Metropolitan Areas Office Demand Survey Autumn 2024 <Summary Report>

Exploring ways to operate the office under the hybrid model; lack of meeting space a pressing issue

January 22, 2025

The COVID-19 pandemic has changed the work styles at Japanese companies and has also affected the way offices are used. As the pandemic has more or less subsided and companies are exploring future work styles, new issues are emerging in offices that have been optimized for the COVID pandemic.

Since autumn 2016, Xymax Real Estate Institute ("Xymax REI") has been conducting a semi-annual questionnaire survey of companies on office use and employee work styles to analyze their relationship to office demand continuously. We have now published a report summarizing the results of the 17th survey. This **Summary Report** is an excerpt from the full report.

Main Findings

- In terms of changes in office size over the past year, "expansion (actual + potential)" (14.0%) outweighed "downsizing (actual + potential)" (7.1%). The DI grew in the positive direction to 6.9 (Figure 1).
- In terms of future office size (up to 2–3 years ahead), the percentage of companies that "want to expand" (19.0%) outweighed the percentage of those that "want to downsize" (6.2%) (Figure 2).
- Since the Spring 2023 survey, there has been no significant change in how often employees came to the office, with the hybrid model taking hold (Figure 3-1).
- In terms of spaces that companies want to add or introduce to their main office in the future, there was a strong need for "booths or private rooms for remote meetings" (22.9%), suggesting that office layouts for ABW with a variety of spaces will become increasingly available (Figure 3-2).
- The top problem or issue concerning the main office was "Lack of meeting rooms or space for remote meetings" (60.2%) (Figure 4-1). Specifically, companies lack spaces of the size for everyday meetings, such as for one person (booths or private rooms for remote meetings), 2–4 people, and 4–10 people (Figure 4-2). As for ways to address the lack of meeting space, the results indicate that there is a need to use outside services in addition to addressing the issue internally (Figure 4-3).
- As for companies' level of interest in using the six types of flexible offices as a place to work, there was increased recognition and use of "rental meeting room services" and "telework support type" offices (Figure 5).

<Survey Overview>

Survey period:	November 14–24, 2024
Target respondents:	55,699 companies in total that include the following: ・Tenants of office buildings managed by the Xymax Group ・Companies subscribing to ZXY, a satellite office service for corporate customers ・Client companies of XYMAX INFONISTA Corporation
Number of valid responses:	1,693 (Aggregated in office units; therefore, answers from different offices of the same company are treated as separate answers.)
Geographical coverage:	Nationwide (Tokyo, Osaka, Aichi, Fukuoka, Kanagawa, Saitama and Chiba prefectures)
Survey method:	Email

