

# Metropolitan Areas Office Demand Survey Spring 2024

## <Detailed Report>

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Offices expanding as companies move to a hybrid model with employees coming to the office frequently

July 31, 2024

**Xymax Real Estate Institute**

# Survey Overview

One year has passed since the COVID-19 pandemic came to a tentative end with its reclassification as a Class 5 disease. Has this changed the work styles at Japanese companies?

Since autumn 2016, Xymax Real Estate Institute (Xymax REI) has continuously conducted a semi-annual questionnaire survey of companies on office use and employee work styles to analyze the relationship to office demand. This report covers the results of the 16th survey.

<b>Survey period</b>	June 4–16, 2024
<b>Target respondents</b>	55,645 companies in total that include the following: <ul style="list-style-type: none"> <li>• Tenants of office buildings managed by the Xymax Group</li> <li>• Companies subscribing to ZXY, a satellite office service for corporate customers</li> <li>• Client companies of XYMAX INFONISTA Corporation</li> </ul>
<b>No. of valid responses</b>	1,836 (Aggregated in office units; therefore, answers from different offices of the same company are treated as separate answers.)
<b>Geographical coverage</b>	Nationwide (Tokyo, Osaka, Aichi, Fukuoka, Kanagawa, Saitama and Chiba prefectures)
<b>Survey method</b>	Email

The percentage mix in the charts contained in this report is rounded to the first decimal place and, therefore, may not add up to 100%.

## Attributes of respondent companies

<b>Sector</b>	Agriculture and forestry	2 (0.1%)	<b>Type of office</b>	Head office	1,183 (64.4%)
	Fishery	1 (0.1%)		Branch office	414 (22.5%)
	Mining and quarrying of stone and gravel	1 (0.1%)		Sales office	166 (9.0%)
	Construction	128 (7.0%)		Sub-office	22 (1.2%)
	Manufacturing	285 (15.5%)		Call center	11 (0.6%)
	Electricity, gas, heat supply and water	12 (0.7%)		Computer room	2 (0.1%)
	Information and communications	297 (16.2%)		Other	38 (2.1%)
	Transport and postal services	28 (1.5%)	<b>Location of office</b>	Tokyo 23 wards	1,058 (57.6%)
	Wholesale and retail trade	268 (14.6%)		Osaka City	221 (12.0%)
	Finance and insurance	53 (2.9%)		Nagoya City	119 (6.5%)
	Real estate and goods rental and leasing	82 (4.5%)		Fukuoka City	90 (4.9%)
	Scientific research, professional and technical services	161 (8.8%)		Other	348 (19.0%)
	Accommodations, eating and drinking services	19 (1.0%)	<b>Size of office under lease (1 tsubo=3.3 3 sqm)</b>	Less than 30 tsubo	346 (18.8%)
	Living-related and personal services and amusement services	20 (1.1%)		30–49 tsubo	219 (11.9%)
	Education, learning support	26 (1.4%)		50–99 tsubo	312 (17.0%)
	Medical, health care and welfare	34 (1.9%)		100–199 tsubo	247 (13.5%)
	Compound services	25 (1.4%)		200 tsubo or more	363 (19.8%)
	Services, n.e.c.	350 (19.1%)		No answer	349 (19.0%)
	Governments and agencies (Excl. those classified elsewhere)	7 (0.4%)	<b>Average employee age</b>	20–29	32 (1.7%)
	Unclassifiable	37 (2.0%)		30–39	603 (32.8%)
<b>Number of employees</b>	Less than 100	914 (49.8%)		40–49	983 (53.5%)
	100–999	605 (33.0%)		50–59	172 (9.4%)
	1,000 or more	314 (17.1%)		60 or above	37 (2.0%)
	Unknown	3 (0.2%)		No answer	9 (0.5%)

# Main Findings

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## 1. Outlook of office demand (from P. 4)

- Number of office occupants over the past year: “Increased” (29.6%) outweighed “Decreased” (10.8%).
- Change in office size over the past year: “Expansion (actual + potential)” accounted for 15.9%, the third consecutive year of increases since bottoming out in the Spring 2021 survey.
- Change in rent per tsubo over the past year: “Increased” (15.8%) outweighed “Decreased” (1.3%).
- Future number of office occupants (up to 1–2 years ahead): “Will increase” accounted for 34.9%. The upward trend that had continued since bottoming out in the Spring 2020 survey has abated.
- Future office size (up to 2–3 years ahead): “Want to expand” (19.2%) outweighed “Want to downsize” (5.1%).

## 2. Factors affecting office demand (from P. 22)

- Coming-to-office ratio: “100% (Come to office full time)” accounted for 24.7%. “60%–99% (Tend to come to office)” (44.4%) increased marginally. We believe that many companies are continuing to adopt hybrid work but with an increasing percentage of employees coming to the office.
- Perception of office size: The sum of “Very small” and “Somewhat small” (35.1%) outweighed the sum of “Very large” and “Somewhat large” (14.0%).

## 3. Work styles and the workplace (from P. 31)

- Space companies want to add or introduce in the future: The top responses were “Meeting room (private room)” (25.0%) and “Booth or private room for remote meetings” (24.9%).
- Issues felt in the main office: The top responses were “Difficulty in controlling comfortable temperatures” (42.3%), followed by “Lack of meeting rooms” (32.4%) and “Lack of private rooms for remote meetings” (26.4%).
- Major focuses when implementing office strategy: “Improvement of employee satisfaction” (64.4%) increased significantly (+36.1 pt) from the Spring 2019 survey.
- Availability of place or policy for telework: Work-from-home policy was available at 45.5% of companies, and satellite offices were available at 29.7%, both largely unchanged from the Spring 2023 survey.

# 1. Outlook of office demand

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1. Changes over the past year
2. Future intentions

### 1.1. Changes over the past year

## Percentage of both increase and decrease in office occupants largely unchanged

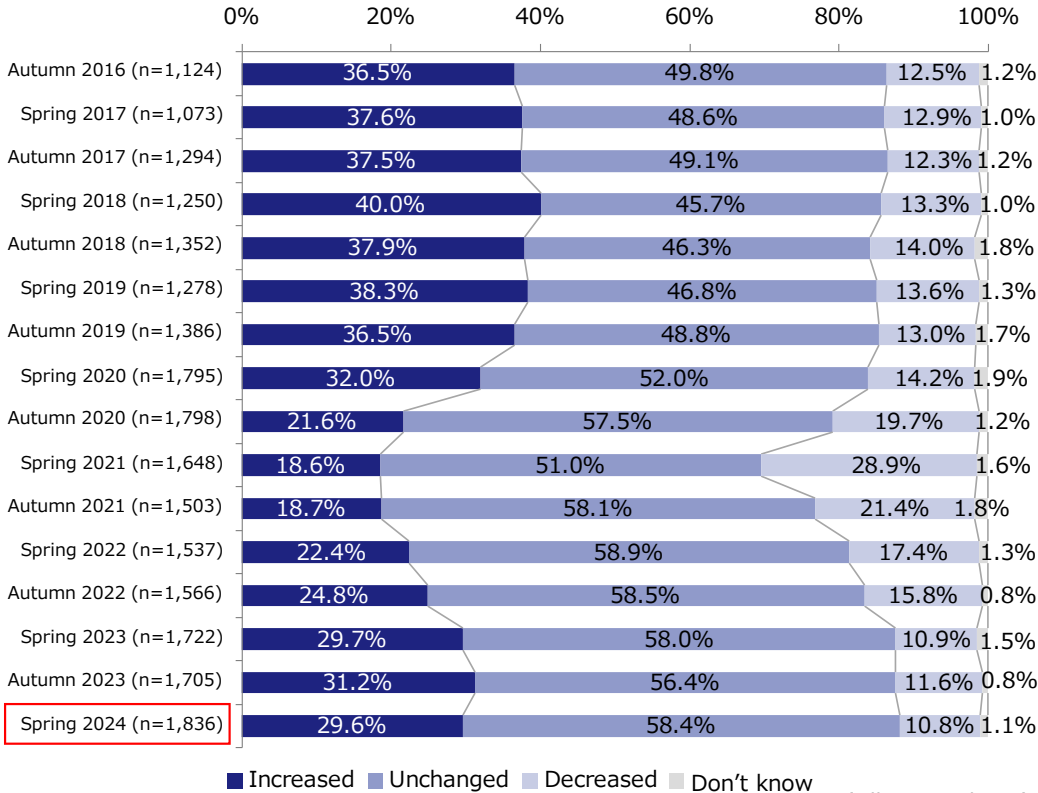
Figure 1 (red frame) indicates changes in the number of office occupants\* over the past year.

The percentage of companies with an increase in office occupants was 29.6%, more than the percentage of companies with a decrease (10.8%).

When compared with previous surveys, the percentage of increases remained unchanged after rising since bottoming out in the Spring 2021 survey, while the percentage of decreases, which had been declining since peaking in the Spring 2021 survey, also remained largely unchanged this time.

\*The number of people belonging to the office, regardless of whether they come to the office or not

**Figure 1: Change in Number of Office Occupants**



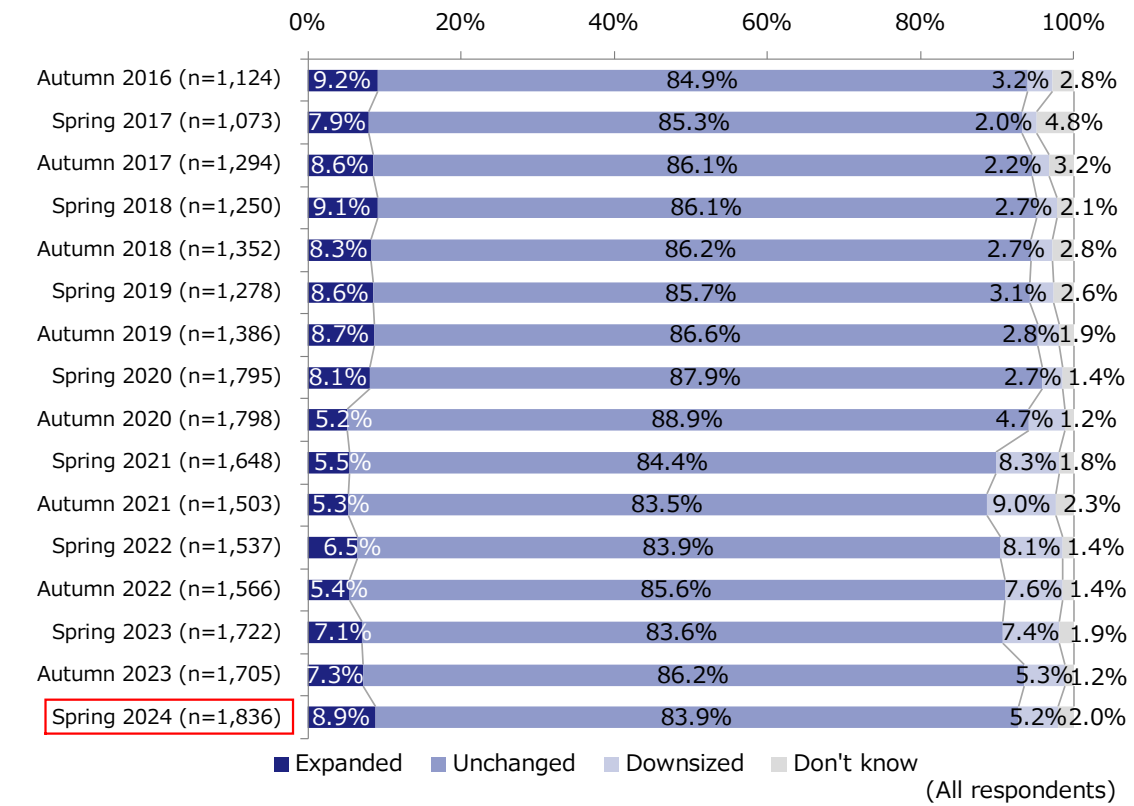
(All respondents)

# Highest percentage of office expansion since Autumn 2018

In terms of changes in office size over the past year, the percentage of companies that “expanded” their office size was 8.9%, while the percentage of companies that “downsized” was 5.2% (Figure 2 (red frame)).

Continuing from the previous survey, “Expanded” outweighed “Downsized,” with the percentage of expansion rising to the highest level since the Autumn 2018 survey.

Figure 2: Change in Office Size



### 1.1. Changes over the past year

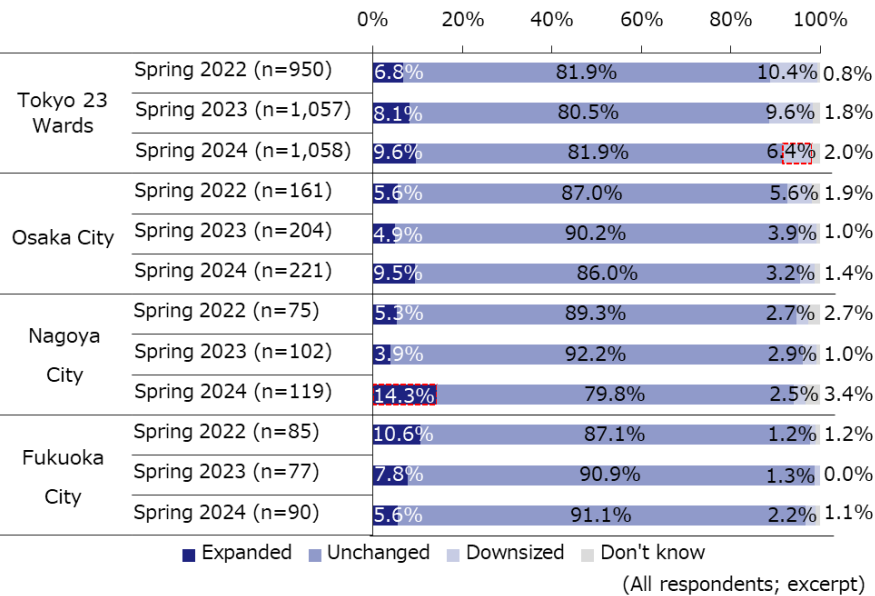
## More companies “expanded” than “downsized” their offices, regardless of office location

Here, we compare changes in office size by attribute.

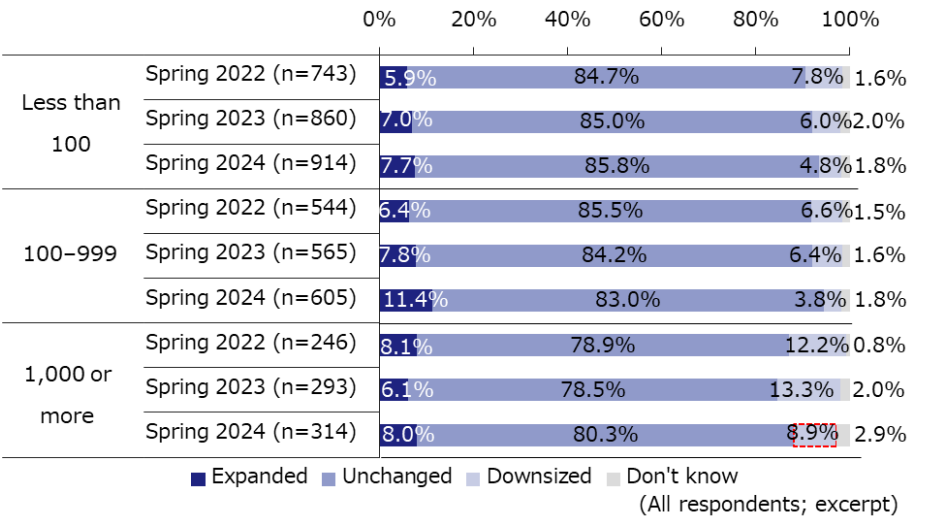
By office location, “Expanded” outweighed “Downsized” in all groups (Figure 3). In the 23 wards of Tokyo (“Tokyo 23 Wards”), “Downsized” (6.4%) was marginally higher than in other areas but has been decreasing over time. In Nagoya, “Expanded” (14.3%) was higher than in other areas and increased significantly over time.

By number of employees, only large companies with 1,000 or more employees showed a higher percentage of “Downsized” (8.9%) than “Expanded” (8.0%), albeit by a small margin (Figure 4).

