Xymax Real Estate Institute
RESEARCH REPORT

Metropolitan Areas Office Demand Survey Autumn 2019

Expansion of workstyle reforms and changes in office demand

November 27, 2019

In the past several years, companies have been promoting workstyle reforms aimed at acquiring personnel and improving productivity, with more companies shifting from the conventional, inflexible workstyle to one that is not constrained by place or time. These trends are likely to have quantitative and qualitative effects on office demand.

Since autumn 2016, Xymax Real Estate Institute (hereinafter, "Xymax REI") has been conducting surveys on companies' use of offices and workstyles on a semi-annual basis and has continuously analyzed their relationship between office demand. This report covers the results of the seventh survey.

Summary of Survey Results

(1 tsubo=approx. 3.3 sqm)

1. Change in office demand (October 2018–September 2019) (Pages 3–6)

36.5% of the companies experienced an increase in the number of office users over the past year, outnumbering the companies that experienced a decrease (13.0%). 8.7% of the companies expanded their office space, while 2.8% reduced it. Furthermore, the percentage of companies that experienced an increase in their rent per tsubo (including CAM) (22.6%) exceeded that of companies experiencing a decrease (1.2%), and has risen since the start of the survey. These results indicate that office demand was robust. (Figures 1, 2, and 3)

- 39.1% of the companies thought their current office was not large enough.
- Business confidence DI was the lowest ever at 3.1: the percentage of companies replying that business confidence was "bad" or "somewhat bad" has increased.
- As much as around 70% of the companies felt they were "lacking" or "somewhat lacking" in labor.

2. Promoting workstyle reforms (Pages 7–10)

Companies replying that they were "currently promoting workstyle reforms" or had "already carried out" the reforms accounted for 62.6% in total. When including companies that were "planning or considering" the reforms, more than 70% of the companies either will promote or have promoted the reforms. (Figure 7)

- When comparing the purpose of carrying out workstyle reforms with past surveys, "shortening long work hours (overtime, extra workdays)" (60.2%) and "promoting the well-being of employees" (47.8%) ranked higher than in the past.
- Around 60% of the companies replied that they felt the effects of workstyle reforms "very much" or "somewhat."

3. Diversification of workplaces (promoting telework) (Pages 11–23)

Around 80% of the companies had introduced some kind of telework. More companies are providing places or programs for telework, indicating that efforts to provide alternative workplaces are progressing. (Figures 11, 14, and 15)

- 33.2% of the companies replied that they were making efforts to provide places or programs for telework. "Work-from-home program" (21.8%) was the most popular reply, followed by "serviced office" (15.1%), which doubled in terms of the rate of companies introducing the program compared to a year ago, indicating that workplaces are becoming more diversified.

- By company size, telework was being promoted the most at large companies (with 1,000 employees or more). "Serviced office or shared office" increased in all company sizes. By industry, places for telework were being provided in a broad range of industries, with "serviced office or shared office" and "company's satellite office, etc." showing especially large growth in the finance and insurance industries.
- Companies interested establishing/using programs that enable telework accounted for around 80% (77.4%).
- Companies that had introduced places or programs for telework such as a "work-from-home program" and "serviced office or shared office" had a smaller office space per person than companies that had not introduced such places or programs.
- Companies that focused on health & productivity management and well-being placed more importance on "supporting employees' balance of work and child/elder care" and "improving employees' work-life balance" and had actually introduced telework more than companies that did not focus on health & productivity management and well-being.

4. Topic: Measures to counter traffic congestion during the 2020 Tokyo Olympics and Paralympics Games (Pages 24–25)

Among companies with offices in Tokyo, only a little less than 40% (38.2%) will carry out some kind of measure, while more than 60% have not decided on a specific measure ("will think of a measure in the future," "not yet decided / don't know") or "do not plan to take any measures." (Figure 27)

Related surveys:

- Autumn 2016 (1st survey) *Metropolitan Areas Office Demand Survey 2016 – Demand Trends*, published January 12, 2017
  https://www.xymax.co.jp/english/research/images/pdf/20170112.pdf
- Autumn 2016 (1st survey) *Metropolitan Areas Office Demand Survey 2016 – New Ways of Working and Office*, published January 30, 2017
  https://www.xymax.co.jp/english/research/images/pdf/20170130.pdf
- Spring 2017 (2nd survey) *Metropolitan Areas Office Demand Survey 2017 – Demand Trends*, published August 2, 2017
  https://www.xymax.co.jp/english/research/images/pdf/20170802_2.pdf
- Autumn 2017 (3rd survey) *Metropolitan Areas Office Demand Survey Autumn 2017*, published December 7, 2017
  https://www.xymax.co.jp/english/research/images/pdf/20171207.pdf
- Spring 2018 (4th survey) *Metropolitan Areas Office Demand Survey Spring 2018*, published July 3, 2018
  https://www.xymax.co.jp/english/research/images/pdf/20180703.pdf
- Autumn 2018 (5th survey) *Metropolitan Areas Office Demand Survey Autumn 2018*, published December 18, 2018
  https://www.xymax.co.jp/english/research/images/pdf/20181218.pdf
- Spring 2019 (6th survey) *Metropolitan Areas Office Demand Survey Spring 2019*, published June 26, 2019
  https://www.xymax.co.jp/english/research/images/pdf/20190626.pdf

1. Change in office demand (October 2018–September 2019)

1-1. Changes in the number of office users, size of office, rent per tsubo (incl. CAM charges)

- ✓ More companies experienced an increase in office users (36.5%) than a decrease (13.0%).
- ✓ More companies expanded their office space (8.7%) than reducing (2.8%).
- ✓ More companies experienced a rise in rent per tsubo (incl. CAM charges) (22.6%) than a decline (1.2%).

The changes in the number of office users, office size, and rent per tsubo (including CAM charges; the same applies hereafter) over the past year (October 2018–September 2019) were as below.

The percentage of companies that experienced an increase in the number of office users far exceeded that of companies that experienced a decrease by 23.5 percentage points **(Figure 1, bottom bar)**. Furthermore, the percentage of companies that expanded their office space surpassed that of companies that reduced it by 5.9 percentage points **(Figure 2, bottom bar)**. The percentage of companies that saw an increase in rent per tsubo exceeded that of companies that saw a decrease by 21.4 percentage points **(Figure 3, bottom bar)**.

This trend has been largely consistent with the past six surveys (Autumn 2016, Spring 2017, Autumn 2017, Spring 2018, Autumn 2018, Spring 2019), with the percentage of companies experiencing a rise in rent per tsubo increasing significantly compared to the survey in Autumn 2016, the first round of the survey, indicating that demand continues to be robust. Such growth in companies' demand is thought to have led to the tight supply-demand balance in offices in metropolitan areas.

Figure 1: Change in the Number of Office Users

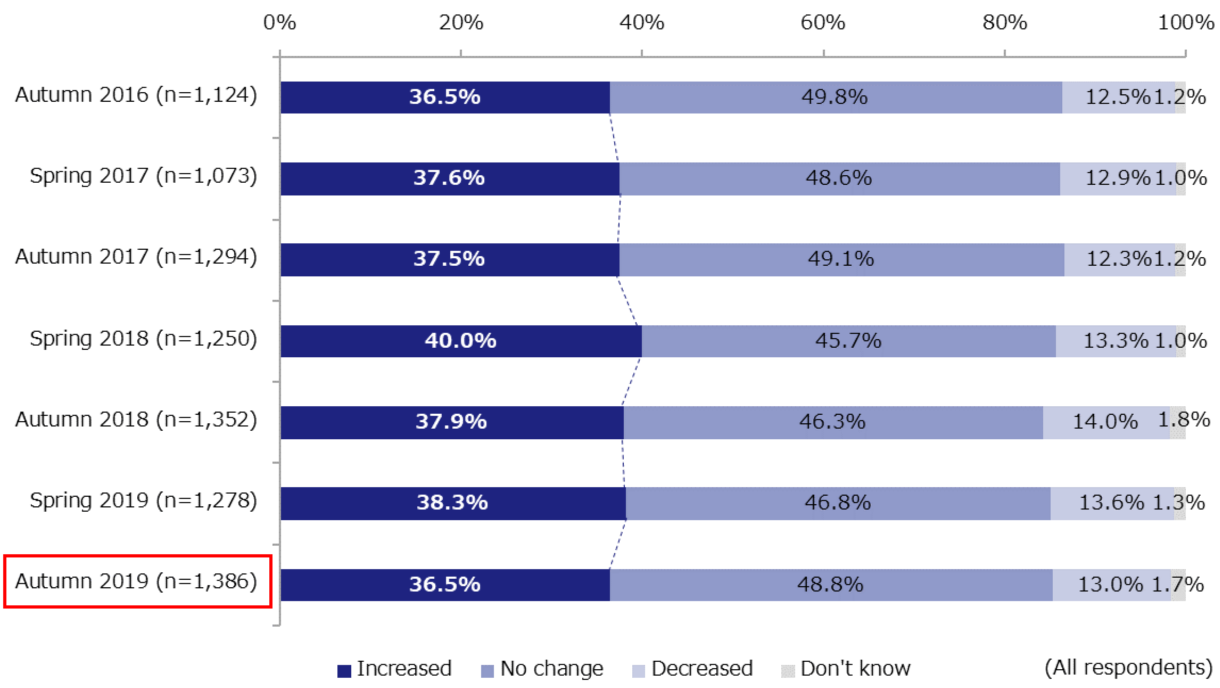


Figure 2: Change in Office Size

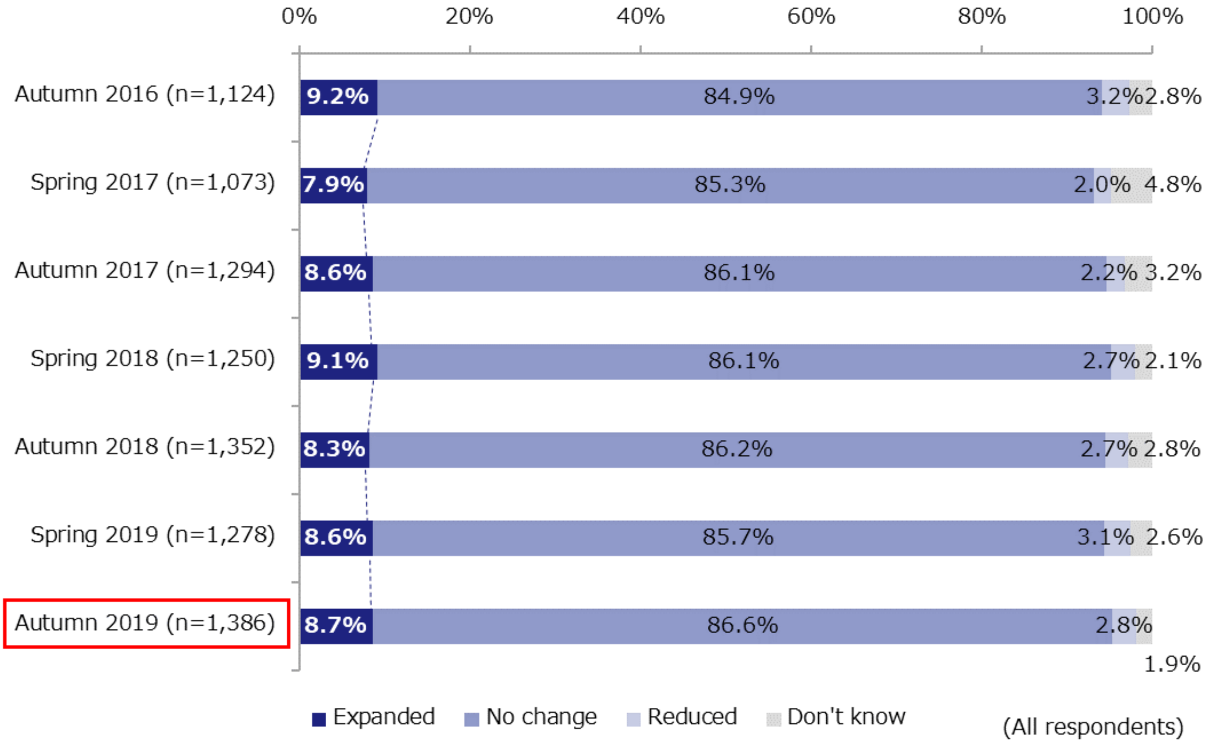
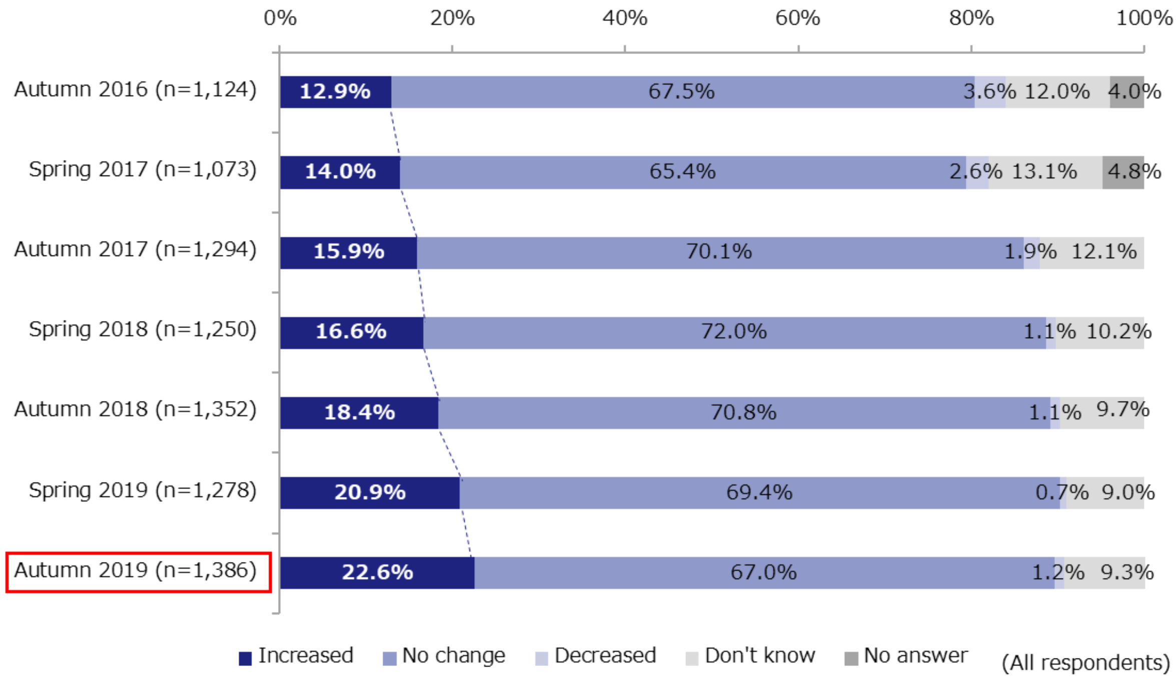


