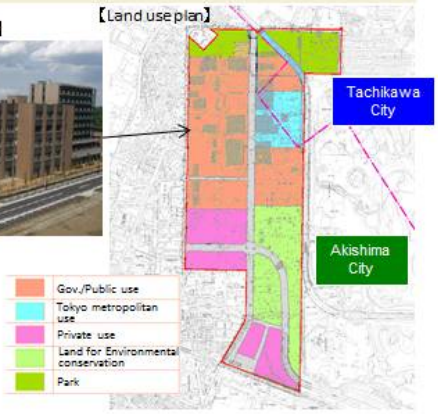
Formation of major built-up areas by land-use conversion of large state land

- Land-use conversion of the large state land on the site of the former U.S. military base in accordance with the local government's plan.
  - → Consultation / coordination with multiple public institutions including the national government and formation of major built-up areas by developing the infrastructure including city planning roads.
- Relocation / concentration of national organs (International Justice Center)
- Introduction of business / commercial functions, etc. and development of green and comfortable community considering for the environment.

Outline of the project	Land readjustment project in Akishima district of the site of Tachikawa Base (promoted by UR)
Location	Akishima City and Tachikawa City, Tokyo
Area	Approx. 66.1ha

【International Justice Center】

【Land use plan】



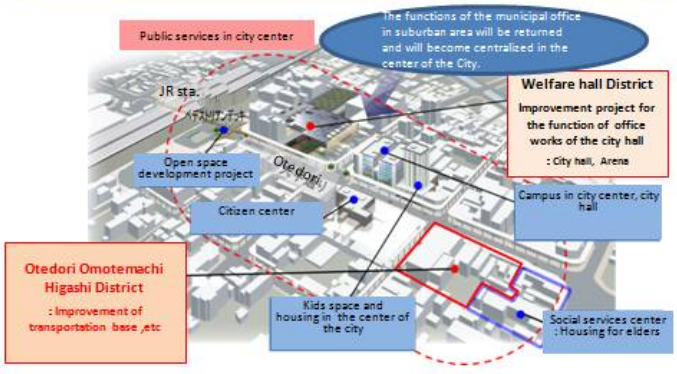
3 Regional vitalization, such as realization of compact cities within local cities, etc.

Nagaoka City Otedori Omotemachi Higashi District

Decline of the city center associated with the suburbanization of population and urban functions

- Decline of the city center associated with the suburbanization of population and urban functions
- As a pillar of revitalization of city center, the City initiates "City Center Type Public Services" where public facilities, etc. are integrated in the center of the City.
- Placed as a core project of the Basic City Center Revitalization Plan (second stage).
  - → Requested from the City, UR acquired the vacant lot of the department store located at the city center and supports to realize policy.
  - → With the aim of creating a ripple effect over the entire city center by developing an exchange hub facility, etc., study a redevelopment project executed by UR.

Outline of the project	Supporting urban development with activation of city centre		
Location	Nagaoka city, Niigata pref.	Area	Approx. 1.7ha



4 Development of safe and secure community by improving disaster prevention capacity

Kyojima 3chome district

Improving the disaster prevention at densely area

- Collaboration with the urban residual area comprehensive improvement project (densely populated area type) to be implemented by the Sumida-ku government(Local government).
  - → Request by Sumida-ku to UR for execution of a disaster prevention redevelopment promotion area.
- Ensure non-combustible and earthquake-proof construction by reconstruction of old wooden houses, etc. and expand public facilities in order to improve disaster prevention capacity and living environment.
  - → Adapt existing buildings to serve as disaster prevention facilities, major community roads, etc. and set up evacuation routes in these areas.
- Introduction of the private sector vitalization
  - → Utilization of a system for specific project participants (condominiums for sale)

Location	Sumida-ku, Tokyo	Area	Approx. 0.2ha
Number of proprietors	17 people	Project period	FY2010 - FY2013

Before

Dense area of terrace houses and wooden housing

Difficulty in evacuating and passing emergency vehicles during occurrences of disaster

After

Disaster prevention facility

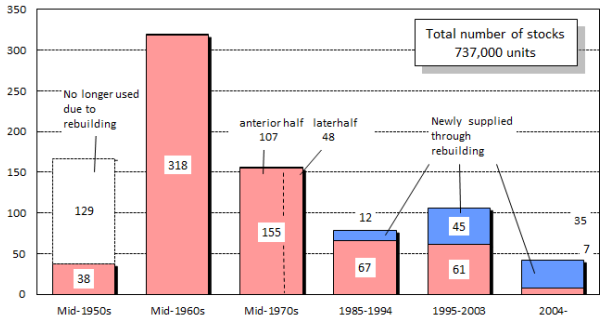
Evacuation route

Figure 3-1-18: Profile of UR Rental Housing Stock (as of March 31, 2017)

■Distribution of nationwide UR rental housing

Area	The number of housing estates	The number of units
Tokyo Metropolitan Area (Tokyo,Kanagawa,Chiba,Saitama,Ibaraki)	849	413,583
Chubu Area (Aichi,Shizuoka,Gifu,Mie)	131	57,028
Kinki Area (Osaka,Hyogo,Kyoto,Shiga,Nara,Wakayama)	411	204,957
Kyushu (Fukuoka,Nagasaki,Kumamoto,Kagoshima)	162	46,617
Others (7 prefectures)	65	15,135
Total (26 prefectures)	1,618	737,320

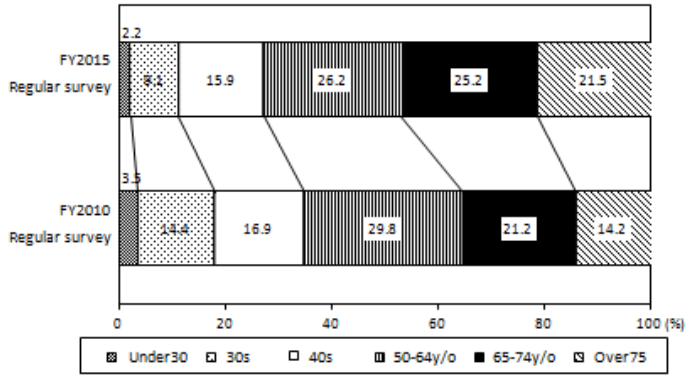
■The number of units according to years in which management commenced



■Features of stock according to years in which management commenced

	Total number of stock	1955-1964	1965-1974	1975-1984	1985-1994	1995-2003	2004-
The management number of houses	746,213 units	37,775units	317,819units	154,570units	78,872units	106,281units	42,003units
The number of housing estates	1,692 housing estates	131 housing estates	352 housing estates	328 housing estates	358 housing estates	357 housing estates	92 housing estates
Size of residential areas	441 units / housing estates	316 units / housing estates	940 units / housing estates	454 units / housing estates	230 units / housing estates	285 units / housing estates	349 units / housing estates
			Large housing residential areas, large-scale supply				
Locations			Shift to suburbs		Return to central urban areas		
Size of dwellings	55.0m² / units	39.6m2 / units	45.6m2 / units	anterior half: 52.6m² /units later half: 65.9m² /units 56.8m2 / units	70.7m2 / units	70.2m2 / units	68.2m2 / units
		Small dwellings, low standard facilities			Improvement of dwelling sizes		
Rental fees	73,100 yen	48,400 yen	53,900 yen	66,800 yen	95,900 yen	113,200 yen	118,900 yen
Housing supply situation		Overcoming housing shortage	Overcoming housing shortage caused by population influx into major cities	Improvement of housing standards		Reproduction and applicaion of stocks Promotion of urban living	

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



Source: Urban Renaissance Agency

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

	Annual Income for the head of household	Annual Income for the entire of household
FY2015	¥3,710,000	¥4,530,000
FY2010	¥4,020,000	¥4,840,000

Source: Urban Renaissance Agency

Systematic Housing Construction Initiatives

1) Housing Construction Five-Year Programs

The passage of "The Housing Construction Planning Act" in 1966 resulted from the government's awareness that it would be necessary to provide a stronger impetus for housing construction under comprehensive long-term plans based on cooperation among the central government, local governments and the people. The new law required the setting of targets for housing standards and targets for the total number of houses built, including houses built by the private sector, during the Housing Construction Five-Year Programs.

Since then, eight Housing Construction Five-Year Programs have been adopted, the first beginning in 1966 and the eighth ending in 2005. In addition, Japan was divided into 10 regions, each with its own five-year housing construction plan, while individual prefectures have established their own five-year programs based on the regional programs.

Also, the programs have played the following roles;

- Reflecting the sophisticated and diversified public needs for housing policy
- Presenting priorities and visions of housing policy to implement a variety of measures consistently and comprehensively through the national government and local governments
- Prompting private business efforts and implementation of intensive measures by the national government and local governments to accomplish the housing policy goal.

"The Housing Construction Planning Act" requires the setting of targets for the number of dwellings built with public funds under the Housing Construction Five-Year Programs. These targets have largely been met under all eight programs. Cooperation between central and local governments has played a significant role in the improvement of the residential living standards of the Japanese people, including the systematic and reliable supply of housing that is of an appropriate standard.

2) The Evolution of the Housing Construction Five-Year Programs

The years covered by eight Housing Construction Five-Year Programs can be broadly divided into the quantitative expansion period (first and second programs) and the qualitative improvement period (third through eighth programs).

- Quantitative Expansion Period

  The first two programs were implemented at a time when the number of dwellings was below the number of households, so the aim was to alleviate this housing crisis. The goal for the first program was to increase the number of dwellings to one per household, and the goal for the second program was to ensure that there was one room for every person.

- Qualitative Improvement Period

  By 1973, the goal of providing one dwelling per household had been achieved, and the number of dwellings was in excess of the total number of households in all prefectures. Under the Third Housing Construction Five-Year Program, which began in 1976, the focus shifted to the qualitative improvement of the housing stock, and the government defined minimum housing standards that should be ensured for all households, and average housing standards that should be attained by average households. A new goal, the provision of quality residential environments, was introduced under the fourth program. The fifth program saw the introduction of Targeted Housing Standards as the basis for efforts to achieve further enhancement of residential living standards. This focus has continued through to the eighth program.

3) Goal of Housing Standard

- Minimum Housing Standards for the Third Housing Construction

  Five-Year Program, the government introduced minimum housing standards defining the living area that should be available in all households according to the number of residents. The achievement of minimum housing standards for all households as quickly as possible remained a goal under the fourth and fifth programs, and by 1988 the number of households falling below the minimum housing standards had been reduced to less than one-tenth. However, the standard of accommodation for households living in rental housing in urban areas remained significantly below the level achieved in other regions. The elimination of urban households below the minimum standards became a major priority under the Sixth Housing Construction Five-Year Program, and this emphasis has continued through to the eighth program.

- Average Housing Standards

  The average housing standards were introduced under the third and fourth programs as targets for the standard of housing that should be attained by an average household. The goal was to ensure that the majority of households would reach this level of housing by 1985. However, the goal was reached in 1983, and by that time approximately one-half of all households were living in dwellings that met the standards.

- Targeted Housing Standards

  Under the Fifth Housing Construction Five-Year Program, the focus shifted from the average housing standards to a new policy calling for qualitative improvement in the housing stock. Targeted housing standards were adopted, and the goal was to ensure that the majority of households would achieve these standards by 2000. This emphasis on enhancement of the quality of residential life was maintained under the sixth and seventh programs. The goal for the eighth plan is to ensure that two-thirds of all households in Japan will reach the standards by FY2015, and that the majority of households in all urban areas will achieve this level by FY2010.

4) Housing Performance Standards

For the Eighth Housing Construction Five-Year Program, housing performance standards were formulated as guidelines for the basic performance requirements to meet the needs of residents and society. Aspects taken into account in these standards include anti-seismic performance, fire-resistance, energy conservation, and suitability for the elderly.

5) Residential Environment Standards

Residential Environment Standards were introduced under the Fourth Housing Construction Five-Year Program as guidelines for the elimination of poor-quality residential environments and the provision of quality residential environments. Until the seventh program, the securing of high-quality living environments was intended, through the setting up of a "basic standard", corresponding to a standard of living environment that allows people to maintain healthy and cultured lifestyles, as well as, an "inducement standard," which should be the principle for attempting to high-quality living environments. The eighth program was established in attempt to steadily improve living environments. The "densely populated areas requiring urgent improvement" was created from the point of view of the densely situation of urban residential areas and the prevention of the spread of fires, and the "guidelines for improvement of housing and urban areas, etc." was created to indicate targets for the formation of high quality living environments.

Table 3-1-5: Comparison of Eight Housing Construction Five-Year Programs

	Period (FY)	Background	Goals of programs	Total units (in thousands)				Notes
				Program		Results		
				Total units to be constructed	Units to be publicly financed	Total units constructed	Units publicly financed	
1st program	1966～1970	To resolve housing shortage. To cope with housing demand due to population concentration to metropolitan areas caused by intensive economic growth.	To resolve housing shortage. 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)
2nd program	1971～1975	To completely resolve housing shortage. To meet housing demand brought about by baby boomers' marriages.	To resolve housing shortage. To have houses with "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)
3rd program	1976～1980	To upgrade housing standards on long-term perspective since the number of housing shortage had been resolved.	To create two housing standards. -Minimum Housing Standards : to have the whole nation attain this by 1985; half of all substandard households be eliminated by 1980. -Average Housing Standards : level desirable for average households to attain by 1985.	8,600	3,500	7,698 <89.5>	3,649 <104.2>	Housing standards, as a whole, were gradually achieved. (1978 Housing Survey of Japan)
4th program	1981～1985	To go on upgrading housing standards mainly in metropolitan areas. To meet demand of postwar baby boomers for acquiring their own houses.	To work toward achievement of housing standards. To set up living environment standards additionally.	7,700	3,500	6,104 <79.3>	3,231 <92.3>	Plan to eliminate households below the Minimum Housing Standards was behind schedule. (1983 Housing Survey of Japan)
5th program	1986～1990	To form a good quality housing stock as a basis for stable, affluent living in the 21st century.	To set up a new version of housing standards. • Minimum Housing Standards: basically same as the one set in 4th period. To try to have all households attain this as early in this period as possible. • Targeted Housing Standards: to try to have half of all households attain this by 2000. For urban areas: for collective housing in and around cities. For provincial areas: for detached houses in the suburbs and provincial areas. To maintain the standards set in 4th period and upgrade living environment.	6,700	3,300	8,356 <124.7>	3,138 <95.1>	The number of households below the Minimum Housing Standards nationwide dipped to 9.5%. (1988 Housing Survey of Japan)

6th program	1991～1995	To promote housing policy working through the 1990's. To realize housing where people can feel a measure of affluence, by settling housing problems in metropolitan areas and to take measures regarding the aging society.	To develop measures to attain Targeted Housing Standards. • Targeted Housing Standards: same as the one set in 5th period. To have half of all households attain this by 2000 and in urban areas attain this as soon as possible after 2000. • Minimum Housing Standards: level to be attained by all households. • Living Environment Standards: to be revised by setting different standards for central areas of large cities and suburban areas. To strive for upgrading of living environment standards.	7,300	3,700	7,623 <104.4>	4,017 <108.6>	Housing standards, as a whole, were gradually achieved. (1993 Housing Survey of Japan)
7th program	1996～2000	To tackle mainly the following 4 items: ① Formation of good quality housing stock that meets nation's needs. ② Promotion of safe, comfortable urban life and living environment. ③ Provisions which foster and active the elderly society. ④ Formation of good housing and living environment which contributes to regional revitalization.	To continue efforts to achieve goals set by Housing Standards. • To simplify detailed regulations on each dwelling room and allow residents to make their own floor plan. • To improve performance of housing of facilities from the viewpoint of safety, durability, adaptability to the elderly and environmental concerns. To continue efforts to improve living environment toward fulfillment of the living environment standards.	7,300	3,525	6,769 <92.7>	3,487 <98.9>	Almost one-half (46.5%) of households meet the Targeted Housing Standards. (1998 Housing Survey of Japan)
8th program	2001～2005	To tackle mainly the following 4 items: ① Development of high-quality housing stock to meet the diverse needs of the people; ② Development of housing environment to support the revitalization of society with a low birthrate and an aged population; ③ Development of housing and living environment which contributes to promotion of urban settlement and regional revitalization; and ④ Development of a housing market that is readily accessible by consumers.	To set up goals for housing standards. • Targeted Housing Standards To be achieved by two-thirds of all households nationwide and half of households urban area by 2015. • Housing Performance Standards By 2015, the housing stock with such equipment as grab bars will account for 20% of total and the housing with barrier-free renovation will be added by 20%. • Housing Environment Standards To establish "Standards of the densely populated areas requiring urgent improvement" and "Guidelines for improvement of housing and urban residential areas, etc." Setting the target for the formation of barrier-free housing stock.	6,400 expanded/ remodeled 4,300 (additional)	3,250	5,935 <92.7>	1,299 <39.9>	More than the half (52.3%) of households of the whole country meet the Targeted Housing Standards. (2003 Housing Survey of Japan)

Rate of achievement in percentage is shown in < >

(2) New Housing Policy Framework

Reasons for Housing Policy Reform

Housing policy in Japan has yielded certain benefits under the eight Housing Construction Five-Year Programs. Those benefits include the alleviation of a severe housing shortage and the improvement of residential living standards, 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 relating the direct supply of housing and housing finance by various organizations, including Government Housing Loan Corporation (now Japan Housing Finance Agency), publicly-operated housing schemes, and Japan Housing Corporation (now Urban Renaissance Agency).

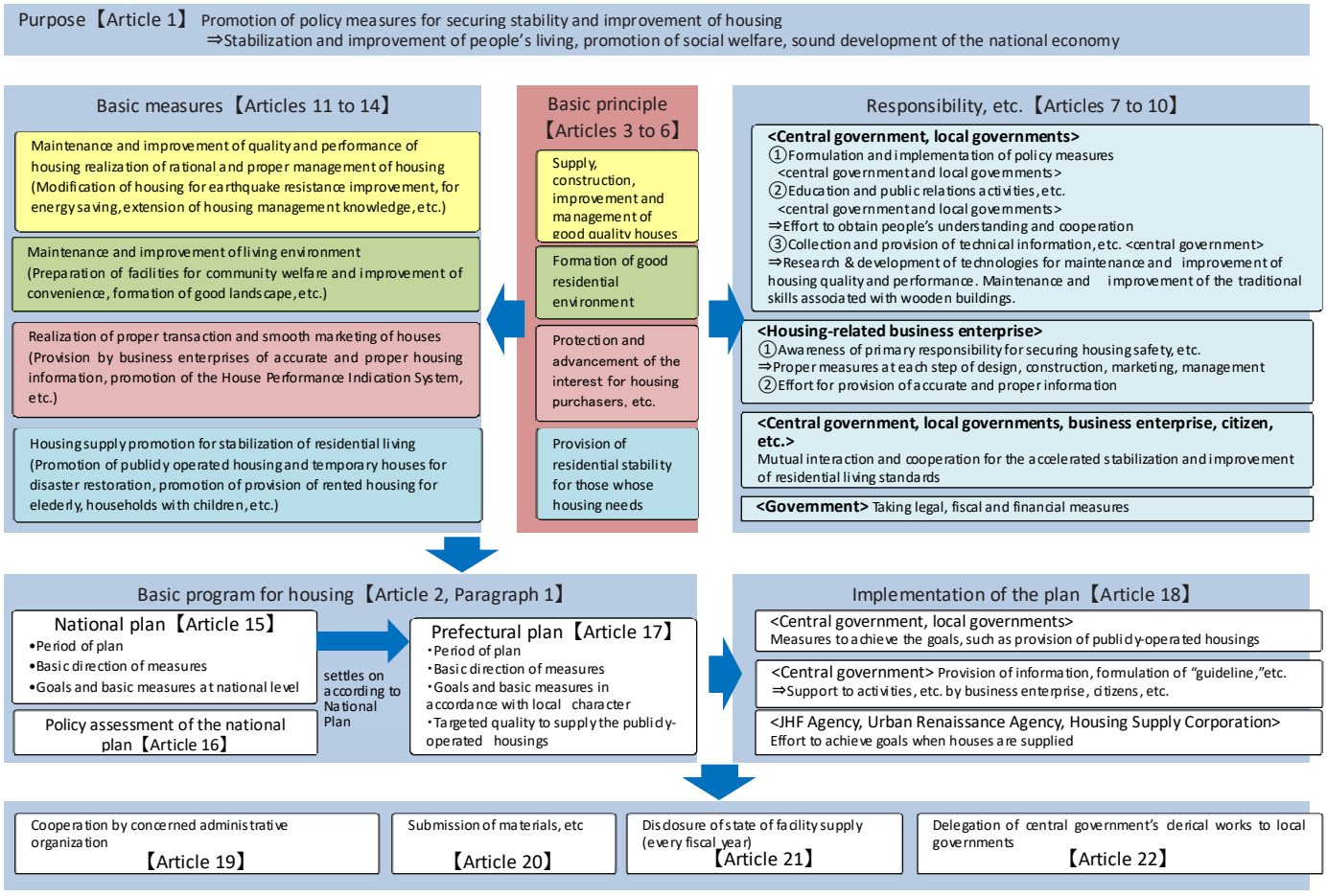
As a result, in the recent housing situation, quantitative needs have been met, and new priorities have arisen as a result of social and economic changes that include rapid demographic aging, a declining birthrate and increasingly serious environmental problems. From a qualitative perspective, the standard of housing and residential environments is still inadequate, and Japan cannot yet claim to have developed a housing stock that provides good housing performance. This situation will require a major shift in the basic framework of housing policy. The priority now is to improve the overall quality of residential living standards in Japan, including residential 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 residential living standards in Japan. Four fundamental concepts are identified in "The Basic Act for Housing" in relation to the accelerated stabilization and improvement of residential living standards. These are the supply, construction, improvement and management of quality housing as infrastructure for residential living standards in Japan today and in the future, the formation of quality residential environments that residents will view with a sense of pride and affection, the protection and advancement of the interests of those who purchase houses as dwellings, and the provision of stability for those whose housing needs require special consideration. "The Basic Act for Housing" defines the basic measures required to implement these four fundamental concepts. It also defines the obligations of various stakeholders in relation to residential living standards and requires them to work together and cooperate.

In addition, the Act stipulates that the central government should formulate a basic plan for housing at the national level, and that prefectural governments should 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 the materialization of the fundamental philosophy of the Basic Law on Housing, the Basic Housing Plan was formulated in September 2006, with a target for the next ten years and for which basic measures were provided. The plan is to be reviewed approximately every five years. The Basic Housing Plan (a National Plan) was decided upon by the Cabinet in March 2016, to cover the period from FY2016 to 2025.

From the three perspectives of "habitants", "housing stock" and "industry and region," the Basic Housing Plan indicates the eight targets to be achieved to secure stability in housing and promotion of housing improvement, along with the basic measures necessary for its realization. At the same time, it established the "indicator of results", which will measure the degree of achievement, from the viewpoint of showing the effects of the measures in a manner that is easy for the Japanese public to understand in terms of the setting of targets for improvement of the quality of housing and living environment. Thus, in contrast to the past five-year project of housing construction, for which the target was the *quantity* of housing, the present plan sets its target of achievement on the *quality* of national housing, which is one of the outstanding characteristics of the plan.

The New Basic Plan for Housing (national plan), with a planning period from FY2016 to FY2026, is set to be implemented in 2021, almost 5 years after the creation of the plan.

Figure 3-1-22: Basic Plan for Housing (National Plan)〈Adopted by the cabinet on March 2016〉

Introduction
○Based on the Basic Act for Housing a plan was established to comprehensively and structurally promote for the residential improvement policy
○Duration of the plan is 10 years from FY2011 to FY2020

Basic Policies
○To show the general directions to be followed in the housing policies for the Japanese people in an easy-to-understand manner.
○To show the policies for addressing the issues in the coming 10 years from a variety of perspectives and implement the policies comprehensively.
○To set 8 targets from 3 different perspectives.

Target/Basic policies/Achievement indicator

Residents' perspectives

Target 1: Realization of housing life that young households desiring marriage/childbirth and households raising children can live self-assuredly

(1) To provide support so that the household can live in a house of the necessary quality and size according to the situation of the household such as its income.
(2) Promotion of 3 generations living under one roof or nearby that enables cooperation between the generations in raising children.
(3) To improve environments for nurturing children with the efforts of local communities by means of measures such as inviting organizations to set up facilities that support the raising of children in the local communities.
(Indexes) Rate of achieving the level of a living area required for children-raising households
[all over Japan] 42% (2013)→50% (2025) [Metropolitan area] 37% (2013)→50% (2025)

Target 2: Realization of housing life that enables the aged to live independently

(1) To devise "guidelines for new housing for the aged" that show, in addition to realization of a barrier-free environment and taking preventive measures against heat shock, how the housing for the aged and a variety of housing-related services ought to be, such as the arrangements and equipment for rooms for which the situations of the body and perceiving functions are taken into consideration.
(2) Promotion of the supply of housing, etc. for the aged that harmonizes the development of communities and are provided with services that meet the demand, and formation of a "town where people play active roles throughout life."
(3) Formation of regional units such as facilities, etc. that contribute to support for the aged households, households raising children, etc. by taking opportunities such as an occasion of rebuilding public rental housing complexes
(4) To seek dissemination of reverse mortgage by means of backup support to be provided by private financial institutions with public guarantee, and the like, and secure funds related to housing life such as those for relocation
(5) Enhancement of systems of consultation on the utilization of housing assets and relocation
(Indexes) Ratio of housing for the aged that is provided with services and attached living support facilities for the aged [77% (2014)→90% (2025), and others

Target 3: Ensuring the stability of living for those who require special consideration in securing housing

(1) To enhance the housing safety net functions, together with the promotion of utilization of vacant houses, that include the building of new mechanisms as well by utilizing private rental housing.
(2) To provide support for the establishment of a living support conference, etc. in order to promote smooth move-in to private rental housing.
(3) To supply public rental housing such as public housing, UR, etc. appropriately. To utilize the various types of know-how and techniques of private businesses in the improvement and management of public housing, while taking account of the actual circumstances of the local communities, and including PPP/PFI as well.
(4) Implementation of the rebuilding, etc. of public rental housing complexes, at the same time revitalizing the living environments through the formation of regional bases such as support facilities for the aged and for raising children
(Indexes) Ratio of housing not reaching the minimum dwelling area standard [4.2% (2013)→To eliminate such housing early], and others

Perspectives from housing

Target 4: Building a new housing circulation system that surpasses the property ladder

(1) Comprehensive implementation of measures for the formation of value as assets
(2) Supply of newly built houses that are of good quality and safe, such as long-lasting high-quality housing
(3) Improvement and nourishment of housing loan markets that enable fund to be raised by using a house as a pledge
(Indexes) Market size for the distribution of existing houses [4 trillion yen (2013)→8 trillion yen (2025)], and others

Target 5: Renewal to housing stock that is safe and of high quality by means of rebuilding and remodeling

(1) Renewal by means of rebuilding, etc. of houses that do not meet requirements for seismic resistance
(2) Improvements in seismic resistance, durability (change to long-lasting high-quality housing, etc.), energy-saving performance by means of renovation, as well as promotion of appropriate maintenance and management
(3) Promotion of remodeling that would increase the appetite for investment and enable effects to be realized, such as improvement of health (prevention of heat shock, etc.), attractive designs, etc.
(4) To examine measures for promoting the rebuilding of houses and remodeling that are intended for ensuring safety in concentrated urban districts
(5) To widely examine the means for securing repair fund that is required for the promotion of systematic maintenance and management of private rental housing
(6) Enhancement and dissemination of consultation systems for consumers and systems for registration of business organizations so as to enable renovation to be carried out self-assuredly
(7) Comprehensive implementation of measures related to the maintenance and management, rebuilding, and repair of condominiums
(Indexes) Number of cases of the rebuilding, etc. of condominiums (total number of cases since 1975) [about 250 cases (2014) →about 500 cases (2025)], and others

Target 6: Pursuance of utilization and removal of vacant houses the number of which is increasing rapidly

(1) Building a new housing circulation system in which the increase in the number of vacant houses is suppressed
(2) Promotion of relocation to the countryside, living in two areas, etc. by the utilization of vacant houses
(3) Revitalization and utilization for multiple uses of old private houses, etc.
(4) Promotion of conversion of the uses of support facilities for care, welfare, and children raising, lodging facilities, etc. into those for multiple uses
(5) Promotion of the utilization of existing houses that make use of varied leasing methods such as fixed term rental housing systems
(6) Enhancement of consultation systems for use and utilization as well as of the methods of collection and disclosure of information on owners, etc.
(7) Promotion of systematic dismantling and removal of vacant houses that adversely affect the living environment by utilizing the Vacant Houses Law, etc.

