

Metropolitan Areas Office Demand Survey Autumn 2021

Examining changes in work styles and the workplace caused by the
COVID-19 pandemic

December 22, 2021

In the past several years, companies have been promoting work style reforms aimed at acquiring personnel and improving productivity, with more companies aiming to shift from the conventional, inflexible work style to one that is not constrained by place or time. After nearly two years since the global outbreak of the novel coronavirus (COVID-19), how has companies' ideas toward work styles and the workplace changed?

Since Autumn 2016, Xymax Real Estate Institute (hereinafter, "Xymax REI") has been conducting a semi-annual questionnaire survey on companies' use of offices and work styles to analyze the relationship between office demand on a continuous basis. This report covers the results of the 11th survey.

(1 tsubo = approx. 3.3 sqm)

Main Findings

1. Change in Office Demand (October 2020–September 2021)

- 18.7% of the companies replied that the number of office occupants increased over the past year. Companies that downsized their office outweighed those that expanded for the second consecutive time, with 9.0% of the companies—a record high—downsizing their office space. 9.6% replied that rent per tsubo rose over the past year, the smallest percentage since the start of the survey.
- 27.2% of the companies currently reduced the coming-to-office ratio to less than 40%, while 18.3% had a ratio of 100% (come to the office only). In terms of intentions for after the COVID-19 pandemic, the percentage of companies with a coming-to-office ratio of 100% rises to 23.9%, while the remaining 76.1% of the companies intend to adopt telework, at varying frequencies and degrees.
- The percentage of companies that provided desks for less than 100% of office occupants was 20.3%, more than doubling over 2.5 years since the Spring 2019 survey (8.9%). It seems that more companies are reducing the number of desks as fewer employees are coming to the office due to the spread of telework.

2. Initiatives for Work Styles and the Workplace

- A record 68.5% of companies have introduced some kind of place or policy for telework. In terms of the specific places/policies, "Developing/using a work-from-home policy" was 61.3%, showing significant growth since the outbreak of the COVID-19 pandemic. "Satellite office provided by specialized operator, etc." (19.2%) has also been increasing year after year.
- A majority (61.1%) of the companies replied that the performance of their employees did not change from before the pandemic.
- With regard to reconsidering workplace strategies, the top answer was "Neither have begun reconsidering nor plan to" (34.2%). However, we found that the remaining 65.8% had intentions to reconsider their workplace strategies in the future.
- The top three priority initiatives upon reconsidering workplace strategies were related to the main office, including "Optimize size of main office (incl. relocating)" (43.7%), the top reply.

3. Outlook for after the COVID-19 Pandemic

- In terms of companies' intentions toward their office size for the next 2–3 years, more companies wanted to downsize (15.6%) than expand (12.0%).
- As for initiatives related to the main office companies were interested in, the top replies were assumed a hybrid work style that combines teleworking and coming to the office, such as "Place emphasis on creating a place for communication and on functions for congregating" (33.1%) and "Increase private rooms and booths for remote meetings" (30.1%).
- With regard to the location of HQ functions, 58.0% of the companies replied that they intend to locate them in the city center. While the top reply for the location of non-HQ functions was "Don't know" (41.6%), the second most popular reply was "Enable work from suburb (e.g., satellite office, work-from-home)" (29.8%), indicating that not a few companies had intentions to provide a place for work in the suburbs in addition to offices in the city center.
- The top reason of companies intending to use a satellite office after the pandemic for wanting to use a satellite office was "To compensate for disadvantages of working from home (e.g., difficulty in concentrating, family nearby, house too small)" (65.3%). The most popular type of satellite office companies wanted to use was a type where private rooms and booths for focused work are shared with other companies (61.0%).

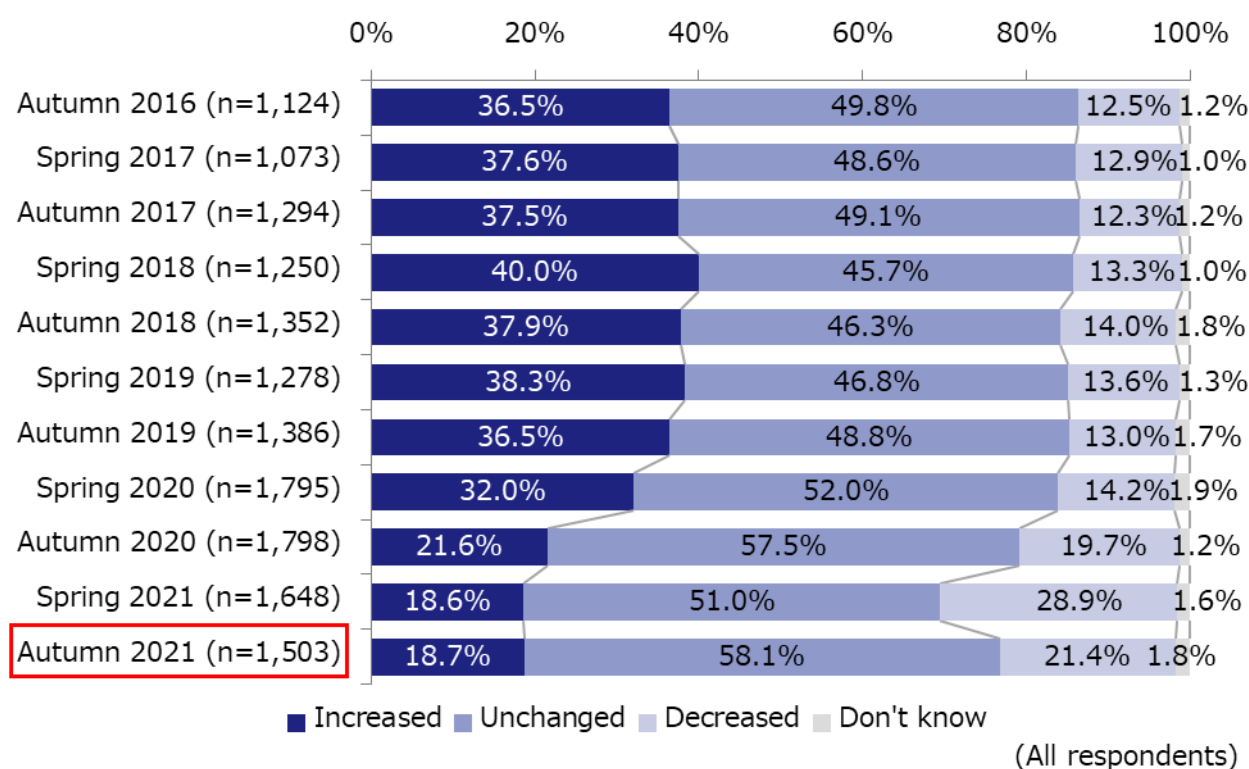
1. Change in Office Demand (October 2020–September 2021)

1.1. Changes in number of office occupants, size, and rent per tsubo (incl. CAM charges)

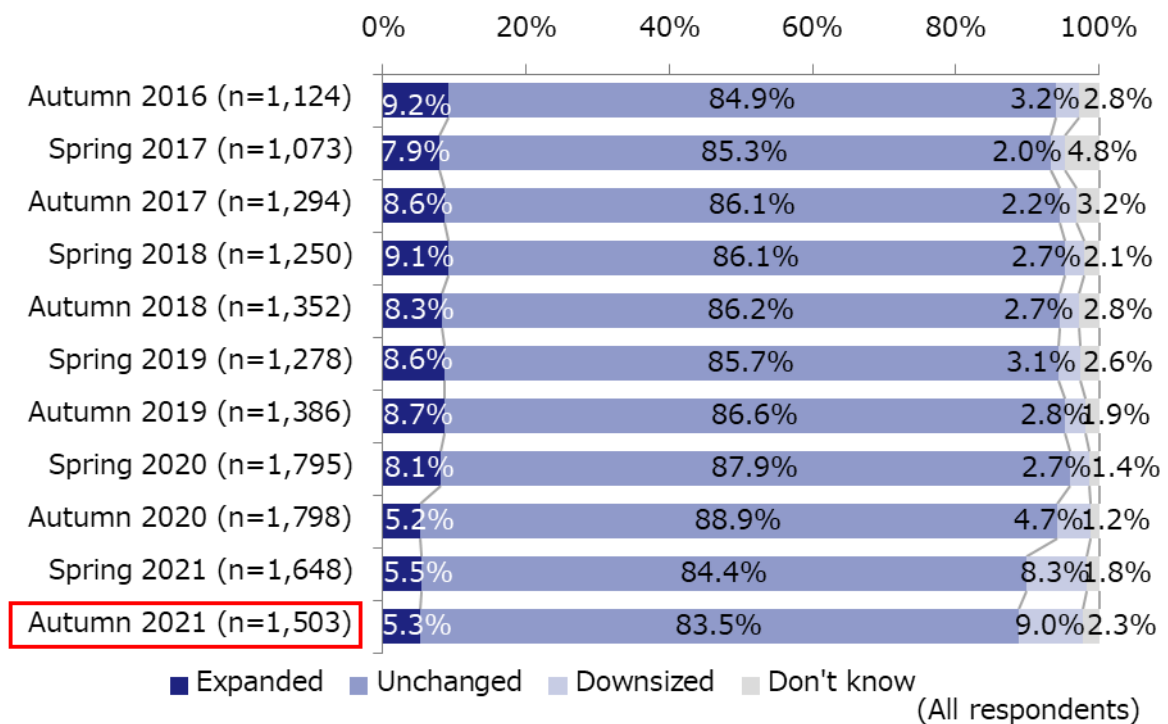
The changes in the number of office occupants (i.e., the number of people who belong to the office, regardless of whether they come to the office or not), office size, and rent per tsubo (including CAM charges; the same applies hereinafter) over the past year (October 2020–September 2021) were as shown in **Figures 1, 2, and 6**. The trend of the results indicates that the tide in office demand has changed with the outbreak of the COVID-19 pandemic.

First of all, in terms of the change in the number of office occupants, 18.7% of the companies replied that the number “increased,” while 21.4% replied it “decreased” (**Figure 1, bottom bar**). The percentage of “Decreased” has been rising since the Autumn 2020 survey, but this may include companies that saw a drop in the number of workers coming to the office due to telework, not in the number of office occupants.

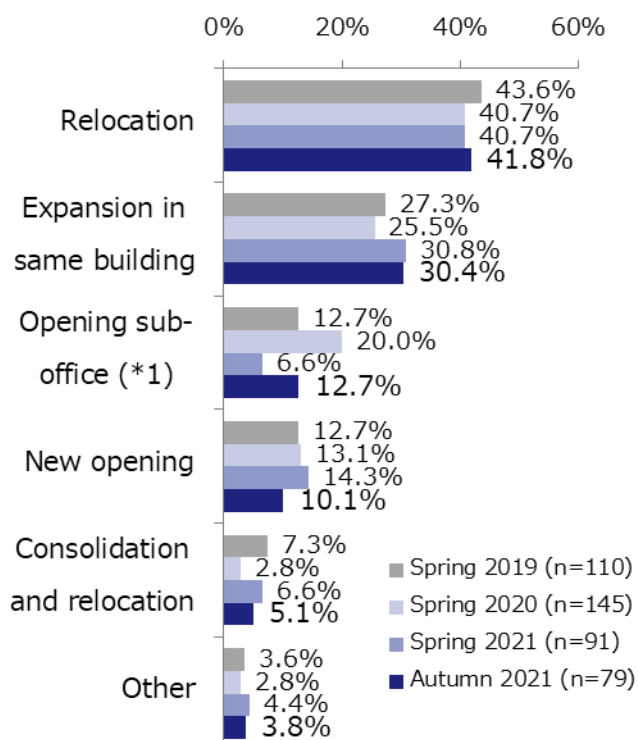
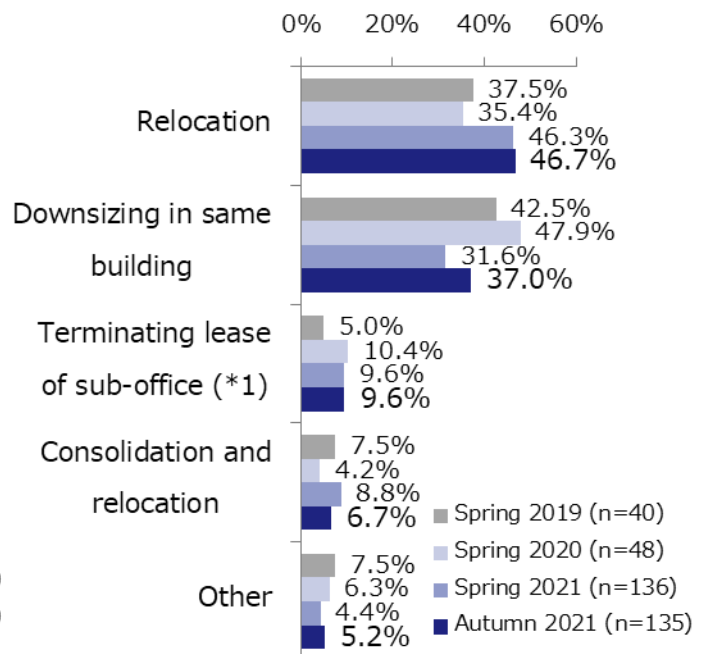
Figure 1: Change in Number of Office Occupants



As for office size, 5.3% of the companies (roughly unchanged from Spring 2021) replied that they expanded their office space, while a record high of 9.0% replied that they downsized, representing the second consecutive time the number of companies that downsized exceeded the number of those that expanded (**Figure 2, bottom bar**).

Figure 2: Change in Office Size

The most popular form of office expansion was "Relocation" (41.8%), followed by "Expansion in same building" (30.4%) (**Figure 3**). In downsizing, "Relocation" was 46.7% and "Downsizing in same building" 37.0% (**Figure 4**).

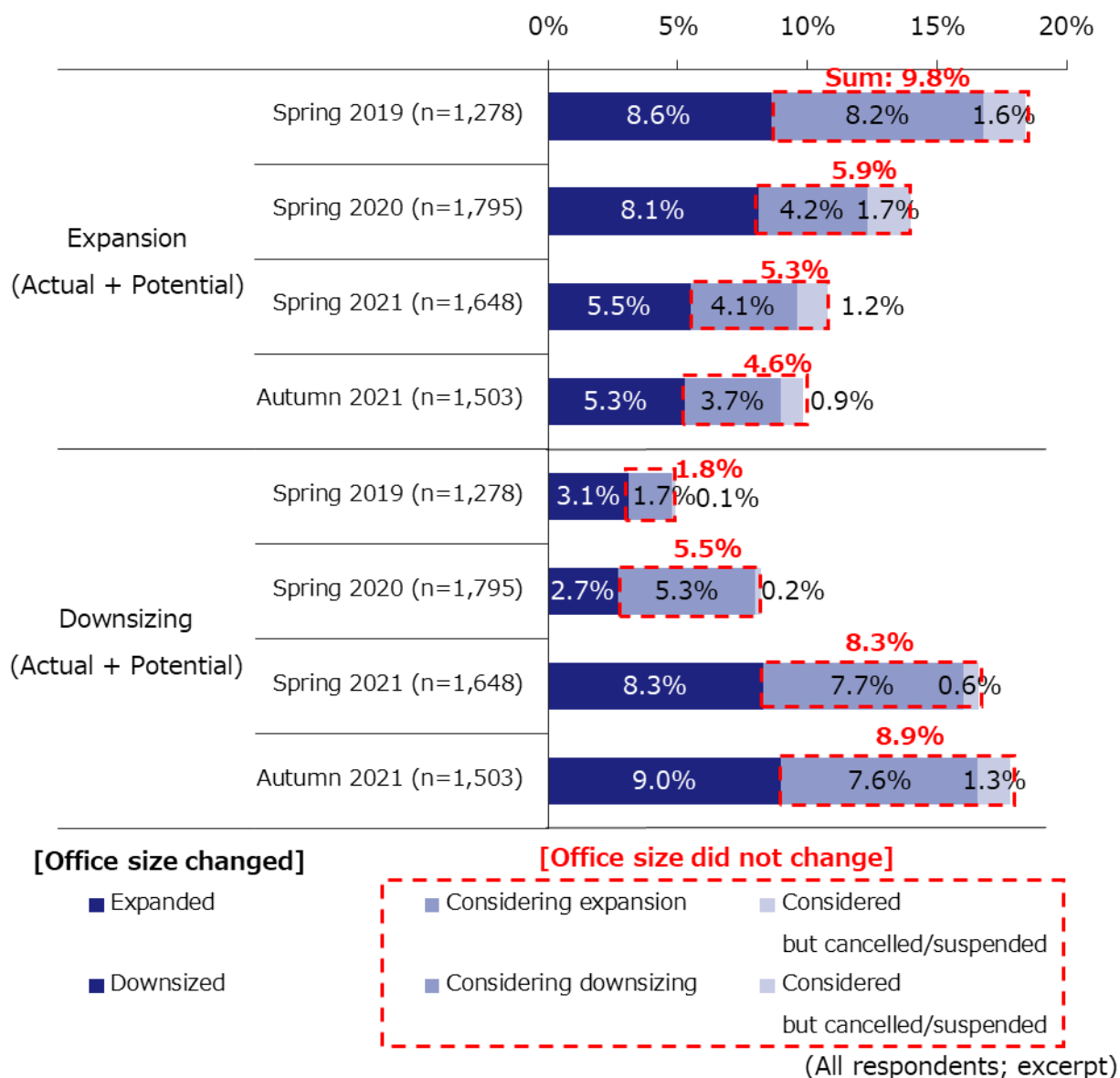
Figure 3: Style of Office Expansion**Figure 4: Style of Office Downsizing**

(Figure 3: Companies that expanded; MA)
(Figure 4: Companies that downsized; MA)

