

# NEWS & RELEASE

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## Office Space per Person 2015

Space per person is the smallest ever. Rent per person is on the increase.

Xymax Real Estate Institute is studying corporate tenants in office buildings to have a better understanding of how the office space is used.

This is the annual reporting of office space per person in a typical office building. The analysis focused on cost is also available with the survey of the rent per person (including CAM charge) started from last year.

For the result of the previous survey, see "Office Space per Person 2014" released on December 1, 2014.

### Key Findings

- **Office space per person in Tokyo 23 Wards in 2015 was 3.87 tsubo, the smallest size since the survey began.**
- **This result may be largely influenced by increased workers following the job market recovery.**
- **Monthly office rent per person in Tokyo 23 Wards in 2015 started to increase and marked 65,192 yen.**

(1 tsubo=approx. 3.3 sqm)

### Survey Outline

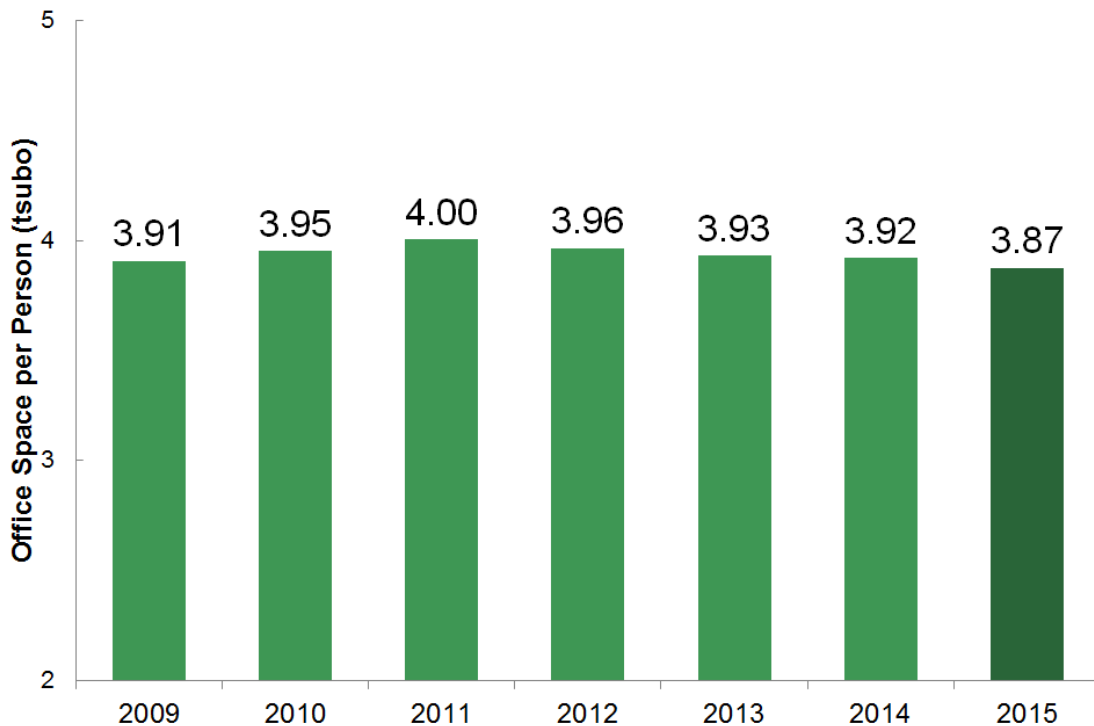
Period	2009 – 2015 (surveyed annually)
Respondents	Office tenants occupying the office buildings in Tokyo 23 Wards
Valid Response	Accumulated: 6,000 tenants 829 in 2009    871 in 2010    894 in 2011    909 in 2012    987 in 2013 873 in 2014    637 in 2015
Calculation Method	Estimated by dividing the tenants' office space and the monthly rent by the number of workers in the office. The median of each is referred to as "office space per person" and "office rent per person".
Notes	Office space: Net rentable area specified in the contract including the desk area, entrance (reception area), conference rooms, refresh rooms, document rooms, storage rooms and exclusive-use corridors. Rent: Rent including CAM charge Number of office workers: Number of "users" of the office space as responded by the tenant.

