

Metropolitan Areas Office Demand Survey Spring 2025

<Detailed Report>

The continued search for a workplace strategy that suits the new work style that is taking hold

July 30, 2025

Xymax Research Institute

Survey Overview

The hybrid work model of commuting and telework, which has become widespread due to the COVID-19 pandemic, is becoming established as a permanent way of working in the future. What kind of workplace is suitable for this new way of working?

Since autumn 2016, Xymax Research Institute has been conducting a questionnaire survey every six months on the actual office usage and working styles of companies, continuously analyzing the relationship with office demand. This report covers the results of the 18th survey.

Survey period	June 3–15, 2025
Target respondents	58,095 companies in total that include the following: <ul style="list-style-type: none"> • 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
No. of valid responses	1,769 (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

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

Sector	Agriculture and forestry	3 (0.2%)	Type of office	Head office	1,121 (63.4%)
	Construction	132 (7.5%)		Branch office	434 (24.5%)
	Manufacturing	302 (17.1%)		Sales office	151 (8.5%)
	Electricity, gas, heat supply and water	11 (0.6%)		Sub-office	19 (1.1%)
	Information and communications	273 (15.4%)		Call center	6 (0.3%)
	Transport and postal services	30 (1.7%)		Computer room	1 (0.1%)
	Wholesale and retail trade	245 (13.8%)	Location of office	Other	37 (2.1%)
	Finance and insurance	40 (2.3%)		Tokyo 23 wards	1,023 (57.8%)
	Real estate and goods rental and leasing	77 (4.4%)		Osaka City	188 (10.6%)
	Scientific research, professional and technical services	143 (8.1%)		Nagoya City	142 (8.0%)
	Accommodations, eating and drinking services	25 (1.4%)		Fukuoka City	82 (4.6%)
	Living-related and personal services and amusement services	20 (1.1%)	Size of office under lease (1 tsubo=3.3 3 sqm)	Other	334 (18.9%)
	Education, learning support	22 (1.2%)		Less than 30 tsubo	343 (19.4%)
	Medical, health care and welfare	32 (1.8%)		30–49 tsubo	209 (11.8%)
	Compound services	28 (1.6%)		50–99 tsubo	273 (15.4%)
	Services, n.e.c.	340 (19.2%)		100–199 tsubo	248 (14.0%)
Number of employees	Governments and agencies (Excl. those classified elsewhere)	6 (0.3%)	Average employee age	200 tsubo or more	337 (19.1%)
	Unclassifiable	40 (2.3%)		No answer	359 (20.3%)
	Less than 100	868 (49.1%)		20–29	32 (1.8%)
	100–999	584 (33.0%)		30–39	533 (30.1%)
	1,000 or more	311 (17.6%)		40–49	973 (55.0%)
	Unknown	6 (0.3%)	Listed/ not listed	50–59	181 (10.2%)
				60 or above	40 (2.3%)
				No answer	10 (0.6%)
				Listed	289 (16.3%)
				Not listed	1,451 (82.0%)
				Don't know	29 (1.6%)

Main Findings

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

- Number of office occupants over the past year: “Increased” (31.3%) outweighed “Decreased” (11.1%).
- Change in office size over the past year: The sum of “Expansion (actual + potential)” was 16.4%, while the percentage for “Downsized (actual + potential)” was 7.6%. The DI was 8.8, a slight increase from the Spring 2024 survey.
- Future number of office occupants (up to 1–2 years ahead): “Will increase” was 33.9%, while “Will decrease” was 4.5%. It has remained flat since the Spring 2023 survey.
- Future office size (up to 2–3 years ahead): “Want to expand” (18.5%) outweighed “Want to downsize” (5.3%).

2. Factors affecting office demand (from P. 24)

- Coming-to-office ratio: “100% (Come to office full time)” accounted for 23.8%. Since the transition of COVID-19 to a Class 5 infectious disease (since the Spring 2023 survey), the average coming-to-office ratio has remained around 70%.
- Perception of office size: The sum of “Very small” and “Somewhat small” (36.0%) outweighed the sum of “Very large” and “Somewhat large” (14.3%).

3. Work styles and the workplace (from P. 32)

- Major focuses when implementing office strategies: As in the Spring 2024 survey, when compared to the Spring 2019 survey, the percentage increased in all items, indicating a continued emphasis on diverse elements in the office. “Improvement in work engagement” has become even more important, increasing by another 6.0 points from the Spring 2024 survey.
- Issues felt in the main office: The top issue was “Difficulty in controlling the temperature to a comfortable level” (38.1%). This was followed by “Lack of meeting rooms” (28.7%) and “Lack of private rooms for remote meetings” (19.7%).
- Future change in each space: “Want to increase” exceeded “Want to decrease” for all spaces. The space that companies want to increase the most was “Meeting room space (private rooms for multiple people, remote meeting rooms for one person)” (35.0%).
- Availability rate of work-from-home policy and satellite offices: 43.8% for work-from-home policy and 30.9% for satellite offices. Both have remained flat since the Spring 2023 survey.
- Interest in using the nine types of flexible offices: For “Shared meeting room (small, short hours),” the sum of “Already using” and “Interested” (45.9%) gained the largest percentage.
- Issues related to workplace strategies: The top issues were related to making the workplace more than a workspace, such as “Failure to activate teamwork and communication” (30.9%), “Failure to contribute to improving employee engagement” (29.7%), and “Failure to create a well-being office” (25.8%).

1. Outlook of office demand

1. Changes over the past year
2. Future intentions

Percentage of both increase and decrease in office occupants largely unchanged

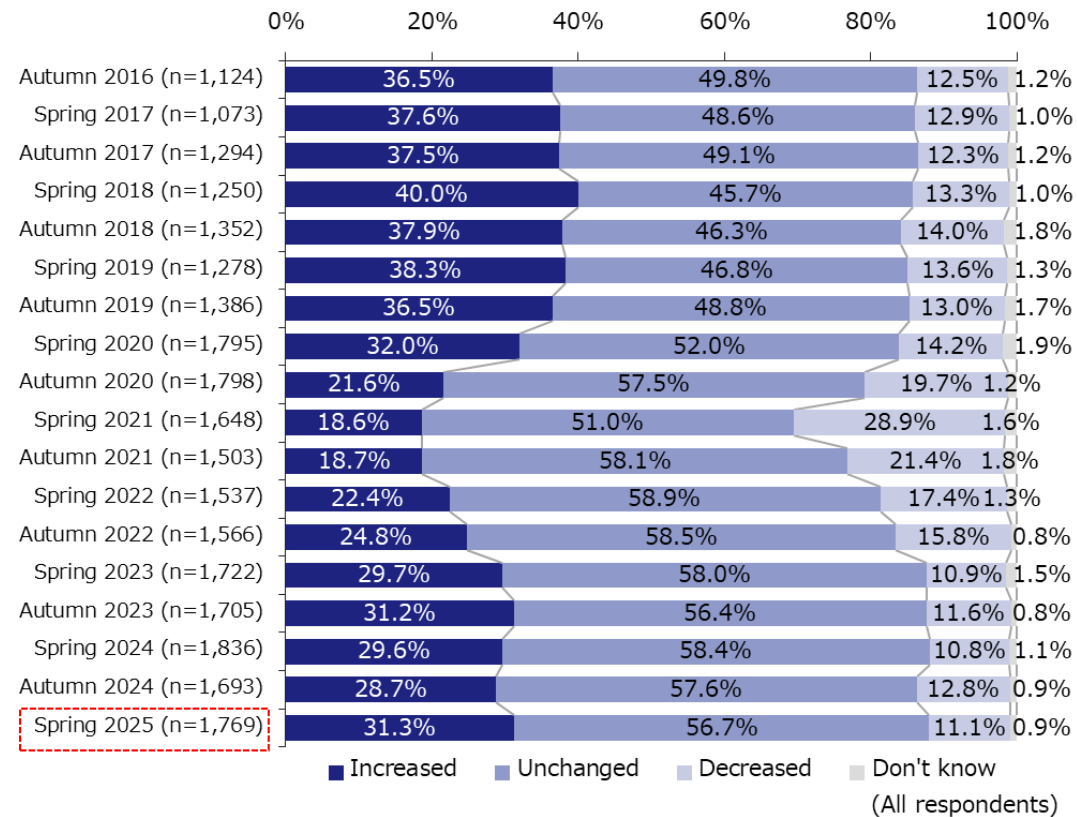
Figure 1 (red frame) indicates changes in the number of office occupants* over the past year.

The percentage of companies with an increase in office occupants was 31.3%, more than the percentage of companies with a decrease (11.1%).

Compared to previous surveys, the percentage of increases has been on the rise since bottoming out in the Spring 2021 survey, while the percentage of decreases, which had been declining since peaking in the Spring 2021 survey, has also remained largely unchanged since the Spring 2023 survey.

*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

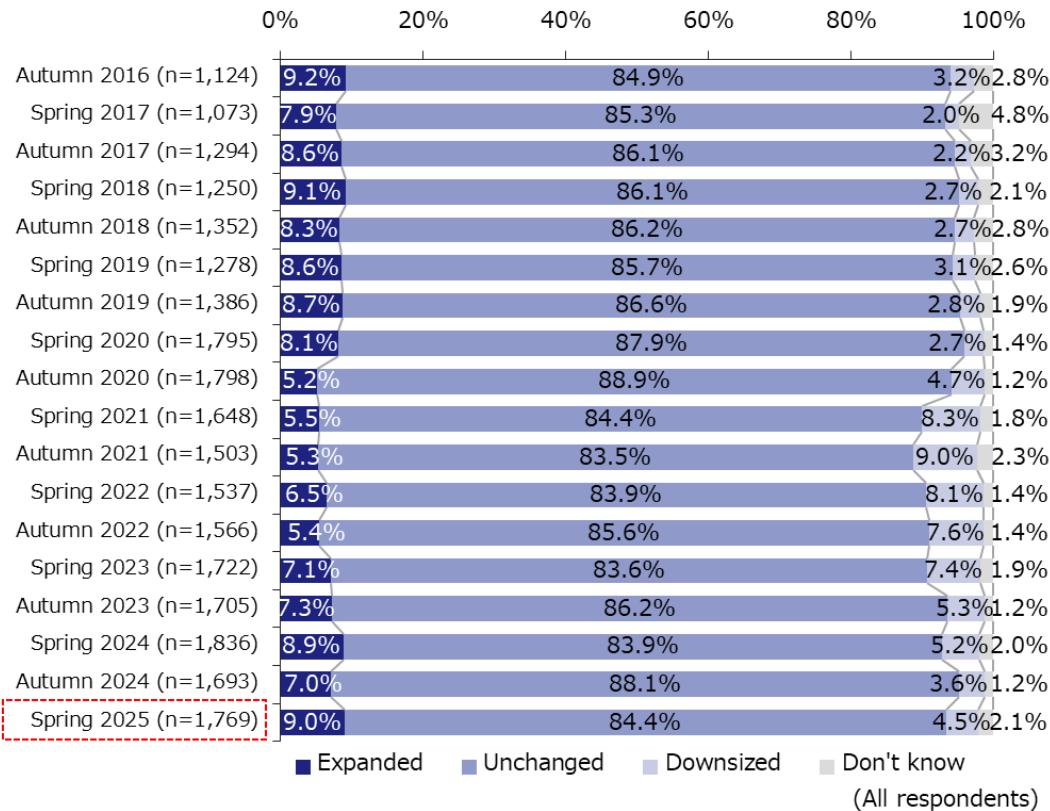


Office size expansion outweighing downsizing since Spring 2023 survey

In terms of changes in office size over the past year, the percentage of companies that “expanded” their office size was 9.0%, while the percentage of companies that “downsized” was 4.5% (Figure 2 (red frame)).

“Expanded” has been outweighing “Downsized” since the Spring 2023 survey.

Figure 2: Change in Office Size



1.1. Changes over the past year

More companies expanded than downsized, regardless of office location or no. of employees

Here, we compare changes in office size by attribute. By office location, “Expanded” outweighed “Downsized” in all groups (Figure 3). In Nagoya City, in particular, the percentage of “Expanded” has been on the rise since previous surveys, with the percentage reaching 17.6% this time, higher than other regions.

By number of employees, the percentage of large companies with 1,000 employees or more that “downsized” decreased from the Spring 2024 survey, with the percentage of “Expanded” exceeding that of “Downsized” as in other groups (Figure 4).

Figure 3: Change in Office Size – By Office Location

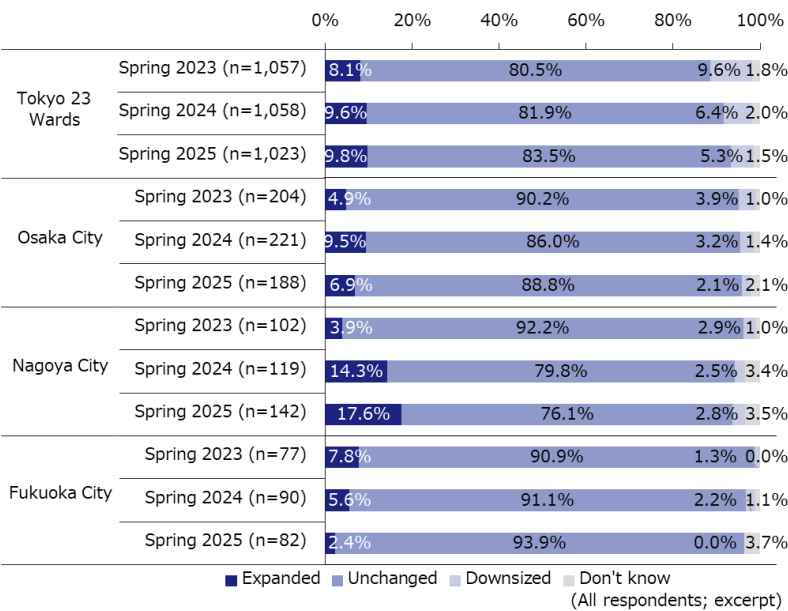
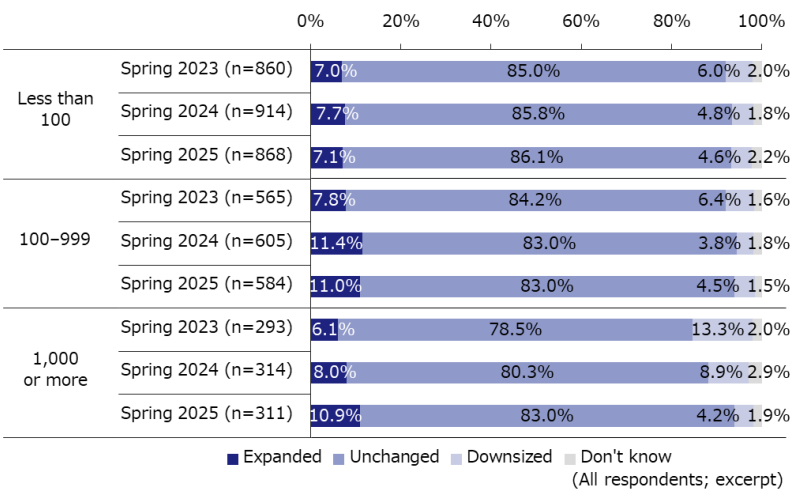


Figure 4: Change in Office Size – By Number of Employees

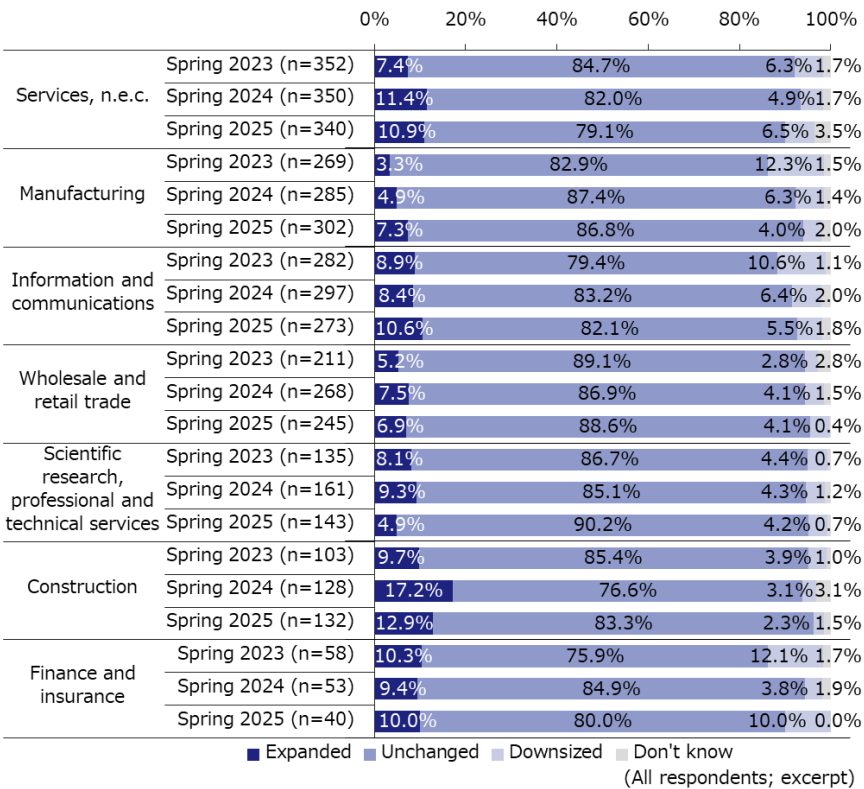


“Expanded” outweighing “Downsized” in many sectors

Figure 5 shows the results by sector.