(Indexes) Number of "Other Vacant Houses" other than those for leasing, selling, etc. [3.18 million houses (2013) --> To be controlled to around 4 million houses (2025)], and others

Perspectives from industrial and regional considerations

Target 7: Growth of living life industries that contributes to the realization of strong economies

(1) Improvements in production systems such as those for promotion of the supply of wooden housing of good quality that uses regional lumber that supports the regional economy as well as the training, etc. of engineering designers and technicians who will be in charge of such promotion
(2) To succeed to traditional technologies in a reliable manner and to develop such technologies, at the same time promoting new development of technologies such as the development of the parts including CLT (Cross Laminated Timber), etc. and their processing techniques
(3) To promote the vitalization of housing stock business, at the same time securing those who will be in charge of the business according to the diversifying living life industries, and to strengthen the training of such personnel through training courses, etc.
(4) To promote the creation and enlargement of new business markets related to living life that meet the needs of a wide variety of households including households raising children and the aged households, etc., at the same time promoting the growth of living life industries in Japan such as providing support for overseas deployment of the living life industries

(Indexes) Market size of remodeling [7 trillion yen (2013) --> 12 trillion yen (2025)], and others

Target 8: Maintaining and improving the attraction of residential areas

(1) To proceed with the formation of welfare bases and the living in the inner-city areas, in cooperation with the development of communities such as smart wellness cities and compact cities, thereby improving the convenience of residents such as that in transportation, shopping, medicine, education, etc.
(2) To promote revitalization of housing complexes, at the same time promoting improvement of convenience with local communities by forming regional bases such as support facilities for the aged and for raising children.
(3) To form good landscapes and maintain/improve affluent communities by enriching mechanisms of which residents will be in charge, through support, etc. to be provided by NPOs and coordinators in charge of the development of communities, at the same time utilizing building agreements and landscape agreements, etc.
(4) To pursue the community activities of condominiums so that the activities will be carried out proactively with appropriate separation of duties among the residents of the condominium, management association, residents around the condominium, private businesses, local governments, etc.
(5) To improve the safety of residents during a disaster through betterment and improvement in concentrated urban districts as well as pursuance of the elimination of utility poles, proactive provision of information using hazard maps, improvement in the timeline and training, etc.

(Indexes) Area of concentrated urban districts that pose considerably danger during an earthquake, etc. [about 4,450ha (preliminary data) (2015) --> mostly eliminated (2020)], and others

Housing Performance Standards, Residential Environment Standards, Dwelling Area Standards (Targeted and Minimum)

The national plan sends a message to residents, housing-related companies and other stakeholders by defining four standards as the basis for targets. The thinking behind these standards is described below.

- Housing Performance Standards

These standards define guidelines for the formation of quality housing stock with functions and performance characteristics that will meet the needs of residents and society.

- Residential Environment Standards

These standards define guidelines for the provision of quality residential environments that match local characteristics. They are provided as reference indicators for use in planning, including the formulation of prefectural plans by local governments.

- Targeted Dwelling Area Standards

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

- Minimum Dwelling Area Standard

This standard defines the absolute minimum area required for a household with a given number of members, as the basis for a healthy residential lifestyle enriched by culture.

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

Housing Performance Standard	Guideline to create quality housing stock having function and performance responding to the needs of residents and social demands
1. Basic Function (1)Structure of housing unit (2)Public facility for apartments **2.Residential performance** (1) Earthquake resistance, (2) Fire prevention, (3) Security, (4) Durability, (5) Consideration for maintenance, (6) Thermal insulation, (7)Indoor air environment, (8) Daylight, (9) Sound insulation, (10) Consideration for the elderly, (11) Others **3. Exterior performance** (1) Environment performance (Energy conservation, reduce waste material during construction and demolishing, use of local or recycled building material) (2) Exterior (Arrangement of exterior walls, roofs, gates and fences, etc. And harmony of the design with surroundings)	

Residential Environment Standard	Guideline to ensure quality residential environment suiting the status of the region
1. Safety. Security (1)Safety measure for earthquake and big fire, (2)Safety measure for natural disaster, (3)Safety in daily life, (4)Prevent environment inhibition **2. Beauty. Richness** (1)Greenery, (2)Space and scope in the city area **3. Sustainability** (1)Maintenance of high-quality community and city area, (2)Consideration to environmental load **4. Ease of access to daily living services** (1)Ease of access to life services by households with the elderly and/or children, (2)Universal design	

Dwelling Area Standard			Area according to the number of persons in the household (EX) (Unit:㎡)			
			1 person	2 person	3 person	4 person
Minimum Dwelling Area Standard	Standard on minimum dwelling area in accordance with the number of persons in the household based on and required to lead a healthy and cultural lifestyle		25	30 【30】	40 【35】	50 【45】
Targeted Dwelling Area Standard	Standard on dwelling area in accordance with the number of persons in the household, assuming diversified lifestyle, required to realize rich living.	**<Urban housing>** For apartment housing unit in city and surrounding area	40	55 【55】	75 【65】	95 【85】
		<General housing> For detached housing unit in suburbs and non-city area	55	75 【75】	100 【87.5】	125 【112.5】

【 】When a 3-5 year old child is a member of the household

2. New Developments in Housing Policy

(1) Housing Policies for an Aging Society

People aged 65 and over accounted for approximately 5% of Japan's total population until 1950, but this figure had reached 25% by 2013. The ratio is forecast to exceed 30% by 2025, which means that Japan's population is aging at a faster rate than the populations 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.

The Act for the Stable Housing for the Elderly

"The Act for the Stable Housing for the Elderly" was enacted in 2001 in response to the rapid aging of Japan's population, and was designed to create a residential environment in which the elderly people can feel secure. In 2011, it was amended to establish the registration system of Housing with Support Services for the Elderly which have barrier-free construction, etc and provide support services in cooperation with nursing and medical care.

Guidelines Concerning the Housing Design for the Elderly

"The Act for the Stable Housing for the Elderly" establishes Basic Policies for Securing Stable Housing for the Elderly. In accordance with these policies, Guidelines Concerning Housing Design for Elderly stipulate that the elderly should be able to continue living in their dwellings even when their physical capabilities deteriorate as a result of aging and other factors. The guidelines indicate factors that should generally be taken into consideration when designing standard-sized 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 changes in the Act. Additional measures include individual support for residents who suffer from impaired mental or physical functions or disabilities.

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

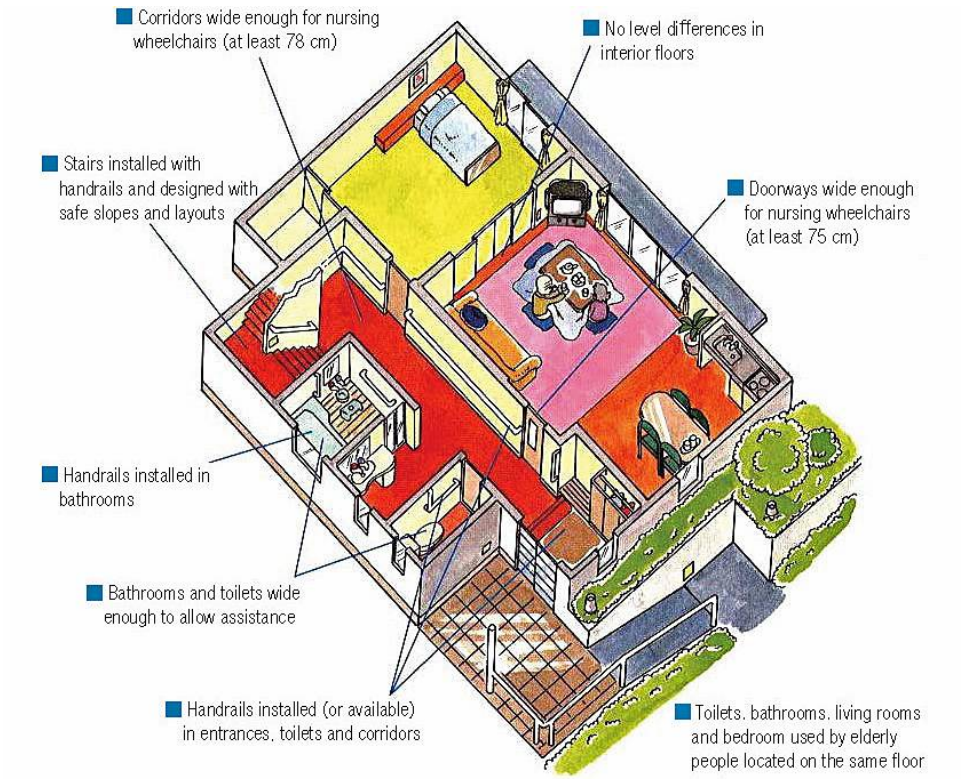
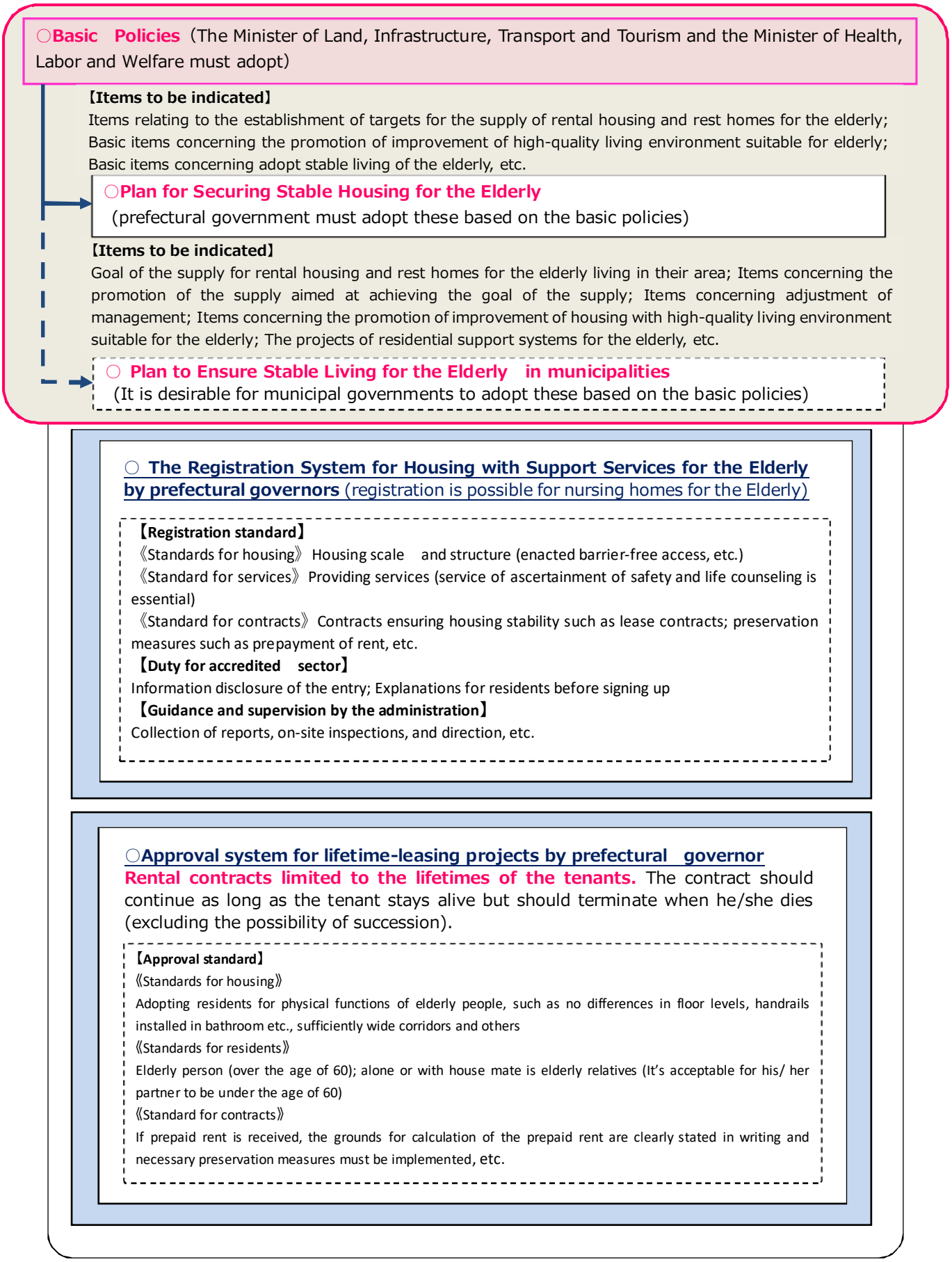


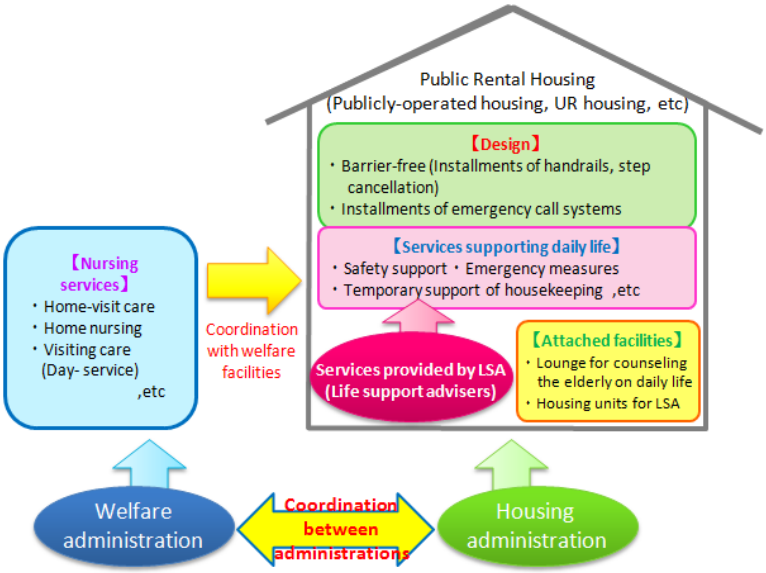
Figure 3-2-2: The Act for the Stable Housing for the Elderly (Overview)



Silver Housing Project

Figure 3-2-3: Schematic of the Silver Housing Project

The Silver Housing Project targets people aged 60 or older who are able to live their daily lives independently. It 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 started in FY1987 in cooperation with the Ministry of Health, Labor and Welfare (MHLW), and managed 24,963 housing units on 956 housing estates as of the end of March 2017.



House-Moving Support Scheme for the Elderly

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

A mismatch has arisen between the size of the housing stock and people's needs as a result of the fact that the elderly households with fewer members often live in larger dwellings while larger households with growing children tend to live in smaller dwellings. This scheme encourages householders aged 50 or over who own their own homes to move to dwellings that are more suited to their needs. It then leases their homes for subleasing to households with children.

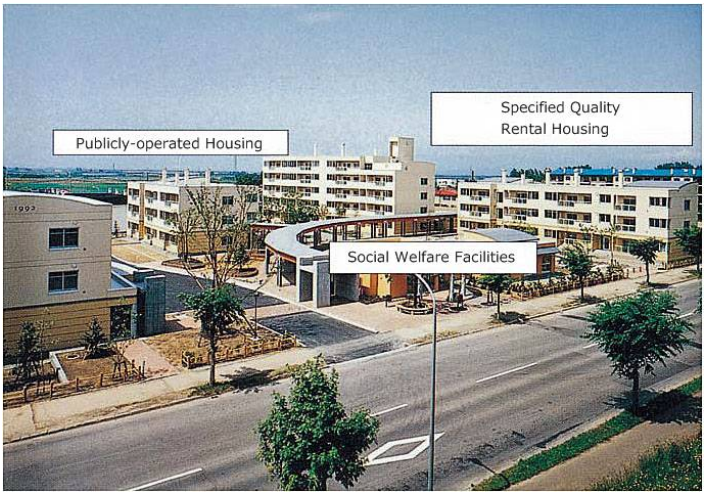
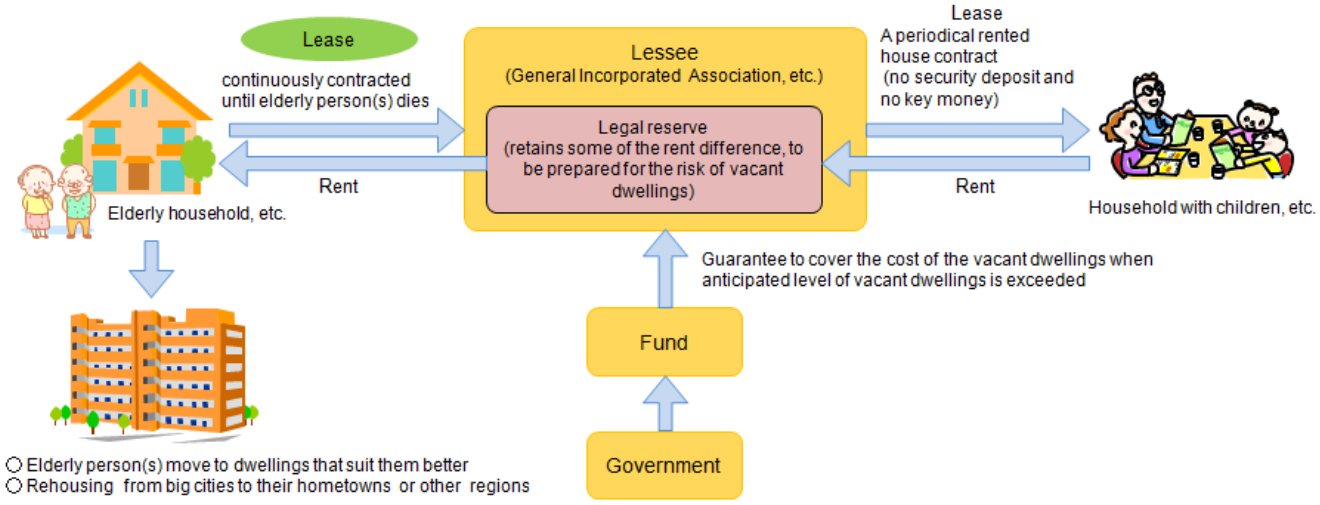


Figure 3-2-4: House-Moving Support Scheme for the Elderly



(2) Promoting Housing Quality Assurance

"The Housing Quality Assurance Act (HQAA)" was enacted to create market conditions that allow consumers to buy housing with confidence and promote improvements in 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 Special Cases for Defects Warranty Liability. "The Act for Secure Execution of Defect Warranty Liability under HQAA" was also enacted in 2007 to oblige suppliers of new housing to secure funding for enforcing Special Cases for Defects Warranty Liability. Measures under this Act, which came into force on October 1, 2009, are outlined below.

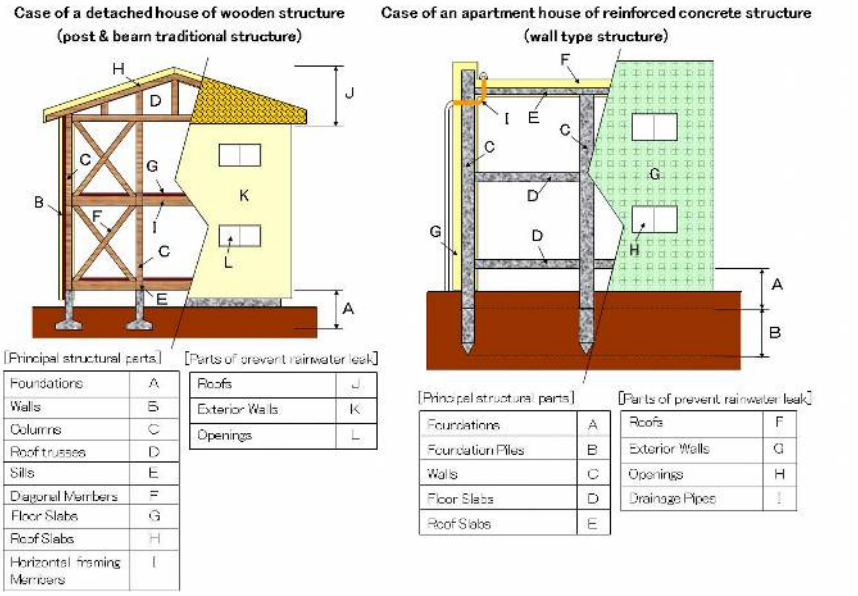
Housing Performance Indication System

- The system establishes common rules (standards for indication and evaluation methods) to ensure that housing performance factors such as structural capacity, sound insulating performance and energy efficiency are properly indicated, thus allowing consumers to make objective comparisons.
- To enhance the reliability of evaluation results, third party bodies have been set up to carry out objective evaluations of housing performance.
- To ensure that the indicated housing performance levels are achieved, performance levels indicated in evaluation reports are attached to each contract and treated as part of the contract.

Special Cases for Defects Warranty Liability

- The law requires home builders to provide a defect warranty (including the right of purchasers and other parties to demand repairs) against defects in principal structural parts such as columns, beams and other elements, as well as parts used to prevent rainwater leakage, for 10 years in case of the acquisition contract of newly built housing on the vendors or the contractors.
- Under contracts with vendors or contracts for purchases of newly built houses, it will also be possible to extend the warranty period of the defects warranty liability of new housing to 20 years.

Figure 3-2-5: Principal structure parts in Housing, which 10 years Liability is mandatory



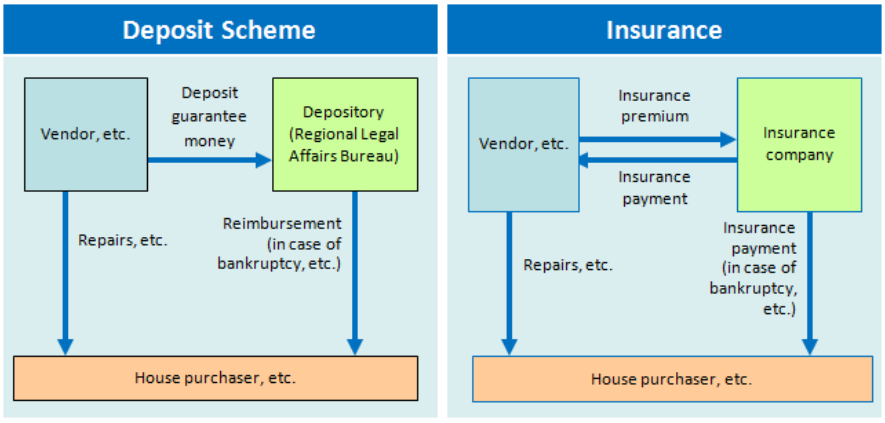
The Act for Secure Execution of Defect Warranty Liability under HQAA

This act obliges suppliers of new housing to set aside funding for fulfilling the 10-year of defects warranty liability required by the HQAA.

To ensure that this funding is available, the act states that suppliers should participate in deposit schemes or defect warranty insurance, and specifies insurance companies as underwriters.

This enables the purchaser of housing to claim the reimbursement of repair costs and other necessary expenses from the deposit, or make a direct claim for insurance money from the insurance company if it becomes impossible to obtain satisfaction under the defects warranty liability if the supplier goes bankrupt, or for other reasons.

Figure 3-2-6: Ensuring Funding Availability



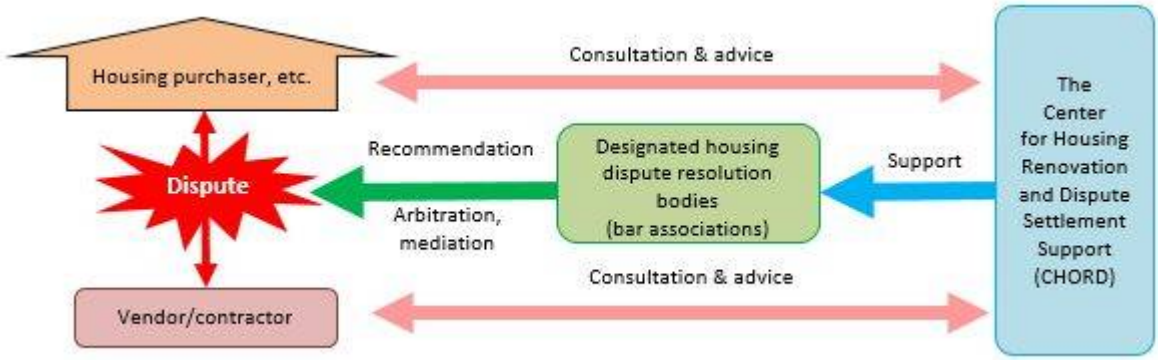
(3) Housing Dispute Resolution System

Housing Dispute Resolution System

Housing dispute resolution bodies (Specifying the bar association of 52 nationwide, years as of January 2018) have been put in charge of quickly and fairly resolving disputes between vendors or contractors and housing purchasers concerning housing whose performance has been evaluated under the HQAA, or housing for which insurance contracts have been concluded under "The Act for Secure Execution of Defect Warranty Liability under HQAA."