Figure 3: Change in Rent per Tsubo

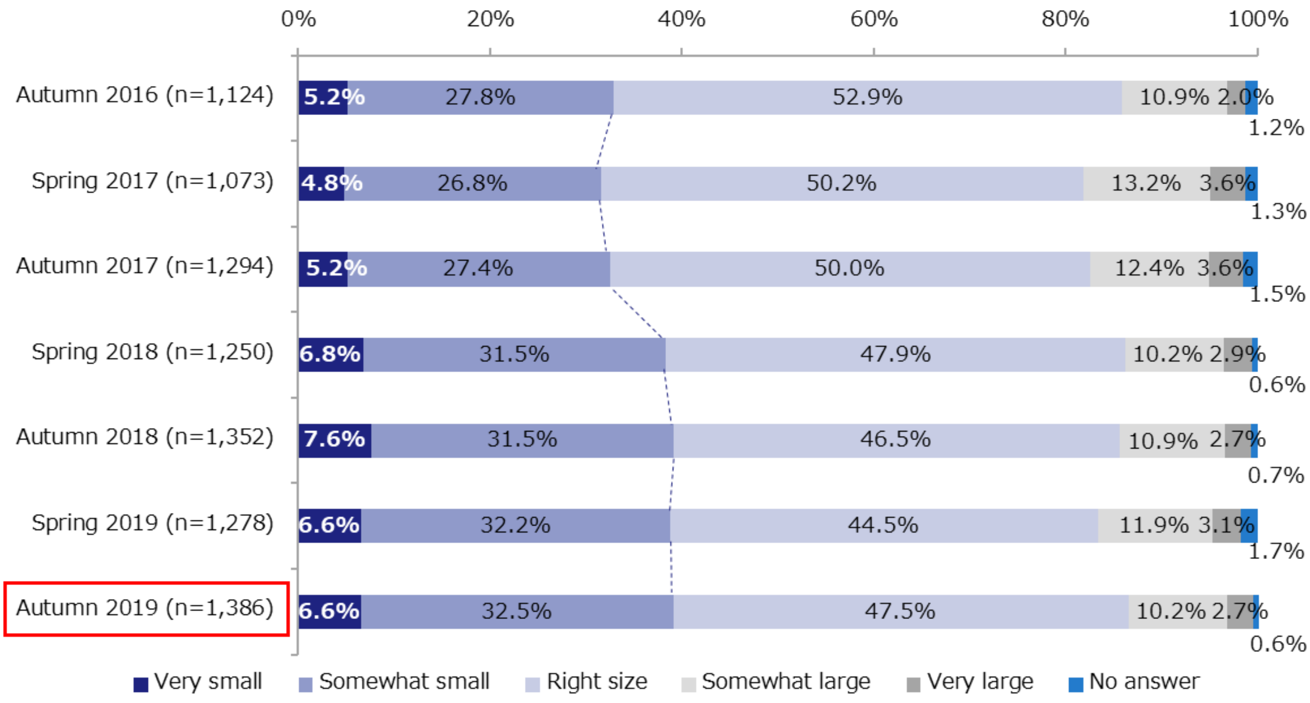


1-2. Impression of office size, business confidence, sense of labor shortage

- ✓ Around 40% of the companies felt that their current office was “very small” or “somewhat small.”
- ✓ While the business confidence among 30.1% of the companies was either “good” or “somewhat good,” 27.0% of the companies replied that it was “bad” or “somewhat bad.”
- ✓ As much as around 70% of the companies felt that they were “lacking” or “somewhat lacking” in labor.

When we asked how the companies felt about their current office size, 39.1% replied that they felt their current office was “very small” or “somewhat small” **(Figure 4)**. The percentage exceeded that of the companies that felt their office was “very large” or “somewhat large” (12.9%), indicating a potential need for expanding office space, which has continued since the Autumn 2016 survey. When looking at the results of the past six surveys, the percentage of companies that felt their office was small increased over Autumn 2017 to Spring 2018 and has since remained flat.

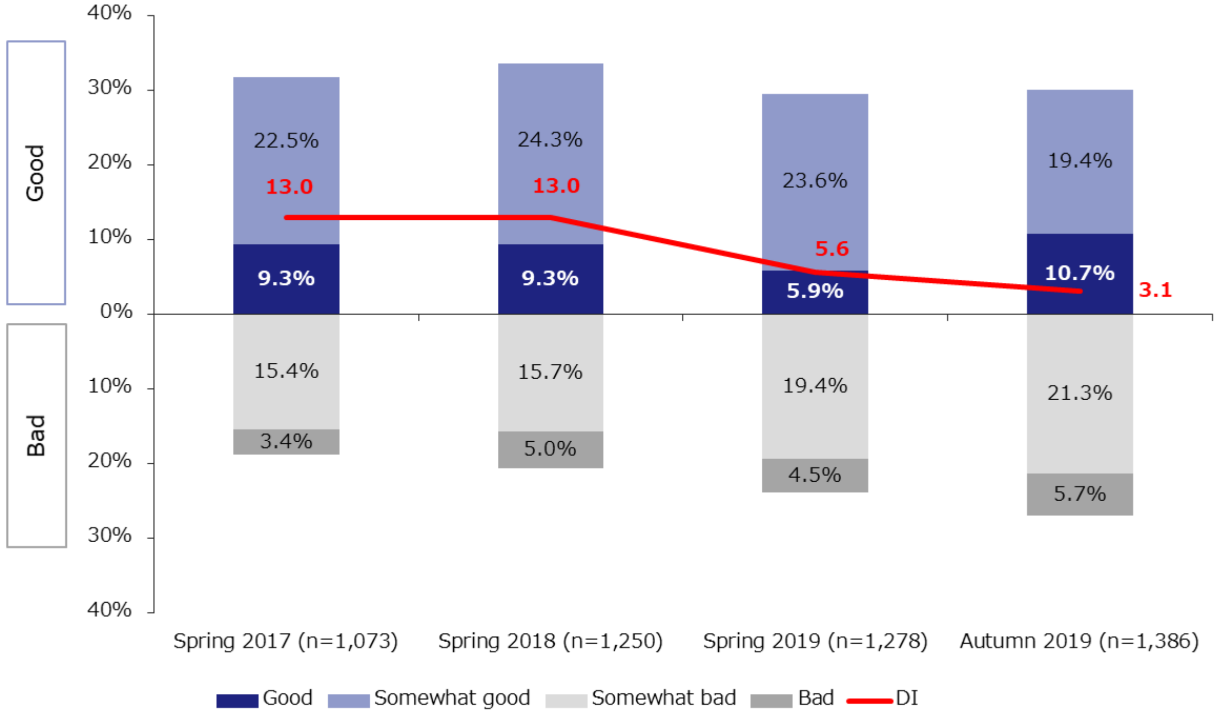
Figure 4: Impression of Office Size



(All respondents)

As for business confidence, the “Business Confidence DI” is presented in **Figure 5** as the difference between the total percentage of “good” and “somewhat good” and that of “bad” and “somewhat bad.” In this survey, while 30.1% of the companies replied that business confidence was “good” or “somewhat good,” 27.0% replied it was “bad” or “somewhat bad.” The DI at 3.1 is the lowest since the start of this survey, indicating that business confidence is deteriorating.

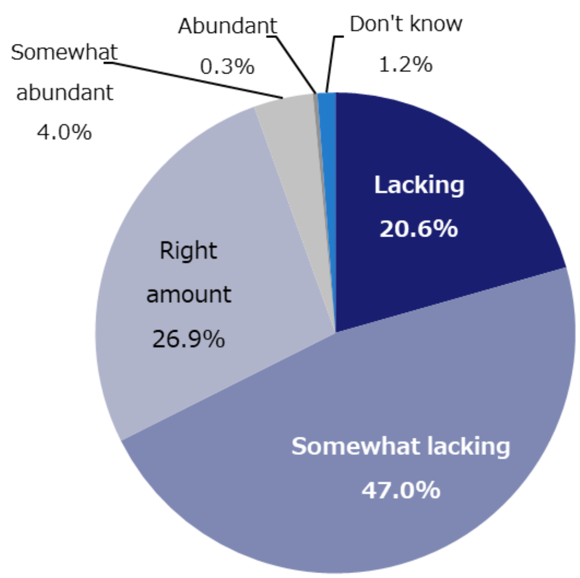
Figure 5: Business Confidence DI



(All respondents (excerpt))

As for the sense of labor shortage, while 4.3% of the companies replied that labor was "abundant" or "somewhat abundant," 67.6% replied that they were "lacking" or "somewhat lacking" in labor, far outstripping companies that felt that labor was abundant **(Figure 6)**. These results point to an acute sense of labor shortage among companies.

Figure 6: Sense of Labor Shortage



(All respondents)

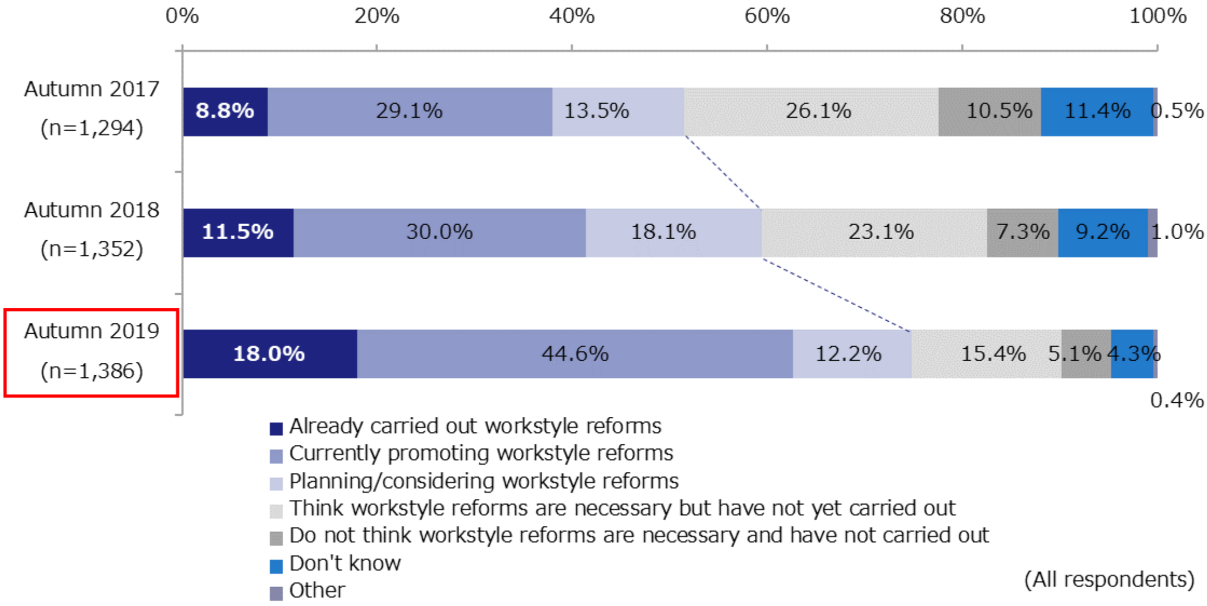
2. Promoting workstyle reforms

2-1. Promoting workstyle reforms

- ✓ 62.6% of the companies replied that they were "currently promoting workstyle reforms" or had "already carried out workstyle reforms."
- ✓ When comparing the purpose of carrying out workstyle reforms with past surveys, "shortening long work hours (i.e. overtime, extra workdays)" (60.2%) and "promoting well-being of employees" (47.8%) ranked higher than in the past.
- ✓ Around 60% of the companies replied that they felt the effects of workstyle reforms "very much" or "somewhat."