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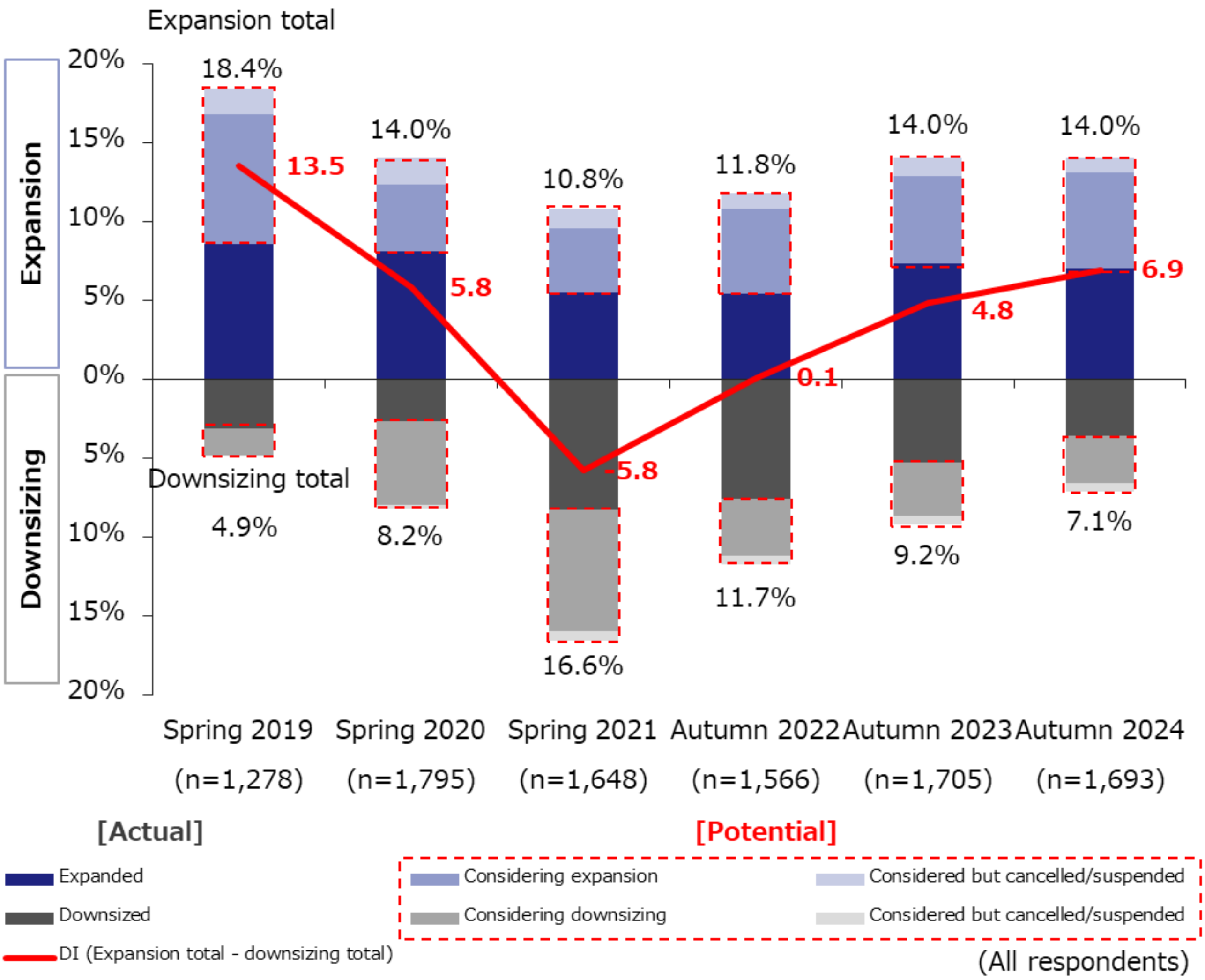
topic 1

In terms of changes in office size over the past year, the percentage of "expansion (actual + potential)" had been on an upward trend since bottoming out in the Spring 2021 survey but was unchanged from the Autumn 2023 survey at 14.0% (Figure 1). The percentage of "downsizing (actual + potential)" was 7.1%, continuing a downward trend since peaking in the Spring 2021 survey.

The DI, which is the difference between the expansion total and the downsizing total, increased in the positive direction to 6.9. The expansion trend is strengthening after reversing from a downsizing trend following the outbreak of the COVID pandemic.

Figure 1: Change in Office Size over Past Year (Actual + Potential)