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

Figure 3-2-7: Dispute Resolution System



(4) Improvements in Schemes for Condominiums

Situation on 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 2016, the cumulative number of units supplied had reached approximately 6,335,000 units, many of which are owner-occupied properties housing some 15.08 million people. As such, they constitute an important component of Japan's housing and the numbers are increasing steadily.

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

In particular, there is concern that the advancing age of a rapidly growing number of condominiums could cause some very serious problems if nothing is done to deal appropriately with maintenance, management and renewal. These problems not only include deterioration in the living environment of the common owners of aging buildings but also a decline in the quality of life and urban environment of others living in the neighborhood. As a result, both the owners of condominiums and society at large are under pressure to find solutions.

Laws Relating to Condominiums

Rights and duties concerning condominiums are stipulated by "The Act for Building Unit Ownership, etc." for Building which was enacted in 1962. "The Act for Improving Management of Condominiums" was enacted in 2000 with a view to ensuring that these dwellings offer a favorable living environment. It established measures for promoting the appropriate management of condominiums by setting up a Licensed Condominium Manager Scheme, and a 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 for the Facilitation of Rebuilding of Condominiums" enacted in 2002 called for the establishment of condominiums reconstruction cooperatives and systems to facilitate the transfer of related rights. Moreover, revisions were made in 2014 for the establishment of a condominium-site sales system and to permit exceptions to floor-area ratio reduction.

In Addition, for the purpose of promoting the anti-seismic repair of condominium buildings, "The Act on Promotion of Seismic Retrofitting of Buildings" was amended in 2013, by which the requirements were eased for resolution of cases of projecting large-scale anti-seismic repairs for condominiums, etc. that have been approved as necessitating anti-seismic repairs.

Also, "The Urban Renewal Act" was amended in September 2016, for the purpose of promotion of renewal activity of housing complexes.

Policies for Condominiums

A condominium comprises a single building subdivided among large numbers of owners, and in order to enable residents to live comfortable lives, it is necessary for them to lay down basic rules for maintaining and managing the condominium and living their daily lives. The Standard High-rise Apartment-Building Management Bylaw was drawn up in 1982 as a reference for the use of condominium owners' associations when they are compiling or revising their management terms and conditions according to the circumstances of each condominium. The Bylaw has been revised numerous times to strengthen the legislative framework for condominium management and to reflect the various changes affecting condominiums. The name had revised to the Standard Condominium-Management Bylaw at 2004, in 2016, revisions were made to address new matters, such as utilization of external experts and reorganization of community provisions, etc., and in 2017, revisions with the establishment of the Private Lodging Business Act.

In 2005, the Standard Condominium-Management Guide was drawn up to provide the first-ever set of comprehensive and specific standard solutions to the wide-ranging basic issues that condominium owners' associations need to deal with in an appropriate manner. In 2006, the Condominium Record System (Condominium *Mirai* (Future) Net) was set up to allow condominium management information to be registered and viewed. The system's objectives are to promote appropriate management further by enabling owners to ascertain a 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 take into consideration the management situation.

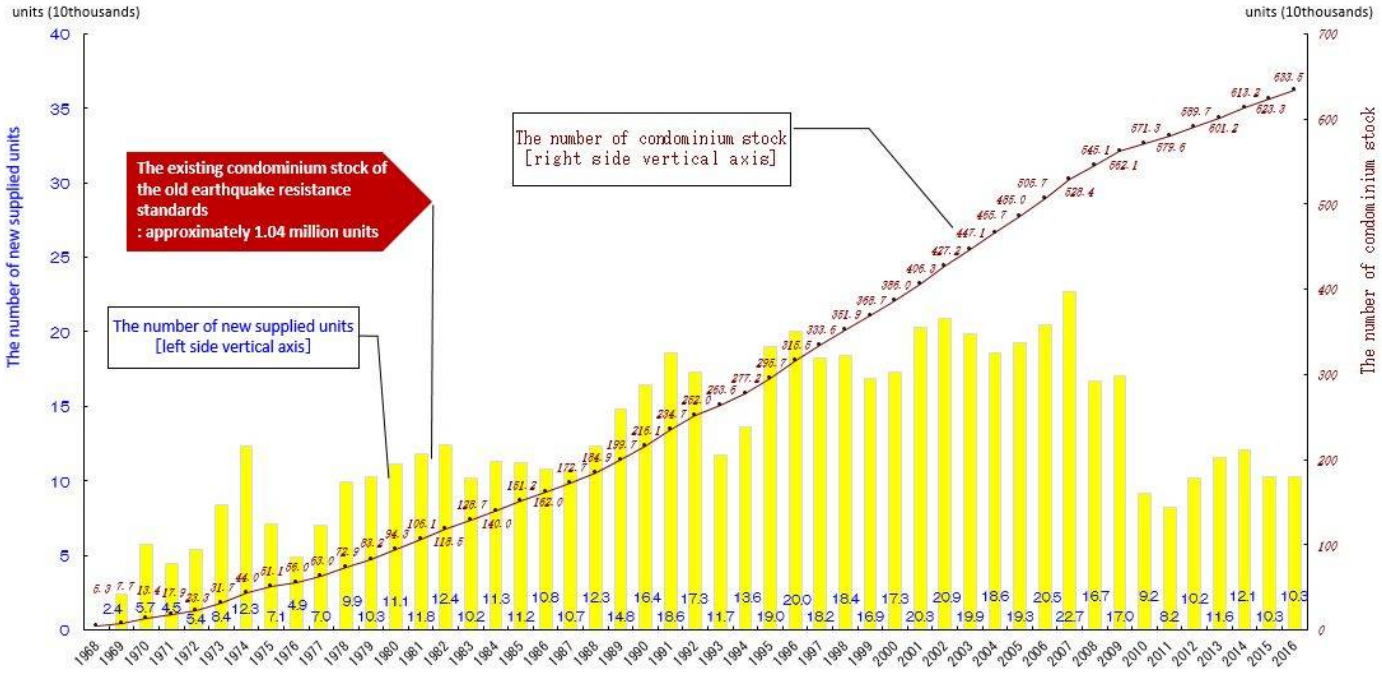
In 2007, the Manual for Seismic Retrofitting of Condominiums was drawn up. It provides a comprehensive overview of issues that should be considered in connection with anti-seismic diagnoses and improvements and operational problems that may arise. It also indicates currently feasible countermeasures.

In 2008, 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 improvement. And Guidelines for the Reserve for Condominium Repair was drawn in 2011, in order to provide basic knowledge on repair reserve and indicate the appropriate level of its amount, and to provide fundamentals for assessment of the amount of repair reserve indicated by housing distributors.

In addition, in order to promote more efficient use of the condominium stock, a study meeting for the reformation of existing collective housing stock in a sustainable society was held in 2012, and a summary of technical information and a collection of papers for individual technologies regarding the reformation of collective housing was compiled and was made public.

In 2014, as a guideline for a method of selling the land lots of condominiums with insufficient earthquake resistance, "Guideline for Selling Sites of Condominiums of Insufficient Earthquake Resistance" was formulated.

Figure 3-2-8: Trends in Japan's Condominium Stock
As of the end of 2016, approximately 6.335 million units (living population: approximately 15.08million people)



Notes:
1. The number of new units supplied is an estimate based on statistics of construction starts.
2. The condominium stock is estimate as the number of units at the end of each calendar year based on the cumulative number of new units supplied.
3. The term "condominium" here refers to mid / high-rise (minimum three stories), built-for-sale, collective housing with either a reinforced concrete structure, steel encased reinforced concrete structure or steel structure.
4. The condominium residential population was calculated on the basis of an average 2.38 persons per household in accordance with the 2015 population census and in total 15.8 million people.

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

Condominium Rebuilding Projects

Aging condominiums present a number of problems. They suffer from various structural and facilities shortcomings, including limited living space, poor earthquake resistance and a lack of elevators. Moreover, as vacancies increase, more of them are offered for rent and the remaining residents become increasingly the 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. However, unit ownership does not create an environment where the individuals can reach a decision on rebuilding easily. With respect to cases where it becomes imperative to demolish and rebuild a condominium because of old age, the central and local governments work closely together to improve their consultation and information-providing systems, and support formulate measures, such as subsidies, funding and taxation, etc.

Figure 3-2-9: Case Study: Rebuilding Project (Ota Ward, Tokyo)

	Before rebuilding Construction: 1968	After rebuilding Completion: 2006
Site area	Approx. 15,900m²	Approx. 15,900 m²
The number of buildings・ The number of stories	8 buildings・ 5 stories above the ground	2 buildings・18 stories above the ground and 1 story under the ground
Total floor area	Approx. 18,600 m²	Approx. 48,800 m²
The number of housing units	368 units	534 units

before rebuilding　　after rebuilding　　Photo by Akira Kawakami

(5) Improving the Existing Housing and Remodeling Markets

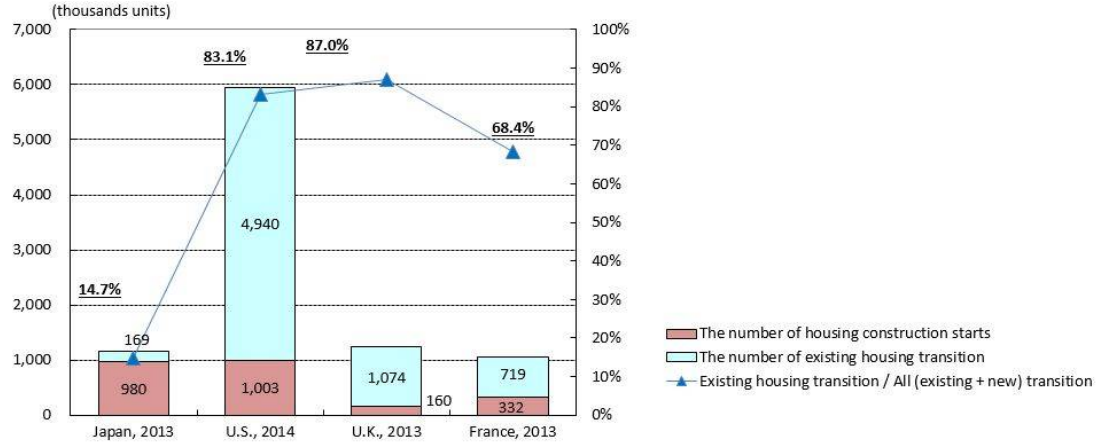
Existing Housing Market: Current Situation and Policies

Estimates suggest that existing (second-hand) housing accounts for approximately 15% of Japan's housing market (existing housing units as a proportion of total new and existing housing units available). This is low compared with 83% in the United States, 87% in the United Kingdom, and 68% 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 32 years as compared to 67 years in the United States and 81 years in the United Kingdom. There is concern that this short demolition and rebuilding cycle has an impact on the global environment because it increases the amount of industrial waste generated. As a result, it is necessary to revitalize the secondary market for existing houses through improvements that will enable buyers to purchase second-hand housing with confidence. Since Japan has entered the age of full-scale depopulation and aging, due to a declining activation of the existing-house distribution market is important from the viewpoints of effective use of housing stock, manifestation of economic effect by market extension, realization of comfortable housing life by facilitating change of residence according to life stages, etc. Accordingly, the following activities are ongoing in order to develop an environment for the proper evaluation of asset value of housing, secure transaction of existing housing, etc.

With this in mind, the following initiatives have been adopted.

- Promotion of the dissemination of the existing-housing transaction warranty insurance, which combines inspections and warranties, including the authorization of a service that supports guarantees of brokers in transaction between individuals for the first time in 2016.
- Promotion of the dissemination of proper inspections for enforcement of the "Act for Partial Revision of the Real Estate Brokerage Act," scheduled to begin in April 2018, including development of an implementation system of inspections by specially trained engineers, along with the existing-house inspector training to be conducted by the registered training institution.
- The price appraisal manual for building lots and building-transaction companies was revised in July 2015 so that price valuations accurately reflect existing housing quality and the maintenance and management situations, including remodeling.
- With regard to providing information on transactions involving existing housing, the operation of a system for providing real estate transaction pricing and other information held by designated real estate distribution organizations via the Internet (Real Estate Information Network System, or REINS), which started in FY2007.
- Start of operating "Land General Information System" on the home page of the MLIT from FY2006 to provide information of individual transaction prices, etc., for real estate based on the information of questionnaires sent to purchasers registered in the real estate register, ensuring that individual properties cannot to be identified.
- Started the Condominium *Mirai* Net in 2006. This serves as a condominium record system that allows condominium management information to be registered and viewed.
- Exceptional measures of registration and license tax for real estate agencies and buying and selling a secondhand home with certain quality improvement were taken in the FY2014 tax amendments. (This was extended in the FY2016 and FY2018 tax amendments.) In the FY2015 tax amendments, exceptional measures of real estate acquisition for real estate agencies were taken and it was extended in the FY2017. In the FY2017 tax reform, this special measure was extended, and in the FY2018 tax reform, the coverage of this measure will be expanded to building sites, e.g., when the target house is a "Secure R" house. Various exceptional measures, such as tax deductions for housing loans also came to be applicable in those cases where seismic retrofitting works are carried out after purchasing a secondhand home.

Figure 3-2-10: International Comparison of Secondary Markets for Existing Housing Units



Note:

1. (France): Adopted the annual average of annualized volumes of existing home transactions in each month as the annual volume of existing home transactions.
2. (U.K.): Since the number of home transactions includes the number of new home transactions, the number of existing home transactions is calculated by deducting the number of newly built homes from the number of home transactions. Note that each transaction amounting to 40,000 pounds or more is counted. As the result of this threshold value, 12% of the total home transactions are estimated to have been omitted from the survey according to the source research institution HMRC.

Sources:

Japan: Ministry of Internal Affairs and Communications, *Annual Report on the Housing and Land Survey 2013,*
Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Statistical Survey of Housing Construction Starts 2014*(data: 2013)
U. S.: U.S. Census Bureau, *New Residential Construction, National Association of REALTORS* (data: 2014) (www.census.gov/) (www.realtor.org)
U.K.: Department for Communities and Local Government, *Housing Statistics* (data: 2013) (www.communities.gov.uk/)
France: Ministère de l'Écologie, du Développement durable et de l'Énergie *Service de l'Observation et des Statistiques, Conseil général de l'environnement et du développement* (data: 2013) (http://www.driea.ile-defrance.developpement-durable.gouv.fr)

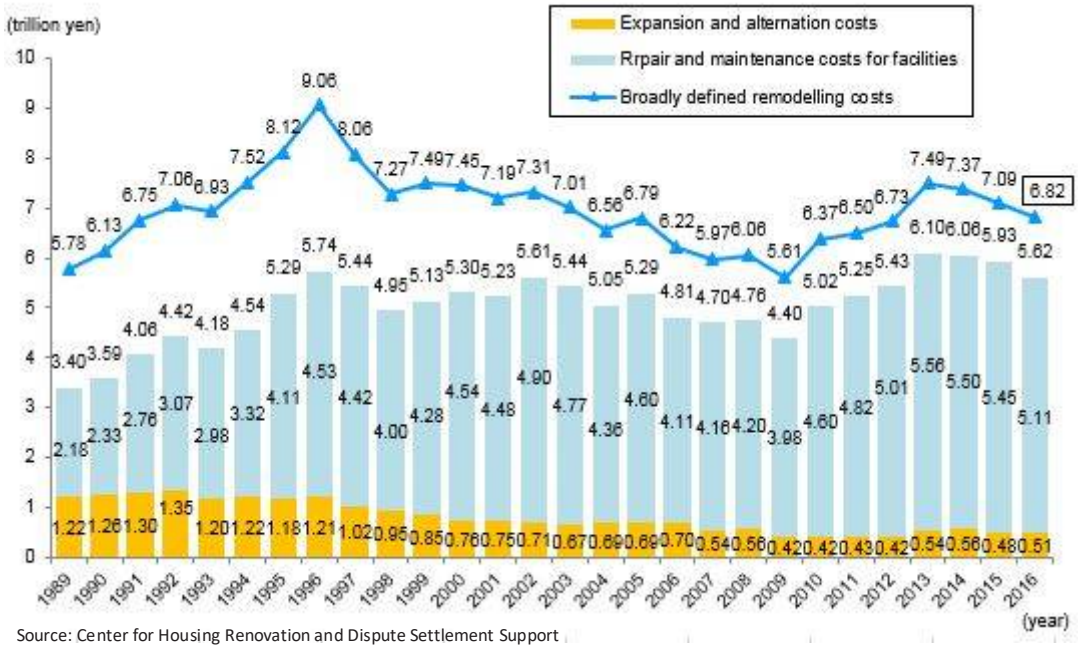
Housing Remodeling: Current Situation and Policies

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 9 million units in the 52 million total stocks in 2013. Despite this lack of progress on the quality side, dwellings that have undergone remodeling accounted for no more than 3.8% of the total housing stock in 2013. For these reasons, it is necessary to encourage the revitalization of the housing remodeling market from the perspective of creating a high-quality housing stock, improving the housing environment to make it safer, more secure and more comfortable, and promoting the secondary market in existing housing.

To make more effective use of the existing housing stock, remodeling is vital for properly upgrading maintenance, management, and earthquake resistance, enhancing "energy" conservation, and improving barrier-free access. For these reasons, various steps are being taken to promote housing remodeling, including the following:

- Promotion of "Remodeling liability insurance system" and "Major repair work liability insurance system", combining home inspection and warranty.
- Establishment of "Free remodeling estimate/check service" and "Specialist-consultation system" by local bar associations in FY2010 to provide an opportunity for consultation about specific estimates.
- Promotion of "Remodeling Information in the Respective Regions Provision", establishing remodeling consultation desks, etc.
- Promotion of anti-seismic improvements under "The Act on Promotion of Seismic Retrofitting of Buildings", Projects for Creating Stock of Safe Housing and Building, regional housing grants, and taxation schemes for promoting seismic retrofits of buildings
- Introduction of the investment-type tax reduction in FY2009, in addition to the old housing-loan tax reductions for the special-exceptions measures under the taxation system when energy-efficiency improvement work or barrier-free remodeling is carried out. Creation of exceptional measures under the taxation system when renovation for approved long-lasting, high-quality housing is done in FY2017.
- Spreading the Standard Condominiums Management Bylaw, Standard Formats for Long-Term Improvement Plans and Guidelines and Comments on the Creation of Long-Term Improvement Plans and Guidelines for the Reserve for Condominium Repair. Provision of education by consultation business and holding seminars through the Condominium Management Center.

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



Source: Center for Housing Renovation and Dispute Settlement Support

Notes:

1. The estimated market size does not include large-scale repairs of built-for-sale condominiums, remodeling of common-use areas, remodeling of rental housing by owners, and work on exteriors.
2. "Broadly defined remodeling costs" refer to expansion and alteration costs with increase in the number of units, and also include purchases of remodeling-related household consumer durables and interior products.

(6) Promoting the Supply of Quality Rental Housing

Features of Conventional Tenancy Contracts

Under "The Land Lease and House Lease Law" to date, tenancy contracts have been renewed automatically and the rental housing relationship 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 cancel the contract unless there are valid reasons for doing so. Looking at the overall situation, including the payment of eviction fees as well as the circumstances making it necessary for a landlord or a tenant to use the building, there is a problem in that it is impossible to say in advance whether such valid reasons exist or not.

Overview of the Terminal Tenancy System

- Introduction of the Terminal Tenancy System

"The Act Concerning Special Measures for Promotion of Supply of Quality Rental Housing" was established in 1999 and the terminal tenancy system was created to deal with problems facing the rental housing market, such as those mentioned above. The system creates a rental housing relationship whereby the contract terminates without renewal on the mutually agreed expiry date stipulated by the landlord and the tenant.

- Terminal Tenancy Contracts

A terminal tenancy contract terminates without renewal on the expiry of the period stipulated 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.

Terminal tenancy contracts cover buildings for commercial and other uses, as well as buildings for residential use.

Moreover, at the concluding, it is compulsory for landlords to agree to written contracts and provide prior written detail of the contract.

For tenancy contracts concluded on or after March 1, 2000, the landlord and the tenant may select either a conventional tenancy contract (ordinal tenancy contract) or a terminal tenancy contract, following discussions.

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

	Terminal Tenancy Contracts	Conventional Tenancy Contracts
Contract method	1. Limited to notarized written contracts, etc. 2. The landlord must deliver to the tenant, in advance, a document that is separate from the contract, explaining that "this lease shall not be renewed and shall terminate when the contract period expires."	May be written or verbal
Renewability	Terminates when the contract period expires, and is not renewable	Renewable unless there are valid reasons for not doing so
Limits on building lease period	Unlimited	Contracts concluded prior to March 1, 2000 : 20-year Contracts concluded on or after March 1, 2000 : Unlimited
Validity of building leases of less than one-year duration	Contracts of periods of less than one year (such as six months) are valid	Deemed to be leases that stipulate no contract period
Validity of special agreement pertaining to changes in building rental fees	Changes in rental fees are to be treated in accordance with the stipulations of the special agreement	Irrespective of the special agreement, the parties concerned may request changes in rental fees
Pre-expiry cancellations	1. Even if there are no special agreement, pre-expiry cancellations by the tenant is possible under the law in the case of residential buildings with a floor area of less than 200m^2 if it becomes difficult for tenants to use the building in question as a residence for their own lives as a result of unavoidable circumstances 2. In cases other than 1, if a terminal tenancy contract includes a special agreement concerning pre-expiry cancellations, said the special agreement shall be followed	If the contract includes a special agreement concerning pre-expiry cancellations, said special agreement shall be followed

Table 3-2-2: Utilization and examples of use of Terminal Tenancy Contracts

Utilization rate of terminal tenancy contracts *1	・Utilization rate: 3.2%
Awareness rate of terminal tenancy contracts *1	・Those who know: 11.2% ・Only know the name:30.7% ・Don't know / NA: 58.1% ○ About 40% of people are aware of this, from the answer of "Those who know" plus "Only know the name". ○ The Ministry of Land, Infrastructure, Transport and Tourism has prepared the "Standard contracts for fixed-term rental housing" along with Q & A regarding the fixed-term rental system and has made them public in order to promote their use.
Recent examples of use of terminal tenancy contracts *2	・Renting vacant private-housing in case of an owner moving to another residence or someone owns two residences (city and rural area) and lives in both of them at various times ・Renting absent private house in the case of owner's job transfer ・Renting concept-type property (pets allowed, share-house, etc.) ・Using a certain scale of detached house or condominium, etc. as nursing facilities for group homes, etc.

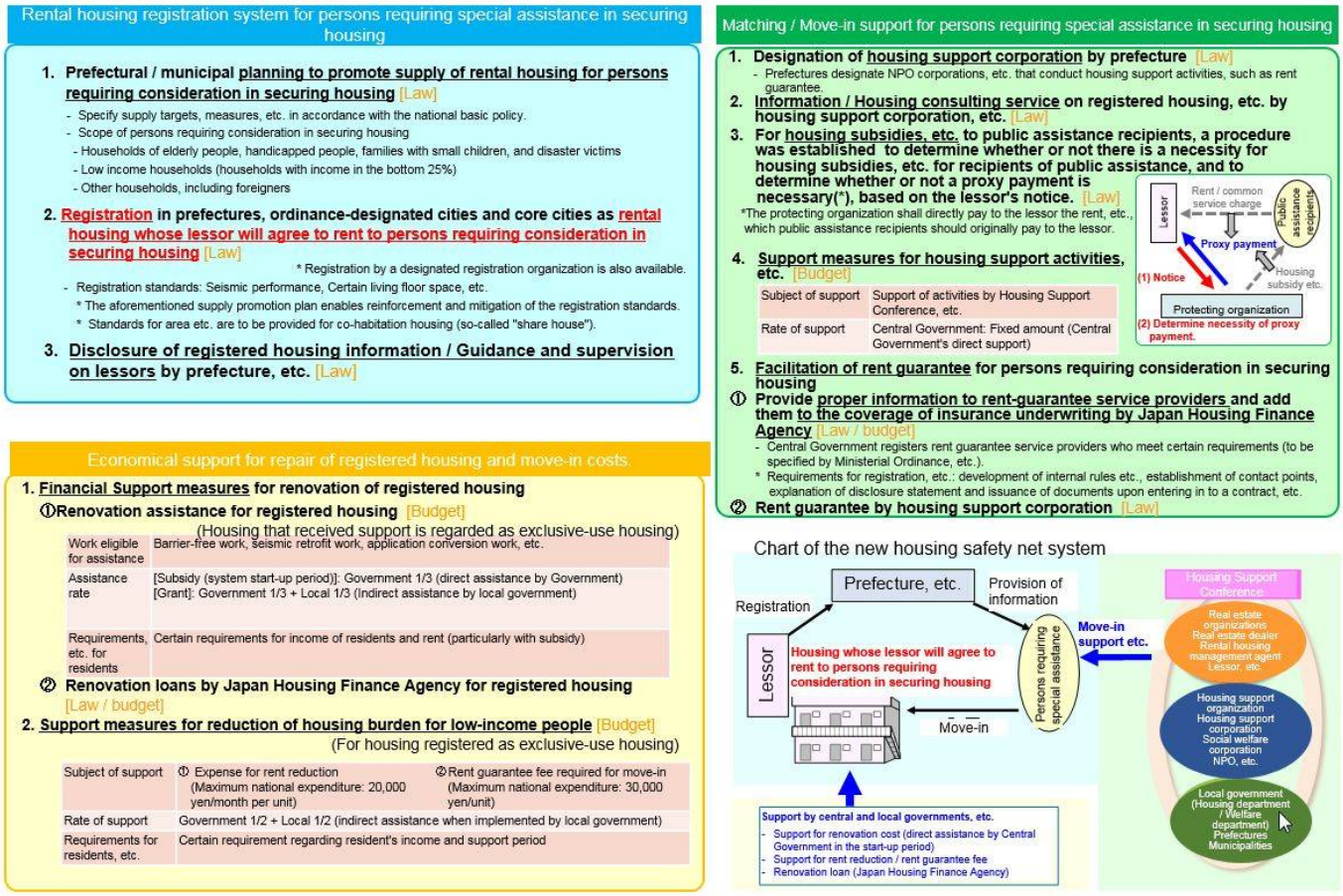
Source: *1 Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Survey of the housing market* (March 2015)
*2 Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *The investigative commission regarding utilization of Terminal Tenancy System* (2013)

(7) Building a Residential Safety Net

"The Act to Promote the Supply of Rental Housing for People Who Require Consideration in Securing Housing" was enacted in July 2007. It is intended to encourage the effective use of the existing housing stock by means of priority residence schemes and other measures to streamline the management of publicly-operated housing, which plays a central role in securing stable housing for the elderly, households with children and other low-income groups. Equally important, it will promote the creation of a flexible, multilayered housing safety net that is tailored to regional circumstances, encouraging the private sector to supplement publicly-operated housing by supplying public rental housing, improving information systems to support people in moving into rental housing that accepts the elderly and households with children, and revitalizing the overall housing market by instituting rental claim guarantee schemes and streamlining conditions to allow NPOs and other organizations to provide financial support for housing.