In the Finance and Insurance sector, the proportions of “Expanded” and “Downsized” were equal, while “Expanded” exceeded “Downsized” in all other sectors.

Figure 5: Change in Office Size – By Sector



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

The most popular style of office size expansion was “Relocation” (41.9%), followed by “Expansion in same building” (26.9%) (Figure 6).

The most popular style of office downsizing was “Relocation” (51.9%) (Figure 7).

Figure 6: Style of Office Expansion

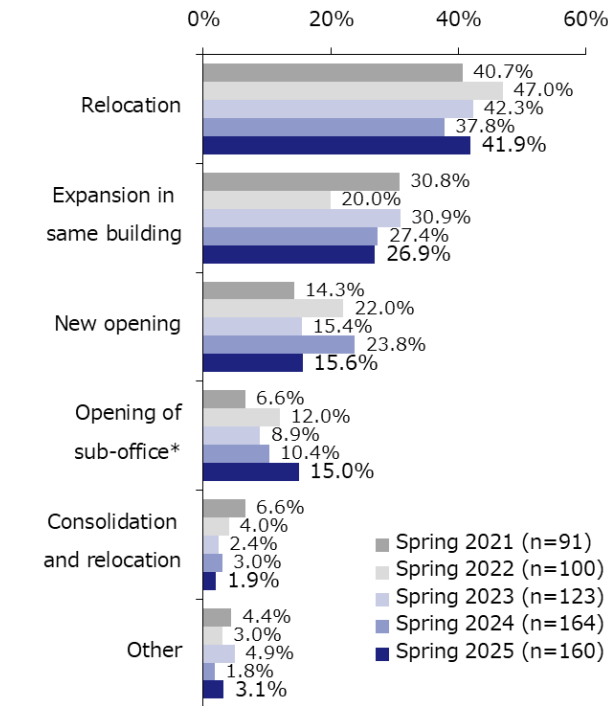
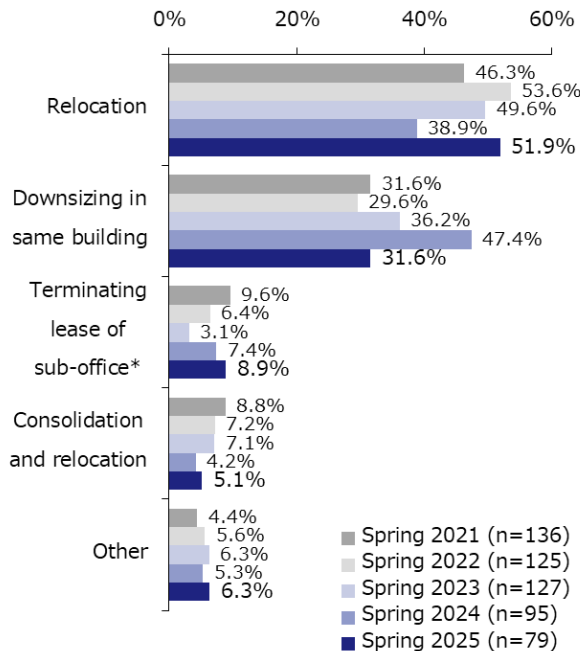


Figure 7: Style of Office Downsizing



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

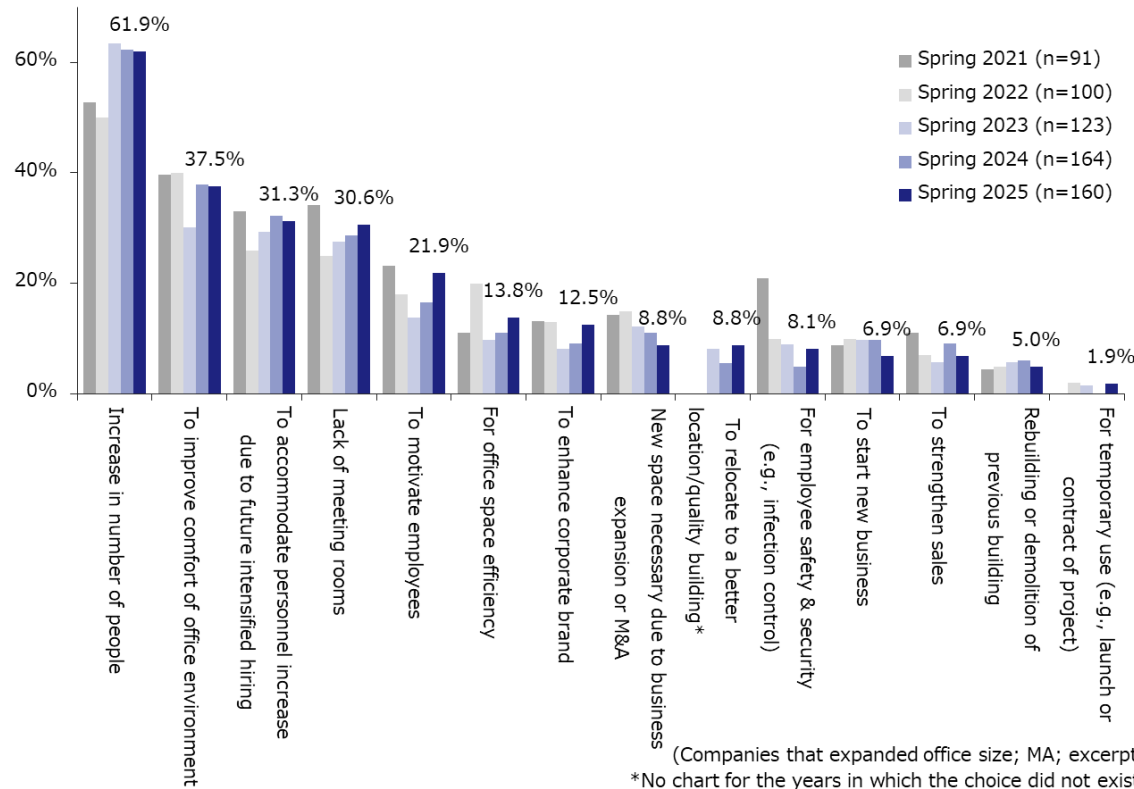
*Sub-office: A separate office located near the main office (e.g., head office) to handle some of its functions

Top reason for office size expansion: “Increase in number of people”

As in previous surveys, the most popular reason for office size expansion was “Increase in number of people” (61.9%) (Figure 8).

This was followed by “To improve comfort of office environment,” “To accommodate increase in personnel due to future intensified hiring,” and “Lack of meeting rooms,” all exceeding 30%.

Figure 8: Reason for Office Size Expansion



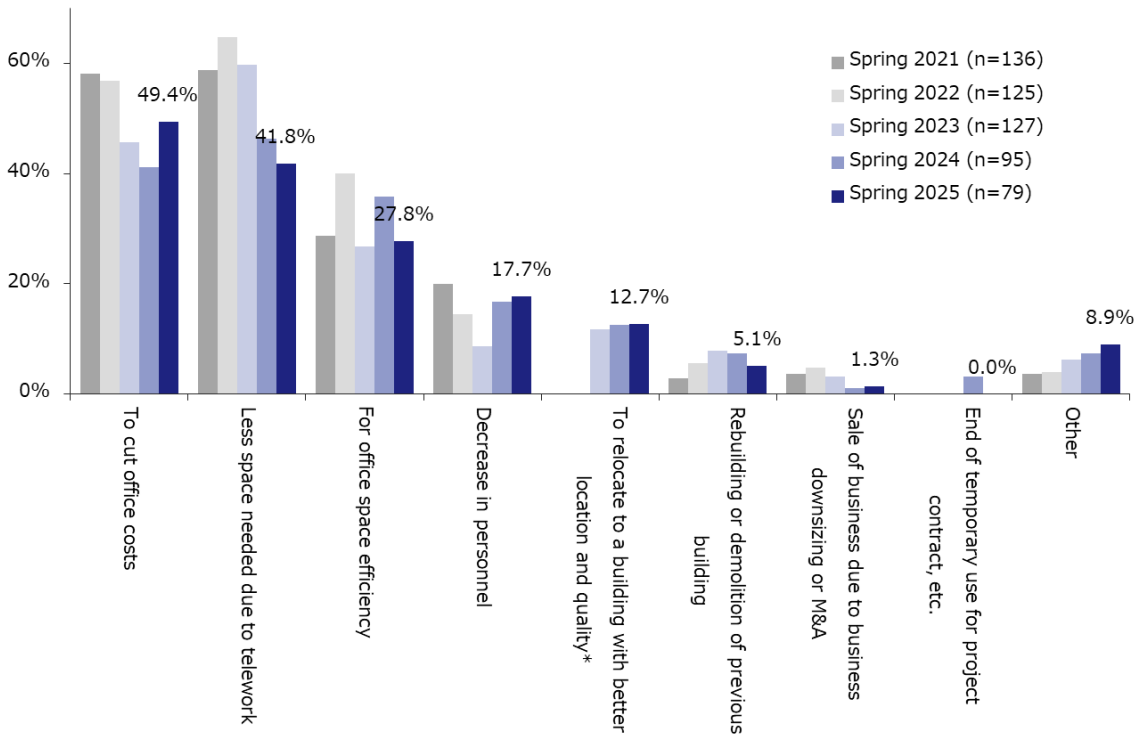
(Companies that expanded office size; MA; excerpt)
 *No chart for the years in which the choice did not exist.

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

As for the reason for downsizing, “To reduce office costs” (49.4%) increased by 8.3 points from the previous survey and ranked first.

”Less space needed due to telework” has been declining since peaking out in the Spring 2022 survey, ranking second this time at 41.8% (Figure 9).

Figure 9: Reason for Office Downsizing



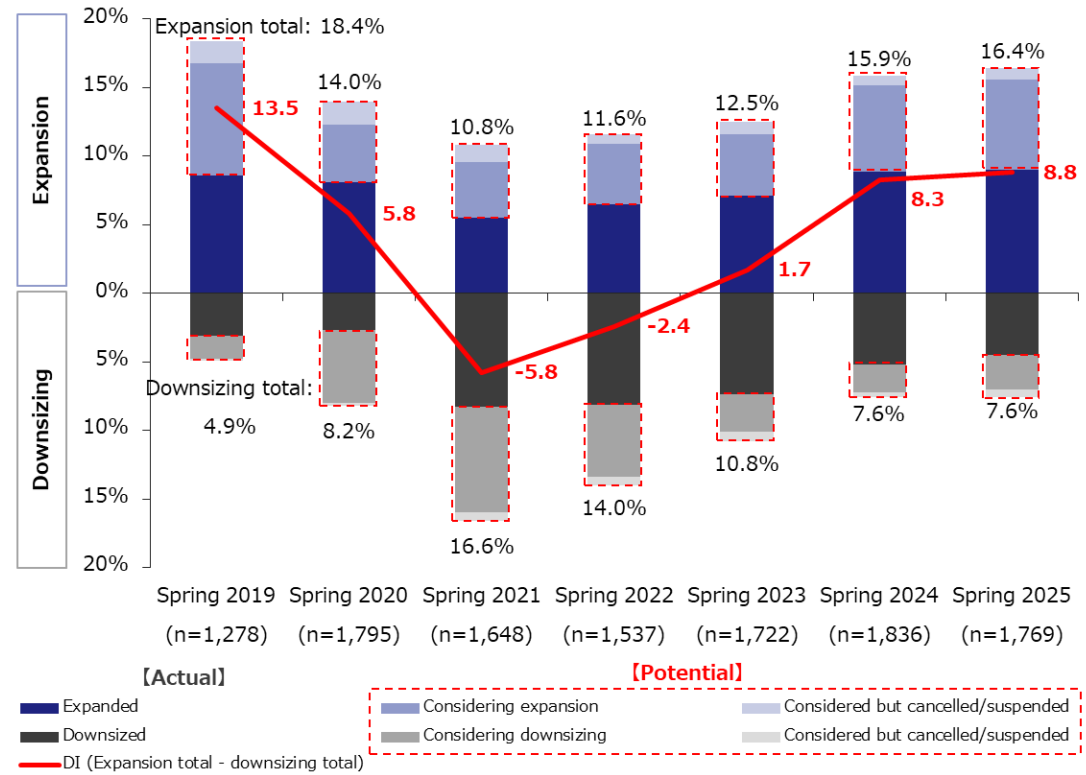
(Companies that downsized their office; MA; excerpt)
 *No chart for the years in which the choice did not exist.

Continued expansionary trend in office size change (actual + potential)

Even if office size had remained unchanged over the past year, when we view the percentage of “considering expansion” and “considered but cancelled or suspended” as the percentage of “potential expansion,” the total “expansion (actual + potential)” was 16.4% (Figure 10). Similarly, the percentage of “Downsizing (actual + potential)” was 7.6%. The DI was 8.8, a slight increase from the Spring 2024 survey.

We can see that the Spring 2021 survey marked a shift from a downsizing trend to an expansionary trend and that the expansionary trend has been stabilizing recently.

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



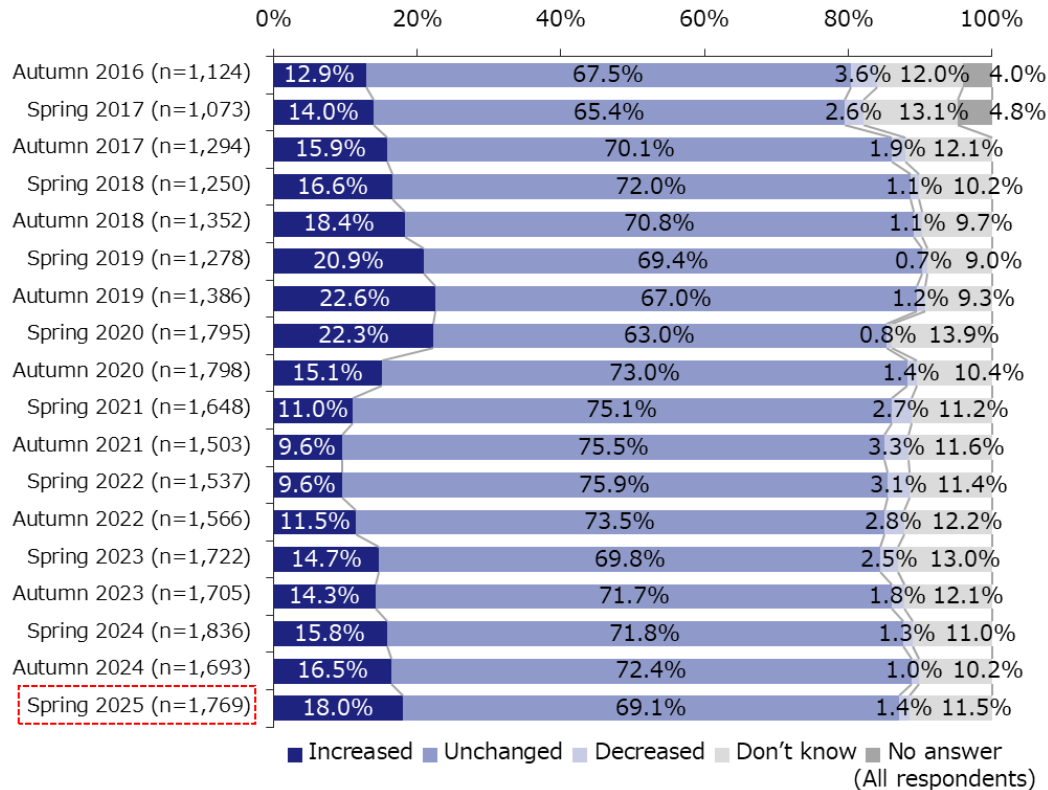
(All respondents)

1.1. Changes over the past year

18.0% of companies faced rise in rent per tsubo, much more than those who saw decrease

In terms of changes in rent per tsubo, 18.0% of companies said it “increased,” more than those that said it “decreased” (1.4%), indicating a continued rising trend in rent (Figure 11 (red frame)).

Figure 11: Change in Rent per Tsubo

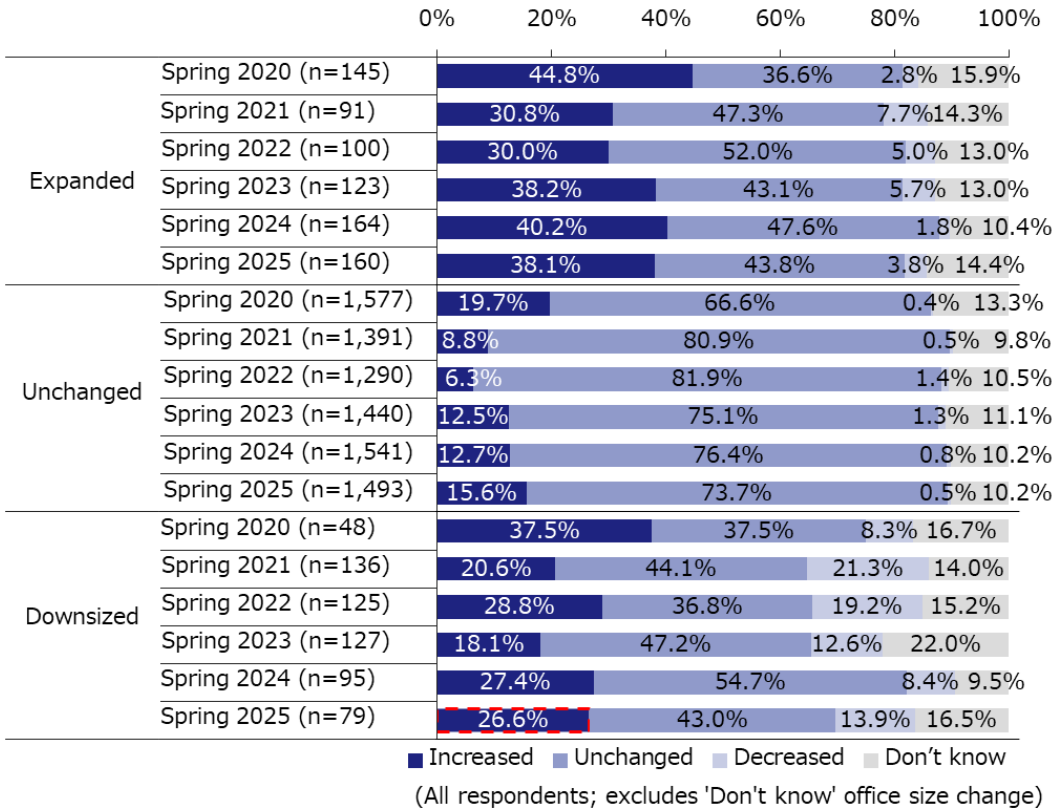


Among companies that downsized, 26.6% saw their rent per tsubo increase

When we look at the change in rent per tsubo by the change in office size, the percentage of companies that downsized their office and experienced an increase in rent was 26.6% (Figure 12).