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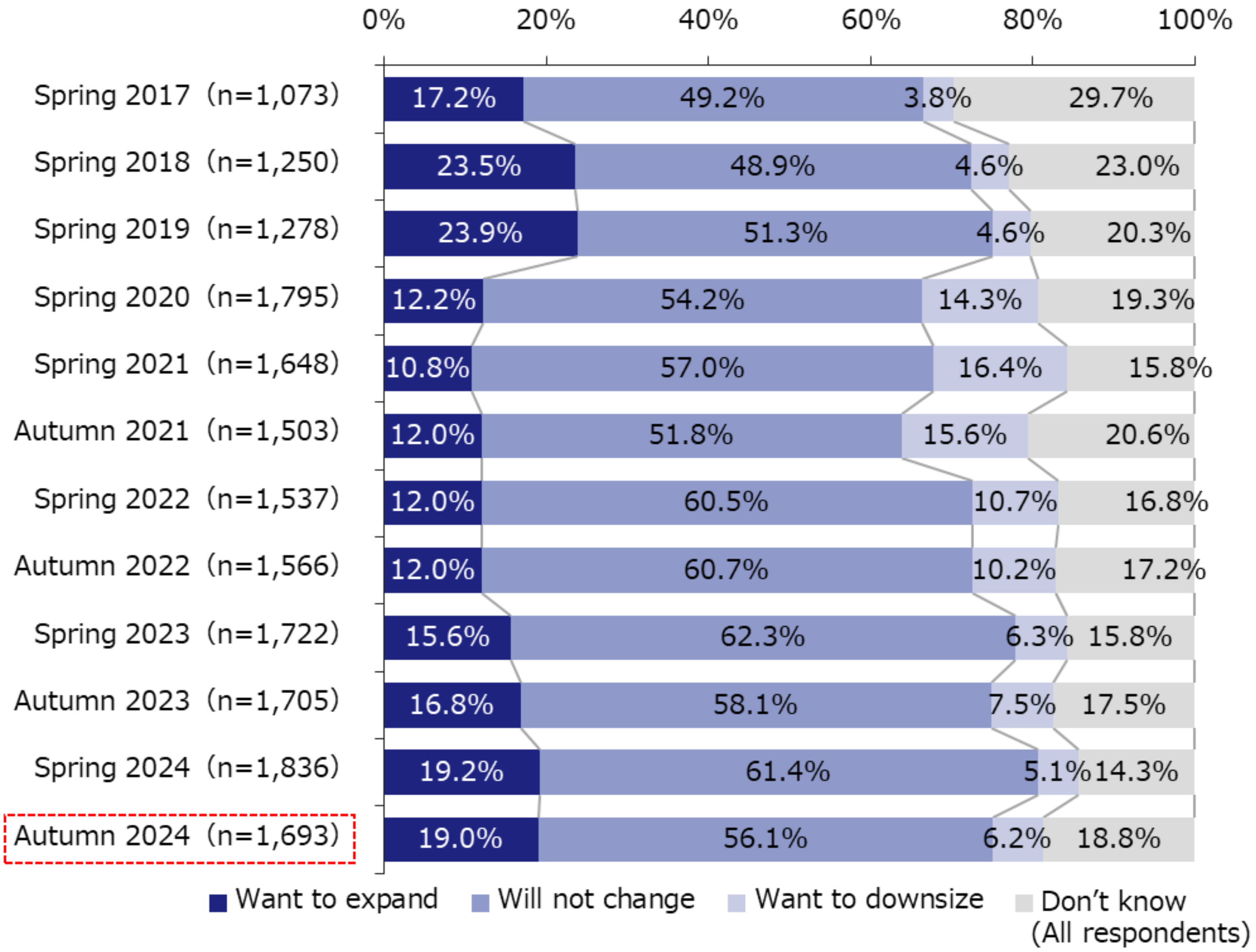
topic 2

In terms of future office size (up to 2–3 years ahead), 19.0% of the companies said they “want to expand,” more than those who said they “want to downsize” (6.2%) (Figure 2).

When compared over time, the percentage of companies that “want to expand,” which had been increasing since bottoming out in the Spring 2021 survey, has not changed and has not returned to pre-pandemic levels (i.e., prior to the Spring 2019 survey).

Figure 2: Future Change in Office Size



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topic 3

The coming-to-office ratio has remained largely unchanged, although there have been changes since the Spring 2023 survey, including a slight decrease in “100% (Come to office full time)” and a slight increase in “60–99% (Tend to come to office)” (Figure 3-1). The results indicate that changes in the ratio have subsided after a trend of returning to the office following the reclassification of COVID-19 as a Class 5 disease in May 2023.

We asked the companies about the various spaces currently available in their main office and those they want to add or introduce in the future. The top response for the spaces they want to add or introduce in the future was “None applies” (44.1%), indicating that many companies feel their current layout is sufficient (Figure 3-2 right chart). Meanwhile, some spaces were selected by more than 10% of the companies, such as “Booths or private rooms for remote meetings” (22.9%).

The result suggests that as the hybrid model takes hold, office layouts for ABW with a variety of spaces, including booths and private rooms for remote meetings, hot desking, and space for refreshing, will become increasingly available.