As much as 44.6% of the companies replied that they were "currently promoting workstyle reforms." The percentage rises to 62.6% when including companies that have "already carried out" the reforms **(Figure 7)**. Compared to the Autumn 2018 survey, the percentage has risen by 21.1 points to the highest percentage ever. 12.2% of the companies replied that they were "planning/considering" the reforms. When including companies that were "currently promoting workstyle reforms" and those that had "already carried out" the reforms, more than 70% (74.8%) of the companies either will carry out or have carried out the reforms.

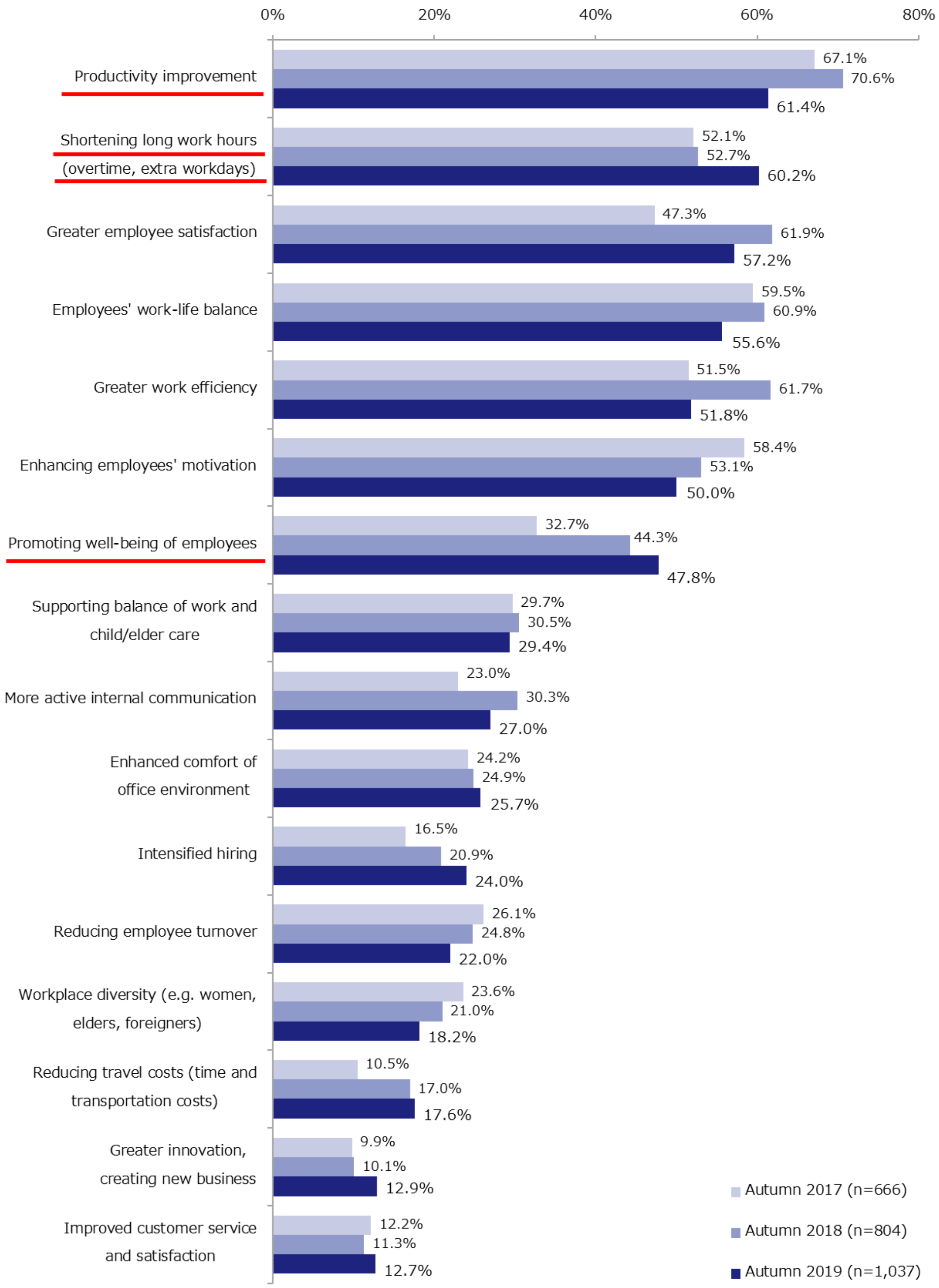
Figure 7: Implementation of Workstyle Reforms



(All respondents)

As for the purpose of carrying out the reforms, "productivity improvement" (61.4%) was the most popular as in the past **(Figure 8)**. In this survey, "shortening long work hours (overtime, extra workdays)," which ranked sixth in the Autumn 2018 survey, rose by 7.5 percentage points to rank second (60.2%), followed by "greater employee satisfaction" (57.2%). "Promoting well-being of employees" (47.8%) has been rising, which suggests that companies are becoming more health-conscious in the work environment.

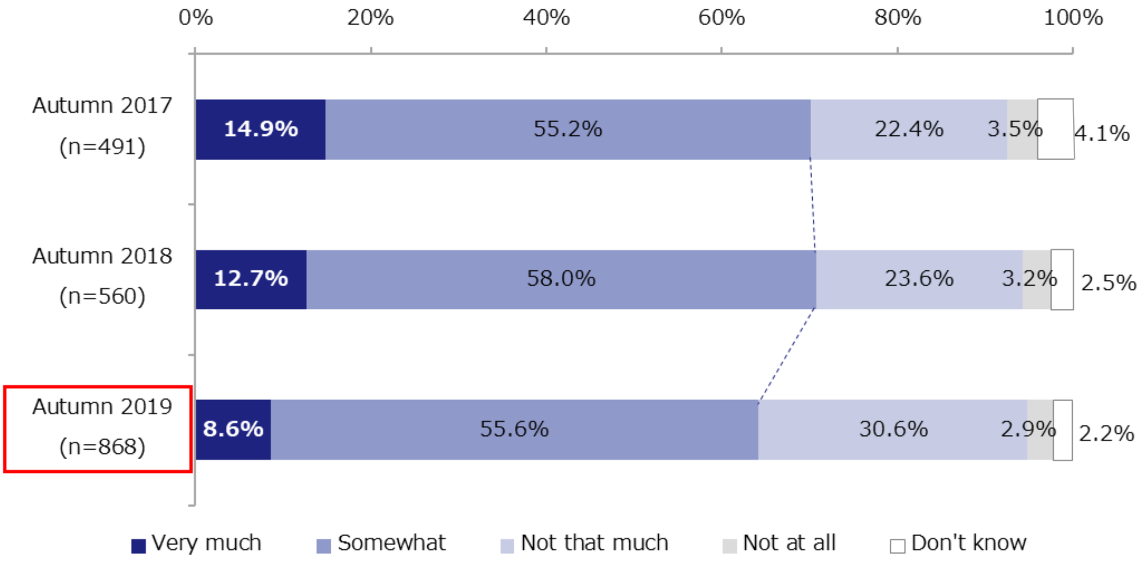
Figure 8: Purpose of Workstyle Reforms



(Companies that already carried out, currently promoting, planning/considering workstyle reforms; multiple answers; excerpt)

We asked companies that had "already carried out" or were "currently promoting" workstyle reforms about the effect of the reforms **(Figure 9)**. As much as approximately 60% (64.2%) of the companies replied that they felt an effect "very much" or "somewhat," although the ratio was 6.5 percentage points lower than in the Autumn 2018 survey.

Figure 9: Whether Companies Feel the Effects of Workstyle Reforms

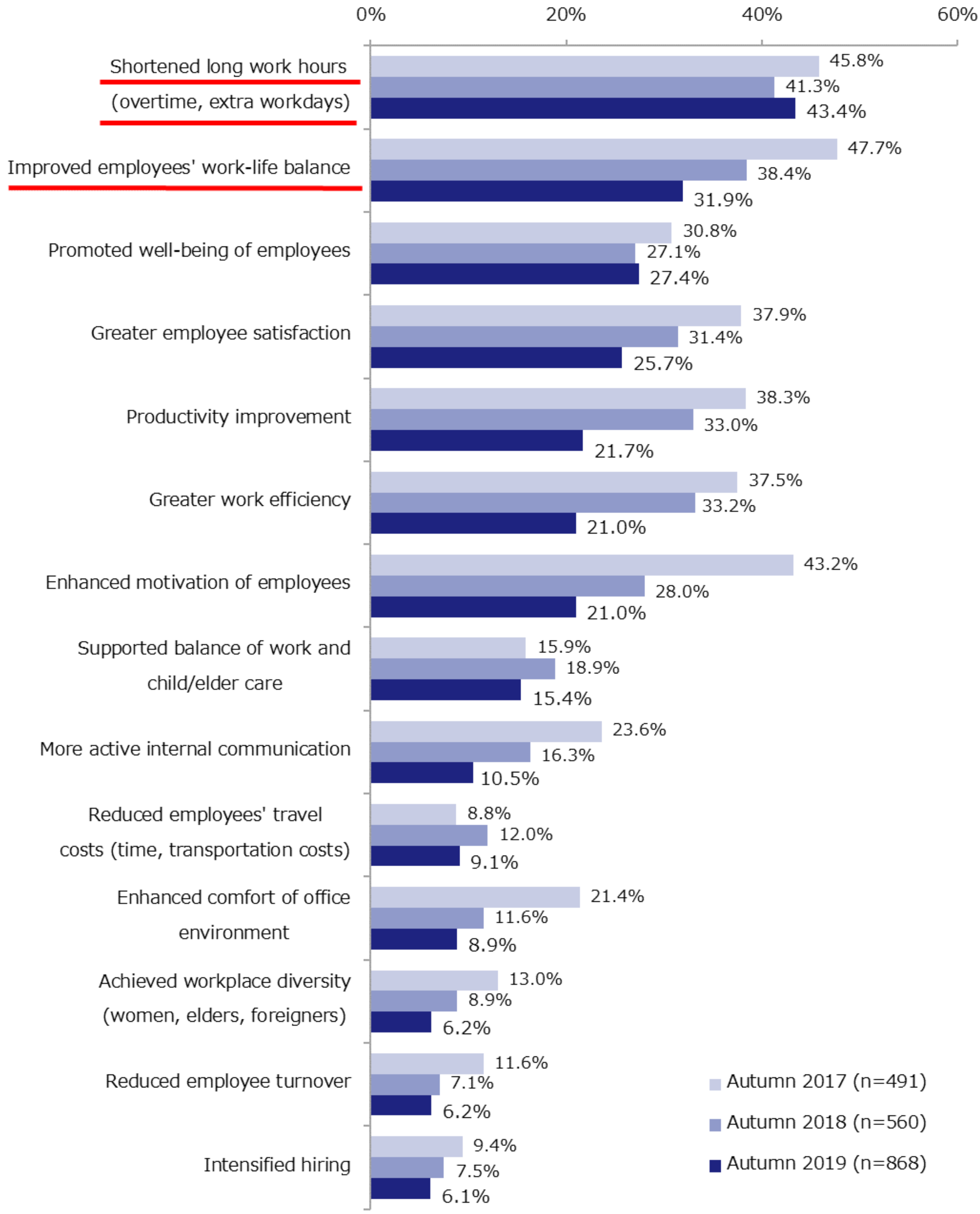


(Companies already carried out or currently promoting workstyle reforms)

As for the specific effects, the top replies included "shortened long work hours (overtime, extra workdays)" (43.4%) and "improved employees' work-life balance" (31.9%) **(Figure 10)**. With regard to "shortened long work hours (overtime, extra workdays)," companies seem to feel an effect more in this matter than in other matters as many companies carry out workstyle reforms for this purpose, as shown in **Figure 8**. On the other hand, the percentage of companies feeling an effect in "improved employees' work-life balance" has continuously dropped since the Autumn 2017 survey.

Compared to the Autumn 2018 survey, while more companies are carrying out workstyle reforms **(Figure 7)**, the overall percentages of companies feeling the effects of the reforms and of the specific effects of the reforms have dropped. Since workstyle reform laws have been enforced since spring 2019, many companies have started off by focusing on shortening long work hours. However, due to the very fact that more companies are introducing workstyle reforms, expectations toward the results of the reforms may have risen, preventing companies from feeling the effects of the reforms from moderate changes.