Moreover, under the "Act for Partial Revision of the Act for 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 recently been established, including a registration system for rental housing whose lessor will agree to rent to persons requiring special assistance in securing housing utilizing vacant rooms and houses in private sector rental housing.

Figure 3-2-12: Framework of the new housing safety net system

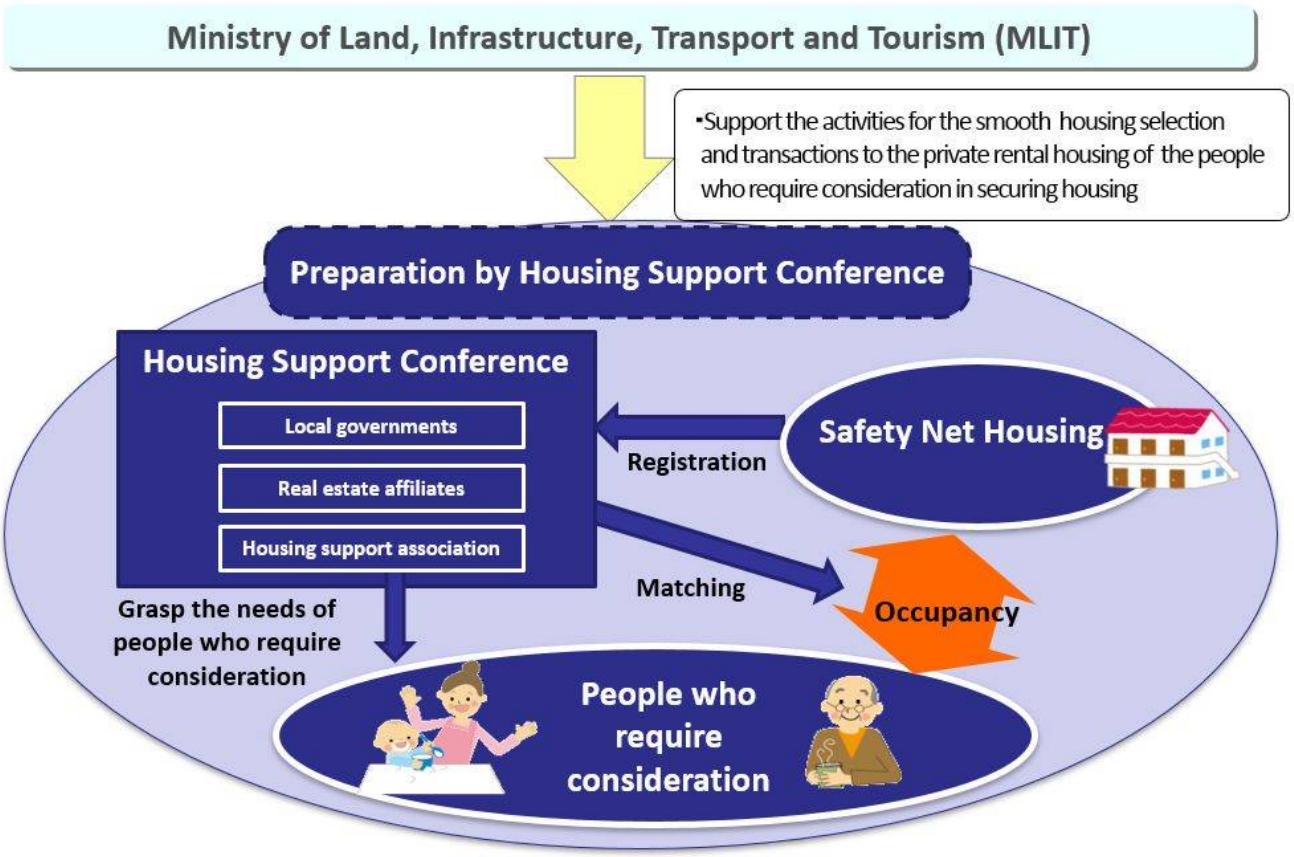


Housing Support Conference Support Project

The Housing Support Conference Support Project was established under the budget for 2011 with a view to promoting smooth housing for people who require consideration in securing housing (e.g. the low income groups, the victims, the elderly, the disabled, households with children) to private sector rental housing.

The project enlists the cooperation of local governments, related enterprises and housing support organizations. It provides assistance for both kinds of people who require consideration in securing housing and lesser in private sector rental housing, such as information of housing and some advises about housing, etc.

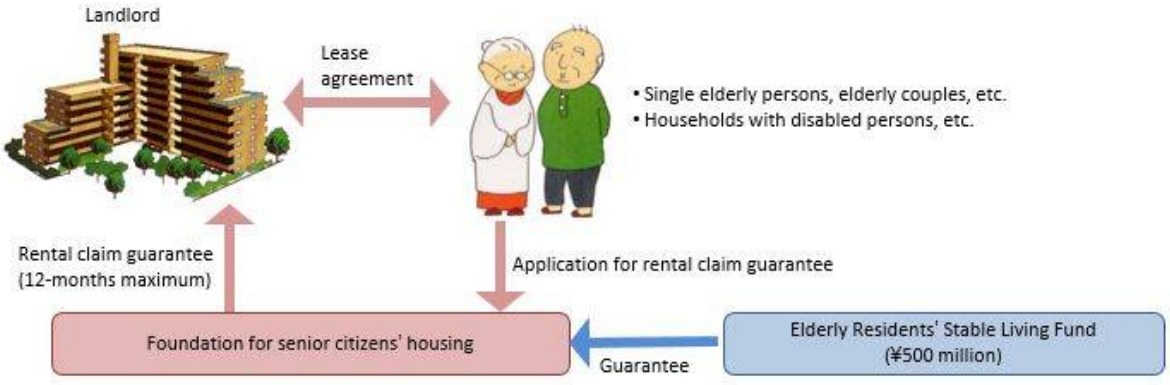
Figure 3-2-13: Housing Support Conference Support Project



Rental Claim Guarantee Scheme

Foundation for senior citizens' housing runs a Rental Claim Guarantee Scheme that targets the elderly, disabled, foreigners, households with children, and households who have been evicted from their residences, and provides guarantees against unpaid rent, expenses for restoring vacated properties to their original state, and expenses required for litigation. By thus eliminating landlords' concerns, its support makes it easier for such households to move into private sector rental housing.

Figure 3-2-14: Rental Claim Guarantee Scheme



(8) Global Warming Countermeasures in Housing and Buildings

Recent trends of energy conservation measures for housing and other buildings

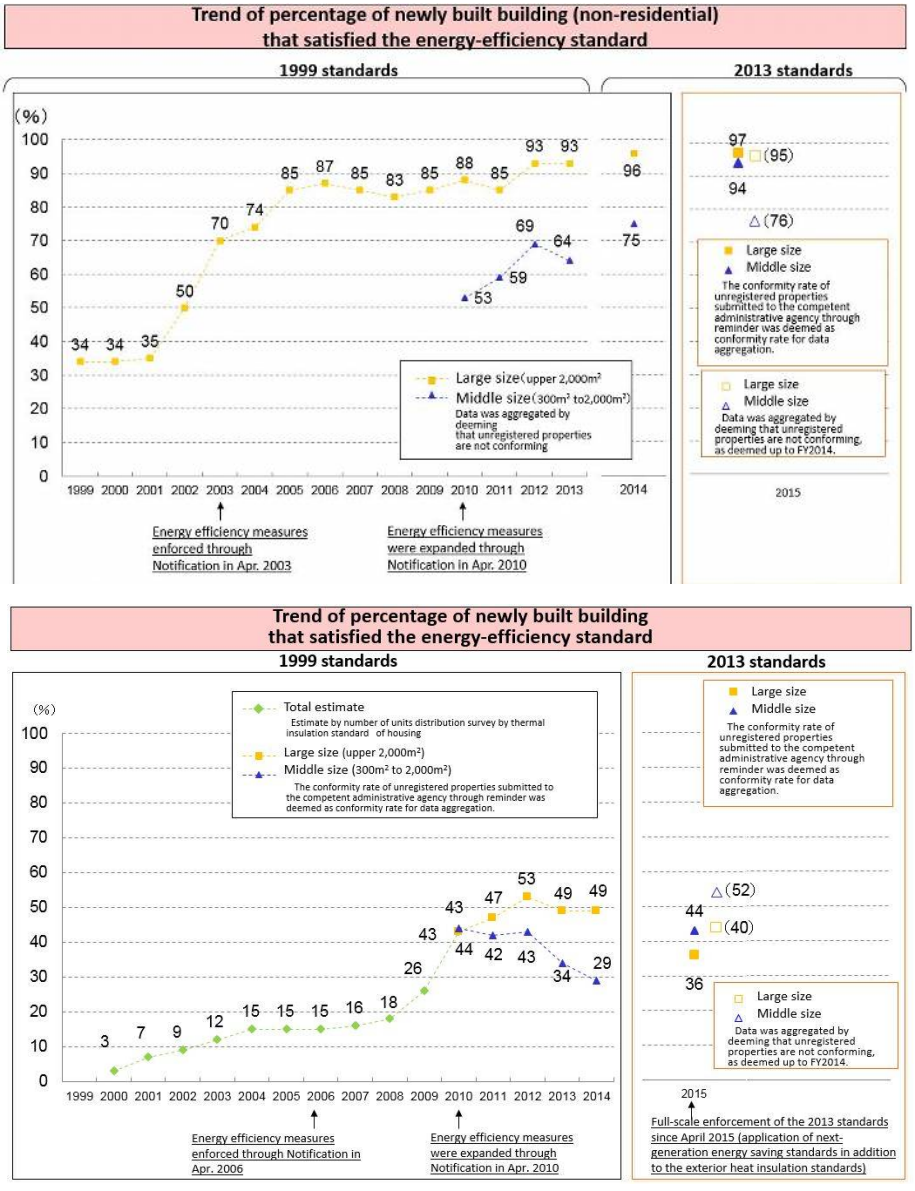
CO_2 emissions by the private sector account for about one-third of the total emissions in Japan and, moreover, they increased by about 30% during the period from 1990 to 2013. Consequently, it has become an important policy challenge to reduce CO_2 emissions by slashing energy consumption in the private sector, which has been increasing remarkably.

To this end, in addition to regulations based on "The Building Energy Efficiency Act", construction of low carbon-emitting housing and zero-energy housing, as well as energy-efficiency retrofits of the existing housing stock are being promoted by the dissemination of assessment and indication of energy-efficiency performance, and through the granting of incentives, such as those related to financial aid or to taxation.

Contents of energy conservation measures

Measures for housing and other buildings under "The Building Energy Efficiency Act" have continuously been strengthened since its establishment in 1979, in which the energy efficiency standard was made strict and the scope of obligatory notification was expanded (See P61). Moreover, the system for recognition of low carbon-consuming buildings was introduced in 2012, based on "The Law Concerning Promotion of Low Carbon Consumption in Urban Areas", and in 2013, Energy Efficiency Standards were reviewed and measures, such as the introduction of the Primary Energy-Consumption Standard were taken.

F3-2-15: Progress status of energy-saving housing and building



Thanks to fiscal, monetary and taxation supports and others, in addition to such strengthening or regulations, the percentage of newly constructed large-scale buildings (2,000m² or more) meeting the energy efficiency standard reached approximately 90%, and the percentage of newly built housing meeting the energy efficiency standard rose to 30%-50% as of 2015. Currently, efforts are being made for the diffusion and the firm establishment of the amended energy efficiency standard through such activities as study courses and, as matters to be added, guidance for buildings with higher energy efficiency and environmental efficiency requirements, including approved low-carbon houses, zero emission buildings (ZEBs), zero energy houses (ZEHs) and life cycle carbon minus (LCCM) houses. To achieve the goal, in addition to granting incentives in budget compilation, taxation, etc., the furthering of improvement and diffusion of a labeling system, etc. is needed so that consumers can properly select more highly efficient housing and other buildings in the market.

Specific Measures Adopted by the Housing and Construction Sectors

1) Regulation and Guidance under the Act Concerning the Rational Use of Energy, etc.

Building owners' judgment standards (Energy-Conservation Judgment Standards) are based on "The Act Concerning the Rational Use of Energy" (The Energy Conservation Law), enacted in 1979. These standards oblige building owners to make a sincere effort to insulate exterior walls and windows, and to adopt energy conservation measures to ensure that air conditioning facilities are used efficiently. Because the Building Owners' Judgment Standards and the Housing Design and Construction Guidelines were formulated in 1980, they have been strengthened several times; for housing in 1992, non-residential buildings in 1993, and housing and non-residential buildings in 1999.

As the result of the 1993 amendment, "The Energy Conservation Law" was reinforced so that buildings with floor space of 2,000m^2 or more (except for residences) are defined as "specified buildings". Regarding construction, extension or reconstruction of specified buildings, if their energy-efficiency performance is remarkably insufficient, indication or announcement may be made. Since the amendment of "The Energy Conservation Law" in 2002, those intending to construct specified buildings are required to submit a notice of their measures for efficient use of energy (hereafter called "the Energy-Conservation Plan") before construction is begun. "The Energy Conservation Law" was further amended in 2005 to include residences in the category of specified buildings. While standards had previously been in place regarding performance of thermal insulation and air-tightness of structures for the judgment of energy-efficient residences, in tandem with the requirement for submission of energy-conservation measures before beginning construction, extension or reconstruction of large-scale residences (2,000m^2 or more), the Energy-Conservation Judgment Standards have been strengthened to include such condominium facilities as elevators and lighting equipment. In the amendment of "The Energy Conservation Law" in 2008, the scope of the specified buildings was extended to include residences and other buildings with floor space of 300 m^2 or more, resulting in substantial expansion of the scope of the buildings subject to the reporting requirement and, at the same time, residential construction companies that construct 150 or more houses for sale, per year, are obligated to make energy saving efforts. ("Top-runner" system of housing)

The revision of the energy-efficiency standards in 2013, which introduced the concept of the primary energy consumption, allow the comprehensive assessment of thermal insulation performance and equipment performance and, simultaneously, the assessment of energy-creating efforts, such as those through solar power generation.

Most recently, the "Act for the Improvement of Energy Saving Performance of Buildings" was issued in 2015. As a regulatory measure (enforced in April, 2017), this act makes it compulsory to assess the conformity for buildings with specific sizes, other than housing, and to assure the effectiveness of the act of obligation to conform by linking this with building confirmation and inspection. In addition, as a guidance measure (enforced in April, 2016), a certification system for buildings with superior energy-saving performance and a labeling system were put in place.

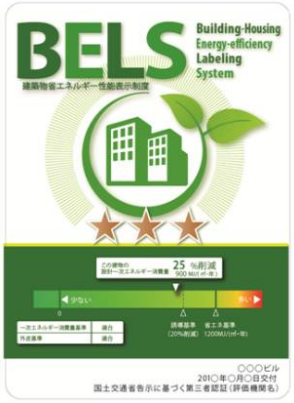
2) Promotion of assessment and indication of energy-efficiency performance, and others of housing and other buildings

a. Building-Housing Energy-efficiency Labeling System based on the Act for the Improvement of the Energy Saving Performance of Buildings

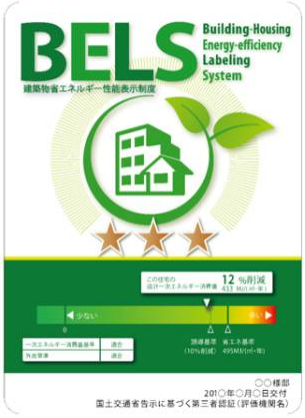
Article 36 of the Act stipulates that when building owners receive certification from the competent government authority, indicating that the building complies with the Energy Saving Performance Standards, they can display that information (certification mark). In addition, Article 7 of the Act stipulates the obligation of sellers and lessors of real estate to make all efforts to indicate the Building-Housing Energy-efficiency Labeling System. This promotes the spread of the use of the "BELS: Building - Housing Energy - efficiency Labeling System", which is a third party certificate for the energy-efficiency labeling.

F3-2-16: Image of the BELS

Buildings and Complex buildings (non-residential)



Detached house and Apartments



b. Housing Performance Indications under the Housing Quality Assurance Act

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

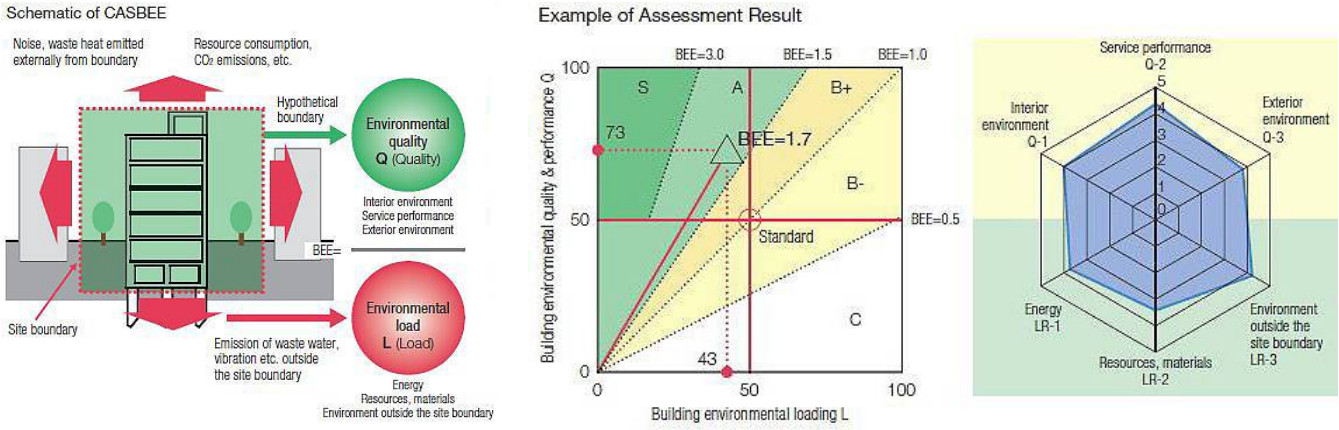
c. The development and promotion of CASBEE

To promote the supply of buildings with superior environmental performance in the market, a consortium of entities from 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 assess buildings from two perspectives-enhancing interior environmental quality and performance, and reducing environmental loadings through energy conservation, also it presents its findings in an easy to understand format.

Various tools are steadily being provided to allow the use of CASBEE in evaluating building environmental performance in a range of scenarios, from new construction, existing buildings and renovation. Efforts are also being made to strengthen assessments of life cycle CO_2 as part of measures to cope with global warming.

In the area of local government building-administration, there has been a growing trend in recent years to require building owners to seek comprehensive environmental performance assessments of their buildings. Twenty-four local governments have introduced programs that employ CASBEE as one of the requirements for approval. These programs are; permission requirements for an Integral Designing System under the "The Building Standard Law", and the adoption of requirements for projects granted by local governments, certification of system results, and making of preferential interest rates available in tie-ups with private financial institutions, etc. There are high expectations for many local governments to promote the use of CASBEE in the future as they adapt it to the characteristics of their own regions.

Figure 3-2-17: Schematic of the Comprehensive Assessment System for Built Environmental Efficiency (CASBEE)



3) Use of Tax System to Encourage Construction of Energy-Efficient Housing (Taxation Systems Relating to Energy-Efficiency Retrofits)

A tax deduction scheme for income tax and fixed asset taxes is in place for improvement of energy-efficiency retrofits. (See Table 3-2-3 and P79 "4. Housing Tax Systems")

Table 3-2-3: Taxation Systems Relating to Energy Efficiency Retrofits of Housing (Income Tax, Fixed-property Tax)

<Income Tax Deduction>

	a. Investment-Based Tax Reductions	b. Loan-Based Tax Reductions
Eligible projects	ⅰ. Renovation work on all windows in all habitable rooms ⅱ. Heat insulation of flooring ⅲ. Heat insulation of ceilings ⅳ. Heat insulation of walls ⅴ. Installation of solar power generation equipment ⅵ. Installation work for high-efficiency air- conditioning system; installation work for high efficiency hot water supplying system; installation work for solar-heat utilization * Projects in Categories ⅱ through ⅵ are only eligible when carried out together Category ⅰ projects. (ⅵ will be started at April 2014) * Projects in Categories ⅰ through ⅳ must meet or exceed the 2016 standards, and Category ⅴ and ⅵ projects must be of a specified type.	ⅰ. Renovation work on all windows in all habitable rooms ⅱ. Heat insulation of flooring ⅲ. Heat insulation of ceilings ⅳ. Heat insulation of walls ⅴ. Extension and reconstruction except ⅰ through ⅳ * Category ⅰ project must meet or exceed the energy conservation standard (2016). * Projects in Categories ⅱ through ⅳ are eligible only when carried out together with Category ⅰ projects and the improved parts have performance above the energy efficiency standard (2016). * Category ⅴ project is only eligible when carried out together Category ⅰ projects
	* In the Category I project, if a house has a certain energy efficiency performance after renovation work, renovation work on some windows in habitable rooms is also eligible for tax reduction from FY2017.	

Deductions	[Until March 2014] An amount equivalent to 10% of the actual cost or standard cost of energy efficiency retrofits, whichever is lower (maximum: ¥2 million, or ¥3 million if solar power generation equipment is installed) [Between Apr. 2014 and June 2019] An amount equivalent to 10% of standard cost of energy efficiency retrofits (maximum: ¥2.5 million, or ¥3.5 million if solar power generation equipment is installed) * It is necessary to calculate the "standard cost" of the renovations.	ⅰ. 2% of year-end balance of loans used for specified energy efficiency retrofits (*Note) up a maximum of ¥2 million (a maximum of ¥2.5million, between Apr. 2014 and June 2019) (5 years) ⅱ. 1% of the year-end balance of loans for retrofit work and renovations other than those in Category ⅰ (up to a maximum of ¥10 million, including the total for Category ⅰ) (5 years) *Note: It must be shown that renovations will improve the energy efficiency of the entire house up to current energy efficiency standards (2016).
Issuer of certification	・A *Kenchikushi* (licensed architect) working for an architectural firm ・A registered housing performance evaluation organization ・A designated confirmation and inspection body ・Housing defect liability insurance corporation	・A *Kenchikushi* (licensed architect) working for an architectural firm ・A registered housing performance evaluation organization ・A designated confirmation and inspection body ・Housing defect liability insurance corporation
Availability	From April 1, 2009 to December 31,2021	From April1, 2008 to December 31,2021

<Fixed-property Tax Deduction>

c. Tax Incentives for Energy Efficiency Retrofits
Where energy conservation renovation work is carried out in a dwelling that existed on or before January 1, 2008 (excluding rental housing), fixed-property tax on that dwelling will be reduced by one-third in the following year.

4) Subsidy Systems

a. Project to Promote Utilization of Environment and the Stock

Supporting leading projects that contribute to dissemination/awareness development of leading technologies concerning sustainable housing and buildings, and advanced activities, etc. concerning renovation to facilitate energy saving in existing buildings and long-life in existing housing. (¥10.221 billion in the FY2018 budget)

① Leading projects for sustainable buildings, etc.

Support for housing and building projects that provide leading technology contributing to following things in design, equipment, operation system, etc.; energy conservation, CO2 reduction, promotion of wooden construction, low-carbon housing/buildings using building technology and creativity for wooden housing that is suited to the climate and the natural features where it is located, healthy, continuity in case of disaster, measures against the declining birthrate, crime prevention, long-life buildings, etc.

[Major objects of subsidization] Expenses to be spent on improvement of built structures for the leading technology, on verification of the results, and others

[Subsidization rate] One-half

② Energy-saving promotion projects for existing buildings

Support for a building repairs that contribute to energy-saving by more than 15% throughout the whole building and that meet the energy-saving performance standards after repairs. If barrier-free construction is undertaken, it must be done in conjunction with energy saving repairs in order to receive a subsidy.