In addition to companies downsizing their office for cost reduction in response to the rise in rent levels in the market, it is possible that rent per tsubo increased due to location improvements.

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



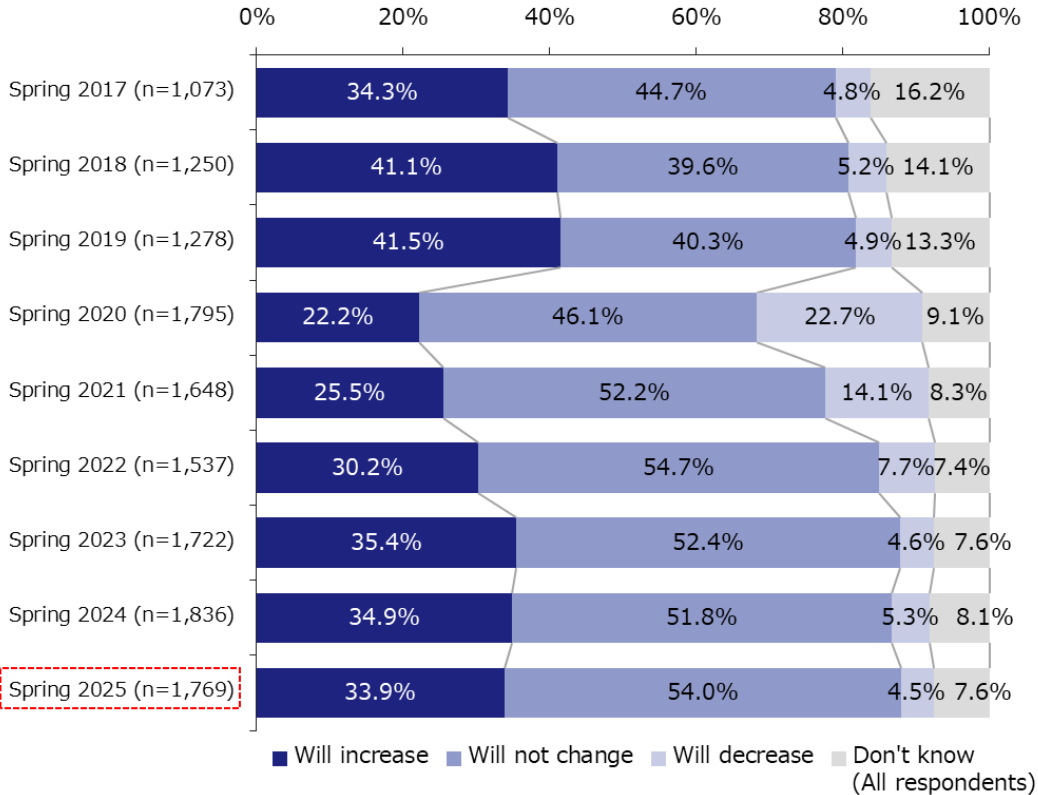
Future number of office occupants: “Will increase” was 33.9%, flat since Spring 2023

When we asked companies about their 1–2-year outlook for the number of occupants* in their current office, 33.9% of the companies said it “will increase,” and 4.5% said it “will decrease.” Since the Spring 2021 survey, the number of companies that “will increase” has consistently outnumbered those that say it will not (Figure 13).

However, the percentage of “Will increase,” which had continued to increase after bottoming out in the Spring 2020 survey, has remained flat since the Spring 2023 survey.

*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

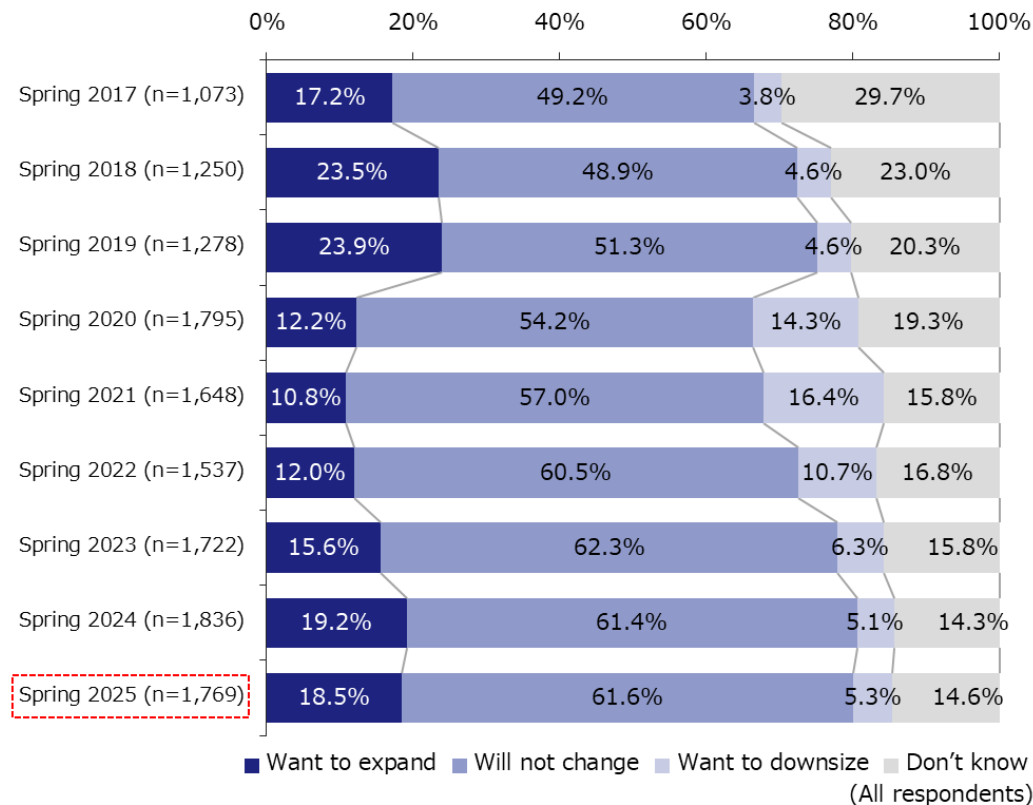


“Want to expand” remained flat after having increased since the Spring 2021 survey

The percentage of companies that “want to expand” their office size 2–3 years ahead was 18.5%, more than the percentage of companies that “want to downsize” (5.3%) (Figure 14).

Compared over time, the percentage of companies that “want to expand” had been increasing since bottoming out in the Spring 2021 survey but has stabilized at a level similar to that in the Spring 2024 survey. The stabilization of the increase in the percentage of respondents who said their future number of office occupants (Figure 13) “will increase” was likely reflected in their intentions regarding office size.

Figure 14: Future Change in Office Size



1.2. Future intentions

Intention to expand significantly outweighs intention to downsize regardless of office location or number of employees

Here, we compare future intentions for office size by attribute.

Both by office location or number of employees, “Want to expand” outweighed “Want to downsize” in all groups (Figures 15 and 16). In Fukuoka City, in particular, the percentage of “Expanded” in the past year was limited at 2.4% (Figure 3), while the percentage of “Want to expand” the office space in the future was 24.4%, about one-quarter of the total. A possible reason for this is that the vacancy rate is still at a low level as redevelopment progresses, making it difficult to secure a destination for relocation and expansion.

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

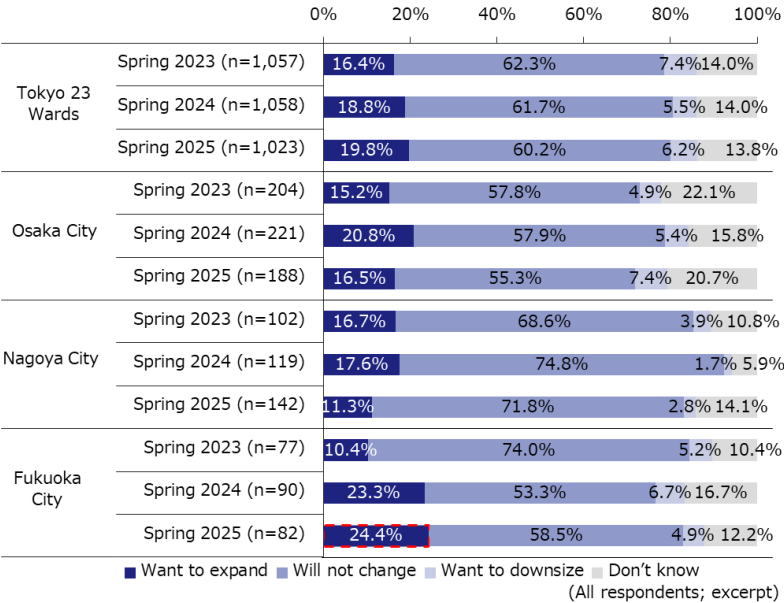
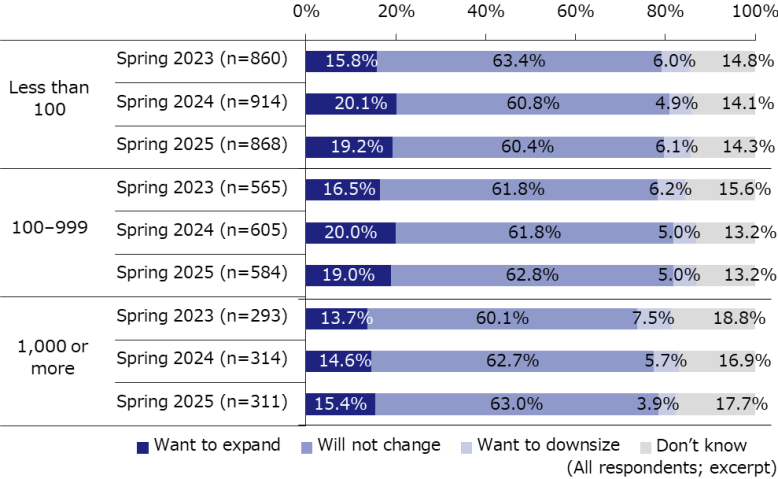


Figure 16: Future Change in Office Size – By Number of Employees

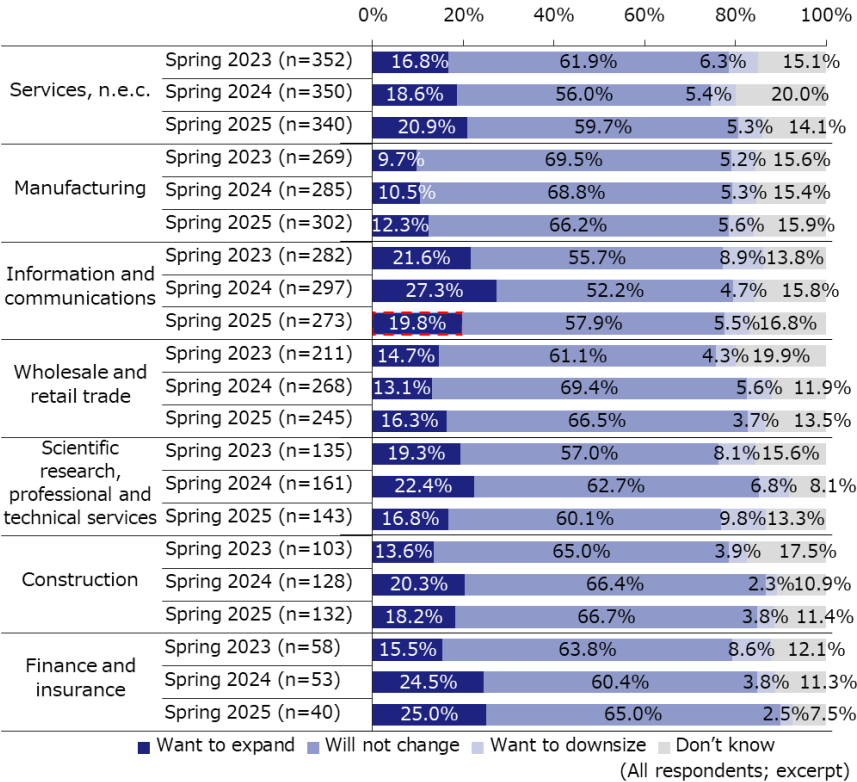


Intentions to expand office size significantly outweigh intentions to downsize regardless of sector

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

However, in the information and communications sector, the percentage of “Want to expand” decreased by 7.5 points compared to the Spring 2024 survey.

Figure 17: Future Change in Office Size – By Sector



“Relocation” most popular style for intention to expand or downsize

When we asked companies that “want to expand” their office size how they will do so, the top reply was “Relocation” (47.7%) (Figure 18).

“Relocation” (45.7%) was also the top reply for downsizing (Figure 19).

Figure 18: Style of Future Expansion

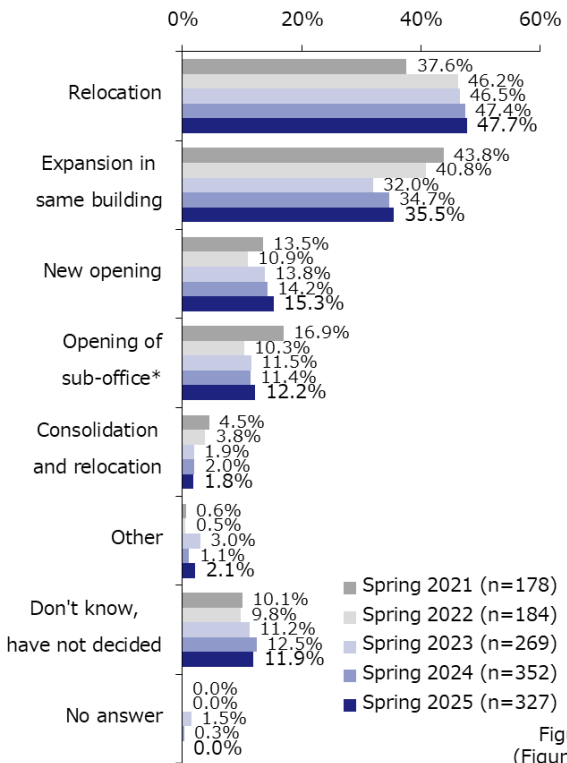


Figure 19: Style of Future Downsizing

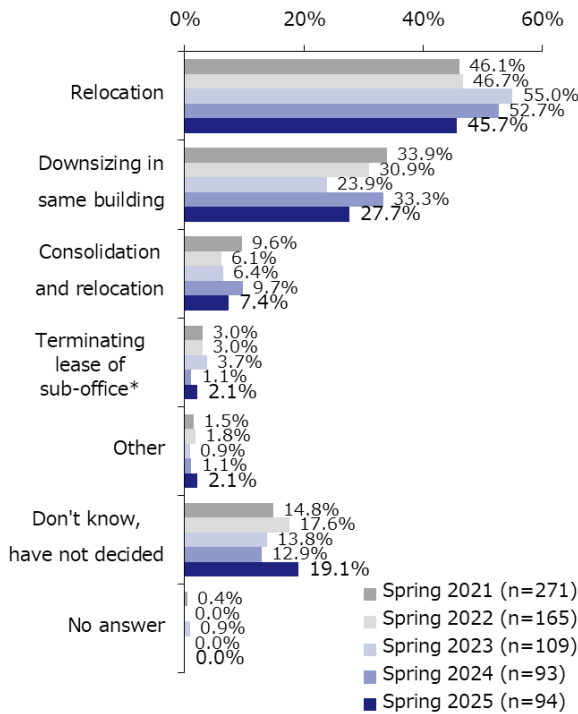


Figure 18: Companies that want to expand; MA; optional answer)
 (Figure 19: Companies that want to downsize; MA; optional answer)

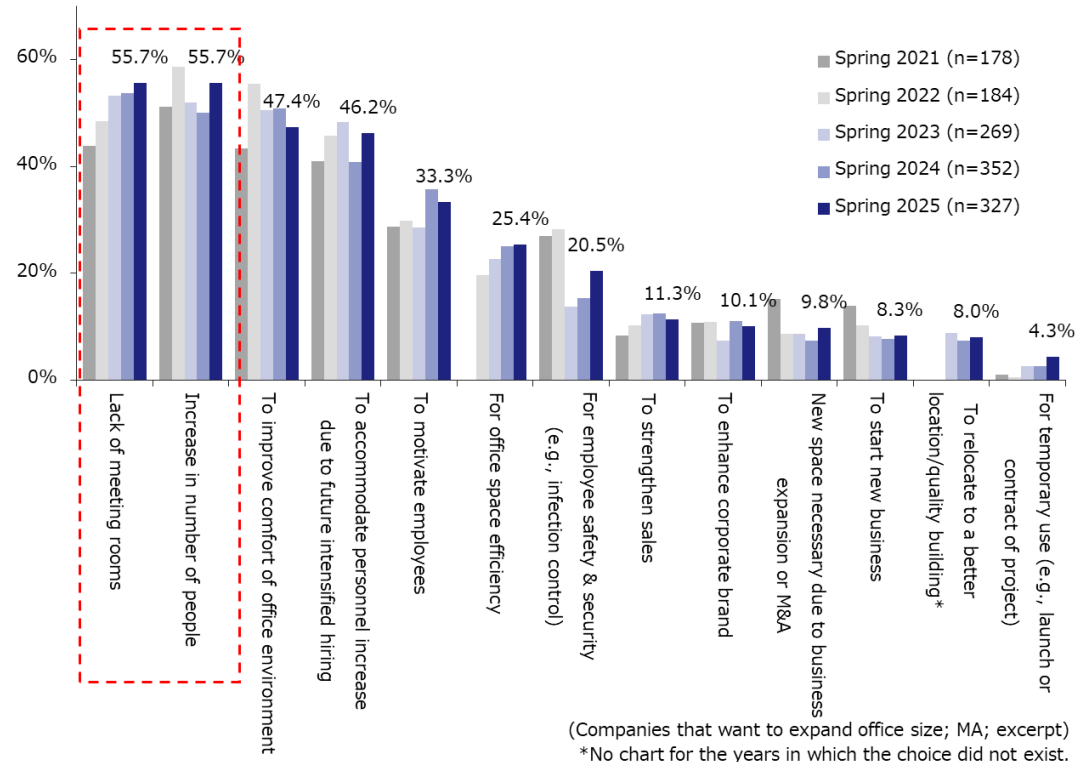
*Sub-office: A separate office located near the main office (e.g., head office) to handle some of its functions

Top reasons for wanting to expand: “Lack of meeting rooms” and “Increase in number of people”

The most popular reason for wanting to expand office space was “Lack of meeting rooms” and “Increase in number of people,” both at 55.7% (Figure 20).

