

Considering Workplace Strategies for the Future

The optimal solution for work styles and workplaces after the paradigm shift

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Xymax Real Estate Institute ("Xymax REI") has carried out analyses on work styles and workplaces through surveys of companies and workers. Work styles in Japanese companies have undergone drastic changes in recent years, such as the rapid spread of teleworking due to the COVID pandemic and the subsequent return to the office. As a result of these developments, the values and needs regarding work styles and workplaces have also undergone a significant shift (=paradigm shift). Under these circumstances, will companies be able to cope with the future with offices that remain unchanged from before the pandemic, or with offices that were only temporarily adapted in the early days of the pandemic?

In this report, titled "Considering Workplace Strategies for the Future," we hope to provide tips to help companies find the optimal solution as they update their management strategies on work styles and workplaces.

1. Changes in Work Styles and Workplaces

We will begin by looking back at the social events of the past decade and the changes in work styles and workplaces that accompanied them, grouping them into five periods (**Figure 1**) and focusing on telework and the state of the office.

Figure 1: Changes in Work Styles and Workplaces in Recent Years

	...	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	...
	Conventional		Work style reform				COVID pandemic		Return-to-office		Future		
	Paradigm shift in work styles and workplaces												
Society	Technological evolution <ul style="list-style-type: none">• Telework becomes possible.	Work style reform <ul style="list-style-type: none">• Flexible work styles are implemented.• Telework is implemented.				COVID pandemic <ul style="list-style-type: none">• Contact avoidance is mandated.				Reclassification as Class 5 disease <ul style="list-style-type: none">• COVID pandemic winds down.		<ul style="list-style-type: none">• Social contexts surrounding companies (human capital management, labor shortage, SDGs, ESG, progress in AI, acceleration of innovation, etc.)	
	Fixed work style <ul style="list-style-type: none">• Come to the office at a set time each day	Choice of when and where to work <ul style="list-style-type: none">• Work-from-home policies and flextime programs• Work style not tied to a certain place or time				Rapid spread of telework <ul style="list-style-type: none">• Coming to the office is restricted.• Telework spreads as working from home becomes mandatory.• While remote meetings proliferate, there is a renewed recognition of the value of face-to-face contact.				Return to the office <ul style="list-style-type: none">• Hybrid work with employees coming to the office more frequently is the mainstream.		<ul style="list-style-type: none">• What is the optimal solution for hybrid work (combination of coming to the office and teleworking)?• Has internal communication been invigorated?	
Workplace	Fixed office <ul style="list-style-type: none">• Fixed desks for all office occupants• Office space that suit the number of office occupants	Providing workplaces within and outside the office <ul style="list-style-type: none">• Hot-desking for work desks• Satellite offices				Downsizing of office to match coming-to-office ratio <ul style="list-style-type: none">• Office occupancy rate drops.• Office downsizing trend (Idea that offices are not necessary)				Defects in offices <ul style="list-style-type: none">• Office feels cramped as more people come to the office.• Creating an office that people actively want to go is required.		<ul style="list-style-type: none">• What is the optimal solution for workplaces?• Is a return to the office enough?	

① Conventional times (until 2015)

By about 2015, technology had evolved to enable teleworking, but adoption was limited, and many companies continued to embrace a fixed work style. During this time, coming to the office at a set time each day was the norm, and offices with fixed desks for all office occupants were the mainstream.

② Work style reform period (2016–2019)

From around 2016, flexible work styles were promoted through the government-led “work style reforms.” In particular, teleworking and staggered commuting were encouraged as a way to avoid traffic congestion during the Tokyo Olympics and Paralympics. While still based on the conventional work style of coming to the office every day, some companies introduced a work-from-home policy or flextime program or reduced the number of desks by adopting hot-desking for departments where employees were often out of the office. A growing number of companies also began to use shared satellite offices, which allow employees to do their work while away from the office without returning to the office, resulting in the gradual proliferation of work styles that are not tied to a specific place or time.