Figure 3-1: Actual Coming-to-Office Ratio (Comparison over Time)

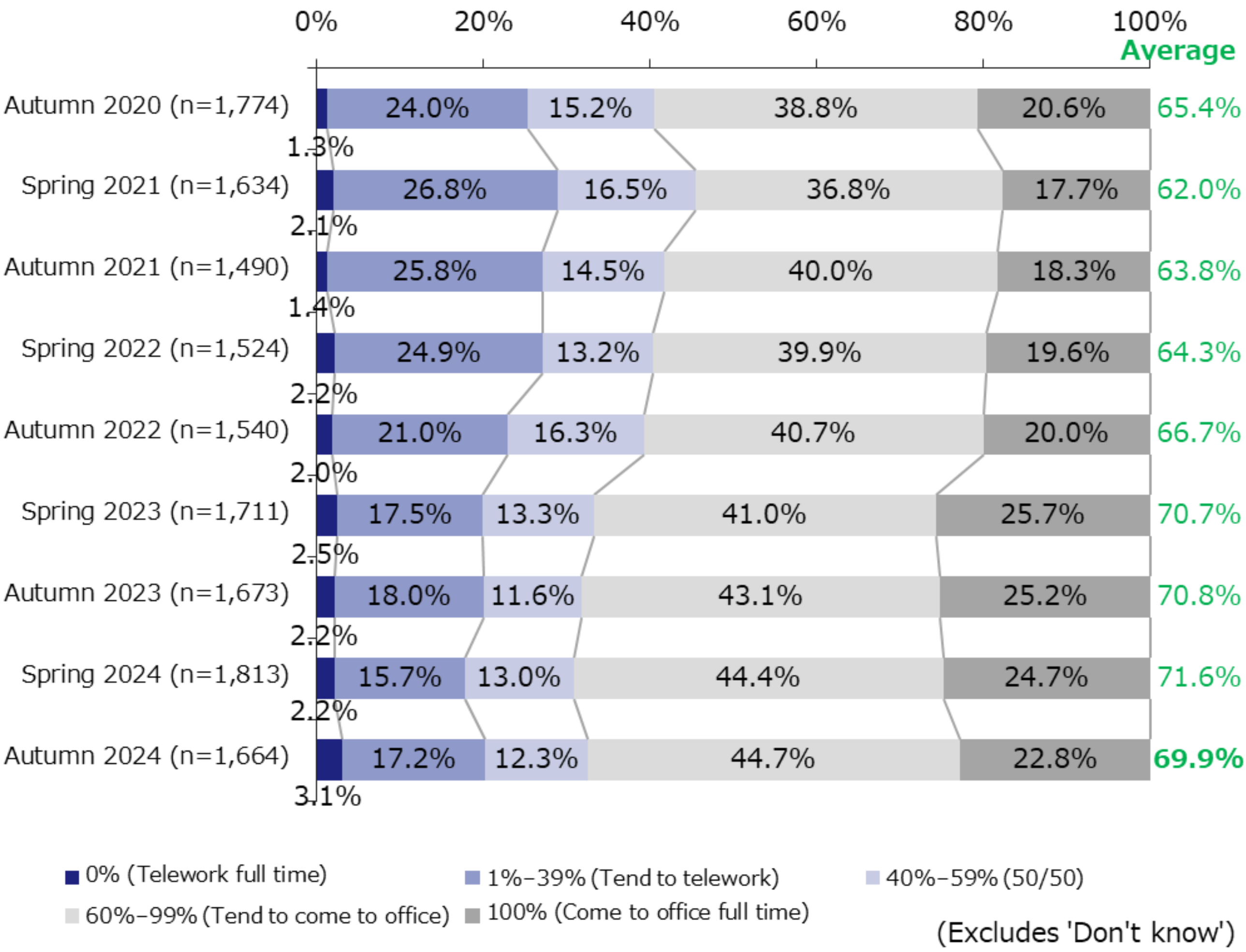

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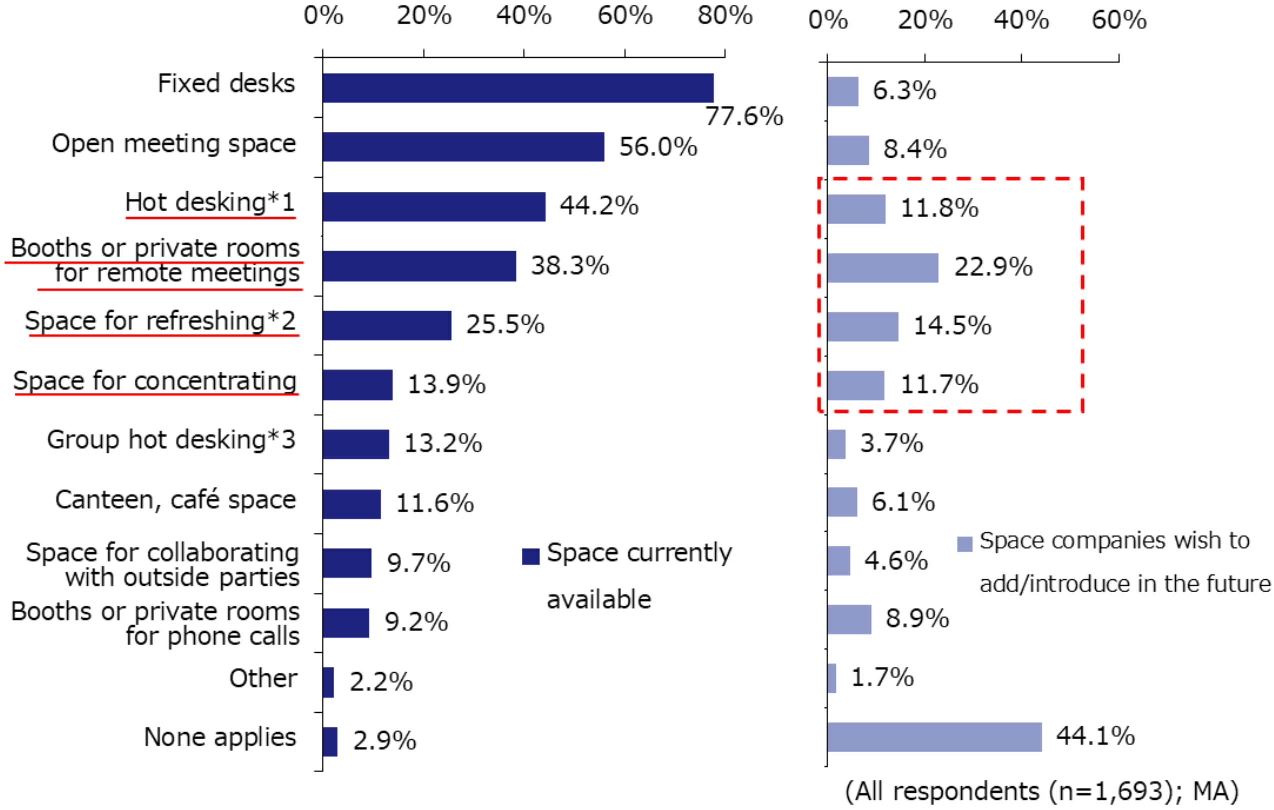
Figure 3-2: Space Currently Available in the Office (Left) and Space Companies Want to Add/Introduce in the Future (Right)



*1 Hot desking: Desks that can be chosen by individuals freely
*2 Space for refreshing: A space to refresh the mind and body. It is not only used for resting, but also for improving health or activating communication among employees.
*3 Group hot desking: Desks within a designated area of the department, team, etc. that can be chosen by individuals freely