“Lack of meeting rooms” has continued to increase in percentage since past surveys. In hybrid work, some companies place importance on face-to-face communication, such as meetings and discussions, in the office, which has likely led to the lack of meeting rooms becoming apparent.

Figure 20: Reason for Future Expansion

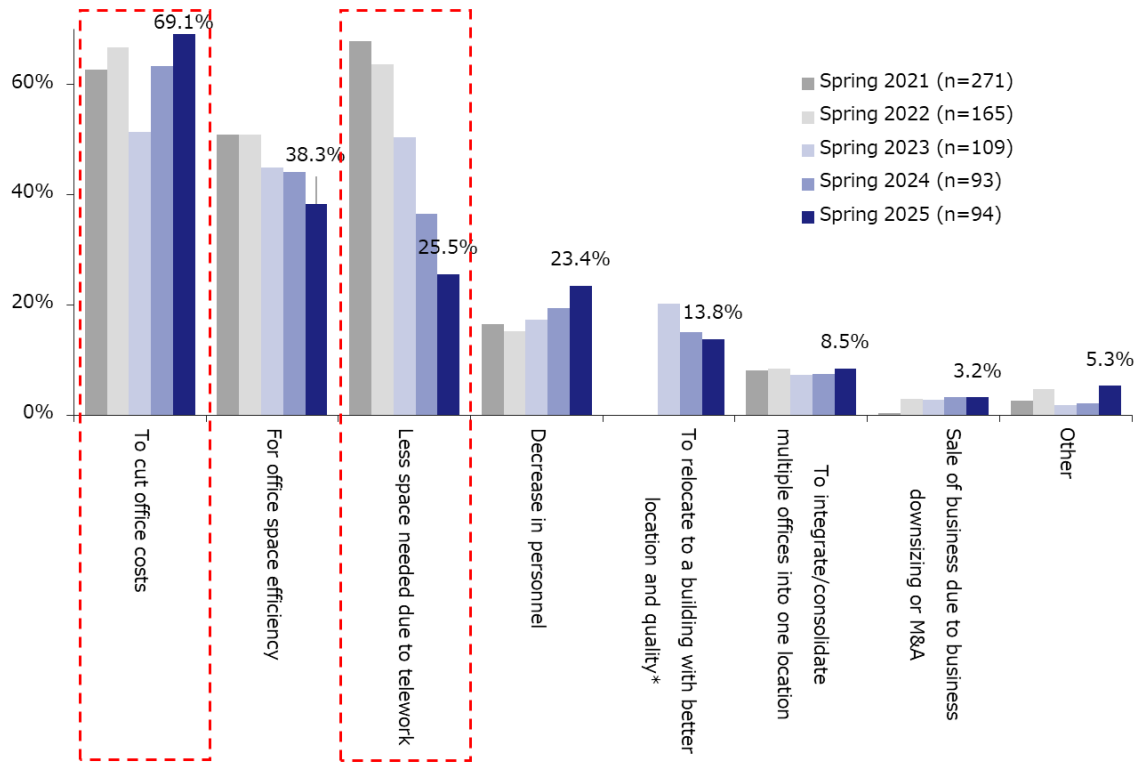


Top reason for wanting to downsize: “To reduce office costs”

The top reason for wanting to downsize was “To reduce office costs” (69.1%), significantly leading the second-place response and all others.

“Less space needed due to telework” has decreased in percentage every year, remaining at 25.5% this time. During the COVID pandemic, when telework spread rapidly, office space was adjusted to suit work styles, but this trend is likely to have come to an end.

Figure 21: Reason for Future Downsizing



(Companies that want to expand office size; MA)
 *No chart for the years in which the choice did not

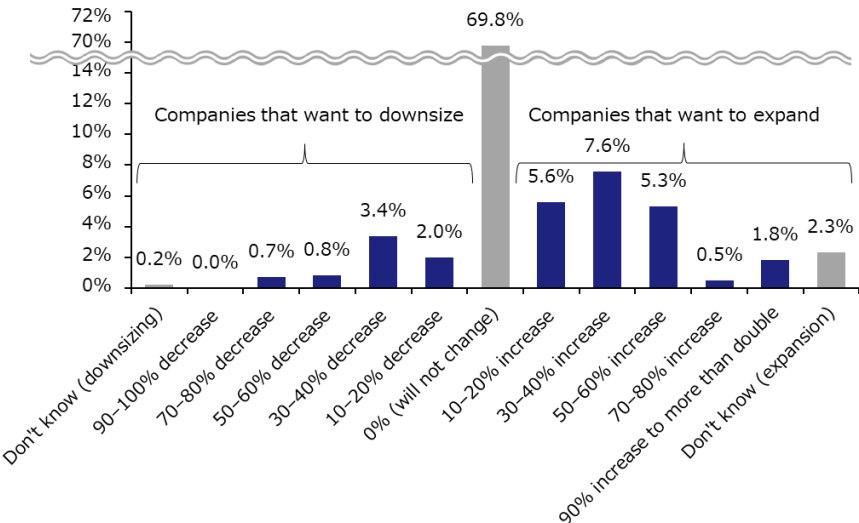
1.2. Future intentions

Large proportion of companies in Tokyo 23 Wards with intention to expand office space consider “30–40% increase”

We asked companies that “want to expand” or “want to downsize” their office space in the future how much they would like to increase or reduce their office space compared to their current offices and summarized the distribution of the percentage of increase or decrease in office area by office location (Figures 22 to 25).

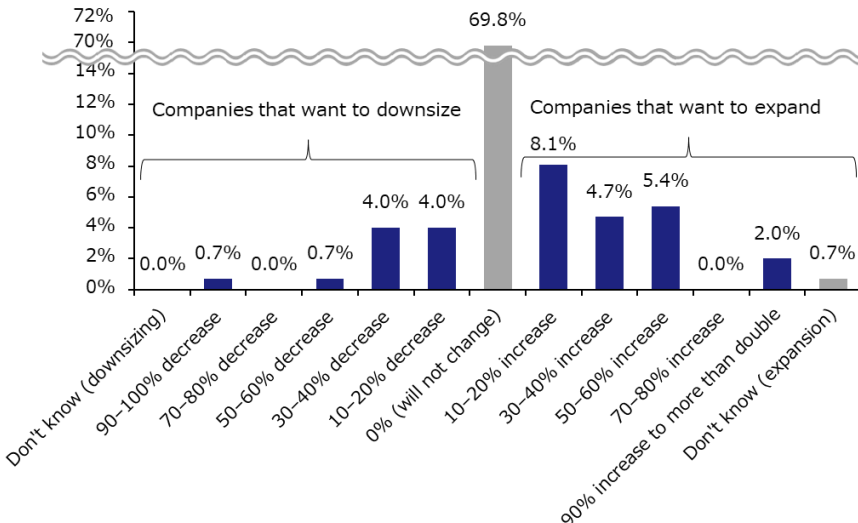
Among companies in Tokyo’s 23 wards with intentions to expand, the largest floor space expansion was “30–40% increase,” accounting for 7.6% of all companies in Tokyo’s 23 wards. There were also a certain number of companies that considered a “10–20% increase” (5.6%) and a “50–60% increase” (5.3%). A large percentage of companies with intentions to downsize expected a “30–40% decrease” (3.4%). The largest percentage of companies in Osaka City with intentions to expand expected a “10–20% increase,” accounting for 8.1% of all companies in Osaka City.

Figure 22: Distribution of Percentage of Increase/Decrease from Current Office Space – Tokyo 23 Wards



(Excludes 'Don't know' in Figure 14; Tokyo 23 Wards (n=882))

Figure 23: Distribution of Percentage of Increase/Decrease from Current Office Space – Osaka City



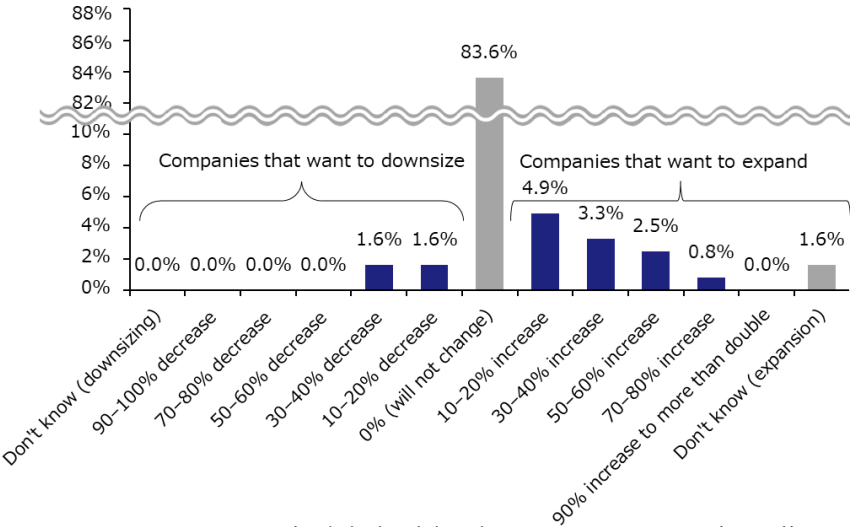
(Excludes 'Don't know' in Figure 14; Osaka City (n=149))

In Nagoya and Fukuoka, companies with intentions to downsize expect “10–40% decrease”

The largest percentage of companies in Nagoya City with intentions to expand expected a “10–20% increase,” accounting for 4.9% of all companies in Nagoya City. The percentage of companies in Fukuoka City with intentions to expand that expected a “30–40% increase” and a “50–60% increase” was tied for first place.

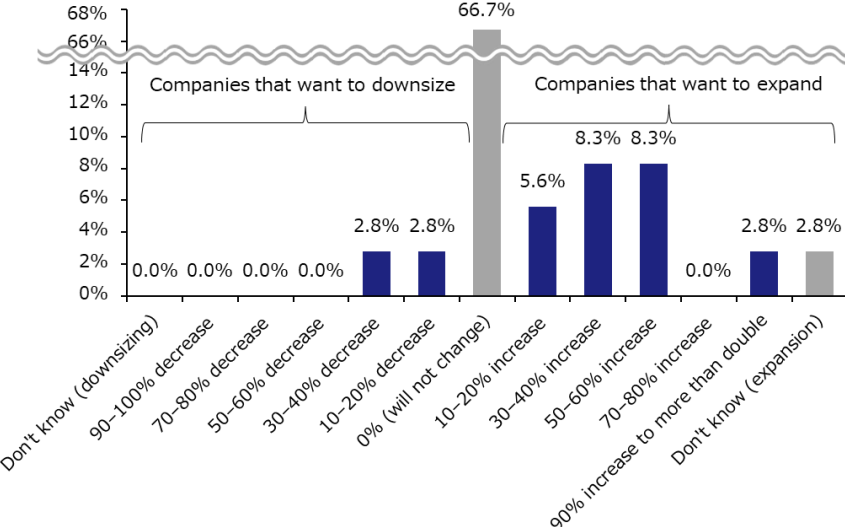
In Nagoya and Fukuoka Cities, companies with intentions to downsize expect a “10–40% decrease.”

Figure 24: Distribution of Percentage of Increase/Decrease from Current Office Space – Nagoya City



(Excludes 'Don't know' in Figure 14; Nagoya City (n=122))

Figure 25: Distribution of Percentage of Increase/Decrease from Current Office Space – Fukuoka City



(Excludes 'Don't know' in Figure 14; Fukuoka City (n=72))

2. Factors affecting office demand

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

76.2% of companies still adopt telework

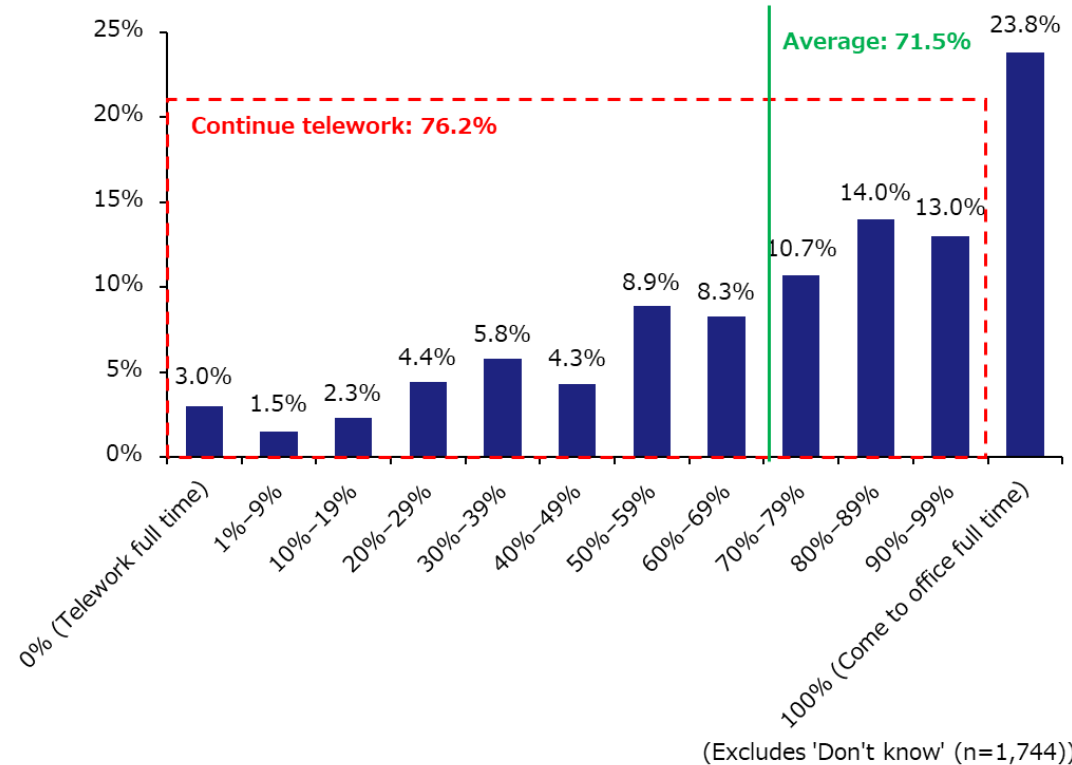
With a coming-to-office ratio of 100% meaning all employees came to the office, we asked companies' "current average coming-to-office ratio" (Figure 26).

At the time of the survey, 23.8% of companies answered "100% (come to office full time)," while the remaining 76.2% continued to adopt telework to varying degrees.

The average value* was 71.5%.

