Creating Resilience

CBRE Office Strategy Survey 2026

Navigating Inflation: Winning Office Strategies for Landlords and Tenants

REPORT

CBRE RESEARCH
NOVEMBER 2026



Key Findings

Inflation and the growing cost burden

- The survey found that the most significant business issue currently facing corporations in Japan is “securing human resources”, followed by “increasing costs”.
  For landlords, increasing costs are a major challenge. While inflation has pushed up office buildings’ operational costs, almost three-quarters of landlords state they have been unable to pass those costs onto tenants.

Robust office demand even amid inflation

- Despite rising costs, only a limited number of tenants have changed their office relocation plans. Far from reducing spending, more tenants are looking to increase their office expenditure by expanding their floor space or improving their office environment, with overall appetite for office expenditure remaining strong.

Office criteria sought by tenants

- Amid this inflationary economic environment, the key factors making tenants more likely to accept rent increases are “improvements in location” and “improvements in building specifications”. High-quality offices that employees are comfortable working in are particularly sought after owing to their ability to help companies attract and retain staff.

Added-value initiatives to drive rental growth

- The initiative most likely to contribute to increased asking rents in existing properties is the “introduction of flexible office space”, followed by the “provision of pre-fitted offices” and “customization for special applications (labs, studios, kitchens, etc)”.
  Key factors which encourage tenants to accept rent increases are office layouts and facilities which lower overall office expenditure even while increasing actual rents, along with those which help secure human resources through improvements in accessibility and comfort.

© 2026 CBRE, INC.

Introduction

CBRE Japan's 2026 Office Strategy Survey was conducted in July 2026. The survey questioned office tenants and landlords on their office strategies, with a detailed overview included on page 8 of this report. CBRE used the survey findings to analyze the effects of the current inflationary environment on the office market and to identify which features add value to office buildings and for which tenants are willing to pay higher rents. The report concludes by identifying effective office strategies for both tenants and landlords to utilize in an inflationary environment.

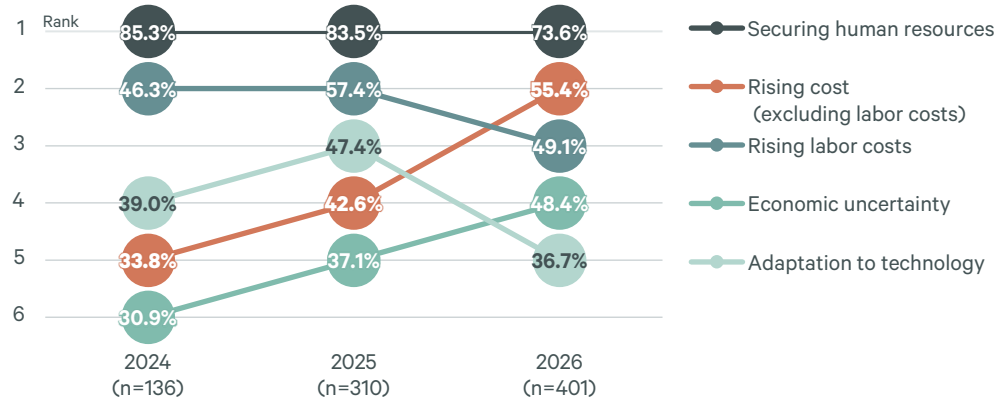
1. Inflation and the growing cost burden

CBRE's Office Strategy Survey found that the most significant risk and key issue currently facing corporations in their business activities is "securing human resources", at 73.6%, followed by "increasing costs", at 55.4% (Figure 1). Survey results going back to 2024 illustrate that labor shortages have long made securing human resources a top priority for corporate management in Japan. The perceived importance of cost increases has surged in the latest surveys, rising from fifth place in 2024 to fourth in 2025, and accelerating to second in this year's edition. Inflation is clearly making rising costs an increasingly significant issue for corporate occupiers.

Rising costs have also affected office landlords. Figure 2 shows landlords' responses when asked if their office building management costs have increased or decreased from the previous year. With some 81.0% of surveyed landlords indicating that their operational costs have increased, a clear majority are now grappling with rising costs.