Figure 10: Specific Effects of Workstyle Reforms



(Companies already carried out or currently promoting workstyle reforms; multiple answers; excerpt)

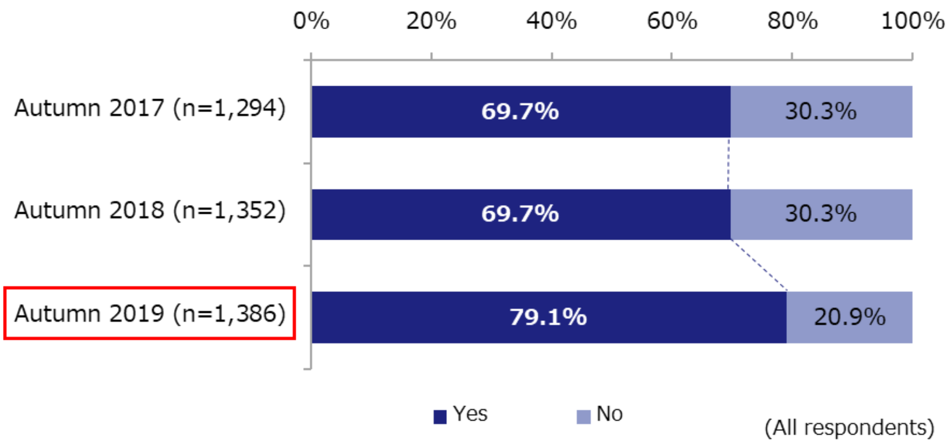
3. Diversification of workplaces (promoting telework)

3-1. Initiatives in promoting telework

- ✓ 79.1% of the companies had introduced some kind of measure for employees to telework, such as providing places or programs for mobile work or telework. 76.4% of the companies had made ICT investments.
- ✓ 33.2% of the companies replied that they were making efforts to provide places or programs for telework. "Work-from-home program" (21.8%) was introduced the most. "Serviced office, shared office, etc. provided by a specialized operator" (15.1%) nearly doubled from a year ago, indicating that workplaces are becoming more diversified and dispersed.
- ✓ Large companies with 1,000 employees or more and companies with offices in the Tokyo 23 Wards were actively providing places or programs for telework. By industry, the finance and insurance industries showed a large growth in using a "serviced office, shared office, etc. provided by a specialized operator" and the establishment of "satellite office or other similar facility owned or leased by own company."
- ✓ When we asked companies about their initiatives and degree of interest in workstyles, the most popular initiative was mobile work, with around 80% (77.4%) of the companies (including those that are interested) likely to make efforts in establishing and utilizing a "system enabling telework (e.g. attendance management, personnel evaluation)" at some point in the future.

Around 80% (79.1%) of all companies had introduced some kind of measure for employees to telework, such as providing places or programs for mobile work or telework **(Figure 11)**.

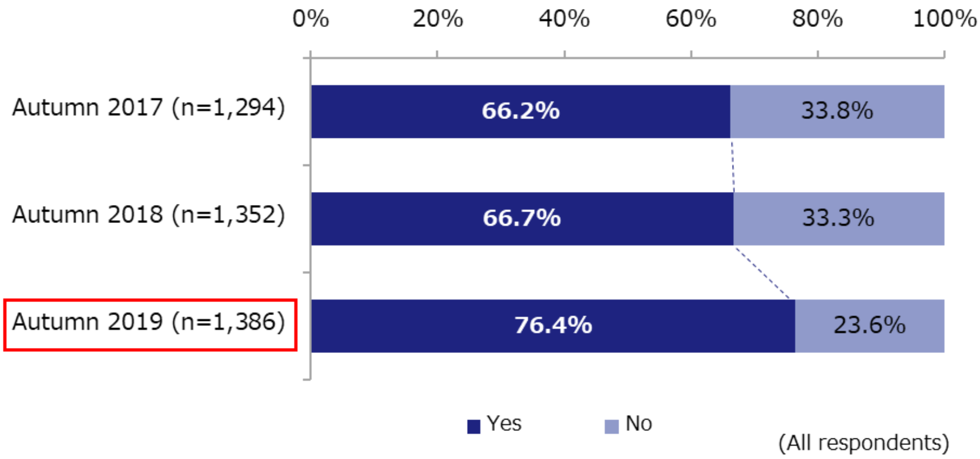
Figure 11: Whether Companies Have Introduced Telework



(All respondents)

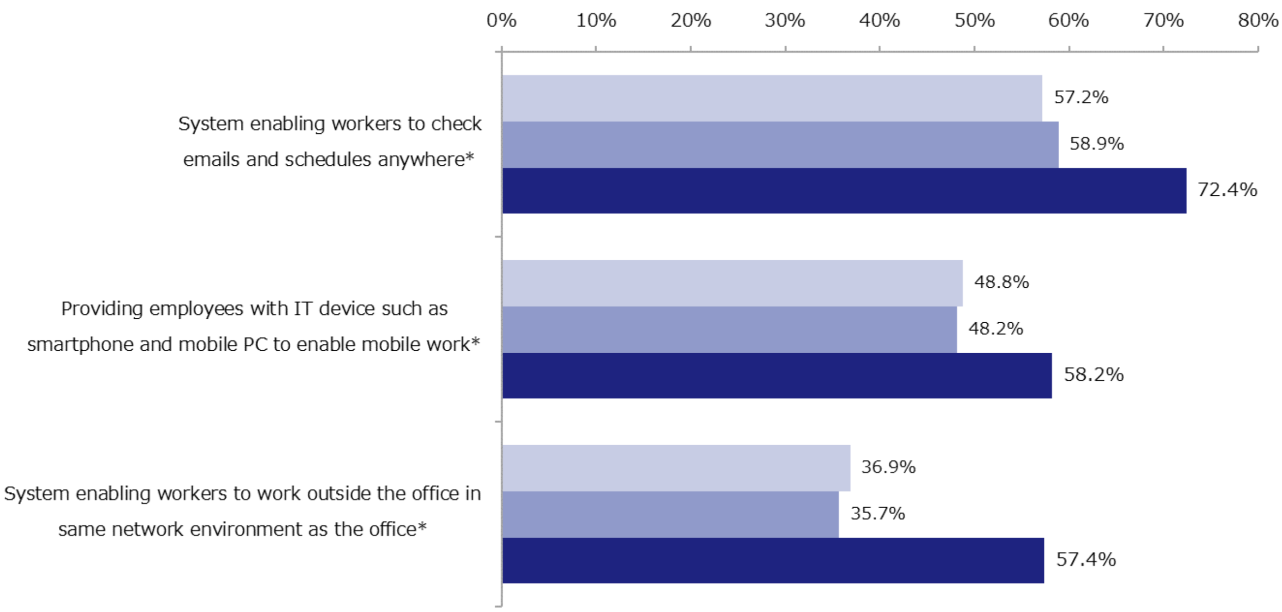
76.4% of all companies replied that they had introduced at least one of the following: a "system enabling workers to check emails and schedules anywhere with a smartphone, mobile PC, etc.," "providing employees with IT devices such as smartphones, mobile PCs and tablets to enable mobile work," and a "system enabling workers to work outside the office in the same network environment as the office with a smartphone, mobile PC, etc." This suggests that more than 70% of the companies had made some kind of ICT investment to achieve efficient workstyles **(Figure 12)**. Compared to the Autumn 2018 survey, the percentage has risen by 9.7 points. As for the breakdown of ICT investment, the percentage of companies making investments increased in all items **(Figure 13)**.

Figure 12: Whether Companies Have Made ICT Investment to Support Telework



(All respondents)

Figure 13: Breakdown of ICT Investment



*Smartphones have been added to the definition of IT device since the Spring 2019 survey

(All respondents; multiple answers)

Furthermore, 33.2% of all companies replied that they had provided a place or program for telework **(Figure 14)**.

The program or place that was introduced the most was the "work-from-home program" (21.8%), while the program or place that saw the largest growth from Autumn 2018 was "serviced office or shared office provided by a specialized operator" (15.1%), which nearly doubled. There is a certain number of companies that provided a "satellite office or other similar facility owned or rented by own company" (10.1%), indicating that workplaces are gradually becoming more diversified and dispersed **(Figure 15)**.

Figure 14: Whether Companies Have Provided Places or Programs for Telework

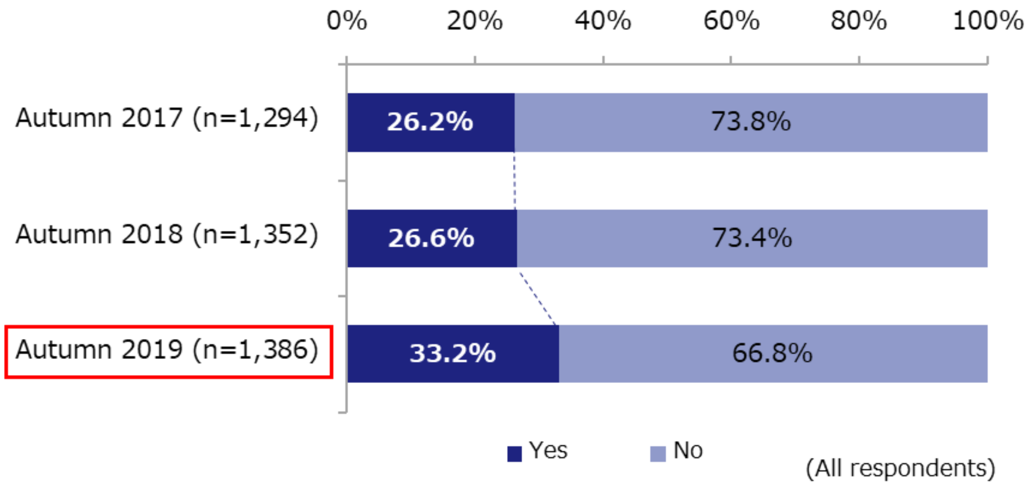
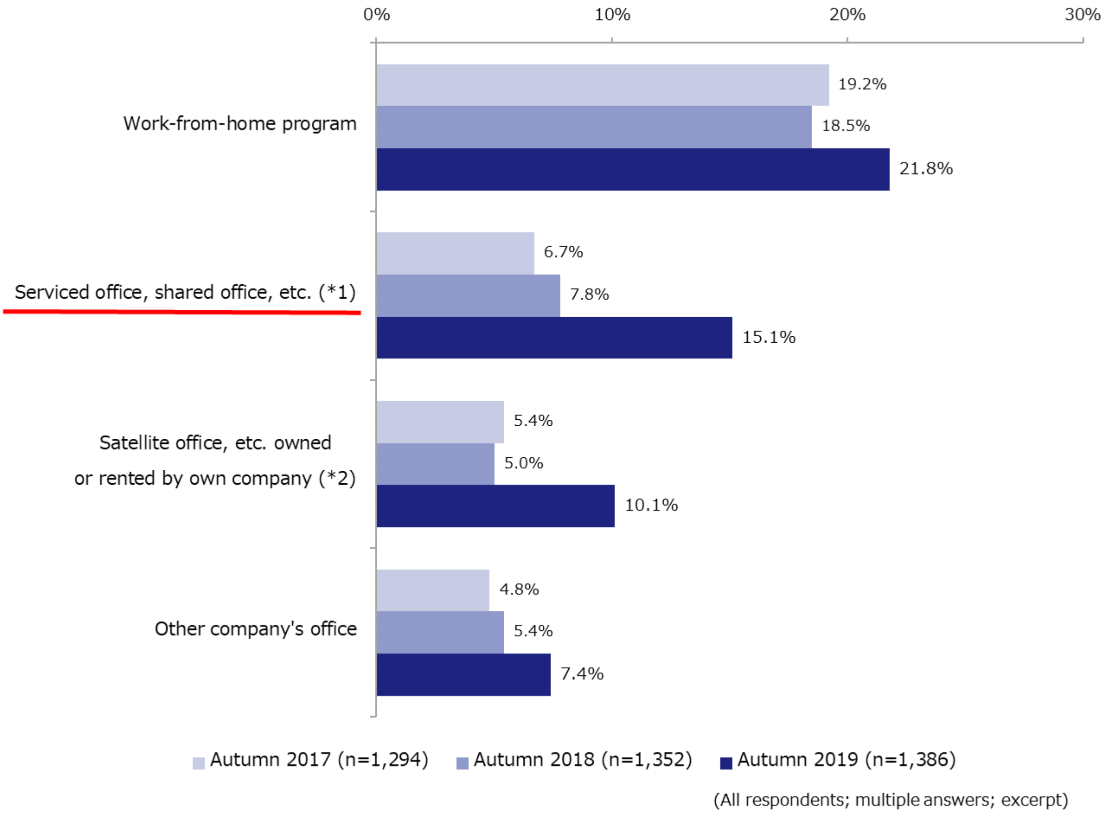