*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 26: Actual Coming-to-Office Ratio

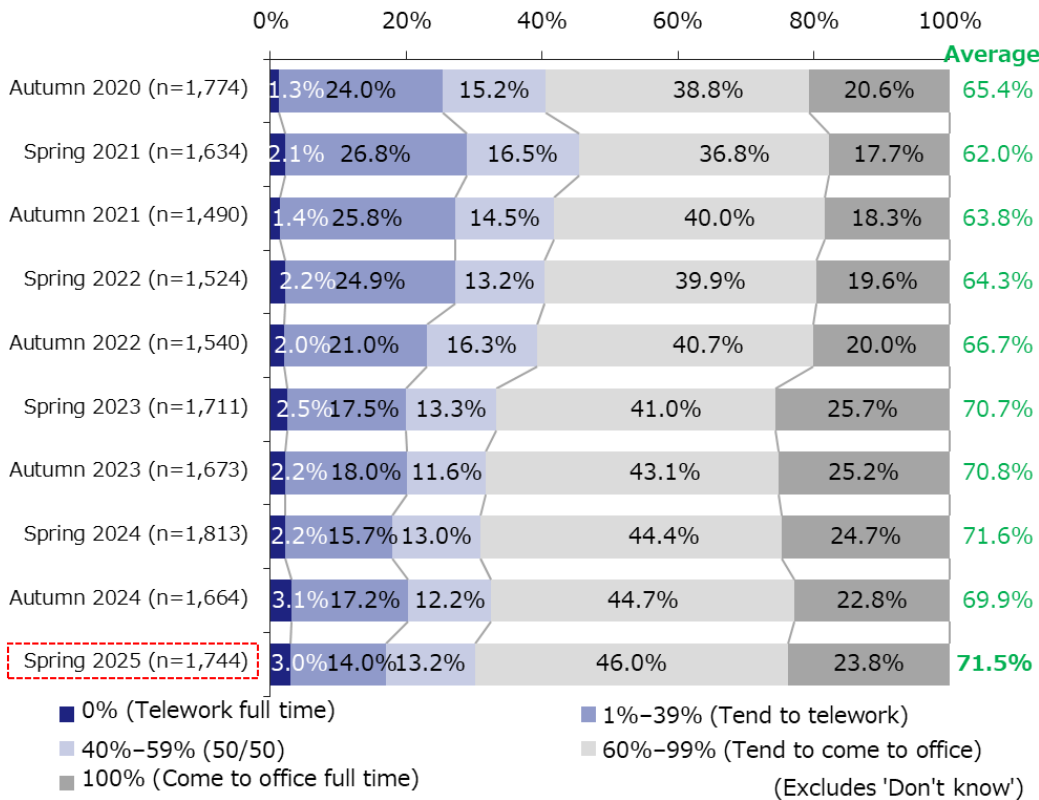


Average coming-to-office ratio stabilizing at approx. 70% since Spring 2023

We divided the coming-to-office ratio of Figure 26 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 27).

The ratio has remained generally flat since COVID-19’s transition to a Class 5 infectious disease (since the Spring 2023 survey), with the average coming-to-office ratio remaining around 70%. However, there is a slight change in the breakdown, with “60%–99% (Tend to come to office)” increasing by 5.0 points in total from the Spring 2023 survey to this survey, and “1%–39% (Tend to telework)” decreasing by 3.5 points in total.

Figure 27: Actual Coming-to-Office Ratio (Comparison over Time)



Less than 20% come to office full time in Tokyo 23 Wards; telework established more than in other areas

Looking at the ratio by office location, less than 20% of companies answered “100% (Come to office full time)” in Tokyo 23 Wards, with more than 80% of the companies having continued implementing telework. The average value also shows that telework has taken root more than in other areas (Figure 28). Meanwhile, about 60–70% of companies in the three regional cities are also implementing telework. In Nagoya City and Fukuoka City, the percentage of “100% (Come to office full time)” is decreasing. The use of telework may be progressing in regional cities against the backdrop of measures against population outflow to Greater Tokyo.

By number of employees, there was no significant change in the percentage of companies implementing telework among large companies with 1,000 employees or more, but there was an increasing trend in the proportion of “60%–99% (Tend to come to office)” (Figure 29).

Figure 28: Actual Coming-to-Office Ratio – By Office Location

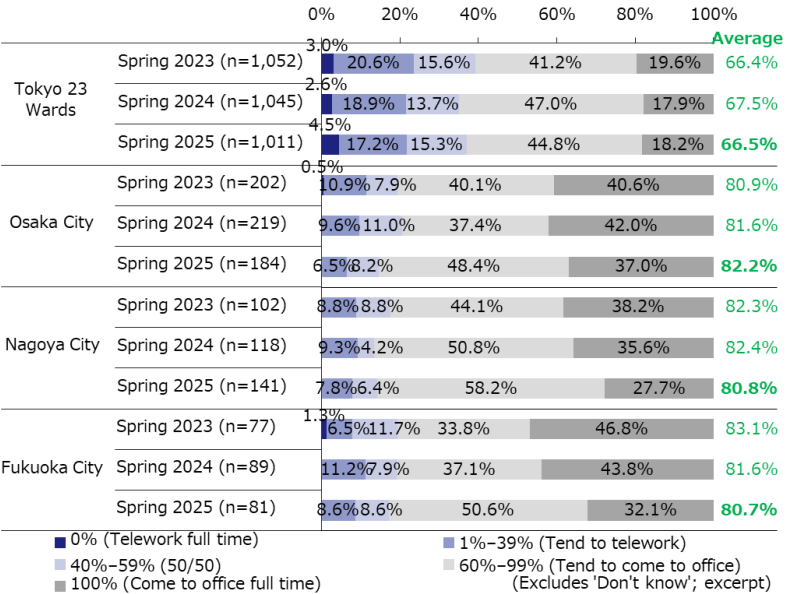
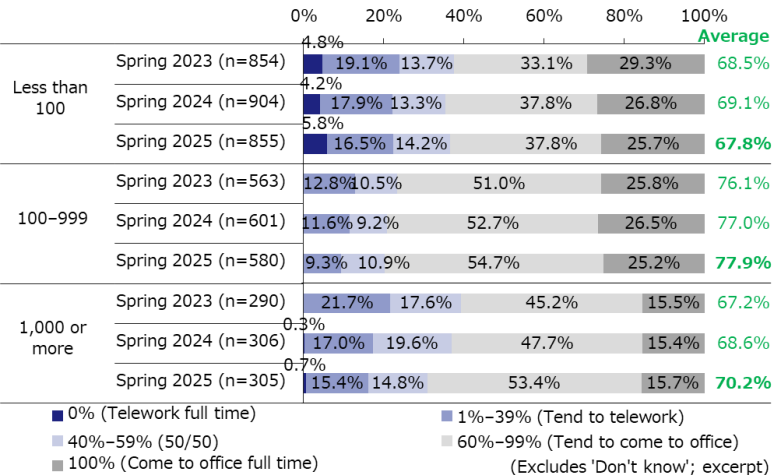


Figure 29: Actual Coming-to-Office Ratio – By Number of Employees



Coming-to-office ratio in information and communications remains lower than other sectors

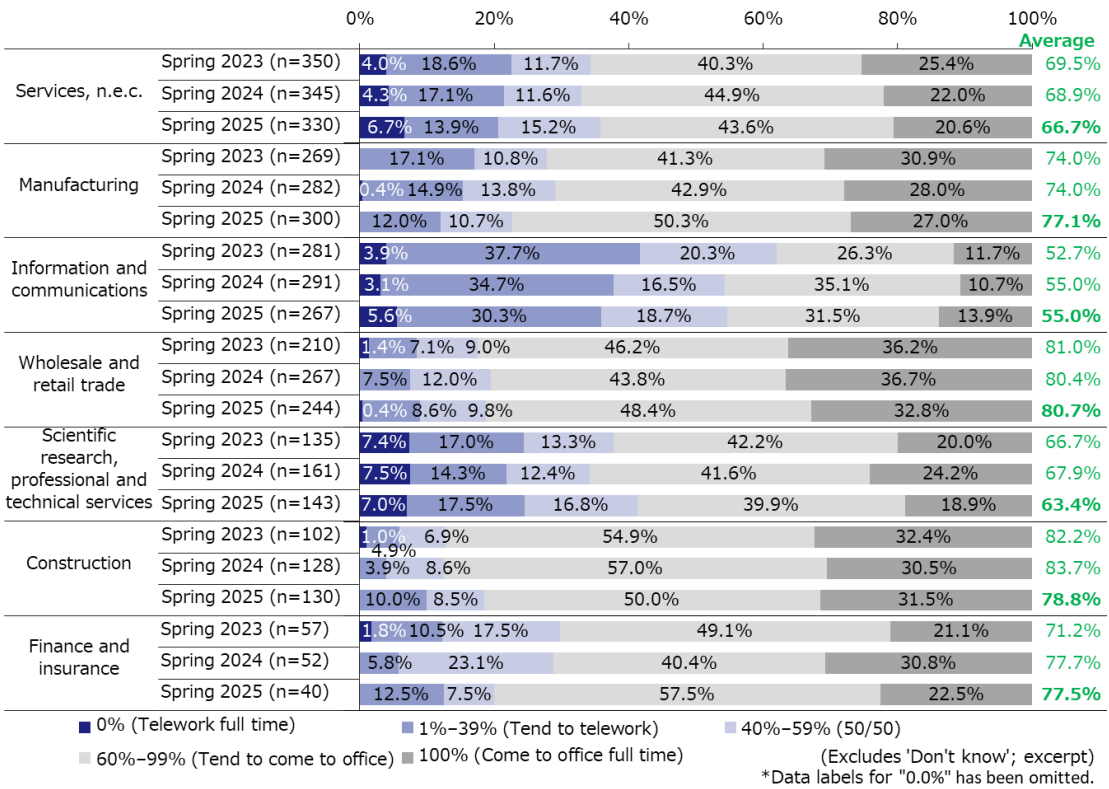
Figure 30 shows the coming-to-office ratio by sector.

Continuing from previous surveys, the lowest average coming-to-office ratio was in the information and communications sector (55.0%). On the other hand, the highest was in the wholesale and retail trade sector (80.7%).

In previous surveys, the construction sector, which had the highest average coming-to-office ratio, saw a decline of 4.9 points from the Spring 24 survey to less than 80%.

Other changes include an increase in the percentage of “60%–99% (Tend to come to office)” in the manufacturing sector.

Figure 30: Actual Coming-to-Office Ratio – By Sector



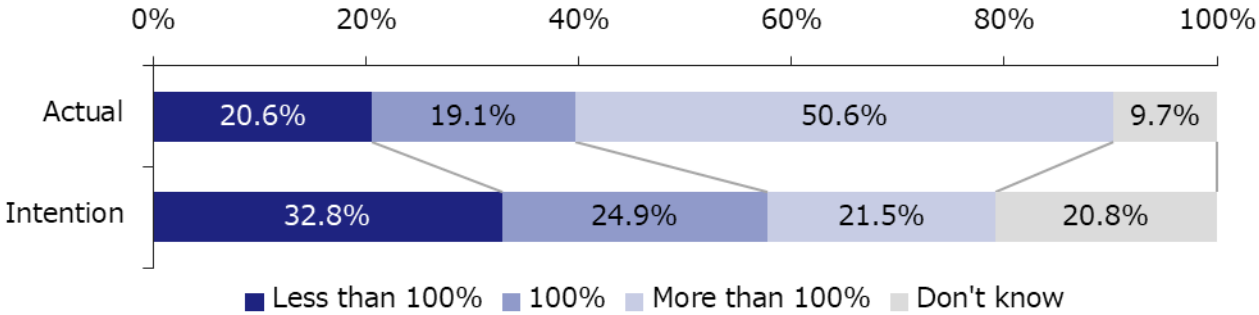
Percentage of desks to office occupants: 32.8% of companies want it below 100%

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 31).

As for the actual percentage, desks provided for “more than 100%” of office occupants were the most common (50.6% of companies).

As for the intended percentage, the percentage of “More than 100%” dropped significantly to 21.5%, while “Less than 100%” rose to 32.8%, higher than the actual percentage (20.6%).

Figure 31: Percentage of Desks to Number of Office Occupants (Actual and Intention)



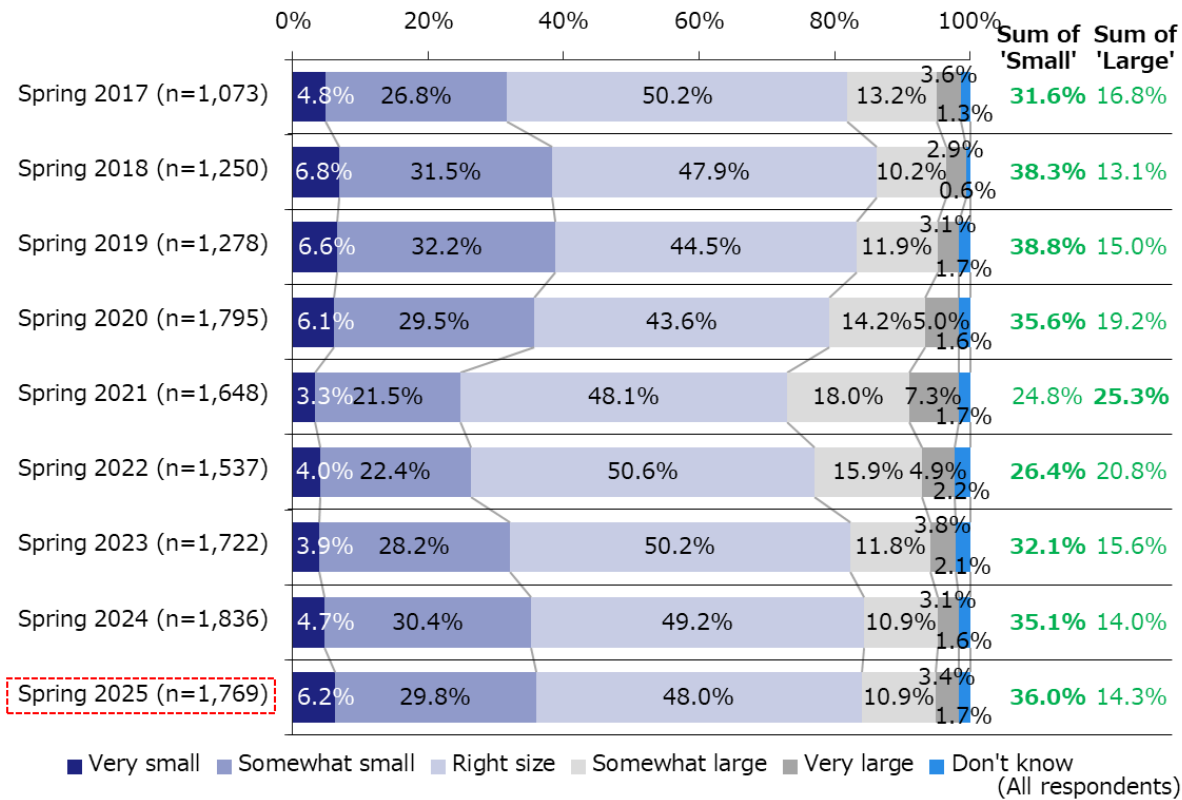
(All respondents (n=1,769))

Perception of office size: Sum of “Very small” and “Somewhat small” 36.0%

When we asked respondents’ perception of the size of their current office, 36.0% replied their office was either “very small” or “somewhat small,” while 14.3% felt it was “very large” or “somewhat large” (Figure 32).

Compared to previous surveys, “(Very/somewhat) small” was on the rise from the Spring 2021 survey to the Spring 2024 survey, while “(Very/somewhat) large” was on the decline, but in this survey, they remained at the same level as in the Spring 2024 survey.

Figure 32: Perception of Office Size



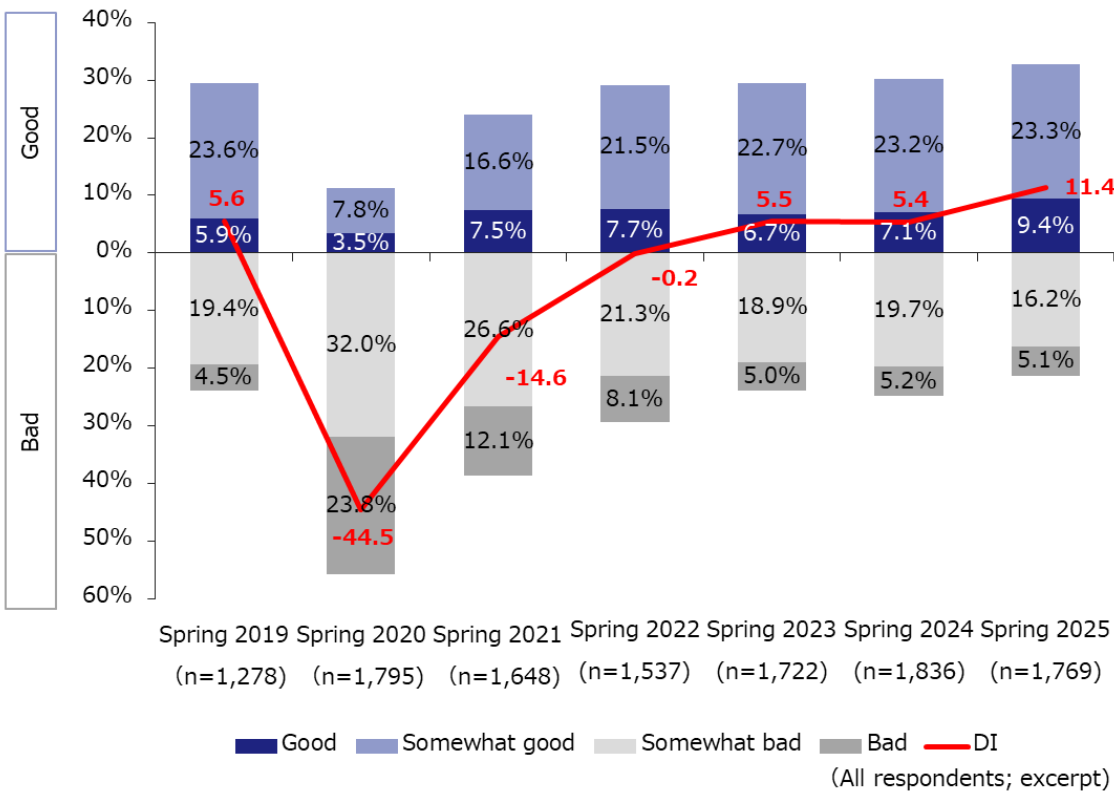
Business sentiment DI rose to 11.4, showing improvement

Figure 33 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 32.7%, and that of “bad” and “somewhat bad” was 21.3%.