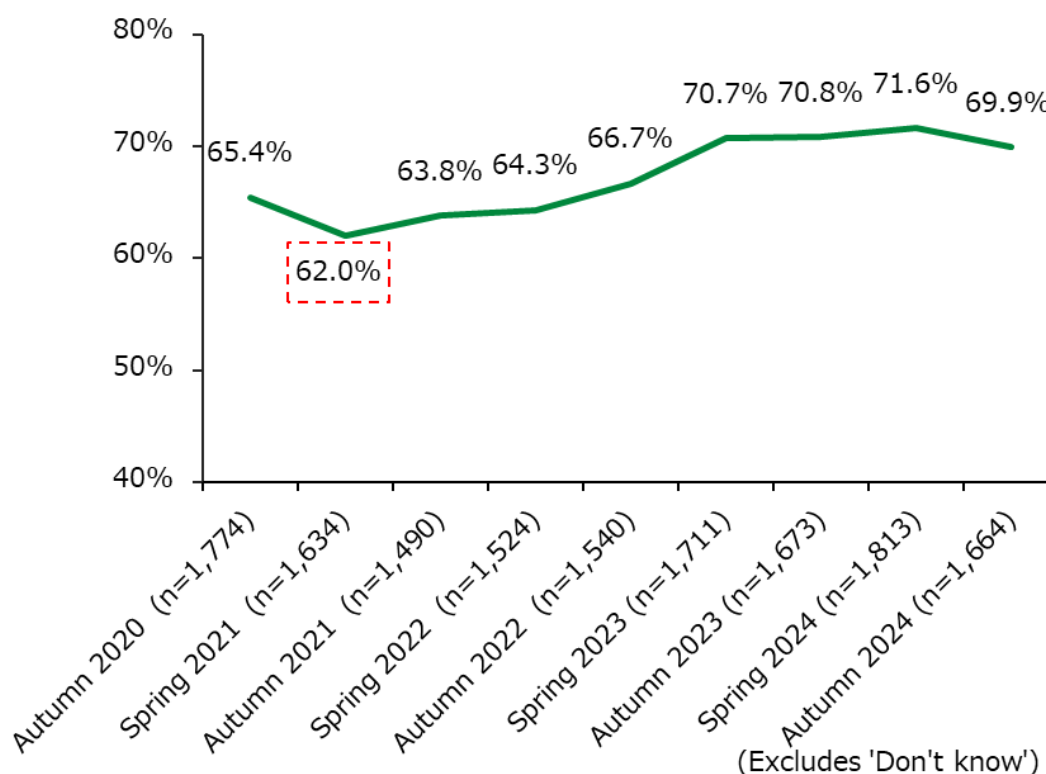
③ COVID pandemic (2020–2022)

In response to the outbreak of COVID-19 in early 2020, contact avoidance was mandated, and many companies restricted employees from coming to the office. According to Xymax REI’s *Metropolitan Areas Office Demand Survey Autumn 2024*,^{*1} the average coming-to-office ratio dropped to 62.0% in Spring 2021 (Figure 2).

^{*1} [Metropolitan Areas Office Demand Survey Autumn 2024](#), released on January 22, 2025

The rapid spread of teleworking, as many workers were forced to work from home, led to a decline in the occupancy rates of offices, which were based on the assumption that everyone would come to the office every day. This led to the idea that offices were not necessary, and some companies downsized their offices in response to the decline in coming-to-office ratios. There was also a shift in values, where while remote meetings for internal and external meetings took hold, there were concerns about the weakening of a sense of belonging, leading to a renewed recognition of the importance of face-to-face communication.

Figure 2: Average Coming-to-Office Ratio (Comparison over Time)



④ Return-to-office period (2023–2024)

The reclassification of COVID-19 as a Class 5 disease and the winding down of the COVID pandemic resulted in workers returning to the office. Companies that downsized their offices or changed their office layout in response to the pandemic were faced with the issue of their offices feeling cramped due to the increased number of employees coming to the office.

However, few companies have embraced a complete return to the office, and many companies continue to adopt hybrid work that combines coming to the office and teleworking. Teleworking, which has taken hold due to the pandemic, has transformed the office from “a place to go to every day” to “a workplace option,” requiring companies to create offices that are worth going to.

⑤ Future (2025 and beyond)

As a result of the proliferation of teleworking due to restrictions on coming to the office in response to the COVID pandemic and the development of remote meeting tools and cloud services, it is safe to say that work styles and workplaces have shifted from the old paradigm of “fixed office work and face-to-face communication” to a new paradigm of “flexible work style combining coming to the office and teleworking.”

As a result of this paradigm shift (i.e., a change in values), traditional work styles and workplaces are showing signs of fraying, leaving many companies searching for solutions to various challenges. As cramped offices become an issue, as mentioned earlier, should companies be moving toward a return to the office? In addition, how should companies develop and operate office and telework environments in the face of challenges unique to the hybrid work age, such as a lack of communication, declining engagement, and how to combine coming to the office with teleworking? There is an urgent need to develop work styles and workplaces that are compatible with the post-paradigm shift society, taking into account the impact of different social contexts surrounding companies.