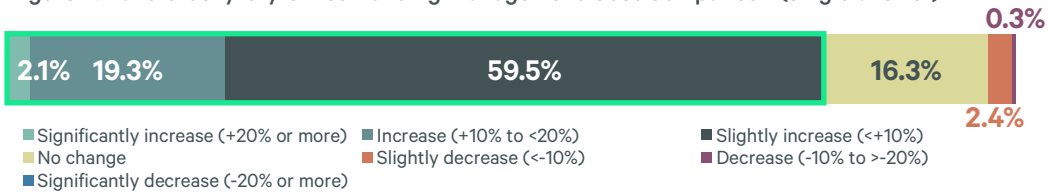
While surging construction and operational costs have been passed on to tenants in the form of increased rents, this has only been done to a limited extent. Just 13.9% of landlords indicate that cost increases are properly reflected in new rent levels, while 74.4% respond that they are not (Figure 3). This reflects the fact that many landlords continue to evaluate ways to pass costs on to their tenants.

Figure 1: Tenants' Projected Future Business Risks and Key Issues (multiple answers permitted)



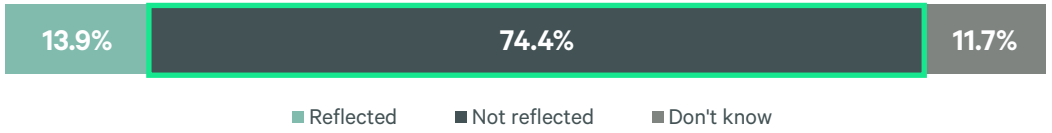
Source: Media Business, Nikkei Inc./ Investigation: Nikkei Research Inc./ Cooperation for investigation: CBRE "Survey on office usage", July 2024, July 2025; Tenant Survey Concerning Office Strategy, CBRE Research, July 2026.

Figure 2: Landlords' y-o-y Office Building Management Cost Comparison (single answer)



Source: Owner Survey Concerning Office Strategy, CBRE Research, July 2026. n=331

Figure 3: Extent to Which Costs are Reflected in Landlords' Rental Income (single answer)



Source: Owner Survey Concerning Office Strategy, CBRE Research, July 2026. n=324

© 2026 CBRE, INC.

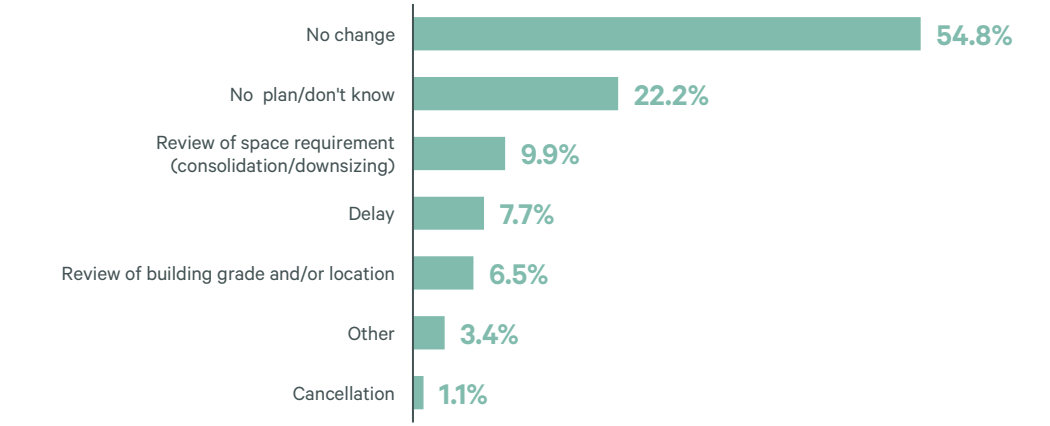
2. Robust office demand even amid inflation

Even as costs increase in Japan's inflationary economy, office demand remains solid. Despite rising rents, general price inflation, and increasing construction costs, only a limited number of tenants have changed their plans for relocating or refurbishing their offices. With 54.8% indicating "no change" to their intentions (Figure 4), most tenants retain their original office strategies. Strong corporate performance is underpinning robust office relocation activity nationwide, with office vacancy rates continuing to trend at very low levels.

The results of CBRE's survey indicate that current strong levels of office demand are likely to continue into the foreseeable future. 38.6% of tenant respondents anticipate increasing their office floor space, well above the 10.3% who foresee overall floor space decreasing (Figure 5). In terms of expenditure in improving their office environment, companies indicating that they plan to increase expenditure outnumber those selecting other responses (Figure 6). While they recognize rising costs as a key concern, most tenants maintain an aggressive stance toward improving their office space.