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

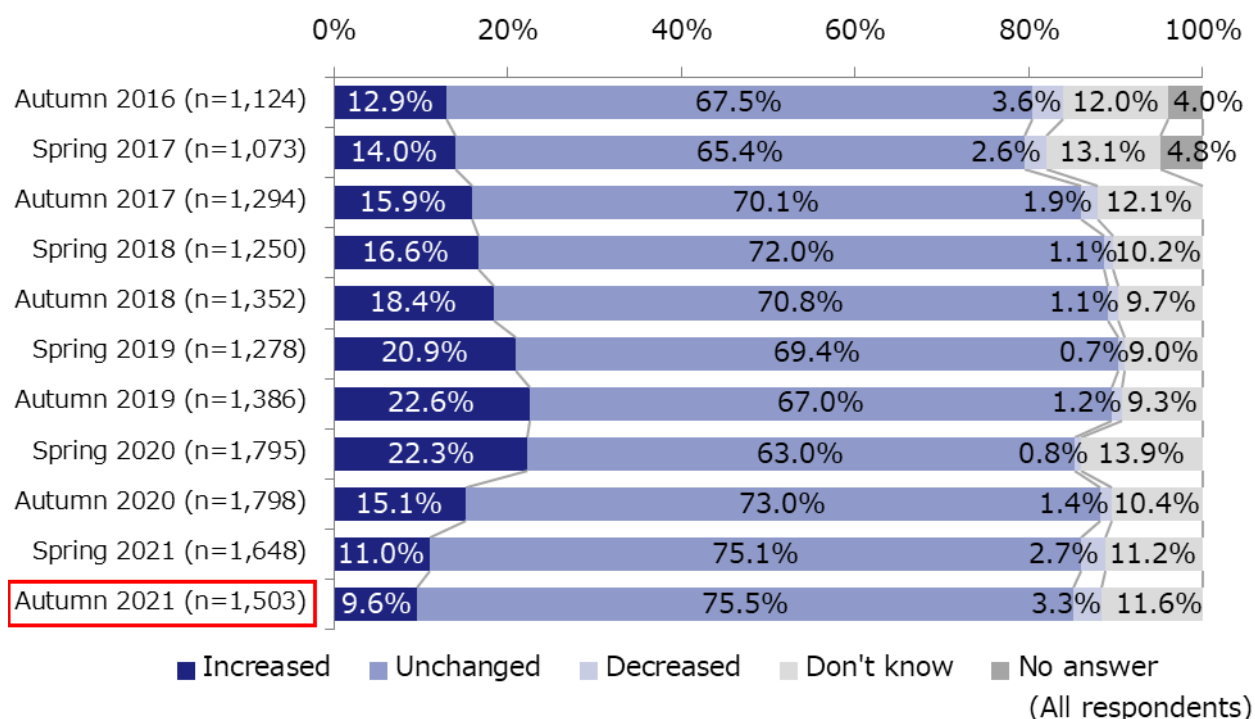
Of the companies that replied their office size did not change over the past year, the combined percentage of those that were considering expanding and those that had considered expanding but cancelled or suspended was 5.5%. The percentage of "Expansion (Actual + Potential)" has been declining since Spring 2019 (**Figure 5**). Meanwhile, the combined percentage of companies that were considering downsizing and those that had considered downsizing but cancelled or suspended was 10.6%, with the percentage of "Downsizing (Actual + Potential)" rising since Spring 2019. The office downsizing trend is likely to continue, since companies with the potential to downsize have been increasing.

Figure 5: Change in Office Size over Past Year (Actual + Potential)



9.6% of the companies saw an increase in rent per tsubo, outweighing those that saw a decrease (3.3%). However, the difference in the percentages is smaller compared to around 2019 (**Figure 6, bottom bar**). Yet, there has been no significant change in the percentage of companies that experienced a drop in rent per tsubo since the outbreak of the pandemic, which leads us to believe that companies have not been relocating for the purpose of reducing rent as they did after the 2008 financial crisis.

Figure 6: Change in Rent per Tsubo



1.2. Changes in coming-to-office ratio and percentage of desks

We asked the companies their current average percentage of employees coming to the office (Actual) and the percentage of employees coming to the office after the pandemic (Intention), with 100% being all employees coming to the office (**Figure 7**). As for "Actual," 18.3% of the companies replied "100% (Come to office only)," while 27.2% kept the ratio at "less than 40%" (coming-to-office ratio of 40%: all employees coming to the office two days per week on average). The average value was 63.8%.² As for intentions for after the pandemic, "100% (Come to office only)" rose to 23.9%, although we can assume that the remaining 76.1% intend to continue to adopt telework even when the end of the pandemic is in sight, albeit at varying frequencies and degrees. The average was 68.1%.

² The average value is based on the median percentage of each choice (5% for "1%–9%," 14.5% for "10%–19%," 24.5% for "20%–29%," and so on). The same applies hereinafter.

Figure 7: Coming-to-Office Ratio (Actual and Intention)

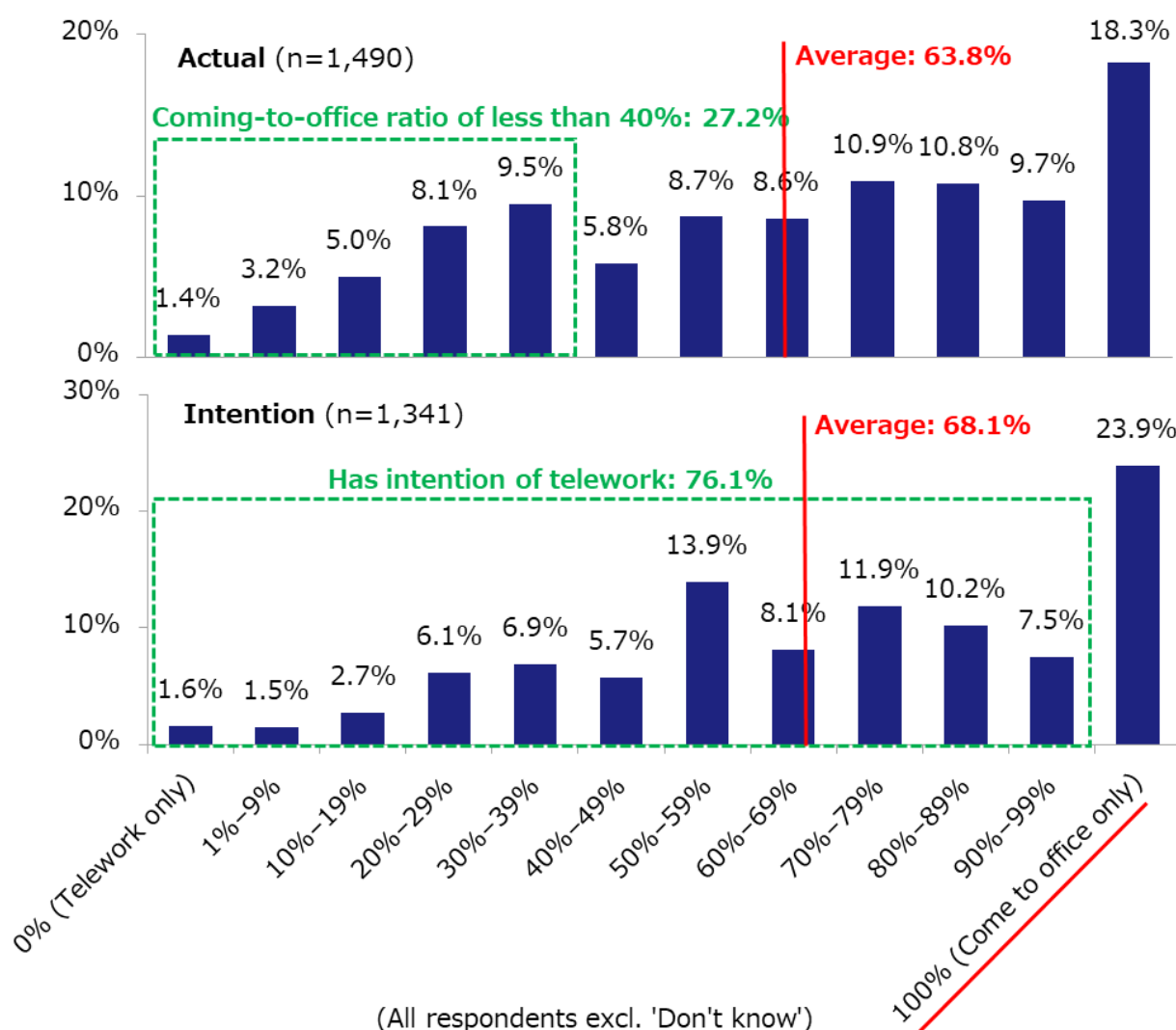
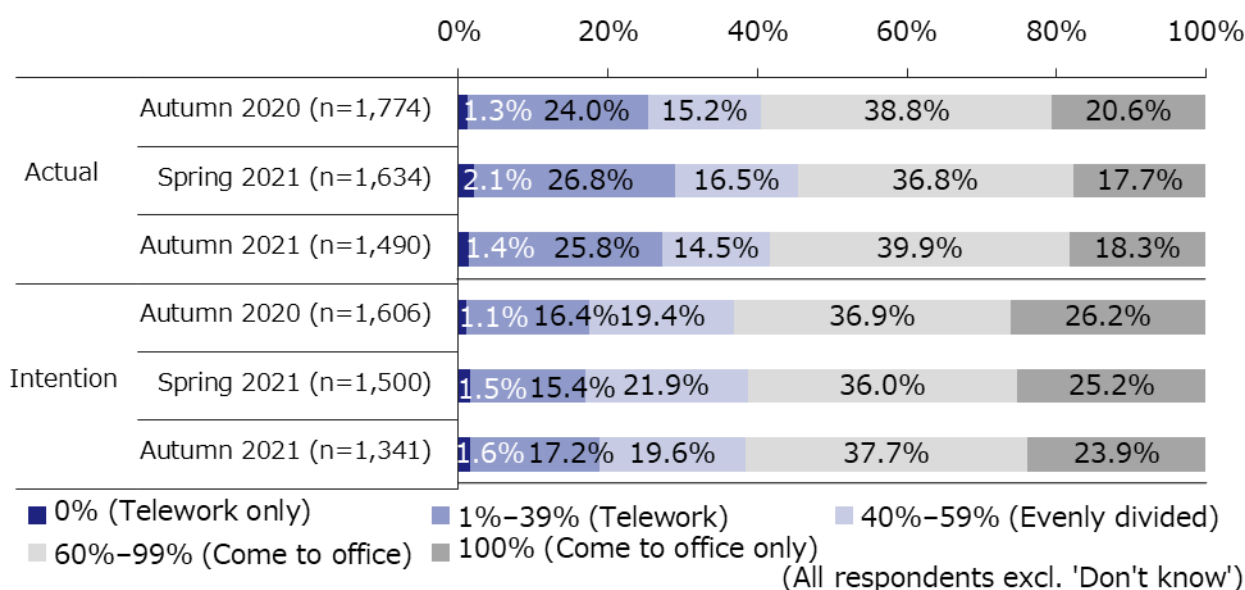
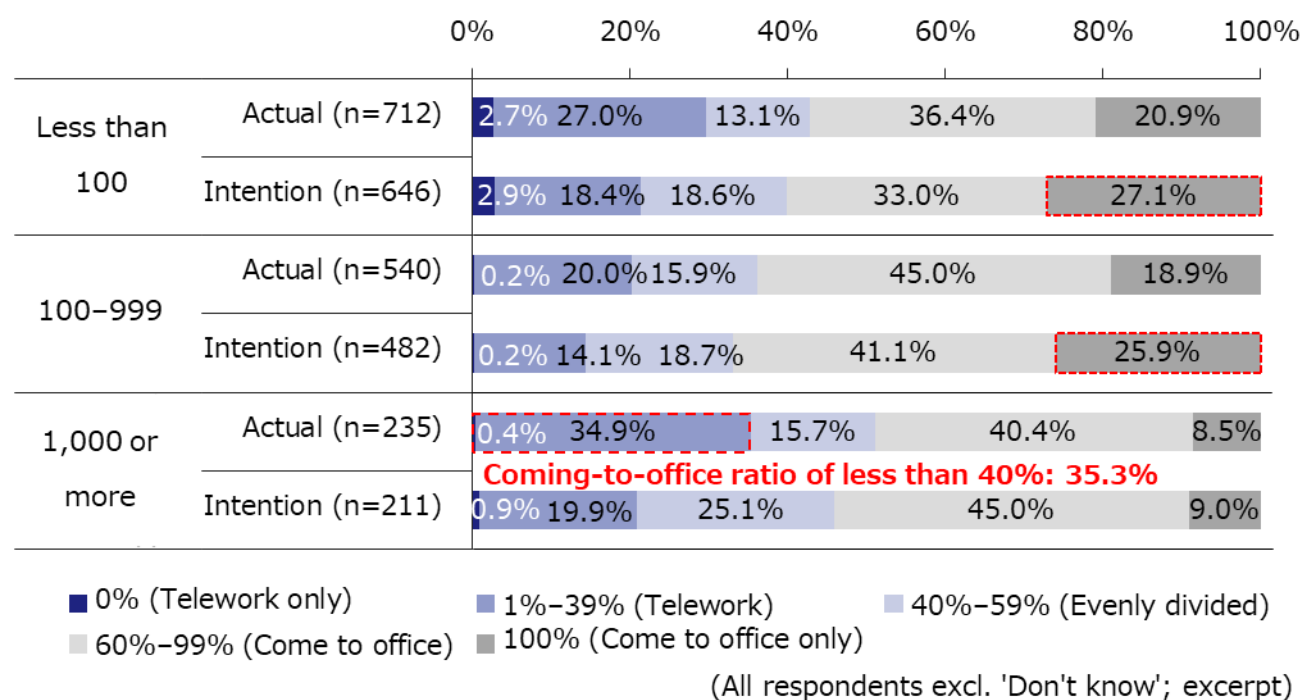


Figure 8 compares the coming-to-office ratio of **Figure 7** with the previous two surveys by sorting the companies into the following five groups: "0% (Telework only)," "1%–39% (Telework)," "40%–59% (Evenly divided)," "60%–99% (Come to office)," and "100% (Come to office only)." The trend was roughly unchanged from Autumn 2020 and Spring 2021 for both "Actual" and "Intention," indicating that companies have been able to carry out their activities while keeping the coming-to-office ratio low amid the prolonged pandemic.

Figure 8: Coming-to-Office Ratio (Actual and Intention; Comparison with Previous Surveys)

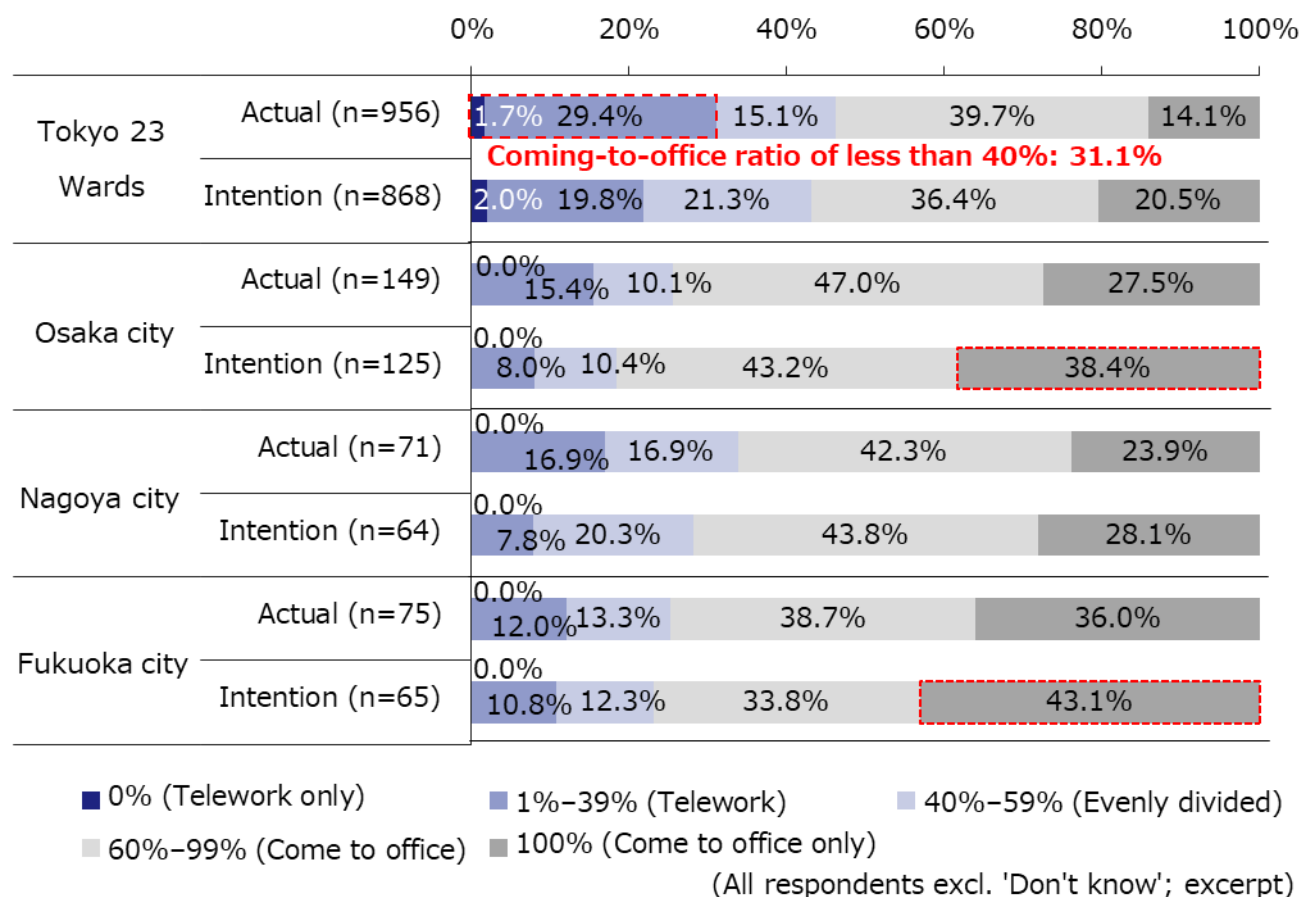
Figures 9, 10, and 11 examine the characteristics of the five groups of companies by company attribute.