## Office Space per Person

The median of the office space per person as of April 2015 calculated from the net rentable area and the number of office workers of tenants was 3.87 tsubo, which means that the space per person of half of the tenants was smaller than 3.87 tsubo and that of the remaining tenants was larger than 3.87 tsubo.

Figure 1 shows the office space per person by year. After having remained around 3.9 tsubo to 4.0 tsubo in 2009-2014, the office space per person in Tokyo 23 Wards decreased to below 3.9 tsubo for the first time, to 3.87 tsubo in 2015, the smallest size since the survey began.

Figure 1: Office Space per Person 2009-2015 (Tokyo 23 Wards)



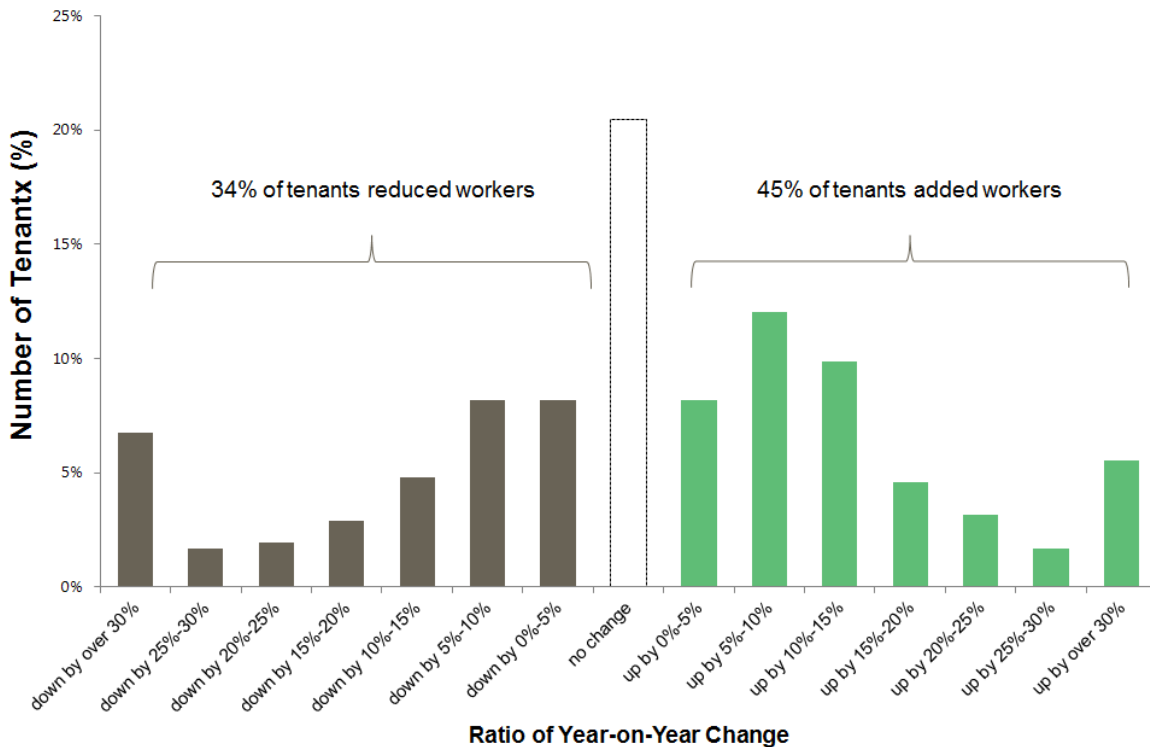
Behind the shrinking office space per person is probably the increase in workforce as the job market improved. The ministry surveys show steady improvements of the job market. The unemployment rate, for the first time in 18 years, decreased to 3.3% in April this year, and the jobs-to-applicants ratio marked 1.17 for the first time in 23 years, according to the surveys by the Ministry of Internal Affairs and Communications and the Ministry of Health, Labour and Welfare\*.

\* Labour Force Survey by Ministry of Internal Affairs and Communications Statistics Bureau  
<http://www.stat.go.jp/english/data/roudou/index.htm>

Labour Statistics by Ministry of Health, Labour and Welfare  
<http://www.mhlw.go.jp/english/database/db-l/index.html>

Figure 2 is a year-on-year comparison of some surveyed corporate tenants with data of two consecutive years. The distribution of the ratio of increase or decrease is shown. The number of tenants that added workers was greater (45%), than the number of tenants that reduced workers (34%). Thus, the tenant-by-tenant analysis also indicates that the increase in workforce is the factor of the shrinking office space per person.