[Major objects of subsidization] Expenses to be spent on renovation construction for energy saving and barrier-free, on verification of the results, and others

[Subsidization rate] One-third

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

To give support to long-life quality housing renovations aimed at improving the housing stock quality, such as the measures to counter deterioration of existing housing and the improvement of their energy-efficiency performance. (¥42 billion in the FY2018 budget)

[Major objects of subsidization] Expenses to be spent on renovation work to improve housing performance, expenses to be spent on inspection, expenses to be spent on preparation of history of renovation and plans pertaining to maintenance, and others

[Subsidization rate] One-third (upper limit of ¥1 million subsidy per housing-unit, and others)

c. Regional residence-greening projects

Support for the development of wooden housing / buildings with excellent energy performance, durability, etc. through a system of collaboration with material suppliers, designers, contractors, etc. in order to improve the production system for wooden housing and to reduce environmental impact in local communities. (¥115 billion in the FY2018 budget)

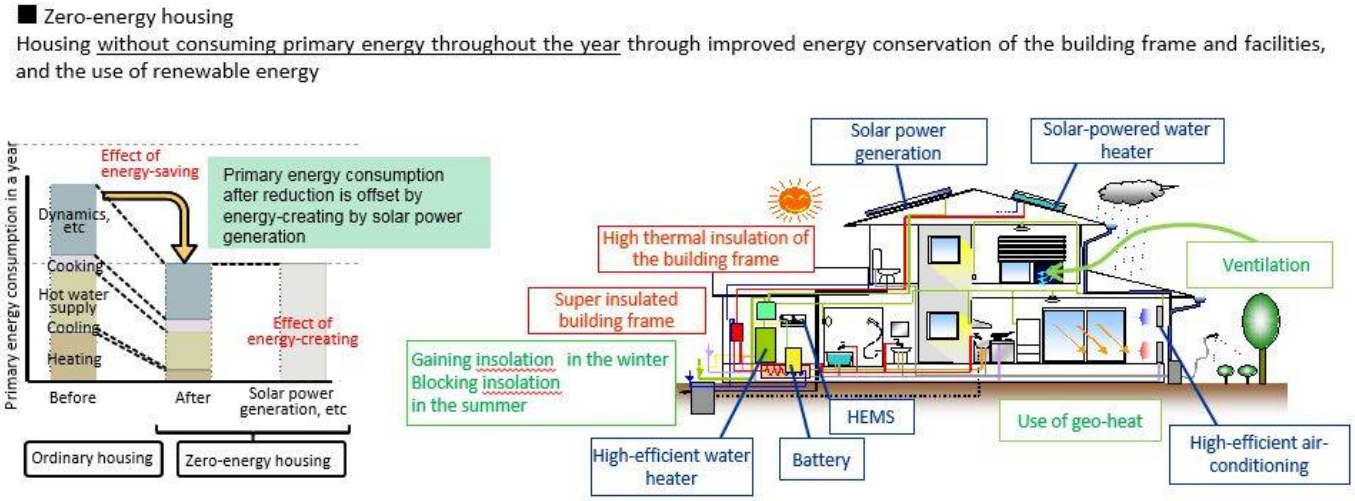
[Major objects of subsidization] (i) Long-life type: Amount equivalent to the additional cost required to construct long-life quality wooden housing. (ii) Advanced energy-saving type: Amount equivalent to the additional cost required to construct zero-energy housing, certified low-carbon housing or performance improvement plan certified housing. (iii) Quality building type: Amount equivalent to the additional cost required to construct wooden buildings with a designated quality, such as certified low-carbon building.

[Subsidization rate] One-half

d. Housing Loan Incentives for Energy Efficient Housing

When a housing that is superior in energy efficiency and others is acquired, the Japan Housing Finance Agency (JHF) makes a reduction of interest rates of Flat 35 for a certain period. Flat 35 is long-term, fixed-interest housing loans provided by JHF in cooperation with financial institutions of private sector.

Figure3-2-18: Image of Zero-Energy Housing Construction



(9) Promoting Wooden Housing

The Current Wooden Housing Situation

An opinion poll conducted by Japan's Cabinet Office underlined the deep-rooted demand for wooden housing in Japan when it revealed that approximately 80% of the respondents said they would choose wooden housing when building or purchasing their own homes.

In fact, wooden housing accounts for around 50% of total housing starts, but reaches around 80% when it comes to detached houses only.

An analysis of wooden-house producers shows that about 50% wooden housings in common post & beam construction are produced by small scale firms. Each firm supplies fewer than 50 units per year. However, the number of skilled carpenters, who play such an important role, has been decreasing in recent years.

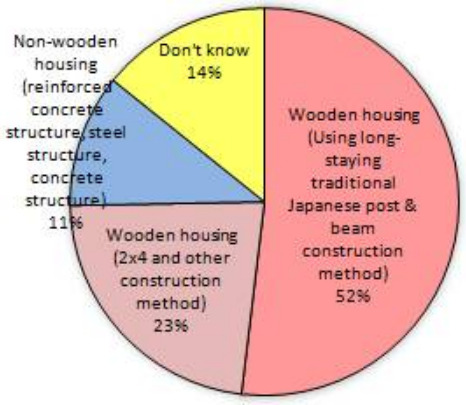
Measures to Promote Wooden Housing

Relevant legislation in the form of "The Basic Act for Housing" sees wooden housing promotion measures as part of the "formation of a favorable living environment that matches the nature, history and culture of the regions," and calls for the "continuation and improvement of traditional techniques for using wood in housing construction." It also incorporates"training people with technical skills, etc" and "promotion of the supply of wooden housing" into basic plan for housing based on it.

More specifically, the government supports the activities of small- and medium-size construction firms, in cooperation with local wooden house producers; improvement of providing with wooden long-life quality housing, zero-energy housing and certificated low carbon-consuming buildings, promotion of improvement of leading wooden-construction methods and achieving a level of expertise in the theory and techniques necessary for carpenters engaged in production of wooden houses.

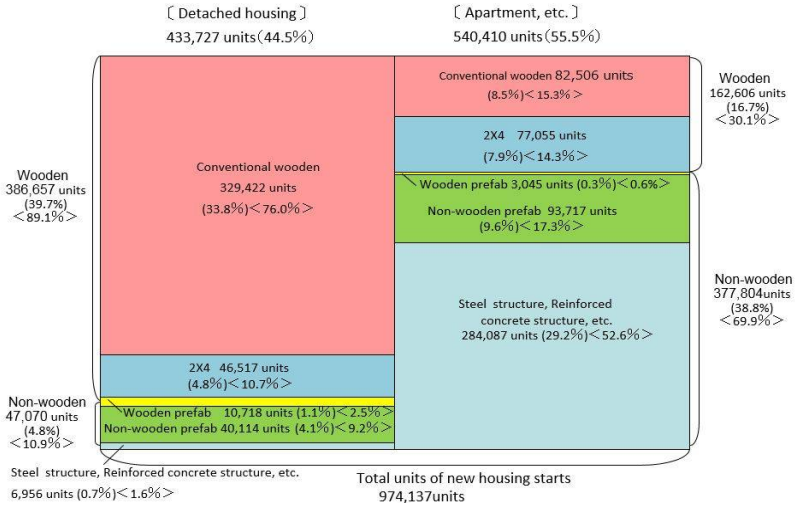
Local governments take the lead in using subsidies to promote comprehensive and systematic regional housing policies, including wooden housing promotion, while allowing maximum independence, creativity and initiative.

Figure 3-2-19: The Housing Needs of the Japanese People



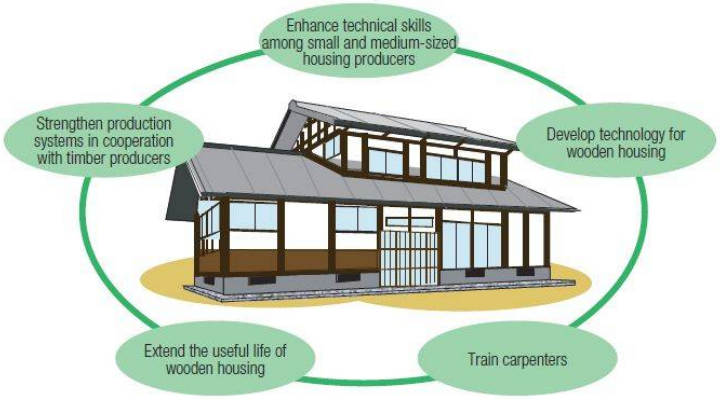
Source: Ministry of Agriculture, Forestry and Fisheries, *Survey of cyclical use of forest resources (2015)*

Figure 3-2-20: Types and Structures of Newly Built Housing (FY2016)



Notes: Figures in ( ) are percentages of total housing units. Figures in < > are percentages of total detached units, apartments, etc.
Sources: Ministry of Land, Infrastructure, Transport and Tourism (MLIT), *Statistical Survey of Housing Construction Starts (FY2016)*

Figure 3-2-21: Initiatives to Promote Wooden Housing



(10) Extending the Useful Life of Housing

Promoting Initiatives to Extend the Useful 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 measures to encourage initiatives to extend the useful life of housing.

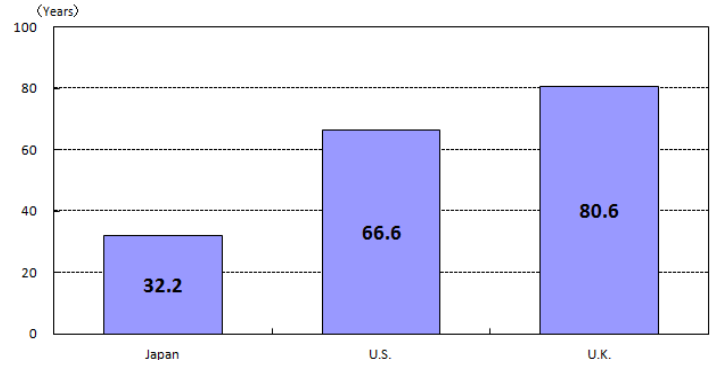
In light of the fact that the average actual age of demolished housing in Japan is about 30 years, it has become vital to use housing more carefully and for a longer time if the country is to become stock-based society.

To extend the useful life of housing, it is required to construct houses that boast excellent durability and that are easy to manage and maintain. At the same time, it is necessary to promote systematic inspections and repairs, and to allow smooth changes in interior décors and facilities in accordance with the daily lives of the inhabitants. It is also important to assist the secondary market of existing houses by development of the record maintenance system of housing information, such as records of how dwellings were built, maintained and managed, and improving information service methods on performance and quality of existing housing.

"The Act Concerning the Promotion of Long-Life Quality Housing" was promulgated on December 5, 2008 and came into force on June 4, 2009 as the core legislation relating to creation of systems for the approval of plans pertaining to the construction and maintenance of "Long-Life Quality Housing," which is defined as superior housing with features to support long-term use in good condition. The main focus of this law is to encourage the spread of Long-Life Quality Housing. Approved housing is eligible for exemptions from income taxes, etc. Other initiatives to promote the shift to long-life housing include the subsidized project for the development of long-life housing, the development of housing history records, and the improvement of housing finance.

The purpose of these initiatives is to create an environment in which people will feel confident that their houses are suitable for long-term residence, and in which they can enjoy enriched lifestyles commensurate with Japan's status as a mature society.

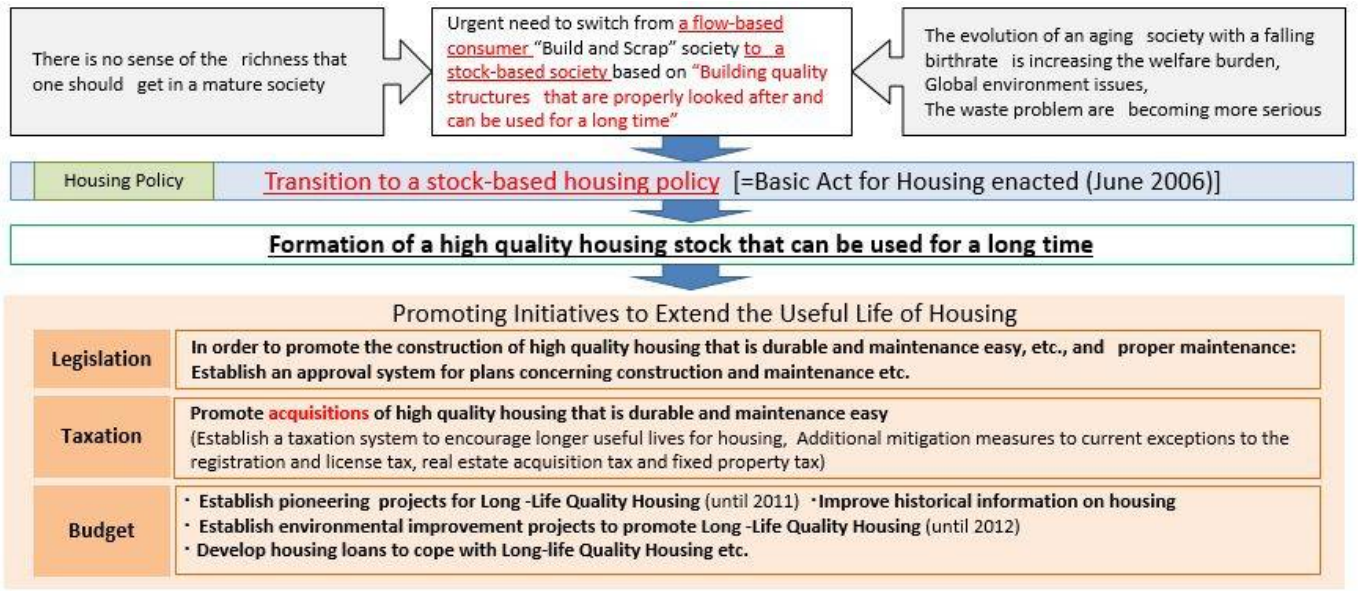
Figure 3-2-22: International Comparison of Average Years Elapsed before a House is Demolished



Sources:
Japan: Ministry of Internal Affairs and Communications, *Housing and Land Survey (2008 and 2013)*
U. S.: U.S. Census Bureau, *American Housing Survey (2003, 2009)*
U.K.: Department of Communities and Local Government, *2001/02, 2007/08 Survey of English Housing (2001, 2007)*

Note: The average years data is estimated by MLIT

Figure 3-2-23 Promote the Initiative to Extend the Useful Life of Housing



(11) Enhancing Earthquake Resistance of Housing and Buildings

Promote Earthquake-resistant Housing and Buildings

The government has set targets to achieve to have 95% of housing, and buildings that are used by the general public to be earthquake resistant by 2020, and to dissolve insufficient earthquake-resistant houses by 2025. Based on "The Act on the Promotion of Seismic Retrofitting of Buildings", seismic retrofitting is promoted through mandatory anti-seismic assessment report on large-scale buildings used by unspecified, large number of people, indication system of anti-seismic building performance, etc. Subsidy to promote seismic retrofitting of housing and buildings has been given for many years in such forms as the granting of Comprehensive Subsidies for Social Infrastructure Development. For FY2013, a new system was created to emphatically and urgently support work for buildings for which anti-seismic assessment is mandatory, in addition to ordinary support. A subsidy rate will be added for the buildings, whose anti-seismic assessment is mandatory until FY2018.

Figure 3-2-24: Overview of the Act on Promotion of Seismic Retrofitting of Buildings

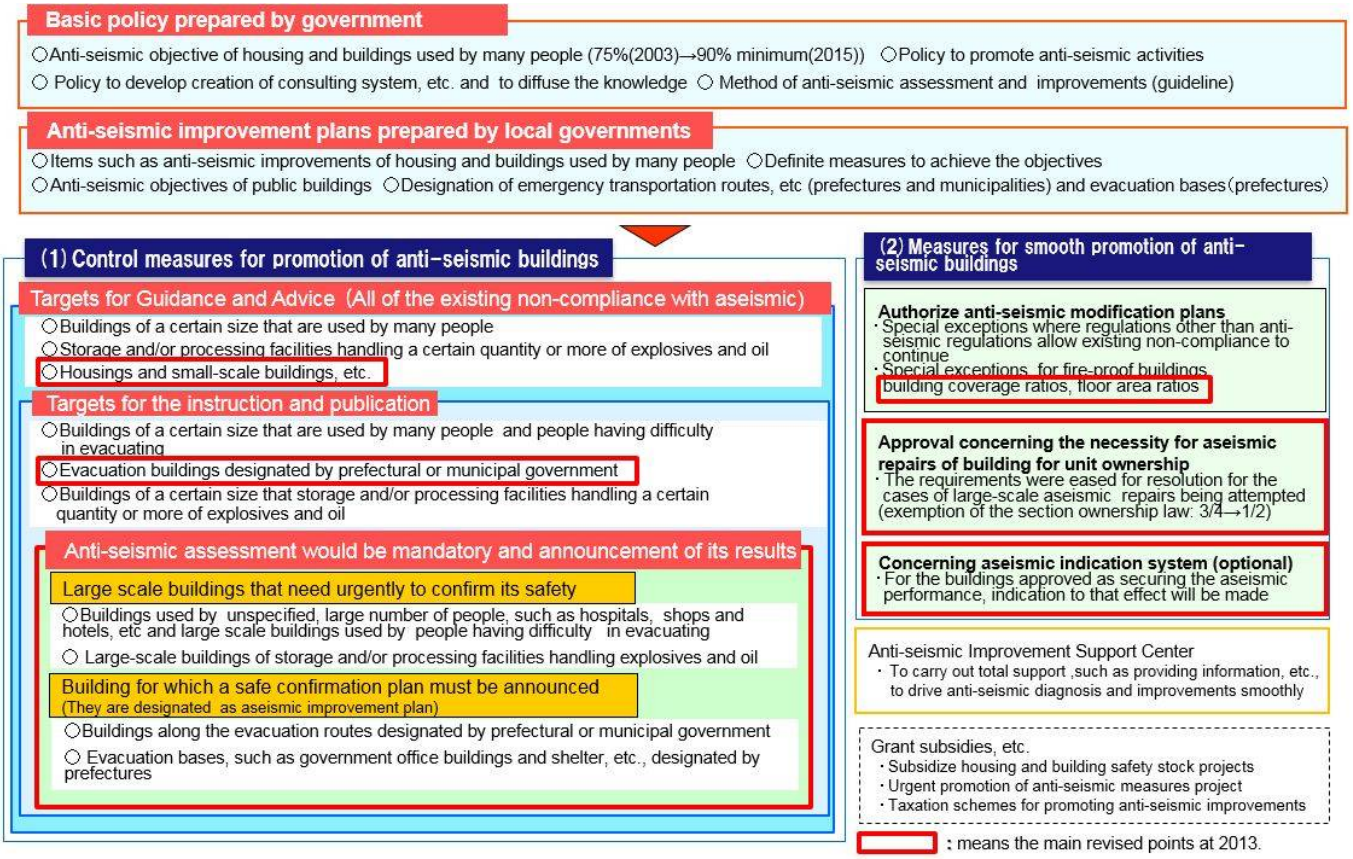


Table 3-2-4 Subsidy Criteria and Rates for Safe Housing and Building Stock Formation Projects (Aseismic Category) (As of April 1, 2017)

* Core project such as comprehensive subsidies for social infrastructure development, etc.

<table>
<tr><th colspan="2"></th><th>Housing (Including Collective Housing)</th><th>Government Buildings, etc.</th></tr>
<tr><td colspan="2">Anti-seismic diagnoses</td><td>●Subsidy rate
【Implemented by private sector】
central government：1/3
local government：1/3
【Implemented by local government】
central government：1/2</td><td>●Subsidy rate
【Implemented by private sector】
central government：1/3, local government：1/3
【Implemented by local government】
central government：1/3
(buildings alongside evacuation routes designated by a prefectural or municipal government, disaster prevention centers designated by a prefectural government, or buildings alongside emergency vehicle routes：1/2)</td></tr>
<tr><td rowspan="4">Individual support</td><td rowspan="3">Anti-seismic Improvements, etc.
(*Rebuild and removal costs, which meet certain requirements are also eligible for subsidies)</td><td rowspan="2">Housing
●Regional requirements：N/A
●Subsidy rate
【Implemented by private sector】
central government：11.5%
local government：11.5%
【Implemented by local government】
central government：11.5%
*The detached house may receive subsidy either ① or ②
① 23% of the cost of seismic retrofit work
② the cost of seismic retrofit work;
less than ¥1 million, ¥200000,
¥1 million or more and less than ¥2 million, ¥300000,
¥2 million or more and less than ¥3 million, ¥500000,
more than ¥3 million, ¥700000</td><td>Buildings used by large numbers of people, etc.
(Department store which is more than 3 stories and more than 1,000m², etc.)
●Regional requirements：None
●Subsidy rate
【Implemented by private sector】
central government：11.5%, local government：11.5%
【Implemented by local government】
central government：11.5%
(Buildings used by large numbers of people designated by local government：1/3)</td></tr>
<tr><td>Disaster prevention bases of Buildings, etc. in evacuation areas
●Regional requirements：
Evacuation areas, etc., designated or scheduled to be designated in district disaster prevention plans
●Subsidy rate
【Implemented by private sector】
central government：1/3, local government：1/3
【Implemented by local government】
central government：1/3
(buildings alongside evacuation routes designated by a prefectural government or municipalities, disaster prevention centers designated by a prefectural government：2/5)</td></tr>
<tr><td colspan="2">Buildings alongside emergency transportation roads and evacuation roads (Limited for the building that is important for disaster prevention, such as densely built-up area and areas that would be damaged by tsunami flood, etc.)
●Regional requirements; Areas alongside emergency transportation routes or evacuation routes
●Subsidy rate
【Implemented by private sector】central government：1/3, local government：1/3
【Implemented by local government】central government：1/3
(disaster prevention centers, buildings alongside evacuation routes：2/5)</td></tr>
<tr><td colspan="2">Buildings alongside evacuation routes, etc.
●Regional requirements：Areas alongside evacuation routes, etc.
●Subsidy rate
【Implemented by private sector】central government：11.5%, local government：11.5%
【Implemented by local government】central government：11.5%</td></tr>
<tr><td></td><td>Planning, PR, etc.</td><td colspan="2">●Regional requirements
Projects based on initiatives stipulated in anti-seismic renovation promotion plans, etc.
(Plan formulation costs, anti-seismic improvement design costs, PR costs, real estate evaluation costs for loans subject to lump-sum repayment in the event of death, related administrative fees, etc.)
●Subsidy rate
【Implemented by private sector】central government：1/3, local government：1/3
【Implemented by local government】central government：1/2</td></tr>
<tr><td colspan="2">Package support</td><td>Housing except condominiums
● Local requirements: N/A
● Subject of grant
Sum of the cost of reinforcement design etc. and the cost of seismic retrofit work
● Amount of grant
Fixed amount of 1 million yen in total from the central and local governments (not exceeding 80% of the cost of seismic retrofit work)
● Eligible municipalities
Local governments that implement the following activities and verify / review the performance of activities every year.
①Activity to promote earthquake-proofing directly to housing owners by visiting them or other means.
②Activity to promote seismic retrofit for the housing units that received support of seismic diagnosis.
③Activity to improve technical capability of renovation contractors etc. and activity to facilitate contact from owners to contractors etc.
④Dissemination and awareness raising concerning need for earthquake-proofing</td><td>—</td></tr>
</table>

The Great Hanshin-Awaji Earthquake

• Outline 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 has suffered since WWII. The number of deaths exceeded 6,000 and the number of houses that were completely destroyed or half-destroyed amounted to about 250,000, and about 390,000 residential structures were partially destroyed. It also caused serious damage to transportation facilities, such as roads and railways, and critical urban infrastructure, such as electricity, gas and water supply.

• Restoration and reconstruction measures

The central and local governments set up headquarters to take necessary measures for immediate restoration and reconstruction the area, and energetically proceeded to support victims and to restore the urban infrastructure through Post-earthquake Quick Inspection of Damaged Buildings for earthquake-damaged buildings; the construction of about 50,000 emergency temporary housing units; and the establishment of "The Special Measures Act for Reconstruction of Disaster-stricken Urban Areas".

To ensure enough housing for people who lost their homes, Publicly-operated Housing was constructed quickly and on a massive scale; 73,000 houses were started in Hyogo Prefecture by Aug. 1996.

In parallel, support for housing reconstruction, etc. of disaster victims is still being promoted by extended loans from the GHLC (currently Japan Housing Finance Agency: JHF)

• 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 base of life, thus sufficient space is needed in environments.

Also urban design needs consideration for alternative urban functions, back-up systems and sufficient administrative capacity in the event of emergency. The earthquake-resistance quality of housing and buildings has also received a great deal of attention again, and "The Act on Promotion of Seismic Retrofitting of Buildings" has been enacted, by which the owner of a building that is used by many people is required to make an effort to get an anti-seismic assessment, etc.

