

London Flexible Office Space Report

June 2022



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Increased Demand Leads to Higher Prices Across London

After two quiet years, the flexible office market in London has reemerged as a viable option for office space for businesses both small and large alike. While some businesses are requiring all employees back to the office, many other companies are transitioning towards a hybrid model of work from anywhere that includes the office as a central gathering place. This new demand is leading to a reduction in supply and increased costs for flexible offices across London.

As the largest market in the UK and one of the largest in the world, the cost to rent a permanent desk increased 3.4% QoQ to £690 per month with offices in East London jumping up 3.5%.

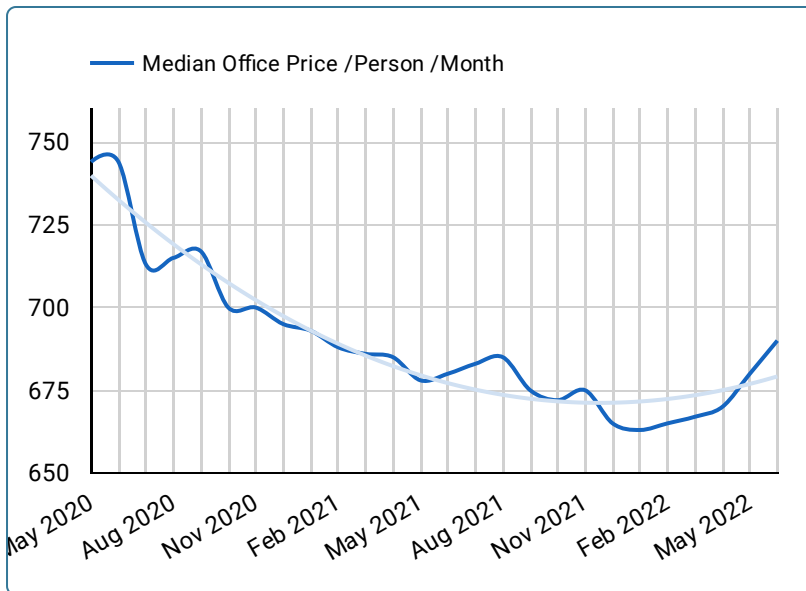
When we look at costs by office capacity, space for teams of 16-25 and as well as those for 1-4 desks saw the biggest jumps in price at 6.3% and 5.4% to £744 & £688 per person per month respectively.

What's New: With lockdowns behind us, serviced office operators such as The Boutique Workspace, Situu, Storey, Workpad, The Office Group, Venture X as well as others have opened over 20 new spaces across London with another 5 to come over the coming months.

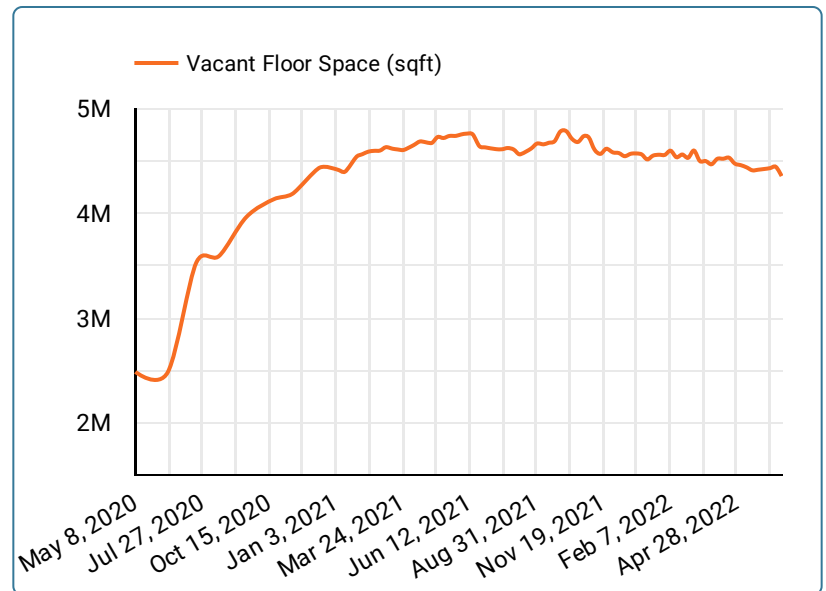
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
3,614 ↓ -3.0%	4,508,600 ↓ -2.4%
Vacant Workstations	Median Office Rate
90,212 ↓ -2.3%	£690 ↑ 3.4%
<i>Relative to previous quarter</i>	

Median Office Rate /Person /Month & Trendline



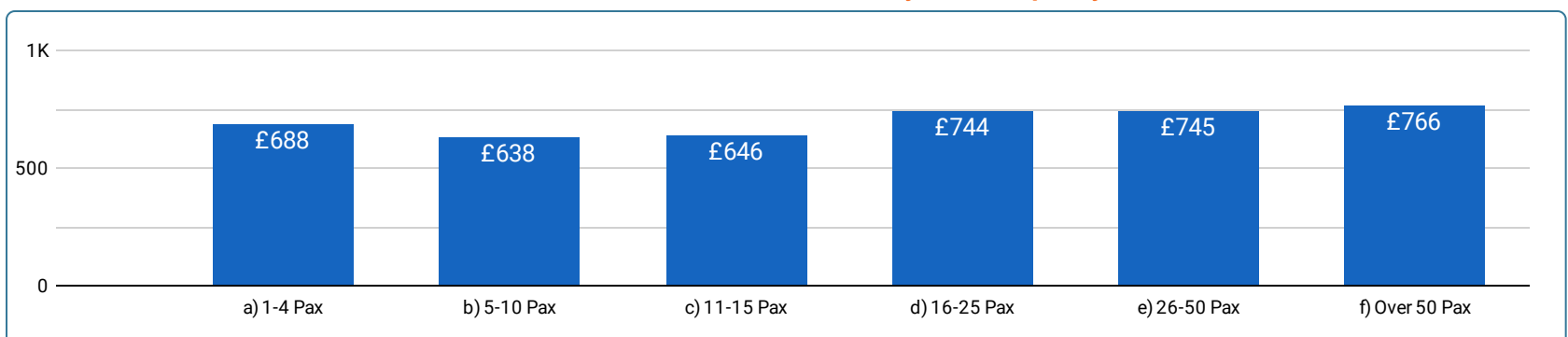
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



Prices Rise 1.1 % due to Reduced Inventory in Central London

At the heart of London there's just over 3 million sq. ft. of available flexible office space to rent across 2,500 vacant offices. We've seen increased demand for space in Central London leading to a 1.1% increase in the median price to rent a desk in a private office to £750 per month. The 5.6% drop in vacant space is despite new new additions from a number of operators.