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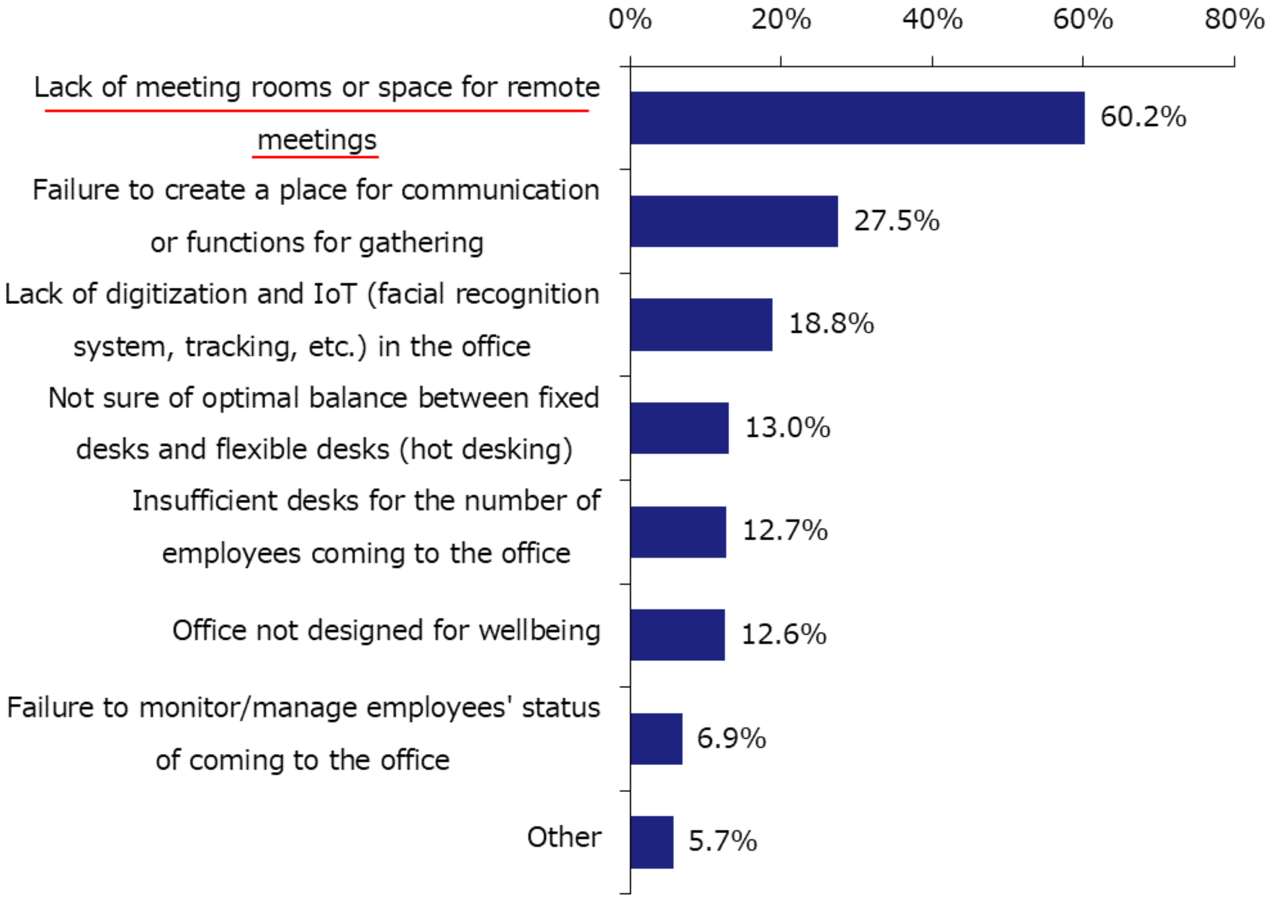
topic 4

By far the top problem or issue concerning the main office was "Lack of meeting rooms or space for remote meetings" (60.2%) (Figure 4-1). Since meeting rooms and space for remote meetings are essential to work, their lack seems to be recognized as a pressing issue.

When we asked the companies the specific types of meeting rooms they lacked, meeting rooms "for one person (booths or private rooms for remote meetings)," "for 2–4 persons" and "for 4–10 persons" each gained more than 40%, which indicate that there is a shortage of meeting rooms of the size used for everyday meetings (Figure 4-2).

We listed five initiatives to address the lack of meeting rooms and asked respondents to indicate their level of interest in each initiative. Respondents were not only interested in internal initiatives, such as adding space by expanding the office, changing the office layout, and devising other ways to operate the office, but also in using outside services, with about 40% saying they were "(very/somewhat) interested" in each initiative (Figure 4-3).

Figure 4-1: Problems and Issues Concerning the Main Office



(Companies with issues concerning the main office (n=990); MA)

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Figure 4-2: Type of Meeting Rooms Companies Lack

