

Is there a future in Japan for housing ...

Although the Japanese are known as sparing people, it seems that this year the savings rate will be negative. It is painful because the average salary has dropped (4.65 million Yen in 1998 to 4.14 million Yen in 2013) because of the new 8% consumption tax. The consumption tax will grow to 10% from April 2017. I just wonder what will happen then. Many housing and other companies will go bankrupt because of the depressed contracts.

The number of the new homes that are constructed 25 years ago, around 1990 is 1670,000 units, the number now is 890,000 units. An estimated 770,000 units will be built after the 10% consumption tax. The feature of the Japanese housing industry looks pitch dark. Asahi Gloval Co., Ltd is a housing company. Are those right who had stopped the building of residencies?

But redeem the mood, how can a housing company survive. If I do my desperate efforts in the following 2 points then I am confident that Asahi Gloval will survive even if other builders go bankrupt. ① is “American style home sales” and ② is the complete integration of the “feature ideal type house”.

① the population of the United States is 318.9 million.

The number of households is 123.23 million. The population is about 2.5 times of Japan's yet the number of household is 2.3 times. The number of new constructions is only 480,000 units in America. The population is 2.5 times of the Japanese but the number of new houses is about the half of that Japanese 890,000 units. About the 1/5<sup>th</sup> of the population have new homes. However, US housing companies are healthy they don't go bankrupt.

The reason is that in the United States 5,040,000 existing used homes are sold. The housing companies don't go bankrupt because of the sold second hand houses is 5.6 times higher than in Japan. Japanese building companies can survive if they sell they sell renovated used houses not only new units, that's what I think. So, we are planning to sell not only new houses but a

large increase of selling renovated second hand houses as well.

② What is a “futuristic ideal house”. It is totally different, here is a short explanation in a few words.

A; It has no pillars, no walls, no ceiling, no floor. The design and construction will be completed without any craftsman, using only CAD/CAM. I am sorry, only the floor will be made by not accustomed person. I want to say that create any kind of house is possible.

B; The electricity, water and gas bill is zero for the house. All utility bills will be zero because of energy generation through solar, wind and geothermal technology.

C; There is a mortgage but must not pay. The loan payment is zero because of selling electricity to the region.

D; The house will sell immediately on a higher amount than the initial cost when a family problem occurs or just change in mood.

E; A new design house can be ordered on a computer, it will be completed in two weeks because of the use of CAD/CAM.

F; Since there are no pillars, the floor plan is free and refurbishing is easy.

G; The house can withstand even a magnitude 9 earthquake.

H; The house will be built from unburnable wood, therefore there is no fire hazard.

I; The house is practicable even in the ground and even in the water. One can live if there is oxygen.

J; It will be useable even more than 200 years.

However, I am quite old (64 years) therefore I will not make this futuristic ideal house. The young employees of Asahi Global must make it. We expect it, our customers and me. Yes.