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CBRE releases “2019 Japan Occupier Survey: Creating the Workplace of the Future”

Occupiers adopting diverse work styles including Activity Based Working, shared offices, and teleworking as competition for talent intensifies

CBRE today released a special report entitled “2019 Japan Occupier Survey: Creating the Workplace of the Future”. The report is based on the latest edition of CBRE’s annual “Office Occupier Survey” series and explains how the increasingly severe labor shortage in Japan is prompting many companies to reconsider the role, layout, and function of their workplaces.

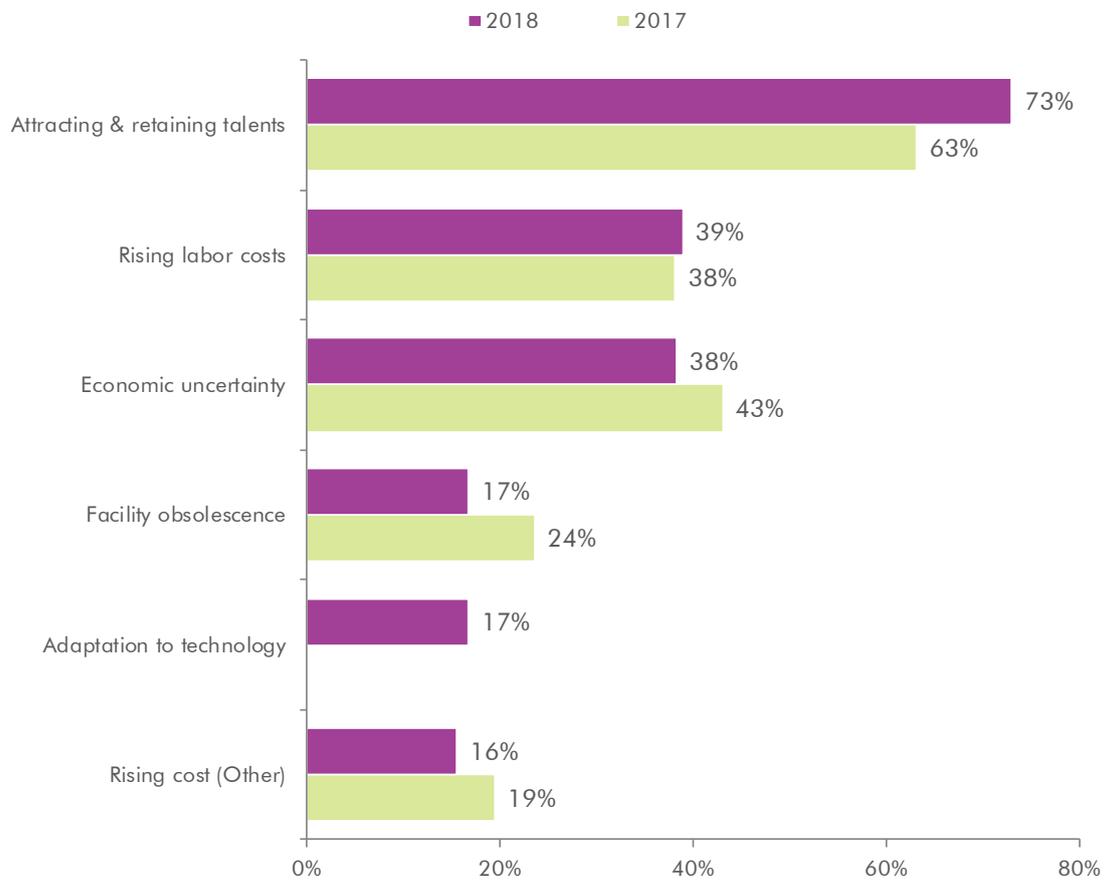
The survey found that the three most cited reasons for workplace change were “to accommodate varied work styles”, “to improve productivity”, and “to improve employee satisfaction.” To achieve these objectives, firms are mulling policies that enable a greater variety of work styles, including Activity Based Working (ABW), the use of shared offices, and teleworking.