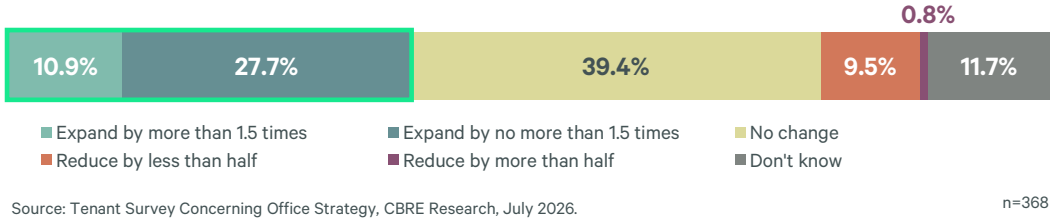
As inflation-driven costs continue to rise, however, companies must determine whether their office buildings are providing value commensurate with their financial burden. This may prompt companies to become more selective toward location, building and fitout choices.

Figure 4: Tenants' Changes to Office Plans as a Result of Rising Costs (multiple answers allowed)



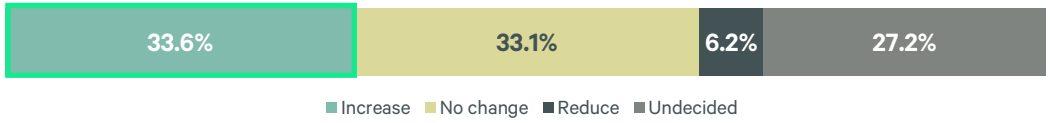
Source: Tenant Survey Concerning Office Strategy, CBRE Research, July 2026. n=352

Figure 5: Tenants' Future Projections for Total Office Floor Area (single answer)



Source: Tenant Survey Concerning Office Strategy, CBRE Research, July 2026. n=368

Figure 6: Tenants' Plans for Future Investment in Improving Office Environments (single answer)



Source: Tenant Survey Concerning Office Strategy, CBRE Research, July 2026. n=357

© 2026 CBRE, INC.

3. Office criteria sought by tenants

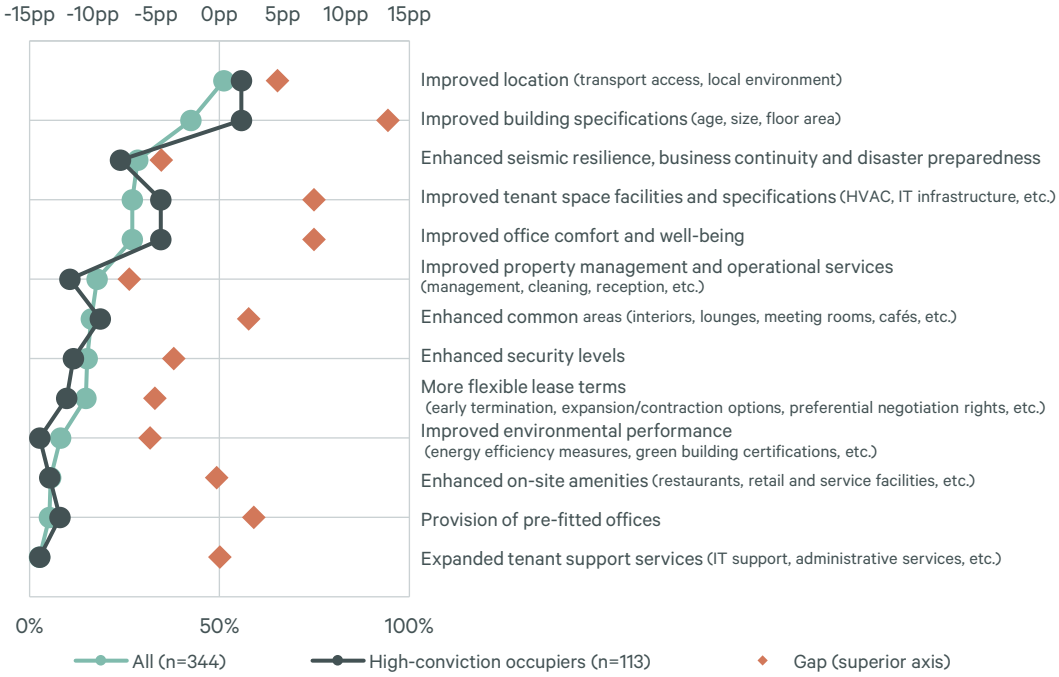
CBRE's survey also identified the office features regarded by tenants as generating enough value to justify paying higher rents. The most highly valued features of a property are superior location, in terms of transport access and local environment, and basic building specifications such as age, size, and floor space.