Though there is still value to be found, we have observed a flight to quality amongst tenants as they endeavour to attract employees back into the office and compete for talent in a tight labour market.

Southwark represents the best value at £704 per desk while demand for space in Westminster has pushed rents up 7.9% to £830 per desk per month.

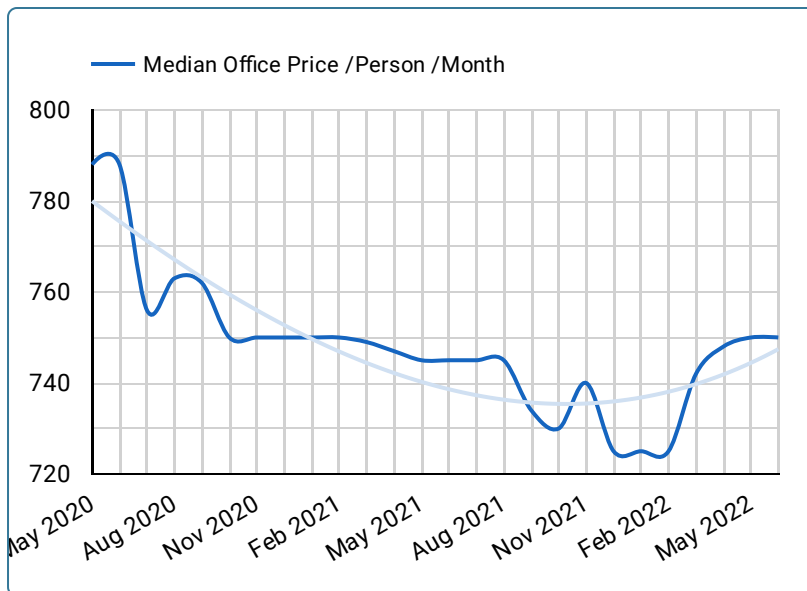
What's New in Q2: Seven new offices opened in Central London including two by The Boutique Workspace Company, one near Hyde Park and a second in Shoreditch; Situu opened a new office in Victoria near Buckingham Palace; Fora opened a new space in Fitzrovia while Storey opened an office in Paddington; Landmark opened in King's Cross.

Flex Office Space at a Glance

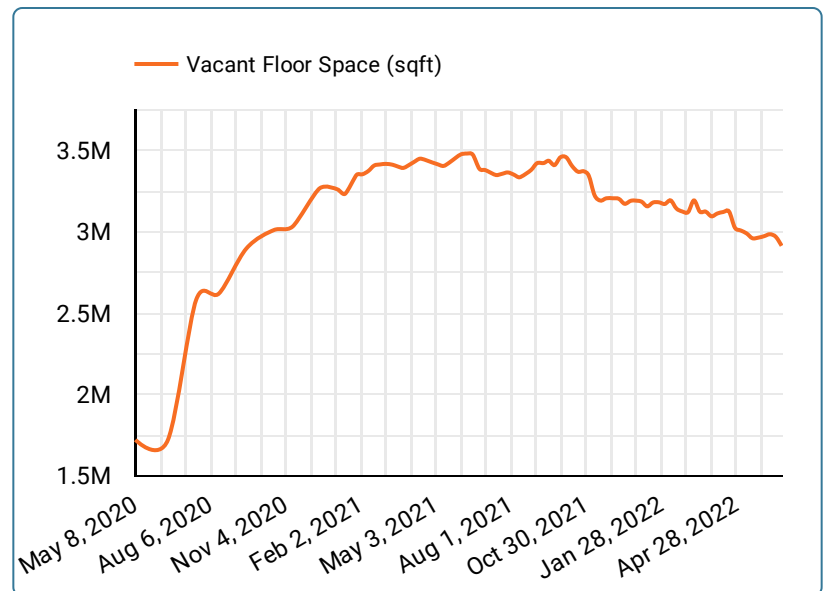
Vacant Offices 2,504 ↓ -4.1%	Vacant Space (sqft) 3,003,850 ↓ -5.6%
Vacant Workstations 60,117 ↓ -5.5%	Median Office Rate £750 ↑ 1.1%

Relative to previous quarter

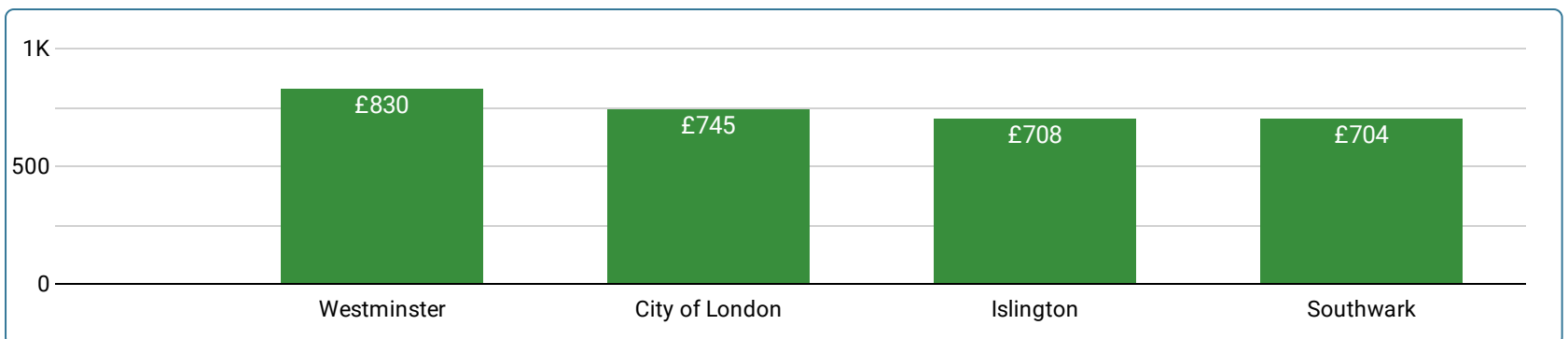
Median Office Rate /Person /Month & Trendline