2. Rethinking the Post-Paradigm Shift Workplace

2.1. Diversification of roles expected of the office

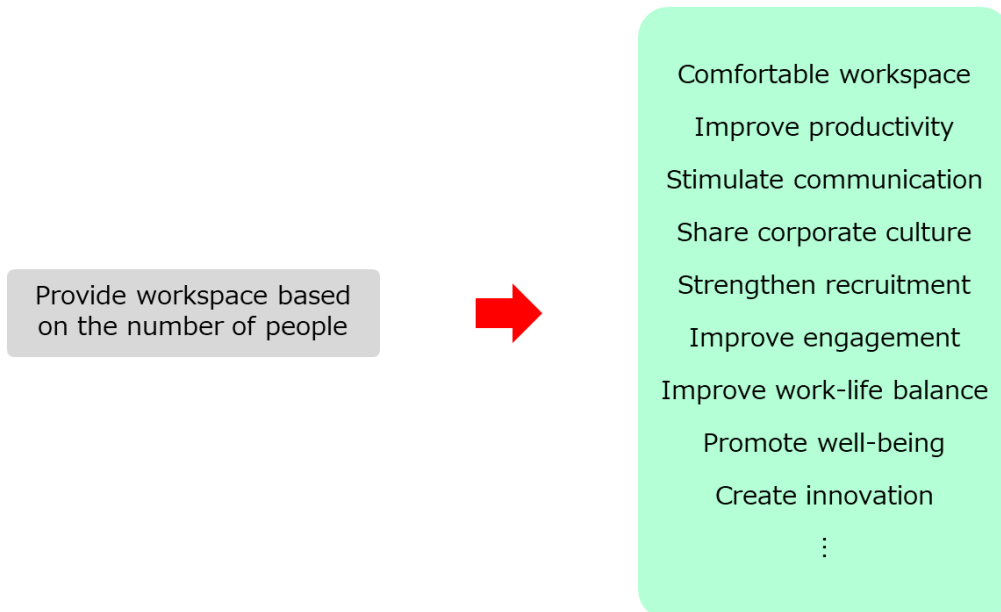
Traditionally, the main role of the office has been to provide enough space for the number of employees as their workspace. Although the number of office occupants no longer necessarily equals the number of employees coming to the office due to the use of hot-desking, the spread of teleworking, and restrictions on coming to the office during the COVID pandemic, the size of the office has been adapted to the number of people using the office.

However, following the paradigm shift caused by the COVID pandemic, which we confirmed in the previous chapter, the roles expected of the office are changing (**Figure 3**). Although the office continues to serve as a workspace, it is now expected to be a comfortable workspace, rather than simply a place to work. Furthermore, against the backdrop of a re-evaluation of face-to-face communication and concerns about the erosion of a sense of belonging, there has been increased attention to the office's role in stimulating communication and sharing corporate culture.

The social context also influences the role of the office. For example, with the disclosure of human capital information becoming mandatory in 2023, many companies are increasingly interested in human capital management. Coupled with the need to strengthen recruitment due to chronic staff shortages, the roles of improving employee engagement, improving work-life balance, and promoting well-being have become more valued. Other diversified roles of the office include improving productivity and creating innovation, driven by the promotion of the SDGs and ESG, as well as advances in AI.

Figure 3: Diversification of Roles Expected of Offices

- The office's **role used to be simple**.
- The **roles expected of the office have diversified** as companies are now required to create offices that are worth coming to in a hybrid work model, as well as due to social contexts.



2.2. Segmentation of office activities

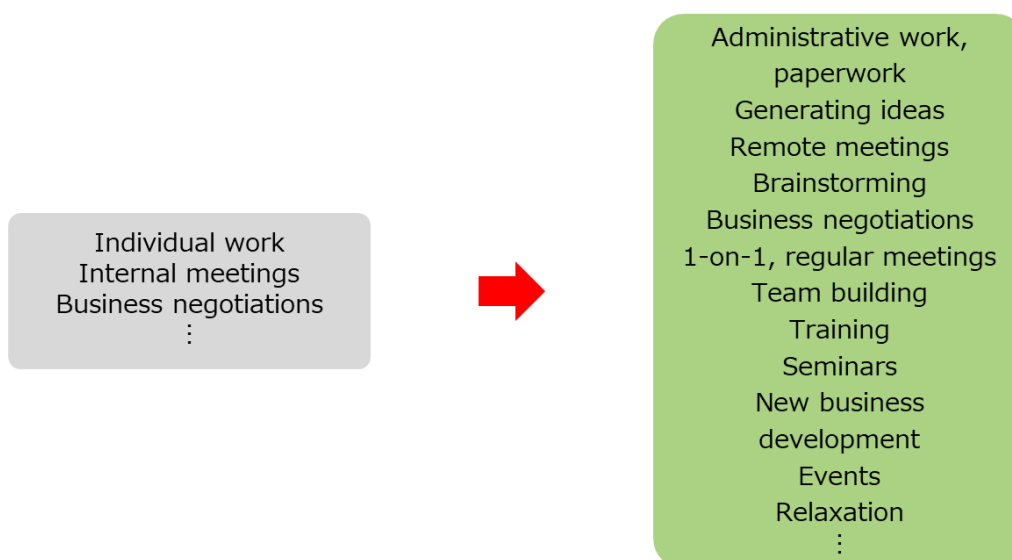
As a result of the aforementioned diversification of office roles, the concept of office activities (work content and behavior) has also changed.