Figure 7 compares the responses by tenants who plan to increase future investment in their office environments (hereafter referred to as high-conviction occupiers) with those of the total respondent group, regarding the key factors that would make them willing to pay higher rents. A focus on the responses of companies willing to increase their office spending highlights the factors more likely to lead to rent increases.

Both the high-conviction occupiers and the total respondent group picked “improved location (transport access, local environment)” and “improved building specifications (age, size, floor area)” as their top two factors. The group of high-conviction tenants selected “improved building specifications” at a rate 13 pp. above the overall rate, suggesting a tendency in this cohort to place especially strong priority on new high-grade buildings with ample floor space, in addition to the traditional key factor of location. Since “securing human resources” was identified as the number one issue facing tenants’ future business activities (Figure 1), many companies evidently see high-quality office environments which are comfortable and easy to work in as a vital factor for attracting and retaining staff.

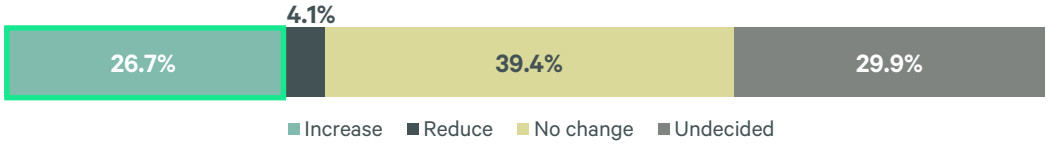
Building specifications such as age, size, and floor area are difficult to improve in existing properties and can only be enhanced through new developments or rebuilding. Therefore, even with construction costs continuing to rise, many landlords and developers remain keen to launch new developments. 26.7% of respondents indicate that they plan to increase future development floor area, well above the 4.1% planning to decrease space (Figure 8). As tenant demand for high-spec offices remains robust, they are more likely to be willing to pay higher rents. Landlords are clearly cognizant of this trend and remain eager to commit to new developments in the expectation of securing higher rents.

Figure 7: Key Factors Which Make Tenants More Likely to Tolerate Higher Rents (comparison between companies increasing office environment investment and all respondents) (up to three answers allowed)



Source: Tenant Survey Concerning Office Strategy, CBRE Research, July 2026.

Figure 8: Landlords’ Plans for Future Development (by floor area, single answer)



Source: Owner Survey Concerning Office Strategy, CBRE Research, July 2026.

n=221

© 2026 CBRE, INC.

4. Added-value initiatives to drive rental growth

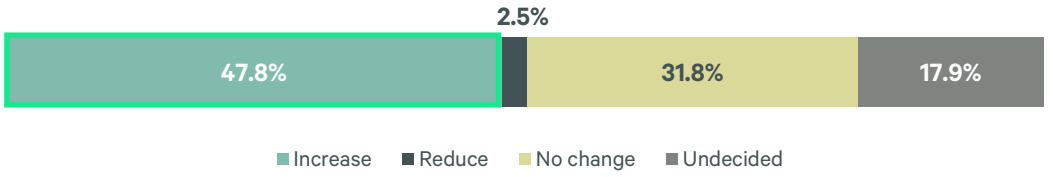
Landlords are conducting initiatives to improve the competitiveness of their existing buildings, with 47.8% indicating that they intend to increase investment in upgrading (refurbishing) their properties (Figure 9). As for landlords who have already implemented such added-value initiatives by refurbishing their properties or providing new services, many reported a positive effect in terms of improved profitability. The most mentioned effect was “increased rents”, followed by “improved ability to attract new tenants” (Figure 10).

To identify the policies that had the most practical effect in leading to increased rents even amid inflation, Figure 11 (next page) shows the percentage of landlords reporting increased rents for those implementing each of the major added-value initiatives. The initiative most likely to contribute to increased asking rents is the “introduction of flexible office space”, followed by the “provision of pre-fitted offices” and “customization for special applications (labs, studios, kitchens, etc)”.