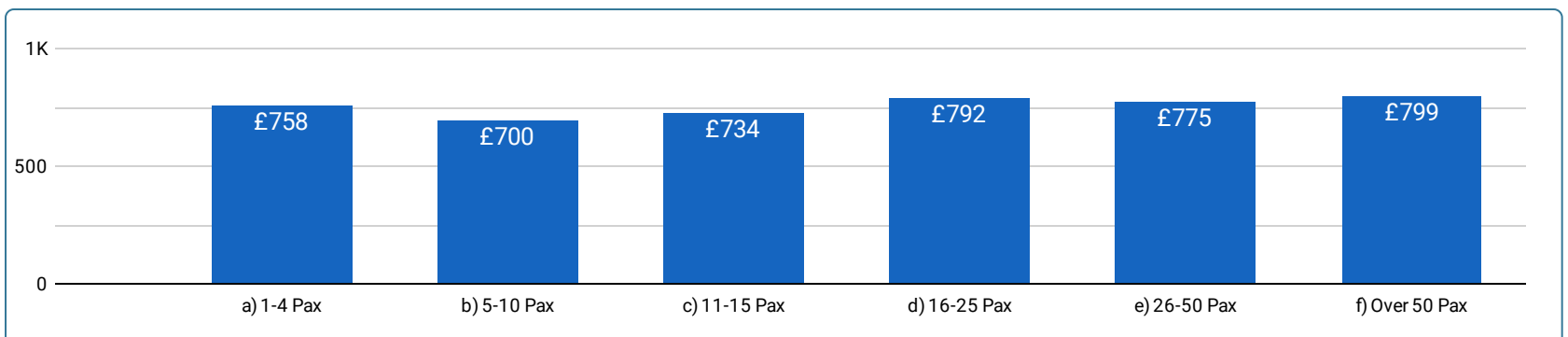
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



Prices Up as Businesses Seek Quality & Amenities in City

After climbing 3.4% in Q1, rates in the City of London edged up 1.5% QoQ to a median price £745 per desk per month. With the greatest density of flexible office space in the greater London region, demand has been high amongst businesses seeking both quality and amenities.

With many businesses looking for easy access to transport for their staff, prices for offices near most tube stations are a premium with offices within a 10 minute walk of Liverpool Street at £825 per desk while offices near Barbican station can be found for rates below the city median at £647 per person.

By office capacity, desk rates are fairly comparable for teams of 1-10 at £700 to larger enterprise offices for teams of 50 plus at £785 per person due to the quality of spaces located in the City of London.

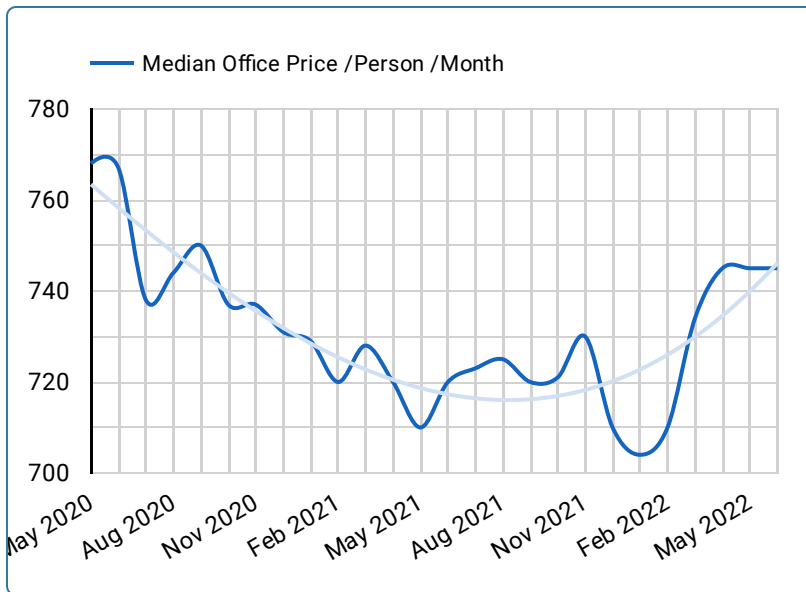
What's New: incspaces' opened on 24 King William; Convene opened a new space at 22 Bishopsgate; Knotel will open a new office at Clerks Court 146-150 City Road.

Flex Office Space at a Glance

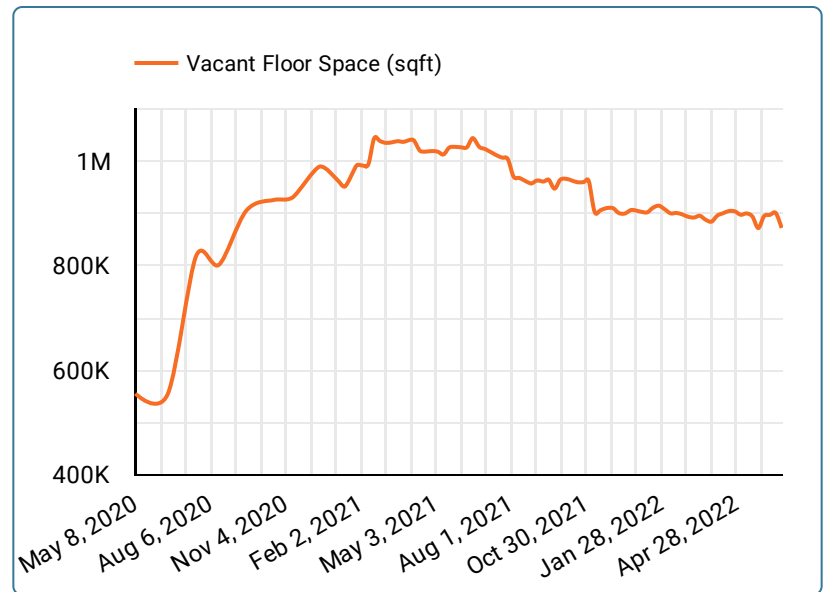
Vacant Offices	Vacant Space (sqft)
780	894,600
↓ -3.0%	↓ -1.3%
Vacant Workstations	Median Office Rate
17,892	£745
↓ -1.3%	↑ 1.5%

Relative to previous quarter

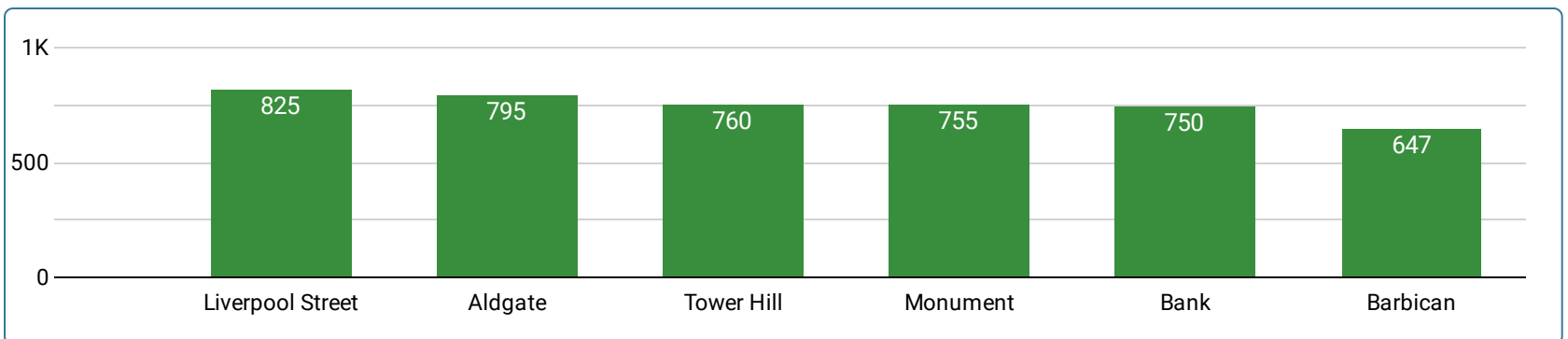
Median Office Rate /Person /Month & Trendline