By number of employees, large companies with 1,000 employees or more had a small percentage of “100% (Come to office only)” both in Actual and Intention, while as much as 35.3% kept the Actual coming-to-office ratio at “less than 40%” (the sum of “0% (Telework only)” and “1%-39% (Telework)”), suggesting the proliferation of telework (**Figure 9**). Meanwhile, we also found that companies with an intention of returning to “100% (Come to office only)” accounted for nearly 30% of companies with less than 100 employees and of those with 100–999 employees after the end of the pandemic.

Figure 9: Coming-to-Office Ratio (Actual and Intention) – By Number of Employees

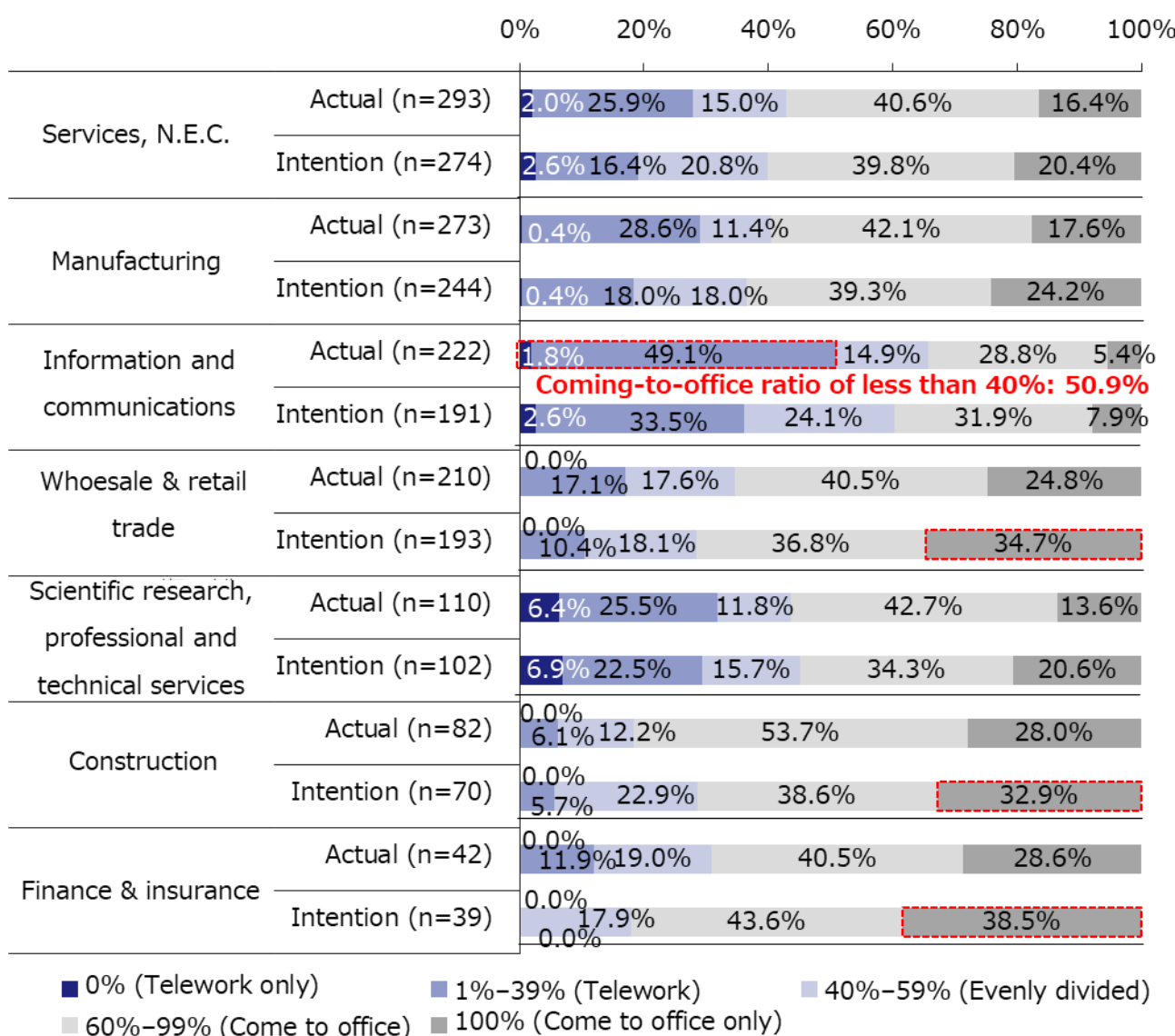
By office location, the Actual percentage of "100% (Come to office only)" was only 14.1% in the Tokyo 23 Wards, while companies that kept the ratio at "less than 40%" accounted for 31.1% of total, indicating that telework is being promoted more than other locations (**Figure 10**). On the other hand, we found that around 40% of the companies in Osaka city and Fukuoka city had intentions to restore the coming-to-office ratio to "100% (Come to office only)" after the end of the pandemic.

Figure 10: Coming-to-Office Ratio (Actual and Intention) – By Office Location



By sector, we found that “100% (Come to office only)” was popular in the wholesale and retail trade, construction, and finance and insurance sectors for both Actual and Intention, with nearly 30–40% of the companies intending to return to 100% after the pandemic (**Figure 11**). On the other hand, in the information and communications sector, the percentage of companies that currently kept the coming-to-office ratio at “less than 40%” was the largest among all sectors at 50.9%, while the percentage of “100% (Come to office only)” was only 5.4%. This suggests that telework has especially proliferated in this sector.

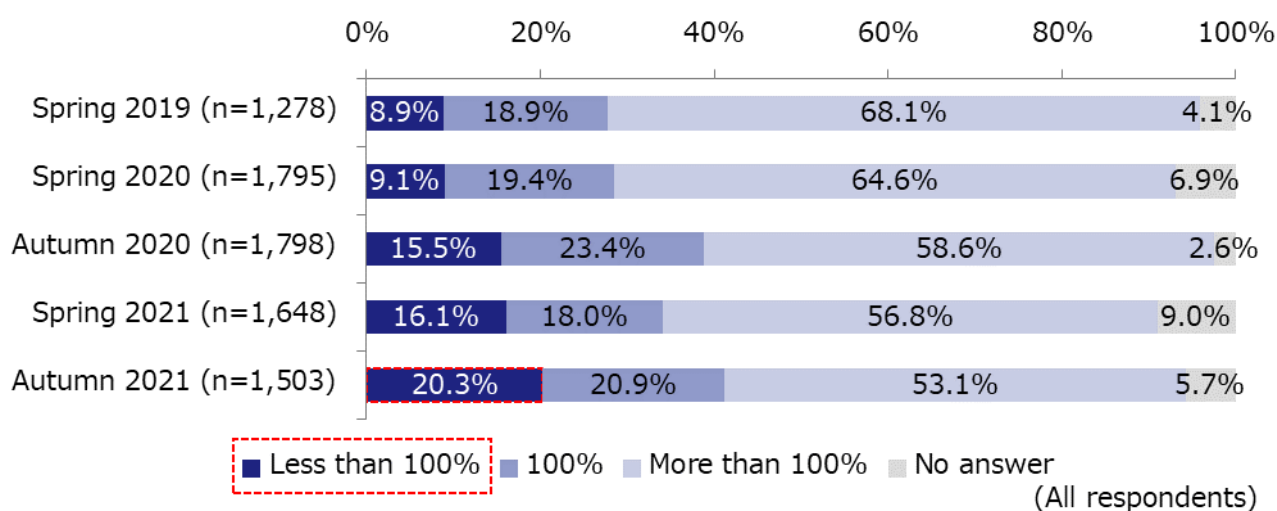
Figure 11: Coming-to-Office Ratio (Actual and Intention) – By Sector



For **Figure 12**, we calculated the percentage of desks companies provided for their office occupants based on the numbers of office occupants and desks, sorted the results into "Less than 100%," "100%," and "More than 100%," and compared the results with previous surveys.

Although the largest percentage of companies (53.1%) have provided desks for "More than 100%" of their office occupants, the percentage has been declining since the Spring 2019 survey. Instead, the percentage of "Less than 100%" more than doubled over 2.5 years since Spring 2019 (8.9%) to 20.3%. This suggests that more companies are reducing their number of desks as fewer employees come to the office due to the spread of telework.

Figure 12: Percentage of Desks to Office Occupants

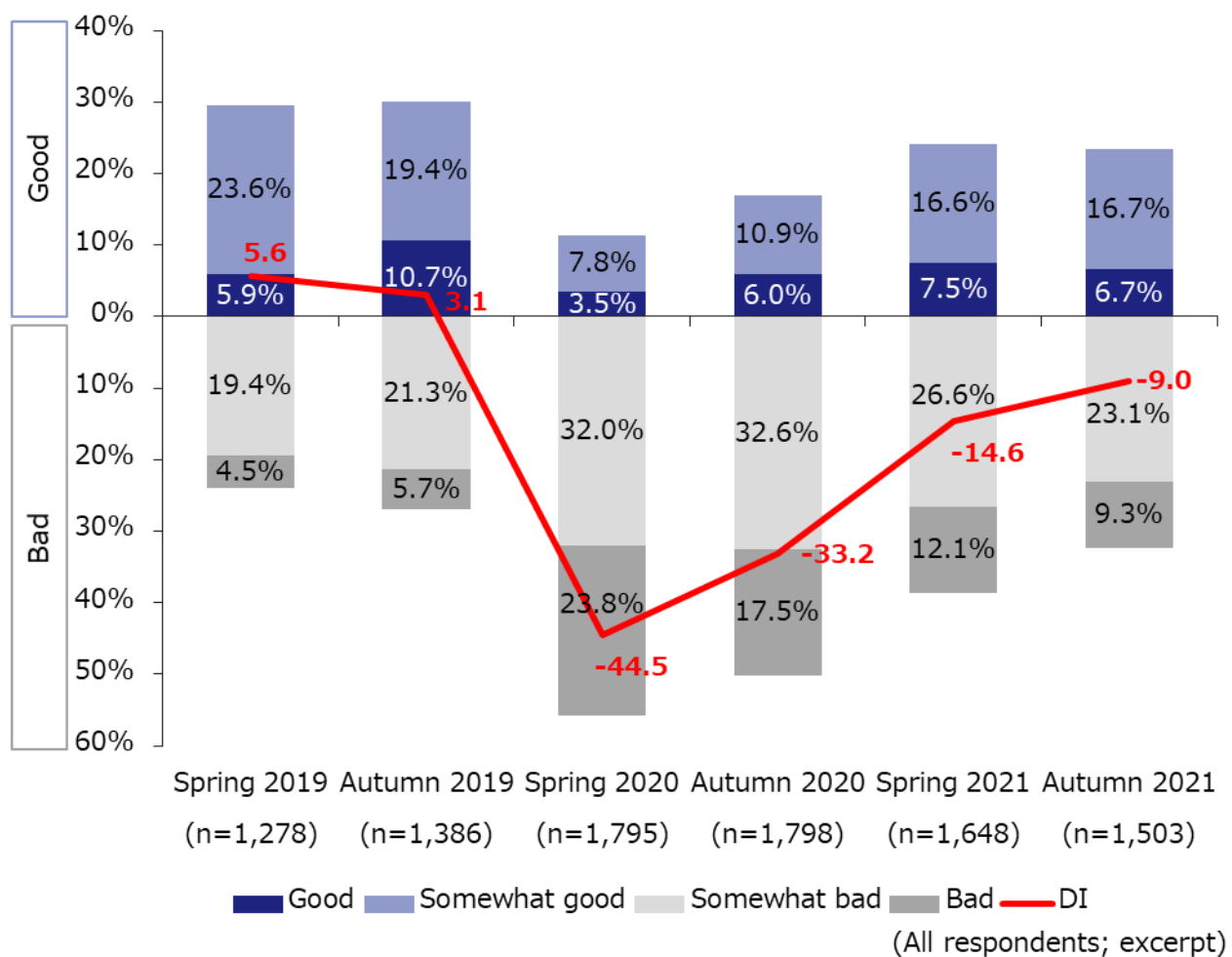


1.3. Change in business sentiment

Figure 13 shows the “Business Sentiment DI,” which is the sum of the percentages of “Good” and “Somewhat good” business sentiments minus the sum of the percentages of “Bad” and “Somewhat bad” sentiments taken from companies’ five-scale business sentiment rating of “Good,” “Somewhat good,” “Neither good nor bad,” “Somewhat bad,” and “Bad.”

In this survey, the sum of “Good” and “Somewhat good” (23.4%) was outweighed by the sum of “Bad” and “Somewhat bad” (32.4%), indicating a business sentiment DI of -9.0. The business sentiment DI that turned substantially negative in the Spring 2020 survey, which was conducted immediately after the outbreak of the COVID-19 pandemic, remained negative despite continuing to recover, indicating that more companies have a negative sentiment toward business than those with a positive sentiment.

Figure 13: Business Sentiment DI



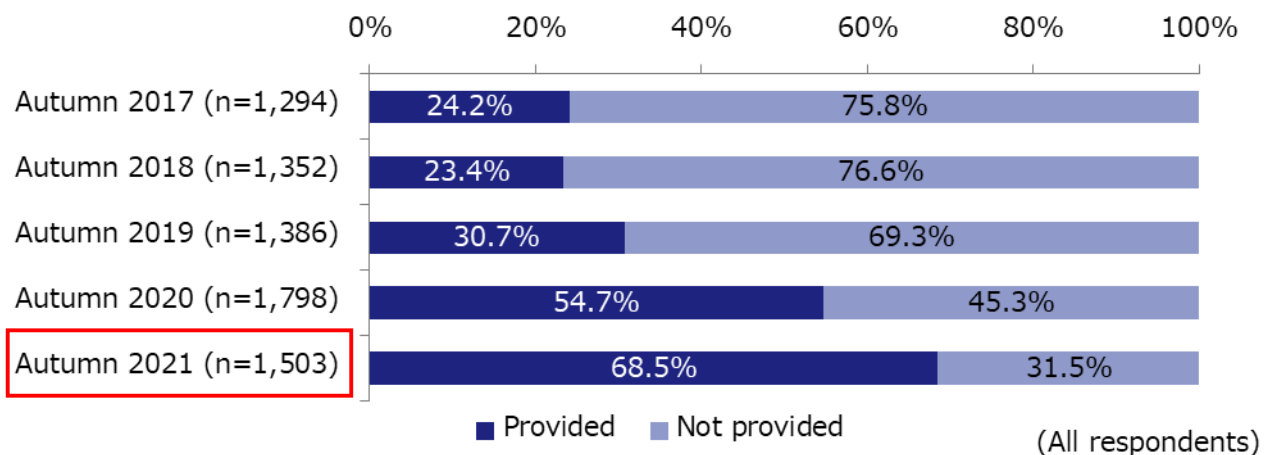
2. Initiatives for Work Styles and the Workplace

2.1. Current state of telework

With regard to places or policies for employees to telework, 68.5% of the respondent companies replied that they have introduced one or more of the following three: A work-from-home policy, a satellite office,^{*3} etc. provided by a specialized operator, etc., and a satellite office, etc. owned or rented by own company (**Figure 14**).

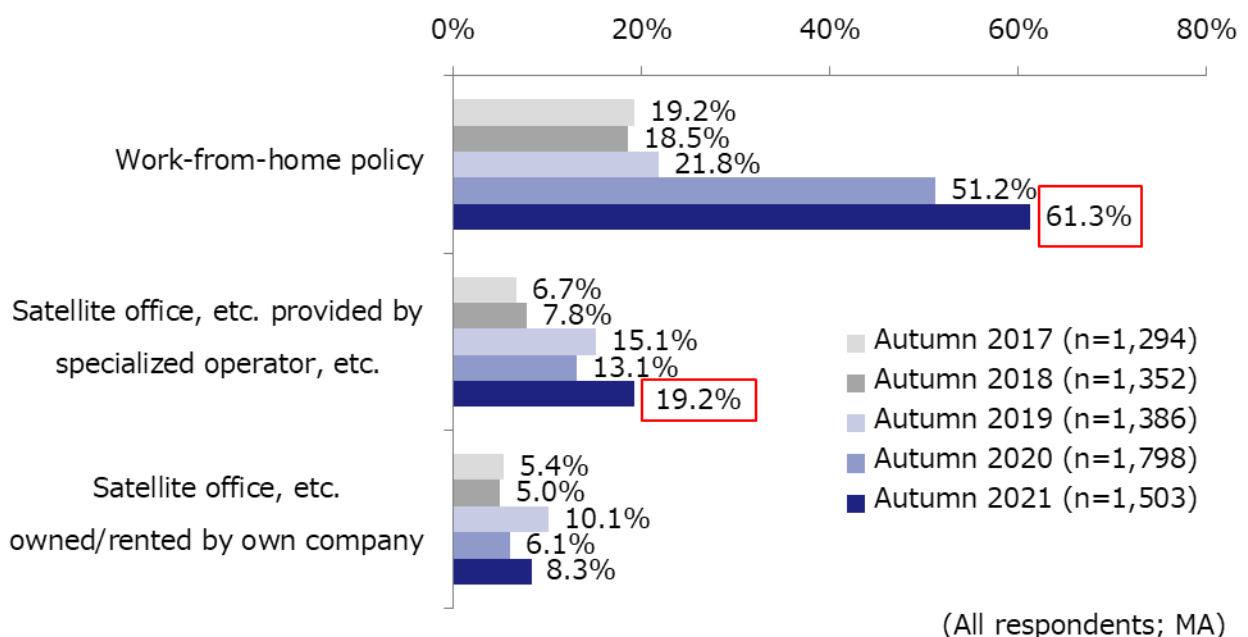
^{*3} Satellite office: A collective term for workplaces provided for telework apart from the main office or the home. They include those that are provided by specialized service operators and those that are provided by the company.