**Figure 3: Change in Office Size – By Office Location**



**Figure 4: Change in Office Size – By Number of Employees**



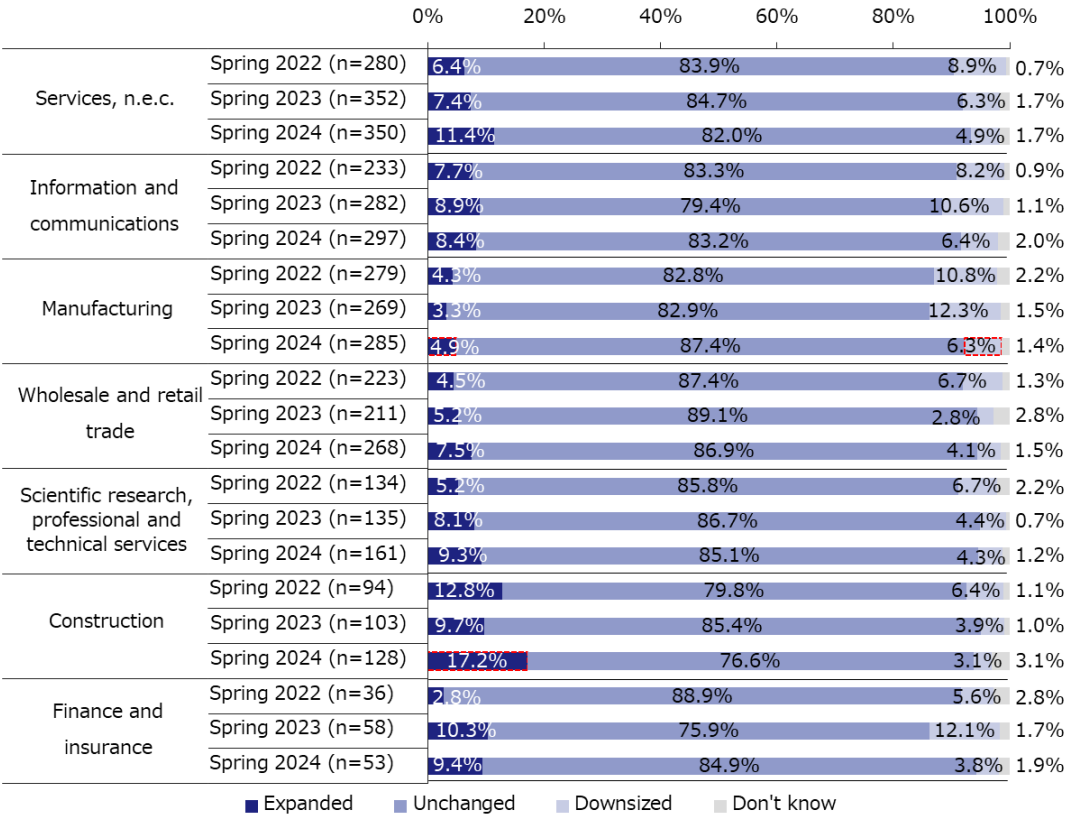
### 1.1. Changes over the past year

## “Expanded” outweighed “Downsized” in most sectors; “Downsized” more prominent only in manufacturing

By sector, only the manufacturing sector saw “Downsized” (6.3%) slightly outweighing “Expanded” (4.9%). “Expanded” outweighed “Downsized” in all other sectors (Figure 5).

When compared with previous surveys, the construction sector saw a relatively large increase in “Expanded” (17.2%).

**Figure 5: Change in Office Size – By Sector**



(All respondents; excerpt)



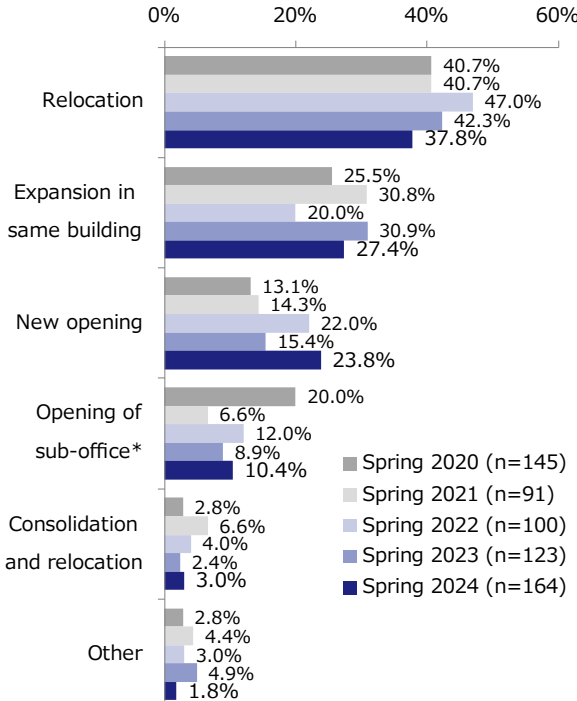
### 1.1. Changes over the past year

## “Relocation” most popular style of office size expansion, “Downsizing in same building” for downsizing

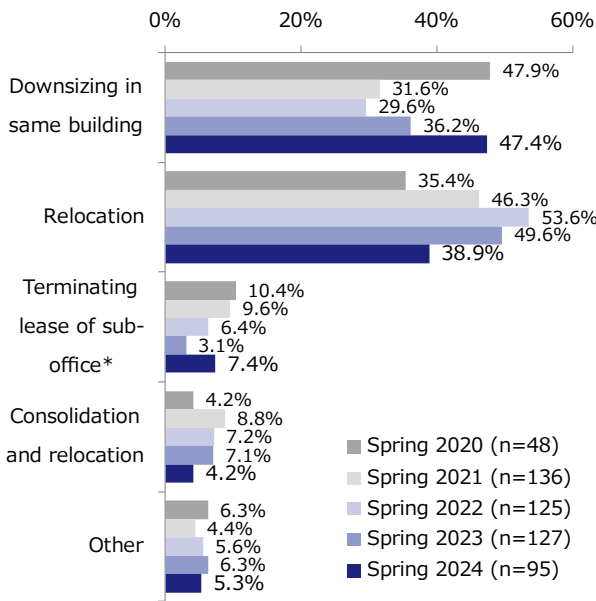
The most popular style of office size expansion was “Relocation” (37.8%), followed by “Expansion in same building” (27.4%) (Figure 6).

The most popular style of office downsizing was “Downsizing in same building” (47.4%) (Figure 7).

**Figure 6: Style of Office Expansion**



**Figure 7: Style of Office Downsizing**



(Figure 6: Companies that expanded; MA)  
(Figure 7: Companies that downsized; MA)

\*Sub-office: A separate office located near the main office (e.g., head office) to handle some of its functions

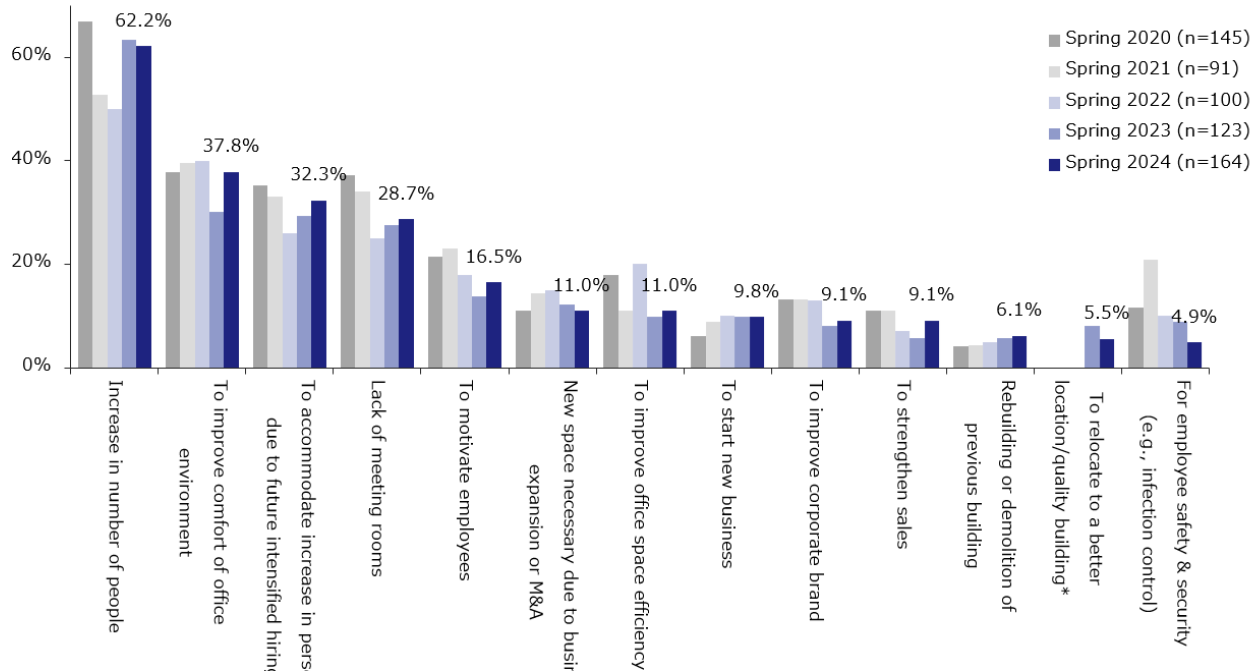
### 1.1. Changes over the past year

## Top reasons for office size expansion: “Increase in number of people,” “To improve comfort of office environment”

The most popular reason for office size expansion was “Increase in number of people” (62.2%) (Figure 8). After declining since the Spring 2021 survey, this reason increased in percentage in the Spring 2023 survey and remained at a high percentage this time.

Reasons such as the second most popular, “To improve comfort of office environment” (37.8%) and the fourth most popular, “Lack of meeting rooms” (28.7%), indicate that companies are expanding their offices to improve comfort and convenience when their employees come to the office.

**Figure 8: Reason for Office Size Expansion**

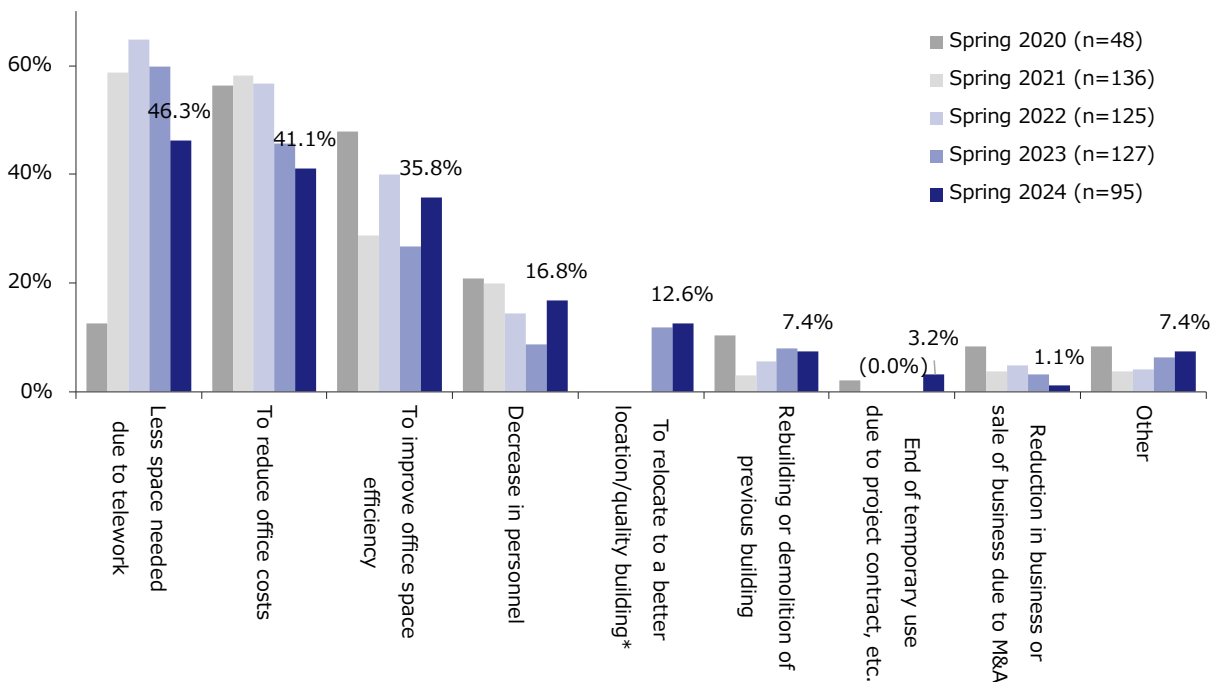


(Companies that expanded their office size; MA; excerpt)  
 \*No chart for the years in which the choice did not exist.

# Smaller percentage of “Less space needed due to telework” as reason for downsizing

The top reason for office downsizing was “Less space needed due to telework” (46.3%). However, the percentage decreased significantly compared to the three previous surveys (Figure 9). We can assume that the reduction in office size due to changes in work styles following the outbreak of the COVID-19 pandemic has already run its course.

**Figure 9: Reason for Office Downsizing**



(Companies that downsized their office; MA; excerpt)  
 \*No chart for the years in which the choice did not exist.

### 1.1. Changes over the past year

## Actual (and potential) changes in office size: Expansion significantly exceeded downsizing; DI grew in positive direction

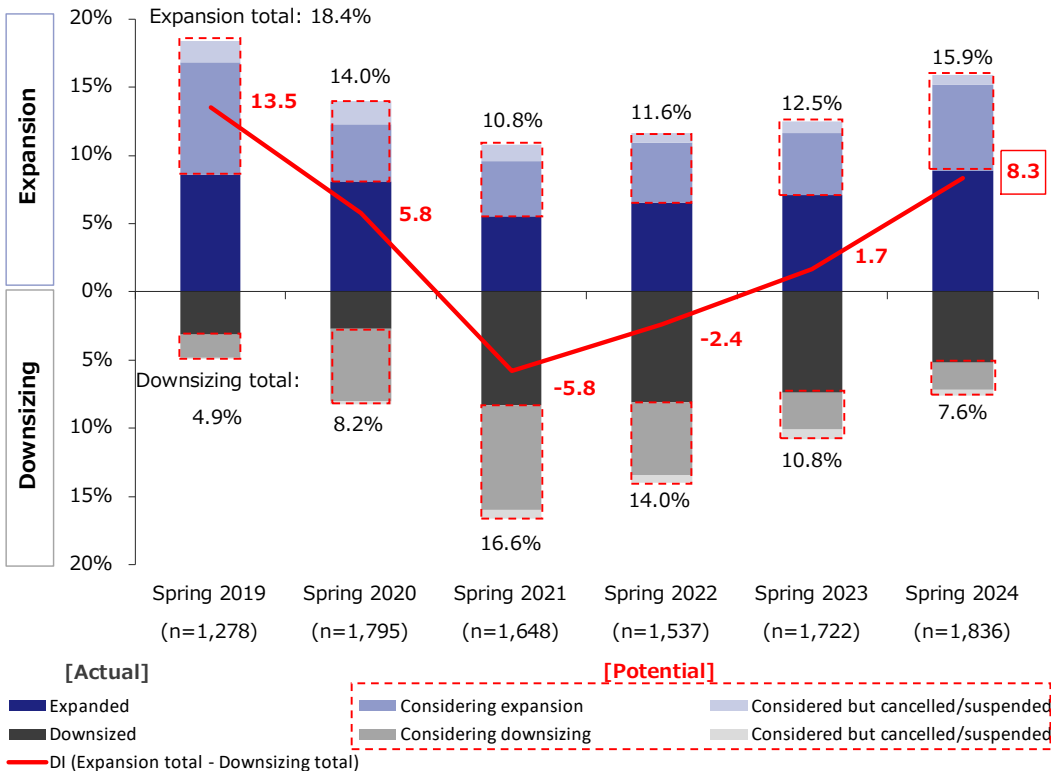
Even if office size had remained unchanged over the past year, when we add the percentage of “considering expansion” and the percentage of “considered but cancelled or suspended” as the percentage of “potential expansion,” the total “expansion (actual + potential)” (15.9%) has been increasing since bottoming out in the Spring 2021 survey (Figure 10).

Similarly, the percentage of “downsizing (actual + potential)” was 7.6%, declining after peaking in the Spring 2021 survey.

Expansion also outweighed downsizing in actual performance, as shown in Figure 2. When potential expansion is added, the gap widens further, as shown by the DI increasing in the positive direction to 8.3. It is safe to assume that the downsizing trend that persisted for some time after the outbreak of the COVID pandemic has not only come to an end but that an expansionary trend has begun.

Downsizing is also characterized by a greater fluctuation in the percentage of “Considering” than expansion. In the Spring 2021 survey, there was a significant increase in the percentage of companies considering downsizing. However, this percentage gradually decreased, this time to a level similar to that in the Spring 2019 survey, prior to the COVID-19 pandemic.