Figure 2: Distribution of Year-on-Year Growth of Tenant's Office Workers 2014-2015

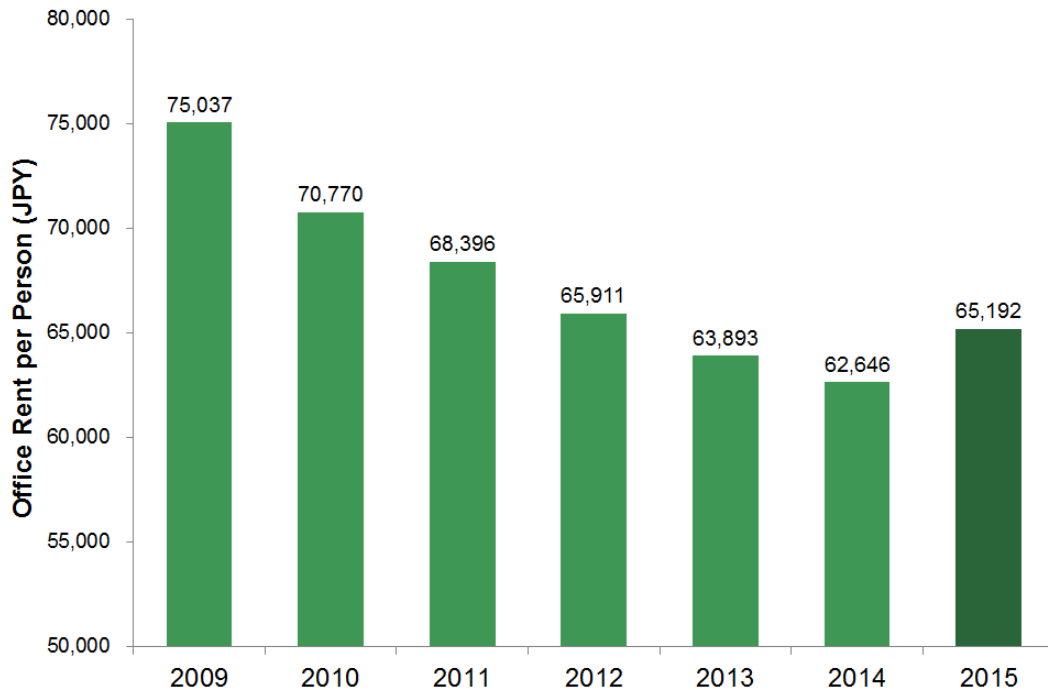


### Office Rent per Person

The median of the office rent per person as of April 2015 calculated by dividing the gross monthly rent by the number of office workers was 65,192 yen per month, which means that the monthly office rent of half of the tenants was less than 65,192 yen and that of the remaining tenants was more than 65,192 yen (see Figure 3). The rent per person increased for the first time since the survey began.

As shown, the office space per person is decreasing while the rent per person is increasing. This indicates that the rent increased faster than the workforce, not only for new tenants but also for existing tenants who renewed lease contracts and agreed rent increase, reflecting the recovery of the office space market.

Figure 3: Office Rent per Person 2009-2015 (Tokyo 23 Wards)



### Commentary

The job market improved and many companies are hiring more workers now. If tenants want to keep their office space per person, they need to expand the office space. However, increasing rent is a critical issue for tenants. To accommodate increased workers in the same size of space, some companies converted the meeting room into an office space, while other companies implemented a hot-desking office to achieve effective use of desks.

The recent rapid progress in the information and communications technology (ICT) enabled workplace innovation. Companies are introducing mobile working or having a satellite office. There is a possibility that these working style changes can achieve downsizing of office space per person and reduction of rent per person.

The office environment is on track for transformation responding to all kinds of challenges such as increasing productivity, diversifying workforce, reducing costs and more. Xymax Real Estate institute will, through these surveys, continue to study the actual conditions of use of office space and provide referential information.

The original research report in Japanese and translated reports in Chinese and Korean are also available online.

Japanese <https://www.xymax.co.jp/>

Chinese <https://www.xymax.co.jp/cn/index.html>

Korean <https://www.xymax.co.jp/ko/index.html>