Figure 14: Availability of Place or Policy for Telework



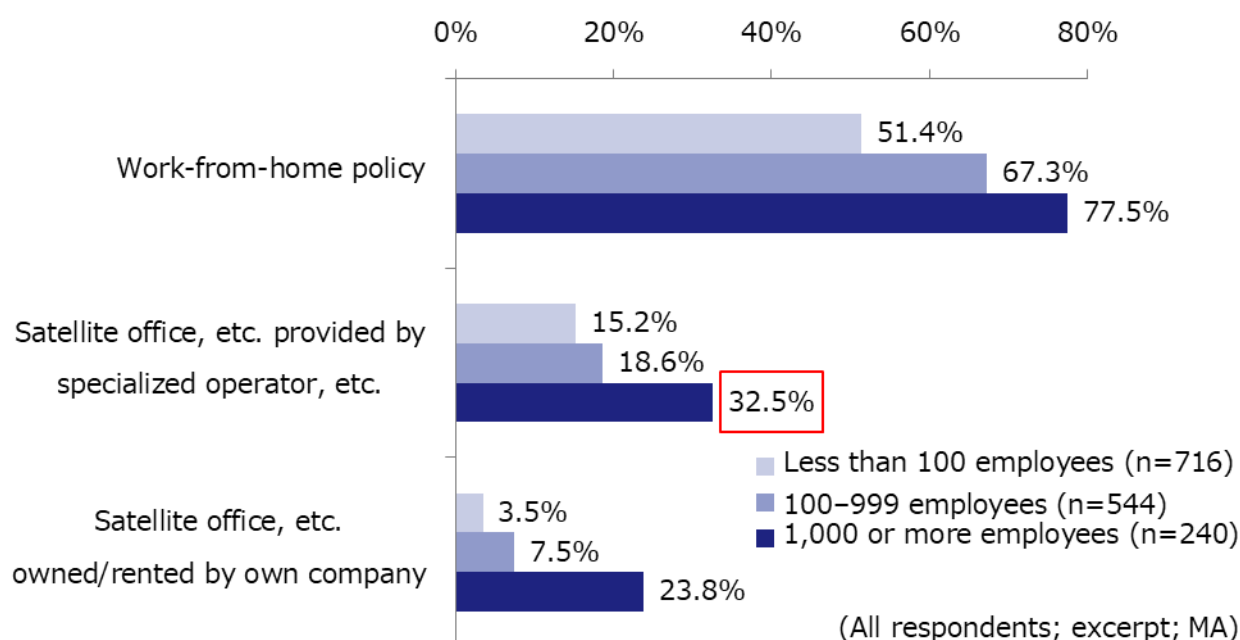
The place or policy for telework that was introduced the most was "Work-from-home policy" (61.3%), which saw steady growth even from Autumn 2020. "Satellite office,^{*3} etc. provided by a specialized operator, etc." (19.2%), which dropped in Autumn 2020 due to the pandemic, also rose to a record high (**Figure 15**).

Figure 15: Breakdown of Available Place/Policy for Telework



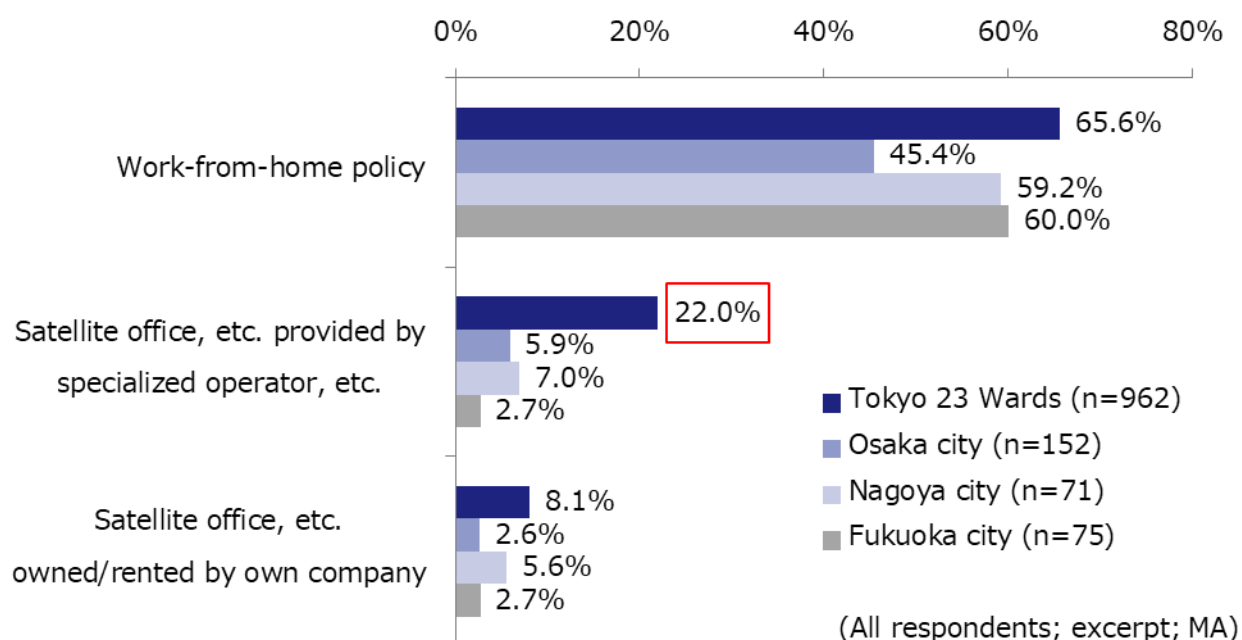
By number of employees, a satellite office, etc. provided by a specialized operator, etc. was available at 32.5% of large companies (**Figure 16**).

Figure 16: Breakdown of Available Place/Policy for Telework – By Number of Employees



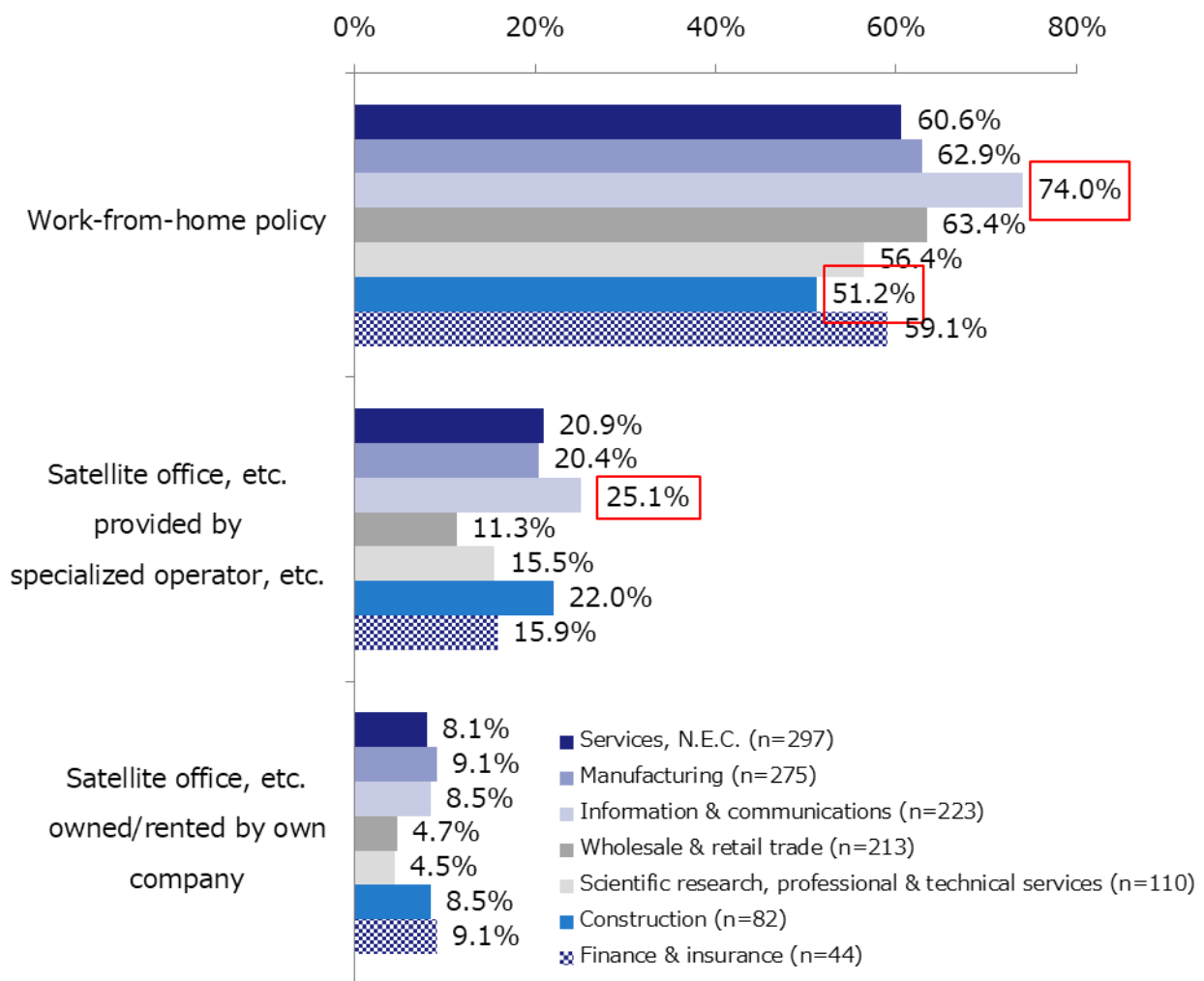
By office location, the work-from-home policy was also relatively widespread in areas other than the Tokyo 23 Wards, although the availability was slightly low in Osaka city (45.4%) (**Figure 17**). As for a satellite office, etc. provided by a specialized operator, etc., the Tokyo 23 Wards (22.0%) was significantly ahead of other regions.

Figure 17: Breakdown of Available Place/Policy for Telework – By Office Location



By sector, the information & communications sector had the highest availability of a work-from-home policy (74.0%) and a satellite office, etc. provided by a specialized operator (25.1%) (**Figure 18**). The sector's low coming-to-office ratio that we saw in **Figure 11** is likely to be due to the high availability of these place/policy for telework. However, the work-from-home policy was available at a majority (51.2%) of companies of the construction sector, which had the lowest availability, indicating that working from home has spread rapidly due to the pandemic regardless of sector.

Figure 18: Breakdown of Available Place/Policy for Telework – By Sector

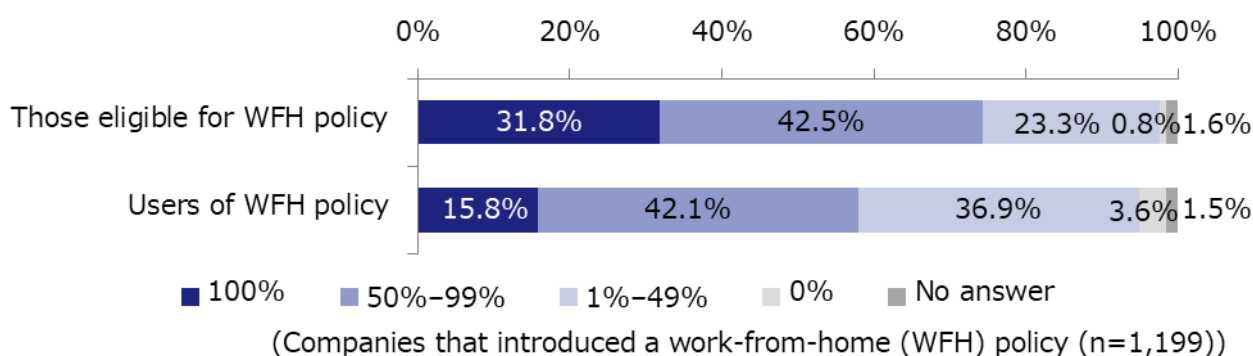


(All respondents; excerpt; MA)

For **Figure 19**, we asked companies that have introduced a work-from-home (WFH) policy the percentages of employees eligible for the policy and employees that actually use the policy of among all employees and sorted them into "100%," "50%–99%," "1%–49%," and "0%."

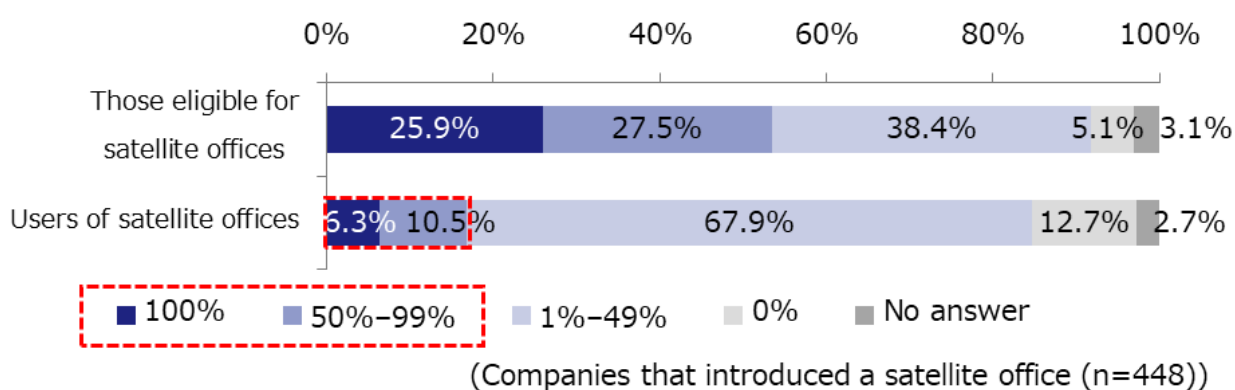
As for the proportion of those eligible for WFH, 31.8% of the companies replied "100%." Combined with "50%–99%" (42.5%), 50% of all employees or more were eligible at 74.3% of the companies. As for users of the policy, 50% of all employees or more were using the policy at 57.9% of the companies (sum of "100%" (15.8%) and "50%–99%" (42.1%)), revealing that the policy was not only available but was also actually being used.

Figure 19: Percentage of Those Eligible for and Users of Work-from-Home Policy

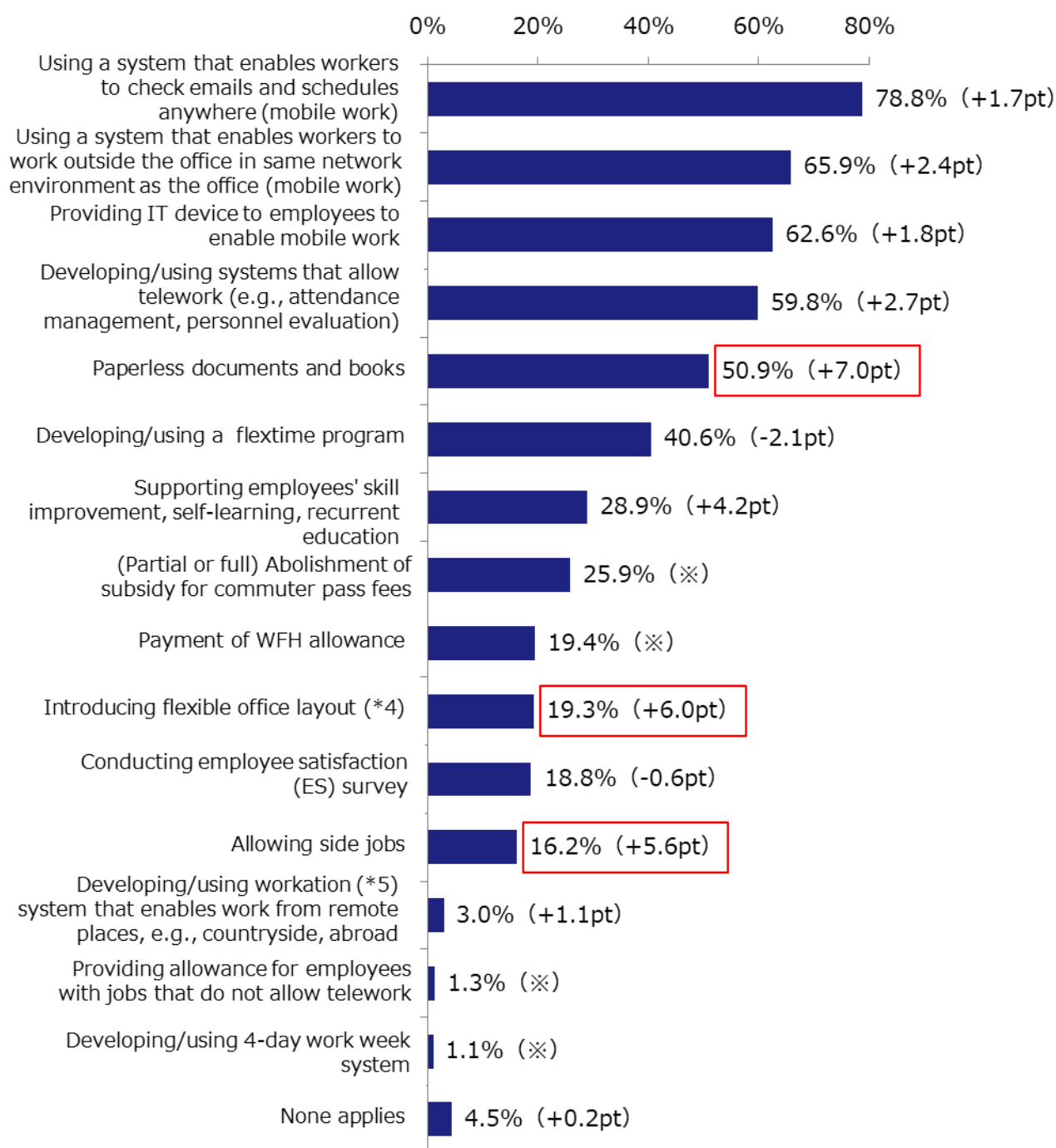


As for satellite offices, 50% of all employees or more were eligible at around half of the companies (sum of "100%" (25.9%) and "50%–99%" (27.5%)), while 50% of all employees or more actually used a satellite office at only 16.8% of the companies (sum of "100%" (6.3%) and "50%–99%" (10.5%)), revealing a gap between the percentage of those eligible and the percentage of actual users (**Figure 20**). Possible reasons for this include the smaller number of desks for the number of those eligible, since satellite offices are often provided as a workplace option, and that many employees choose to work from home during the pandemic instead of a satellite office where they would come into contact with a large number of unspecified people.