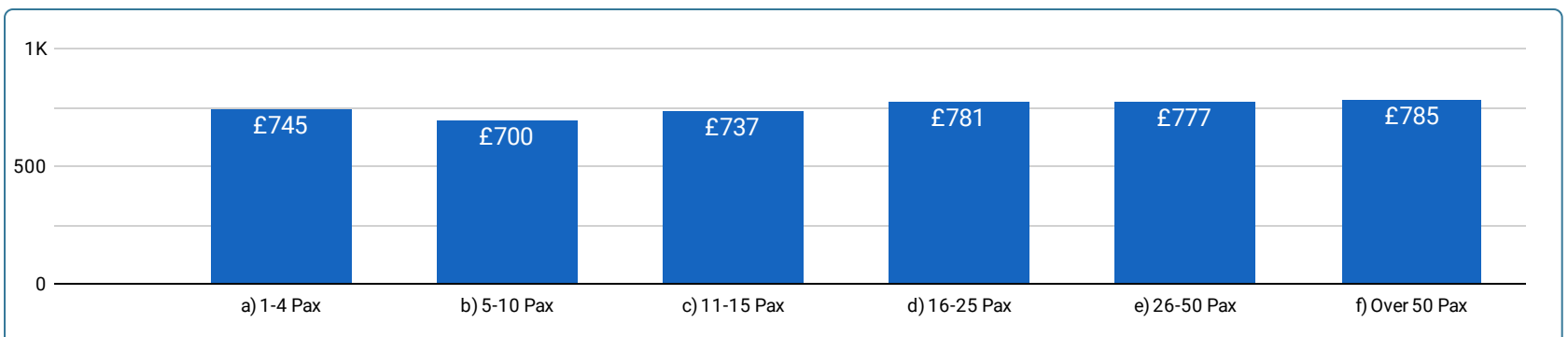
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Station



Median Office Rate /Person /Month by Office Capacity



New Supply Fails to Dampen Price in East London

After hitting a low of £500 per desk in May 2021, the median price to rent a flexible office in East London has increased by 18.4%, bringing the median rate to £592 per person per month and officially passing pre-pandemic rates. The rise in rates comes as somewhat of a surprise with a net increase of 10.5% in vacant space in the quarter.

Whitechapel in particular offers excellent value and although prices are up 13%, from Q1, the median rate of £479 per person per month (up 13% since Q1) is still well below pre-pandemic rates. Canary Wharf also has high quality space at affordable rates of £427 per person despite a reduction in the available Flex office space there. Wapping by contrast has highest rates at £809 per person per month, down 2% QoQ driven by an increase in vacant space in the last quarter.

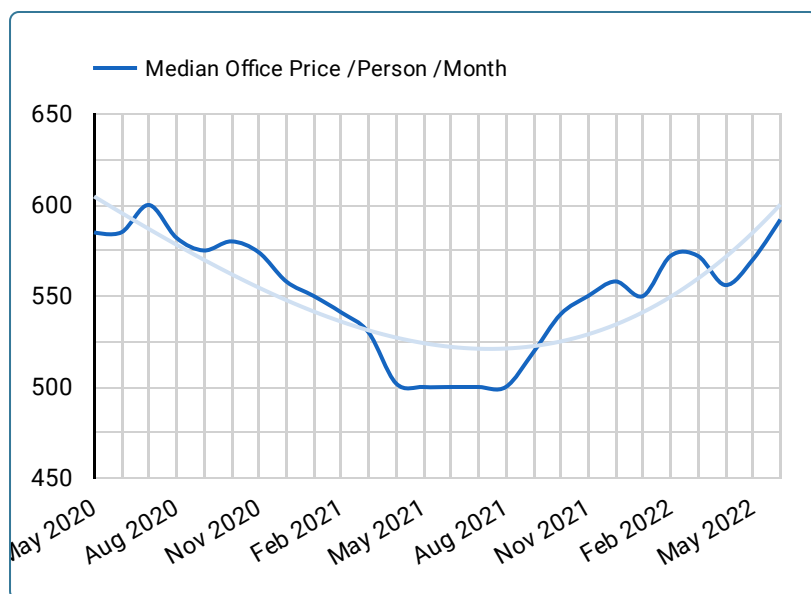
What's New: InfnitSpace opened 'beyond Aldgate Tower' while The Office Group, General People, and Fora are set to open new centres in Shoreditch and Canary Wharf.

Flex Office Space at a Glance

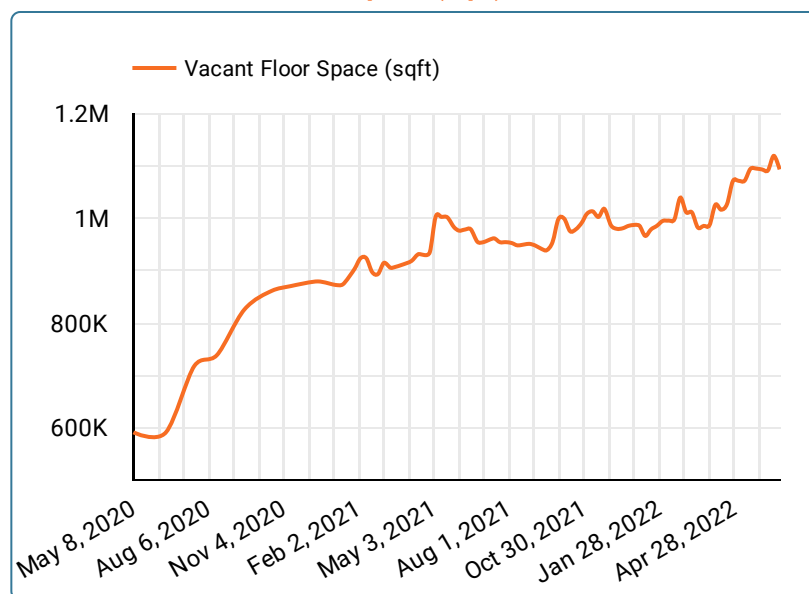
Vacant Offices	Vacant Space (sqft)
667	1,132,250
↑ 5.7%	↑ 10.5%
Vacant Workstations	Median Office Rate
22,645	£592
↑ 10.5%	↑ 3.5%