The DI, which has been in positive territory since the Spring 2023 survey, showed improvement this time from the previous survey at 11.4.

Figure 33: Business Sentiment



3. Work styles and the workplace

1. Usage, evaluation, and issues of the main office
2. Work styles and telework
3. Workplace strategies, evaluation, and issues

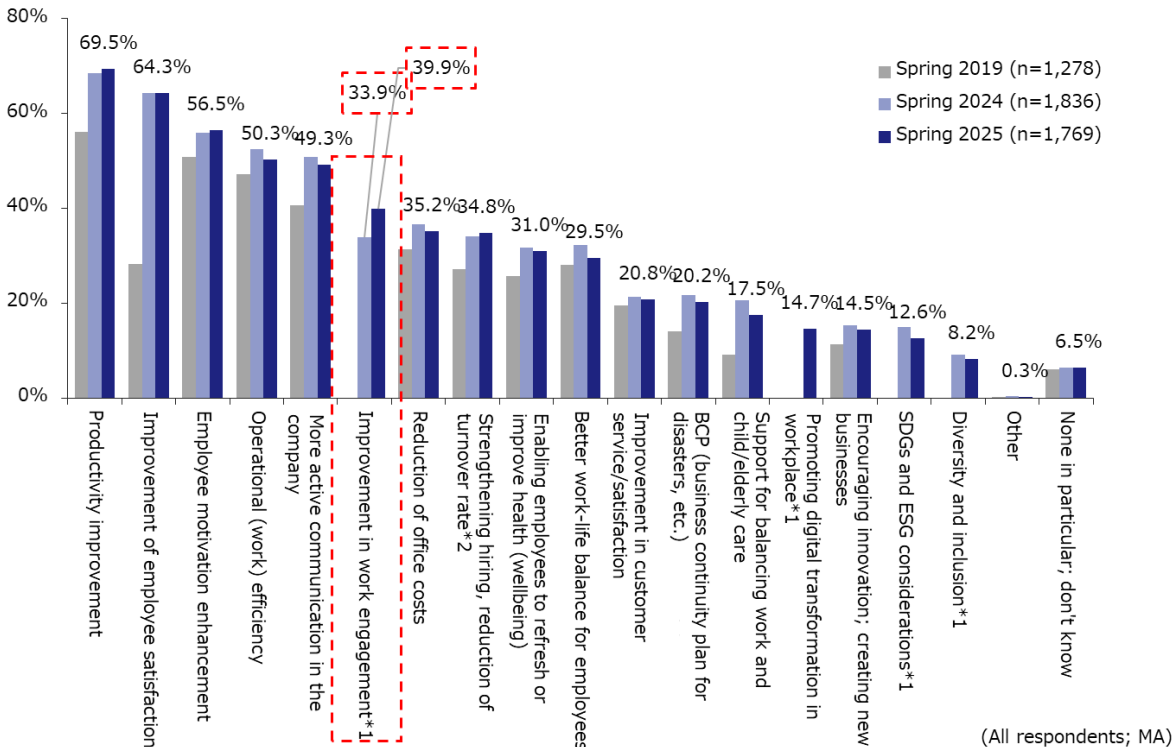
Major focuses when implementing office strategies are diversifying

When we asked companies their major focuses when implementing office strategies, the top response was “Productivity improvement” (69.5%) (Figure 34).

When comparing the results to those in the Spring 2019 survey, which was conducted before the outbreak of the pandemic, the percentage increased in all items, led by “Improvement of employee satisfaction,” as in the Spring 2024 survey. It can be said that the emphasis on diverse elements in the office following the pandemic has continued.

We believe “Improvement in work engagement” has become even more important, increasing by another 6.0 points from the Spring 2024 survey.

Figure 34: Major Focuses When Implementing Office Strategies



(All respondents; MA)
 *1 No chart for the year in which the choice did not exist.
 *2 For Spring 2019, the percentage of companies that chose either 'Strengthening hiring' or 'Reduction of turnover rate'

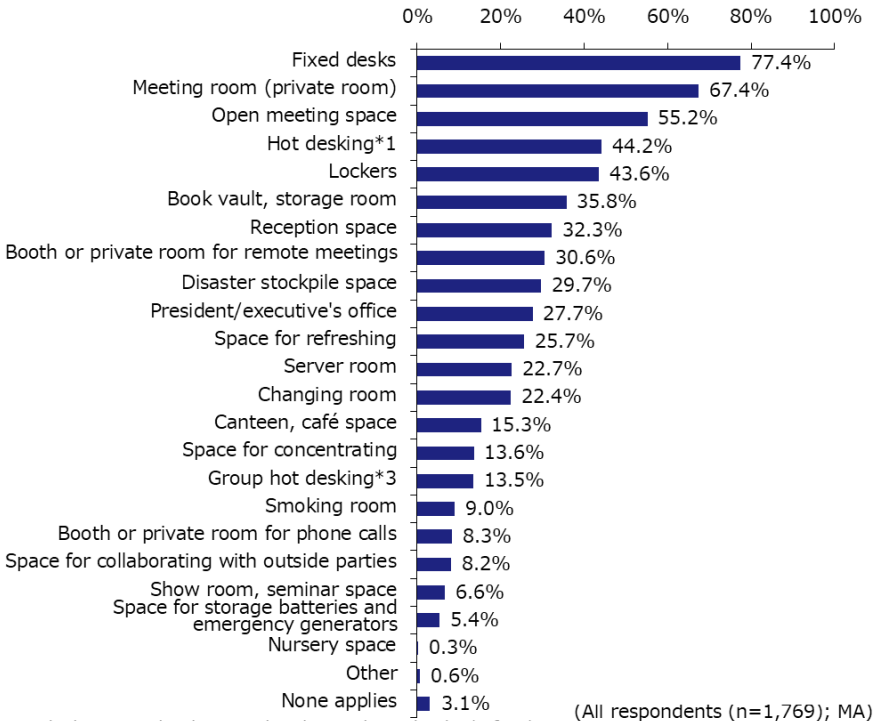
Top responses: “Fixed desks” and “Meeting room (private room),” followed by “Open meeting space”

We asked companies about the various spaces currently available in their main office.*

The top responses were “Fixed desks” (77.4%) and “Meeting room (private room)” (67.4%), followed by “Open meeting space” (55.2%) (Figure 35).

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

Figure 35: Spaces Currently Available in the Office



*1 Hot desking: Desks that can be chosen by individuals freely
 *2 Space for refreshing: Space provided 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 or team, etc., that can be chosen by individuals freely

Only 18.4% of companies have offices at “psychological comfort” level

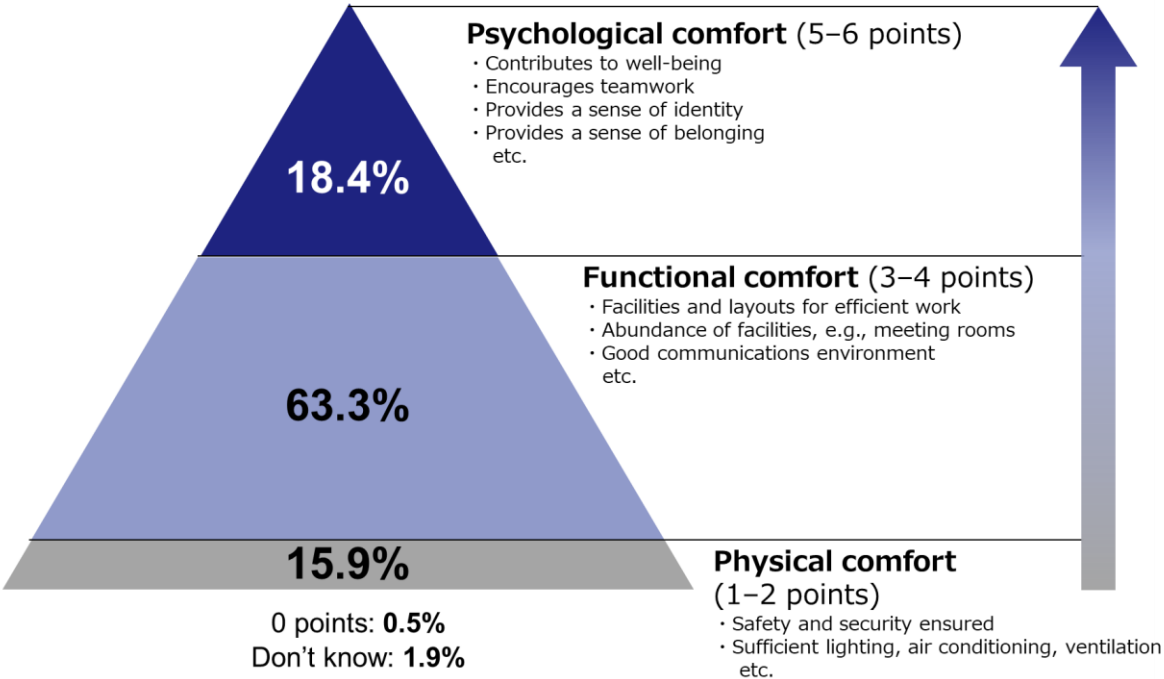
We asked companies to rate the comfort level of their current main office on a 7-point scale from 0 to 6 based on the pyramid chart*1 shown in Figure 36. Only a total of 18.4% of respondents rated 5 or 6 points, which meets the highest “psychological comfort” level. The volume zone was 3 or 4 points (63.3% in total), which meets “functional comfort.”

As a hybrid work style that combines coming to the office and teleworking becomes established, 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.

*1. Created by Xymax Research Institute 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>

Figure 36: Comfort Rating of Main Office



(All respondents (n=1,769))

Created by Xymax Research Institute based on a conceptual diagram by Dr. Jacqueline Vischer

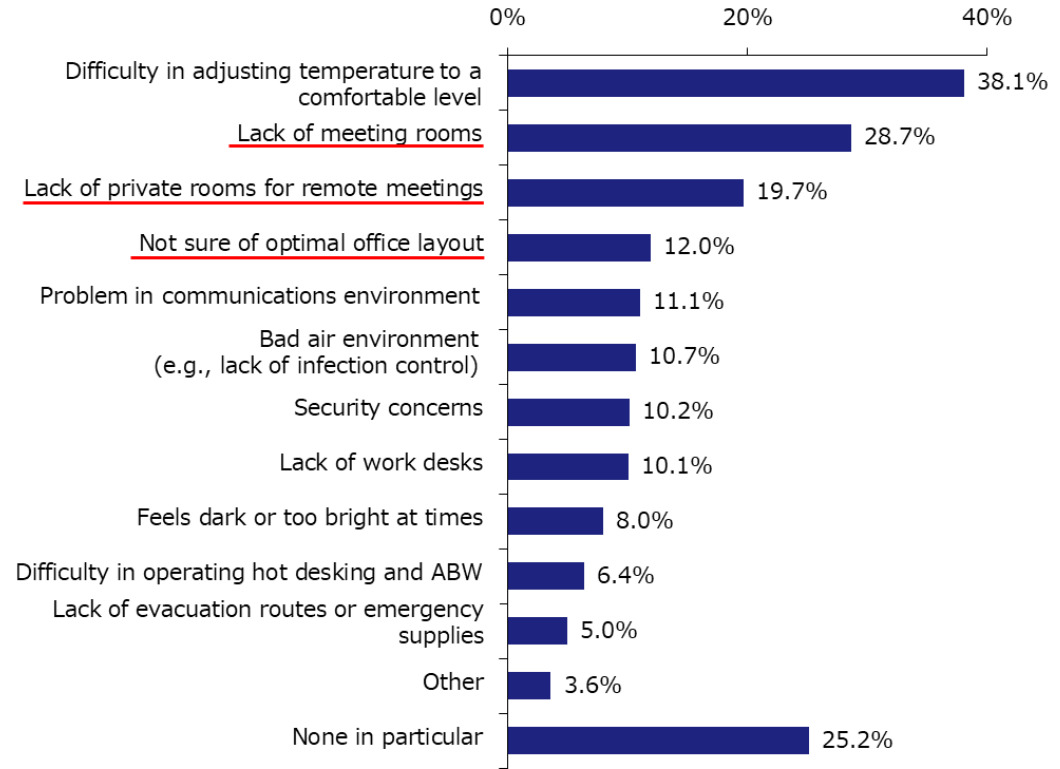
Top issues of main office: “Lack of meeting rooms,” “Lack of private rooms for remote meetings”

The top issue felt by companies concerning their current main office was “Difficulty in controlling the temperature to a comfortable level” (38.1%) (Figure 37).

This was followed by “Lack of meeting rooms” (28.7%) and “Lack of private rooms for remote meetings” (19.7%), indicating a lack of meeting space as hybrid work takes hold. The lack of meeting rooms is the top reason for companies’ intentions to expand (Figure 20) and is likely to affect office demand.

The fourth most popular answer was “Not sure of optimal office layout” (12.0%), which indicates that, although changes in the coming-to-office ratio has abated (Figure 27), companies have not managed to create offices that suit the current work style.

Figure 37: Issues Felt in Current Main Office



(All respondents (n=1,769); MA)

3.1. Usage, evaluation, and issues of the main office

35.0% “want to increase” “meeting room space (private rooms for multiple people, remote meeting rooms for one person)”

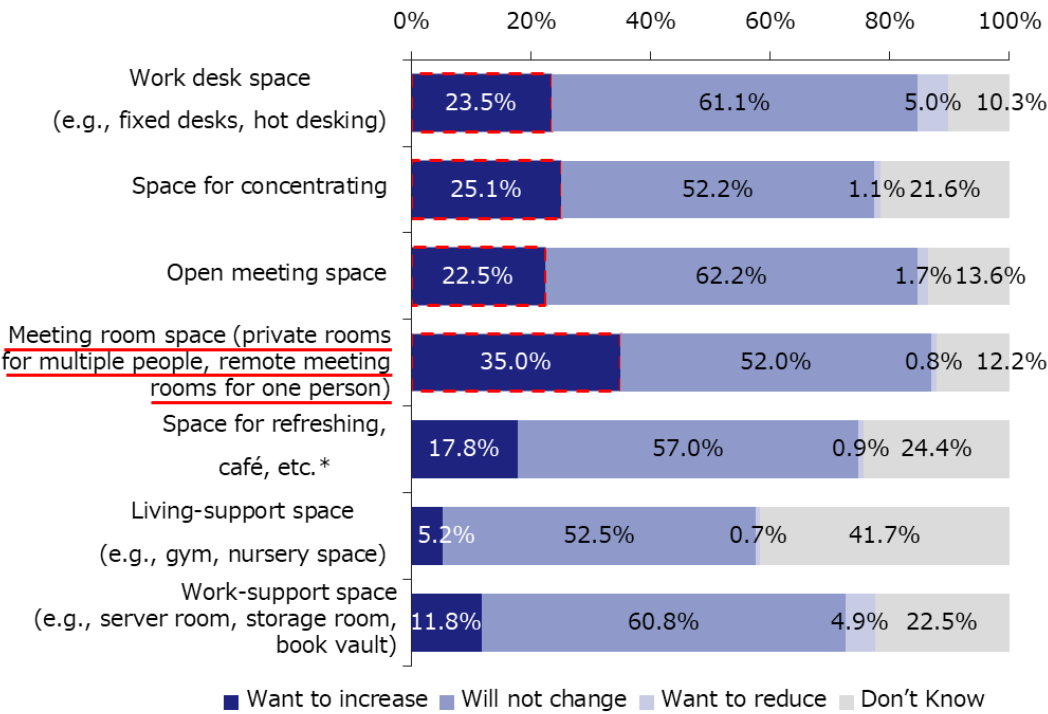
Figure 38 summarizes the results of what companies want to do with each space in their office.

For all spaces, the percentage of companies that “want to reduce” those spaces was 5.0% or lower, less than the percentage of companies that “want to increase.”

In particular, “Meeting room space (private rooms for multiple people, remote meeting rooms for one person)” gained the highest percentage of “Want to increase” (35.0%), indicating the strong sense of urgency regarding the lack of meeting rooms, which also ranked high in the issues of the main office (Figure 37).

In addition, the percentage of “Want to increase” was more than 20% for “Work desk space (e.g., fixed desks, hot desking)” (23.5%), “Space for concentrating” (25.1%), and “Open meeting space” (22.5%), indicating demand for a wide variety of spaces.

Figure 38: Future Changes in Each Space



(All respondents (n=1,769))
 *Space for refreshing, cafe, etc.: Space for eating, drinking, or resting that can also be used for work.

“Use of generative AI” “not available but intended for the future” at 17.6% of companies, implying higher availability going forward

Figure 39 shows the percentage of currently available work style initiatives combined with the percentage of initiatives that are not currently available but that companies intend to implement in the future (“Not available but intended for the future”).

For “Use of generative AI,” “Not available but intended for the future” was the highest in percentage (17.6%), implying future growth in availability.

Some initiatives, such as “Paperless documents and books,” which is already available in a majority of companies, and “Flextime program,” which is available in more than 30% of companies, indicate further growth in availability with more than 10% of companies intending to adopt them in the future.

