

A photograph of a traditional Japanese house. The central focus is a vertical wooden door with a panel design, set within a light-colored wall. Above the door is a decorative roofline with a row of spherical ornaments. To the right, a small tree with green leaves and some orange fruit is visible. In the foreground, there are concrete steps leading to the door, flanked by low-lying green bushes.

HOW TO BUY A HOUSE IN JAPAN

A foreigner's guide to finding your dream
property in The Land of the Rising Sun

CHEAP HOUSES JAPAN



About Cheap Houses Japan

Hi! I'm Michael, founder of the website and Instagram community, Cheap Houses Japan.

I created Cheap Houses Japan as a resource for foreigners, both resident and non-resident alike, to find their dream property in Japan—and at an incredible price. This project draws on my own challenging experience purchasing a house in Japan without an intermediary or translator.

Several years have passed since my house-hunting journey began, yet the barriers faced by prospective buyers from overseas have changed little. In this comprehensive guide, I endeavor to provide useful, actionable information on how to start your own search, while saving time and money in the process.

I attempt to shed light on some of the myths surrounding Japanese real estate and help you to decide whether buying is the right option for you.

I would like to disclose here that I am not a licensed real estate professional or financial advisor. I simply share here my first-hand experience and knowledge of buying a property in Japan as well as my own research. Before making any major investment, please seek advice from qualified, in-country real estate, tax and immigration advisors.

Feel free to contact me with your thoughts and feedback on this guide at michael@cheaphousesjapan.com

My Story



My own love affair with Japan began during my university years, when I spent a year and a half studying in the country. I took the opportunity to return soon after graduating from university in Canada, when I was offered a position teaching English in a small city in Central Japan. As my language skills improved, I left the school for the travel business, working for a busy agency in Tokyo. It was an exciting job that allowed me to discover incredible new places up and down the archipelago.

Spending time in idyllic, small rural towns of Japan that were still relatively unknown among visitors to the country, a thought lingered in the back of my mind:

Someday, I want to own a house here!

Back then, I certainly didn't have the money to buy one, nor did I know how I was going to make it happen; only that someday I would.

I knew that finding my dream property would require some initiative and legwork. I started by driving out into the countryside and dropping into the local real estate offices for friendly chats with the staff. I would pester them with questions, like:

“Have you ever sold a house to a *gaikokujin* (foreigner)?”

“What does this *kanji* (Chinese character) on the listing mean?”

“Why is *this* house so much cheaper than *that* one?”

The staff were often incredibly generous with their time, and besides picking up useful real estate-related terminology in Japanese, I also discovered that there were some incredible deals to be had in the housing market.

I spent hundreds of hours researching through books and local websites, as well as poring over countless listings. Finally, I found just the house I wanted: A 2DK property (that is, 2 bedrooms plus a kitchen/dining room) with very few renovations required, a recently renovated bathroom, spacious front porch area, and only a fifteen-minute walk away from the nearest train station—it even has its own charming little rock garden that illuminates at night!

How much was it, you ask? **Including real estate fees and taxes, my house came to around \$36,000 (USD).**

A number of years on, I can confirm it has been the best money I've ever spent. It gives me so much joy to know that I own a house – with no mortgage – in a country I feel so deeply connected to. I have made good use of the house, spending many happy months there. It was also the ideal place to be locked down for half a year in 2020 when international borders were closed!

I hope my story may inspire those who are on the fence about purchasing a property in Japan – perhaps due to the costs, language barriers or geographical distance – and that, with a little persistence and planning, it can be an investment that truly pays off!



Some notes before we begin...

Currency

Prices will be mostly quoted in Japanese Yen and occasionally US dollars, depending on the context.

When the dollar symbol (\$) is used, it represents US Dollars unless otherwise specified.

Japanese terms

All Japanese words in this book are transliterated into the Roman alphabet (called *romaji*) and briefly explained where necessary.

I also include the Japanese *kanji* for words that commonly appear in the real estate listings.



TABLE OF CONTENTS

Chapter 1 - 06

Using this guide

Chapter 2 - 13

The market for cheap houses in Japan

Chapter 3 - 25

Interview: A holiday home in Karuizawa

Chapter 4 - 29

Starting the house search

Chapter 5 - 37

Interview: A countryside kominka adventure

Chapter 6 - 43

Buying the house

Chapter 7 - 52

Interview: From Singapore to Chiba!

Chapter 8 - 58

Managing your house in Japan

Chapter 9 - 60

Interview: A holiday home in Osaka

Chapter 10 - 68

Visas and residency

Chapter 11 - 77

Interview: An interior designer buys an akiya

Chapter 12 - 84

Frequently Asked Questions

Chapter 13 - 95

Final Thoughts





01

Using this guide

Buying real estate in Japan as a foreigner – is it possible?