Figure 15: Details of Place or Program for Telework



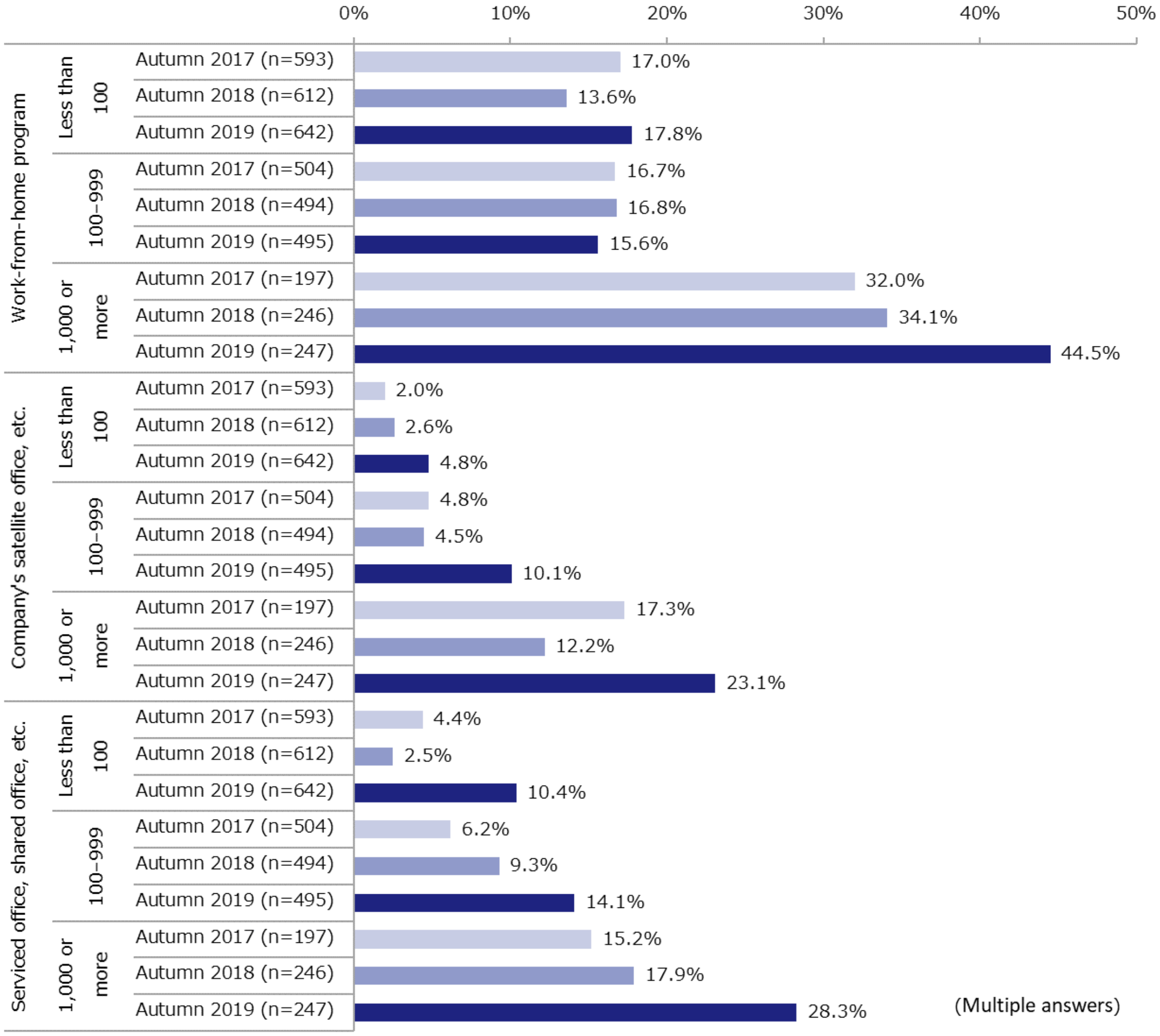
*1 Serviced office or shared office provided by a specialized operator, regardless of contract type (e.g. monthly charge, pay-by-the-hour)

*2 Satellite office: An office equipped with facilities similar to those of the main office and established near a large railway station or in the suburbs mainly for the benefit of employees' travel time

These initiatives vary depending on the company size (number of employees) and industry.

By company size, larger companies were more likely to offer places or programs for telework **(Figure 16)**. Compared to the Autumn 2018 survey, "serviced office or shared office" increased at all company sizes. Small and medium-sized companies (companies with "less than 100 employees" and "100–999 employees") saw larger growths in "serviced office or shared office" and "satellite office or other similar facility owned or leased by own company" than in the "work-from-home program," suggesting that such places for telework are becoming more available regardless of company size.

Figure 16: Availability of Place/Program for Telework – By Company Size (No. of Employees)



By location of office, companies with offices in the Tokyo 23 Wards tended to have a higher introduction rate in all initiatives **(Figure 17)**. The Tokyo 23 Wards also experienced a growth in the introduction rate from past surveys, especially in "serviced office or shared office" and "satellite office or other similar facility owned or leased by own company" **(Figure 18)**.

Figure 17: Availability of Place/Program for Telework – By Location of Office

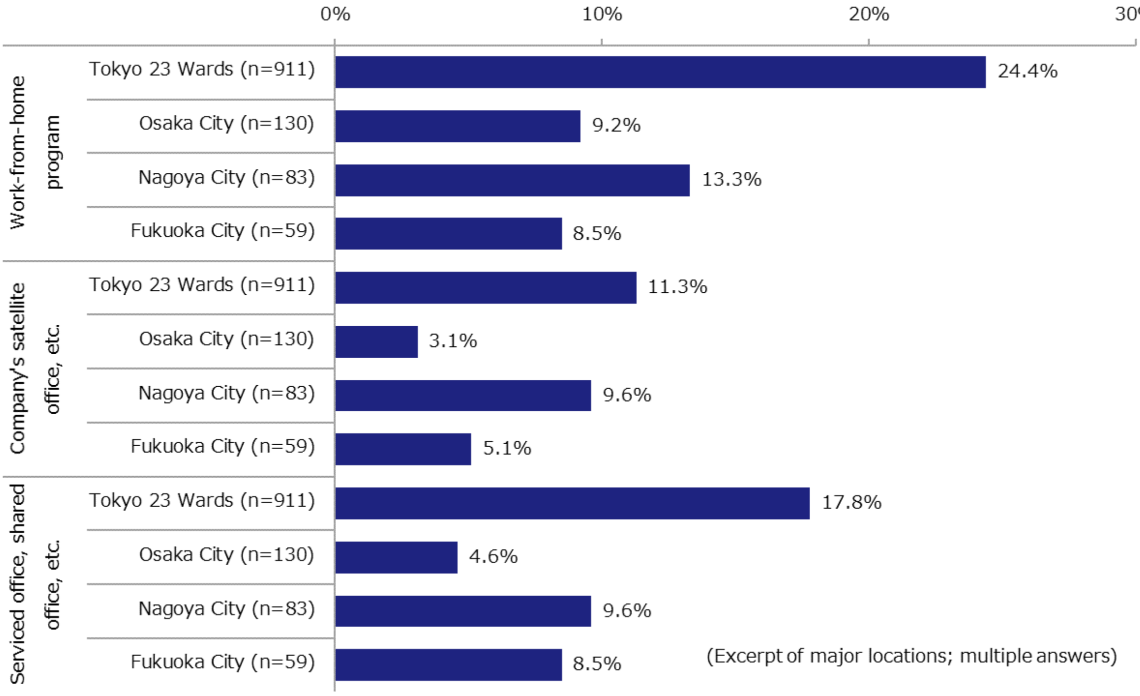
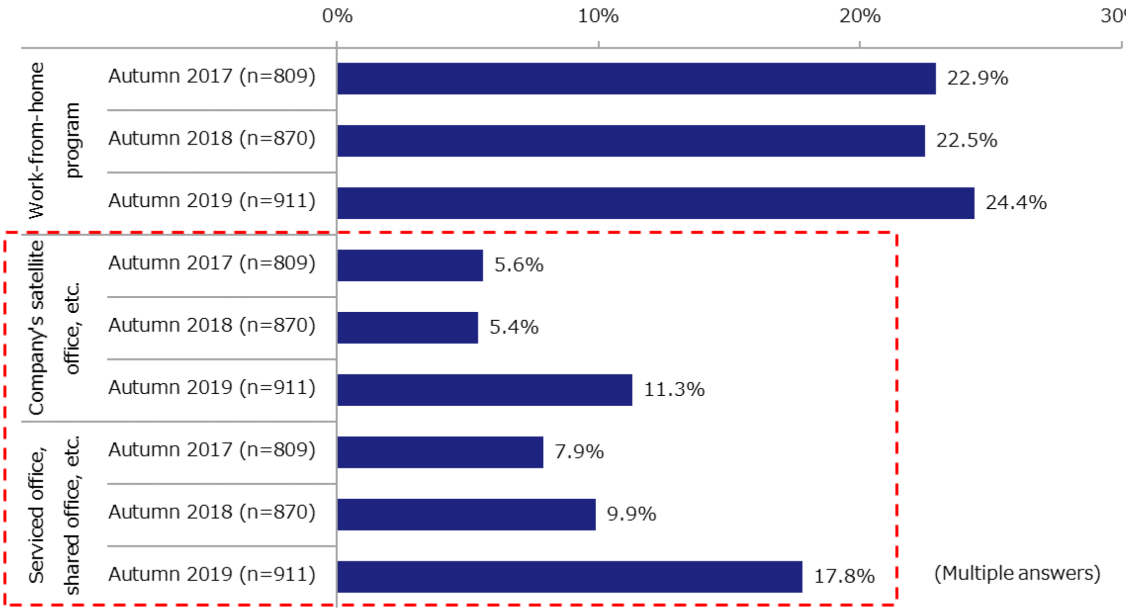
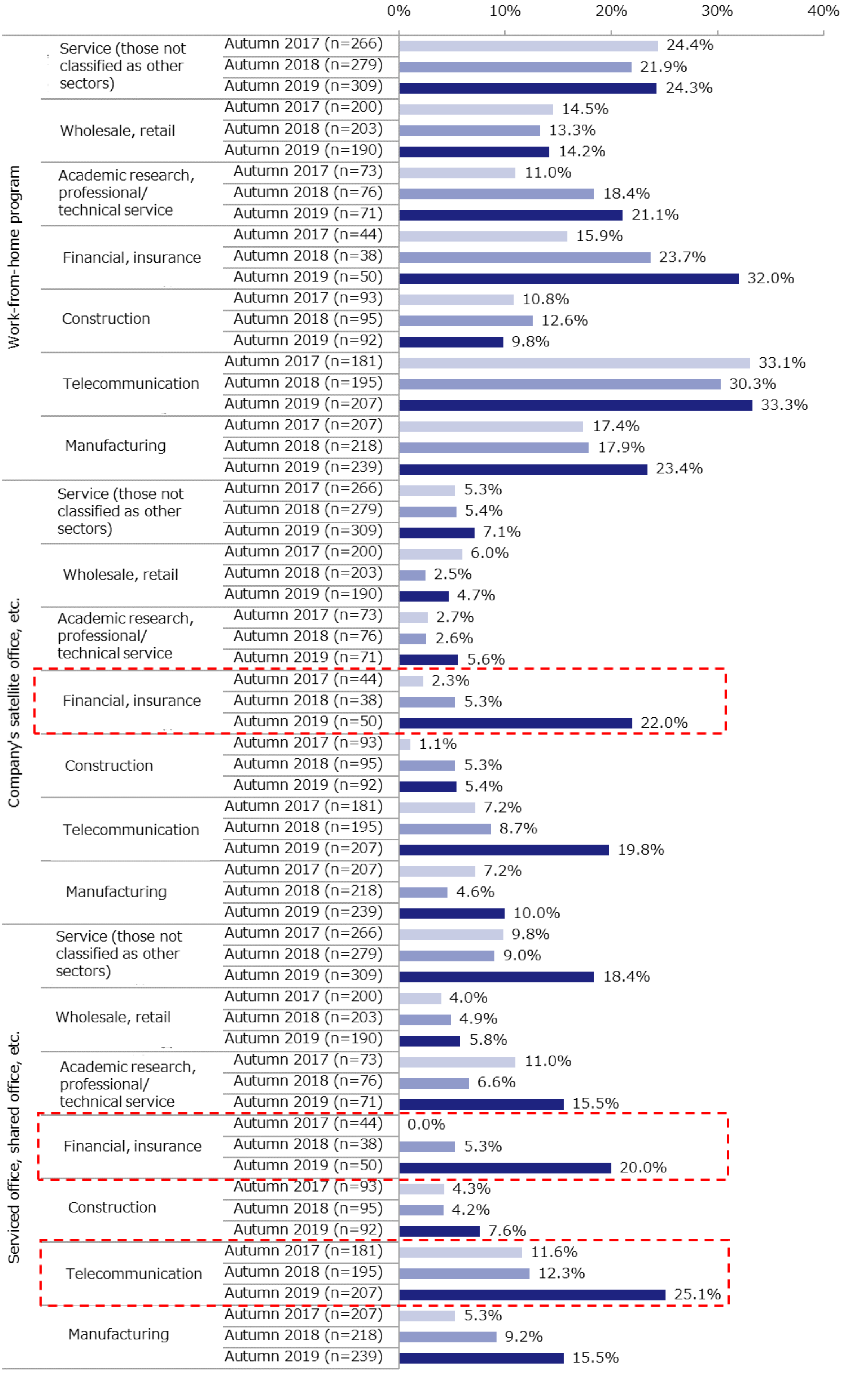


Figure 18: Availability of Place/Program for Telework in Tokyo 23 Wards



By industry, places for telework were also being provided in a broad range of industries, with "serviced office, shared office, etc." and "company's satellite office, etc." showing the largest growth in the finance and insurance industries **(Figure 19)**. The telecommunications industry saw a 12.8-point growth in "serviced office, shared office, etc." from the Autumn 2018 survey.

