

March 16, 2017

For further information:

CBRE

Corporate Communications

03-5288-9283

The Changing Occupier Mind-set – Employee Satisfaction to Drive Workplace of the Future

Based on the findings of the 2016 Occupier Survey, CBRE today released an infographic on “The Future of the Office,” detailing a change in occupiers’ mind-set and how employee satisfaction will play an important role in their workplace decisions going forth.

Details of the findings and summary of the infographic:

- For occupiers considering an office move, the three most cited items to consider were (1) a more convenient commute and location; (2) cost (rent, utilities, etc.); and (3) a building's level of earthquake resistance.
- The top three risks occupiers were expecting to face were (1) a shortage of workforce and talent; (2) economic uncertainty; and (3) rising costs. These results were identical to that of the previous year’s survey and reflect concerns regarding the overall environment, i.e. Japan’s labor shortage, the rising labor costs due to a shrinking population, and increasing uncertainty in the Japanese and global markets.
- Occupiers identified the following as the top three ways to increase employee satisfaction: (1) a more convenient commute and better location; (2) the quality of the workplace environment; and (3) a flexible workstyle. This is the first time a ‘flexible workstyle’ has appeared in the top three; it is telling of occupiers’ goal to attract and/or retain talent by offering a workplace that is suited for a diverse group of people and their different needs.
- Since last year, the number of respondents who have or are planning to introduce hot-desking has doubled. Furthermore, compared to 44% in 2015, this year’s survey showed that 53% of respondents have or will allow tele-working.
- The top four office areas occupiers were most interested in were: (1) Marunouchi, Yaesu, and other areas around Tokyo Station; (2) Shinagawa, Hamamatsu-cho, and other locations near Shinagawa Station; (3) Toranomon; and (4) Shibuya, Ebisu, and other areas around Shibuya Station. These areas are either close to an existing major railway terminal or are expecting a new station to be built. In addition, a relatively large volume of new office supply is scheduled to be built over the next few years in these areas, including several high profile buildings. The convenient location and upcoming construction projects make these areas attractive to current and prospective employees, and therefore to occupiers.

A PDF version of the infographic can be downloaded here.

<https://researchgateway.cbre.com/Layouts/PublicReportAccess/Default.aspx?PUBID=e0294b7c-a688-4a9f-9ca8-e6f48111b453>

FROM HARD TO SOFT, THE CHANGING OCCUPIER MINDSET JAPAN OCCUPIER SURVEY



WHAT OCCUPIERS VALUED IN THE PAST

- CONVENIENT LOCATION & COMMUTE 98%
- COST (rent, utility cost, management fee, etc.) 81%
- EARTHQUAKE RESISTANCE 63%

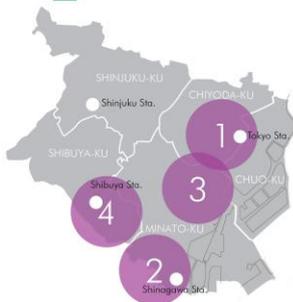
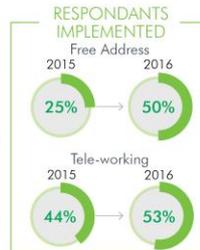
WHY CHANGE?

PERCEIVED FUTURE RISKS

- TALENT SHORTAGE 67%
- ECONOMIC OUTLOOK 59%
- COST (rent, labor cost, etc.) 42%

WHAT OCCUPIERS VALUE IN THE FUTURE

- CONVENIENT COMMUTE 89%
- WORKPLACE ENVIRONMENT 73%
- FLEXIBLE WORKSTYLE 40%



POPULAR AREAS

- 1 TOKYO STA. AREA
- 2 SHINAGAWA STA. AREA
- 3 TORANOMON AREA
- 4 SHIBUYA AREA

THE NEXT FIVE YEARS (2017-2021)

NEW SUPPLY '000' TSUBO	STOCK INCREASE
324	▲ 25.1%
185	▲ 24.4%
121	▲ 21.1%
105	▲ 31.1%



CBRE RESEARCH This report was prepared by CBRE Japan Research Team, which forms part of CBRE Research - a network of preeminent researchers who collaborate to provide real estate market research and economic forecasting to real estate. © 2017 CBRE, Inc. Information contained herein, including projections, has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to confirm independently its accuracy and completeness. This information is presented exclusively for use by CBRE clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of CBRE.

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (based on 2016 revenue). The company has more than 75,000 employees (excluding affiliates), and serves real estate investors and occupiers through approximately 450 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.co.jp

Disclaimer: This press release is to be used at the reader's discretion, and CBRE will not be liable for any legal framework or grounds for claims arising from deliberations, judgements or decisions made on the basis of this press release by the reader or any third party or the outcomes thereof.