◇ Issues companies are facing

Number one concern - Securing human resources

Tenants’ biggest perceived risk was “attracting and retaining talent”, up 10 points from last year’s survey results. This answer was selected by more respondents than “rising labor cost” or “economic uncertainty”, indicating the significance and urgency to secure talent. (Figure 1)

Figure 1: Companies' perceived risk factors



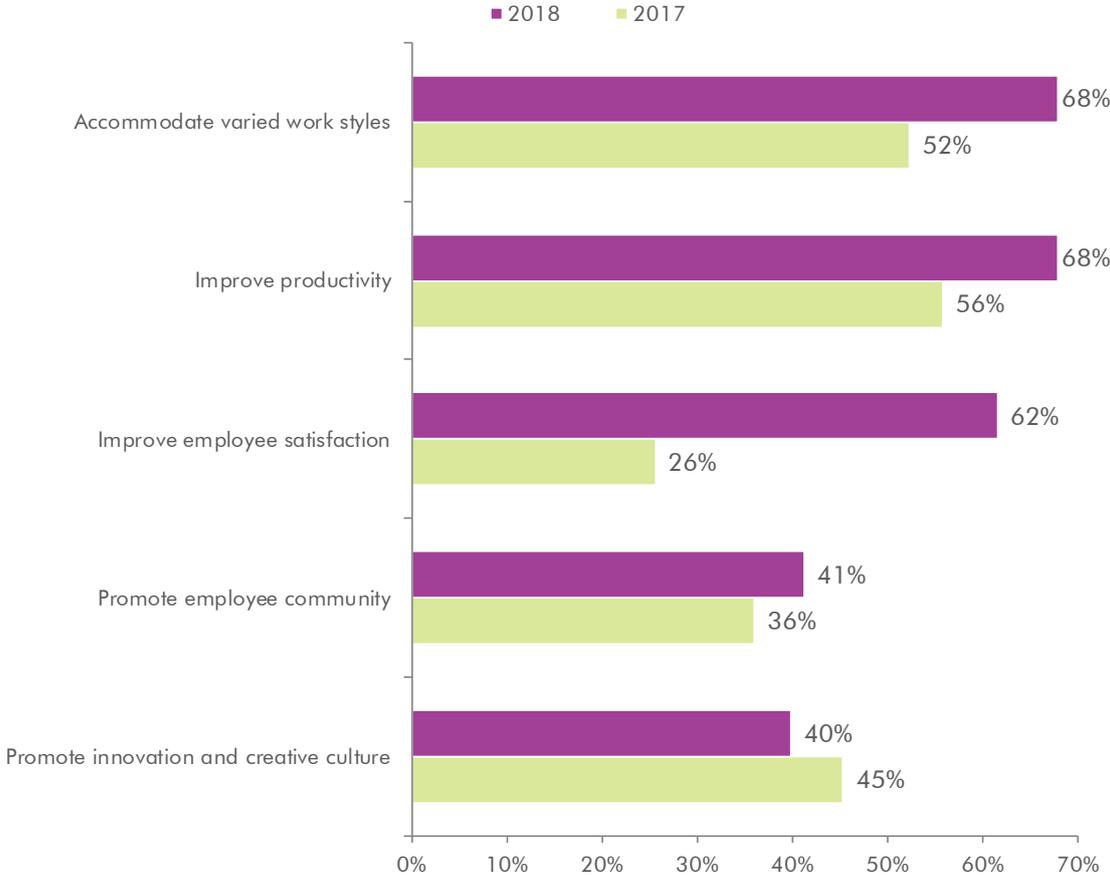
Source: CBRE

◆ **Reasons for workplace change**

Number one driver - "Improvement of employee satisfaction"

Among the reasons cited for workplace change, the response rate was especially high for: "accommodate varied work styles", "increase productivity", and "improvement employee satisfaction". They were all selected by over 60% of respondents and their response rates had increased since last year's survey. In particular, "improvement of employee satisfaction" rose by a substantial 36 points. Due to recent legislation imposing a limit on overtime hours, it is increasingly important for companies to ensure that their employees are working more productively. This is another factor driving demand for workplaces that raise employee satisfaction and increase their work motivation. (Figure 2)