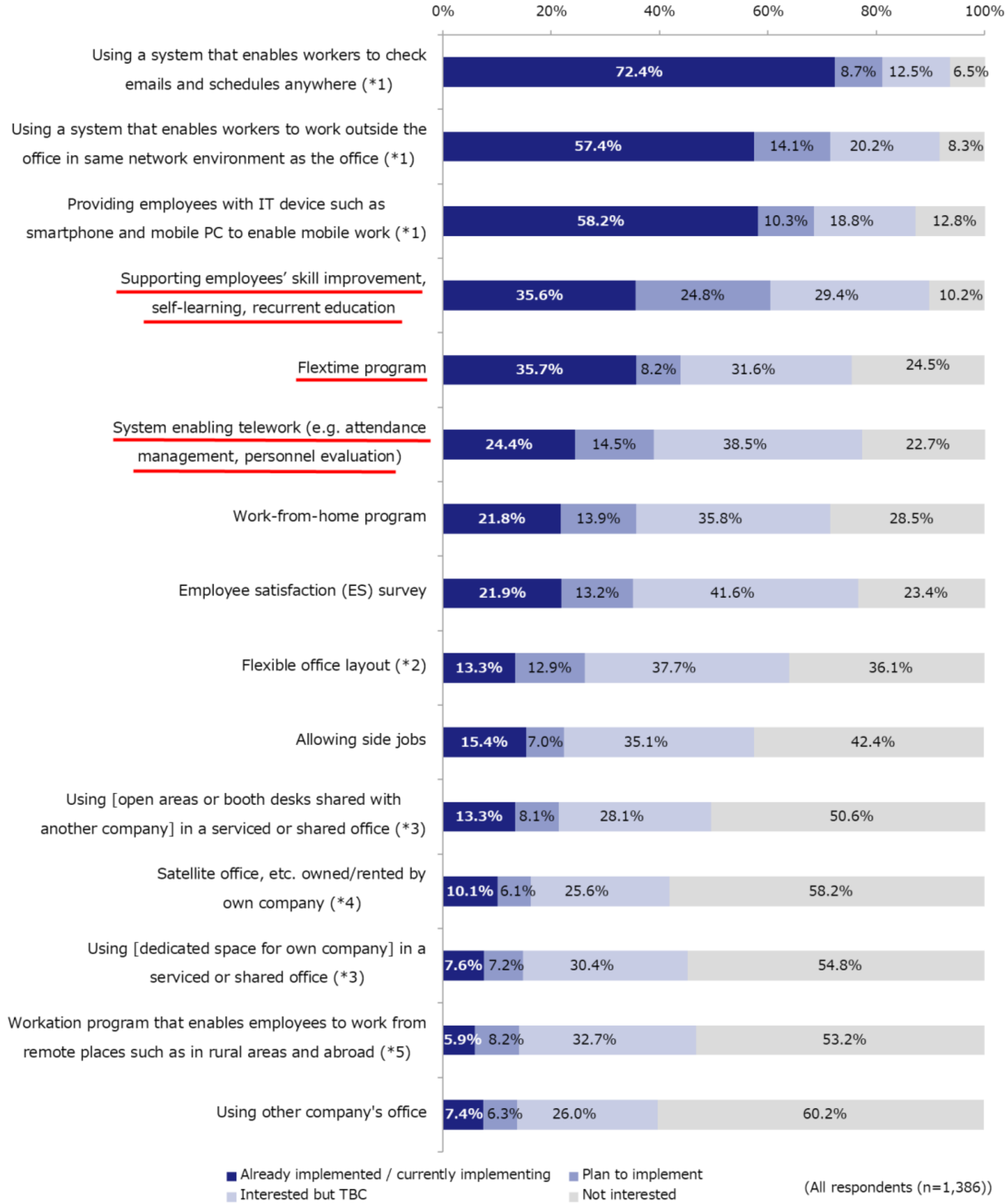
Figure 19: Availability of Place/Program for Telework – By Industry



(Excerpt of major industries; multiple answers)

Figure 20 shows companies' current initiatives and degree of interest in multiple strategies on workstyles. The strategy that was introduced the most was mobile work such as a "system that enables workers to check emails and schedules anywhere with a smartphone, mobile PC, etc.," which was also the top reply when including companies that planned to introduce the strategy in the future. This was followed by "supporting employees' skill improvement, self-learning, recurrent education" and "establishing/utilizing a flextime program," while around 80% (77.4%) of the companies either had introduced or were interested in a "system that enables telework (e.g. attendance management, personnel evaluation)." As much as 41.6% of the companies were interested in "carrying out an employee satisfaction (ES) survey" but had not introduced it yet.

Figure 20: Initiatives on Workstyles



*1 Smartphones have been added to the definition of IT device since the Spring 2019 survey

*2 Hot-desking, group-based hot-desking, open meeting space, space for refreshing, ABW, canteen & cafe space, etc.

*3 Serviced or shared offices provided by a specialized operator, regardless of contract type (e.g. monthly charge, pay-by-the-hour)

*4 Satellite office: An office equipped with facilities similar to those of the main office and established near a large railway station or in the suburbs mainly for the benefit of employees' travel time

*5 Workation: Portmanteau of "work" and "vacation," referring to working at a travel destination, etc.

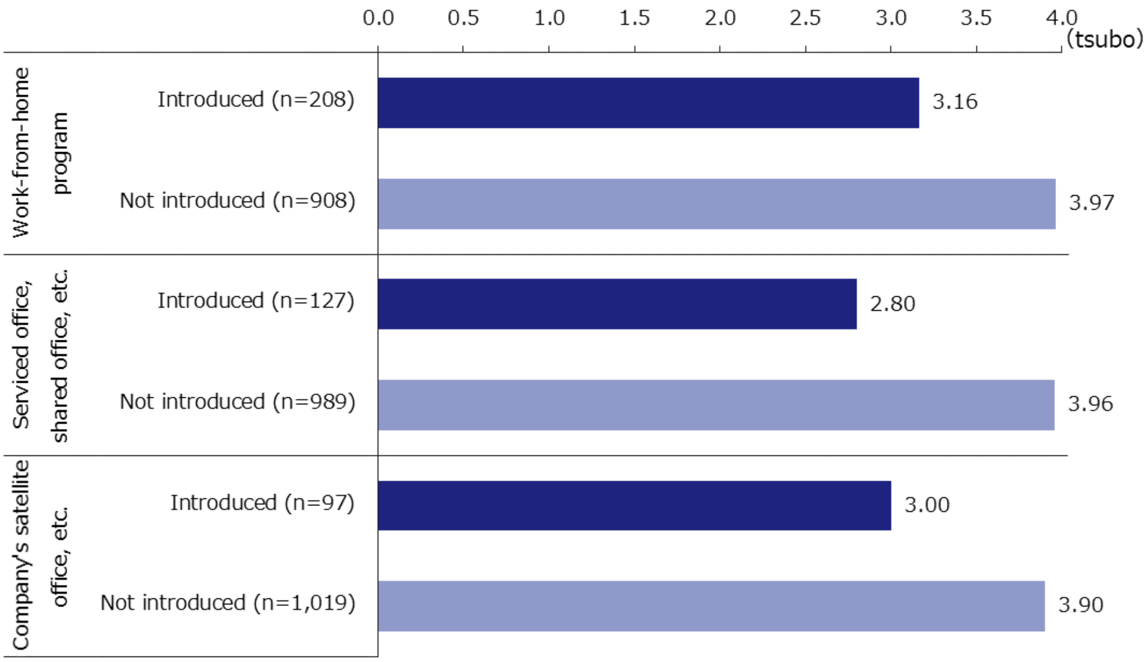
PICK UP

Office Space per Person by Availability of Place/Program for Telework

A calculation of office space per person (median value) for each telework measure indicates that in all of the measures, companies that had introduced the measure had a smaller office space per person than companies that had not introduced the measure **(Figure 21)**.

The office space per person at companies that used a serviced or shared office was 2.80 tsubo (3.96 tsubo at companies that did not use such offices; 1 tsubo = 3.3 sqm), while that of companies that introduced their own satellite office was 3.00 tsubo (3.90 tsubo for companies that did not introduce such offices), suggesting that the dispersion of workplaces may have contributed to greater efficiency in the conventional office space. If workstyles continue to become more flexible and diverse and employees' workplaces become more dispersed, it may affect the use of fixed office space, such as head offices, as well as office demand.

Figure 21: Office Space per Person by Availability of Place/Program for Telework (Median)



(Companies with office space per person of 1.5–15 tsubo (n=1,116))

3-2. Characteristics of companies focusing on health & productivity management and well-being

- ✓ The most popular theme focused on was “productivity improvement” (55.3%). Companies’ greatest focus to achieve workstyles that lead to improved productivity was “greater work efficiency” (76.7%), while around half of the companies focused on “enhancing employees’ motivation” (50.4%) and “more active communication within the company” (49.3%).
- ✓ Companies focusing on health & productivity management and well-being placed importance on “supporting employees’ balance of work and child/elder care” and “improving employees’ work-life balance” to achieve workstyles that lead to improved productivity more than companies that did not focus on health & productivity management and well-being by more than 20 percentage points.
- ✓ As for the introduction of strategies on workstyles, companies that focused on health & productivity management and well-being actually introduced strategies more than companies that did not focus on health & productivity management and well-being. There was a difference of 19.4 percentage points between the two types of companies in “establish/utilize a system that enables telework (e.g. attendance management, personnel evaluation),” while the percentage of “introduce a flexible office layout” at companies that focused on health & productivity management and well-being was twice that of companies that did not focus on the matter.

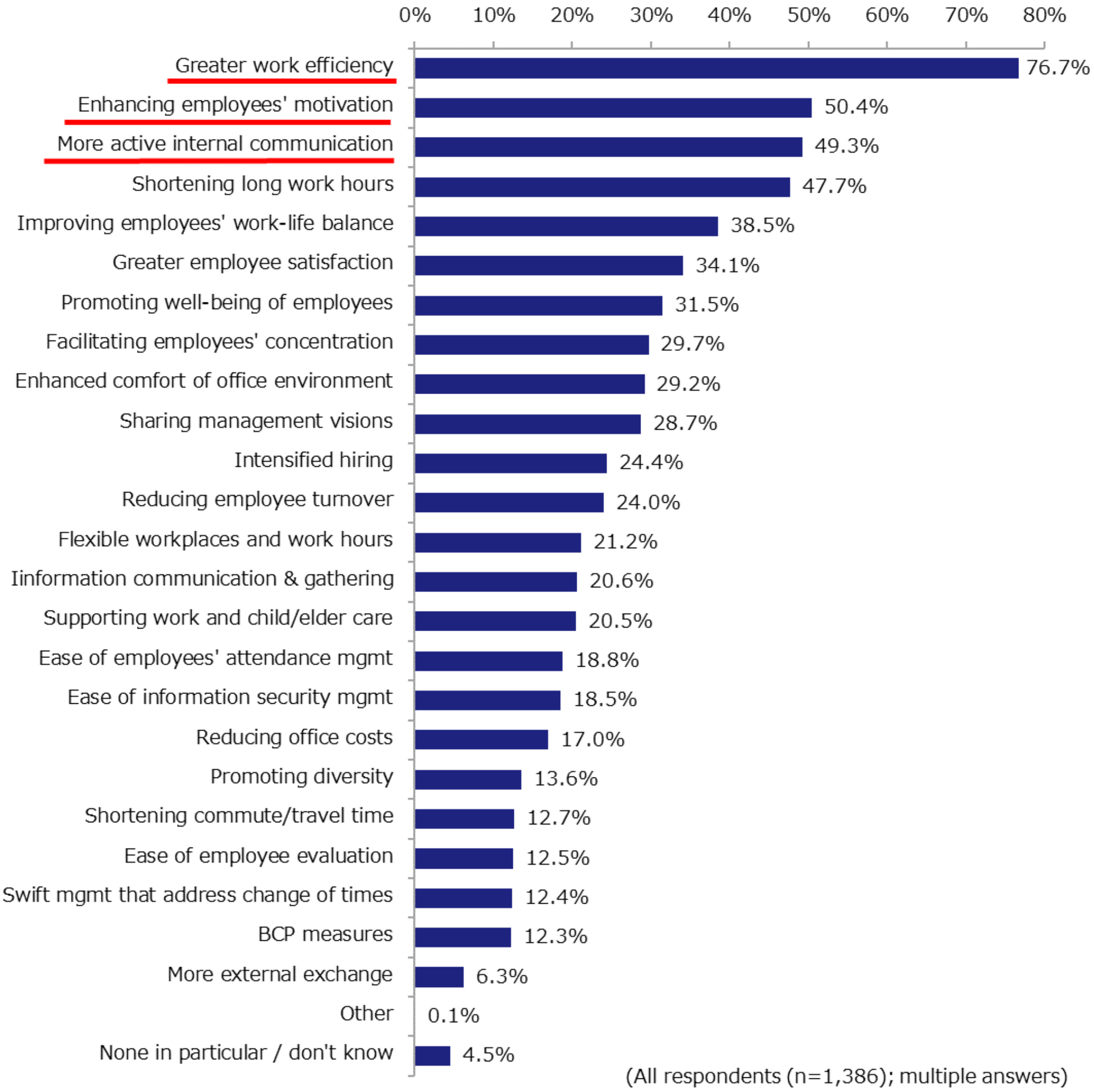
Figure 22 shows the themes that companies were currently focusing on on a company-wide basis. The most popular theme was “productivity improvement” (55.3%), followed by “strengthening sales abilities” (50.5%), which around half of the companies were focusing on. “Work reforms (cost reduction)” (39.8%), which ranked third, is thought to be closely related to “productivity improvement,” which ranked top. 13.1% of the companies focused on health & productivity management and well-being. As “promoting well-being of employees” increased compared to past surveys as the purpose of carrying out workstyle reforms **(Figure 8)**, companies’ awareness of a healthy work environment is expected to continue rising.