Table 3-2-5: Outline of the Great Hanshin-Awaji Earthquake

Based on the "Hanshin-Awaji Earthquake announcement (definite news)" (2006. 5. 19. Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications official)

Outline of Earthquake (Japan Meteorological Agency)	Date occurred	5:46 a.m., on 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	16km
	Seismic intensity	M7.3
	Local seismic intensity	Presumably 7:* Presumably 6: Hyogo pref. Kobe City, Sumoto City Presumably 5: Kyoto pref. Kyoto City, Shiga pref. Hikone City, Hyogo pref. Toyooka City *Report of field examination by Japan Metrological Agency Hyogo pref. Kobe City: Takatori (Suma-ku), Ohashi (Nagata-ku), Daikai (Hyogo-ku), Sannomiya (Chuoku), Rokkomichi (Nada-ku), Sumiyoshi (Higashinada-ku), Ashiya City: Around Ashiya Station, Nishinomiya City: Syukugawa etc. Part of Takarazuka City, North of Awaji Island (Hokudan-cho, Ichinomiya-cho and Part of Tsuna-cho)
	Tsunami	No occurrence
Statistics	Earthquake Victims and Damage to Structures	Earthquake Victims; Deaths: 6,434, Missing: 3, Injured: 43,792 (Serious injury: 10,683, Minor injury: 33,109) Damage to housing Completely destroyed: 104,906 buildings, 186,175 households. Half destroyed: 144,274 buildings, 274,182 households Partially destroyed 390,506 buildings. Total 639,686 buildings Damage to non-housing Public buildings 1,579 buildings, Others 40,917 buildings Educational and Cultural Facilities 1,875 places, Roads 7,245 sections, Bridge 300 places, Rivers 774 sections, Landslips 347 sections, Block fences,etc.2468 places Water supply interrupted: approx. 1.3 million households *Ministry of Welfare Gas supply interrupted: approx. 860,000 households *Agency for Natural Resources and Energy Electric current interrupted: approx. 2.6 million households *Agency for Natural Resources and Energy Number of subscriber's telephone lines affected: over 300,000 *Ministry of Posts and Telecommunications *Water supply interrupted, Gas supply interrupted, electric current interrupted and subscriber's telephone lines affected is the peak time.
	Fire	Fire outbreaks Building fire 269 places, Vehicles fire 9 places, Others 15 places, Total 293 places Areas of destroyed by fire: 835,858 m²

use / burnt-out type	Hyogo	Except Hyogo			Total
		Housing	Non-housing		
			Public bld.	others	
Fully burned Total	7,035 buildings	1 buildings	0 buildings	0 buildings	7,036 buildings
Half burned	89 buildings	5 buildings	0 buildings	2 buildings	96 buildings
Partially burned	313 buildings	8 buildings	2 buildings	10 buildings	333 buildings
Small fires burned	97 buildings	6 buildings	1 buildings	5 buildings	109 buildings
Total	7,534 buildings	20 buildings	3 buildings	17 buildings	7,574 buildings

*Classification of Housing , Non-housing was unknown Suffering households: Hyogo-ken 8908 households, Except Hyogo-ken Fully collapsed 16 households, Half collapsed 6 households, Small collapsed 39 households Total 8,969 households

*Classification of Fully collapsed, Half collapsed and Small collapsed in Hyogo-ken was unknown

The Great East Japan Earthquake
• Outline of earthquake damage

Table3-2-6: Outline of the Great East Japan Earthquake
(Sept.8, 2017, Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications officials)
"The 2011 Off-the-Pacific-coast-of-Tohoku Earthquake (the Great East Japan Earthquake) announcement"

Outline of Earthquake (Japan Meteorological Agency)	Date occurred	14:46 p.m. March 11, 2011	
	Name	The 2011 off the Pacific coast of Tohoku Earthquake	
	Location of epicenter	Sanriku offshore (Lat. 38'' 1' E, 142'' 9' E)	
	Hypo central depth	24 km	
	Seismic intensity	M 9.0	
	Local seismic intensity (Maximum presumably upper weak 6)	Presumably 7	Miyagi pref. : Kurihara City
		Presumably strong 6	Miyagi pref.: Wakuya-cho, Tome City, Misatomachi, Osaki City, Natori city, Zaou-machi , Kawasaki-machi, Yamamoto-cho, Sendai city, Ishinomaki city, Shiogama City, Higashimatsushima City, Ohira-mura Fukushima pref.: Shirakawa City, Sukagawa City, Kunimi-machi, Kagamiishi-machi, Tenei-mura, Naraha-machi, Tomioka-machi, Okuma-machi, Futaba-machi, Namie-machi, Shinchi-machi Ibaraki pref.: Hitachi City, Takahagi City, Kasama City, Hitachiomiya City, Naka City, Cikusei City, Hokota City, Omitama City Tochigi pref.: Ohtawara City, Utsunomiya City, Moka City, Ichikai-machi, Takanezawa-machi
		Presumably weak 6	Iwate pref.: Ofunato City, Kamaichi City, Takizawa-mura, Yahaba-cho, Hanamaki City, Ichinoseki City, Oshu City, Fujisawa-cho Miyagi pref.: Kesennuma City, Minamisanriku-cho, Shiroishi City, Kakuda City, Iwanuma City, Ogawara-machi, Watari-cho, Matsushima-machi, Rifu-cho, Taiwa-cho, Osato-cho, Tomiya-machi 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 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 Tochigi pref.: Nasu-machi, Nasushiobara City, Haga-machi, Nasukarasuyama City, Nakagawa-machi Gunma pref.: Kiryu City Saitama pref.: Miyashiro-machi Chiba pref.: Narita City, Inzai City
	Tsunami	・Soma	Maximum wave 15:51 p.m. March 11, upper 9.3m *1
		・Ayukawa, Ishinomaki City	Maximum wave 15:26 p.m. March 11, upper 8.6m *1
		・Miyako	Maximum wave 15:26 p.m. March 11, upper 8.5m *1
		・Ofunato	Maximum wave 15:18 p.m. March 11, upper 8.0m *1
		・Hachinohe	Maximum wave 16:57 p.m. March 11, upper 4.2m *1
		・Kamaishi	Maximum wave 15:21 p.m. March 11, upper 4.2m *1
		・Oarai	Maximum wave 16:52 p.m. March 11, 4.0m
		・Shoya, Erimo–cho	Maximum wave 15:44 p.m. March 11, 3.5m
		*1: There are some periods for which we have no data because the observatory was damaged by the tsunami. So there is some possibility that higher tsunami waves had hit. (Meteorological Agency)	
Statistics	Earthquake Victims and Damage to Structures	Earthquake victims; Deaths: 19,575, Missing: 2,577, Injured: 6,230 Damage to housing Completely destroyed or lost: 121,776 buildings. Half destroyed: 280,326 buildings Partially destroyed: 744,269 buildings Inundation above ground floor level: 3,352 buildings Inundation under ground floor level: 10,230 buildings Damage to non-dwellings Public buildings: 14,562 buildings Others: 92,025 buildings Water supply interrupted: approx. 257,000 households *Ministry of Welfare Gas supply interrupted: approx. 40,000 households *Agency for Natural Resources and Energy Electricity interrupted: approx. 871,000 households *Agency for Natural Resources and Energy Number of subscriber's telephone lines affected: over 190,000 *Ministry of Posts and Telecommunications *The number of water supply interrupted, gas supply interrupted, electric current interrupted and subscriber's telephone lines affected is the peak time.	
	Fire	Fire outbreaks: 330 places （Hokkaido 4 places, Aomori pref. 11 places, Iwate pref. 33 places, Miyagi pref. 137 places, Akita pref. 1 places, Yamagata pref. 2 places, Fukushima pref. 38 places, Ibaraki pref. 31 places, Gunma pref. 2 places, Saitama pref. 12 places, Chiba pref. 18 places, Tokyo 35 places, Kanagawa pref. 6 places）	

Photo3-2-2: Damage from Tsunami

Photo3-2-3: Damage from Earthquake

•Situation of measures taken for recovery and rebuilding (to secure stability in housing for those who lost their housing)

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 for the securing of stability of housing for those who lost their housing. All-out efforts will be made continuously from now on for recovery and rebuilding in the affected areas and for the stability of the lives of the victims.

1) Securing of stability of housing of victims

a. Support for supply of publicly-operated housing in the affected areas

In an attempt to reduce the burden of local governments on their supply of disaster-relief publicly-operated housing, the rates of subsidies regarding the supply of housing and reduction of rents are raised. Furthermore, as special support measures, a new subsidy system was created regarding expenses that are required for the purchase and preparation of land for disaster-relief publicly-operated housing, expenses to further reduce rents for residents in disaster-relief publicly-operated housing for low income people and expenses for supplying quality rental housing of the disaster-recovery type. At the same time, special measures are taken regarding requirements for applicants to live in publicly-operated housing.

Table 3-2-7: Provision of disaster-relief publicly-operated housings and future outlook (As of September FY2017)

(number of households)

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Being adjusted*	Total
Iwate pref.		118	574	1,525	3,168	4,594	5,247	5,686	(0)	5,872
Miyagi pref.		50	1,343	5,288	9,812	13,784	15,433	15,849	(244)	16,093
Fukushima pref.	Tsunami and earthquake*	80	357	1,617	2,600	2,758	2,807	2,807	(0)	2,807
	Refugees from nuclear plant*	0	0	509	1,167	3,400	4,707	4,767	(123)	319
	Returnees*	-	-	-	0	68	283	293	(0)	319
Total		248	2,274	8,939	16,747	24,605	28,477	29,402	(367)	29,981

Source: Reconstruction Agency, *Roadmap of housing reconstruction* (As of the end of September, FY2017)

Notes: **Being adjusted* means that it is still planning improvement project, etc.

**Tsunami and earthquake* means disaster-relief publicly-operated housing for tsunami and earthquake victims. *Refugees from nuclear plant* means the same housing for refugees from nuclear plant and *Returnees* means the same housing for returnees who returned from escaped place.

Photo 3-2-4: Example of maintenance of disaster relief-public housing (Soma city, Fukushima pref.)

Photo 3-2-5: Example of maintenance of disaster relief-public housing (Otsuchi-cho, Iwate pref.)

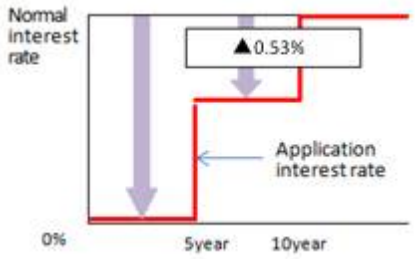
2) Support for self-rebuilding by the victims

a. Expansion of loans for the repairing and rebuilding of houses for restoration

In order to support housing reconstruction, etc. by disaster victims, such measures as reducing loan interest rates and the prolongation of the periods of deferment are made regarding loans for rebuilding of houses affected by the disaster. These are granted by the Japan Housing Finance Agency and, in addition, loans for land for rebuilding housing as a result of the disaster have been implemented as support to cover the cases of disaster affected housing and land.

Figure 3-2-25: Image of reduction of loan interest rates on basic loans made for disaster restoration housing (construction or purchase) and examples of repayments

■Image of reduction of loan interest rate



The first 5 years: 0%
6 to 10 years: approximately 0.53% reduction from normal interest rate
After 11 years: normal interest rate

■Example of repayment

Loan amount	Repayment amount			Total interest expenses
	First 5 years	6 to 10 years	After 11 years	
¥20,000,000	¥0 (0%)	¥48,459 (0.10%)	¥52,403 (0.63%)	¥1,772,518

<Premise>
・Basic loan amount: ¥20,000,000（construction fee + buying land cost）
・Do not use special adding amount
・( ) means applying the basic loan interest rate (the example at the time of March 31, 2017)
・Repayment period is 40 years (the principal will remain the same for the first 5 years)
・Equal monthly payments with interest

b. Expansion of the special treatment for repayment by victims who have been granted loans from the Japan Housing Finance Agency

For disaster victims who have been granted loans from the Japan Housing Finance Agency (JHF) (including former GHLC finance and Flat 35 Purchase Program), implementation has been carried out for special treatment, which means the postponement of payment or repayment for up to five years, and reduction of interest rates during the grace period.

For the victims of the Great East Japan Earthquake, there has been much very generous assistance from other countries.

Please visit the following websites to see details regarding the situation resulting from the March 2011 disasters, and actions that are being 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
Reconstruction Agency：http://www.reconstruction.go.jp/english/topics/links/

3. Environmental Improvement in Urban Areas

(1) Development of Urban Residential Areas

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

Depending on local characteristics, a variety of project methods are used to improve these areas. Some projects are designed to create good urban environments, supply of comfortable urban housing and improve residential environments and facilities, while others seek to improve the ability of areas to withstand disasters. Described below are four representative examples of these projects.

Urban Renewal Project

<Objectives of the project>

Based on "The Urban Renewal Act", which was enacted in 1967, this project is 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-proof 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, thus becoming resistant to earthquakes and fires.

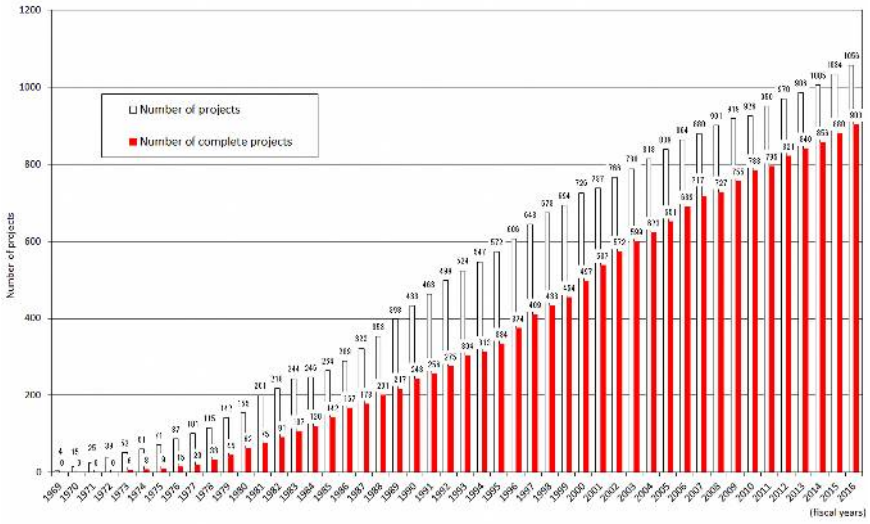
<Implementing bodies of the project>

Implementing bodies may be public organizations, such as local governments, Urban Renaissance Agency, and Local Housing Supply Corporations; urban renewal cooperatives consisting of landowners, leaseholders and others; renewal companies, or individuals.

<Project system>

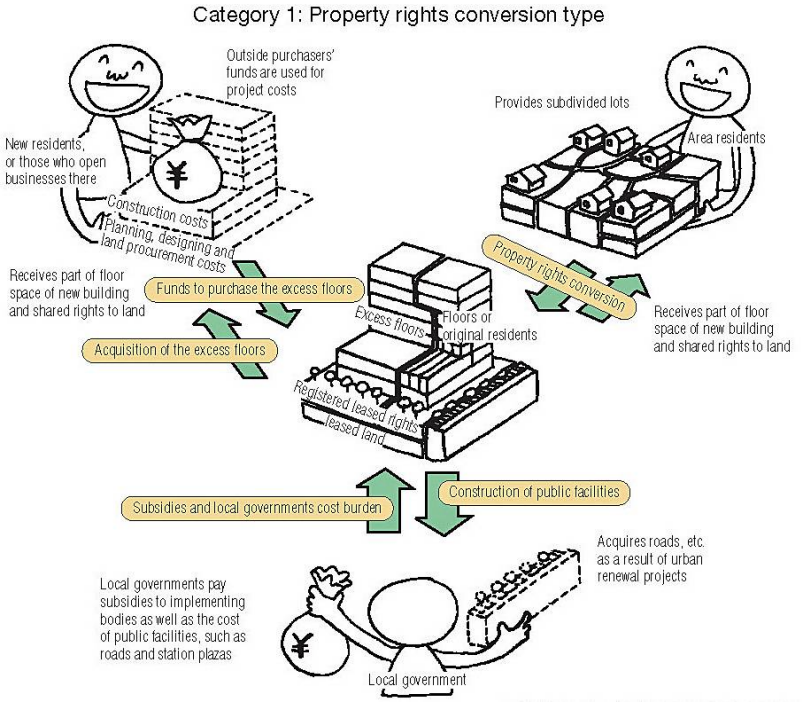
Funds required for implementing the projects, such as construction cost of buildings and public facilities, are covered by; revenue from selling the excess floors produced by intensive use of land; funds paid by local governments for the cost of public facilities such as roads and public squares that are brought about as a result of renewal; and subsidies from the central and local governments. The previous rights to land and buildings are converted to rights to part of the floor space of the new building and shared rights to the land. Therefore, those who have been doing business or living in the district, in principle, occupy the newly-built one (Property rights conversion type: Category Ⅰ). There is another measure where the implementing body expropriates all the land and buildings first, then sells them back preferably to the former owners after completion (Preferential sale to former owner's type: Category Ⅱ)

Figure 3-3-1: Area and Number of Urban Renewal Projects by Implementing Body



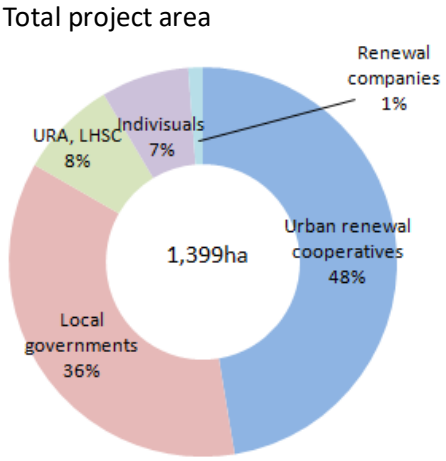
Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

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



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

Figure3-3-3: Urban Renewal Project area by implementing body
(Statistics from FY1970 through FY2012)



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

Figure3-3-4: Example of Revenue and expenditure of Urban Renewal Project
(Hikifune Station Front District: Type 1 Urban Renewal Project, Implemented by the UR)

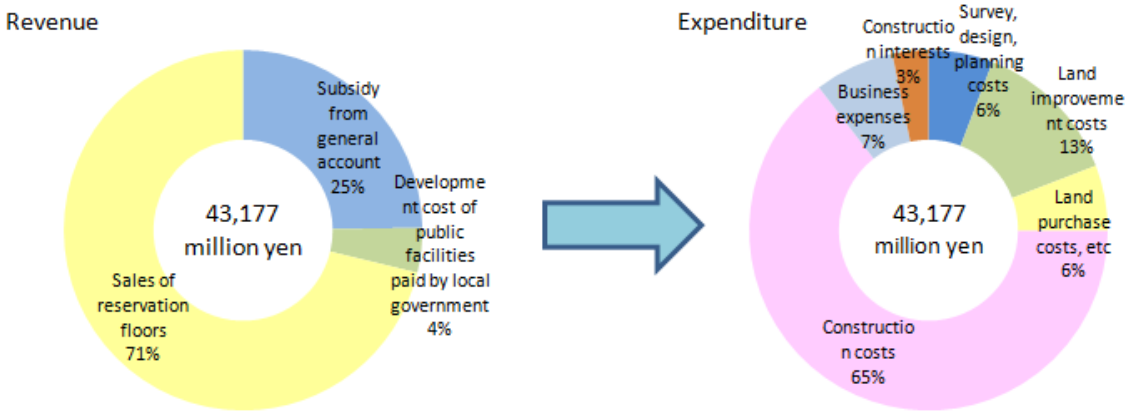


Photo 3-3-1: Hikifune Station Front District

Before

After

Comprehensive Urban Residential Improvement Projects

<Project objectives>

Comprehensive urban residential improvement projects target existing urban areas. Their objectives include the creation of comfortable residential environments, the renewal of urban functions, the improvement of densely inhabited areas, the promotion of urban living and renewal of housing complex.

<Contents of the project>

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

1) Improvement Project for Densely Inhabited Areas

Methods used to improve housing and living environments, disaster prevention, etc. including the improvement to provide public facilities, and to encourage the demolition and replacement of dilapidated housing at densely inhabited area.

2) Localized Development Projects

The objective of projects are creation of sustainable living environments and remodeling of city functions, etc. in existing urban areas, especially in major cities. Activities include the improvement of public facilities and the supply of quality housing.

3) Inner-City Residential Renewal Projects

The aim of these projects is to improve relocation to central city areas. Measures include the development of public facilities and the supply of quality housing.

4) Housing complex stock-utilization Projects

Aim to revitalize housing complexes, where a rapid aging of residents as well as increase in the number of vacant units, etc. are expected, through comprehensive supports toward the development of life-supporting facilities, etc. for aged/child-rearing households by using existing stock, and remodeling projects, etc. to promote move-in of young households.

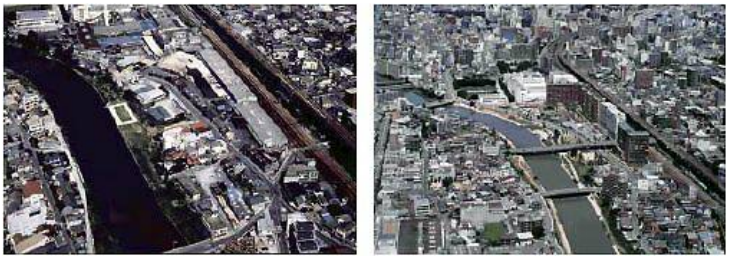
Facilitators of this project consist of local governments, Urban Renaissance Agency, local housing corporations, private-sector operators, etc. The national government pays the following costs for them:

a. Preparation of development plans
b. Provision of housing and living support facilities, etc.
c. Provision of public facilities; roads, parks, etc.

Photo 3-3-2: Ikeda-Otoshi District, Neyagawa City (Comprehensive Urban Residential Area Improvement Project, Improvement of Densely-Inhabited Residential District)

Before　　After

Photo 3-3-3: Nakagawa Riverside District (Comprehensive Urban Residential Area Improvement Project, Localized Development Project)



Before　　After

Comprehensive disaster prevention project for densely built-up areas

<Project objectives>

Comprehensive environmental development is promoted for densely built-up areas where aging is rapidly progressing, such as development of life support functions, e.g. child-rearing support facilities and welfare facilities, in order to promote the lifestyles of various households as well as disaster prevention measures.

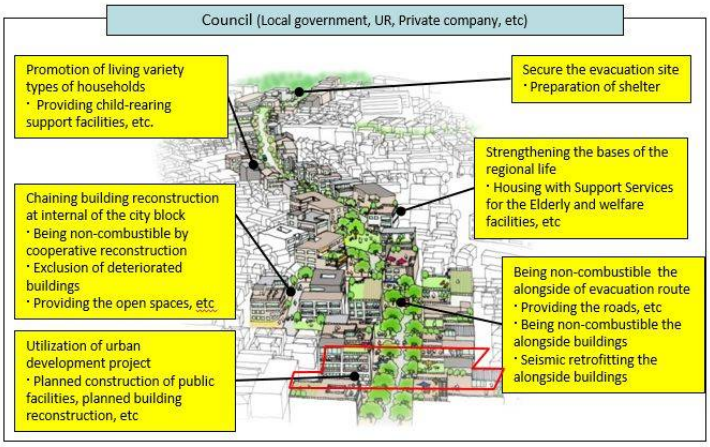
<Contents of the project>

This is a project for local governments to implement comprehensive environmental development of densely built-up areas by organizing a conference in each area and promoting / developing life-support functions etc., such as child-rearing support facilities, housing for the elderly, including support services, and welfare facilities, while promoting disaster prevention measures.

Facilitators of this project consist of local governments, Urban Renaissance Agency, local housing corporations, private-sector operators, etc. The national government pays the following costs for them.

a. Preparation of development plans
b. Provision of housing and living support facilities, etc.
c. Provision of public facilities; roads, parks, etc.

Figure3-3-5: Image of comprehensive disaster prevention project for densely built-up areas



Townscape Improvement Projects

<Project objectives>

The townscape improvement project aims to develop residential areas with plenty of space and comfort in areas where development / improvement of housing environment is necessary.

<Contents of the project>

These projects are implemented by local governments and residents who have signed community development agreements. They involve various measures to develop and improve communities, including the renovation work to enhance the exterior appearance of houses, the installation of underground power and telephone cables, and the provision of roads, public squares and other community facilities.

Project participants include local governments and residents. The central government provides subsidies for certain costs, such as the following items:

a. Association activities
b. Preparation of development plans
c. Provision of public facilities
d. Renovation work to enhance the exterior appearance of houses, etc.

Photo3-3-4: Chofu District, Shimonoseki City (Townscape Improvement Project)

Before　　After

Blighted Residential Area Renewal Project

<Project objectives>

This project is carried out based on "The Residential Area Improvement Act". It aims to renew densely-built dilapidated housing areas. This is a slum clearance type project which strives to improve the living environment and promote a massive construction of housing that ensures healthy and culturally satisfying living conditions.

<Project procedure>

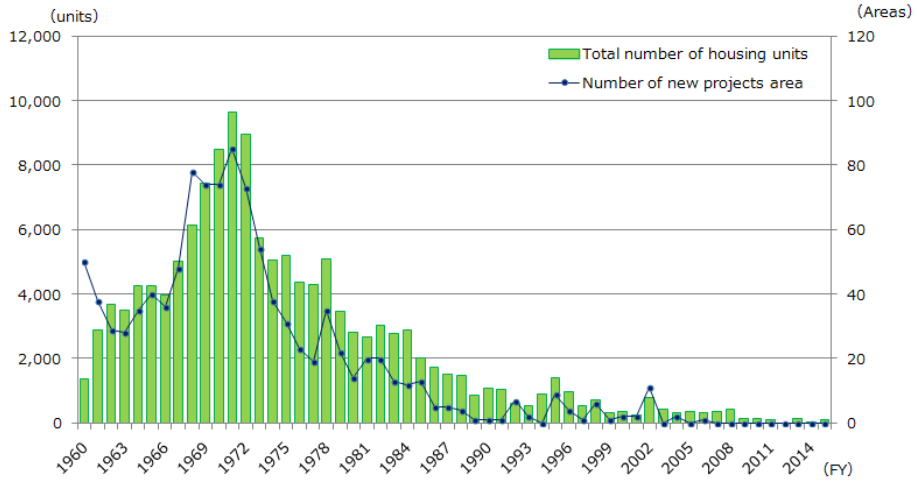
A local government implements a project with central government subsidy in the following procedures, as prescribed by the above act:

a. Purchase and demolition of dilapidated housing
b. Land procurement (Purchase of land, etc.); site procurement; change of location of buildings other than dilapidated housing; development of public facilities, such as roads, parks and meeting rooms.
c. Construction of renewal housing for previous residents (mainly of rental housing, but housing can also be built for sale)
d. Installation of temporary housing with regard to the above (a) and (b), if the property owner does not consent to the sale of his dilapidated housing and land, the Act enables the implementers to expropriate the property.

<Achievement of the project>

A total of approximately 137,000 housing units were constructed by this project from FY1960 through FY2015.

Figure3-3-6: Number of housing units and area of Blighted Residential Area Renewal Project



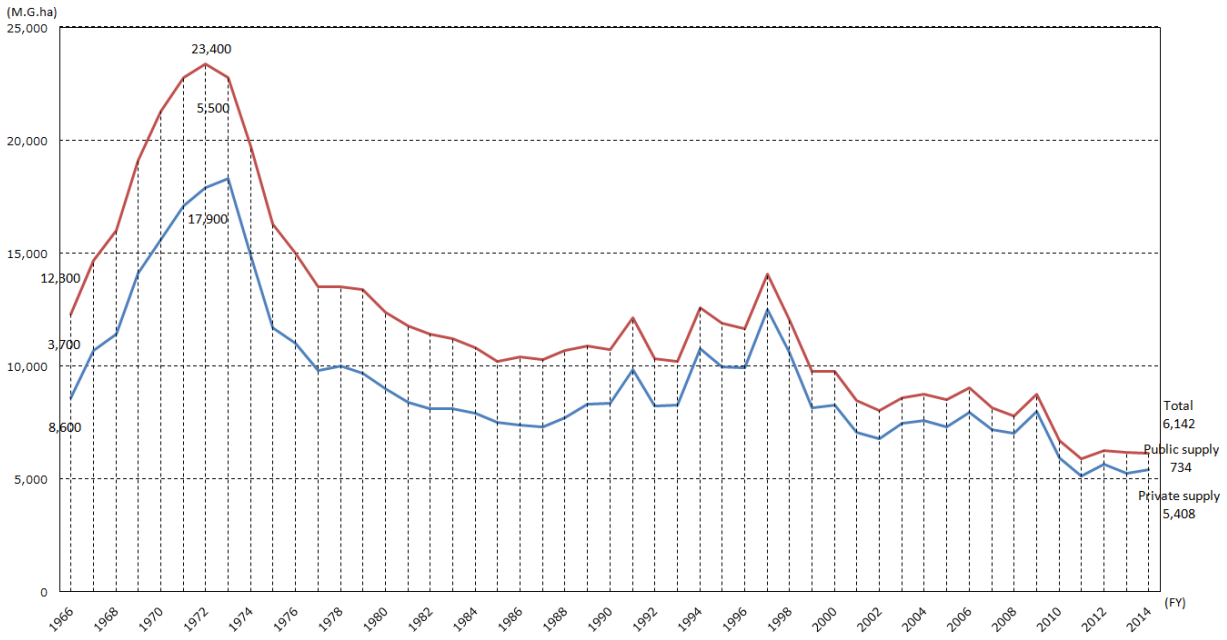
Source: Ministry of Land, Infrastructure, Transport and Tourism

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

Trends in the Supply of Land for Housing

In FY2014, the total area of land supplied for housing was 6,142ha, of which the government supplied 734ha and the private sector 5,408ha.