Figure 10: Actual + Potential Change in Office Size over Past Year

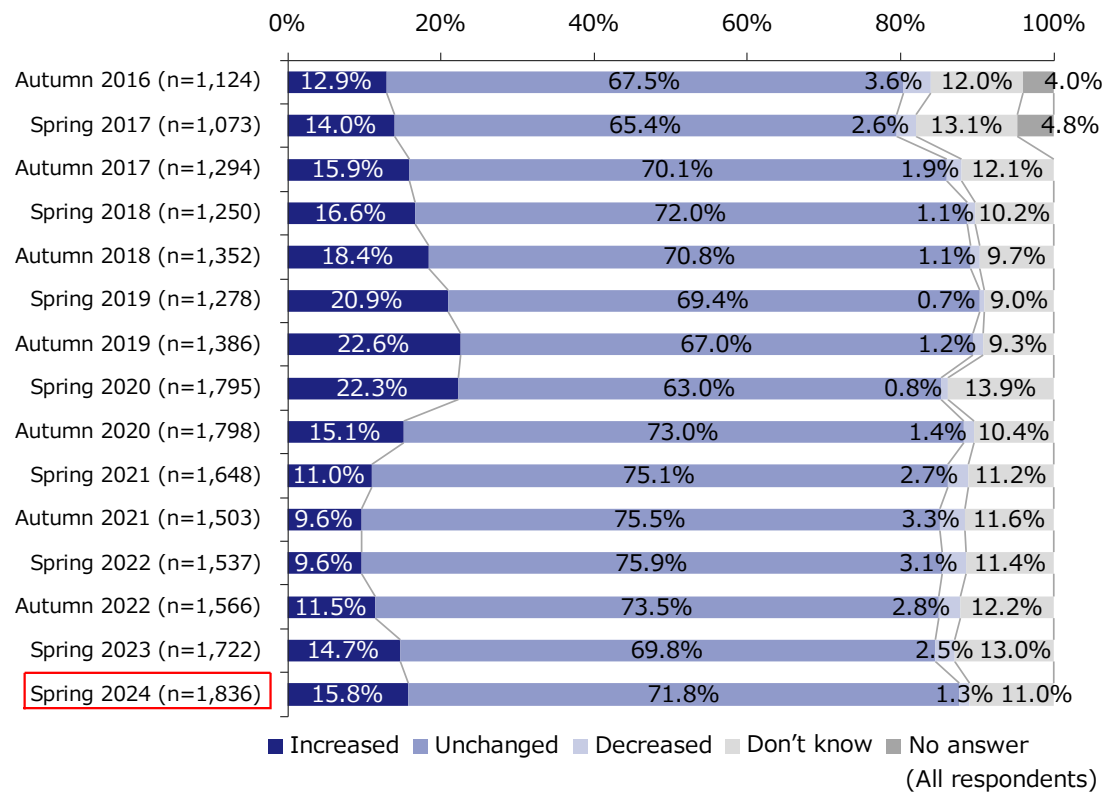


(All respondents)

# 15.8% of companies saw an increase in rent per tsubo, more than those that saw a decrease

In terms of changes in rent per tsubo, 15.8% of companies said it “increased,” more than those that said it “decreased” (1.3%), indicating a continued rising trend in rent (Figure 11 (red frame)).

**Figure 11: Change in Rent per Tsubo**

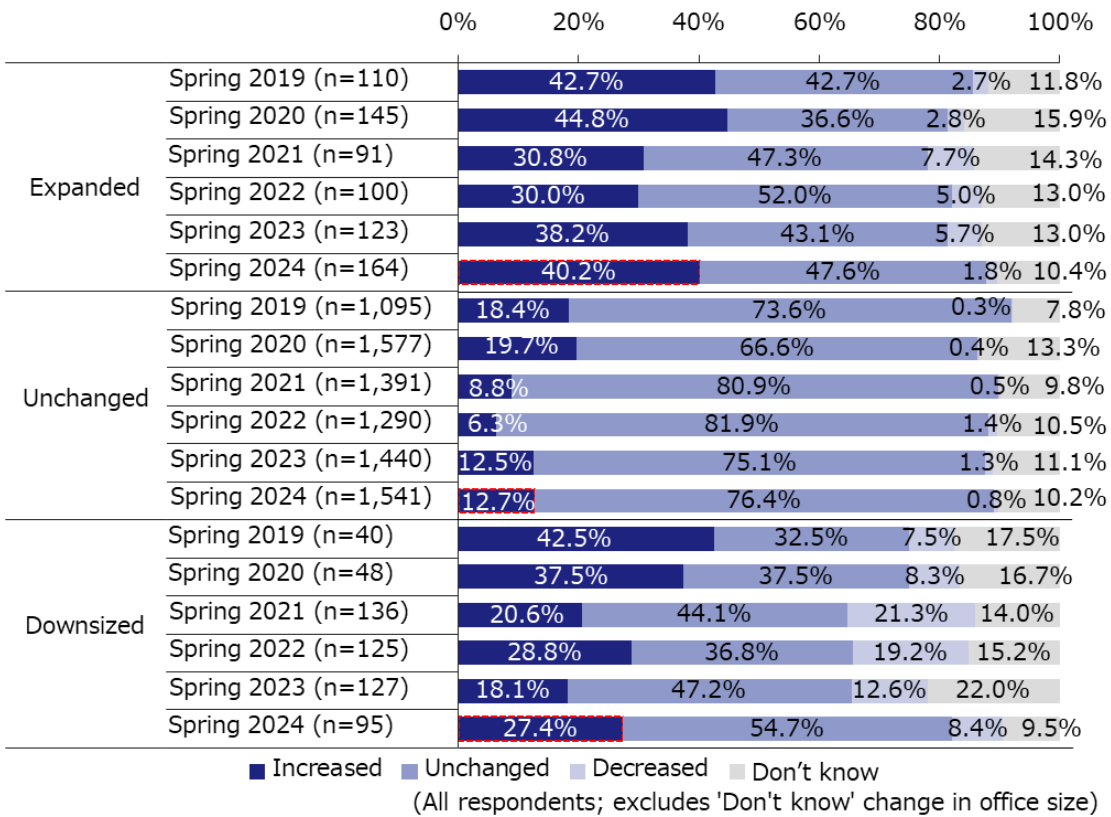


# Approx. 40% of companies that expanded office experienced rent per tsubo increase

When we look at the change in rent per tsubo by the change in office size, the percentage of companies that expanded their office size and experienced an increase in rent was 40.2%, which has been on an upward trend since the bottom in the Spring 2022 survey (Figure 12). This indicates that there are a certain number of companies with strong intentions to invest in their offices, that is, to expand their office size while improving quality.

Among the companies that downsized their office size, 27.4% also said their rent per tsubo increased.

**Figure 12: Change in Rent per Tsubo – By Change in Office Size**



### 1.2. Future intentions

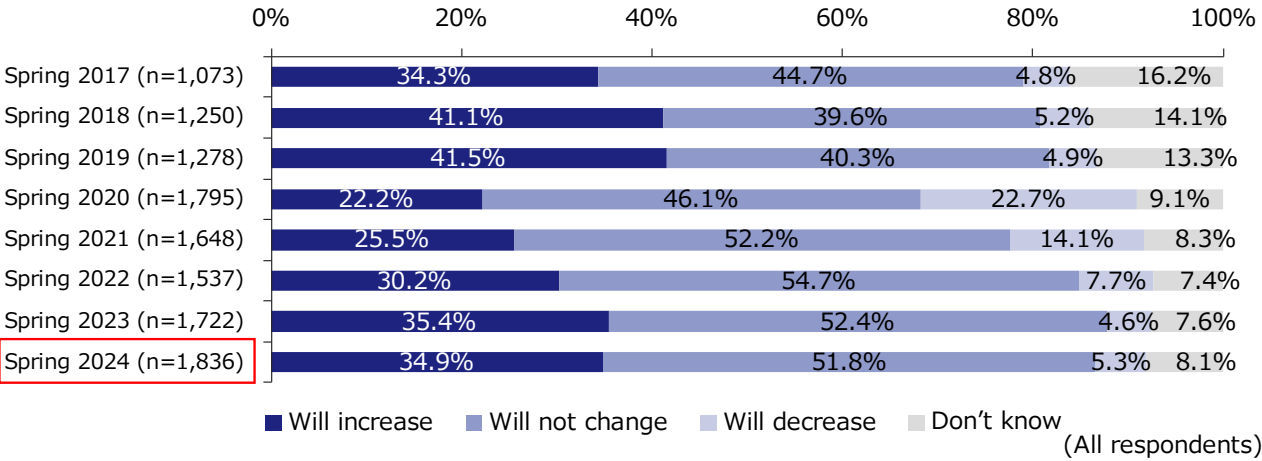
## Future number of office occupants: “Will increase” accounted for 34.9%. Upward trend since Spring 2020 has settled.

When we asked companies about their 1–2-year outlook for the number of occupants\* in their current office, 34.9% of the companies said it “will increase,” and 5.3% said it “will decrease.” Since Spring 2021, the number of companies that say it “will increase” has consistently outnumbered those that say it will not (Figure 13).

The percentage of “Will increase,” which had been on an upward trend since bottoming out in the Spring 2020 survey, has now settled at about the same level as in the Spring 2023 survey. We assume that companies are finding it difficult to hire, even if they want to increase their headcount, due to the worsening labor shortage in all sectors and the resulting fierce competition for human resources.

\*The number of people belonging to the office, regardless of whether they come to the office or not

**Figure 13: Future Number of Office Occupants**



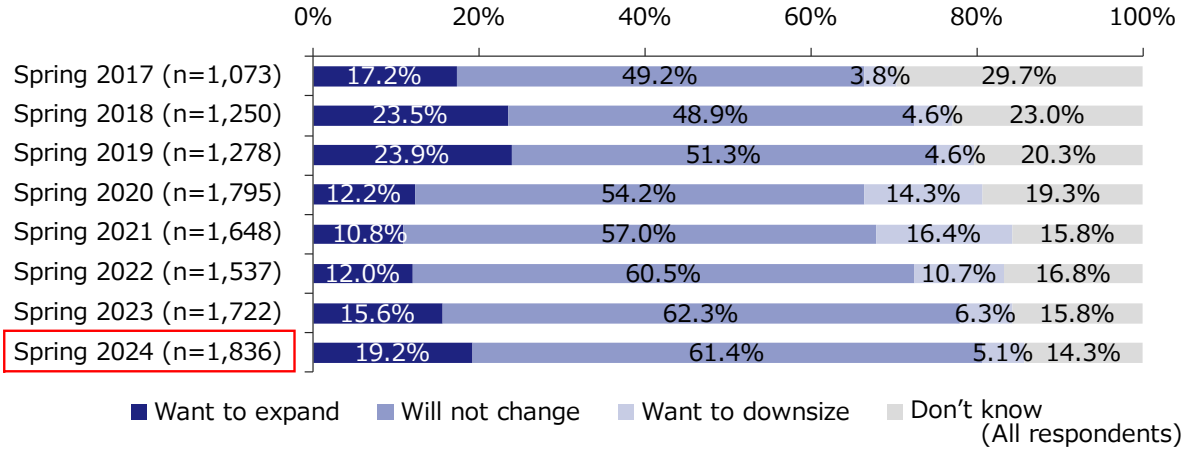
### 1.2. Future intentions

## Percentage of companies that “want to expand” office in future: 19.2%, rising after bottoming in Spring 2021

The percentage of companies that “want to expand” their office size 2–3 years ahead was 19.2%, more than the percentage of companies that “want to downsize” (Figure 14).

The percentage of “Want to expand” has increased over time since bottoming out in the Spring 2021 survey but has not returned to pre-pandemic levels (prior to the Spring 2019 survey).

**Figure 14: Future Change in Office Size**





## 1.2. Future intentions

# Intentions to expand office size significantly outweigh intentions to downsize, regardless of office location or number of employees

We compare future intentions for office size by attribute.

By office location, the percentage of “Want to expand” significantly outweighed “Want to downsize” in all groups. “Want to expand” has also been on an upward trend over time (Figure 15).

Similarly, by number of employees, the percentage of “Want to expand” outweighed “Want to downsize” in all groups. “Want to expand” has also been on an upward trend over time (Figure 16). The percentage of large companies with 1,000 or more employees that “want to expand” (14.6%) was slightly less than that of other companies, but the difference due to the number of employees was not large.

Figure 15: Future Change in Office Size – By Office Location

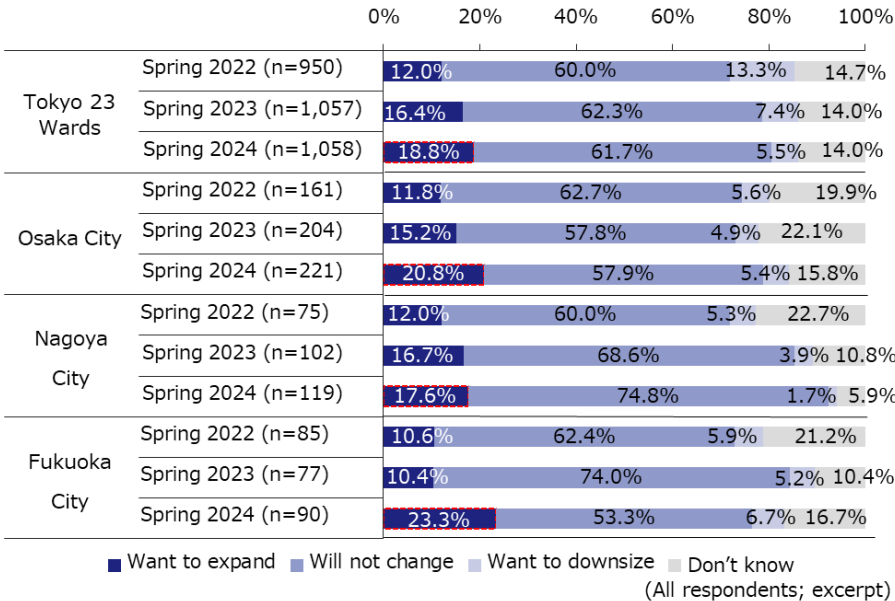
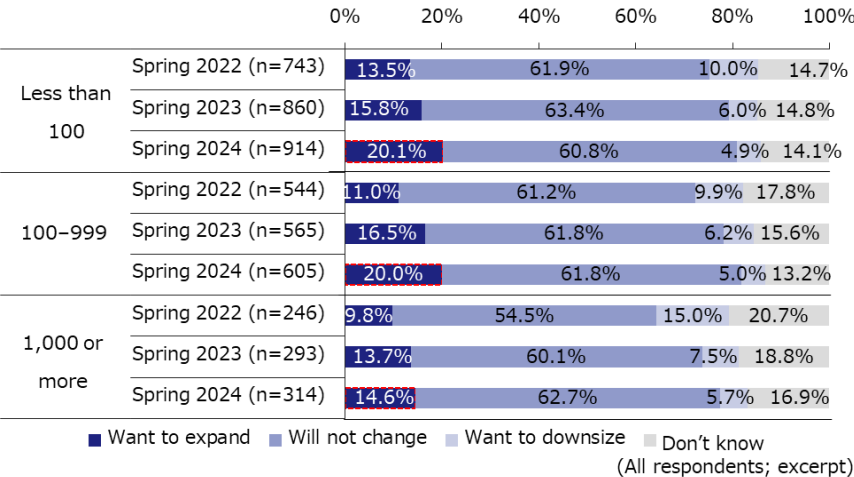


Figure 16: Future Change in Office Size – By Number of Employees

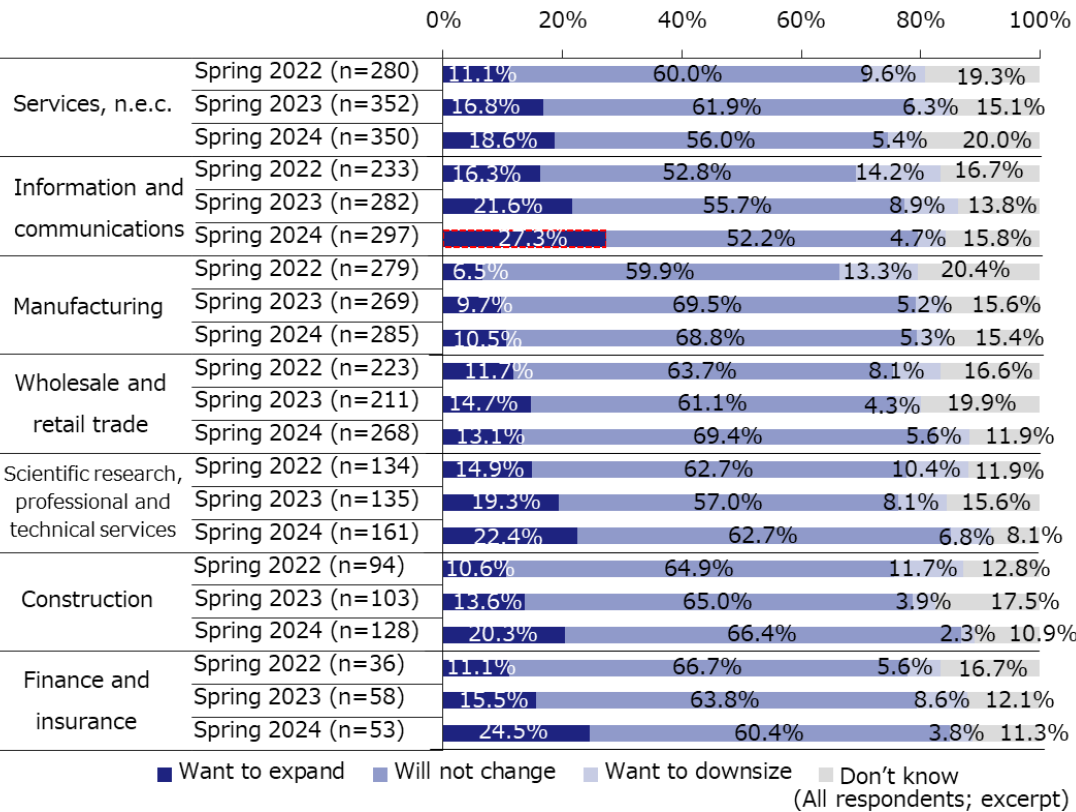


# Approx. 30% of information and communications companies “want to expand” office

By sector, “Want to expand” also outweighed “Want to downsize” across the board (Figure 17).