Relative to previous quarter

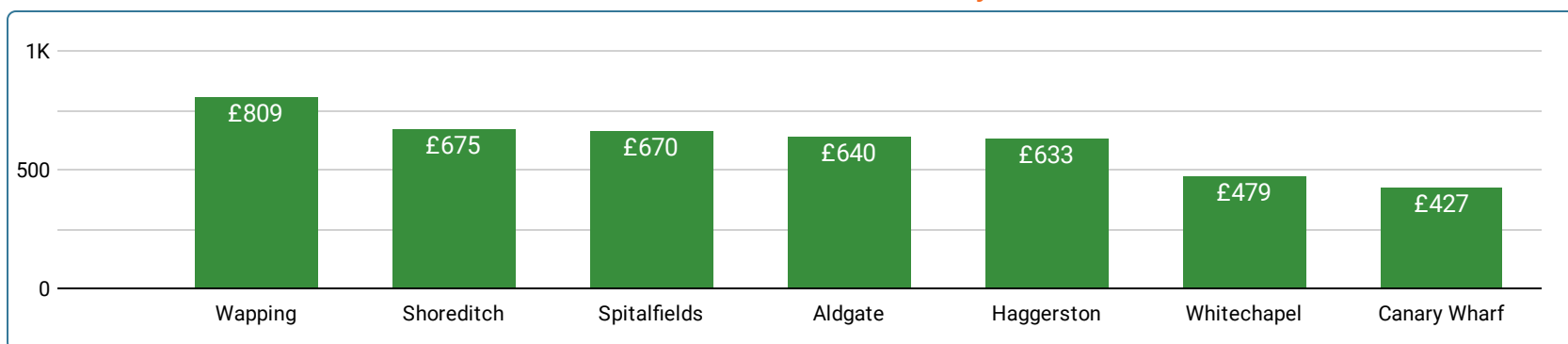
Median Office Rate /Person /Month & Trendline



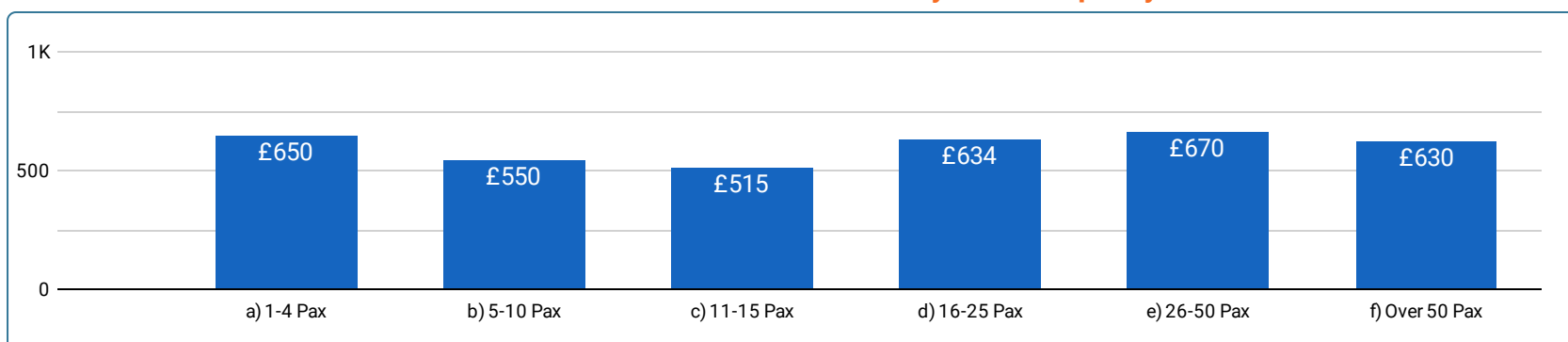
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



Prices in Hammersmith up 115% in West London

While elsewhere in London has seen pricing trend upwards from the pandemic lows, West London pricing remains unchanged for another quarter, despite a reduction in the available office space. With a 12.3% decline in vacant space from Q1, there are now far fewer available options outside Hammersmith & Fulham, which represent half of all available spaces.

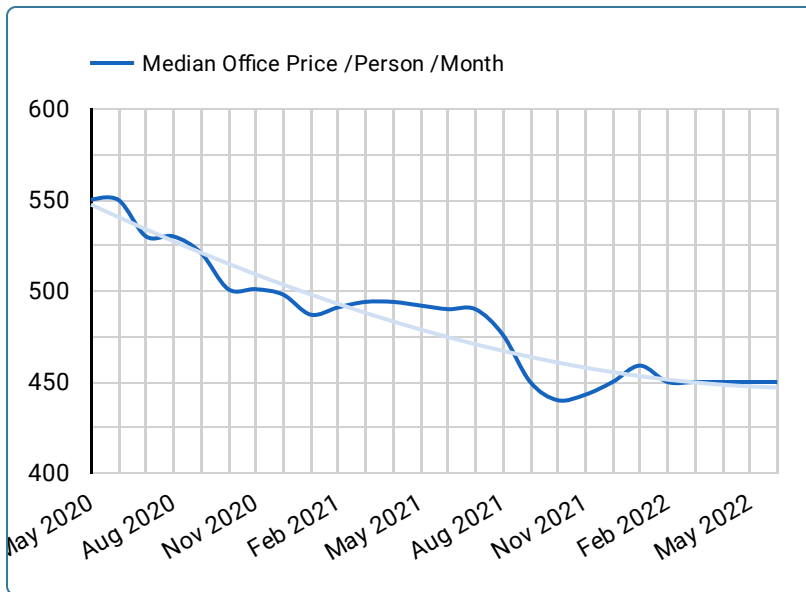
Though, the median price remained unchanged at £450, prices in Hammersmith increased 11.5% to a median rate of £600 per desk, greatly skewing the combined rate for West London. This price increase was driven by a 32% decline in available stock as demand returned. Outside Hammersmith, businesses will find median rents as low as £275 per person per month, a considerable discount from the area's median rent of £450.

What's New: 3 new offices opened but the new space wasn't enough to soak up West London's demand. Situu opened a new office near King's Cross; Ocubus opened a new office across from Hyde Park at 64 Knightsbridge; Venture X opened 2 floors in Shepherd's Bush.