Figure 20: Percentage of Those Eligible for and Users of Satellite Office



With regard to other initiatives for work styles, the top initiatives were ICT investment, such as "Using a system that enables workers to check emails and schedules anywhere (mobile work)" (78.8%), "Using a system that enables workers to work outside the office in same network environment as the office (mobile work)" (65.9%), and "Providing IT device to employees to enable mobile work" (62.6%). Compared to a year ago (Autumn 2020), telework-related initiatives had grown, such as in "Paperless documents and books" (+7.0 pt (43.9%→50.9%)) and "Introducing flexible office layout (*4)" (+6.0 pt (13.3%→19.3%)). "Allowing side jobs" also saw a relatively significant increase (+5.6 pt (10.6%→16.2%)).

Figure 21: Initiatives for Work Styles Engaged in (Figures in Brackets Are Changes from Autumn 2020)

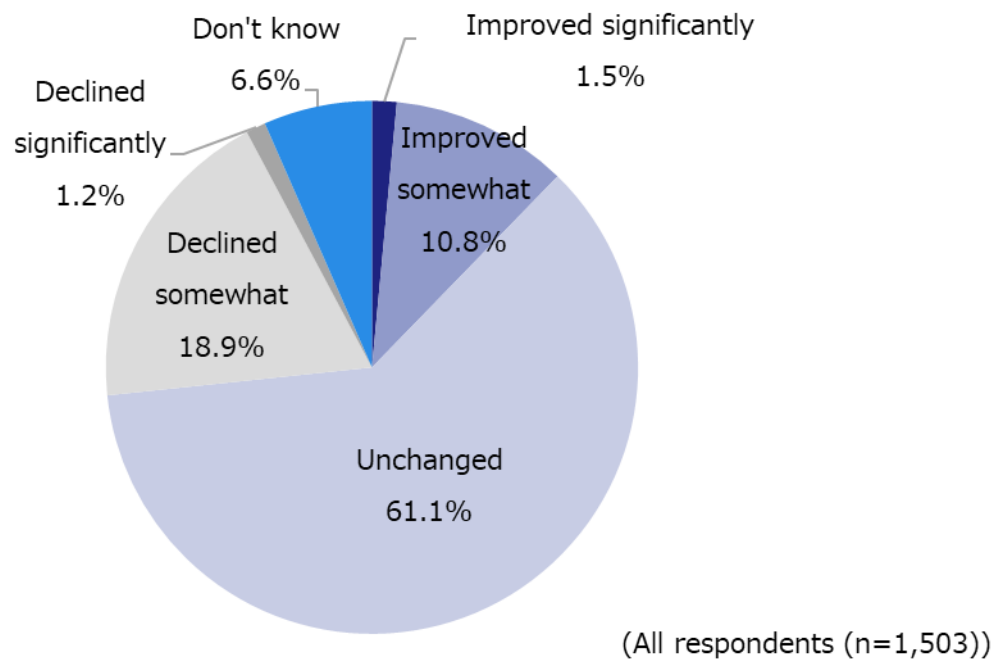
*4 Flexible office layout: Hot-desking, group hot-desking, open meeting space, space for refreshing, ABW, canteen, cafe space, etc.

*5 Workation: A portmanteau of working vacation, meaning to work from a travel destination, etc.

2.2. Evaluation and issues of work styles

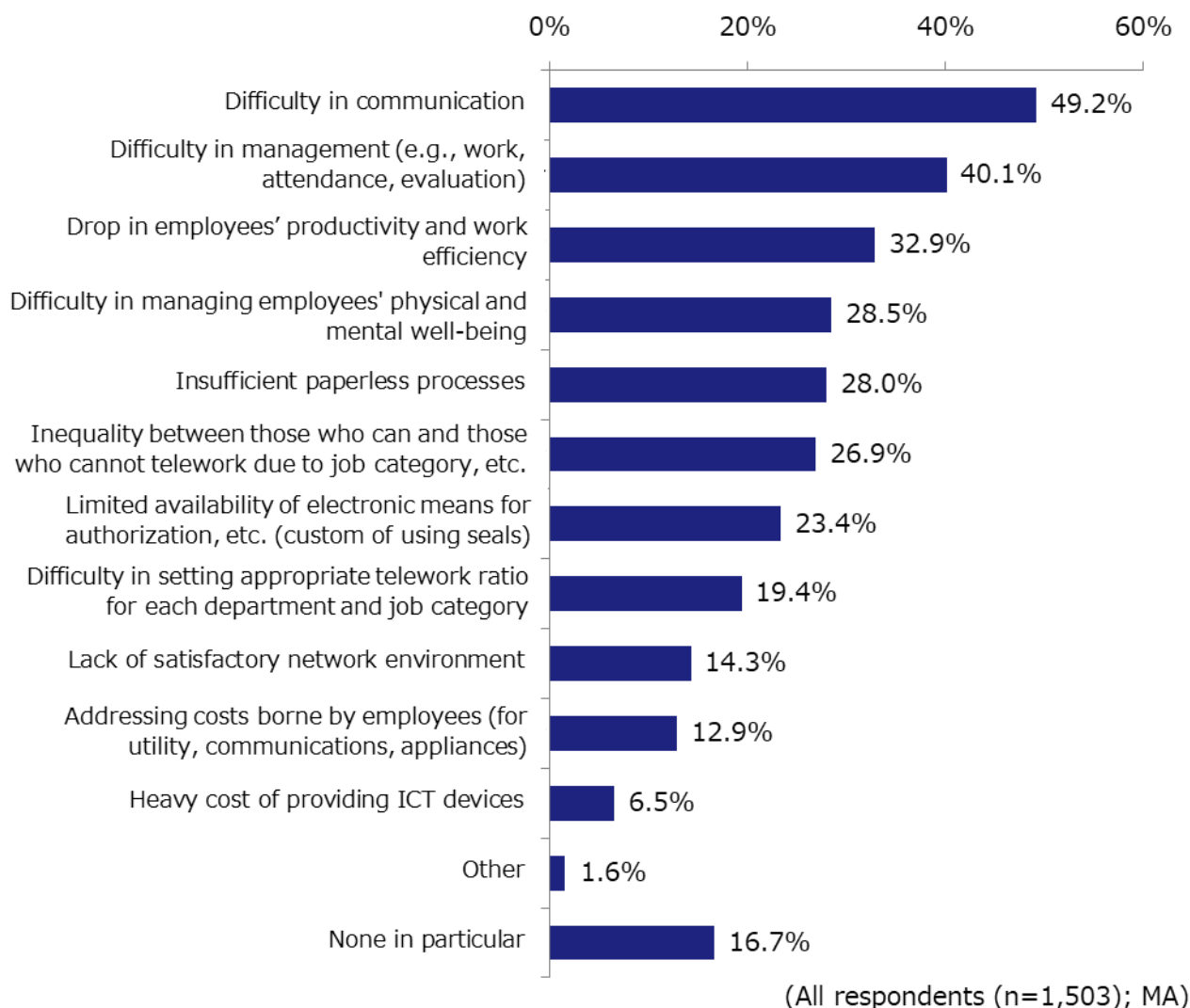
When we asked companies how their employees' performance changed from before the outbreak of the COVID-19 pandemic, a majority (61.1%) of the companies replied that there was no change in performance (**Figure 22**). Furthermore, more companies replied that performance "declined" (20.1%) (sum of "Declined significantly" and "Declined somewhat") than "improved" (12.3%) (sum of "Improved significantly" and "Improved somewhat"). We believe that many companies which introduced telework due to the pandemic are still in the process of developing a proper environment and formulating operational rules, and thus have not yet been able to allow the new work style to lead to improved performance.

Figure 22: Employees' Performance Compared to before the Pandemic



As for issues and challenges in telework operation, the top reply was "Difficulty in communication" (49.2%), which was followed by "Difficulty in management (e.g., work, attendance, evaluation)" (40.1%), and "Drop in employees' productivity and work efficiency" (32.9%) (**Figure 23**).

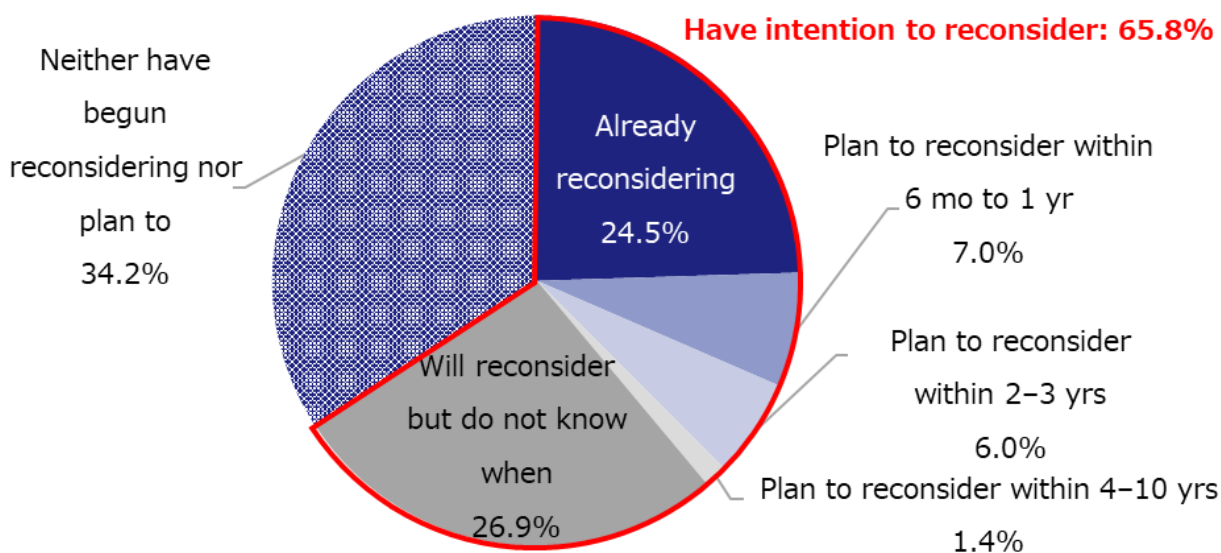
Figure 23: Issues and Challenges in Telework Operation



2.3. Stance toward reconsidering workplace strategies

Due to the outbreak of the COVID-19 pandemic, companies have been faced with the challenges of controlling the coming-to-office ratio of their employees and utilizing telework, which have led them to reconsider their workplace in a comprehensive manner. **Figure 24** shows whether companies have begun reconsidering their workplace strategies. It reveals that while "Neither have begun reconsidering nor plan to" (34.2%) was the top reply, the remaining 65.8% of the companies had the intention to reconsider their strategies in the future.

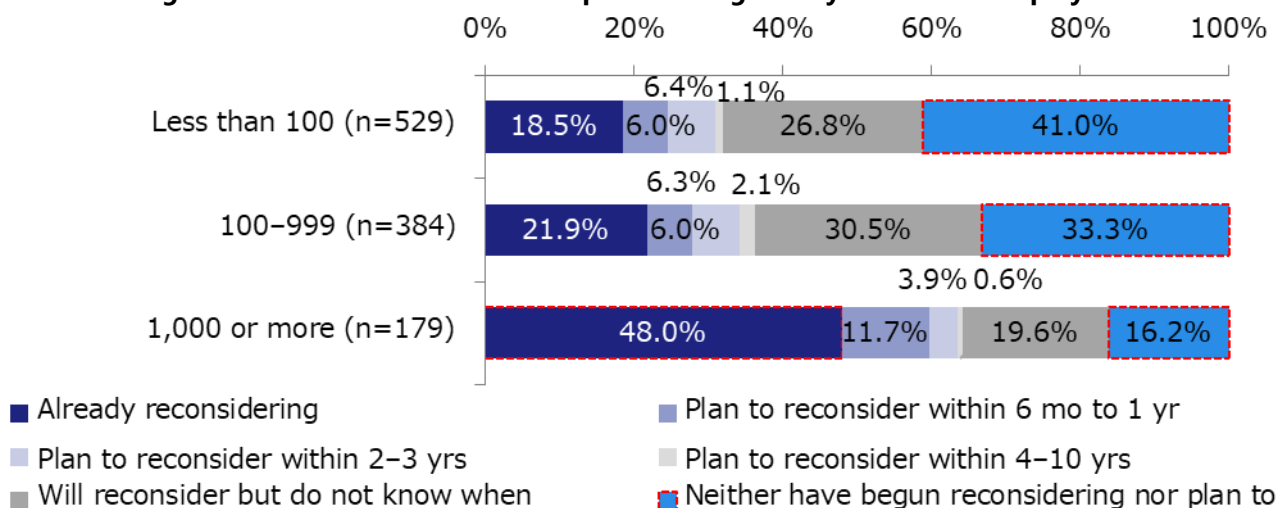
Figure 24: Reconsideration of Workplace Strategies



(All respondents excl. 'Don't know' (n=1,092))

By number of employees, "Already reconsidering" accounted for 48.0% among large companies with 1,000 or more employees, while "Neither have begun reconsidering nor plan to" tended to be more popular as the company size grew smaller (**Figure 25**).

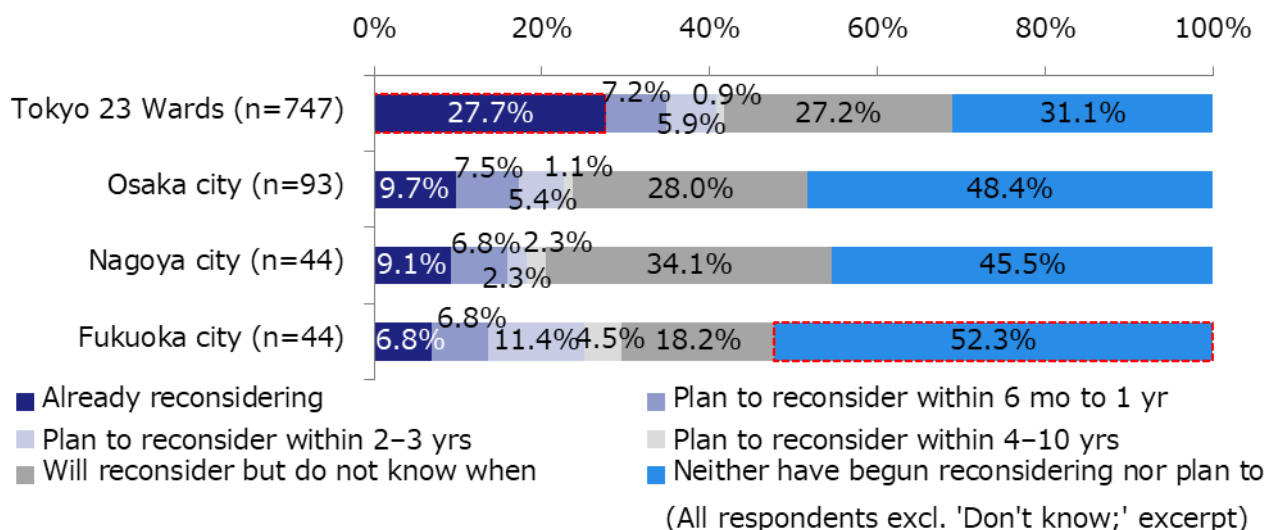
Figure 25: Reconsideration of Workplace Strategies – By Number of Employees



(All respondents excl. 'Don't know;' excerpt)

By office location, there were differences between locations, with "Already reconsidering" being the most popular at 27.7% in the Tokyo 23 Wards, while "Neither have begun reconsidering nor plan to" accounted for a majority (52.3%) in Fukuoka city (**Figure 26**).

Figure 26: Reconsideration of Workplace Strategies – By Office Location



Although there was no significant difference between sectors, the information & communications sector saw relative progress in reconsideration, while the wholesale & retail trade sector had the highest percentage of "Neither have begun reconsidering nor plan to" at 45.9% (**Figure 27**).