The answer is yes! Contrary to popular belief, Japan allows anyone, regardless of nationality, residency status or visa type, to buy both real estate and land in the country. I myself bought my house as a non-resident on a tourist visa. There are no extra taxes levied on the Japan side when buying property. In fact, foreigners have the exact same buying and ownership privileges as Japanese investors and are subject to the same rules on inheritance and taxation.

Who is this guide for?

While foreigners may purchase property in Japan for all manner of reasons, I have written this guide with a particular audience in mind.

- You are a resident of Japan and are ready to settle down, OR;
- You are a non-resident but frequent visitor looking to make the most of your time in this amazing country or wish to relocate full-time.
- You may not have fluent Japanese skills, or perhaps you are simply overwhelmed by the house-hunting process and not sure where to start.
- You are looking for a fantastic deal.
- You are looking to invest above all in your happiness and personal fulfilment (explained further below).

Why might buying a house in Japan not be for you?

Of course, it may well be that you have found your way to this guide simply because the idea of picking up real estate for many thousands of dollars less than one would in other developed countries seemed too irresistible an idea – and this is perfectly reasonable!

But I have written this guide with the assumption that most of my readers are familiar with Japan and whose motivations primarily come from a love of the country. One reason for this is because real estate here can be said to have fewer benefits attached to it as compared with such an investment in other countries, and it is important to set realistic expectations.

For non-residents of Japan, there is no route to residency by way of real estate investment.

Sorry, folks! There is no real estate investor visa available as in other countries (following the procedures to attain the “business manager” class of visa and starting a rental or accommodation business out of the property, though, is another matter). But not to worry, as there may be a suitable visa option for those wishing to stay in the country longer than the time allowed as a tourist (see the visa section in Chapter 10 of this guide).

Japanese real estate prices, on the whole, do not appreciate.

In many countries, people buy houses as an investment asset with the expectation that they will appreciate in value over time. One key difference between the Japanese housing market and those of other countries is that the value of houses in Japan on the whole tend to depreciate with time, and that is even truer outside of Japan's major cities.

Therefore, it is advisable to treat your property in Japan as an investment in your happiness and personal fulfilment, rather than necessarily a financially strategic one.

Of course, there are corners of the real estate market which are seeing high yields. In central Sapporo, for example, investors may see returns of up to 12% before running costs and applicable taxes. But as the name suggests, I am here to help you find a Japanese property on the cheap! So, this guide is written with prospective buyers of homes priced under \$150,000 in mind.

You will likely have to pay cash if you are not a resident of Japan

As a non-resident or a temporary resident, it is very difficult to obtain a loan from an in-Japan bank, and loan products to fund property overseas are hard to come by generally. Permanent residents have greater options in this regard, discussed later in this guide.

The Japanese culture and language are complex. It takes time to understand and get used to.

Japan has a rich ancient history, and most notably, it developed, to a large degree, while almost completely cut off from the rest of the world. It is perhaps because of this that Japan is quite unlike anywhere else in the world. Many a foreigner who has spent an extended period of time here would agree that it takes considerable time and patience to understand Japanese cultural norms and a willingness to adapt to them—not to mention getting to grips with the very tricky, highly-layered Japanese language.

These norms are reflected in the Japanese house too, and certain features that differ from the Western setup (which I talk about later in this guide) may be considered just a little bit too different or quirky to be acceptable to a prospective buyer who has not yet fully experienced the way of life here. An example of this might be the lack of an oven in most Japanese kitchens, or the low energy efficiency and insulation standards in many older houses.

In a similar vein, Japan can be described as a collective society, and there is greater importance placed on the relationships with your neighbors and the local community than you might have experienced elsewhere. This sense of community is being lost in the big cities, however in the regional towns and villages of Japan, where most of my listings for cheap properties are located, it is still very much intact. Indeed, it is customary to greet each of your neighbors soon after your move in and to present a small gift. Before you know it, you will be invited to take part in the local festival, sports day, community meetings, earthquake drills and more! In this respect, to buy a house in Japan is to enter into a community.

Thus, You may wish to consider how much you value your individual, private space and whether you would enjoy this or not. Having the neighbors on your side is also a plus from the point of view of having others looking out for you, as well as your property when you are away (which would be for longer periods if you are not a resident).

In my own opinion, if you are able to approach Japan with an open mind and invest your time in getting to know it, the rewards make the initial frustrations all the more worthwhile.

If the above factors do not deter you, then by all means read on!