Figure 2: Reasons for workplace change



Source: CBRE

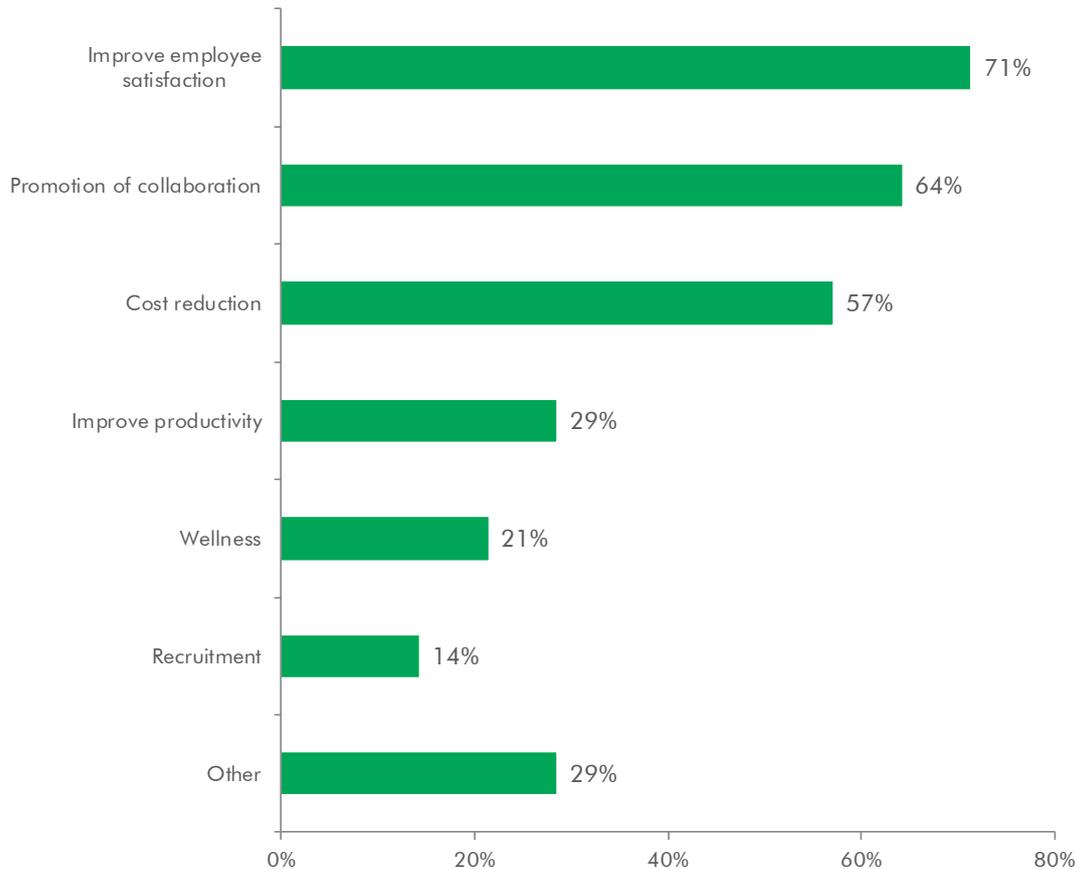
◇ Importance of flexibility for workers

ABW can improve employee satisfaction

ABW is a type of workplace that provides employees with a choice of settings for a variety of workspace activities. This format can also enhance personal productivity and foster independence, while encouraging greater collaboration among staff. ABW comprises of a variety of spaces in addition to traditional work desks, including focus spaces, different kinds of meeting spaces, lounge-style seats, and telephone booths.

CBRE's survey found that over 50% of tenants knew or had heard of ABW. Of these, 20% had already introduced ABW. More than 70% of tenants who had introduced ABW said it had been effective for "improving employee satisfaction." (Figure 3)

Figure 3: Benefits of introducing ABW



Source: CBRE

More companies implementing teleworking

Companies are increasingly mindful of their employees' work-life balance, a trend that is encouraging the introduction of teleworking. The survey found that 55% of tenants had introduced teleworking, a 10-point increase compared to last year.

Koichi Suzuki, Senior Director of CBRE Research, commented: "The acute labor shortage is prompting more companies to review their workplace in order to provide a more comfortable environment for their employees. As technology enables more effective communication with offsite or remote locations, tenants are also considering a more diverse range of potential locations for their offices. CBRE expects to see further evolution of occupiers' criteria for office buildings in the coming years."

For details, see "2019 Japan Office-Use Survey: Creating the Workplace of the Future"
<https://www.cbre.co.jp/en/research-reports/office-reports>

Previous report:

【Released August 10, 2018】 Japan Office Occupier Survey 2018—Moving Towards Agile Workplace

<https://www.cbre.co.jp/en/research-reports/Japan-Major-Report---Japan-Occupier-Survey-2018-August-2018>

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