The information and communications sector had the highest percentage of companies saying they “want to expand” (27.3%), with the percentage also increasing over time. The sector also has the highest percentage of companies saying the future number of office occupants “will increase” (46.8%), indicating that they intend to expand their office size in line with the increase in the number of occupants.

**Figure 17: Future Change in Office Size – By Sector**



# “Relocation” most popular style for both expansion and downsizing

When we asked companies that “want to expand” their office size how they will do so the top reply was “Relocation” (47.4%) (Figure 18).

“Relocation” (52.7%) was also the top reply for downsizing (Figure 19).

Figure 18: Style of Future Expansion

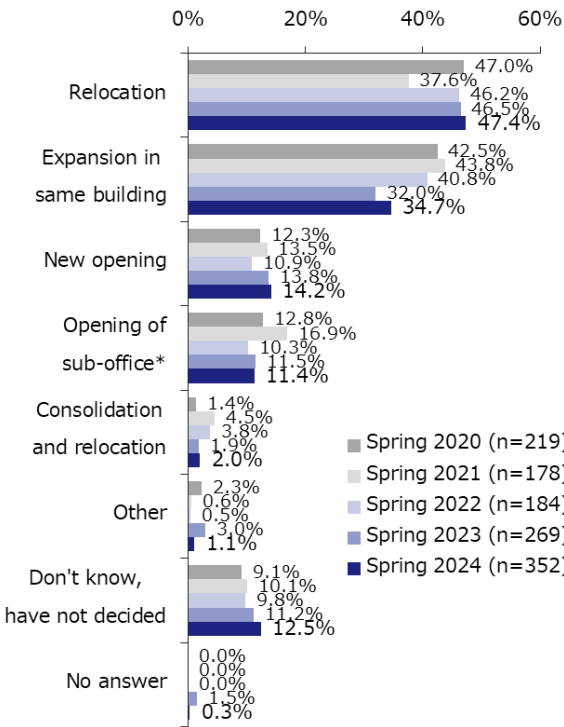
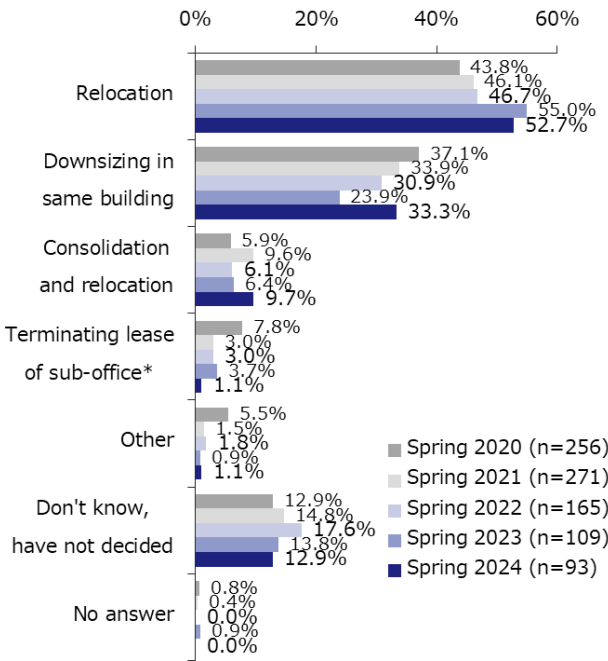


Figure 19: Style of Future Downsizing



(Figure 18: Companies that want to expand; MA; optional answer)  
(Figure 19: Companies that want to downsize; MA; optional answer)

\*Sub-office: A separate office located near the main office (e.g., head office) to handle some of its functions

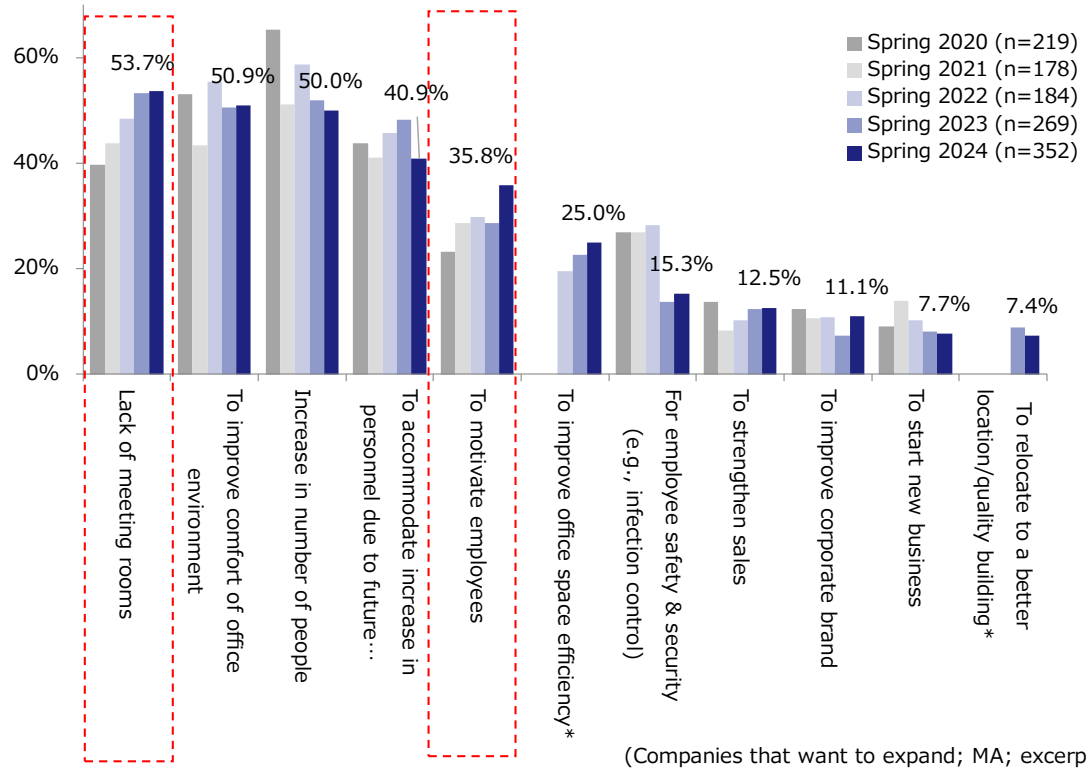
# Top reason for wanting to expand: “Lack of meeting rooms,” which is increasing every year

Continuing from the Spring 2023 survey, the most popular reason for wanting to expand the office was “Lack of meeting rooms” (53.7%) (Figure 20).

“Lack of meeting rooms” has increased in percentage every year since the Spring 2020 survey. This is likely due to an increase in meetings and other face-to-face communication when employees come to the office due to the proliferation of hybrid work and the resulting need for facilities to accommodate such demands.

“To motivate employees” is also on an upward trend, with 35.8% of companies choosing this as the reason.

**Figure 20: Reason for Future Expansion**



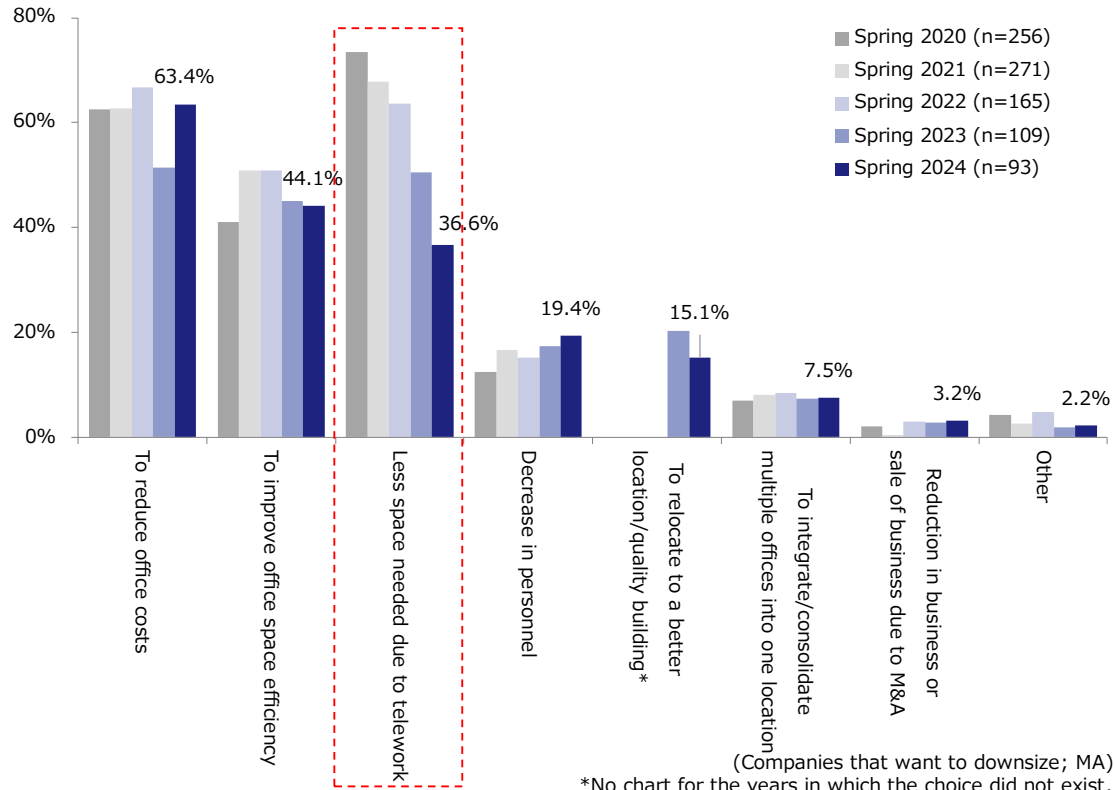
(Companies that want to expand; MA; excerpt)  
 \*No chart for the years in which the choice did not exist.

# Reasons for wanting to downsize: “To reduce office costs,” “To improve office space efficiency”

The most popular reason for wanting to downsize the office was “To reduce office costs” (63.4%), followed by “To improve office space efficiency” (44.1%) (Figure 21).

”Less space needed due to telework,” the third most popular reason, has declined every year since the Spring 2020 survey, ending this time at 36.6%. It is likely that the reduction in office size due to telework reasons has already run its course, as more than four years have passed since the outbreak of the COVID-19 pandemic in 2020.

Figure 21: Reason for Future Downsizing



## 2. Factors affecting office demand

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1. Coming-to-office ratio
2. Percentage of desks, perception of office size, business sentiment

# 77.0% of companies intend to continue implementing telework

With a coming-to-office ratio of 100% meaning all employees came to the office, we asked companies' "current average coming-to-office ratio (actual)" and "future coming-to-office ratio (intention)" (Figure 22).

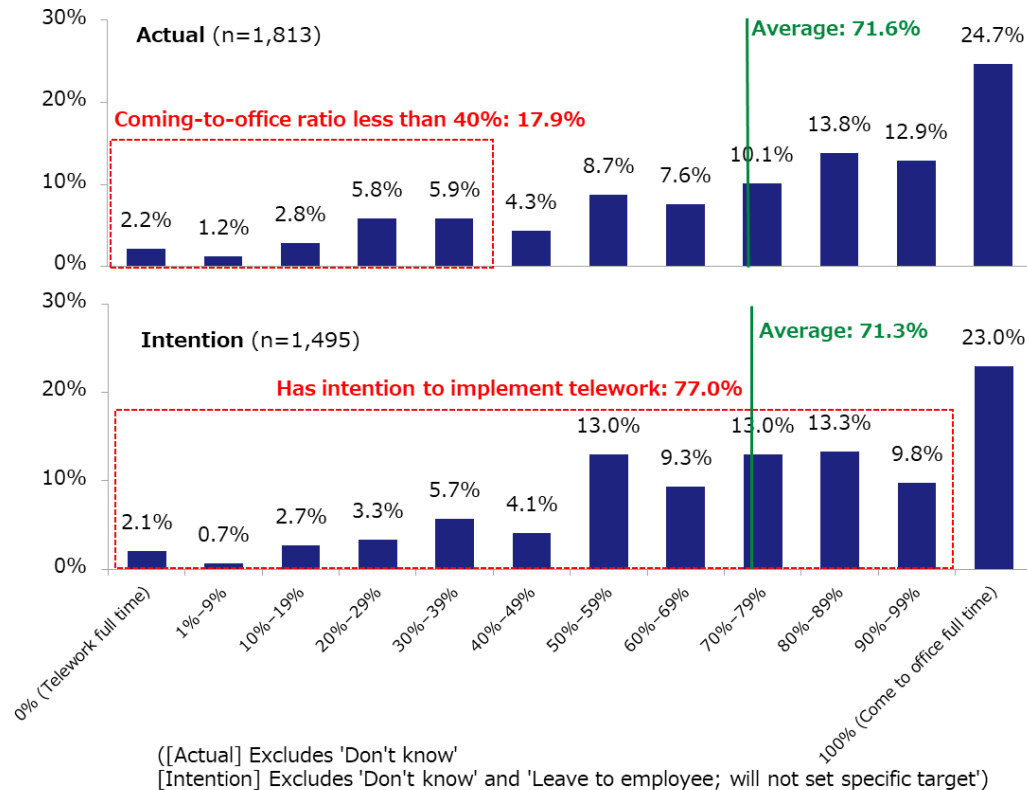
In terms of the actual ratio, 24.7% of companies answered "100% (come to office full time)," while 17.9% kept the ratio below 40%. The average value\* was 71.6%.

In terms of future intentions, 23.0% of companies answered "100% (come to office full time)," while the remaining 77.0% intended to continue implementing telework. The average was 71.3%, not significantly different from the average value of the actual ratio.

Although excluded from the aggregation in Figure 22, 11.0% of all companies (n=1,836) chose "Leave to employee; will not set specific target."

\*The average value was calculated from the median figure of the range of each choice: 5% for "1%-9%," 14.5% for "10%-19%," 24.5% for "20%-29%," etc.

Figure 22: Coming-to-Office Ratio (Actual and Intention)



### 2.1. Coming-to-office ratio

## Toward a hybrid model with employees coming to office more frequently--no change in “100% (come to office full time),” slight increase in “60%–99%”

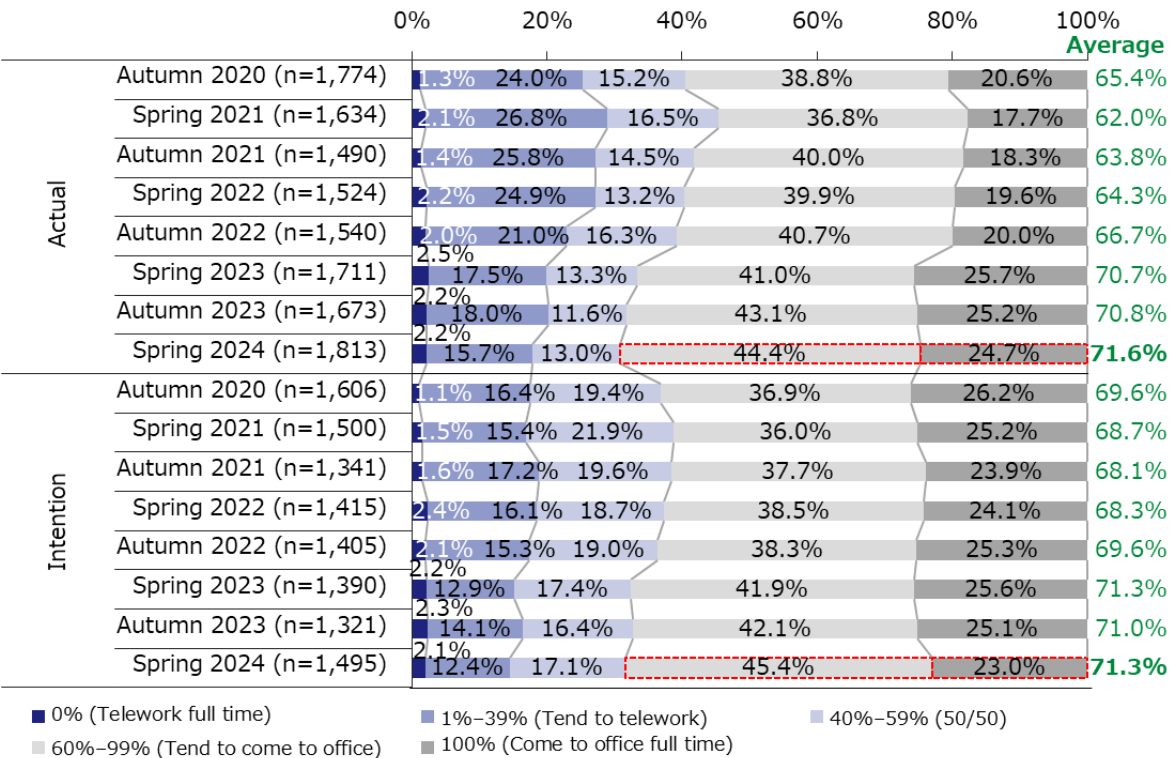
We divided the coming-to-office ratio of Figure 22 into five levels: 0% (Telework full time), 1%–39% (Tend to telework), 40%–59% (50/50), 60%–99% (Tend to come to office), and 100% (Come to office full time), and compared the results with previous surveys (Figure 23).