In the past, the role of the office has been to “provide workspace based on the number of employees,” and thus office activities have been limited to simple things such as individual work at desks based on the number of employees, and internal meetings and business negotiations held in meeting rooms and visitor areas.

With the diversification of office roles after the COVID pandemic, activities that were once considered simple are now seen as more segmented from multiple perspectives, including not only the number of people (solo, team, department, etc.) but also the purpose (focused work, creative work, communication, etc.) and the difference between physical and online work (**Figure 4**). As a result of this change in awareness, providing facilities appropriate for each activity is now required. Specifically, there is a growing trend to set up open meeting spaces for more active communication and private rooms for remote meetings that have become common because of the pandemic. There is also a trend to provide cafes and lounges as facilities for relaxation. All of these spaces are being developed to accommodate the new activities that are beginning to be recognized.

Figure 4: Segmentation of Office Activities

- The **classification was simple** and based on the **number of people** for the purpose of providing workspace.
- As a result of the diversification of office roles, activities are now seen as more **segmented** based on the **number of people, purpose, and whether physical or online**, etc.



2.3. Developing workplace strategies appropriate to expected roles and activities

As the roles required of offices increase and activities become more segmented, the first workplace strategy to consider is expanding the functions of the company's own offices (**Figure 5-①**). If the current owned or leased office feels cramped or lacks meeting rooms, one solution is to expand the office size to provide additional workspace or meeting rooms. It would also be effective to rethink the layout, such as designing a space that embodies the brand image and corporate culture, and adding a café or lounge to encourage communication. The idea of viewing necessary space and layout improvements as an "investment rather than a cost" to address the mismatch between the roles expected of offices and the actual office space has also begun to spread.

However, in the current office market, vacancy rates are declining, and there are few quality properties available in good locations, making it difficult to expand space in the same building or relocate to a desired location. In addition, the initial costs of relocating or expanding, such as relocation costs and interior construction costs, are increasing due to rising construction and other costs.

Therefore, another strategy is to delegate some of the functions of the company's own offices to an external service (**Figure 5-②**). In other words, instead of setting up all functions within the company's "owned or leased" office, the necessary functions are "used" as and when needed. Separating certain roles from the company's own offices and using an external service in this way brings various advantages. For example, using shared satellite offices that operate in multiple locations increases the options of places to work outside the office and supports employee convenience. It is also attractive in terms of cost efficiency, because while the term and size are fixed in a regular lease contract, the size and period of use can be flexibly adjusted with an external service. In addition, the new lease accounting standards to be introduced in FY2027 will require qualifying companies to record all lease transactions, including real estate leases, on their balance sheets, but the use of external services may not be included in lease transactions, which may lead to a leaner balance sheet.*²