Figure 27: Reconsideration of Workplace Strategies – By Sector

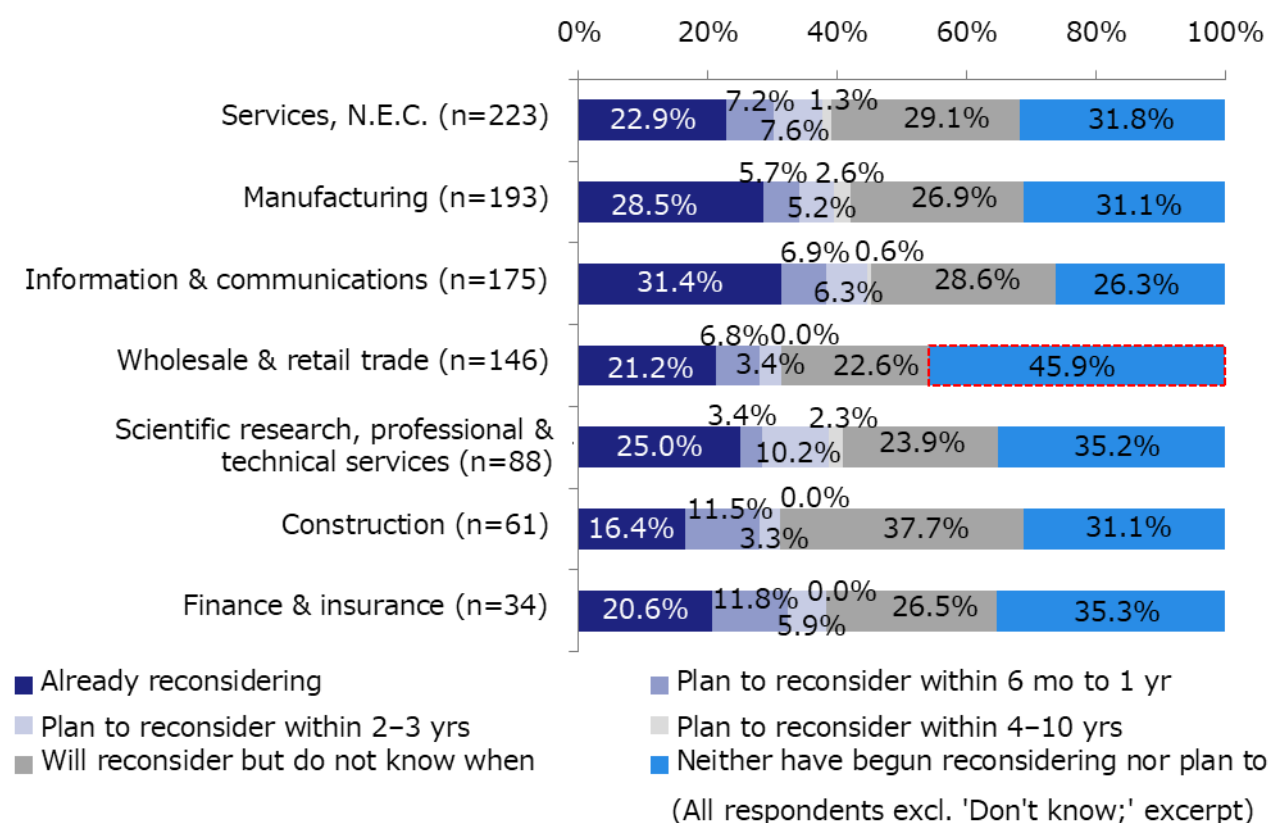
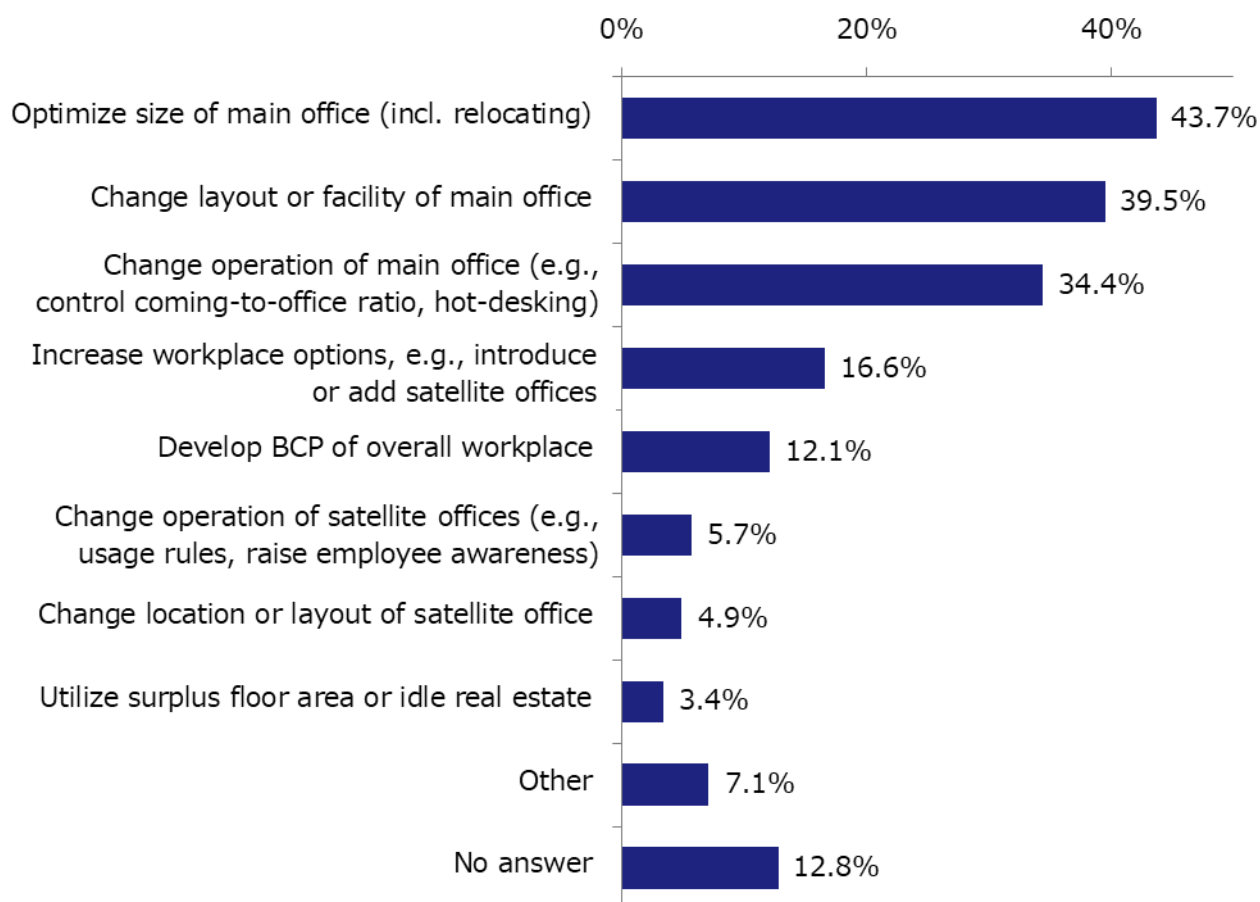


Figure 28 shows the priority initiatives companies want to engage in when reconsidering their workplace strategies. The top three replies were all related to the main office (the conventional office for congregating), including “Optimize size of main office (incl. relocating)” (43.7%), which ranked top. The conventional office may have become unfit for companies’ actual office use due to the spread of telework and the decline in the coming-to-office ratio.

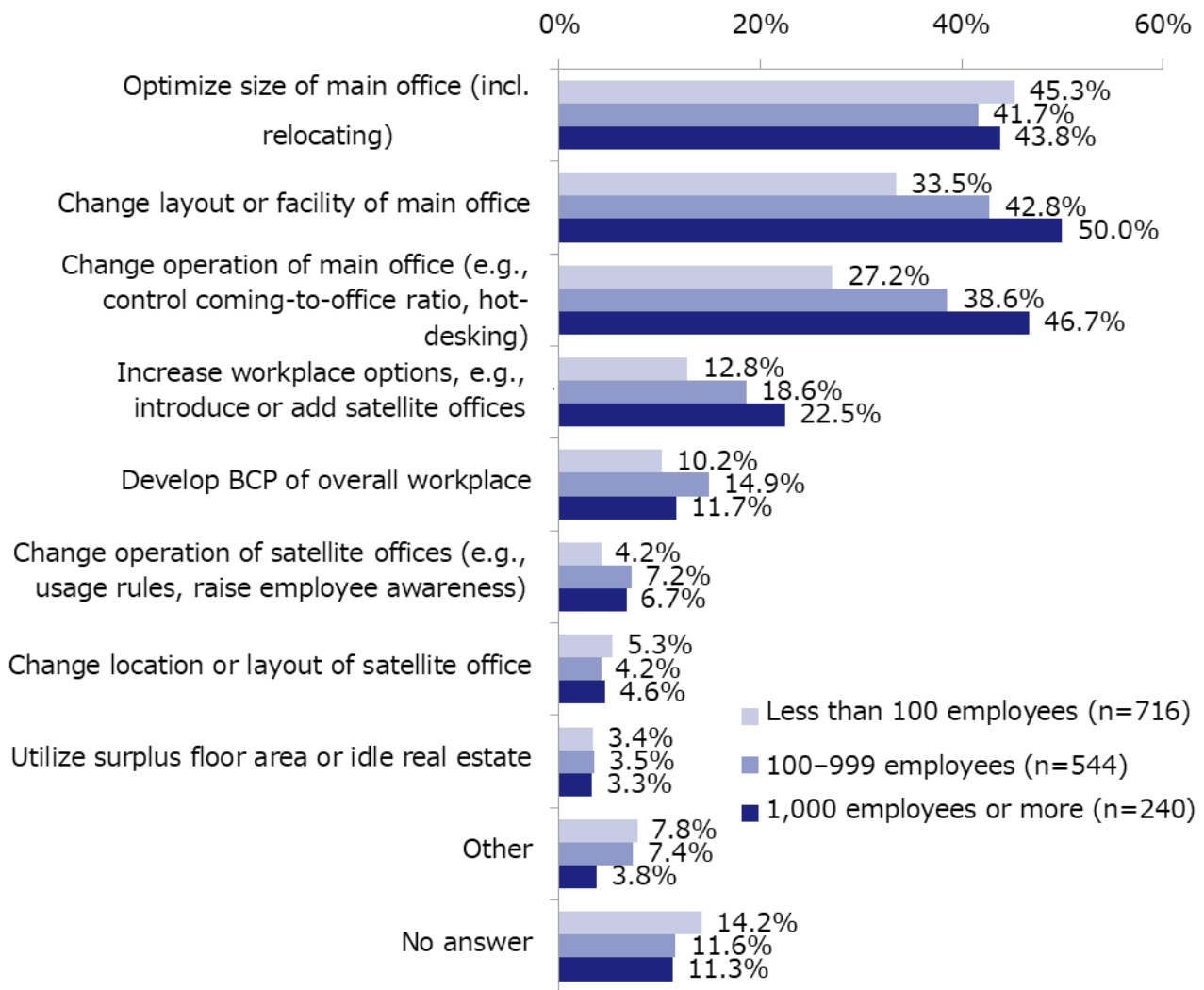
Figure 28: Priority Initiatives when Reconsidering Workplace Strategies



(All respondents (n=1,503); MA (choose top 3))

By number of employees, there was no major difference between company size in the percentage of “Optimize size of main office (incl. relocating),” the top reply. A certain proportion of companies, regardless of company size, apparently intend to give priority to this initiative (**Figure 29**). The percentage of “Change layout or facility of main office” and “Change operation of main office (e.g., control coming-to-office ratio, hot-desking)” tended to be higher at large companies.

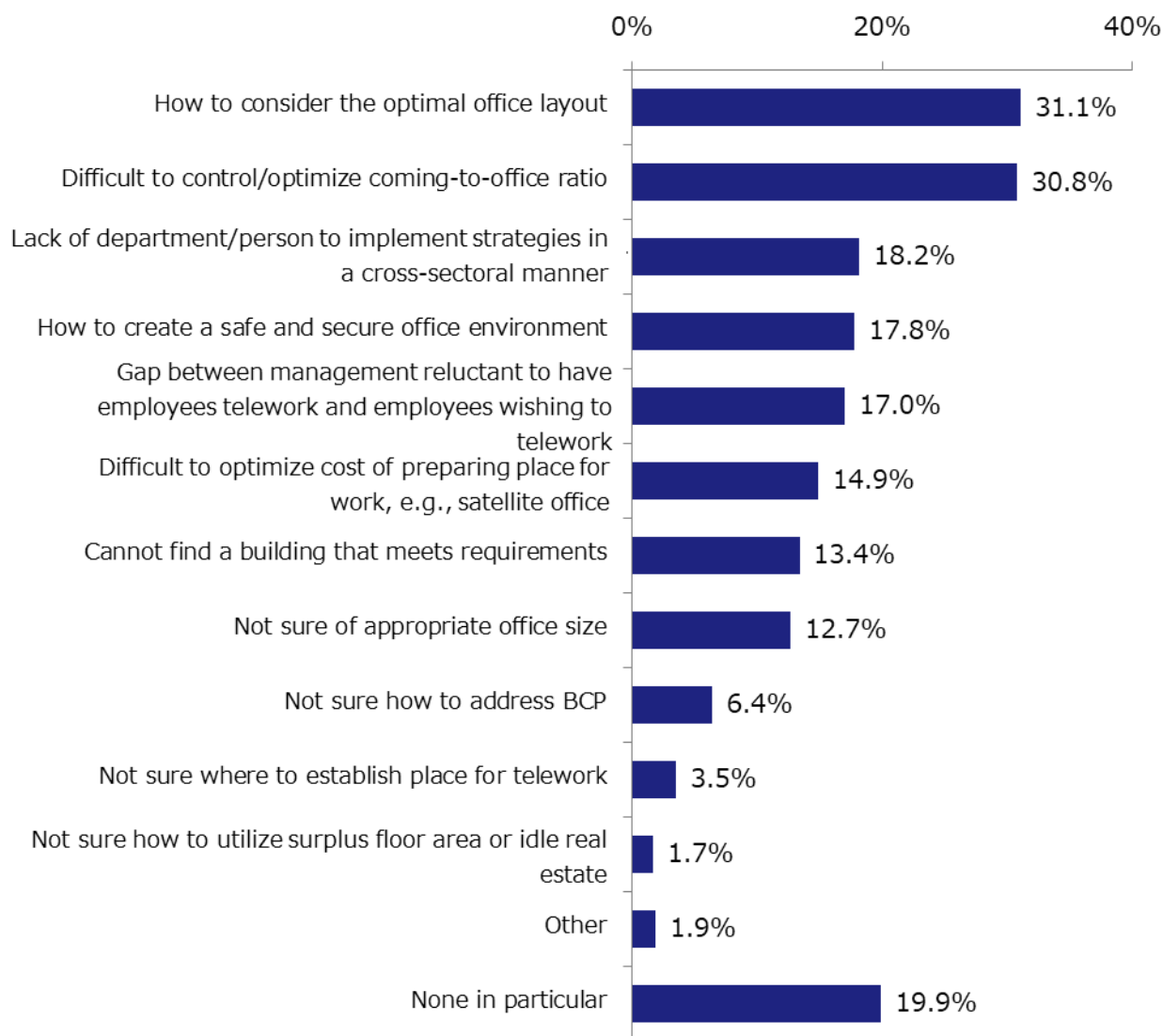
Figure 29: Priority Initiatives when Reconsidering Workplace Strategies – By Number of Employees



(All respondents; excerpt; MA)

Figure 30 shows companies' issues and challenges upon reconsidering workplace strategies. As in the priority initiatives of **Figure 28**, the top replies were related to the main office and operations, such as "How to consider the optimal office layout" (31.1%) and "Difficult to control/optimize coming-to-office ratio" (30.8%).

Figure 30: Issues and Challenges when Reconsidering Workplace Strategies

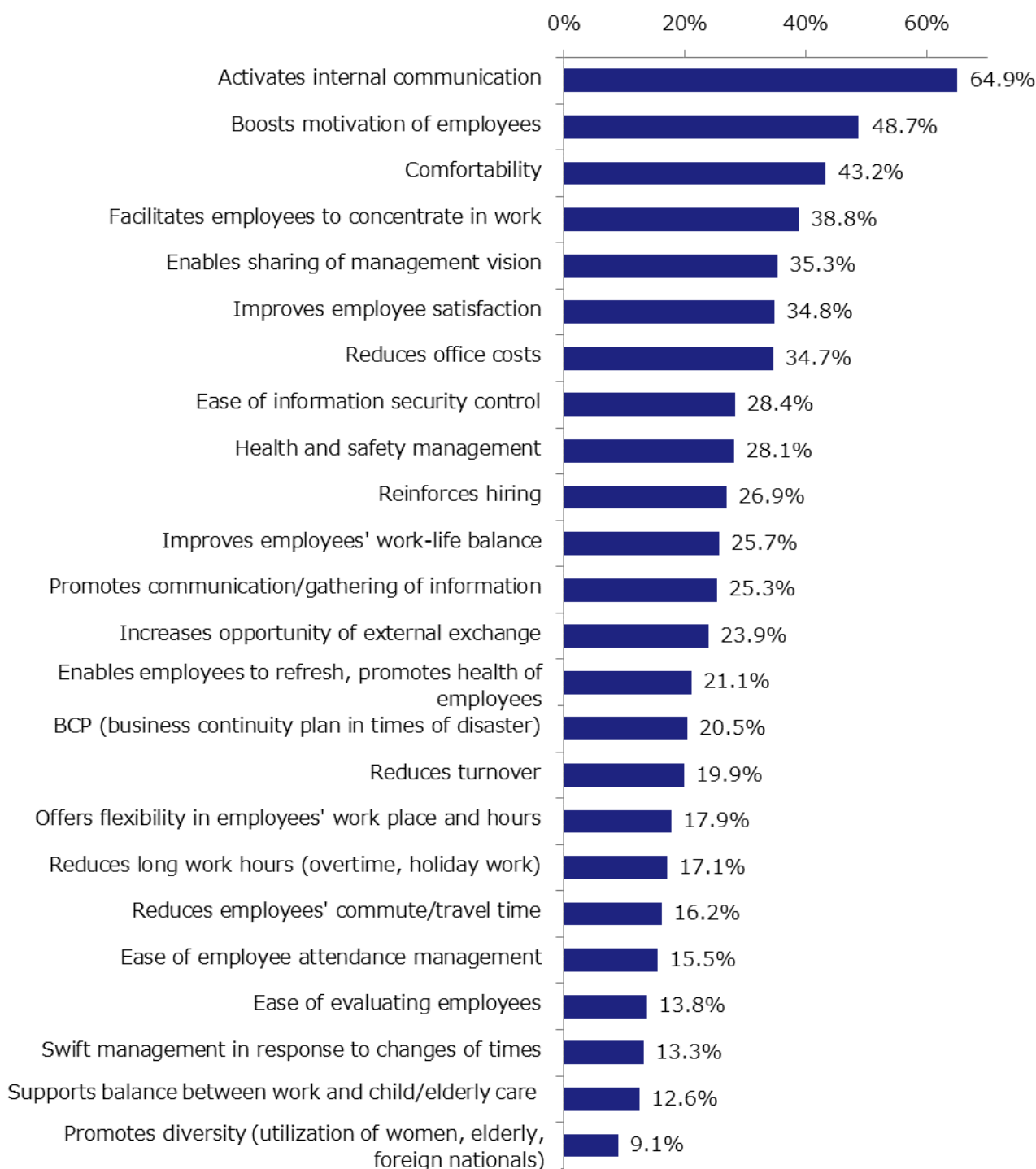


(All respondents excl. companies that chose 'Don't know' or 'Neither have begun reconsidering nor plan to' in status of reconsidering workplace strategy (n=718); MA)

The spread of telework has prompted the use of not only conventional offices for congregating but also satellite offices, which are places for employees to telework, and has resulted in a greater variety of workplaces. **Figures 31 and 32** are the results of the values and roles that companies require in the main office and satellite offices.

The top reply for the value or role required in the main office was “Activates internal communication” (64.9%) (**Figure 31**). As we saw in **Figure 23**, many companies considered communication as a challenge in operating telework and seem to require this role in the main office. Other top replies included “Boosts motivation of employees” (48.7%) and “Comfortability” (43.2%).

