

Office Space per Person 2019

Office space per person was 3.71 tsubo

October 2, 2019

Xymax Real Estate Institute (Xymax REI) has been conducting a survey of office building tenants on a continuous basis to understand how the companies are using offices. This report focuses on the leased space per user at the companies occupying typical office buildings (hereinafter called "office space per person").

Survey Results

- Office space per person in the Tokyo 23 Wards was 3.71 tsubo in 2019.
- The office space per person for new tenants was 3.34 tsubo, which was smaller than 3.76 tsubo for existing tenants.

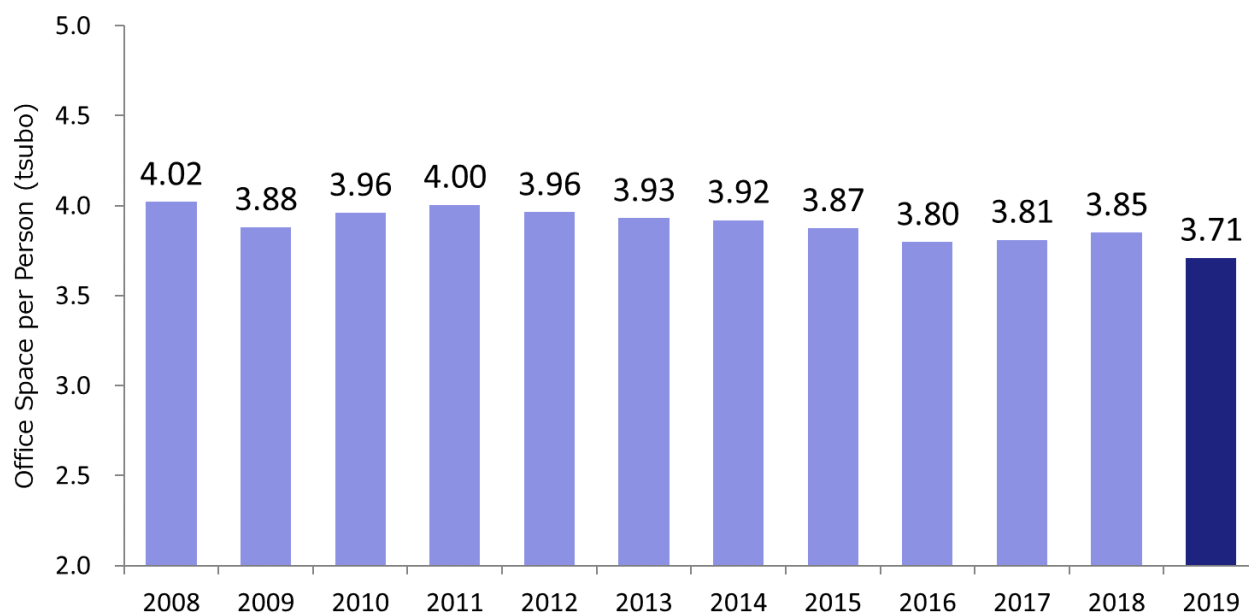
(1 tsubo = approx. 3.3 sqm.)

1. Trend of Office Space per Person

We aggregated the data of tenants' leased office space size and the number of users as of April 2019 and calculated the office space per person. The median figure was 3.71 tsubo.

Figure 1 shows the trend of office space per person from 2008 to 2019. Although the figure had been decreasing since 2011, it increased from 2016 to 2018. However, this year, it dropped significantly to 3.71 tsubo, which is the smallest figure since we started this survey.