Figure 22: Theme Focusing on

(All respondents (n=1,386); multiple answers)

As for companies' major focus to achieve workstyles that lead to improved productivity, the top reply was "greater work efficiency" (76.7%) **(Figure 23)**. Around half of the companies focused on "enhancing employees' motivation" (50.4%) and "more active internal communication" (49.3%) to improve productivity.

Figure 23: Major Focuses to Achieve Workstyles that Lead to Improved Productivity

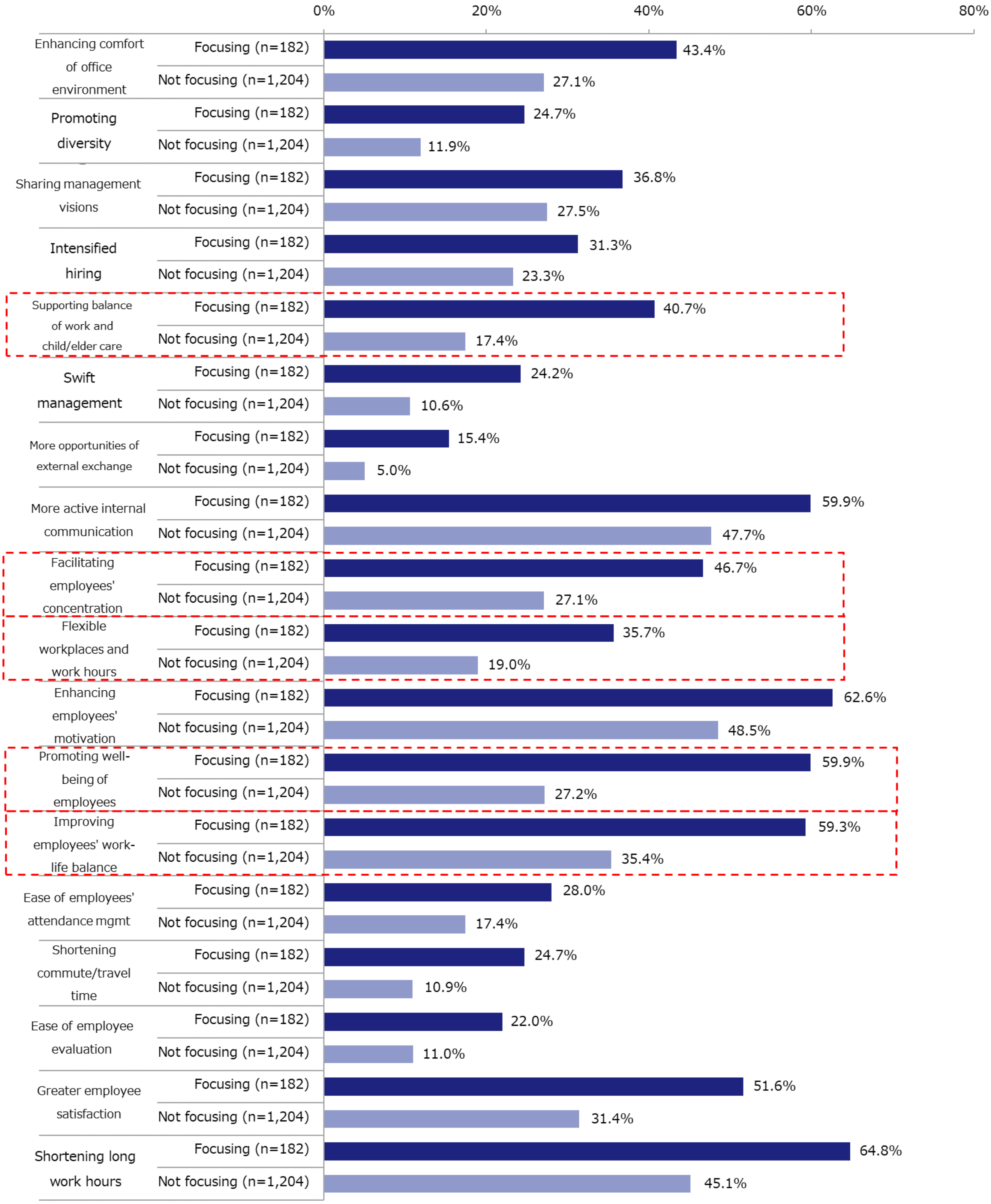


(All respondents (n=1,386); multiple answers)

Here, we will examine the characteristics of companies that focus on "health & productivity management and well-being," which were indicated in **Figure 22**.

First of all, we studied whether there was a difference in the major focuses to achieve workstyles that lead to improved productivity between companies that focused on health & productivity management and well-being and companies that did not **(Figure 24)**. The greatest differences were seen in "promoting well-being of employees," which had the largest difference (32.7 percentage points), "improving employees' work-life balance" (23.9-point difference), "supporting employees' balance of work and child/elder care," (23.3-point difference), "facilitating employees' concentration" (19.6-point difference), and "flexible workplaces and work hours" (16.7-point difference).

Figure 24: Major Initiatives by Focus on Health & Productivity Management and Well-being

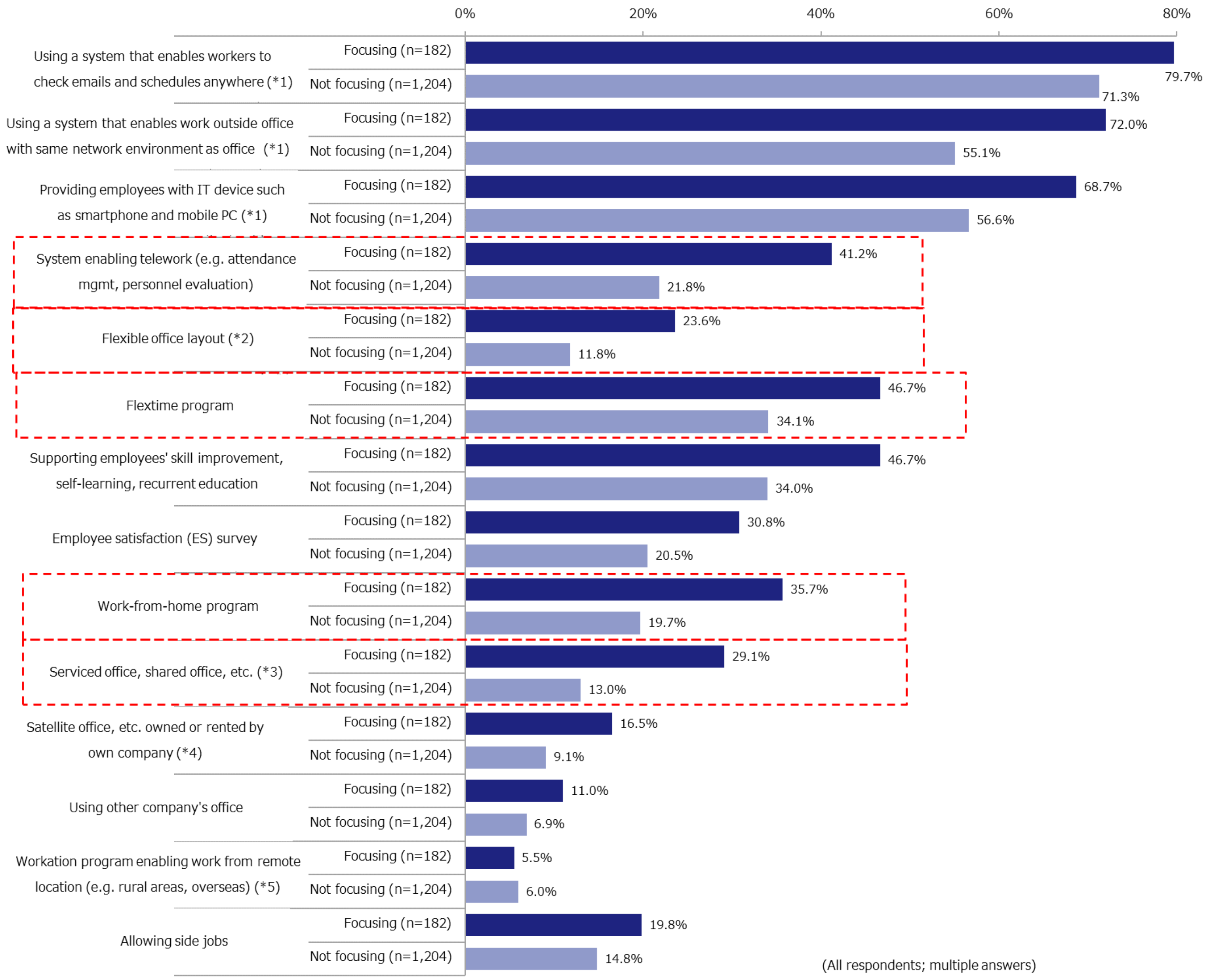


(All respondents; multiple answers; excerpt)

In terms of the difference in implementing initiatives on workstyles between companies focusing on health & productivity management and well-being and those that did not, there was an especially large difference of 19.4 percentage points in "establishing/utilizing a system enabling telework (e.g. attendance management, personnel evaluation)" **(Figure 25)**. Other initiatives that showed large differences were "introducing a flexible office layout," which showed a two-fold difference (11.8 percentage points), "establishing/utilizing a work-from-home program" (16-point difference), "using a serviced or shared office provided by a specialized operator" (16.1-point difference), and "establishing/utilizing a flextime program" (12.6-point difference).

Figures 24 and 25 suggest that companies focusing on health & productivity management and well-being tend to have greater awareness toward enabling employees to work flexibly and in good health, and actually offer a diverse range of workstyles and workplaces more than companies that do not focus on the matter.

Figure 25: Initiatives in Workstyles by Focus on Health & Productivity Management and Well-being



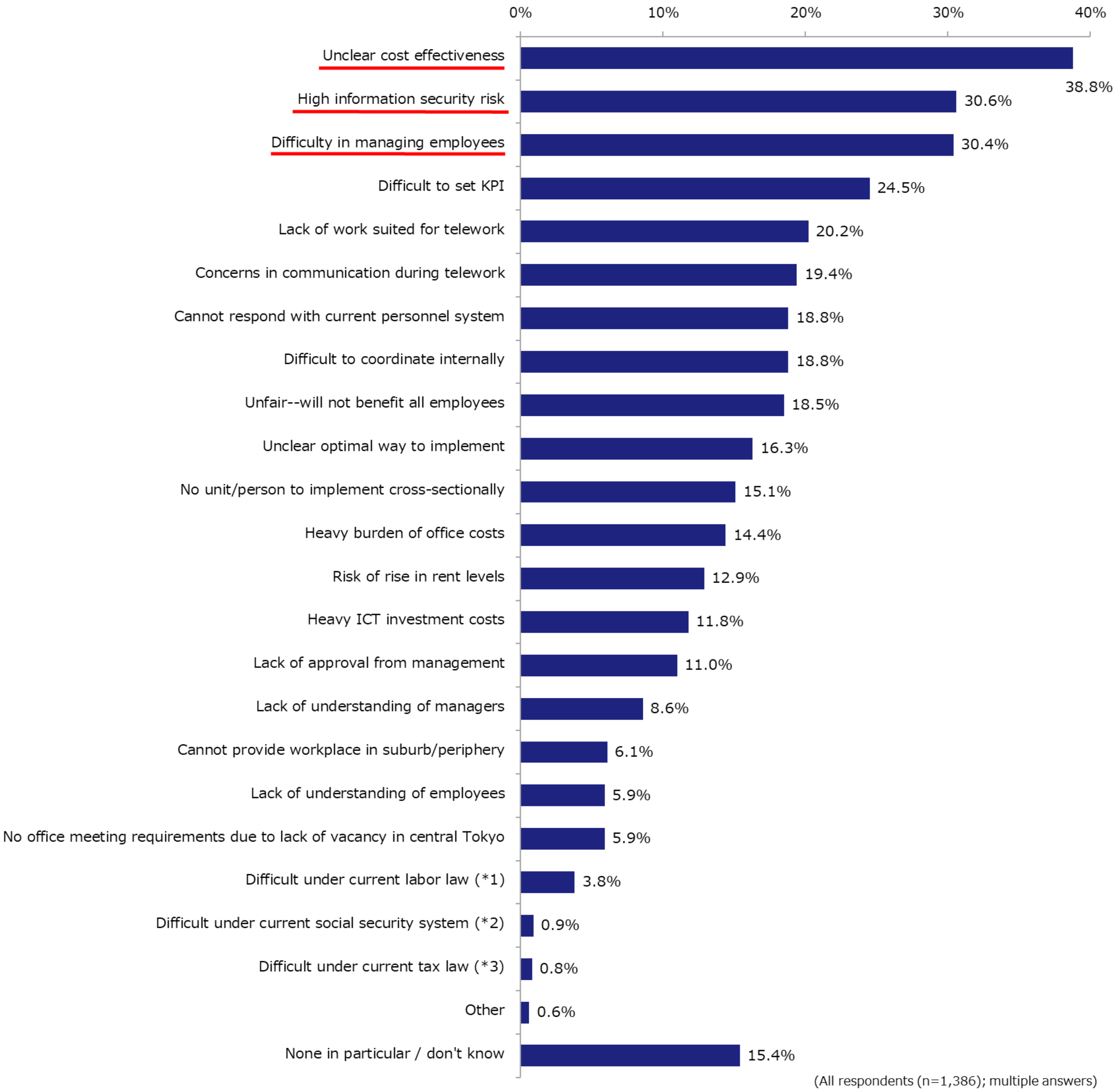
*1 Smartphones have been added to the definition of IT device since the Spring 2019 survey
*2 Hot-desking, group-based hot-desking, open meeting space, space for refreshing, ABW, canteen & cafe space, etc.
*3 Serviced or shared offices provided by a specialized operator, regardless of contract type (e.g. monthly charge, pay-by-the-hour)
*4 Satellite office: Office equipped with facilities similar to those of main office and established near large railway station or in suburbs mainly for benefit of employees' travel time
*5 Workation: Portmanteau of "work" and "vacation," referring to working at a travel destination, etc.