Figure3-3-7: Changes in supply of residential land



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

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

2. "Public supply" refers to land supplied by the public sector such as the URA, local government and others, including land supplied through Land Readjustment Projects carried out by these organizations

3. "Private supply" refers to land supplied by the private sector such as private developers and landowners, including land supplied through Land Readjustment Projecs by cooperations.

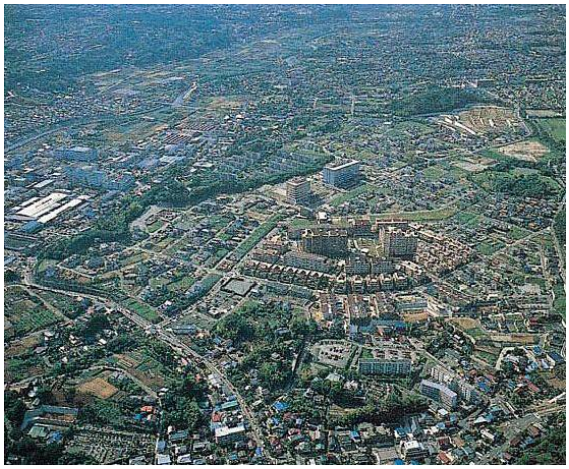
4. For Iwate Prefecture, Miyagi Prefecture, and Fukushima Prefecture, the amount of residential land provided from FY2011 to FY2014, the area converted from agricultural land to residential land ("Transfer and change of Agricultural Land" investigated by the Ministry of Agriculture, Forestry and Fisheries) is aggregated.

New Town Construction

The concentration of population in major cities during Japan's period of high economic growth created a need for the systematic supply of large areas of land for housing. Since the 1960s, major new towns have been built on the outskirts of major cities through new residential town development projects and land readjustment projects. The central 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 major residential cities (cities with populations of several hundred-thousand) 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 Residential Town Development Projects

New residential town development projects are implemented under "The New Residential Town Development Act", which was enacted in 1963. Their purpose is to develop healthy urban residential communities near urban residential areas in which the demand for housing is especially high, and to provide substantial amounts of land for housing with good residential environments. The organizations that implement these projects, including local governments and local housing supply corporations, purchase entire target areas and develop residential towns.

• Land Readjustment Projects

Land readjustment projects are carried out under "The Land Readjustment Act" to develop and improve public facilities and facilitate the use of land for housing. Land substitution is used to achieve various goals, including the creation or modification of roads, parks and other public facilities, and the reshaping of lots. Benefits include the formation of healthy urban areas and the supply of quality land for housing. These projects have been carried out by various entities, including individual landowners, land readjustment cooperatives formed by landowners and others, local governments, the Urban Renaissance Agency, and Local Housing Supply Corporations.

• Urban Residential Area Infrastructure Improvement Projects

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

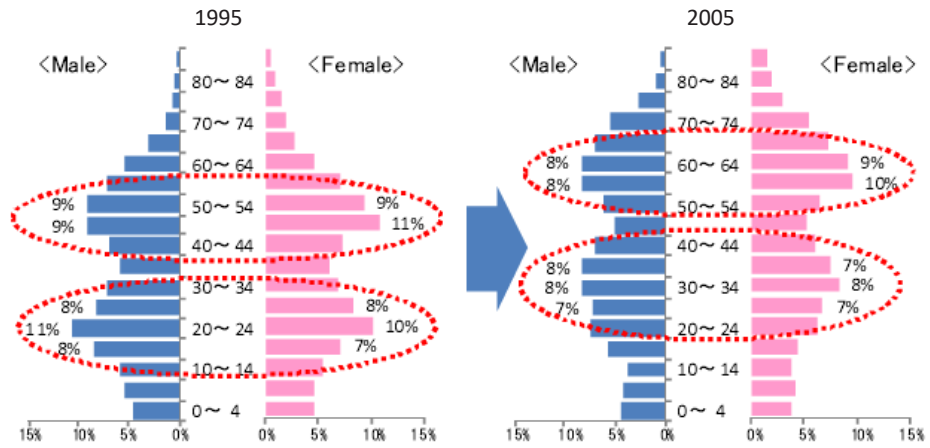
New Town Regeneration

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 Tax Systems

Main Types of Housing-Related Taxation in Japan

The following taxes are currently applied to housing, including the acquisition and maintenance of houses, in Japan. The information described in this section is as of February FY2017.

• Acquisition

1) Stamp duty (national tax)

· An amount based on the value stipulated in contracts, such as real estate sale agreements

2) Registration and license tax (national tax)

· Ownership maintenance registration: 4/1000 of appraisal value
· Ownership transfer registration: 20/1000 of appraisal value
· Mortgage settlement registration: 4/1000 of loan

3) Real estate acquisition tax (local tax)

· 4/100 of appraisal value (standard tax rate, based on fixed asset valuation)

4) Consumption tax (national/local tax)

· 8/100 of sale price, etc., of houses (including 1.7/100 for local consumption tax)
· Land sales exempt from taxation
· Rents on rental housing are exempt

• Maintenance

1) Fixed-property tax (local tax)

· 1.4/100 of fixed property value (standard tax rate)

2) Urban planning tax (local tax)

· 0.3/100 of fixed property value (maximum tax rate)

Special Measures Pertaining to Housing-Related Taxes

A variety of special measures have been established in Japan concerning taxes applied at various stages, including acquisition and maintenance of housing. These are various reasons for these measures, such as the improvement of residential living standards by encouraging housing acquisition and the formation of quality housing stock. The main measures are as follows:

• Special Measures Relating to Acquisition

1) Tax relief for housing loans (income tax, individual inhabitant tax)

When a housing loan[*1] with a repayment period of 10 years or longer is obtained from a financial institution or other lender for the purpose of building, acquiring or improving housing, etc[*2]. 1% of the outstanding balance of the loan (a maximum of ¥5,000,000[*3] for Long-Life Quality Housing) can be deducted from income taxes over a 10-year period from the first year of occupancy. If there is an amount that cannot be deducted from the income tax for the preceding year, such amount can be deducted from the individual residence tax for the next year. However, these deductions are only available to persons with annual incomes not exceeding a specified amount.

[*1] This system is applied to the total amount of a housing loan used to purchase a site acquired together with a house.

[*2] The cost of improvements that exceed ¥1 million for addition and renovations of housing, anti-seismic retrofitting, barrier-free retrofitting, energy-efficiency retrofitting, etc.

[*3] In the case of acquisition of existing housing by buying and selling among individuals (consumption tax is exempt), the maximum amount to be deducted shall be 2 million yen.

2) Registration and licensing tax reductions

The following reduced rates are available for registration and license taxes on residences.

① Ownership maintenance registration: 1.5/1000 (Long-Life Quality Housing: 1/1000) (normally 4/1000)
② Ownership transfer registration: 3/1000 (Long-Life Quality Housing: 2/1000(detached house) or 1/1000(apartment)) (normally 20/1000)
③ Mortgage settlement registration: 1/1000 (normally 4/1000)

3) Real estate acquisition tax reductions

· The following reduced tax rates can be applied to real estate acquisition taxes pertaining to the acquisition of houses.

① Examples of special measures relating to standard taxable amounts
i) Newly built houses: ¥12 million (Long-Life Quality Housing: ¥13 million) deducted from standard taxable amount
ii) Existing housing: Specific amount (maximum of ¥12 million, based on year of construction) deducted from standard taxable amount
② Reduction of tax rate to 3/100 (normally 4/100)

· The following reductions in real estate acquisition tax are applied to the acquisition of land for housing.
① Reduction of standard taxable amount by one-half
② Reduction of taxation rate to 3/100 (normally 4/100)
③ Deduction of amount calculated using specific formula from the amount of tax payable

• Special Measures Relating to Retrofitting Work

1) Tax measures to facilitate seismic retrofitting of existing housing

If an individual meeting certain requirements has made changes to improve seismic retrofitting of existing housing that is used for his/her own dwelling within the specific term, the individual can deduct 10% of the cost (a maximum of ¥250,000) from their income tax. Also, fixed-property tax is deducted by 50% for the fiscal year after the retrofitting work. (With upper limits)

2) Tax measures to facilitate barrier-free retrofitting of existing housing

Specified persons*1 who carry out specified barrier-free retrofitting*2 in housing that is used as their own dwelling within the specific term can deduct 10% of the cost (a maximum of ¥200,000) from their income tax for the fiscal year of the retrofitting or deduct 2% of year-end balance of borrowed money (a maximum of ¥2.5 million) pertaining to retrofitting from income tax amount for 5 years.. Also, fixed-property tax is deducted by one-third for the fiscal year after the retrofit. (With upper limits)

*1: Elderly persons, persons certified and requiring care or support, persons with disabilities, etc.

*2: Widening of corridors, reduction of staircase gradients, improvement of bathrooms and toilet rooms, removal of differences in elevations of floors, etc.

3) Tax measures to facilitate energy efficiency retrofitting

If an individual meeting certain requirements has made retrofitting to improve energy efficiency*1 in housing that is used for his/her own dwelling within the specific term, the individual can deduct 10% of the cost (depending on the retrofitting work, a maximum of ¥250,000 or ¥350,000) from their income tax for the fiscal year of the retrofitting or deduct 2% of year-end balance of borrowed money (a maximum of ¥2.5 million) pertaining to retrofitting from income tax amount for 5 years. Also, fixed-property tax can deduct by one-third for the fiscal year after the retrofit. (With upper limits) (See P62 Table 3-2-3)

*1: Retrofitting related to all windows in living space, or in conjunction with improvement of thermal insulation performance of floors, ceilings or walls, etc., or solar power generation, etc.

4) Tax measures to facilitate retrofitting for living together*1

If an individual meeting certain requirements has made specified retrofitting for living together*1 that is used for his/her own dwelling within the specific term, the individual can deduct 10% of the cost (a maximum of ¥250,000) from their income tax for the fiscal year of the retrofitting or deduct 2% of year-end balance of borrowed money (a maximum of ¥2.5 million) pertaining to retrofitting work from income tax amount for 5 years.

*1: Living with three generations of grandparents, parents and children

5) Tax system to promote improvement for long-life quality housing

If an individual meeting certain requirements has implemented improvement work that meets any of the following for his/her own residence within the given period, income tax is deducted as follows.

① Upon implementation of work to improve housing to a certain level together with seismic improvement work or energy-saving improvement work or both, the amount corresponding to 10% of the total cost of improvement work is deducted from the income tax for the year when the work is implemented (a maximum of ¥ 2.5 million for implementation of housing improvement work together with either seismic improvement work or energy-saving improvement work, or ¥5 million for implementation together with both seismic improvement work and energy-saving improvement work).

② Upon implementation of work to improve housing to a certain level together with energy-saving improvement work, the amount corresponding to 2% of the balance of loans for improvement work (a maximum of ¥2.5 million) is deducted from the income tax for 5 years. Fixed asset tax is also reduced by two thirds for the following year of the work (with upper limits).

• Special Measures Relating to Ownership

For newly built housing that meets certain requirements, fixed-property tax is reduced by one-half for a three-year period (a five-year period for fire resistive buildings with three or more stories). (With upper limits)

5. Housing Budget

National Budget

The FY2017 budget of central government for the general account amounted to ¥97 trillion, of which ¥6.0 trillion was earmarked for public works and ¥0.5 trillion for housing and urban residential areas projects.

Figure 3-5-1: General Account budget of FY2017 of Central Government

(100 million yen)

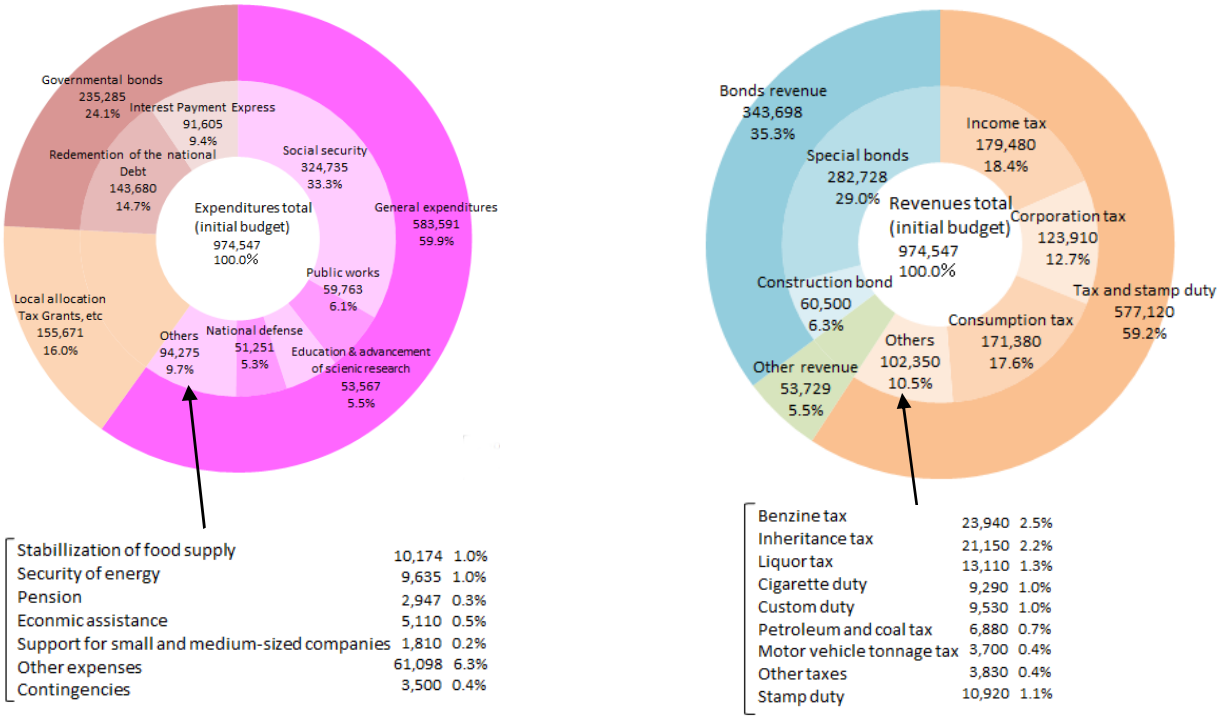
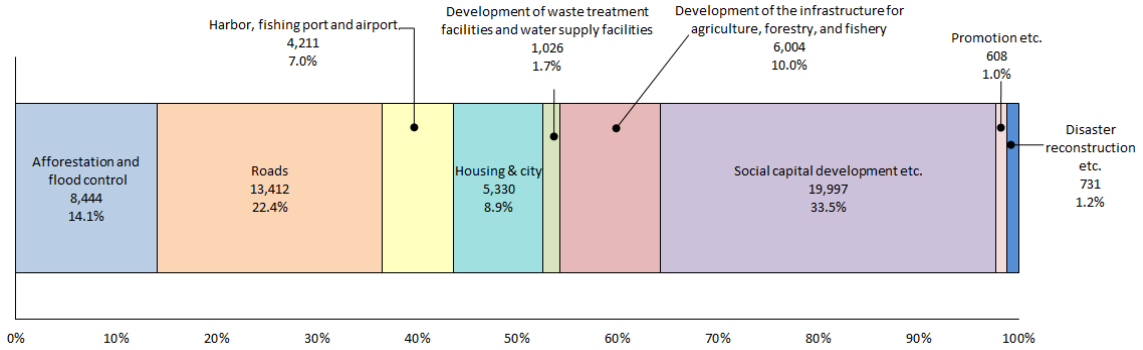


Figure 3-5-2: Breakdown of expenditures for public works projects (FY2017)

(100 million yen)



Treasury Investments and Loans

The central government provides loans or investment, including funds procured using the credit status of the state, for projects that are deemed appropriate for central government support. Recipients include central government special accounts, local governments and incorporated administrative agencies. Additionally, the central government helps incorporated administrative agencies and other entities to procure funds readily and on favorable terms by providing guarantees for borrowing in financial markets.

In the plan for FY2017, treasury investment and loans amounted to approximately ¥15.1 trillion, of which about ¥0.5 trillion, or 3.6%, was allocated to housing.

Table 3-5-1: Classification table of treasury investments and loans

(¥100million units)

Classification	FY2016	Ratio	FY2017	Ratio
(1) Small and medium-sized companies	31,819	23.6%	29.691	19.6%
(2) Agriculture, forestry and fisheries	3,743	2.4%	3,130	2.1%
(3) Education	10,551	7.8%	9,386	6.2%
(4) Welfare, medical care	8,109	6.0%	6,699	4.4%
(5) Environments	609	0.5%	616	0.4%
(6) Industry, innovation	8,643	6.4%	8,222	5.4%
(7) Housing	6,213	4.6%	5,407	3.6%
(8) Social capital	30,872	22.9%	51,150	33.8%
(9) Overseas investments and loans, etc.	20,001	14.8%	24,550	16.2%
(10) Others	14,773	11.0%	12,432	8.2%
Total	134,811	100.0%	151,282	100.0%

Local Bonds

"The Local Government Act" and "The Local Financial Act" prescribe that issuing of local bonds, or public bonds issued by local governments, needs approval by the central government. This means that a bond issue is allowed only for specific projects that meet central governmental policies.

A bond issue is also permitted to cover part of the cost for housing construction carried out by local governments. Thus local governments, generally with unstable financial foundations, can secure funds and continue smoothly with their projects.

The amount of local bonds issued in FY2017 totaled about ¥11.6 trillion, of which ¥0.11 trillion, or about 0.97%, was allotted to construction of publicly-operated housing.

Table 3-5-2: Local bond program (FY2017)

(¥100million units, %)

	Contents	Planned amount for FY2017 (A)	Planned amount for FY2016 (B)	Difference (C=A-B)	Increase or Decrease (C/B)×100
1	General account bonds				
	(1) Publics works projects	16,443	16,601	△158	△1.0
	(2) Construction of publicly-operated Housing	1,130	1,141	△11	△1.0
	(3) Disaster-damaged area reconstruction projects	873	711	162	22.8
	(4) Construction of education & welfare facilities	3,391	3,395	△4	△0.1
	(5) Special projects	21,927	21,474	453	2.1
	(6) Rural and under populated area projects	4,975	4,665	310	6.6
	(7) Prior land acquisition for public area	345	345	0	0.0
	(8) Bonds for promotion of Administrative reform	700	700	0	0.0
	(9) Adjustment	100	100	0	0.0
	Sub-total	49,884	49,132	752	1.5
2	Publicly-operated enterprise bonds	25,121	24,270	851	3.5
3	Special financial bonds	40,452	37,880	2,572	6.8
4	Retirement allowance bonds	800	800	0	0.0
5	Extraordinary budget bonds	(266)	(302)	(△36)	(△11.9)
Total		(266) 116,257	(302) 112,082	(△36) 4,175	(△11.9) 3.7

Other items for which agreement (approval) is anticipated

1 Refinancing bonds issued for various reasons, such as changes in fund categories
2 Revenue reduction bonds issued in the event of a reduction in revenues from local taxes and other sources
3 Special reconstruction transfer bonds issued by fiscal reconstruction bodies

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

CHAPTER IV City Planning and Building Administration

1. City Planning System

Framework of City Planning System

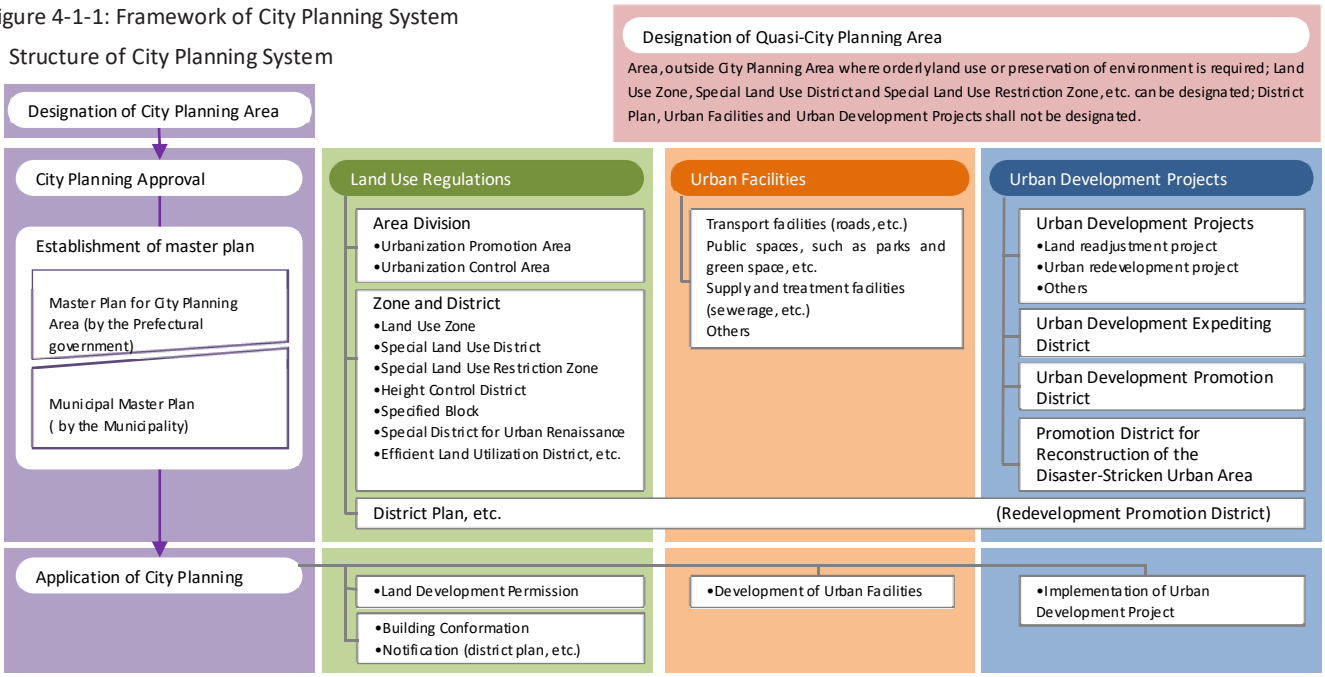
A city planning area is that has been designated by a prefectural government as requiring comprehensive improvement, development and maintenance as a single city. The city planning covers land use, urban facilities and urban district development schemes in the area.

Visions for city development are contained in master plans. Master plans for city planning are formulated by prefectural governments, and municipal master plans by municipalities.

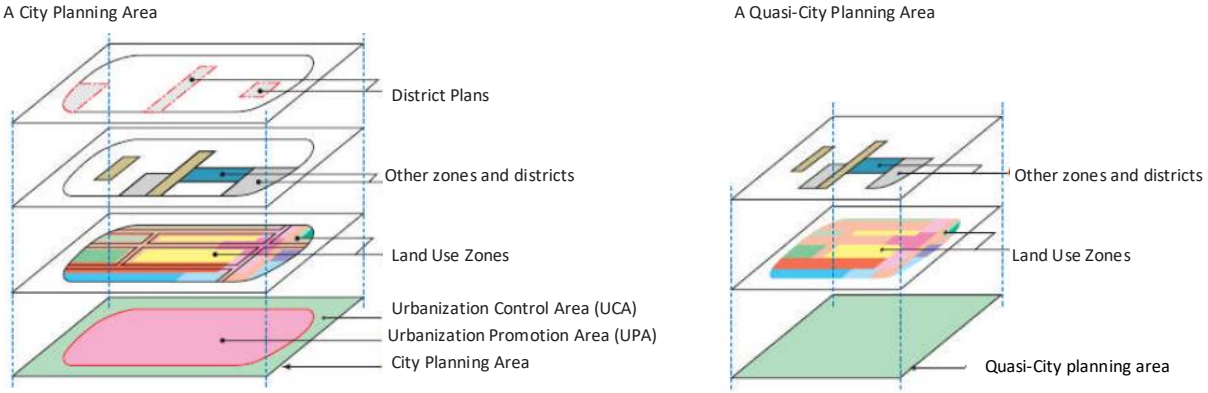
Areas other than city planning areas may be designated as quasi-city planning areas if this is necessary to ensure orderly land use or to protect the environment.

Figure 4-1-1: Framework of City Planning System

● Structure of City Planning System



● Concept of Land Use Planning System



Urbanization Promotion Areas and Urbanization Control Areas (Area Categories)

To prevent disorderly urban sprawl and to ensure systematic urbanization, city planning areas can be divided into urbanization promotion areas and urbanization control areas. Urbanization promotion areas are areas that are already built up and will require preferential and systematic urbanization within approximately 10 years. Urbanization control areas are areas in which it is necessary to restrict urbanization.

This classification of areas is required in Japan's three major metropolitan areas and in ordinance-designated cities. In other regions, prefectural governments can decide whether or not to classify areas.

Land Use Zone

Land Use Zones consist of 13 residential, commercial and industrial zones, each subject to restrictions concerning the purpose and form of buildings. These zones indicate the appropriate future direction for land utilization in each area. The conformance of individual buildings with zoning conditions and other requirements is examined as part of the building confirmation process under “The Building Standard Law”.