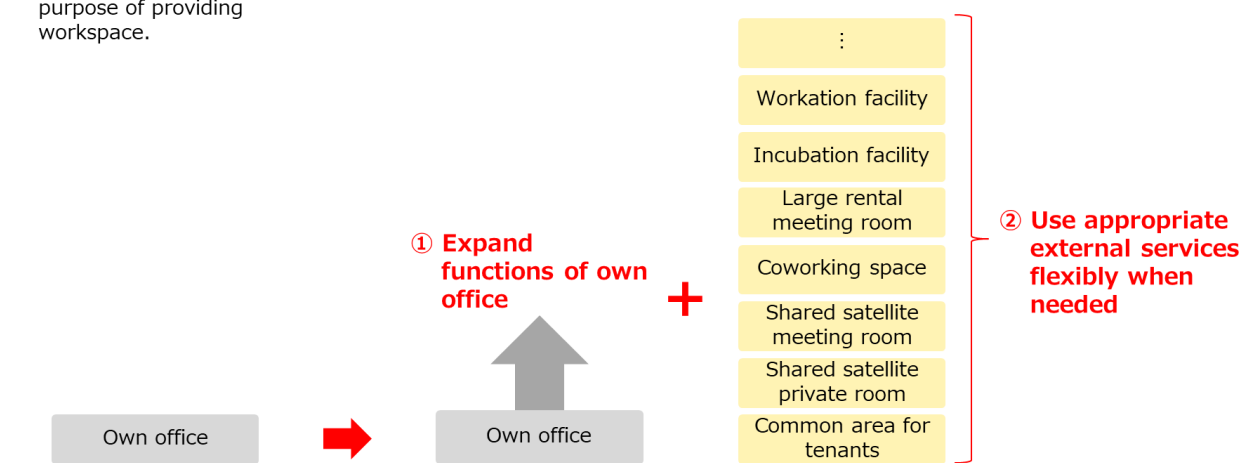
*² [New Lease Accounting Standards and CRE \(Corporate Real Estate\)](#), released on February 17, 2025 (in Japanese only)

We suggest that companies build a workplace strategy for the future by effectively combining their own offices with external services, taking into account the state of the office market, diversifying space needs, and the new lease accounting standards.

Figure 5: Developing a Workplace Strategy

- Facilities based on the number of people were provided in the company's **owned/leased** office for the purpose of providing workspace.

- Redevelop workplace strategies using the following two methods:
 - Expand the size and change the layout** of the company's **owned/leased** office
 - Replace or reinforce** the roles of the office by **using** external services



3. Conclusion

In this report, we reviewed the recent changes in work styles and workplaces and discussed workplace strategies for the future. Following the paradigm shift in work styles and workplaces, we confirmed that offices are now expected to fulfill a variety of roles, not just as a place for employees to work, and that the activities reflected in office facilities are becoming segmented. In response to these changes, companies need to expand the functions of their own offices. However, it is often unrealistic to perform all functions in the company's own office, and from now on, it will be important to take a comprehensive view of the entire workplace, including the use of external services, and recognize this as a management strategy.

For example, companies' own offices are well suited to their role as a place where employees gather, share the corporate culture, and facilitate communication. On the other hand, the use of external services can improve the convenience of work by providing an environment where employees can work without being restricted by location, and contribute to the well-being and engagement that have attracted interest in recent years. External services could also be expected to serve as a BCP for companies in the event of a natural disaster. The use of external services is expected to increase, driven by the application of the new lease accounting standards starting in 2027. Companies will need to organize the roles of their own offices and external services to maximize their function and make their workplace strategies more effective.

Developing a workplace strategy leads not only to improving the office, but also to designing a work style for each employee, such as adjusting the coming-to-office ratio and combining coming to the office and teleworking in a hybrid work model. A company's workplace strategy could have effects such as improving employee engagement, encouraging new hires, or, conversely, increasing turnover. Companies are required not only to consider the development of a workplace strategy simply for the purpose of improving the physical workplace, but also to position it as one of the most important management issues and seek the optimal solution for a workplace that reflects the company's values and work styles. Xymax REI will continue to provide useful information on work styles and workplaces, paying close attention to the impact of social contexts.

《Examples for reference》

<Examples of workplace initiatives> (In Japanese only)

- [Money Forward] [Well-Thought-Out Infrastructure and Culture Permeation--An Office That Supports the Human Capital Management of a Growing Company](#)
- [Nippon Shuppan Hanbai] [A Space Where Communication Through Books Is Born](#)
- [Fujitsu] [The Office Becoming a Place for Experience](#)
- [Recruit] [What Kind of Experience Cannot be Gained by Only Working Remotely? How the Kudanshita Office Makes Employees Want to Gather.](#)

<Examples of external services provided> (In Japanese only)

- [Shinshu Tateshina DMC] [A Corporate-Style Workcation That Benefits Both Participating Companies and Local Communities](#)
- [Hankyu Hanshin Properties] [Future-Oriented Value-Added Offices and Comprehensive Services Support Tenants](#)
- [Japan Post Real Estate] [From Shared Meeting Rooms to Saunas--An Office Building That Supports the Well-Being of Tenants](#)
- [CIC Tokyo] [Acquaintances Grow and Community Is Nurtured--The Value of Gathering in Physical Space](#)

《Related surveys》

- [Flexible Office Market Survey 2025](#)...Released on February 21, 2025
- [Classification of Flexible Offices by Type](#)...Released on May 2, 2023

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