In terms of the actual ratio, “100% (Come to office full time)” was 24.7%, largely unchanged since the Spring 2023 survey, which was conducted immediately after COVID-19 was reclassified as a Class 5 disease.

However, “60%–99% (Tend to come to office)” has been increasing marginally both on both actual and intended bases. This suggests that while many companies still continue to implement hybrid work, which combines coming to the office and teleworking, employees are coming to the office more frequently.

\*The average value was calculated from the median figure of the range of each choice: 5% for “1%–9%,” 14.5% for “10%–19%,” 24.5% for “20%–29%,” etc.

Figure 23: Actual and Intended Coming-to-Office Ratio (Comparison over Time)



[[Actual] Excludes 'Don't know'  
[Intention] Excludes 'Don't know' and 'Leave to employee; will not set specific target']



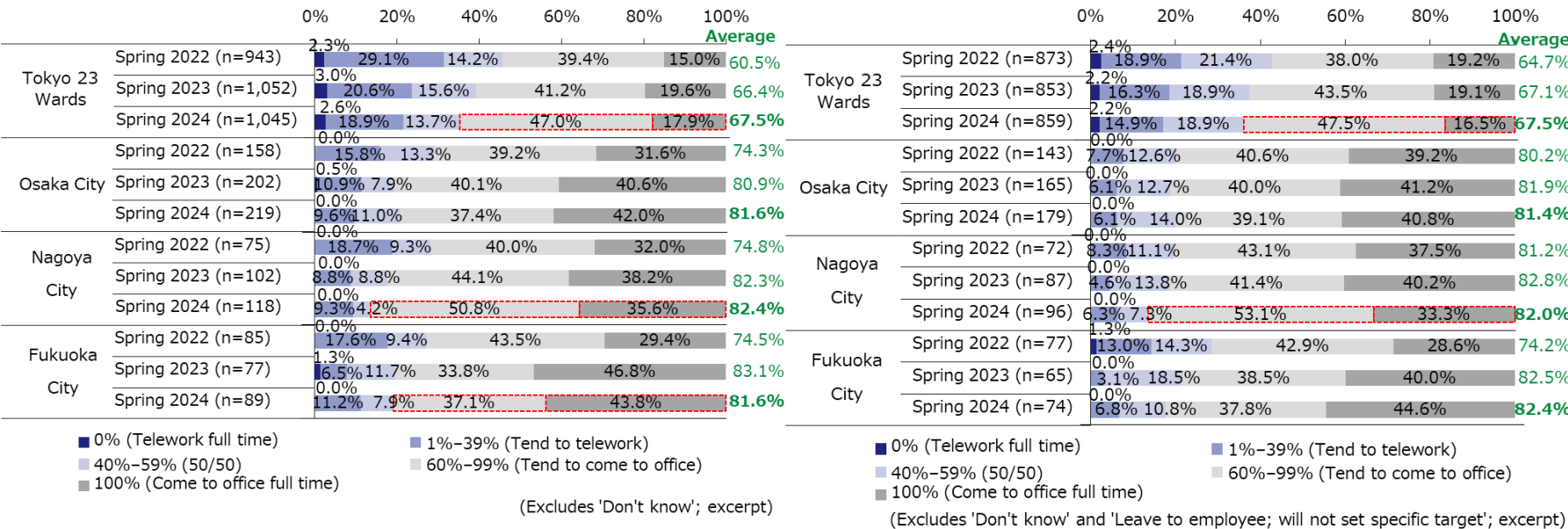
### 2.1. Coming-to-office ratio

## Less than 20% come to office full time in Tokyo 23 Wards; telework has taken root more than in other areas

By office location, less than 20% of companies answered “100% (Come to office full time)” in terms of both actual and intention in Tokyo 23 Wards. The average value also shows that telework has taken root more than in other areas (Figure 24).

In Osaka, Nagoya, and Fukuoka cities, while the percentage of “100% (Come to office full time)” was higher than in Tokyo 23 Wards at 30–40%, the percentage has not necessarily increased from the Spring 2023 survey. In addition, “60%–99% (Tend to come to office)” has been increasing marginally in actual terms regardless of office location, indicating that companies are continuing to implement hybrid work while employees come to the office more frequently.

**Figure 24: Actual (Left) and Intended (Right) Coming-to-Office Ratio – By Office Location**

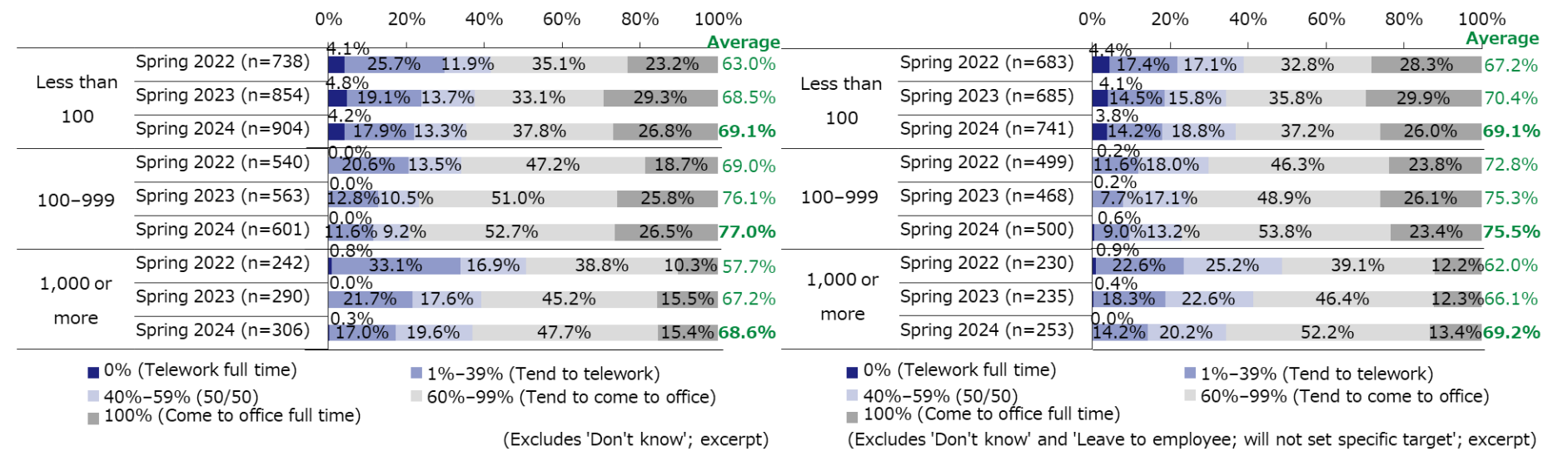


# Approx. 70% of small/medium-sized companies intend to continue implementing telework

By number of employees, we found that although the actual percentage of “100% (Come to office full time)” was more than 20% among small and medium-sized companies (with less than 100 employees and 100–999 employees), the percentage has not increased from previous surveys, and that companies continued implementing telework regardless of company size (Figure 25).

We also found that 70%–90% of companies of each company size intend to implement telework.

**Figure 25: Actual (Left) and Intended (Right) Coming-to-Office Ratio – By Number of Employees**

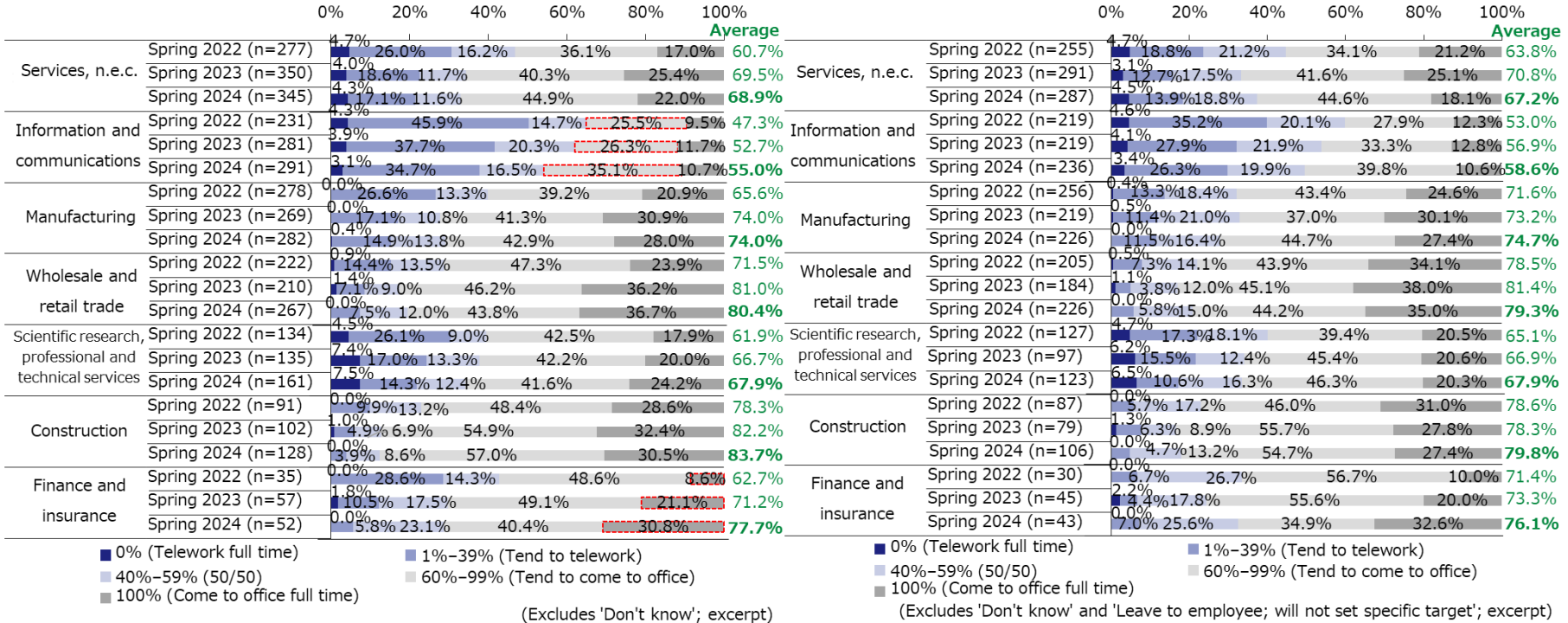


### 2.1. Coming-to-office ratio

# “Finance and insurance” returning to office full time; “Information and communications” moving toward hybrid work with employees coming to office more frequently

By sector, finance and insurance is seeing an increase in both the actual and intended percentage of “100% (Come to office full time),” indicating a return-to-office trend (Figure 26). In the information and communications sector, on the other hand, “100% (Come to office full time)” has remained at around 10%, while “60%–99% (Tend to come to office)” has been increasing, indicating that companies are moving toward a hybrid model with employees coming to the office more frequently.

**Figure 26: Actual (Left) and Intended (Right) Coming-to-Office Ratio – By Sector**



# Percentage of desks to office occupants: 35.1% of companies want it below 100% in future

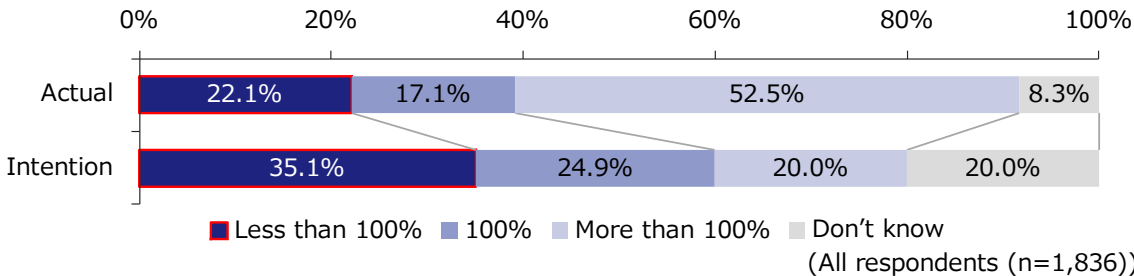
We calculated the actual percentage of desks that companies provided to their office occupants based on the number of office occupants and desks at the time of the survey, and the intended percentage of desks to the number of office occupants in the future. We then grouped the results into “Less than 100%,” “100%,” and “More than 100%” (Figure 27).

As for the actual percentage, desks provided for “more than 100%” of office occupants were the most common (52.5% of companies).

As for the intended percentage, the percentage of “More than 100%” dropped to 20.0%, while “Less than 100%” rose to 35.1%, significantly higher than the actual percentage (22.1%).

We believe that companies are increasingly working to optimize the number of desks in response to changes in work styles, such as telework taking root.

**Figure 27: Percentage of Desks to Number of Office Occupants (Actual and Intention)**

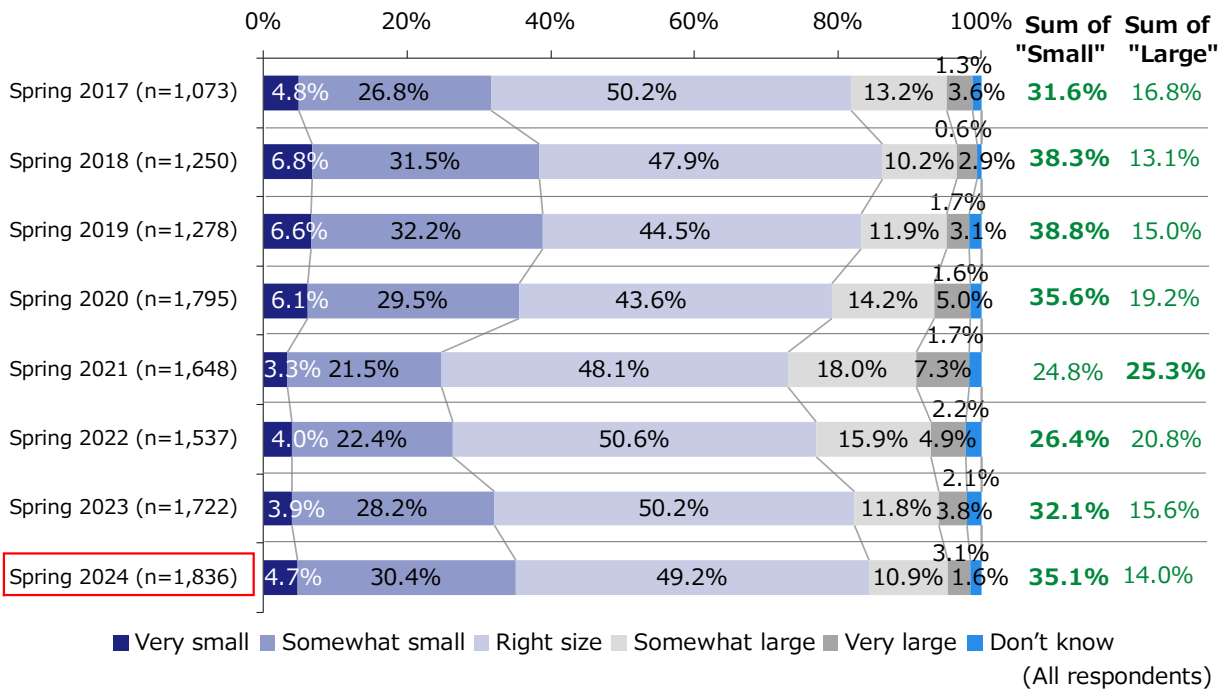


# Perception of office size: Sum of “Very small” and “Somewhat small” 35.1%

When we asked respondents’ perception of the size of their current office, 35.1% replied their office was either “very small” or “somewhat small,” while 14.0% felt it was “very large” or “somewhat large” (Figure 28).

Compared with previous surveys, the sum of “Very small” and “Somewhat small” has been increasing since bottoming out in the Spring 2021 survey, approaching levels prior to the COVID-19 pandemic (before the Spring 2019 survey). We believe that the marginal increase in the coming-to-office ratio (P. 24) has had an impact.