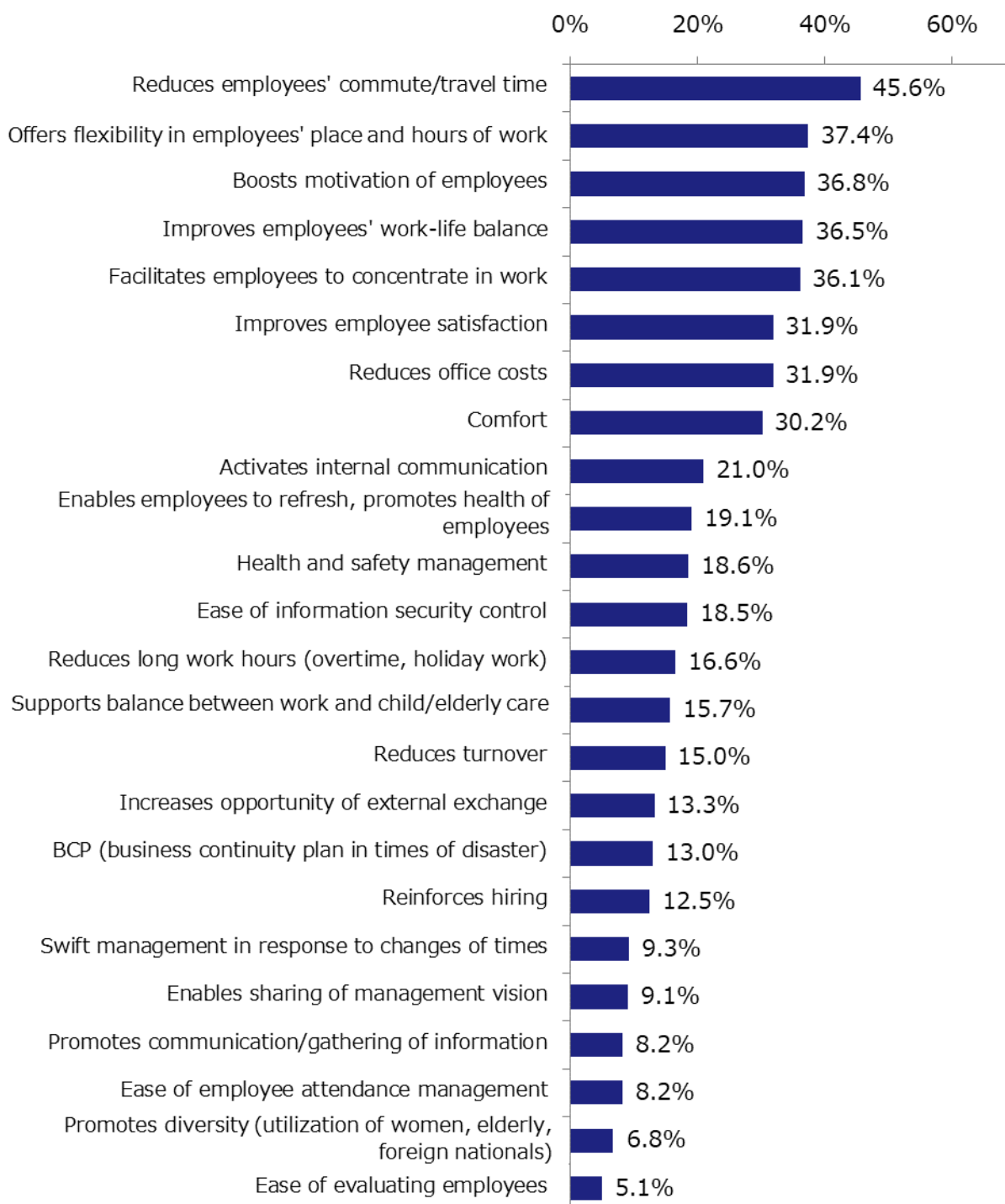
Figure 31: Values and Roles Required in the Main Office



(All respondents excl. 'None in particular' and 'Don't know' (n=1,358); MA)

The top values or roles required in satellite offices included “Reduces employees’ commute/travel time” (45.6%) and “Offers flexibility in place and hours of work” (37.4%), showing a distinct difference in the roles required of the main office and satellite offices (**Figure 32**).

Figure 32: Values and Roles Required in Satellite Offices



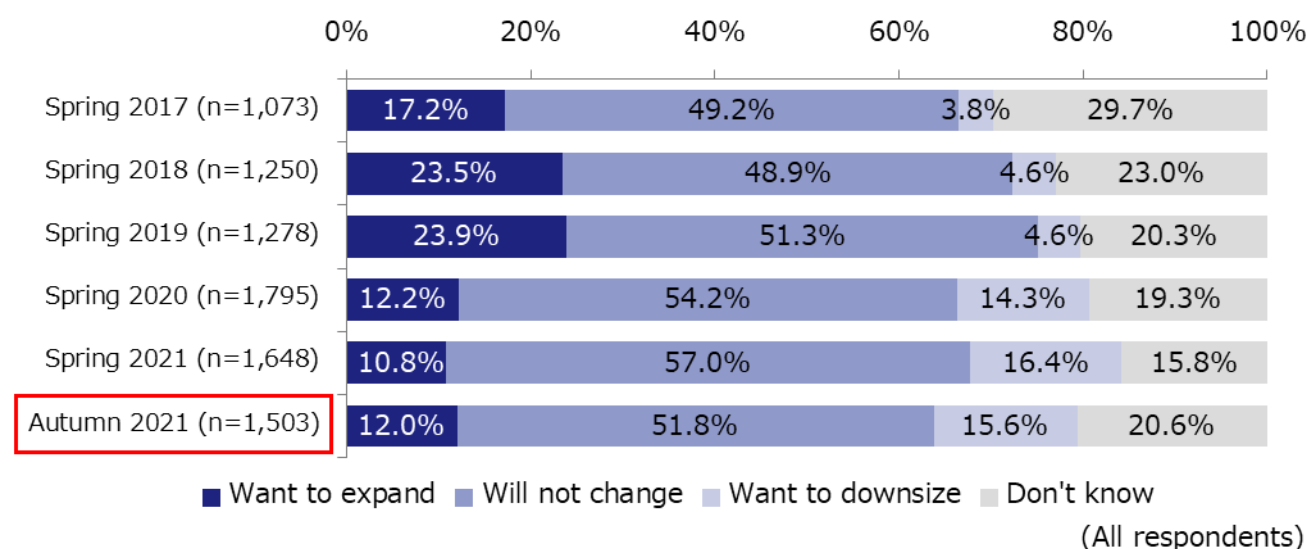
(All respondents excl. 'None in particular' and 'Don't know' (n=943); MA)

3. Outlook for after the COVID-19 Pandemic

3.1. Outlook of office demand

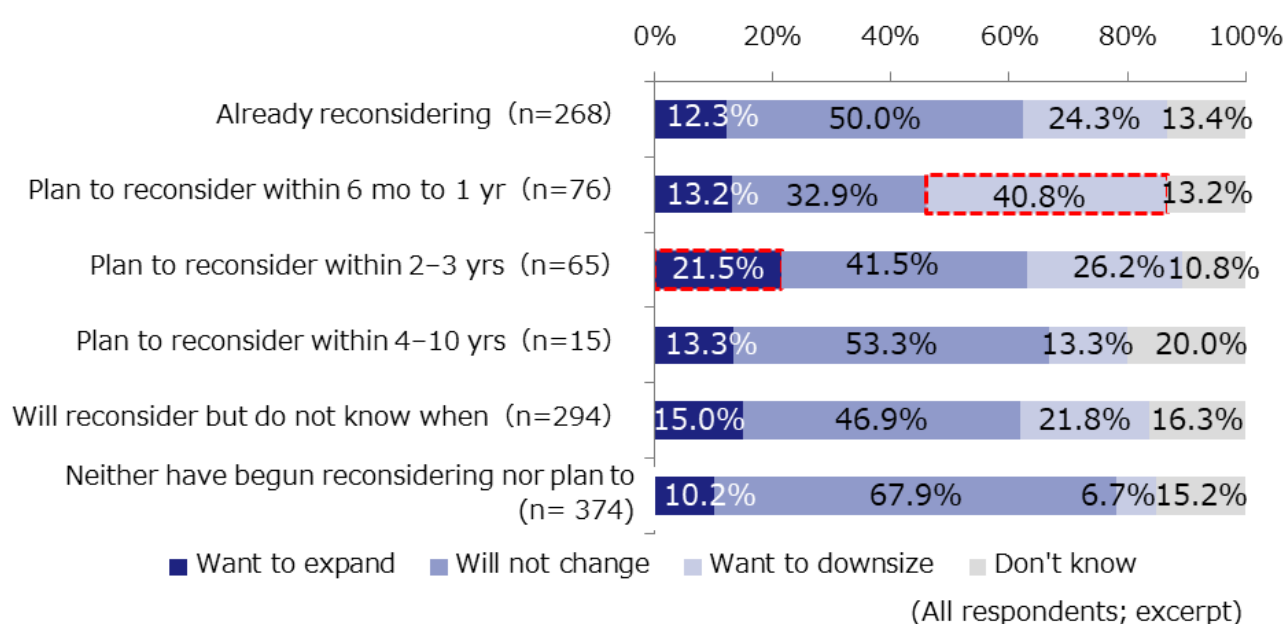
Companies' intentions toward their office size 2–3 years ahead have continued to be more inclined toward downsizing than expanding since Spring 2020, with "Want to expand" at 12.0% and "Want to downsize" at 15.6% (**Figure 33**). The spread of telework and use of satellite offices may lead to more companies considering reducing their office size.

Figure 33: Intention toward Office Size



When looking at companies' intentions toward office size by status of reconsidering workplace strategies as shown in **Figure 24**, the percentage of "Want to downsize" was the largest among companies that "plan to reconsider within 6 months to 1 year" (40.8%), while the percentage of "Want to expand" was the largest among companies that "plan to reconsider within 2–3 years" (21.5%) (**Figure 34**).

Figure 34: Intention toward Office Size – By Status of Reconsidering Workplace Strategies



We then asked the companies the initiatives for the main office they were interested in. The top replies were initiatives based on a hybrid work style that combines teleworking and coming to the office, such as “Place emphasis on creating a place for communication and on functions for congregating” (33.1%) and “Increase private rooms and booths for remote meetings” (30.1%) (**Figure 35**).

Figure 35: Initiatives for Main Office Interested in



(All respondents (n=1,503); MA)

We then asked companies the location of workplaces after the pandemic, both for HQ functions and non-HQ functions.

For the location of HQ functions, 58.0% of the companies replied that they will locate them in the city center (**Figure 36**). As for workplaces for non-HQ functions, "Don't know" (41.6%) was the top reply, which was followed by "Enable work from suburb (e.g., satellite office, work-from-home)" (29.8%), indicating that not a few companies intended to provide a workplace in the suburbs in addition to those that opted for the conventional office in the city center (**Figure 37**). For reference, 20.8% of all companies replied that they intend to locate their HQ functions in the city center and their non-HQ functions in the suburbs (e.g., satellite office, work-from-home).

Figure 36: Location of HQ Functions after the Pandemic

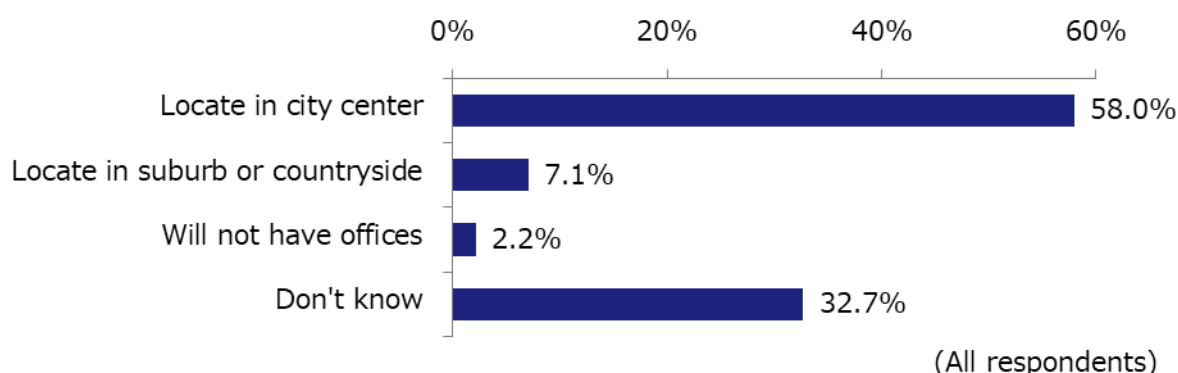
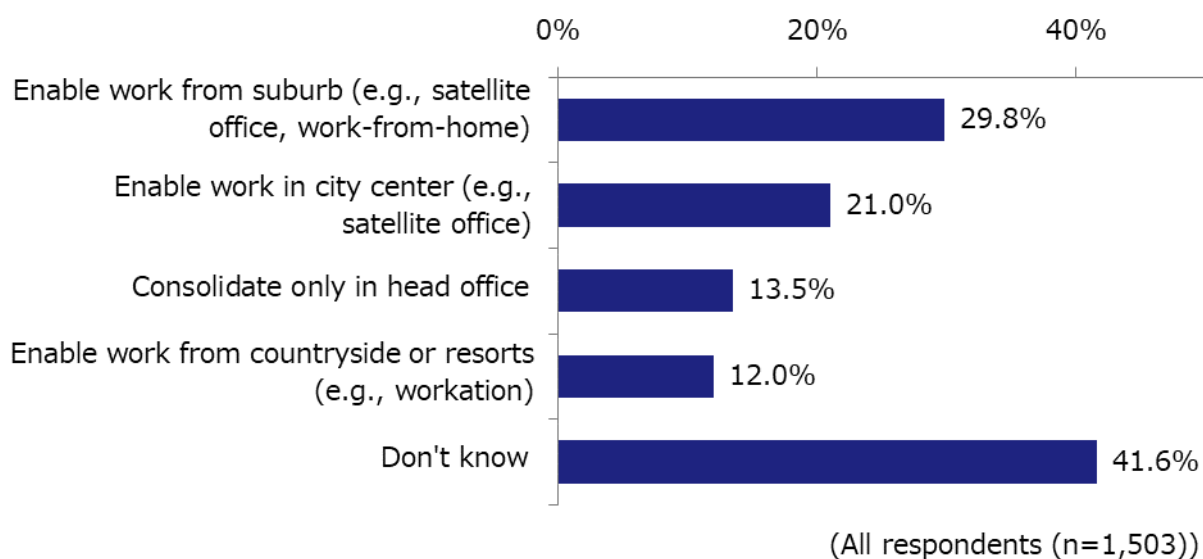


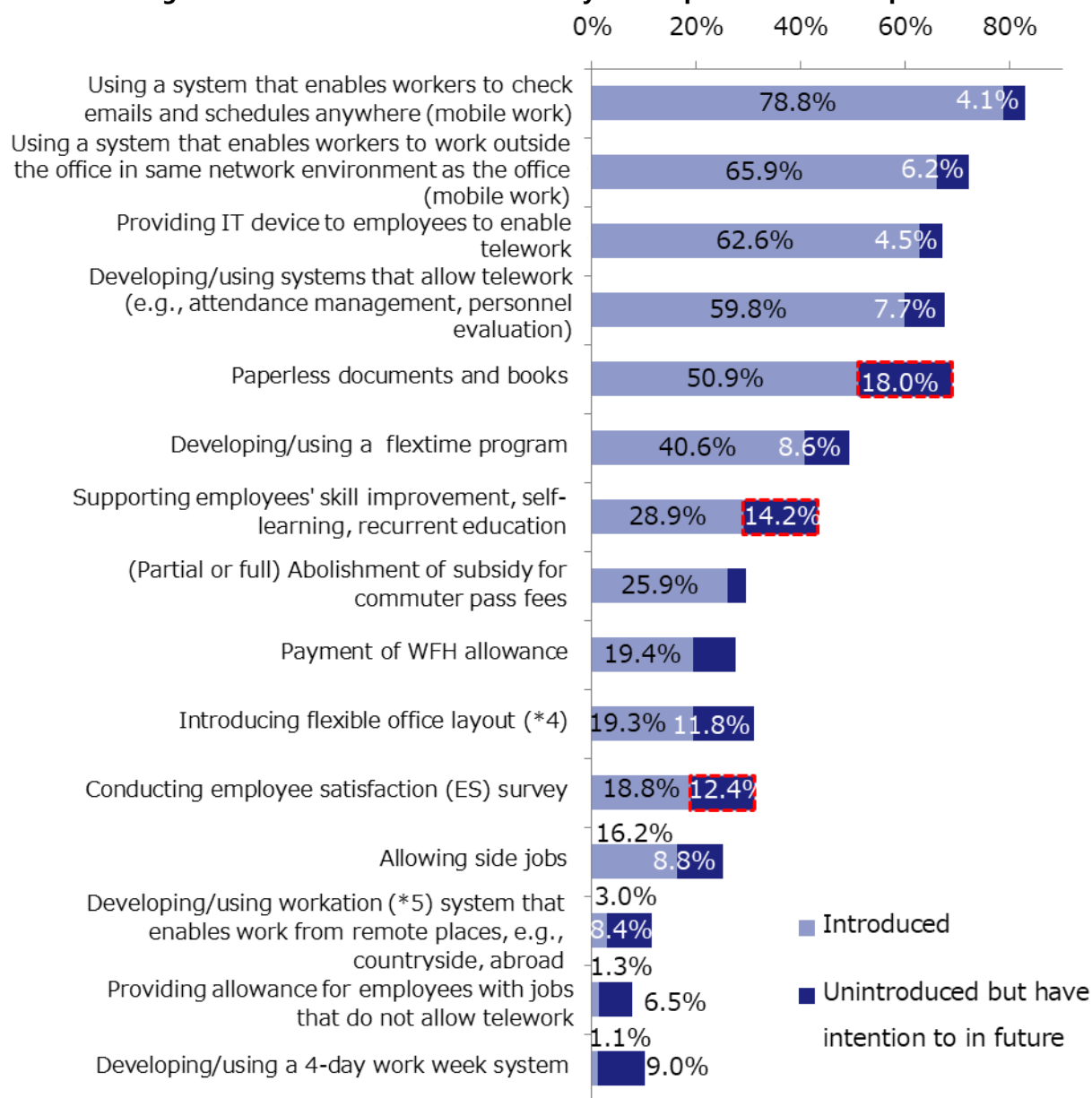
Figure 37: Location of Workplace for Non-HQ Functions after the Pandemic



3.2. Outlook of work styles and the workplace

Figure 38 shows the percentage of companies that have already introduced the work style initiatives companies were engaged in in **Figure 21** and the percentage of companies that have not yet introduced them but have the intention of doing so in the future (future intention). The future intention for “Paperless documents and books” was 18.0%. Add this to the current introduction rate of 50.9%, and we know that nearly 70% of the companies have the potential to introduce the initiative. Future intention was also strong in “Supporting employees’ skill improvement, self-learning, recurrent education” (14.2%) and “Conducting employee satisfaction (ES) survey” (12.4%), suggesting that work style reforms will see steady progress going forward.