Flexible office space reports to co-working offices or serviced offices that do not necessarily require the signing of lease contracts and are primarily used under the auspices of facility use contracts. For tenants, flexible offices can handle differing numbers of users and disparate usage periods, while possessing the distinct advantages of reducing relocation lead times and keeping initial costs to a minimum in a time when construction and interior finishing costs are on the rise. Shared spaces such as lounges within flexible office space can also function as buffer zones to temporarily accommodate additional office space when required for expansion, even for tenants usually occupying standard leased offices.

Like flexible offices, pre-fitted offices also keep down tenants’ initial costs, usually required to cover interior design and fixtures, and can also reduce relocation lead times.

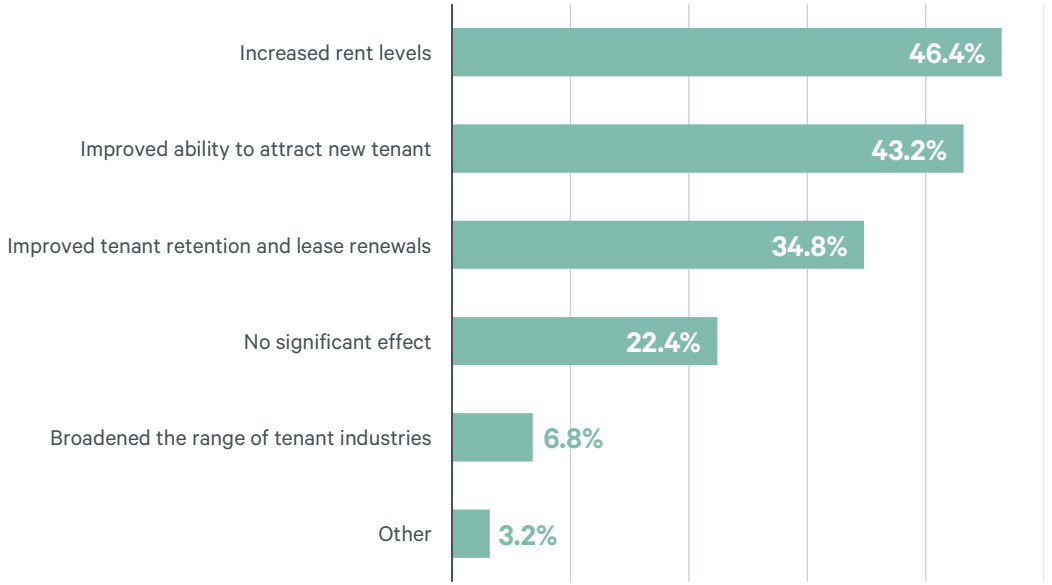
Figure 9: Landlords’ Investment Plans for Upgrading Existing Properties (single answer)



Source: Owner Survey Concerning Office Strategy, CBRE Research, July 2026.

n=324

Figure 10: Effectiveness of Landlords’ Added-Value Initiatives (multiple answers allowed)



Source: Owner Survey Concerning Office Strategy, CBRE Research, July 2026.

n=250

© 2026 CBRE, INC.