3-3. Concerns and obstacles in workstyle reforms or establishing a work environment

✓ The top reply was "unclear cost effectiveness," which was chosen by around 40% (38.8%) of the companies. This was followed by "high information security risk" (30.6%), and "difficulty in managing employees" (30.4%).

In terms of the concerns or obstacles companies had in workstyle reforms or establishing a work environment, the top reply was "unclear cost effectiveness," which around 40% (38.8%) of the companies chose. Around 30% of the companies felt "high information security risk" (30.6%) and "difficulty in managing employees" (30.4%). These may pose challenges in providing flexibility in work hours and places **(Figure 26)**.

Figure 26: Concerns and Obstacles in Workstyle Reforms or Establishing a Work Environment



(All respondents (n=1,386); multiple answers)

*1 E.g. Difficult to calculate/manage work hours upon permitting telework or flexible workstyles
*2 E.g. Difficult to bear social insurance premium or respond to work-related injuries during side job
*3 E.g. Tax treatment difficult when changing form of employment (e.g. from regular employee to contract worker)

4. Topic: Measures to counter traffic congestion during the 2020 Tokyo Olympics and Paralympics Games

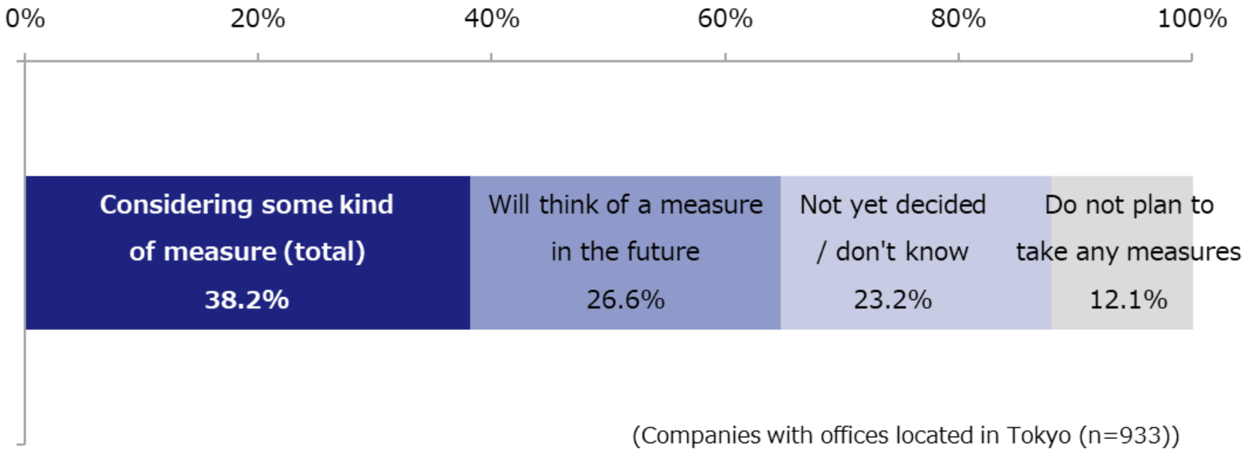
4-1. Measures to counter traffic congestion during the 2020 Tokyo Games

- ✓ Only a little less than 40% (38.2%) were considering taking some kind of measure. The remaining 60% had not yet decided on a specific measure ("will think of a measure in the future," "not yet decided / don't know") or "do not plan to take any measures."
- ✓ Among the companies that were considering taking some kind of measure, "staggered work hours" was the most popular measure (72.2%).

Amid concerns toward the expected traffic congestion in central Tokyo during the 2020 Tokyo Olympics and Paralympics Games and its impact on workers' commute, we asked companies what kind of measures they were considering **(Figure 27)**.

When limiting the question to companies with offices in Tokyo, only 38.2% of them were considering taking some kind of measure, while the remaining 60% "will think of a measure in the future" (26.6%), have "not yet decided / don't know" (23.2%), or "do not plan to take any measures" (12.1%). Even with less than a year until the start of the Games, awareness of the problem has not yet been shared widely.

Figure 27: Measures to Counter Traffic Congestion during the 2020 Tokyo Olympics and Paralympics Games



Among the companies that were considering some kind of measure, "staggered work hours" (72.2%) and "encouraging employees to take paid holiday" (57.9%) were being considered the most **(Figure 28)**. These measures may pose less of a challenge than other possible measures due to their relative ease of implementing. However, if many companies only introduced staggered work hours, the effect would be limited as it would only result in a shift of the peak of traffic congestion. To remove such concerns, it would be more effective to provide places for telework, such as serviced, shared, or satellite offices. The importance of providing more alternative workstyles and workplaces may be rising ahead of the 2020 Tokyo Games as well as due to recent societal demand in workstyle reforms.

Figure 28: Measures to Counter Traffic Congestion during the 2020 Tokyo Games

(Companies "considering some kind of measure" in Figure 27 (n=356); multiple answers)

*1 Serviced or shared offices provided by a specialized operator, regardless of contract type (e.g. monthly charge, pay-by-the-hour)

*2 Satellite office: Office equipped with facilities similar to those of main office and established near large railway station or in suburbs mainly for benefit of employees' travel time

*3 Workation: Portmanteau of "work" and "vacation," referring to working at a travel destination, etc.

5. Summary

In terms of the changes in the number of office users, office size, and rent per tsubo, the increase exceeded the decrease over the past year, indicating continued robust demand for offices **(Figures 1–3)**. The growth of rent per tsubo since the start of the survey was particularly prominent.

Furthermore, as **Figure 7** indicates, companies' efforts in workstyle reforms are progressing steadily, and around 60% of companies introducing the reforms feel the effects of the reforms **(Figure 9)**. On the other hand, the percentage of companies feeling the effects of the reforms has dropped from a year ago, suggesting that the hurdle of expectations for the results of the reforms has risen as workstyle reforms gain momentum in society. With the progress of workstyle reforms, places and programs for telework are being offered more, such as the work-from-home program and serviced offices, and around 80% of the companies are introducing some kind of measure for employees to carry out telework **(Figure 11)**. When examining the implementation of places for telework by company attribute, we found that places for telework were being provided at a broad range of companies regardless of size or industry **(Figures 16–19)**. Establishing or utilizing systems that enable telework such as attendance management and personnel evaluation may be carried out at around 80% of the companies (including companies that are interested) in the future **(Figure 20)**, and we believe that alternative workplaces will continue to become more available.

The office space per person at companies that had introduced a place or program for telework was smaller than companies that had not, especially at companies that used serviced or shared offices **(Figure 21)**. This indicates a tendency for the space per person in the main office to become smaller as more alternative workplaces become available, the effect of which on office demand we must examine.

This time we also examined, in addition to actual initiatives, the themes companies were focusing on on a company-wide basis and their major focuses to achieve a workstyle that leads to improved productivity in order to analyze what companies were focused on and what kind of workstyles they embraced as a result. We found that companies focusing on health & productivity management and well-being placed emphasis on supporting employees' balance of work and child/elder care and improving employees' work-life balance more than companies that were not focused on health & productivity management and well-being, and had introduced telework more accordingly **(Figures 24 and 25)**. Our survey also implies that companies focusing on health & productivity management and well-being tend to have greater awareness toward establishing a flexible and better work environment for employees and to actually provide many workstyle options.

Although the 2020 Tokyo Olympics and Paralympics Games are due next year and traffic congestion is expected in central Tokyo during the period, our survey revealed that a majority of the companies had not yet decided on measures to deal with the problem **(Figure 27)**. Companies will face the need to tackle the problem and seriously consider workstyle reforms or providing alternative workplaces as the event approaches. The shift to more flexible workstyles without being bound to the location is expected to accelerate in the future, and workplaces would be dispersed everywhere accordingly as work-from-home programs as well as serviced and shared offices are introduced and used more. We intend to observe continuously the quantitative factors including demographics, as well as the qualitative changes in office demand due to the social factors such as workstyle reforms.

Survey Overview

Survey period	October 2019
Target respondents	・Companies that are tenants of office buildings managed by the Xymax Group ・Client companies of XYMAX INFONISTA Corporation A total of 3,536 companies
No. of valid responses	1,386 companies; response rate: 39%
Geographical coverage	Nationwide (Tokyo, Osaka, Aichi, Fukuoka, Kanagawa, Saitama, Chiba Prefectures and others)
Survey method	By email and questionnaire sheet
Topics covered in the survey	Current office: ・ Contract format, office type, location, contracted area, rent per tsubo (incl. CAM charges), number of office users, impression of office size About the company: ・ Business confidence, sense of labor shortage, company type, theme focusing on Change in office demand (October 2018–September 2019): ・ Change in number of office users ・ Change in office size (area) ・ Change in rent per tsubo Initiatives in workstyle reforms: ・ Initiatives, purpose, sense of effect, specific effects of workstyle reforms ・ Major focuses in terms of the direction of management to improve productivity Work environment: ・ Initiatives in workstyles ・ Major focuses to achieve workstyles that lead to improved productivity ・ Initiatives interested in upon establishing a work environment ・ Concerns and obstacles in workstyle reforms or establishing a work environment Measures to counter traffic congestion during the 2020 Tokyo Olympics and Paralympics Games: ・ Measures being considered Company attributes: ・ Industry, location of head office, number of employees, average age of employees, year of establishment Respondent attributes: ・ Department, position, age group

Profile of Respondent Companies (Upper row: percentage of total; Lower row: number of companies)

【Industry】

Agriculture / Forestry	Mining / Quarrying of stone and gravel	Construction	Manufac-turing	Electricity, Gas, Heat, Water	Tele-communication	Transporta-tion / Postal service	Wholesale / Retail	Finance / Insurance	Real estate / Leasing of goods
0.1%	0.1%	6.6%	17.2%	1.0%	14.9%	2.6%	13.7%	3.6%	4.1%
2	1	92	239	14	207	36	190	50	57

Academic research / Professional or technical service	Accommoda-tion / Restaurants	Daily life services / Entertain-ment	Education / Learning support	Medical / Welfare	Multi-service business	Service (those not classified as other sectors)	Civil service (excl. those classified as other sectors)	Unclassifiable industries
5.1%	0.4%	0.9%	1.4%	1.2%	1.4%	22.3%	0.3%	3.0%
71	6	12	19	17	19	309	4	41

【Number of employees】

Less than 100	100–999	1,000 or more	Unknown
46.3%	35.7%	17.8%	0.1%
642	495	247	2

【Type of office】

Head office	Branch office	Sales office	Sub-office	Call center	Computer room	Other
63.9%	23.2%	9.2%	1.2%	0.6%	0.1%	1.7%
885	322	128	17	8	2	24

【Location of office】

Tokyo 23 Wards	Osaka City	Nagoya City	Fukuoka City	Other
65.7%	6.0%	9.4%	4.3%	14.6%
911	83	130	59	203

【Size of office under lease contract in tsubo】 (1 tsubo = 3.3 sqm)

Less than 30 tsubo	30-49 tsubo	50-99 tsubo	100-199 tsubo	200 tsubo or more	No answer
14.4%	14.2%	18.5%	16.2%	23.3%	13.3%
200	197	256	225	323	185

【Average age of employees】

20–29	30–39	40–49	50–59	60 or above	No answer
2.7%	38.7%	49.3%	7.4%	0.8%	1.1%
37	537	683	103	11	15

Profile of Respondents (Upper row: percentage of total; Lower row: number of respondents)

【Department】

Administra-tion	Human resources	Accounting / Finance	Information system	Planning / PR / Marketing	Sales	Manufac-turing / Production	Purchase	Production/ quality management	Technology / R&D	Other
42.9%	7.5%	11.0%	1.8%	5.1%	17.7%	0.3%	0.9%	1.2%	3.7%	7.9%
594	104	153	25	71	246	4	12	17	51	109

【Position】

Management / Officer class	General manager class	Section head class	Team head class	Rank-and-file	Contract, temporary, part-time employee	Other
17.1%	19.6%	24.7%	14.5%	20.5%	2.1%	1.5%
237	271	343	201	284	29	21

【Age group】

20–29	30–39	40–49	50–59	60 or above
5.5%	16.7%	35.6%	31.3%	10.8%
76	232	494	434	150

・The percentage mix in the charts contained in this report are rounded to the first decimal place and therefore may not add up to 100%.
・Figures 15, 16, 17, 18, 19, and 21 are excerpts of the main places and programs for telework.

Contact for inquiries concerning this report

Xymax Real Estate Institute
https://soken.xymax.co.jp E-MAIL: **info-rei@xymax.co.jp**