Figure 28: Perception of Office Size



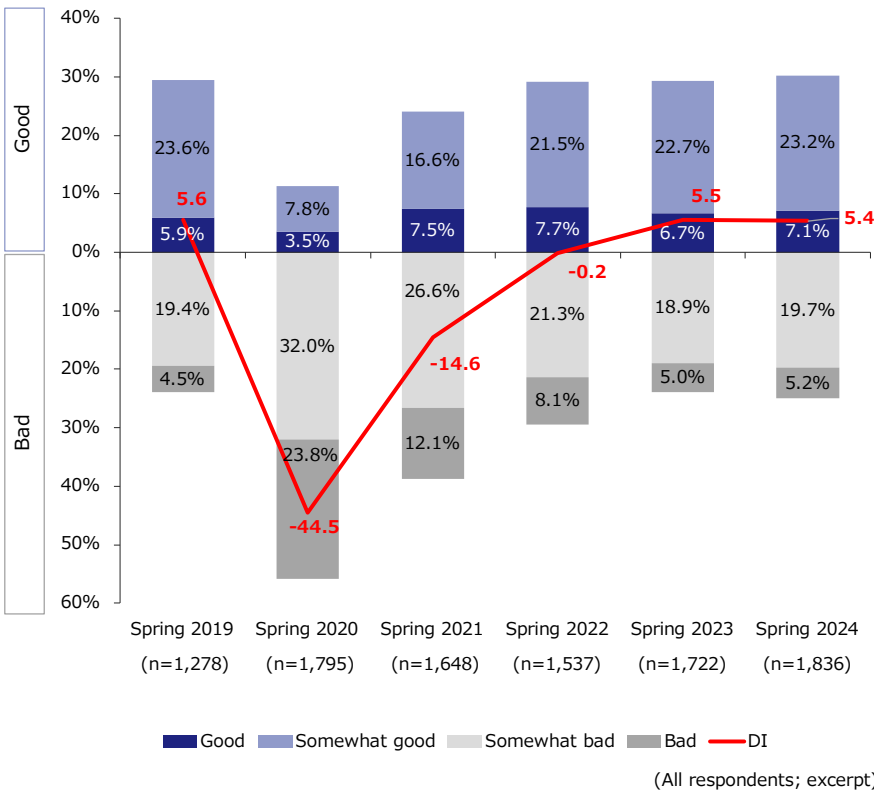
# Business sentiment DI remained positive but flat

Figure 29 shows the business sentiment DI, which is the sum of the percentages of “good” and “somewhat good” business sentiments (for own company) minus the sum of the percentages of “bad” and “somewhat bad” sentiments based on a five-scale rating of “good,” “somewhat good,” “neither good nor bad,” “somewhat bad,” and “bad.”

In this survey, the sum of “good” and “somewhat good” was 30.3%, and that of “bad” and “somewhat bad” was 24.9%.

The DI was 5.4, remaining positive since the Spring 2023 survey but flat.

Figure 29: Business Sentiment



# 3. Work styles and the workplace

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1. Usage, issues, and values required of the main office
2. Work styles and telework
3. Relationship between the workplace and valuation indicators

### 3.1. Usage, issues, and values required of the main office

## Companies want to add/introduce “meeting rooms” and “booth/private room for remote meetings” in their office in the future

We asked companies about the various spaces currently available in their main office\* and those they want to add or introduce in the future (Figure 30).

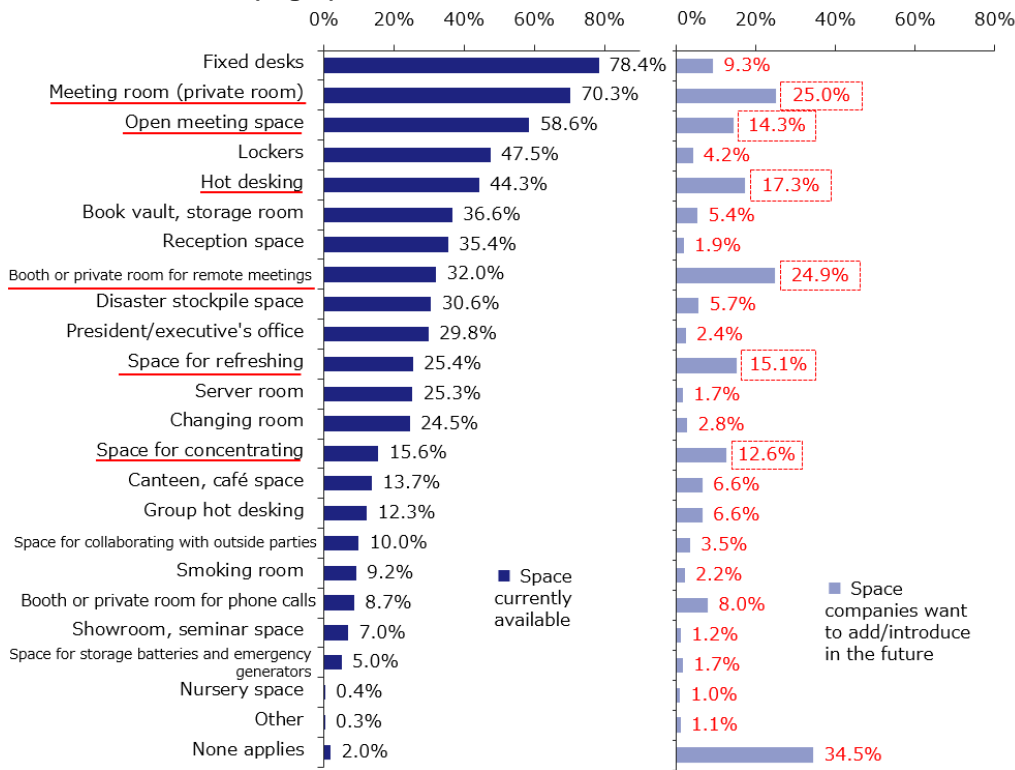
In terms of the various spaces currently available (left chart), the top responses were “Fixed desks” (78.4%) and “Meeting room (private room)” (70.3%), followed by “Open meeting space (58.6%).

In terms of spaces that companies want to add or introduce in the future (right chart), the top answers included “Meeting room (private room)” (25.0%), booth or private room for remote meetings” (24.9%), and “Hot desking” (17.3%). Meanwhile, the top responses for space that companies want to add or introduce in the future (right chart) included “Meeting room (private room)” (25.0%), “Booth or private room for remote meetings” (24.9%), and “Hot desking” (17.3%). We believe that, since employees are coming to the office more frequently (P. 24) while continuing to work under the hybrid model, there has been an increase in face-to-face meetings when employees are in the office and remote meetings, resulting in a rise in the need for space dedicated to such meetings.

Other spaces that gained 10% or more as space that companies want to add or introduce in the future are underlined in red.

\*Main office: Refers not to decentralized offices (e.g., satellite offices) for teleworking but to the traditional office where employees congregate.

**Figure 30: Space Space Currently Available in Office (Left) and Space Companies Want to Add or Introduce in Future (Right)**



(All respondents (n=1,836); MA)



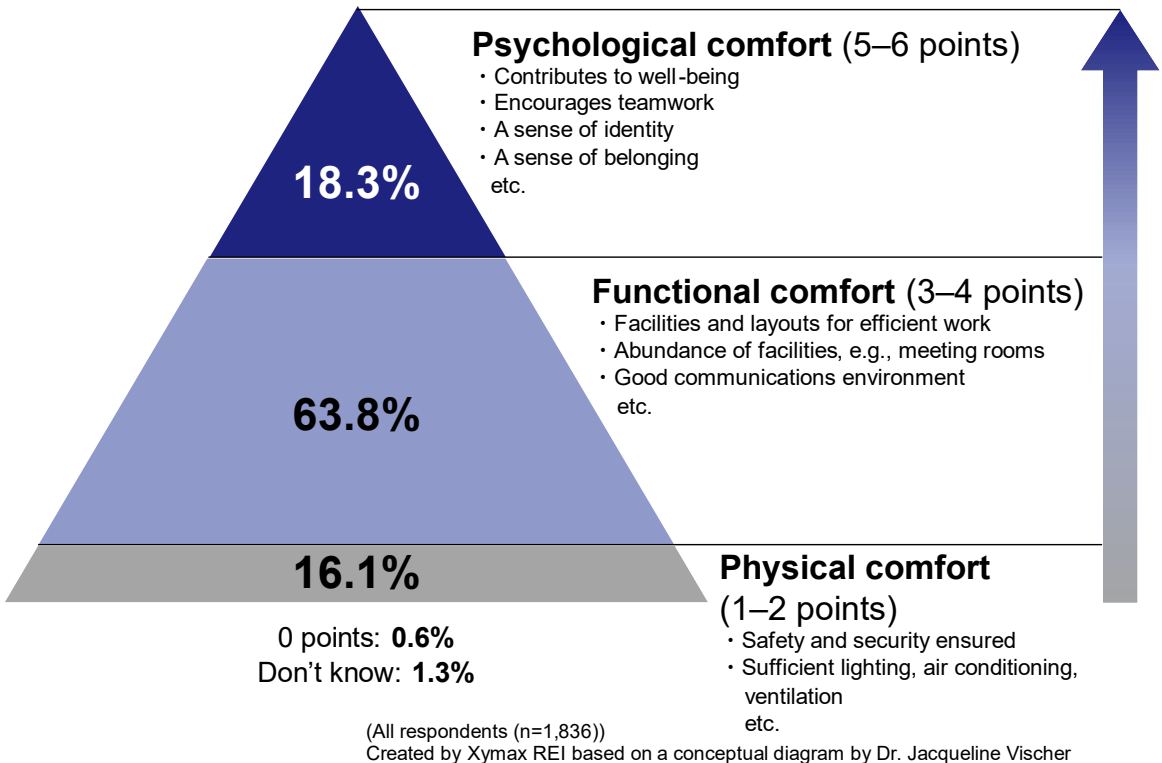
# Only 18.3% of companies have offices at “psychological comfort” level

We asked companies to rate the comfort level of their current main office on a 7-point scale from 0 to 6 based on the pyramid chart\*1 shown in Figure 31. Only a total of 18.3% of respondents rated 5 or 6 points, which meets the highest “psychological comfort” level.

The volume zone is 3 or 4 points (63.8% in total), which meets “functional comfort.”

Amid the increase in the coming-to-office ratio, the comfort of the office is likely to affect productivity and engagement when employees come to the office. Overseas experts\*2 have also pointed out Japanese companies’ lack of interest in the psychological comfort of the office. Going forward, not only minimum functionality and safety but also a higher level of comfort may be required.

Figure 31: Comfort Rating of Main Office



\*1 Created by Xymax REI based on an environmental comfort pyramid model developed by Professor Jacqueline Vischer of the University of Montreal. At the time of the survey, we showed a diagram with equal proportions of the three layers.

\*2 Reference article: [WORKTREND®] Global: New Trends in the Workplace at an Inflection Point (in Japanese only)  
<https://soken.xymax.co.jp/hatarakikataoffice/viewpoint/worktrend/column27.html>

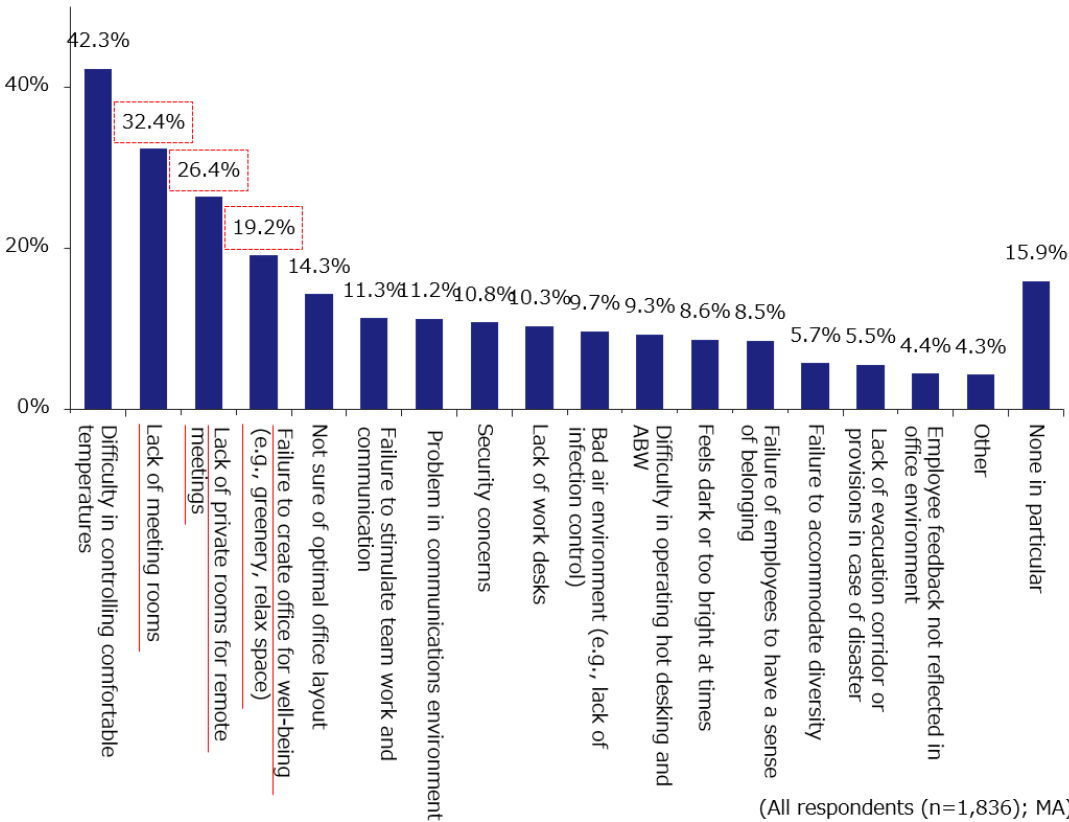
# Top office issues are “Lack of meeting rooms” and “Lack of private rooms for remote meetings”

The top issue felt by companies concerning their current main office was “Difficulty in controlling comfortable temperatures” (42.3%) (Figure 32).

This was followed by “Lack of meeting rooms” (32.4%) and “Lack of private rooms for remote meetings” (26.4%), indicating a lack of meeting space due to an increase in the frequency of employees coming to the office. As shown in Figure 30, since many companies listed “Meeting room (private room) and “Booth or private room for remote meetings” as spaces they wanted to add or introduce in the future, it is highly likely that office design accommodating new post-COVID work styles will be explored in the future.

“Failure to create office for well-being (e.g., greenery, relax space)” (19.2%) also ranked high. The top four issues all reflect the growing awareness of companies regarding the physical and mental health of their employees.

Figure 32: Issues Felt in Current Main Office



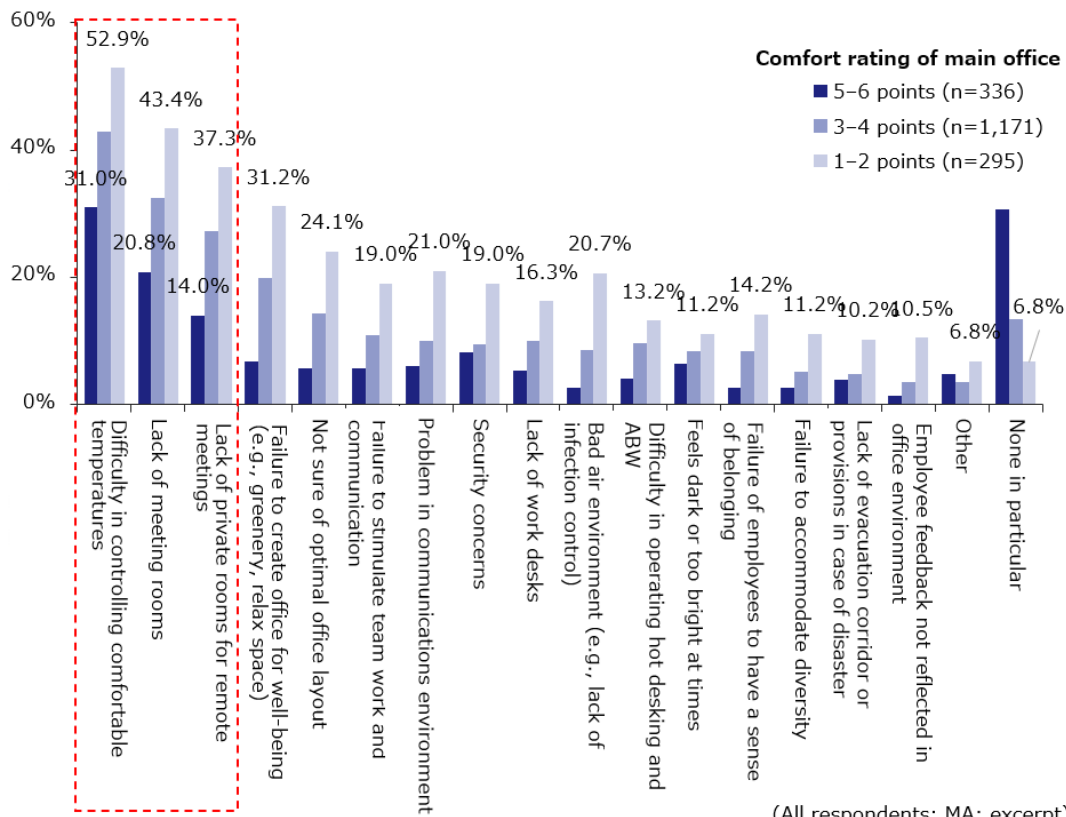
(All respondents (n=1,836); MA)

# More issues felt at companies with low office comfort

In Figure 33, we compared the issues felt by companies in their current main office (Figure 32) in terms of the comfort rating of the main office (Figure 31). As a result, the group with lower comfort ratings was more likely to experience issues in all items. For example, “Difficulty in controlling comfortable temperatures” and “Lack of meeting rooms” were chosen by as many as 52.9% and 43.4% of the companies, respectively.

Meanwhile, we found that a certain number of companies in the group with the highest comfort ratings (5–6 points) also felt that the top three items were issues. Items such as “Lack of meeting rooms” and “Lack of private rooms for remote meetings” likely reflect the failure of the office to adapt to changing work styles. Future improvements are expected.