4. Added-value initiatives to drive rental growth (cont.)

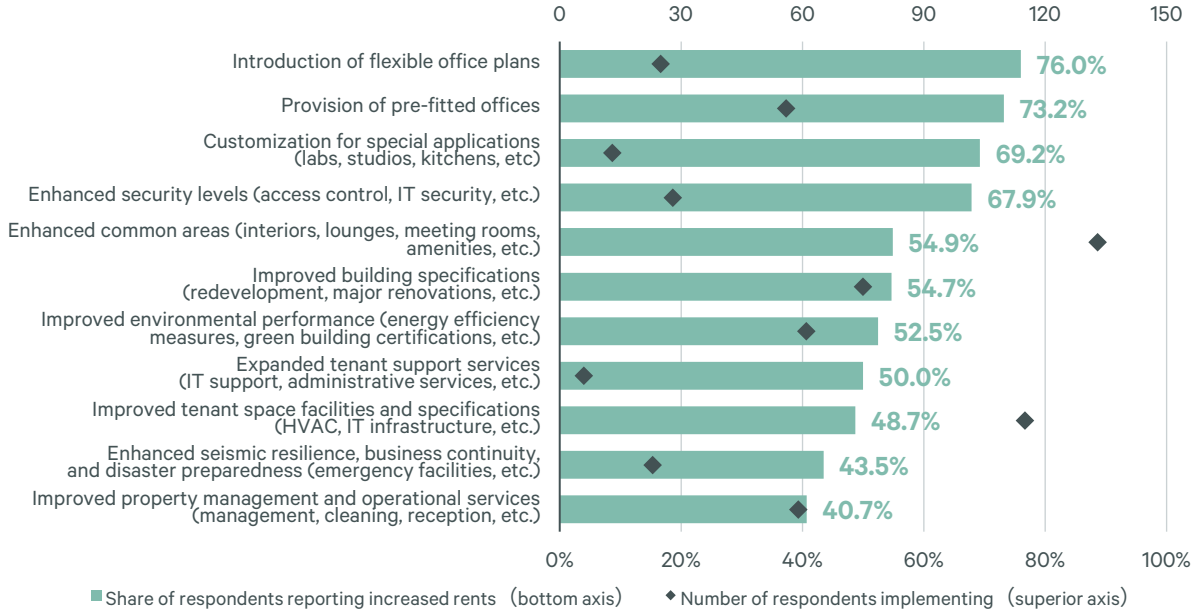
Specialist applications including laboratories, studios, and kitchens provide equipment and specifications not fitted as standard in regular office buildings. They can help landlords distinguish their building from other properties, making it difficult for tenants to find other suitable options. For tenants, these specialist properties allow them to create a work environment tailored to specific work needs, aiding them significantly in attracting and retaining employees.

Key factors which encourage tenants to accept rent increases are office layouts and facilities which address the problem of rising costs by lowering overall office expenditure even while increasing actual rents, and those which help secure human resources through improvements in accessibility and comfort.

In addition, CBRE's analysis found that the more added-value initiatives are implemented, the more effective they are (Figure 12). When multiple initiatives are combined, the effects appear to be amplified.

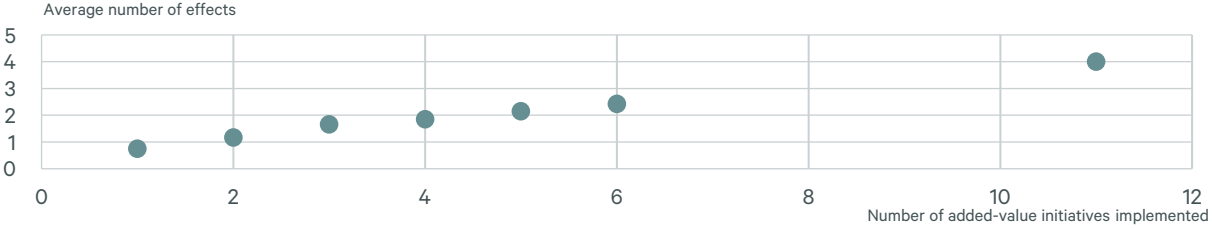
All in all, tenant place significant value on offices which contribute to solving staff shortages and rising costs. The path forward for office landlords, therefore, is to respond to these needs, which would eventually allow them to raise asking rents. As a fundamental factor within office leasing strategies amid an inflationary environment, the implementation of measures to tackle major corporate challenges will be an increasingly important criterion in office decision-making for both tenants and landlords alike.

Figure 11: Landlords' Added-Value Strategies Which Led to Rental Increases (multiple answers allowed)



*Flexible offices: Offices such as co-working offices or serviced offices that do not necessarily require the signing of lease contracts, and are primarily used under the auspices of facility use contracts. Source: Owner Survey Concerning Office Strategy, CBRE Research, July 2026.

Figure 12: Relationship Between Number of Added-Value Initiatives Implemented by Landlords and Average Number of Effects Noted*



*Average number of effects noted: The average number of categories selected by responding landlords which suggest an effect was obtained by the initiatives implemented, as shown in Figure 10. The categories available for selection were "Led to rent increase", "Led to contract extension/prevention of contract termination", "Led to improvements in attracting new tenants", "Expanded potential tenant sectors", and "Other".
Source: Owner Survey Concerning Office Strategy, CBRE Research, July 2026.

n=248

© 2026 CBRE, INC.