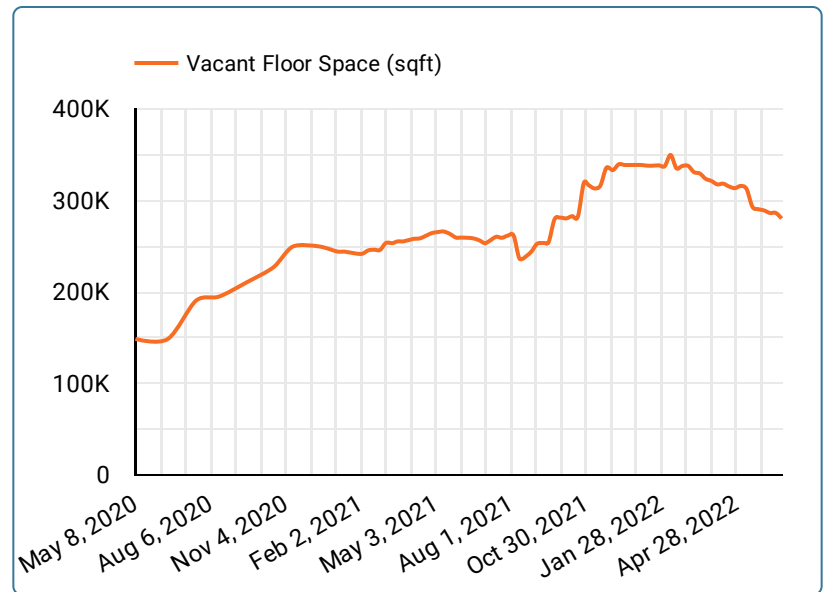
Flex Office Space at a Glance

Vacant Offices 293 ↓ -9.6%	Vacant Space (sqft) 296,100 ↓ -12.3%
Vacant Workstations 5,922 ↓ -12.3%	Median Office Rate £450 0.0%
<i>Relative to previous quarter</i>	

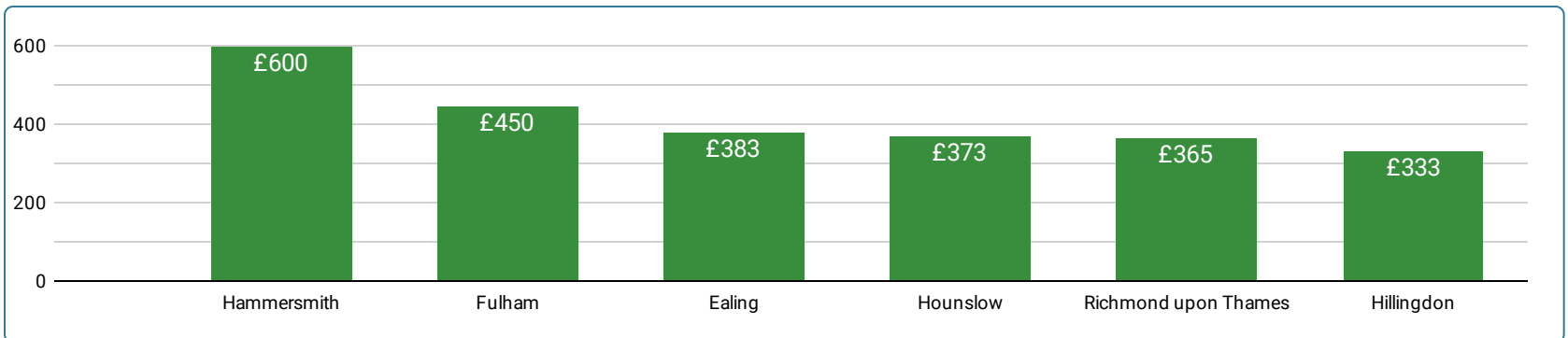
Median Office Rate /Person /Month & Trendline



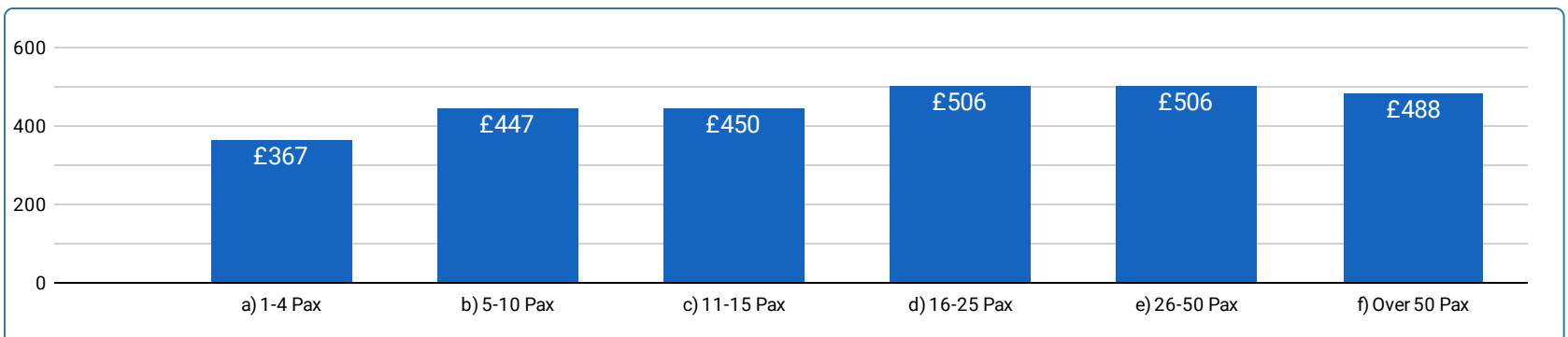
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Region



Median Office Rate /Person /Month by Office Capacity



New Supply Keeps Prices Down in South London

Despite a 9.2% QoQ increase in vacant floor space QoQ and a 18% increase since the start of the year, the median price remained flat at £300 per person. While rates are often linked to supply, there is limited vacancy in the South leading to greater price fluctuations.

When it comes to price and availability, Wimbledon leads the way with spaces available for teams of 1 to 4 at £290 per desk as well as larger offices for up to 60 people at £477 per desk.

Due to limited supply, 70% of the available spaces are for small teams of 1 to 10 with only a handful options available for teams larger than 25 people. 65% of South London's available Flex Office inventory is located in Wandsworth and Wimbledon.