**Figure 33: Issues Felt in Current Main Office – By Comfort Rating of Main Office**



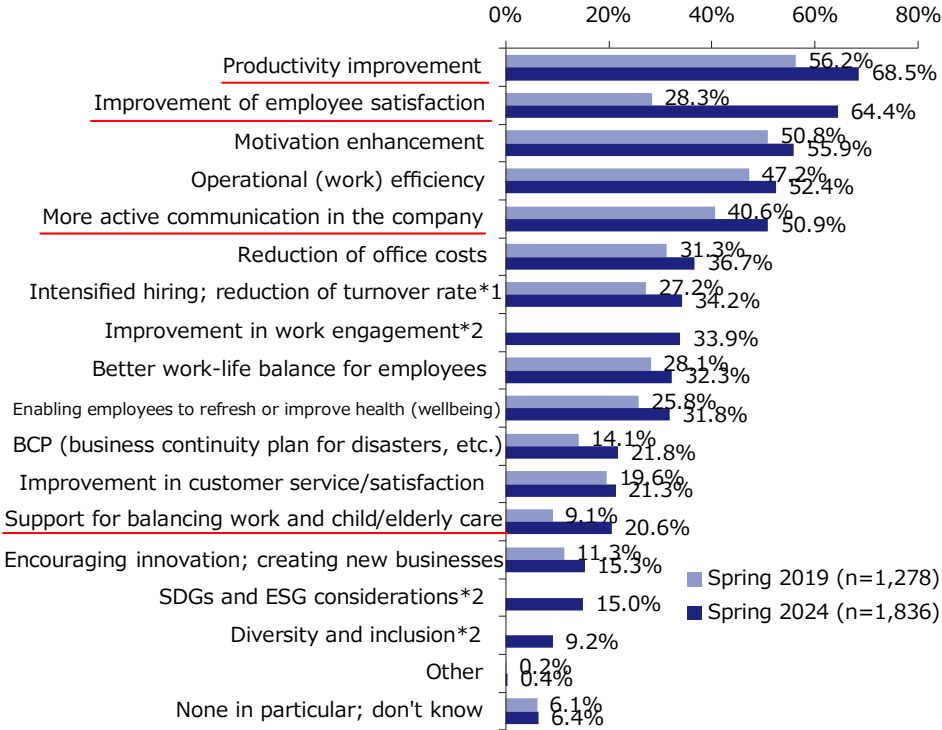
# Major focuses when implementing office strategy are productivity and satisfaction, with some changes from before the pandemic

As for companies' major focuses when implementing office strategy, the top response was "Productivity improvement" (68.5%) (Figure 34).

When compared with the Spring 2019 survey, which was conducted prior to the outbreak of the COVID-19 pandemic, "Improvement of employee satisfaction" (64.4%), the second most popular response, increased significantly by 36.1 pt, indicating that there has been a change in the values toward the office. The percentages increased in all items, suggesting that companies are focusing on various elements when implementing office strategy.

Other items that showed significant increases are underlined in red.

Figure 34: Major Focuses When Implementing Office Strategy



(All respondents; MA)

\*1 For Spring 2019, the percentage of companies that chose either 'Intensified hiring' or 'Reduction of turnover rate'

\*2 No chart for the year in which the choice did not exist.

### 3.1. Usage, issues, and values required of the main office

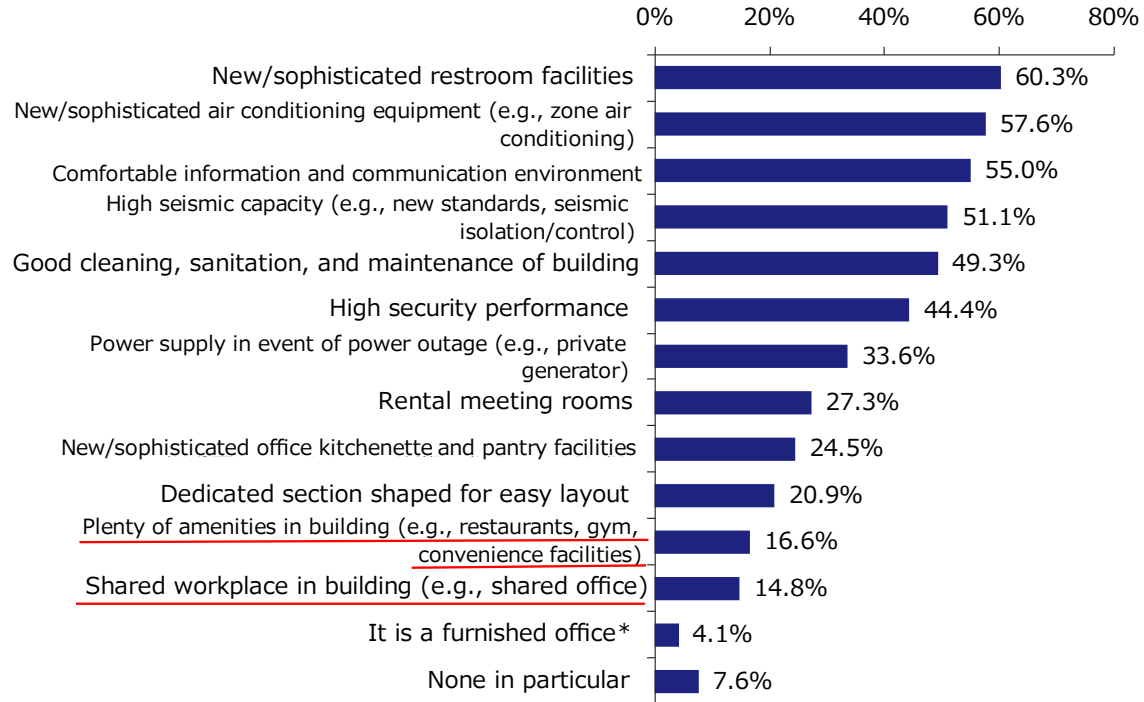
## Building conditions: In terms of facility and function, basic matters such as restrooms and air conditioning equipment ranked high

We asked companies about the conditions they preferred to have in the building in which their main office will be established, divided into three categories: facility and function; location and scale; and sustainability (Figures 35, 36, 37).

In terms of facility and function, the top choices were basic matters such as “New/sophisticated restroom facilities” (60.3%), “New/sophisticated air conditioning equipment” (e.g., zone air conditioning) (57.6%), and “Comfortable information and communication environment” (55.0%) (Figure 35).

Although the percentages were not high, relatively new value standards such as “Plenty of amenities in building (e.g., restaurants, gym, convenience facilities)” (16.6%) and “Shared workplace in building (e.g., shared office)” (14.8%) received some support, indicating a diversification of values sought in office buildings.

**Figure 35: Preferable Conditions of the Building for the Main Office (Facility and Function)**



(All respondents (n=1,836); MA)

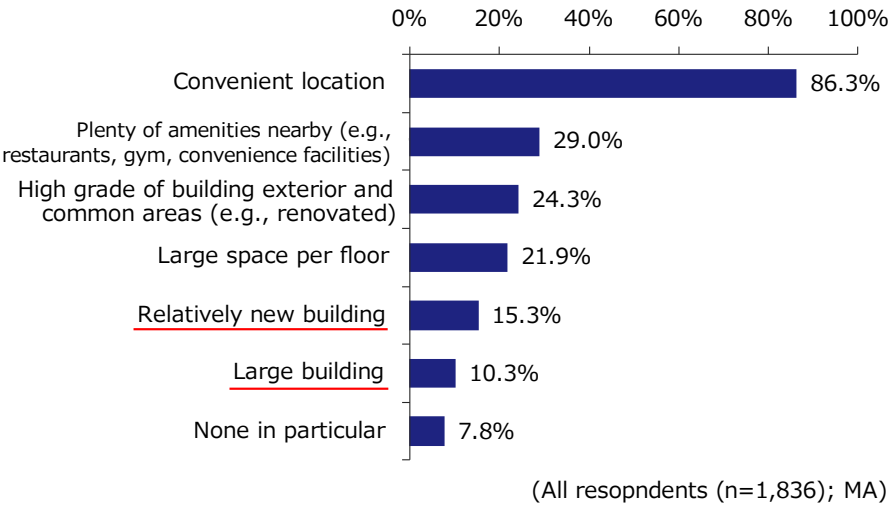
\*Furnished office: A type of leased office for which the lessor provides some interior fittings beforehand, such as for the reception area and meeting rooms, enabling tenants to cut relocation costs.

# Building conditions: Certain level of demand for natural light and energy-saving performance

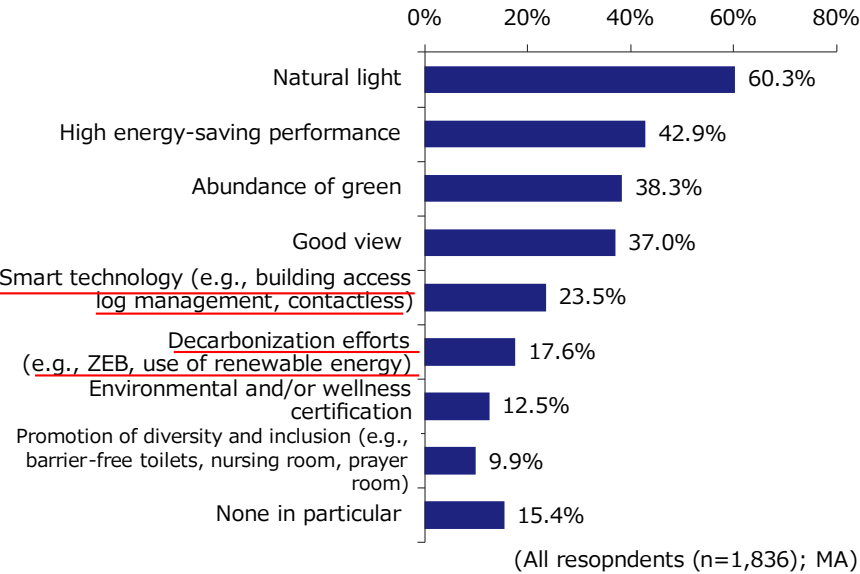
In terms of location and scale, “Convenient location” (86.3%) was overwhelmingly supported by respondents, while the two conditions considered basic building specifications, such as “Relatively new building” (15.3%) and “Large building” (10.3%), ranked low (Figure 36).

In terms of sustainability, conditions such as “Natural light” (60.3%) and “High energy-saving performance” (42.9%) ranked high (Figure 37). There was also a certain level of support for relatively new value standards such as “Smart technology (e.g., building access log management, contactless)” (23.5%) and “Decarbonization efforts (e.g., ZEB, use of renewable energy)” (17.6%).

**Figure 36: Preferable Conditions of the Building for the Main Office (Location and Scale)**



**Figure 37: Preferable Conditions of the Building for the Main Office (Sustainability)**



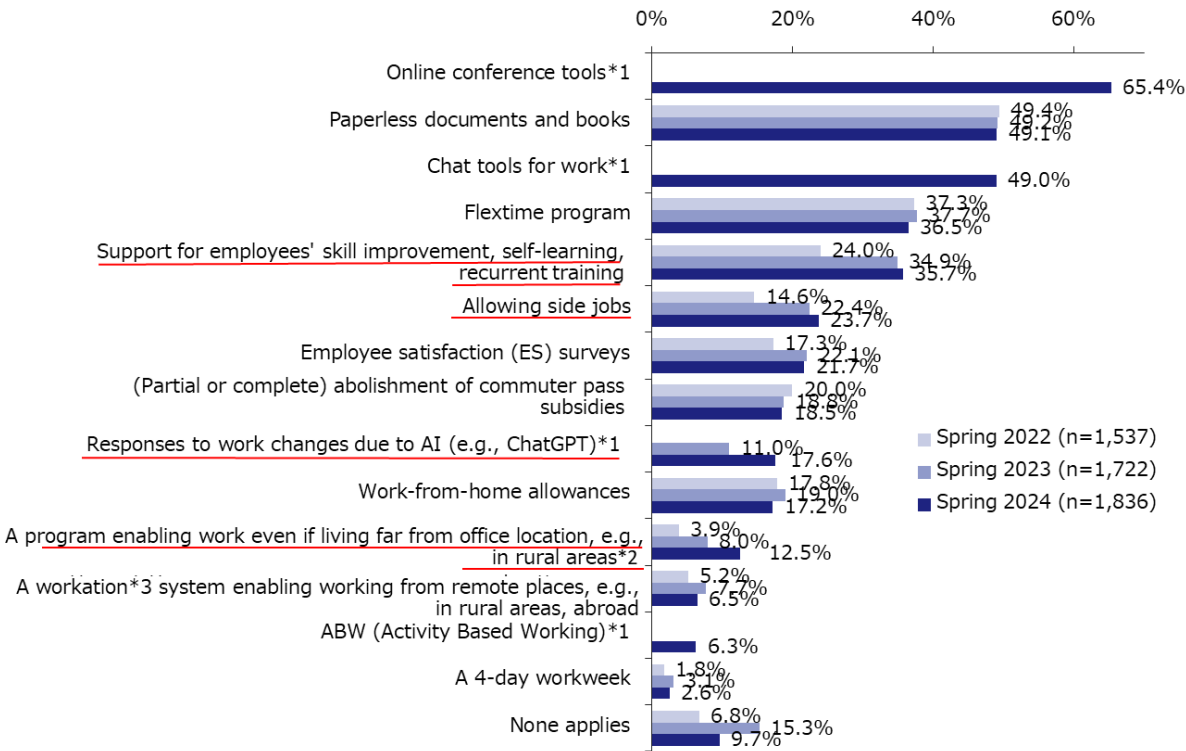
# Work style initiatives: Growth in “Recurrent training,” “Side jobs,” “Response to AI and generative AI”

We asked companies whether they implemented any work style initiatives, either in part or in whole, and compared it with previous surveys (Figure 38).

The top initiative was “Online conference tools” (65.4%), which was added to the choices this time and gained a high percentage, as did “Chat tools for work” (49.0%), which was also added this time.

Compared with previous surveys, the following initiatives saw solid increases in implementation: “Support for employees’ skill improvement, self-learning, recurrent training,” “Allowing side jobs,” “Responses to work changes due to AI (e.g., ChatGPT),” and “A program enabling work even if living far from office location (e.g., in rural areas).”

Figure 38: Work Style Initiatives



(All respondents; MA; excerpt)

\*1 No charts for the years in which the choice did not exist. \*2 "Introduction of a work location selection system (incl. hiring at rural areas)" for Spring 2022 and Spring 2023. \*3 Workation: A portmanteau of work and vacation, meaning to work from a travel destination, etc.

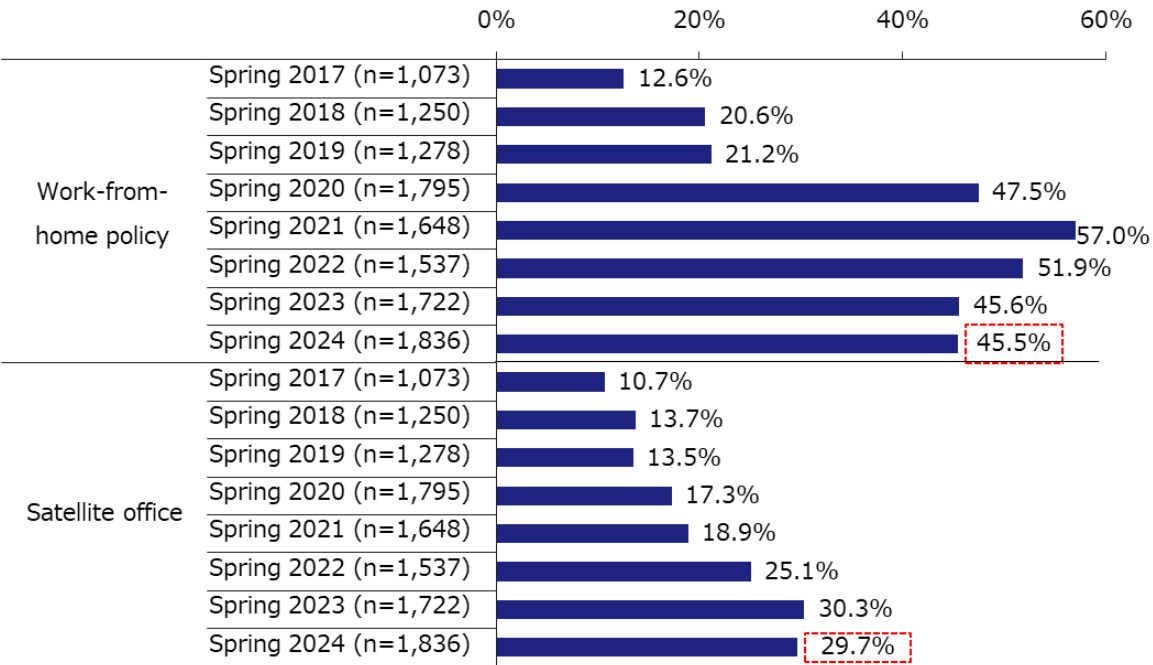
# Availability of both work-from-home policy and satellite office largely unchanged from Spring 2023

Figure 39 shows the yearly trends in the availability of a work-from-home policy and satellite offices (either using a satellite office, etc., provided by a specialized operator, etc., or set up a satellite office, etc., owned or rented by own company) as initiatives for telework.