Table 4-1-1: Land-zoning system

Zone	Objectives	Maximum floor area ratios (FAR. %) Maximum building coverage ratios (BCR. %)	Land use regulations (examples)							
			Housing	Educational facilities	Store, Restaurant	Hospital	Hotels/ inns	Theaters/ Movie theaters	Office	Factory
Category I Exclusive Low-rise Residential Zone	Designated to ensure an excellent living environment for low-rise houses.	FAR：50、60、80、100、150、200 BCR：30、40、50、60	○	○ (×)	○ (×)	×	×	×	○ (×)	×
Category II Exclusive Low-rise Residential Zone	Designated to ensure an excellent living environment primarily for low-rise houses.	FAR：50、60、80、100、150、200 BCR：30、40、50、60	○	○ (×)	○ (×)	×	×	×	○ (×)	×
Category I Mid. high-rise Oriented Residential Zone.	Designated to ensure an excellent living environment for mid. high-rise houses.	FAR：100、150、200、300、400、500 BCR：30、40、50、60	○	○	○ (×)	○	×	×	○ (×)	×
Category II Mid. high-rise Oriented Residential Zone	Designated to ensure an excellent living environment primarily for mid. high-rise houses.	FAR：100、150、200、300、400、500 BCR：30、40、50、60	○	○	○ (×)	○	×	×	○ (×)	×
Category I Residential Zone	Designated to ensure a certain living environment for houses.	FAR：100、150、200、300、400、500 BCR：50、60、80	○	○	○ (×)	○	○ (×)	×	○ (×)	○ (×)
Category II Residential Zone	Designated to ensure a certain living environment primarily for houses.	FAR：100、150、200、300、400、500 BCR：50、60、80	○	○	○ (×)	○	○	×	○	○ (×)
Quasi-residential Zone	Designated for promotion of convenience for businesses suited to the characteristics of neighborhoods adjacent to roads, while at the same time preserving an excellent living environment.	FAR：100、150、200、300、400、500 BCR：50、60、80	○	○	○ (×)	○	○	○ (×)	○	○ (×)
Rural area residential zone	Designated for promotion of convenience for agriculture while at the same time preserving an excellent living environment for low-rise houses.	FAR ： 50 、 60 、 80 、 100 、 150、200 BCR：30、40、50、60	○	○ (×)	○ (×)	×	×	×	○ (×)	○ (×)
Neighborhood Commercial Zone	Designated for promotion of convenience for commercial and other kinds of business to supply daily necessities to the inhabitants of nearby residential areas.	FAR：100、150、200、300、400、500 BCR：60、80	○	○	○	○	○	○	○	○ (×)
Commercial Zone	Designated primarily for promotion of convenience for commercial and other kinds of business.	FAR：200、300、400、500、600、700、800、900、1000、1100、1200、1300 BCR：80	○	○	○	○	○	○	○	○ (×)
Quasi-industrial Zone	Designated primarily for promotion of convenience for industries which are not likely to seriously harm the environment.	FAR：100、150、200、300、400、500 BCR：50、60、80	○	○	○	○	○	○	○	○ (×)
Industrial Zone	Designated primarily for promotion of convenience for industries.	FAR：100、150、200、300、400 BCR：50、60	○	×	○ (×)	×	×	×	○	○
Exclusive industrial Zone	Designated for promotion of convenience for industries.	FAR：100、150、200、300、400 BCR：30、40、50、60	×	×	×	×	×	×	○	○

Note: 1) FAR: the ratio of the total floor to the site area.
2) BCR: ratio of building area to site area.
3) “○” indicates a building with a use that is allowed, “×” a building with a use that is not allowed.
4) (×) indicates a building that may not be allowed; depending on its scale develops systematically.
5) Large commercial facilities with floor areas exceeding 10,000m^2 cannot be built in Category II residential zones, quasi-residential zones or industrial zones.

District Plans

District plans are adopted by municipalities as district-level city plans. They stipulate the conditions required to develop good urban environments based on local conditions. District plans consist of district planning policies, which define the future vision for each district, together with specific requirements, such as the rules for the positioning of residential roads and the construction of buildings. The opinions of residents and others are reflected in these plans, which define detailed community development rules covering aspects specific to individual districts, such as townscapes.

Land Development Approval System

With certain exceptions, development activities require the approval of prefectural governors. This requirement exists to maintain the division between urbanization promotion areas and urbanization control areas, and to ensure that housing land meets appropriate standards, including the provision of public facilities. To obtain approval, projects must meet site-related standards in urbanization control areas, as well as technical standards that apply to all areas, including the provision of public facilities.

2. Building Administration

System of Codes

"The Building Standard Law (hereinafter, referred to as "BSL")" stipulates "minimum standards for sites, structures, facilities and uses", including standards for general structures, facilities, structural strength, and fire prevention.

- Building Codes apply to all regions in Japan.
- Important items (such as items pertaining to the determination of the structural type of a building) are stipulated by law.
- Other supplementary standards are stipulated in enforcement orders and ministerial notifications.
- Special materials and structural methods are subject to ministerial approval.
- Restrictions can be added by means of ordinances, etc.

Building Codes

1) Regulations concerning general structures and facilities

- Natural lighting and ventilation, ceiling heights, floor heights and damp proofing of habitable rooms
- Dimensions and structures of stairs
- Lavatories, electrical facilities, lightning conductors, elevatory equipment, chimneys

2) Structural strength regulations

- Standards for safety measures relating to snow load and to vibration and impacts caused by wind pressure, earthquakes and other factors

3) Fire prevention regulations

- Use of non-combustible roofs and measures to prevent the spread of fire in walls in designated areas and in fire-preventive structures, including the exterior walls and soffits finishing of special wooden buildings
- Use of fire-preventive exterior wall structures and non-combustible roofs on large wooden buildings
- Partitioning of large buildings with fire-preventive walls
- Use of fire-resistive construction in principal building parts in special buildings
- Evacuation and fire extinguishing equipment standards, fire compartment standards and separation wall standards for special buildings, etc.

Zoning Codes

Zoning codes set standards for buildings, including their positioning, designs and uses. While the building codes are applied to all regions in Japan, zoning codes are in principle applied only in city planning and quasi-city planning areas.

1) Road regulations

A building site must, in principle, adjoin a road as defined in BSL (excluding roads provided exclusively for vehicular traffic) over a distance of at least 2 meters.

* For the purposes of BSL, a road must be at least 4 meters wide (6 meters in districts where this is deemed necessary by a designated administrative agency) and meet specific requirements. However, a designated administrative agency may deem a road with a width of less than 4 meters wide (6 meters in districts where this is deemed necessary by a designated administrative agency) to be a road under the provisions of BSL, if buildings are already standing along that road when the zoning codes are applied.

2) Usage regulations

The construction of buildings within each land use zone is limited to buildings for specific purposes and specific types of structures, etc.

3) Principal design-related regulations

a. Floor area ratio restrictions

The floor area ratio is the ratio of a building's total floor area to the area of site. This ratio must not exceed a figure stipulated in city plans according to the type of land use zone. If the front road is less than 12 meters in width, the ratio must be below a figure calculated by multiplying the road width by a specific coefficient.

b. Building coverage ratio restrictions

The building coverage ratio is the ratio of a building area to the area of site. This ratio must not exceed a figure stipulated in city plans according to the type of land use zone.

c. Height restrictions

- Building height restrictions in Category Ⅰ and Ⅱ exclusive low-rise residential zones
  - The heights of buildings in Category Ⅰ and Ⅱ exclusive low-rise residential zones must not exceed the limit stipulated in the city plan for the zone concerned, which will be either 10 meters or 12 meters.
- Restrictions on heights of building parts
  - Building parts must not exceed specific heights, which are determined according to distances from the boundary line on the opposite side of the front road and from boundaries with adjoining lots (road setback, adjoining lot setback, north-side setback restrictions)
  - The setback restrictions do not apply to buildings that provide the same effect as setback restrictions with regard to natural lighting, etc.

d. Shadow restrictions

Medium/high-rise buildings must not cast shadows five meters or more outside of the boundary lines of their sites for more than the times stipulated in ordinances (in principle 3-5 hours, 2-3 hours for areas 10 meters outside of the boundaries).

Building Confirmation

Before commencing a building project, the owner must submit a confirmation application to a building official appointed by a prefectural or municipal government, or a private sector designated confirmation and inspection body. The building official or designated confirmation and inspection body will carry out the building confirmation process by conducting inspections to check for compliance with BSL and other related laws and regulations. Amendments to BSL in 2006 introduced more stringent requirements under the building confirmation system for buildings above a certain scale and the number of stories. For example, third-party inspections of structural calculations by designated bodies are now mandatory.

Also, any building that exceeds specified dimensions must be designed by a *Kenchikushi* (architect and building engineer licensed under "The *Kenchikushi* Law") according to the technical standards stipulated in BSL.

Inspections (Interim, Final)

1) Interim Inspection

On completion of specific processes designated by a prefectural or municipal government, the owner must make an application for an interim inspection to be carried out by a building official or designated confirmation and inspection body. The building official or designated confirmation and inspection body will conduct the inspection to ensure compliance with the standards stipulated in laws and regulations. And if the building is found to comply with requirements, an interim inspection certificate will be issued to the owner. Unless this interim inspection certification is issued, the owner cannot proceed to next process. As a result of amendments to BSL in 2006, interim inspections became mandatory for apartment houses of three stories or higher.

2) Final Inspection

On completion of a project, the owner must make an application for a final inspection to be carried out by a building official or designated confirmation and inspection body. The building official or designated confirmation and inspection body will conduct the inspection, and if the building is found to comply with requirements, an final inspection certificate will be issued to the owner. The owner cannot begin to use the building until this inspection certificate has been issued.

CHAPTER V International Cooperation in the Field of Japanese Housing and Buildings

The housing market around the world is rapidly expanding in accordance with increasing populations and urbanization. There is also a forecast that Asia-Pacific region countries will account for more than half of the number of new housing starts in the world. Under such circumstances, in the Japanese housing and building fields as well, relevant institutions, including MLIT, Urban Renaissance Agency (UR) and Japan Housing Finance Agency (JHF) are promoting overseas development to newly emerging countries and international cooperation with U.N. institutions and foreign countries in cooperation with private-sector enterprises.

Overseas development of Japan's housing / building technologies, etc.

In recent years, activities to promote overseas development of Japan's technologies by the government and private sector are proceeded by positioning them in the Economic Partnership Agreement (EPA) and Memorandum of Cooperation (MOC), to be executed at a high level by the central government for the development of technical cooperation.

Workshops on earthquake proofing were held in Malaysia and Indonesia in August 2017 and in India in October 2017 to introduce Japan's base-isolating and vibration control technologies.

Technical Cooperation with Newly Emerging Countries

Trainees from newly emerging countries are periodically accepted by the Japan International Cooperation Agency (JICA) to provide technical cooperation in the field of housing and buildings. From 1983 to 2017, training related to buildings (with courses on building technology, building administration, building standards and regulations, and disaster prevention of buildings) accepted a total of 392 trainees. Training related to housing (related to courses on housing construction, improvement of housing and living environment, housing administration, housing administration II, and improvement and disaster prevention of housing and living environment) accepted a total of 586 trainees. In FY2017, 15 trainees from 10 countries were accepted for a course on disaster prevention of buildings and 12 trainees from 7 countries were accepted for a course on the improvement and disaster prevention of housing and living environment.

Also, 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, etc. in cooperation with JICA for the purposes of making contributions to improvements in seismic-disaster preparedness measures in developing countries or regions. The total number of trainees who completed training (at the end of September 2017) was 1,814, coming from 100 countries or regions. (It is including former training, started in 1960.) Note that since 2005 a master's degree has been conferred to trainees who have participated in the annual training and who have acquired specified credits, in cooperation with the master's program (disaster management) of the National Graduate Institute for Policy Studies.

Under the JICA technical cooperation project, in order to transfer technologies for building standards and housing construction systems, experts have been dispatched for long periods to Indonesia, China, Thailand, the Philippines, Vietnam, Laos, Myanmar, Romania, Peru, Mexico and El Salvador.

As of March, 2018, in Myanmar, an expert dispatched for a long period is providing guidance in the field of housing policies.

Bilateral Conferences, International Conferences, etc.

In order to exchange information or conference, etc. proactively with various foreign countries in the fields of housing and building, bilateral conferences are held periodically. The Japan-South Korea Housing Conference was held in August 2017, in Tokyo, the Japan-Germany Housing and Building Environmental Measures Conference in October of the same year, in Germany, and the Japan-China Building and Housing Conference in November, in Tokyo and Osaka.

Under the "research cooperation memorandum on housing for the elderly" between 4 parties, including the United States Department of Housing and Urban Development (HUD), which was concluded in June 2017, a bilateral meeting was held and the Japan-U.S. joint research on "aging in place" is ongoing.

Also, in order to exchange information with institutions of various countries that oversee building regulations, MLIT is a member of the Inter-jurisdictional Regulatory Collaboration Committee (IRCC), which had conference in U.S. in May 2017 and in Singapore in November of the same year.

Further, meetings involving executive persons were held in cooperation with infrastructure fields, including the Japan-Indonesia vice-ministerial class meeting in Tokyo in January 2018 and Japan-Myanmar vice-ministerial class meeting in Myanmar in March, and information was exchanged also on the housing construction field.

Glossary

用語索引

Region	地域
Three Major Metropolitan Areas The three major metropolitan areas consist of 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。
Tokyo Metropolitan Area The Tokyo metropolitan area is Tokyo and its surrounding areas. It is commonly considered to be Tokyo, Kanagawa, Chiba and Saitama Prefectures. In this book this is the same as the KEIHIN-YÔ(京浜葉) metropolitan area in the National Census.	**東京圏**（Tôkyôken） 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。
The Three Central Wards Chiyoda, Chûô and Minato Wards.	**都心3区**（Toshin Sanku） 東京都千代田区、中央区、港区からなる区域。
The 23 Wards of Tokyo	**東京23区**（Tôkyô Nijûsanku）

Housing type	住宅のタイプ
Terrace house Buildings which consist of two or more dwelling units joined by walls but each having an independent entrance to 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。
Detached house A house which consists of one dwelling unit.	**一戸建て（戸建住宅）**（Ikkodate (Kodate Jûtaku)） 一つの建物が一住宅であるものをいう。
Wooden structure	**木造**（Mokuzô）
Housing for sale In the housing starts data, housing constructed to be sold.	**分譲住宅**（Bunjô Jûtaku） 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。
Owner-occupied housing In the housing stock data, housing which the owner lives in. In the housing starts data, housing which the owner has constructed for himself to live in.	**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。
Rented housing 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。
Company-supplied employee housing Housing which is owned or administered by private companies, etc. and rented to their employees as one of their benefits.	**給与住宅**（Kyûyo Jûtaku） 企業等が福利厚生の一環として従業員用に建設し、賃貸する住宅。
Non-wooden	**非木造**（Himokuzô）
Collective housing Buildings which consist of two or more dwelling units with common passages, staircases, and so on.	**共同住宅**（KyôdôJûtaku） 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。
Wooden prefab	**木質系プレハブ**（Mokushitsukei Purehabu）
Reinforced concrete structure	**鉄筋コンクリート造**（Tekkinkonkurîtozô）
Steel-frame structure	**鉄骨造**（Tekkotsuzô）

Japanese Concept “Collective housing”	
Mansion "Manshon" in Japanese means a non-wooden, middle- or high-rise collective housing. This differs very much from the original meaning, a large home. Residents usually own their occupied unit in the Japanese condominium law, however sometimes the unit is rented. "Manshon" is defined as a collective building which has individually owned space (unit) and common spaces such as corridors, entrance etc., under the "Act for improving Management of Condominium."	**マンション**（Manshon） 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。

Apartment
Apâto in Japanese has its origin from "Apartment house," but it means a wooden, low-rise (rather low quality) collective housing. It is mostly rental housing.

アパート（Apâto）
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、主に木造の低層賃貸共同住宅をさしている。

Collective
"Korekutibu Jûtaku" in Japanese means co-dwelling, multi-units, housing, which have residence-shared common rooms such as a living room, dining room etc. It differs from the original meaning of collectives housing. Co-dwelling style housing was recently introduced primarily from Northern Europe.

コレクティブ住宅（Korekutibu Jûtaku）
日本で言う「コレクティブ住宅」は居間や台所などを共用す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。最近、北欧から紹介されたものである。

Cooperative
In Europe, original cooperative housing is a collective housing developed by a housing cooperatives, owned by the cooperatives and occupied by the cooperative members. "Kôporatibu Jûtaku" in Japanese means a specif condominium in which designated resident "owner participate in its" planning and designing from the very beginning. It differs from the original meaning of a cooperative housing which was started in Europe more than 100 years ago.

コーポラティブ住宅（Kôporatibu Jûtaku）
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。

Act	法律
The Publicly-operated Housing Act	**公営住宅法**（Kôei Jûtaku Hô）
The Basic Act for Housing	**住生活基本法**（Jûseikatsu Kihon Hô）
The Local Housing Supply Corporations Act	**地方住宅供給公社法**（Chihô Jûtaku Kyôkyu Kôsha Hô）
The City Planning Act	**都市計画法**（Toshi Keikaku Hô）
The Act to Promote the Supply of Rental Housing for People Who Require Consideration in Securing Housing	**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** （Jûtaku Kakuho YôHairyosha ni Taisuru Chintai Jûtaku no Kyôkyûno Sokushin ni Kansuru Hôritsu） **住宅セーフティネット法**（Jûtaku Sêfuthînetto Hô）
The Act on Promotion of Supply of Specified Quality Rental Housing	**特定優良賃貸住宅の供給の促進に関する法律** （Tokutei Yûryô Chintai Jûtaku no Kyôkyûno Sokushin ni Kansuru Hôritsu）
The Act for the Stable Housing for the Elderly	**高齢者の居住の安定確保に関する法律** （Kôreisha no Kyojûno Antei Kakuho ni Kansuru Hôritsu）
The Act for Secure Execution of Defect Warranty Liability	**住宅瑕疵担保履行法**（Jûtaku Kashitanpo RikôHô）
The Act for building Unit Ownership, etc.	**建物の区分所有等に関する法律** （Tatemono no Kubun Shoyû-tôni Kansuru Hôritsu）
The Act on Promotion of Seismic Retrofitting of Buildings	**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 Taishinkaishûno Sokushin ni Kansuru Hôritsu （Taishin Kaishû Sokushin Hô））
The Act Concerning Special Measures for Promotion of Supply of Good Quality Rental Housing	**良質な賃貸住宅等の供給の促進に関する特別措置法** （Ryôshitsuna Chintai Jûtaku tôno Kyôkyûno Sokushin ni Kansuru Tokubetsu Sochi Hô）
The Act Concerning Promotion of Long-Life Quality Housing	**長期優良住宅の普及の促進に関する法律** （Tyôki Yûryô Jûtaku no Fukyû no Sokushin ni Kansuru Hôritsu）
The Building Standard Law	**建築基準法**（Kenchiku Kijun Hô）
The Residential Area Improvement Act This act is to implement "Blighted Residential Area Renewal Projects."	**住宅地区改良法**（Jûtaku Chiku Kairyô Hô） 住宅地区改良事業を実施するための法律。
The New Residential Town Development Act	**新住宅市街地開発法**（Shin-jûtaku Shigaichi Kaihatsu Hô）
The Land Readjustment Act	**土地区画整理法**（Tochi Kukaku Seiri Hô）
The *Kenchikushi* Act *Kenchikushi* (licensed architect) is a general concept in which a person plays the dual role of an architect and a building engineer in Japan.	**建築士法**（Kenchiku Shi Hô） 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。

The Housing Quality Assurance Act	**住宅の品質確保の促進等に関する法律** （Jûtaku no Hinshitsu Kakuho no Sokushin-tôni Kansuru Hôritsu）
The Construction Business Act	**建設業法**（Kensetsu GyôHô）
The Act Concerning the Rational Use of Energy	**エネルギーの使用の合理化に関する法律** （Enerugîno Shiyôno Gôrika ni Kansuru Hôritsu） **省エネ法**（ShôEne Hô）
The Land Lease and House Lease Law	**借地借家法**（Shakuchi Shakuya Hô）
The Private Lodging Business Act **The New Private Lodging Business Act** The Act established law for setting rules and disseminating sound private lodging services, among the rapidly increasing "Private Lodging," in order to secure safety and hygiene, respond to trouble with neighbors, such as noise and garbage disposal that are becoming social issues, and respond to the various lodging needs of international visitors in Japan.	**住宅宿泊事業法**（Jûtaku Syukuhaku Jigyô Hô） **民泊新法**（Minpaku Shin Hô） 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。

Housing Policy	**住宅政策**
Housing Standards	**居住水準**（Kyojû Suijun）
Housing Construction Five-year Program A program to show the level of housing standards to be achieved and the targeted number of housing units to be built based on the Housing Construction Planning Act.	**住宅建設五箇年計画**（Jûtaku 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。
Minimum Housing Standards An indispensable standard for a healthy, civilized existence.	**最低居住水準**（Saitei Kyojû 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。
Average Housing Standards	**平均居住水準**（Heikin Kyojû Suijun）
Living Environment Standards	**住環境水準**（Jûkankyô Suijun）
Publicly-operated Housing Publicly-operated housing is local government rental housing.	**公営住宅**（Kôei Jûtaku）　地方自治体の賃貸住宅
Residential Safety Net	**住宅セーフティネット**（Jûtaku Sêfuthînetto）
Housing Performance Standards	**住宅性能水準**（Jûtaku Seinô Suijun）
Specified Quality Rental Housing	**特定優良賃貸住宅**（Tokutei Yûryô Chintai Jûtaku）
Basic Plan for Housing Based on the Basic Act for Housing, a plan was established to comprehensively and structurally promote the residential living improvement policy.	**住生活基本計画（全国計画）**（Jûseikatsu 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。
Silver Housing	**シルバーハウジング**（Shirubâ Haujingu）
Specified Public Rental Housing	**特定公共賃貸住宅**（Tokutei Kôkyô Chintai Jûtaku）
Quality Rental Housing for the Elderly	**高齢者向け優良賃貸住宅**（Kôreisha-muke Yûryô Chintai Jûtaku）
Housing for Sale to Persons with Savings Accounts	**積立分譲住宅**（Tsumitate BunjôJûtaku）
Long-Life Quality Housing	**長期優良住宅**（Tyôki Yûryô Jûtaku）
Quality Regional Housing for Sale	**地域優良分譲住宅**（Chiiki Yûryô BunjôJûtaku）
Quality Regional Rental Housing (System)	**地域優良賃貸住宅（制度）**（Chiiki Yûryô Chintai Jûtaku）
Local Housing Supply Corporations	**地方住宅供給公社**（Chihô Jûtaku Kyôkyû Kôsha）
Treasury Investments and Loans	**財政投融資**（Zaisei Tôyûshi）
Residential Environment Standards Guideline to ensure quality residential environment suiting the status of the region.	**居住環境水準**（Kyojûkankyô 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。
Targeted Dwelling Area Standards Standard on dwelling area living in accordance with the number of persons in the household, assuming diversified lifestyle, required to realize rich living.	**誘導居住面積水準**（Yûdô Kyojû 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と考えられる住宅の面積に関する水準。
Minimum Dwelling Area Standard Standard on minimum dwelling area in accordance with the number of persons in the household based on and required to lead a healthy and cultural lifestyle.	**最低居住面積水準**（Saitei Kyojû 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。

Housing Performance Indication System	**住宅性能表示制度**（Jûtaku Seinô Hyôji Seido）
The Standard Condominium-Management Bylaw	**マンション標準管理規約**（Manshon Hyôjun Kanri Kiyaku）
The Standard Condominium-Management Guide	**マンション管理標準指針**（Manshon Kanri Hyôjun Shishin）
Condominium *Mirai* Net	**マンションみらいネット**（Manshon Mirai Netto）
REINS (Real Estate Information Network System)	**レインズ（不動産取引情報提供サイト）**（Reinzu（FudôsanTorihiki Jôhô Teikyô Saito））
Terminal Tenancy System	**定期借家制度**（Teiki Shakuya Seido）
Kyoto Protocol Target Achievement Plan	**京都議定書目標達成計画**（Kyôto Giteisho Mokuhyô Tassei Keikaku）
Energy-Conservation Judgment Standards	**省エネ判断基準**（Shôene Handan Kijun）
Comprehensive Assessment System for Built Environment Efficiency	**CASBEE**（Kyasubî）
Category Ⅰ Specified Buildings under the Act Concerning the Rational Use of Energy	**省エネ法に基づく第一種特定建築物**（Shôene Hôni Motozuku Daiisshu Tokutei Kenchikubutsu）
Category Ⅱ Specified Buildings under the Act Concerning the Rational Use of Energy	**省エネ法に基づく第二種特定建築物**（Shôene Hôni Motozuku Dainishu Tokutei Kenchikubutsu）
Model Projects to Promote CO_2 Reductions	**省CO_2推進モデル事業**（Shô CO2 Suishin Moderu Jigyô）
Tax Relief for Housing Loans	**住宅ローン減税制度**（Jûtaku Rôn Genzei Seido）
Post-earthquake Quick Inspection of Damaged Buildings	**応急危険度判定**（Ôkyû Kikendo Hantei）

City Planning and Building Administration	**都市計画・建築行政**
Building Coverage Ratio (BCR) 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。
Floor Area Ratio (FAR) Ratio of total floor area to site area.	**容積率**（Yôseki Ritsu） 敷地面積に対する延べ面積の割合。
Land Readjustment Project	**土地区画整理事業**（Tochi Kukaku Seiri Jigyô）
New Residential Town Development Project	**新住宅市街地開発事業**（Shin Jûtaku Shigaichi Kaihatsu Jigyô）
Urbanization Promotion Areas (UPA) Urbanization promotion areas refer to areas already built up and areas to be urbanized systematically and preferably within the next ten years.	**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。
Building Confirmation	**建築確認**（Kenchiku Kakunin）
Building Official	**建築主事**（Kenchiku Shuji）
Urban Renewal Project	**市街地再開発事業**（Shigaichi Saikaihatsu Jigyô）
Blighted Residential Area Renewal Project Slum clearance type renewal project conducted based on Residential Area Improvement Act.	**住宅地区改良事業**（Jûtaku Chiku KairyôJigyô） 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。
Comprehensive Urban Residential Improvement Projects	**住宅市街地総合整備事業**（Jûtaku Shigaichi Sôgô Seibi Jigyô）
Urban Residential Area Infrastructure Improvement Projects	**住宅市街地基盤整備事業**（Jûtaku Shigaichi Kiban Seibi Jigyô）
Urbanization Control Areas (UCA) Urbanization Control Areas refer to areas where development is restricted in principle, with very few exceptions.	**市街化調整区域**（Shigaika Chôsei Kuiki） 市街化を抑制すべき区域。
Designated Confirmation and Inspection Body	**指定確認検査機関**（Shitei Kakunin Kensa Kikan）

Others	**その他**
Fiscal Year (FY) The fiscal year of Japan 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 Tatehara, Tsukuba-shi, Ibaraki 305-0802 Tel: 029-964-2211 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 Tatehara, 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 Hontyo, 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）

A Quick Look at Housing in Japan

June 2018

Edited by
Housing Policy Division, Housing Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)
Urban Renaissance Agency (UR)
Japan Housing Finance Agency (JHF)
The Building Center of Japan (BCJ)

Published by
The Building Center of Japan (BCJ)
1-9, Kanda-Nishikicho, Chiyoda-ku,
Tokyo 101-8986 Japan
TEL +81-3-5283-0479
FAX +81-3-3291-7737
e-mail kokusai@bcj.or.jp

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

2018年6月版

編集
国土交通省住宅局住宅政策課
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　日本建築センター

出版
一般財団法人　日本建築センター
〒101-8986
東京都千代田区神田錦町1-9
TEL 03-5283-0479
FAX 03-3291-7737
e-mail kokusai@bcj.or.jp

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