Figure 1: Office Space per Person in Tokyo 23 Wards (2008-2019)



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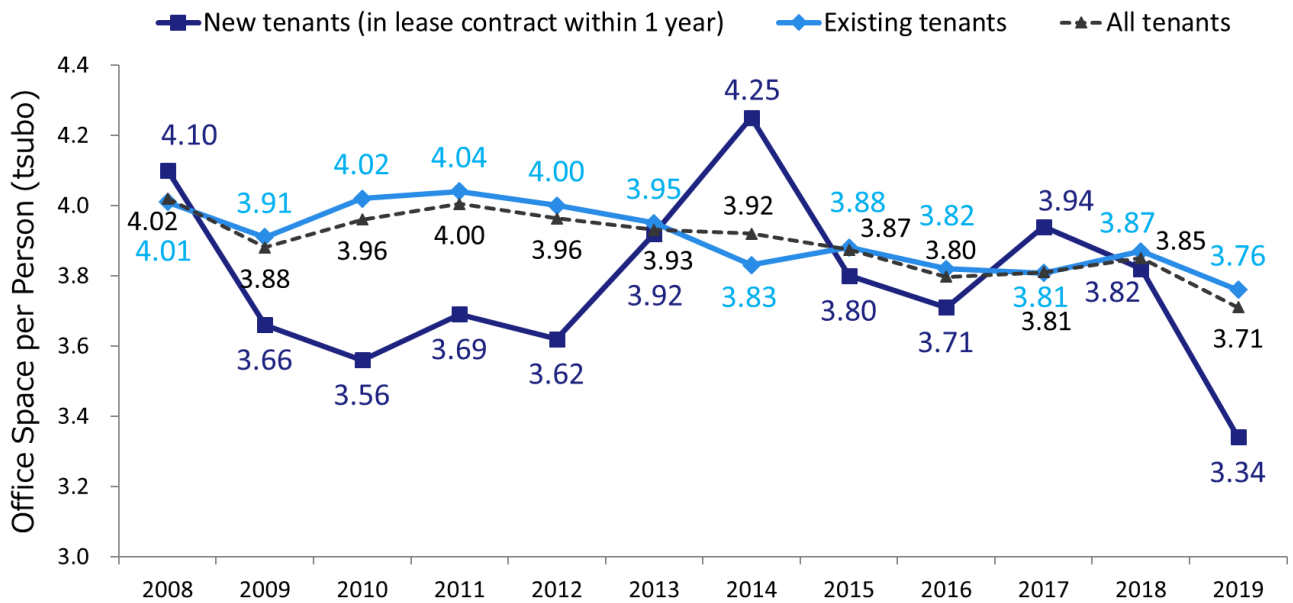
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2. Discussion

Figure 2 compares the office space per person of new tenants and that of existing tenants. Here, “new tenants” are those who were in their lease contract within a year at the time of the survey. They accounted for approximately 10% of all tenants.

Figure 2: Office Space per Person of New Tenants and Existing Tenants (2008-2019)



The office space per person of new tenants decreased to 3.66 tsubo in 2009 after many companies relocated to smaller offices following the economic slowdown caused by the financial crisis of 2008. In contrast, the office space per person of existing tenants increased to 4-tsubo level in 2010 as many of the companies reduced their workforce. The gap between the new tenants and the existing tenants was large.

In 2013, the office space per person of new tenants started to expand and peaked at a spacious 4.25 tsubo in 2014. We believe that this expansion was led by the companies trying to secure larger office space in preparation for future business expansion and increase of workforce on the back of economic recovery and the large supply of offices in 2012.