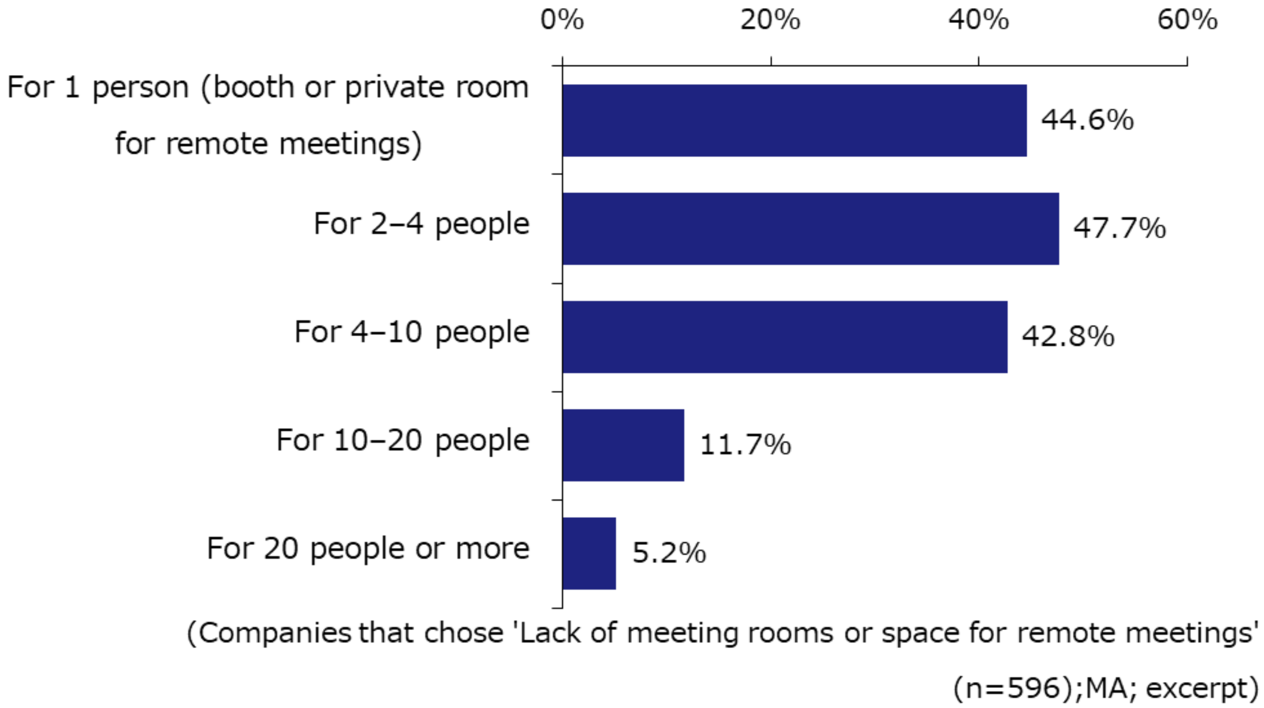
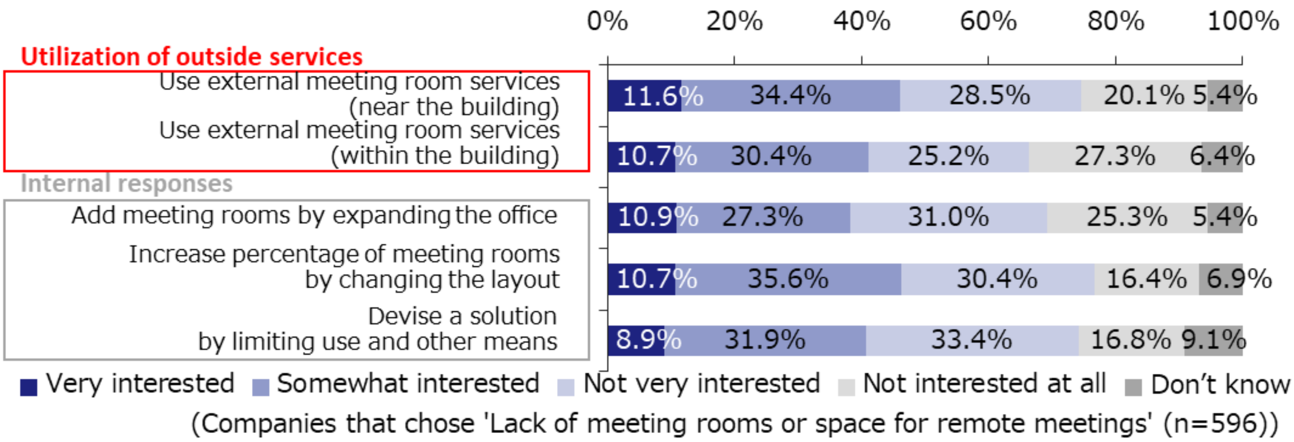