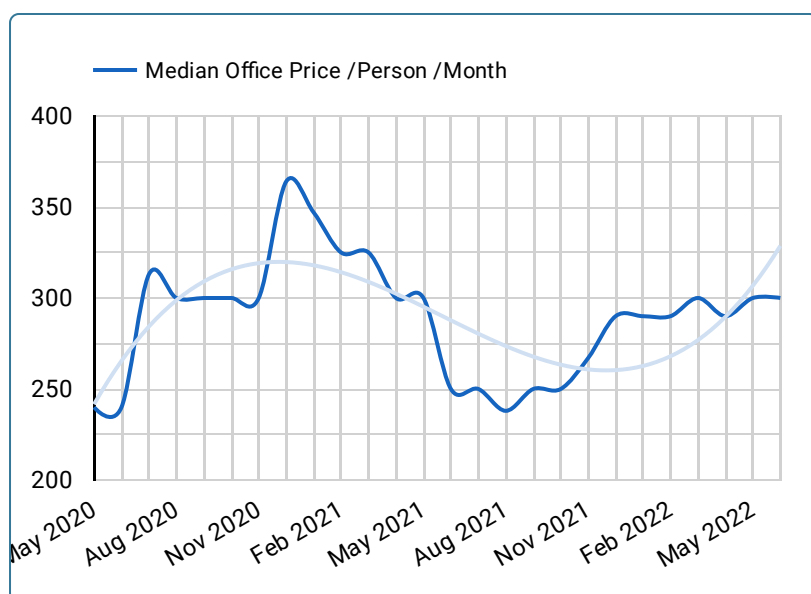
What's New: The Office Group launched a new space with 51,000 sq ft in Borough Yards while General People will launch its new office on London Road later this quarter.

Flex Office Space at a Glance

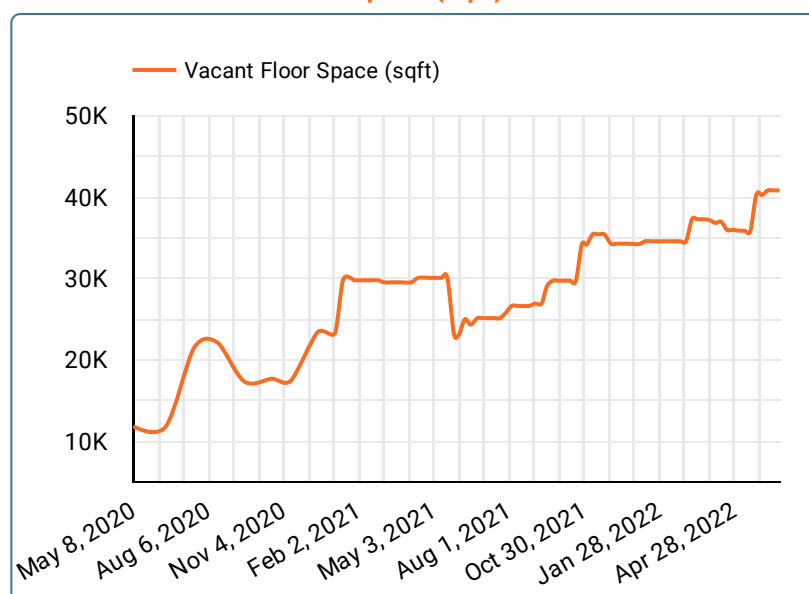
Vacant Offices	Vacant Space (sqft)
89 ↓ -1.1%	43,500 ↑ 9.2%
Vacant Workstations	Median Office Rate
870 ↑ 9.2%	£300 0.0%

Relative to previous quarter

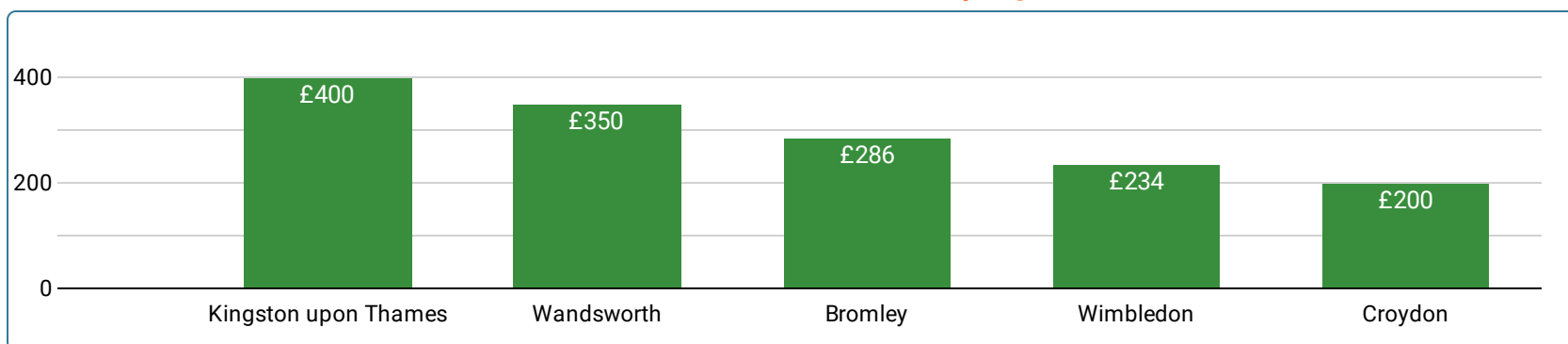
Median Office Rate /Person /Month & Trendline



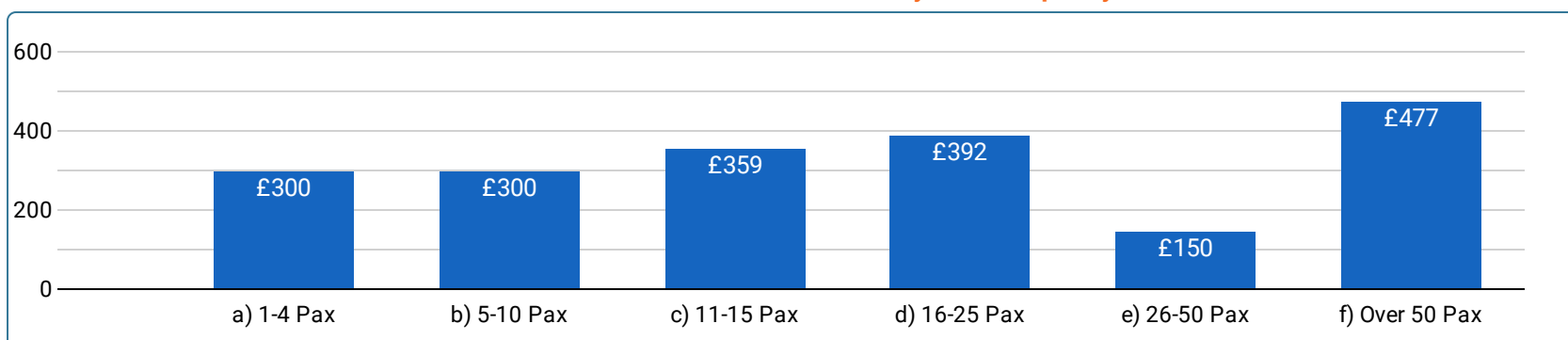
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Region



Median Office Rate /Person /Month by Office Capacity



North London's Limited Supply Impacts Options

With limited supply, the price of flexible office space in North London has remained flat at £395 per desk, despite a 3.1% drop in available space QoQ.