Figure 38: Initiatives related to Work Styles Companies Want to Implement



(All respondents (n=1,503); MA)

*4 Flexible office layout: Hot-desking, group hot-desking, open meeting space, space for refreshing, ABW, canteen, cafe space, etc.

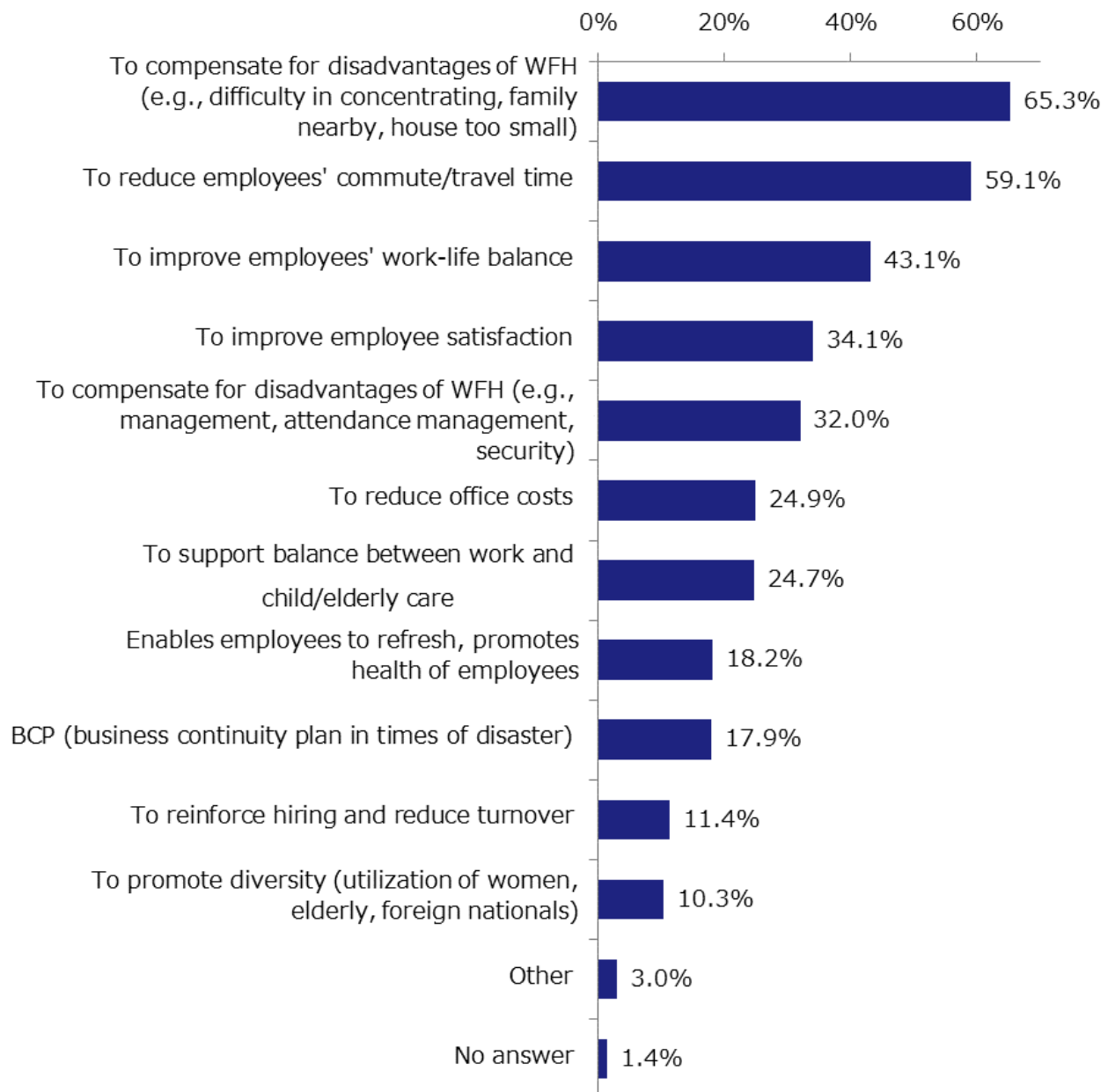
*5 Workation: A portmanteau of working vacation, meaning to work from a travel destination, etc.

Lastly, to gain insights into the outlook of the workplace going forward, we examine the survey results on companies' need for using a satellite office.

For **Figure 39**, we asked companies with the intention of either using a satellite office, etc. provided by a specialized operator, etc. or providing a satellite office, etc. owned or rented by the company after the pandemic the reason for wanting to use a satellite office.

The top reason was "To compensate for disadvantages of WFH (e.g., difficulty in concentrating, family nearby, house too small)" (65.3%). "To compensate for disadvantages of WFH (e.g., management, attendance management, security)" (32.0%) also ranked high, suggesting that companies require satellite offices act as a supplement to working from home, which is currently the main place/policy for telework.

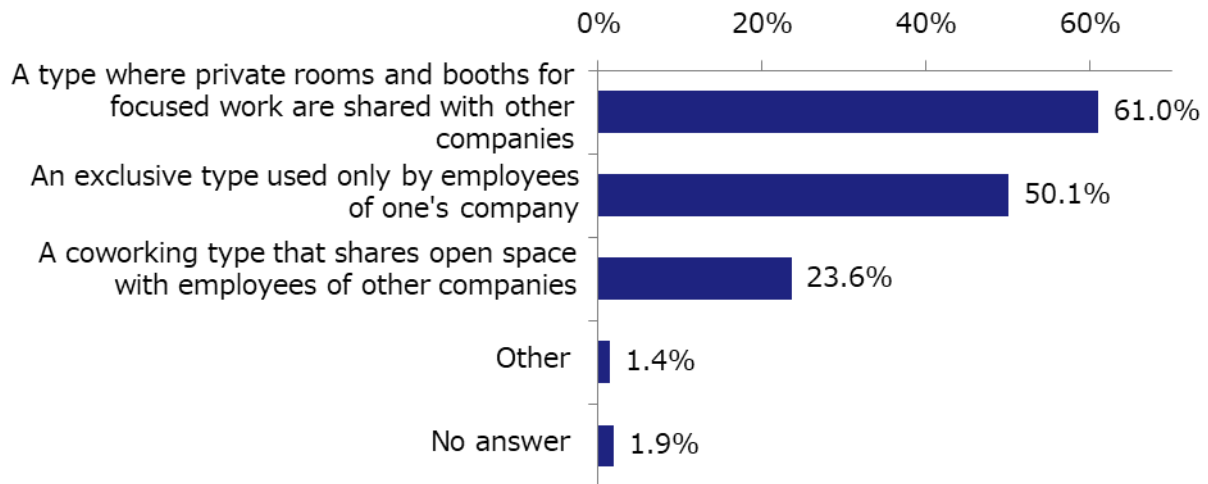
Figure 39: Reason for Wanting to Use a Satellite Office Going Forward



(Companies that intend to use a satellite office in the future (n=369); MA)

Similarly for **Figure 40**, we asked companies with the intention of using a satellite going forward the type of satellite office they wanted to use. The most popular was “A type where private rooms and booths for focused work are shared with other companies” (61.0%). The second most popular was “An exclusive type used only by employees of one's company” (50.1%), which was more than double the popularity of “A coworking type that shares open space with employees of other companies” (23.6%)—a type that encourages exchange.

Figure 40: Type of Satellite Office Companies Want to Use



(Companies that intend to use a satellite office in the future (n=369); MA)

4. Summary

Until the outbreak of the COVID-19 pandemic, office sizes and rent per square foot had been on a rising trend in this survey series, with office demand remaining robust. However, this time it was the second consecutive time from the Spring 2021 survey where more companies replied that they downsized their office than those that expanded, and more companies wanted to downsize in the future than those that wanted to expand. Furthermore, the coming-to-office ratio was roughly unchanged from a year ago (Autumn 2020 survey) despite the prolonged pandemic, which has revealed that companies have been continuing their corporate activities while keeping their coming-to-office ratio low.

Since the outbreak of the pandemic, the number of office users has begun to fluctuate as companies controlled the coming-to-office ratio and telework took root. This has made it difficult to assess the necessary office size based on the conventional, simple formula of "Number of office occupants x Office space per person."⁶ Furthermore, this survey has revealed that 76.1% of the respondent companies do not intend to restore the coming-to-office ratio to 100% after the end of the pandemic. It is likely that a hybrid strategy of combining coming to the office and teleworking will take root extensively among Japanese companies as a post-pandemic work style. As the work style where all employees congregate in the same office every day is being reconsidered, the rethinking of workplace strategies has become an urgent managerial issue for companies.

This survey has also revealed that around 70% of the companies have the intention to reconsider their workplace strategies, of which approximately 40% intend to begin reconsidering in 2022 and onward. After nearly two years since the outbreak of the pandemic, the importance of workplace strategies seems to have finally begun to be widely recognized by companies.

Needless to say, if you look at individual companies, not all companies will necessarily adopt both telework and coming to the office. As is evident when we look back on Japan's situation during the pandemic, companies' ideas toward the workplace—from returning to the office completely to abolishing the office altogether—are highly individualized in accordance with the attributes and characteristics of each company. In a post-pandemic world where infection control is no longer the top priority, that individuality is expected to become even more prominent, with workplace strategies reflecting companies' characteristics more strongly. What is important for companies is not to simply return to how the office was used before the pandemic but to continue searching for a better workplace based on their own management strategies.

Although the pandemic has finally started to show signs of abatement, it is still hard to foresee the outlook. Under circumstances that change every moment, companies must examine a wide range of elements in considering their workplace strategies. Xymax REI will continue to release useful survey results that would serve as a guide.

⁶ Reference: *Reconsidering How to Assess Office Space Due to the COVID-19 Pandemic*, released on December 14, 2021

<https://www.xymax.co.jp/english/research/images/pdf/20211214.pdf>

Survey Overview

Survey period	October 26–November 7, 2021
Target respondents	<p>Emails were sent to 42,581 companies in total that include:</p> <ul style="list-style-type: none"> • Companies that are tenants of office buildings managed by the Xymax Group • Companies subscribing to ZXY, a satellite office service for corporations • Client companies of XYMAX INFONISTA Corporation
Number of valid answers	1,503 companies, response rate: 3.5%
Geographical coverage	Nationwide (Tokyo, Osaka, Aichi, Fukuoka, Kanagawa, Saitama, Chiba Prefectures and others)
Survey method	Email
Topics covered in the survey	<p>Current office</p> <ul style="list-style-type: none"> • Lease type, office type, location, office area under lease contract, rent per tsubo (incl. CAM charges), number of users of the office*, in-office worker ratio (actual, intention), impression of size, number of desks <p>Change in office demand (October 2020–September 2021)</p> <ul style="list-style-type: none"> • Change in office size and the details and reasons of the change • Change in rent per tsubo • Change in number of users <p>Work styles under the COVID-19 pandemic</p> <ul style="list-style-type: none"> • Changes in employees' performance • Implementation of initiatives in work styles • Availability of work-from-home policy and satellite offices • Implementation, priorities, issues, and challenges of reconsidering workplace strategies • Issues and challenges in administering telework <p>Outlook of office demand</p> <ul style="list-style-type: none"> • Business sentiment and theme to focus on • Intentions of changing the office size • Intentions toward initiatives for the main office, intentions toward initiatives for work styles, intentions toward initiatives for places for telework • Type of preferred satellite office and reason for wanting to use such satellite office • Location of places for work (HQ functions; non-HQ functions) • Values and roles required in the main office, values and roles required in satellite offices <p>Company attributes</p> <ul style="list-style-type: none"> • Sector, number of employees, average age of employees <p>Respondent attributes</p> <ul style="list-style-type: none"> • Department, job position

Attributes of Respondent Companies

		%	n			%	n
Sector	Agriculture & forestry	0.1%	2	Type of office	Head office	65.0%	977
	Fisheries	0.1%	1		Branch office	22.8%	343
	Mining & quarrying of stone and gravel	0.1%	1		Sales office	8.6%	129
	Construction	5.5%	82		Sub-office (*1)	1.2%	18
	Manufacturing	18.3%	275		Call center	0.3%	5
	Electricity, gas, heat supply & water	0.5%	7		Other	2.1%	31
	Information & communications	14.8%	223	Location of office	Tokyo 23 Wards	64.0%	962
	Transport & postal activities	2.4%	36		Nagoya city	10.1%	152
	Wholesale & retail trade	14.2%	213		Osaka city	4.7%	71
	Finance & insurance	2.9%	44		Fukuoka city	5.0%	75
	Real estate & goods rental and leasing	4.3%	65		Other	16.2%	243
	Scientific research, professional & technical services	7.3%	110	Size of office under lease contract (1 tsubo = 3.3 sqm)	Less than 30 tsubo	16.2%	244
	Accommodations, eating & drinking services	0.8%	12		30–49 tsubo	12.4%	187
	Living-related & personal services and amusement services	1.6%	24		50–99 tsubo	16.8%	252
	Education, learning support	1.2%	18		100–199 tsubo	16.7%	251
	Medical, healthcare & welfare	1.4%	21		200 tsubo or more	22.0%	331
	Compound services	1.3%	19		No answer	15.8%	238
	Services, N.E.C.	19.8%	297	Average age of employees	20–29	2.6%	39
	Government, except elsewhere classified	0.3%	5		30–39	35.3%	531
	Industries unable to classify	3.2%	48		40–49	52.4%	787
Number of employees	Less than 100	47.6%	716		50–59	7.5%	113
	100–999	36.2%	544		60 or above	1.6%	24
	1,000 or more	16.0%	240		No answer	0.6%	9
	Unknown	0.2%	3				

Related Surveys

[Metropolitan Areas Office Demand Surveys]

- Autumn 2016 (1st survey) *Metropolitan Areas Office Demand Survey 2016 – Demand Trends*, released on January 12, 2017
<https://www.xymax.co.jp/english/research/images/pdf/20170112.pdf>
- Autumn 2016 (1st survey) *Metropolitan Areas Office Demand Survey 2016 – New Ways of Working and Office*, released on January 30, 2017
<https://www.xymax.co.jp/english/research/release/170130.html>
- Spring 2017 (2nd survey) *Metropolitan Areas Office Demand Survey 2017 – Demand Trends*, released on August 2, 2017
https://www.xymax.co.jp/english/research/release/170802_2.html
- Autumn 2017 (3rd survey) *Metropolitan Areas Office Demand Survey Autumn 2017*, released on December 7, 2017
<https://www.xymax.co.jp/english/research/release/171207.html>
- Spring 2018 (4th survey) *Metropolitan Areas Office Demand Survey Spring 2018*, released on July 3, 2018
<https://www.xymax.co.jp/english/research/release/180703.html>
- Autumn 2018 (5th survey) *Metropolitan Areas Office Demand Survey Autumn 2018*, released on December 18, 2018
<https://www.xymax.co.jp/english/research/images/pdf/20181218.pdf>
- Spring 2019 (6th survey) *Metropolitan Areas Office Demand Survey Spring 2019*, released on June 26, 2019
<https://www.xymax.co.jp/english/research/images/pdf/20190626.pdf>
- Autumn 2019 (7th survey) *Metropolitan Areas Office Demand Survey Autumn 2019*, released on November 27, 2019
<https://www.xymax.co.jp/english/research/images/pdf/20191127.pdf>
- Spring 2020 (8th survey) *Metropolitan Areas Office Demand Survey Spring 2020 (Carried Out in June)*, released on July 29, 2020
<https://www.xymax.co.jp/english/research/images/pdf/20200729.pdf>
- Autumn 2020 (9th survey) *Metropolitan Areas Office Demand Survey Autumn 2020*, released on December 2, 2020
<https://www.xymax.co.jp/english/research/images/pdf/20201202.pdf>
- Spring 2021 (10th survey) *Metropolitan Areas Office Demand Survey Spring 2021*, released on June 9, 2021
<https://www.xymax.co.jp/english/research/images/pdf/20210609.pdf>

[Greater Tokyo Company Survey on Work Styles and the Workplace]

- *Greater Tokyo Company Survey on Work Styles and the Workplace – August 2020*, released on September 18, 2020
<https://www.xymax.co.jp/english/research/images/pdf/20200918.pdf>
- *Greater Tokyo Company Survey on Work Styles and the Workplace – December 2020*, released on January 27, 2021
<https://www.xymax.co.jp/english/research/images/pdf/20210127.pdf>
- *Greater Tokyo Company Survey on Work Styles and the Workplace – January 2021*, released on March 10, 2021
https://soken.xymax.co.jp/2021/03/10/2103-greatertokyo_workstyle_survey_2101/ (in Japanese)
- *Greater Tokyo Company Survey on Work Styles and the Workplace – July 2021*, released on August 13, 2021
https://soken.xymax.co.jp/2021/08/13/2108-greatertokyo_workstyle_survey_2107/ (in Japanese)

[TOPIC REPORTS]

- *Companies' Work Styles and the Workplace under the Corona Crisis*, released on July 15, 2020
<https://www.xymax.co.jp/english/research/images/pdf/20200715.pdf>
- *Workplace Strategy as a Managerial Issue*, released on March 22, 2021
<https://www.xymax.co.jp/english/research/images/pdf/20210322.pdf>
- *Reconsidering How to Assess Office Space Due to the COVID-19 Pandemic*, released on December 14, 2021
<https://www.xymax.co.jp/english/research/images/pdf/20211214.pdf>

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

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