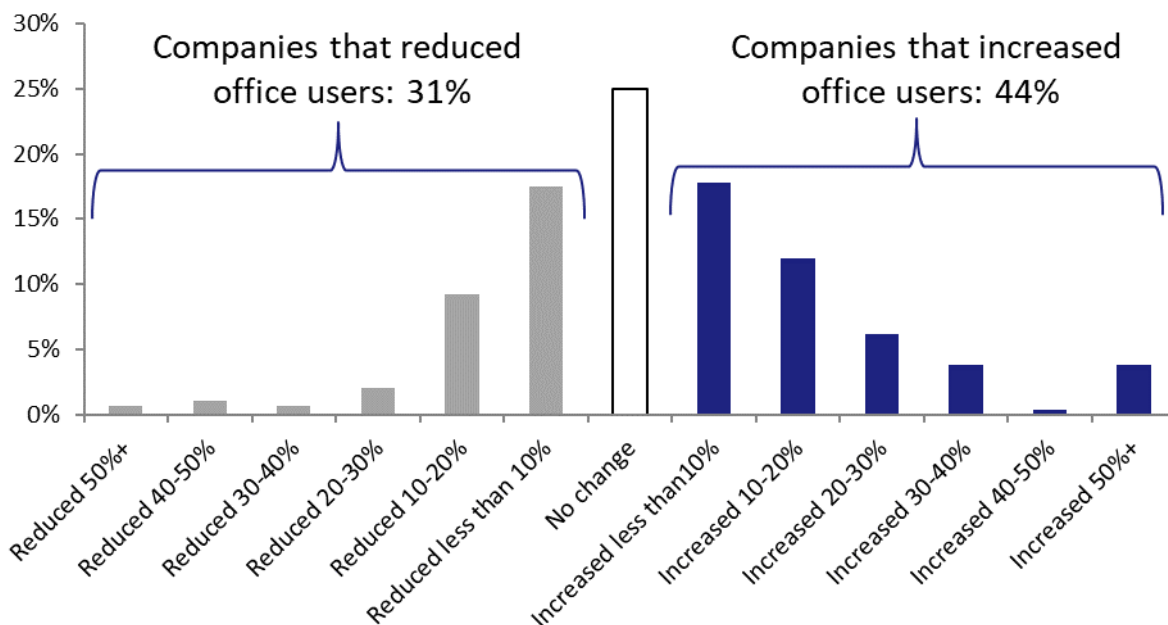
From 2015 to 2016, the office space per person of new tenants was smaller than that of existing tenants due to declines in the vacancy rate and vacant space as well as a rise in cost awareness on the back of higher market rent.

Although the figure for new tenants exceeded that for existing tenants in 2017, it fell below that for existing tenants again in 2018 and dropped substantially this year. We believe that this was caused by the two factors: First, a tight supply-and-demand balance reduced the vacancy rate to less than 1% and limited where to relocate. Second, an increased number of tenants that promote workstyle reforms such as introduction of hot-desking and telework may result in many tenants’ use of smaller office space than before relative to the number of users. As for existing tenants, a decrease in office space per person in this year may be due to difficulties in office expansion within the same building or by relocation, which forced the companies to address an increased number of users in the same office space.

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Figure 3 indicates the distribution of changes in the number of office users at the surveyed companies that provided data for two consecutive years (i.e., the tenants that have occupied the same building for two consecutive years), enabling comparison between two years.

Figure 3: Distribution of Changes in Office Users at the Companies (2018-2019)



As was in last year, the percentage of the companies that increased their office users was larger than that of those decreasing their office users. Not a few companies increased their office users by more than 50%. In Xymax REI’s “Metropolitan Areas Office Demand Survey Spring 2019,”* more than 40% companies replied that the number of office users will “increase” in the future, implying that the trend of increasing office users will continue.

* Metropolitan Areas Office Demand Survey Spring 2019, published June 26, 2019.

<https://www.xymax.co.jp/english/research/images/pdf/20190626.pdf>

Survey Overview

Period	2008-2019 (Once a year)
Target	Office tenants occupying space in typical office buildings in the 23 wards of Tokyo
Number of valid data	8,386 tenants (total number over the survey period): 397 in 2008, 790 in 2009, 852 in 2010, 894 in 2011, 909 in 2012, 987 in 2013, 872 in 2014, 637 in 2015, 524 in 2016, 523 in 2017, 518 in 2018, and 483 in 2019.
Calculation method	Median of the figures derived by dividing the tenants' leased space by the number of the users.
Remarks	<ul style="list-style-type: none"> The size of office space is the size specified under the lease contract. This includes the office area as well as the entrance (reception) area, meeting rooms, employees' lounge area, document storage space, other storage space, and corridors within the dedicated area. The number of persons refers to the "number of users" given by the tenants.

Contact for inquiries on this report

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