Figure 39: Work Style Initiatives



Work-from-home policy and satellite office availability remained flat

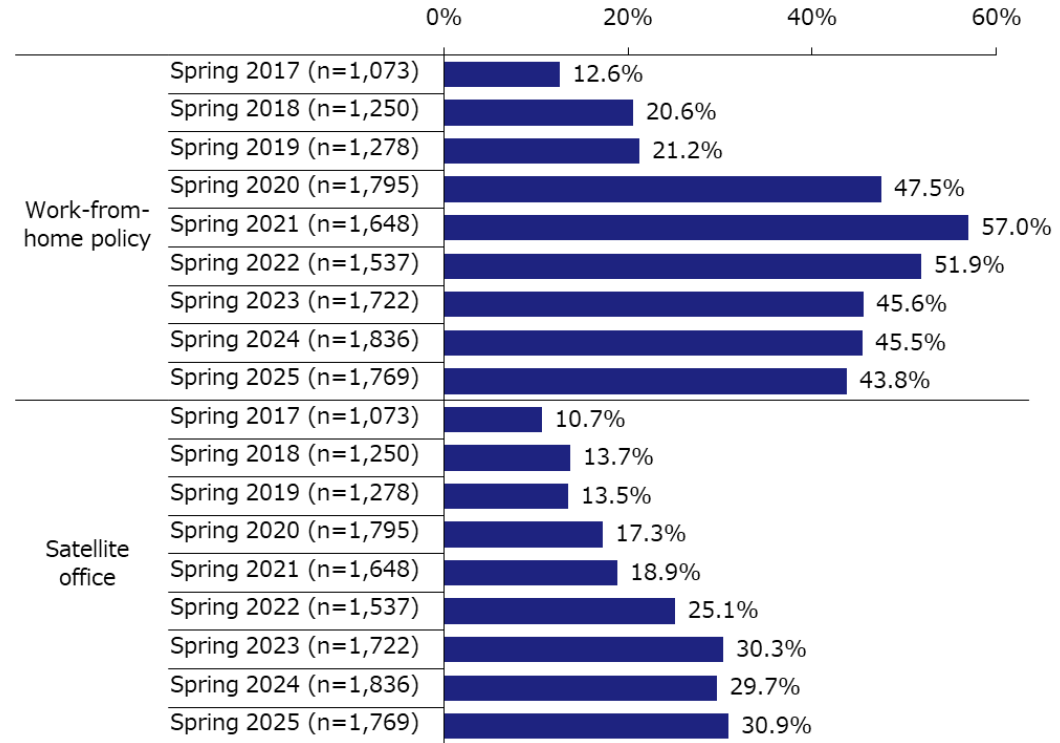
Figure 40 shows the changes in the availability of places and policies for telework over time, namely work-from-home policies and satellite offices.*

*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

This time, the availability of work-from-home policies and satellite offices remained generally flat since the Spring 2023 survey, at 43.8% and 30.9%, respectively.

58.6% of all companies offer either a “Work-from-home policy” and/or a “satellite office” (have a place or policy available for telework).

Figure 40: Availability of Work-from-Home Policy and Satellite Office



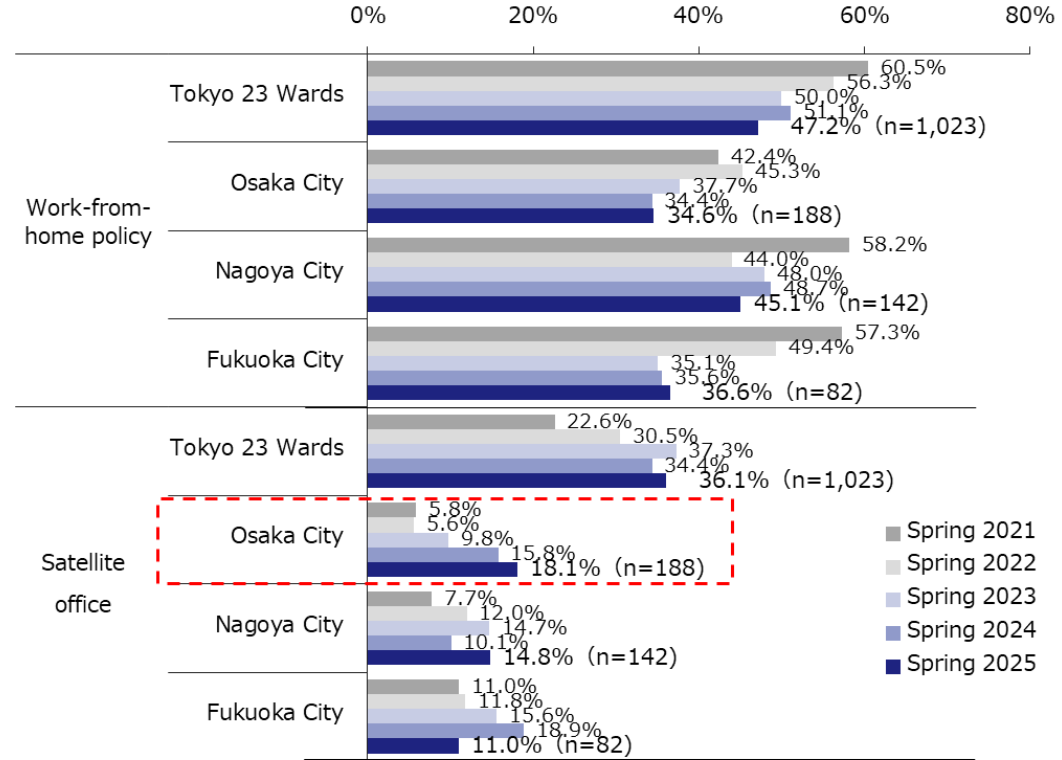
(All respondents; MA; excerpt;reaggregated)

Availability of Satellite Offices on the Rise in Osaka City

Figure 41 shows the changes in the availability of work-from-home policies and satellite offices over time by office location.

In terms of the availability of satellite offices, Tokyo 23 Wards (36.1%) has been flat since the Spring 2023 survey, in line with the overall trend, while the availability in Osaka City has continued to rise since Spring 2023.

Figure 41: Availability of Work-from-Home Policy and Satellite Office – By Office Location



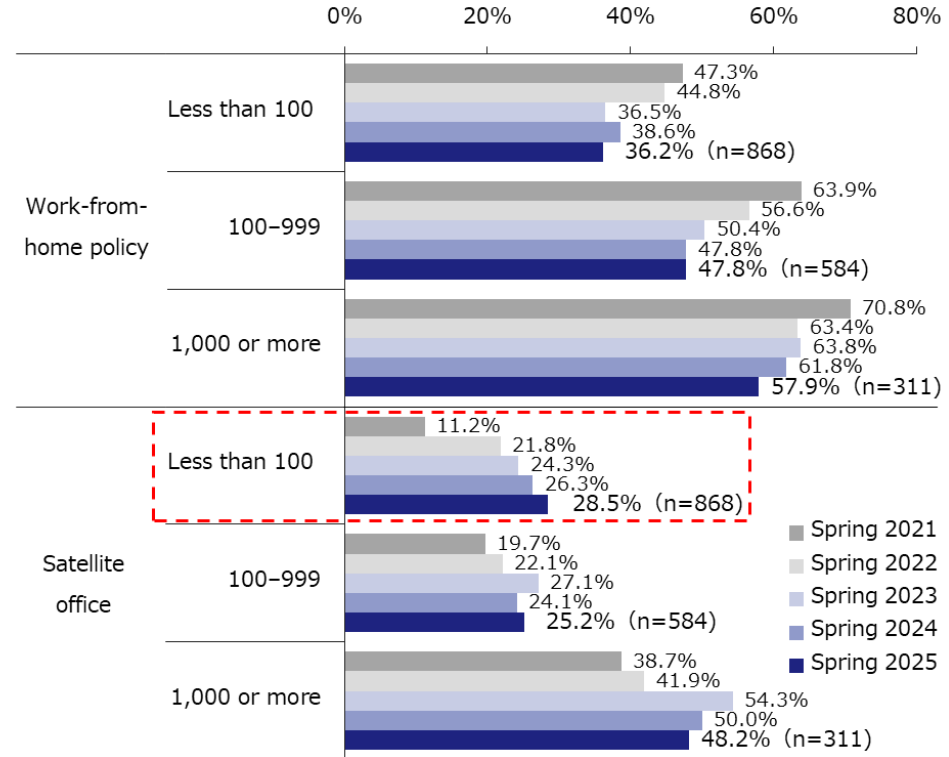
(All respondents; MA; excerpt;reaggregated)

Satellite office availability increasing among small companies every year

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 42).

However, the availability of each initiative has slowed at large companies, while the availability of satellite offices has continued to grow steadily at small companies (with less than 100 employees). The adoption of satellite offices is expanding in small companies, which account for a large proportion of all companies, indicating that the use of satellite offices is expanding.

Figure 42: Availability of Work-from-Home Policy and Satellite Office – By Number of Employees



(All respondents; MA; excerpt; reaggreated)

Satellite office availability increasing in “Scientific research” and “Finance and insurance”

By sector, the availability of satellite offices has changed little over time since the Spring 2023 survey in the “Services,” “Manufacturing,” “Information and communications,” and “Wholesale and retail trade,” sectors but is on the rise in the “Scientific research, professional and technical services” and “Finance and insurance” sectors (Figure 41).

Figure 43: Availability of Work-from-Home Policy – By Sector

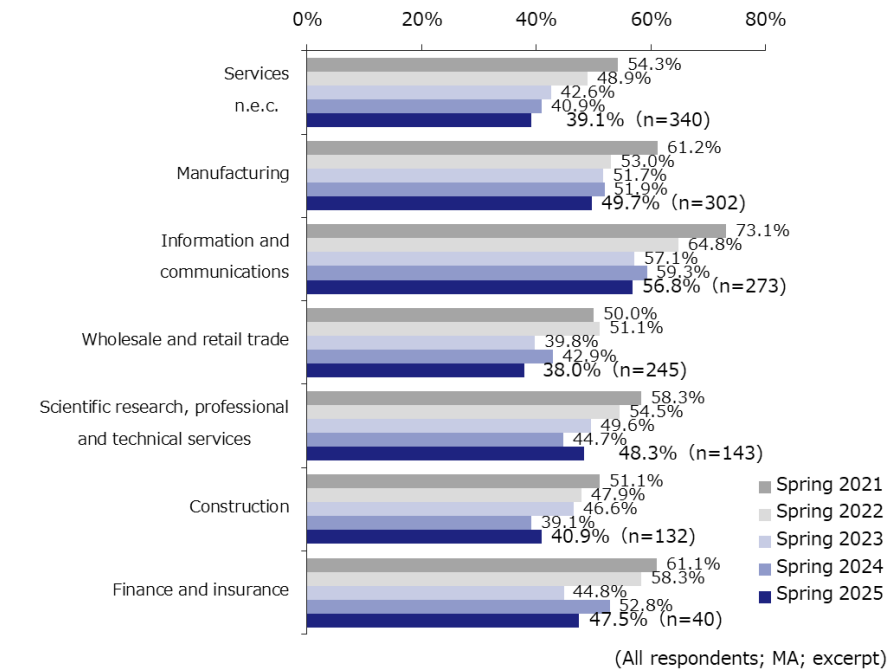
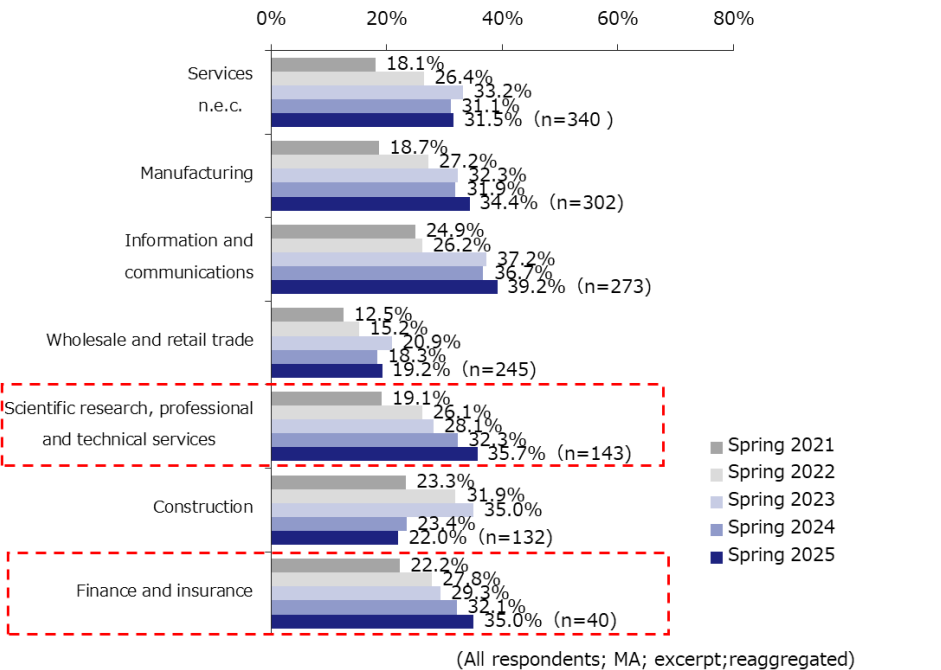


Figure 44: Availability of Satellite Office – By Sector

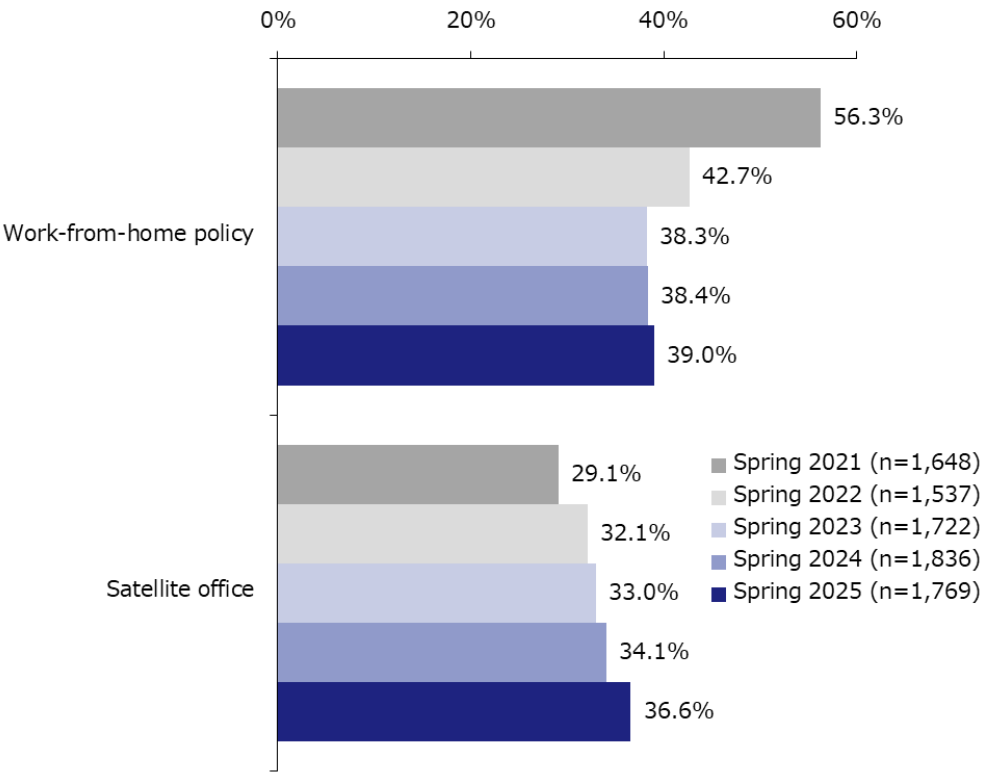


Intentions to adopt satellite offices exceed actual adoption and are increasing year by year

Figure 45 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.

In terms of changes over time, work-from-home policies have remained flat since the Spring 2023 survey, and satellite offices have continued to increase gradually. The adoption of satellite offices is expected to expand further, as the percentage of intentions to adopt such offices in this survey (36.6%) exceeded the current availability rate (30.9%).

Figure 45: Initiatives on Telework Places or Policies Companies Want to Implement in the Future



(All respondents; MA; excerpt;reaggregated)

27.3% of companies “already using” “telework-support workplace”

With the advancement of telework, workplaces other than the office are diversifying.

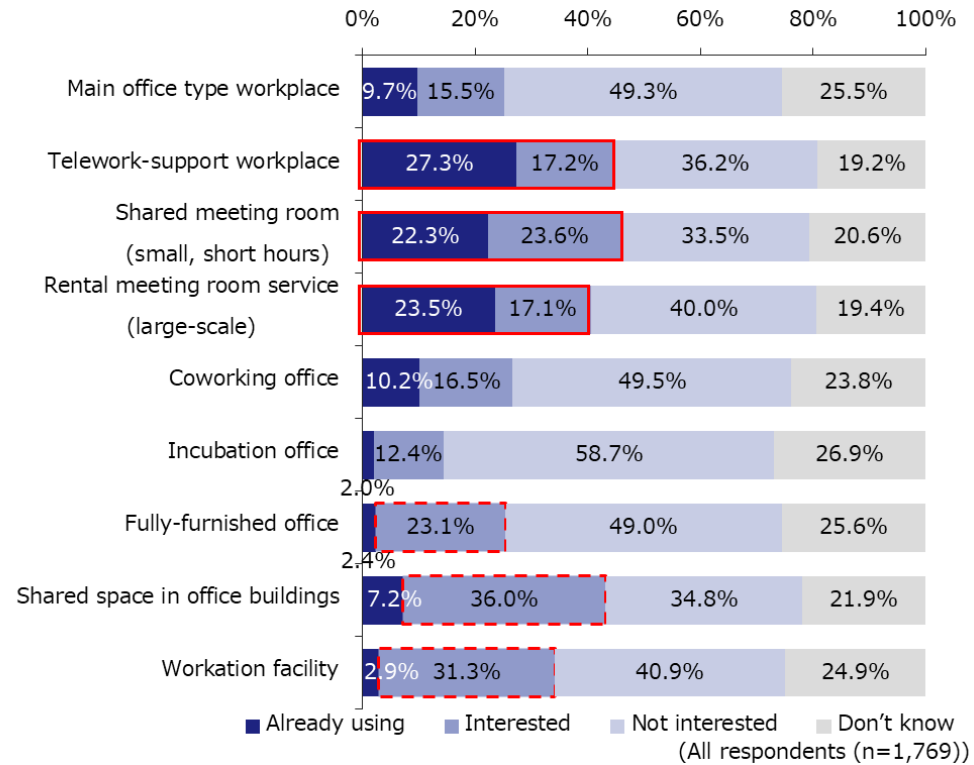
We asked respondents to indicate their level of interest in using the nine types of flexible offices* as their place of work (Figure 46). The details of each type are shown on the following pages.