Appendix

01 Survey Method

Online survey

02 Survey Period

July 16 to 24, 2026

03 Respondents

Tenants: Senior management, general affairs, or corporate planning staff involved in the formulation of the company's office strategies

Landlords: Senior management or staff responsible for the holding and operation of rental office properties

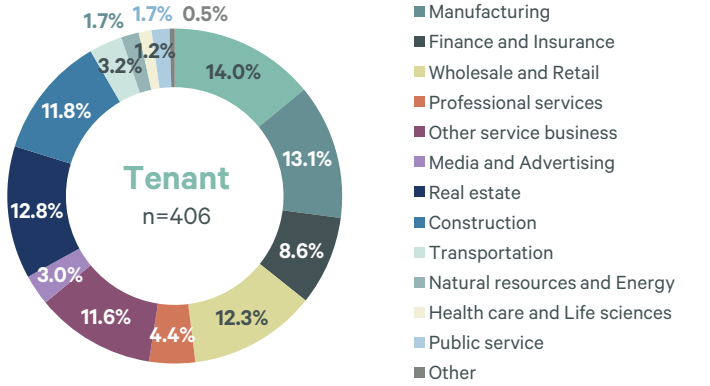
04 Number of Valid Responses

Tenants: 406

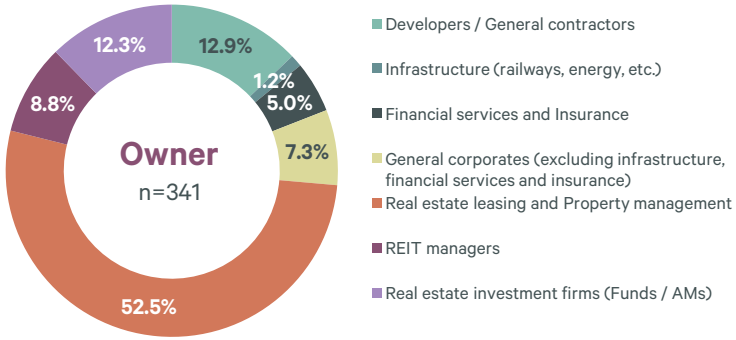
Landlords: 341

05 Breakdown of respondents

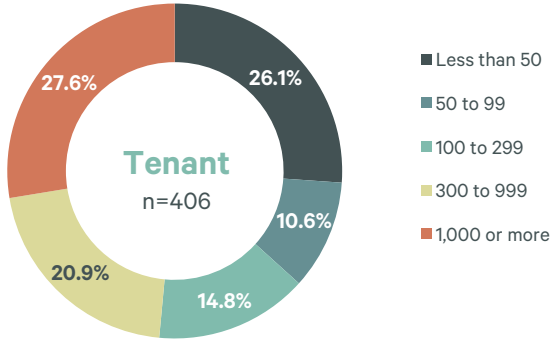
Respondents by industry



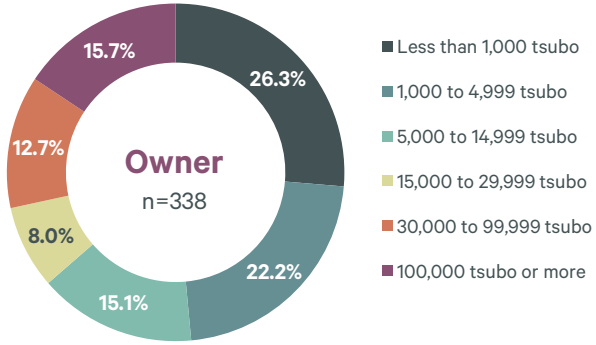
Respondents by business type



Size of the workforce of the company



Total floor area of owned/managed properties



Source: "Tenant Survey Concerning Office Strategy", "Owner Survey Concerning Office Strategy", CBRE Research, July 2026.

© 2026 CBRE, INC.

Contacts

Research Analysts

Kumiko Ninomiya

Senior Analyst
Office Team

kumiko.ninomiya@cbre.com

Yuji Iwama

Director
Office Team Leader/ Data center

yuji.iwama@cbre.com

Yoshitaka Igarashi

Director
Office Team/ Hotel

yoshitaka.igarashi@cbre.com

Chinatsu Hani

Senior Director
Head of Research

chinatsu.hani@cbre.com

© Copyright 2026. All rights reserved. The views and opinions in these articles belong to the author and do not necessarily represent the views and opinions of CBRE. Our employees are obliged not to make any defamatory clauses, infringe or authorize infringement of any legal rights. Therefore, the company will not be responsible for or be liable for any damages or other liabilities arising from such statements included in the articles.