Figure 4-3: Level of Interest in Initiatives to Address Meeting Room Shortages



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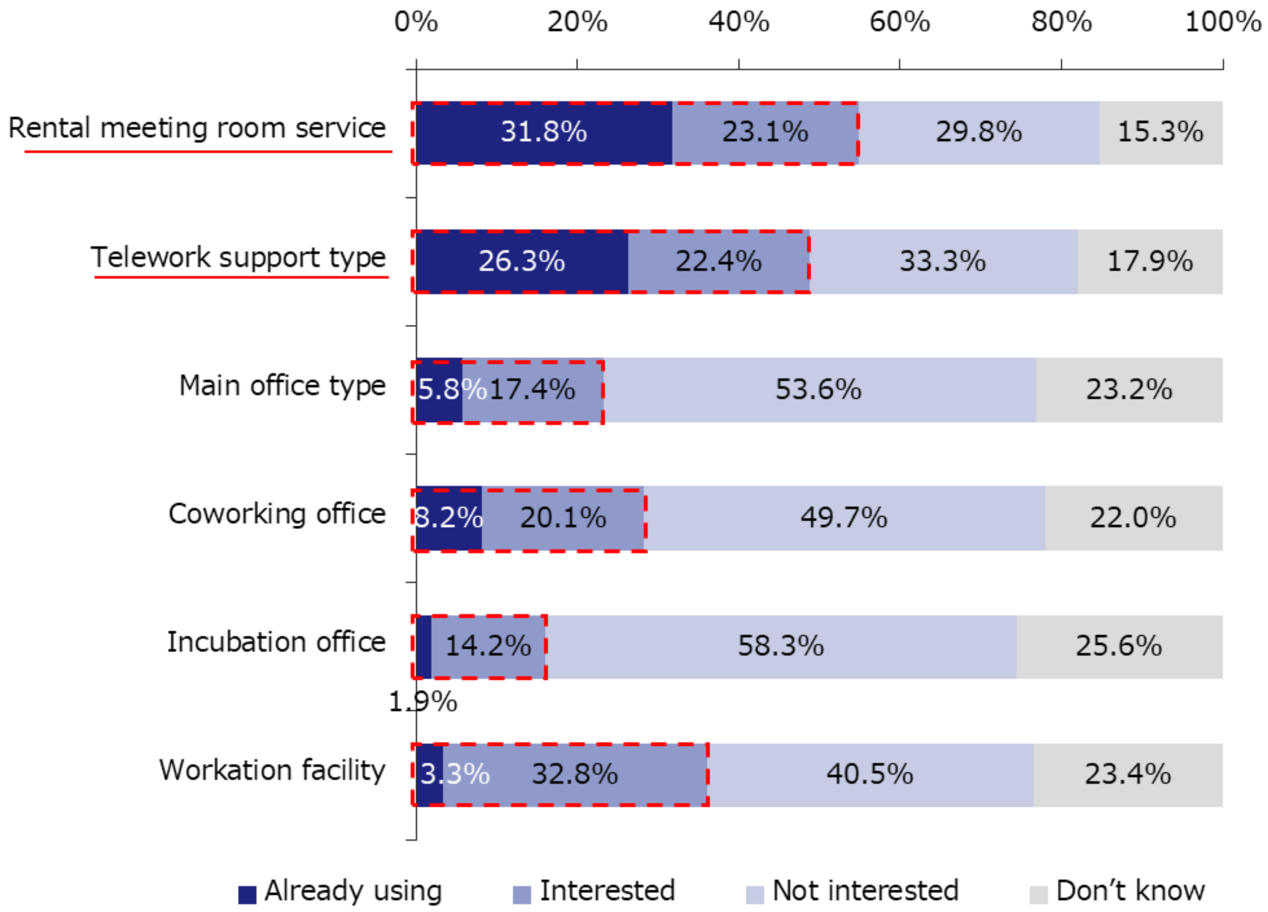
topic 5

We also listed six types of flexible offices and asked respondents to indicate their level of interest in each type as their place of work. The results indicate that “Rental meeting room services” and “Telework support type” offices have increased in both recognition and use, with a relatively low percentage of respondents answering they “don’t know” and a relatively high percentage saying they were “already using” (Figure 5-1). The sum of “Already using” and “Interested” was about 50% for each of the two types.

Figure 5: Level of Interest in Using the Six Types of Flexible Offices



(All respondents (n=1,693))

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%.

For further inquiries, please contact below:

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

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