*A style of workplace provided by an operator mainly to companies and self-employed individuals under various forms of contract, including service contracts and fixed term building lease contracts, in addition to a typical office lease contract

The results indicate that “Telework-support workplace,” “Shared meeting room (small, short hours),” and “Rental meeting room service (large-scale)” are more prevalent than other services, with more than 20% of respondents saying they were “already using” each of the services. The highest sum of “Already using” and “Interested” was for “Shared meeting room (small, short hours)” (45.9% in total).

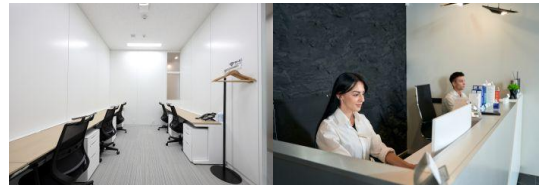
For “Fully-furnished office,” “Shared space in office buildings,” and “Workation facility,” although the percentages of companies that are “already using” them are low, there are a certain number of companies that are “interested,” indicating that future adoption is expected.

Figure 46: Level of Interest in Using the Nine Types of Flexible Offices



Nine types of flexible offices (details)

Main office type workplace (Rental offices, serviced offices)



- Used as the main office of small companies. In some cases, dedicated sections are used by departments and project teams as their bases.
- The contract period and area can be changed flexibly according to the growth of the company or the progress of the project.
- In many cases, manned reception, office services, and common spaces are provided.

Rental meeting room service (Large-scale)



- Allows for the use of large spaces during training and events.
- Offers extensive services, including catering, supplies rental, and accommodation arrangements.

Telework-support workplace (Shared satellite offices, BOX type, etc.)



- Can be used near the home or on the go as a teleworking location for employees to do their daily work (reduced travel time).
- Equipped with a work environment, such as facilities that facilitate intensive work and online meetings, as well as multifunction printers.
- Locations can be selected according to the plans of the day and can be used in units of minutes and days.

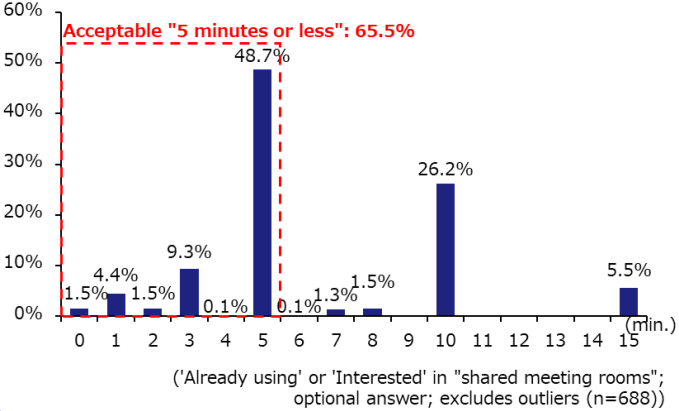
Shared meeting room (Small-scale, short hours)



- Can be used only when needed, reducing the number of meeting rooms in the offices of own company (space efficiency).
- Small meeting rooms (for around 4–8 people) suited for daily meetings are available within the building the company occupies or in a nearby office building.

[Reference] Acceptable walking time to shared meeting rooms

When we asked companies that said they were “already using” or “interested” in shared meeting rooms (Figure 46) about the acceptable walking time from their office area to the shared meeting room, the majority (65.5%) of the respondents answered, “5 minutes or less.” The average was 6.5 minutes.



Nine types of flexible offices (details)

Coworking office



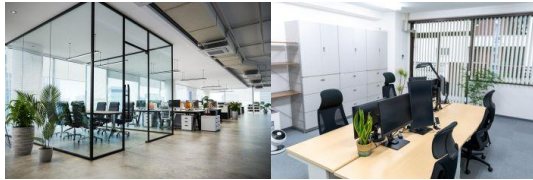
- Used by freelancers, startups, and departments of large companies in charge of new business development for the purpose of exchange and collaboration.
- Easy to create communities that can be used for business through events, support from community managers, and platform apps.

Incubation office



- Dedicated sections are used by startups and new business development departments as their base.
- Companies aim to create new businesses while interacting with other occupants and receiving support from mentors.

Fully-furnished office



- Available with interior work and fixtures in place.
- In addition to the initial costs and the cost and hassle of moving out, the time until users can move in is reduced. This is especially beneficial when the user is planning to move in for a relatively short period of time.

Shared space in office buildings



- Space provided for the tenants of an office building
- In addition to office spaces, such as shared conference rooms and private booths, some services offer spaces that promote relaxation and communication, such as lounges, gyms, cafes, and bars. This eliminates the need for companies to provide these amenities in their exclusive zones.

Workation facility



- Working in a tourist destination rich in nature can be expected to help generate new ideas and have a refreshing effect.
- Can also be used for training and team building.

64.5% of companies use or have interest in flexible offices to address lack of meeting rooms

What kind of measures are companies considering regarding the “lack of meeting rooms” that many companies raised as an issue in Figure 37?

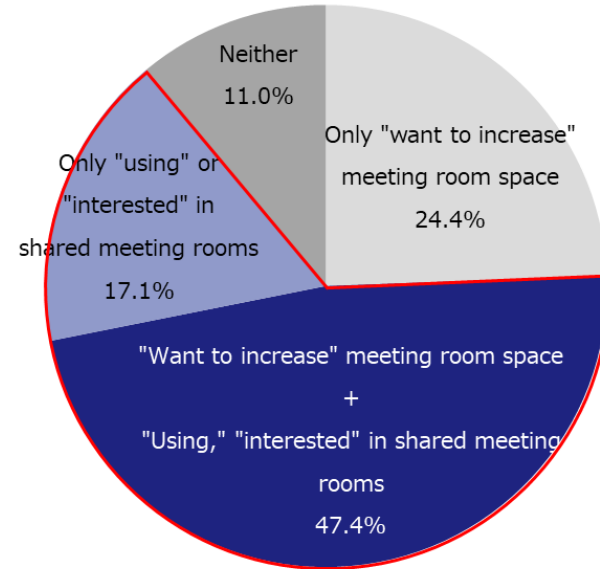
We checked whether companies that answered that they “lack meeting rooms” want to increase the number of “Meeting room space (private rooms for multiple people, remote meeting rooms for one person)” in their main offices (Figure 38) and the level of interest in “Shared meeting rooms (small-scale, short hours),” a type of flexible office (Figure 46).

As a result, 47.4% of companies said they “want to increase” meeting room space in their office, while at the same time, they were “already using” or “interested” in shared meeting rooms, indicating that they are considering measures both inside and outside the office.

Regardless of whether they “want to increase” meeting room space or not, as much as 64.5% of companies are at least “already using” or “interested” in shared meeting rooms, indicating that the effectiveness of using flexible offices is becoming widely recognized.

To address the shortage of meeting rooms, it will be important to develop a comprehensive workplace strategy that includes not only adjusting the layout of the office but also using flexible offices outside the office. Companies are required to flexibly incorporate various types of flexible offices to suit their own challenges and needs.

Figure 47: Measures Taken by Companies that Lack Meeting Rooms



Sum of "Using" and "Interested" in shared meeting rooms: 64.5%

(Companies that answered "Lack of meeting rooms" in Figure 37 (n=508))

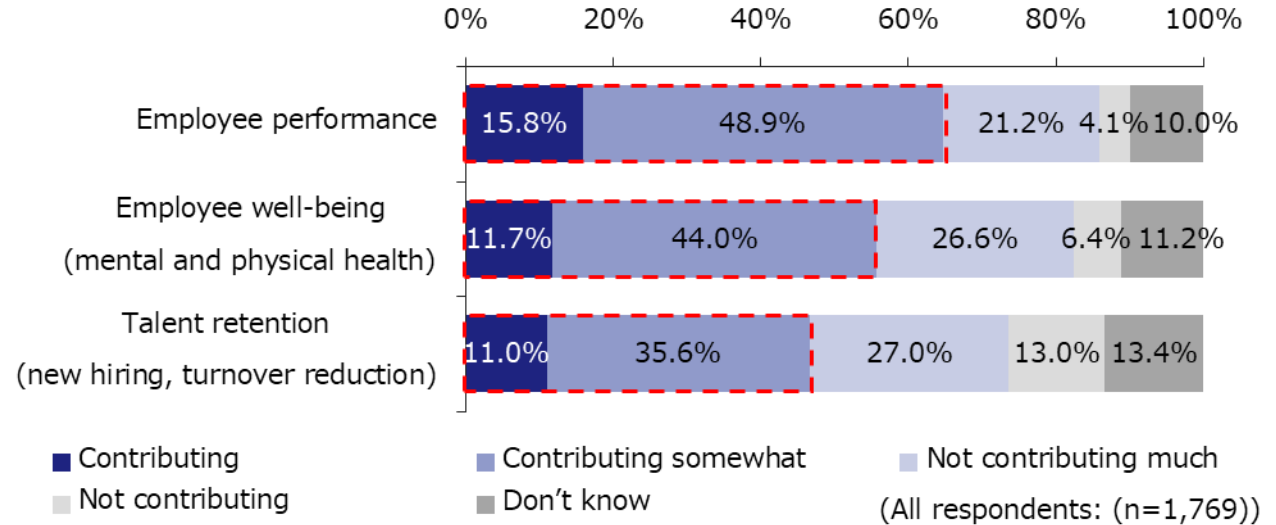
3.3. Workplace strategies, evaluation, and issues

More than 60% say current workplace environment is “contributing (somewhat)” to “employee performance”

We asked companies whether their current workplace environment is contributing to the following three indicators: “Employee performance,” “Employee well-being (mental and physical health),” and “Talent retention (new hires, reduced turnover)” (Figure 48).

The percentage of “Contributing (somewhat)” was more than 60% for “employee performance” and more than 50% for “employee well-being (mental and physical health).”

Figure 48: Level of Contribution to Current Workplace Environment

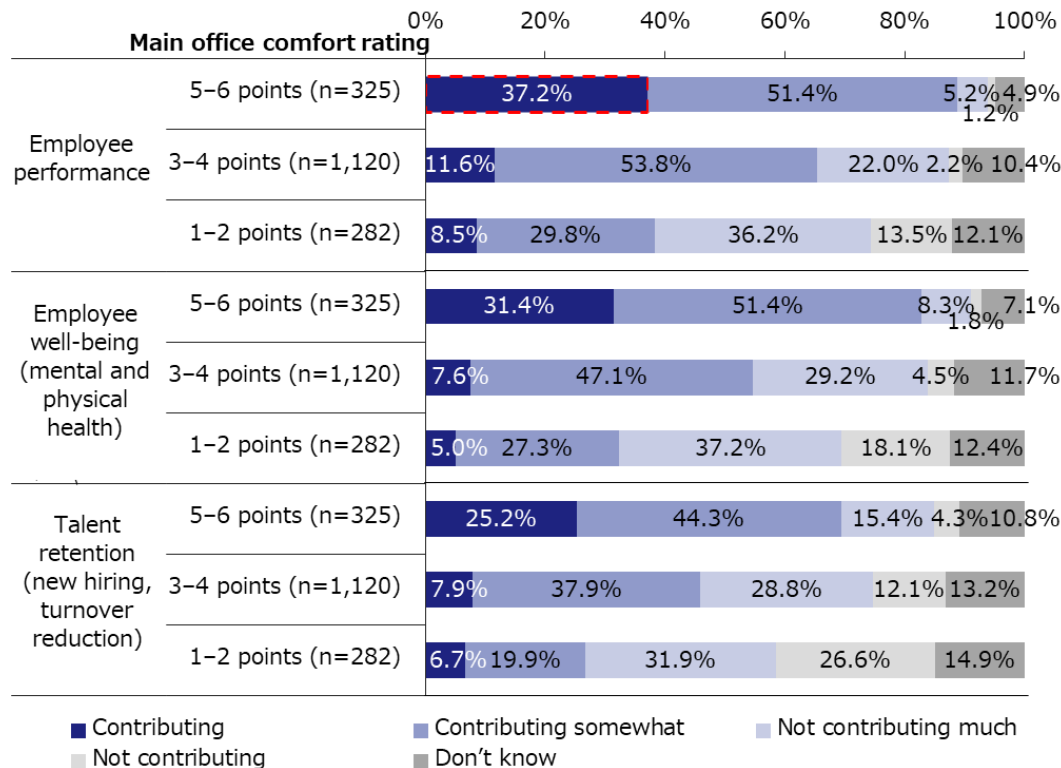


A more comfortable office environment leads to greater employee performance

When we compared the level of achievement in Figure 48 in terms of the comfort rating of the main office (Figure 36), we found that a higher comfort rating tended to correspond with a higher the percentage of “Contributing somewhat” in all three indicators (Figure 49).

In particular, a significant difference was seen in “employee performance,” where nearly 40% of companies with a comfort evaluation of “5–6 points” said office comfort “contributes,” suggesting that the comfort of the main office is closely related to employee performance.

Figure 49: Level of Contribution to Current Workplace Environment – By Comfort Rating of Main Office



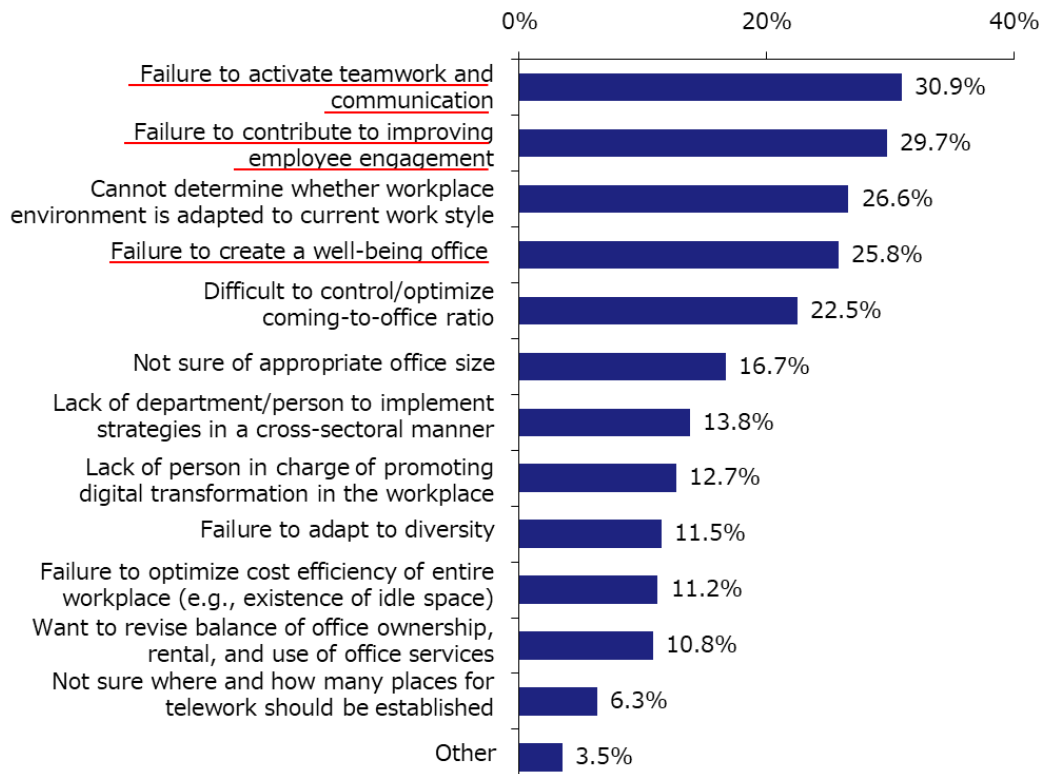
(All respondents; excerpt)

Challenges in achieving “Communication,” “Engagement,” and “Well-being”

In terms of problems and issues related to workplace strategies, the top issues were related to making the workplace more than a workspace, such as “Failure to activate teamwork and communication” (30.9%), “Failure to contribute to improving employee engagement” (29.7%), and “Failure to create a well-being office” (25.8%) (Figure 50). As the elements required of the office diversify (Figure 34), we can see that companies are struggling to build workplace strategies.

The results also indicate that a certain number of companies cite responding to changes in work styles after the COVID pandemic as an issue, such as “Cannot determine whether workplace environment is adapted to current work style” (26.6%), “Difficult to control/optimize coming-to-office ratio” (22.5%), and “Not sure of appropriate office size” (16.7%).

Figure 50: Issues Related to Workplace Strategies



(Excluding companies that replied "None in particular" (n=1,033)/ MA)