The availability of work-from-home policies fell from its peak in the Spring 2021 survey to 45.5%, and the availability of satellite offices was 29.7%. Both were largely unchanged from the Spring 2023 survey.

59.5% of all companies offer one or more of “Work-from-home policy” and “satellite office” (a place or policy for available for telework).

**Figure 39: Availability of Work-from-Home Policy and Satellite Office**



(All respondents; MA; excerpt; reaggreated)

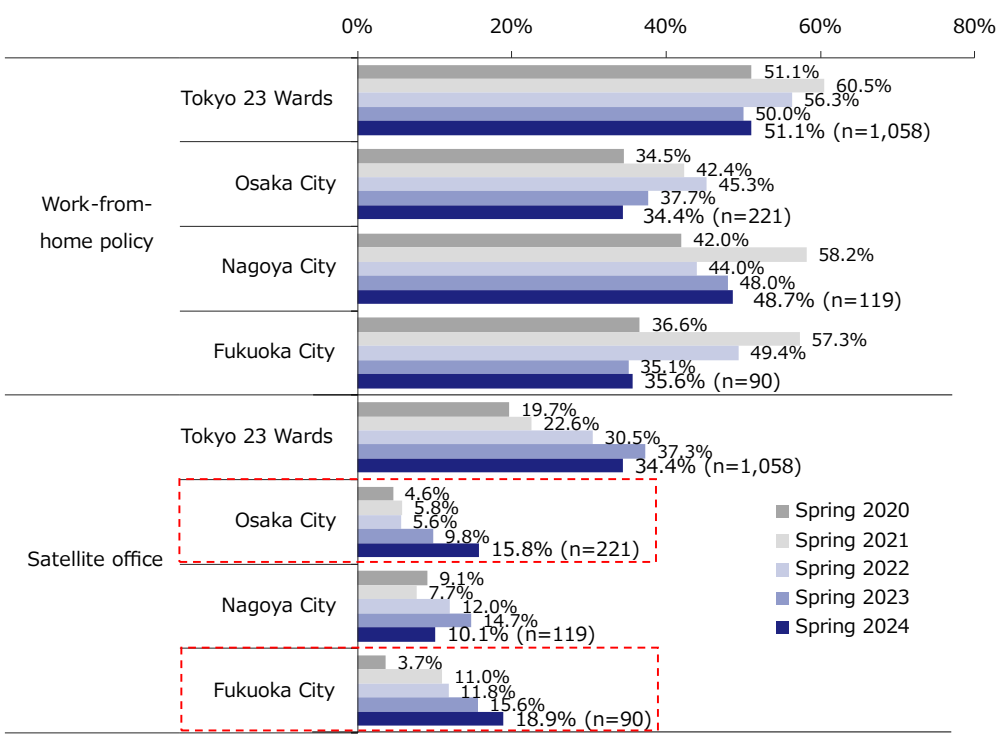


# Availability of satellite offices increased in Osaka and Fukuoka

We looked at the yearly trends of the availability of work-from-home policies and satellite offices from the Spring 2020 survey by office location (Figure 40).

The availability of satellite offices declined in Tokyo 23 Wards (34.4%), which had been leading other regions. However, it has increased every year in Osaka City (15.8%) and Fukuoka City (18.9%), indicating that the satellite office market is spreading across Japan.

**Figure 40: Availability of Work-from-Home Policy and Satellite Office – By Office Location**



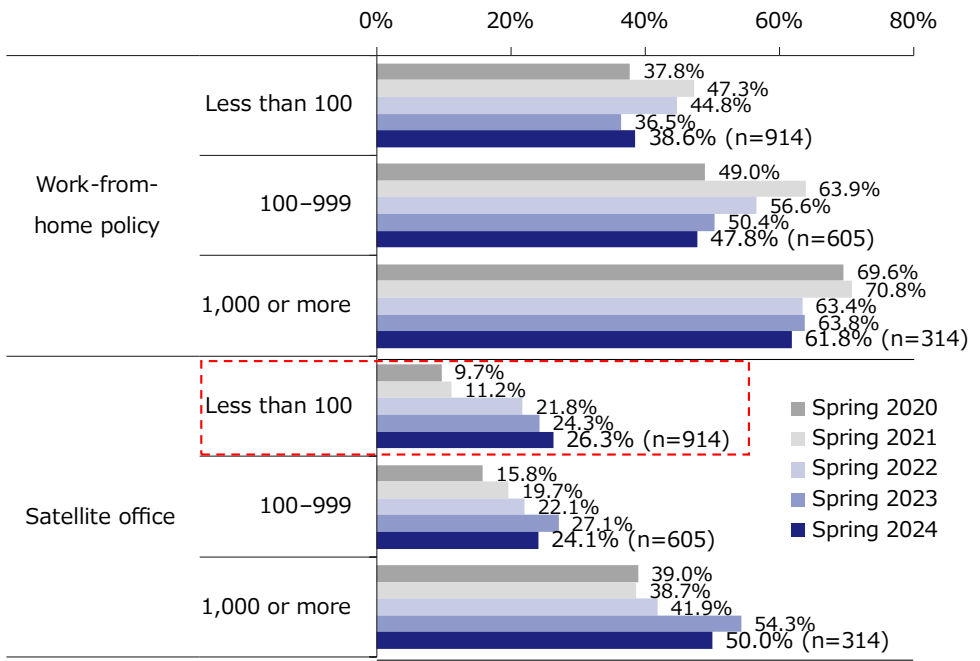
(All respondents; MA; excerpt; reaggregated)

# Growth in satellite office availability slowed at medium-sized and large companies but increasing every year at small companies

By number of employees, the availability of both work-from-home policies and satellite offices was highest among large companies with 1,000 or more employees. This trend has not changed from previous surveys (Figure 41).

However, if we focus on growth rates, growth has slowed at large companies and medium-sized companies (with 100–999 employees), which had been leading the availability of satellite offices, while availability has continued to grow steadily at small companies (with less than 100 employees). Since small companies are a large population, this suggests that the use of satellite offices is spreading to a wide range of companies, regardless of size.

**Figure 41: Availability of Work-from-Home Policy and Satellite Office – By Number of Employees**

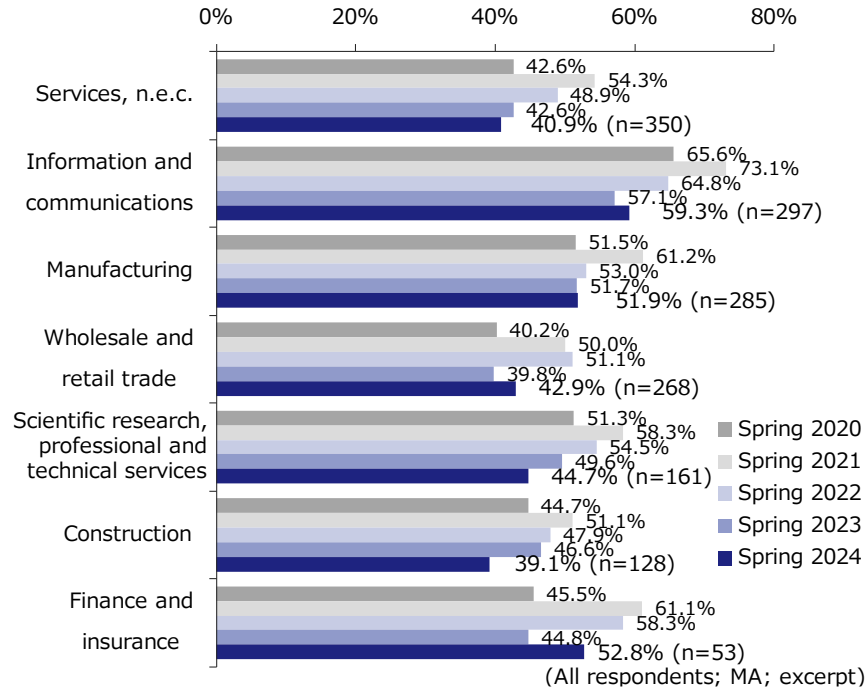


(All respondents; MA; excerpt; reaggregated)

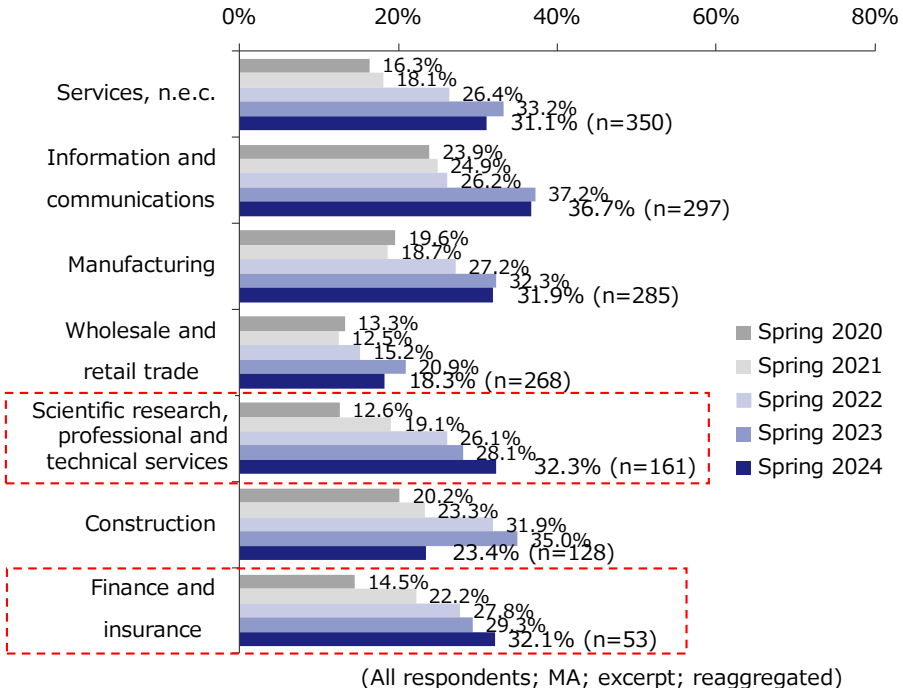
# Satellite office availability slowed in “Information and communications,” grew in “scientific research” and “Finance and insurance”

By sector, growth of satellite office availability slowed in the “information and communications” sector (36.7%), which had been driving the availability, but grew in the “scientific research, professional and technical services” sector (32.3%) and the “finance and insurance” sector (32.1%) (Figure 43).

**Figure 42: Availability of Work-from-Home Policy – By Sector**



**Figure 43: Availability of Satellite Office – By Sector**



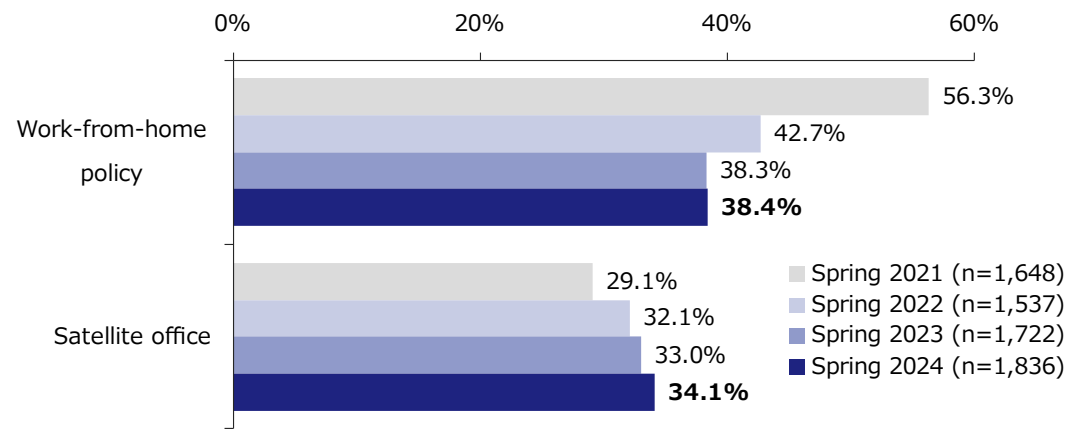
# 34.1% of companies want to introduce satellite offices in the future

Figure 44 shows the initiative on telework places or policies that companies want to implement in the future (1 to 2 years ahead), regardless of the current situation.

Compared to the Spring 2023 survey, the work-from-home policy (38.4%) was unchanged, while satellite offices (34.1%) increased marginally.

As telework becomes more prevalent and established in companies, the presence of satellite offices as a means of teleworking appears to be growing.

**Figure 44: Initiatives on Telework Places or Policies Companies Want to Implement in the Future**



(All respondents; MA; excerpt; reaggreated)

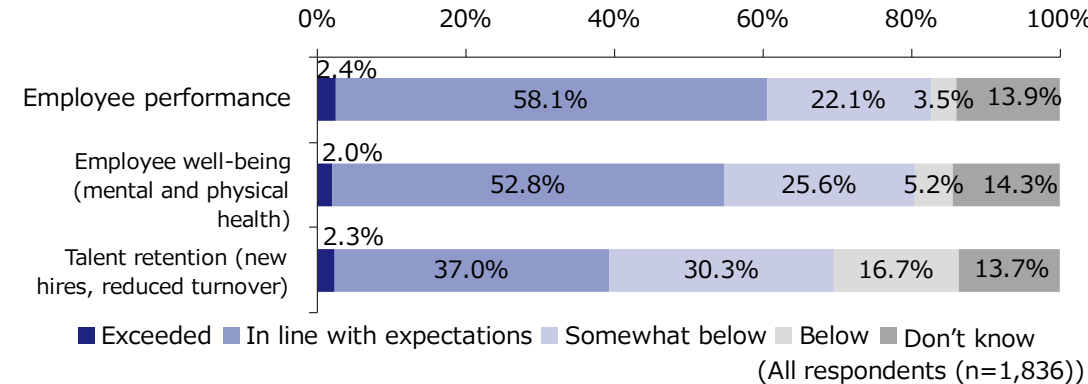
# Majority of companies say “employee performance” and “well-being” “in line with expectations”

We asked companies about their current level of achievement of expected standards for the following three indicators: “Employee performance,” “Employee well-being (mental and physical health),” and “Talent retention (new hires, reduced turnover)” (Figure 45).

The majority of companies said “employee performance” and “employee well-being (mental and physical health)” were “in line with expectations.”

“Talent retention (new hires, reduced turnover)” had the lowest rating, with the sum of “Somewhat below” and “Below” (47.0%) outweighing the sum of “Exceeded” and “In line with expectations” (39.3%).

**Figure 45: Level of Achievement of Expected Standards**

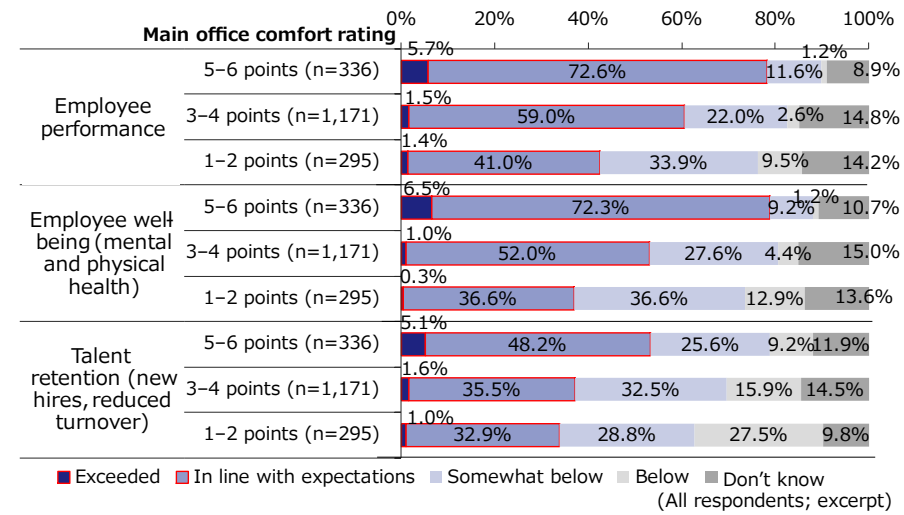


# Office comfort and satellite office availability correlating with employee performance, etc.

When we compared the level of achievement in Figure 45 in terms of the comfort rating of the main office (Figure 31), the higher the comfort rating, the higher the sum of the percentages of “Exceeded” and “In line with expectations” tended to be in all three indicators (Figure 46). Similarly, when we compared in terms of the availability of satellite offices (Figure 39), companies with satellite offices tended to have larger sums of percentages of “Exceeded” and “In line with expectations” in all three indicators (Figure 47).

These suggest that developing workplaces in both the main office and telework locations may have a positive relationship with the outcomes of the company (the end results that the company wants to achieve).

**Figure 46: Level of Achievement of Expected Standards – By Comfort Rating of Main Office**



**Figure 47: Level of Achievement of Expected Standards – By Availability of Satellite Office**