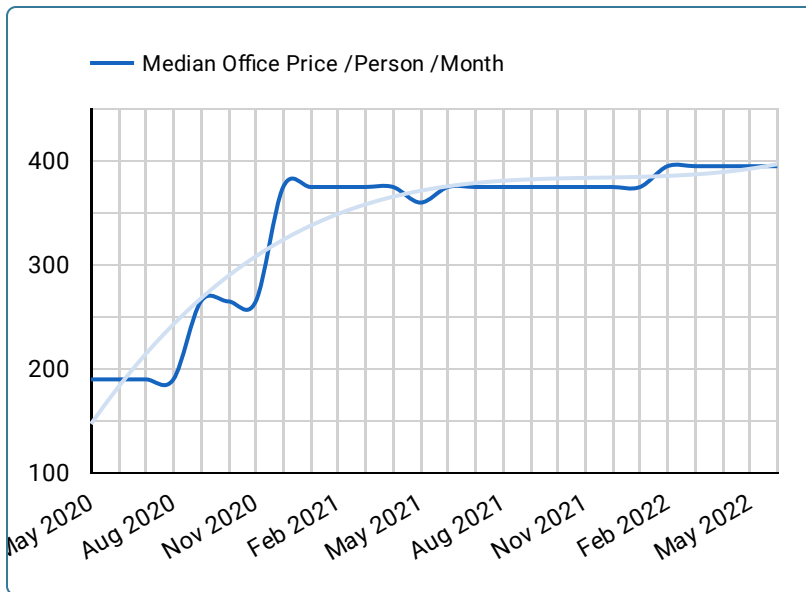
Tottenham, and Finchley continue to provide the best value for businesses in need of a small office and offer a median rate of £144 and £260 per person respectively. Closer to the City, rates in Finsbury Park and Wood Green are £425 and £395 per person respectively and also present more options for larger offices for teams up to 50 people (where most other locations are limited to 1-15 person offices).

What's New: Situated in London's Knowledge Quarter, The Office Group opened 69,000 sqft of new space at 210 Euston Road; Spaces opened a new space with 82 offices and 30 coworking desks in Finsbury Park.

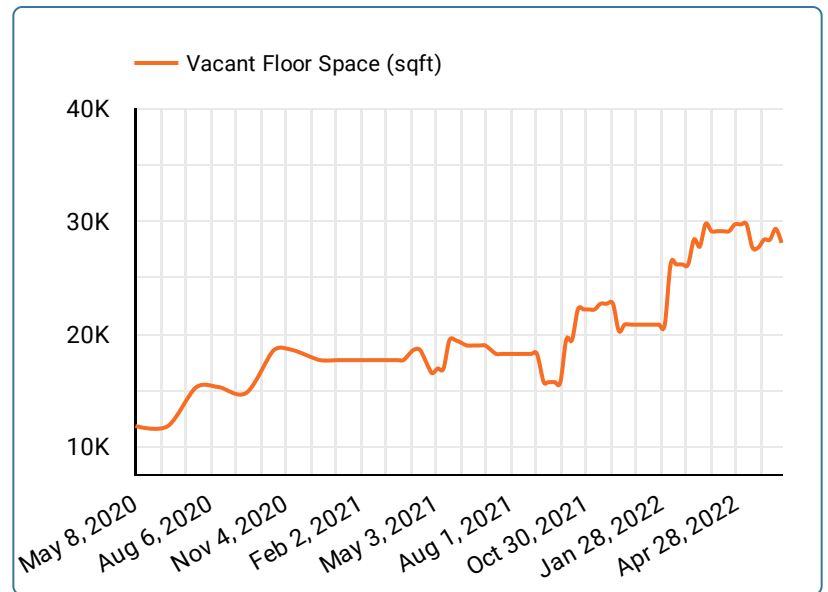
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
61	32,900
↓ -9.0%	↓ -3.1%
Vacant Workstations	Median Office Rate
658	£395
↓ -3.1%	0.0%
<i>Relative to previous quarter</i>	

Median Office Rate /Person /Month & Trendline



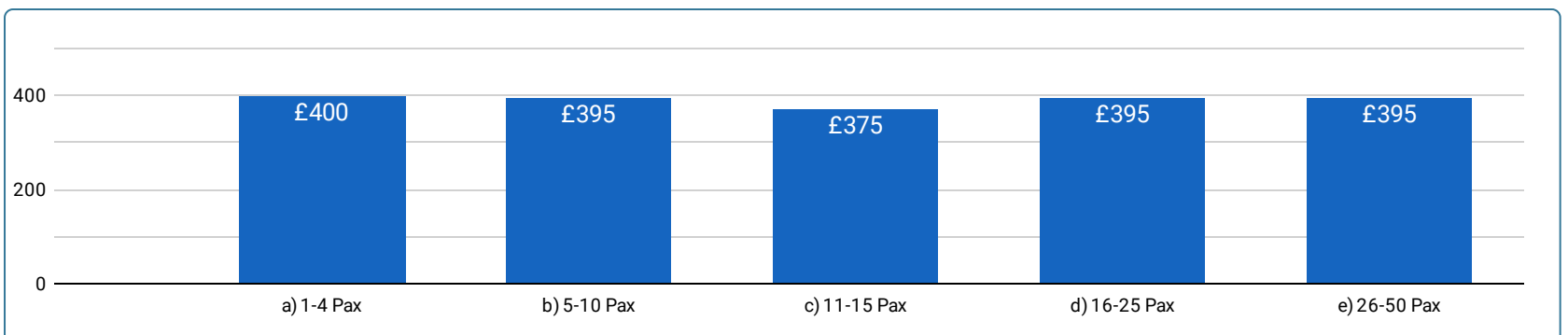
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



Rubberdesk

Rubberdesk is the flexible office marketplace with thousands of fully furnished and all-inclusive offices and coworking spaces available for rent by the month or year.

With offices in UK, Ireland and Australia, our proprietary platform and industry insights from dedicated flex space specialists, help tenants cover the whole Flex market to find the best space for their business.

All for free and without obligation.

Your next steps...

01.

Focused Brief

We'll turn your office space needs into a clear and actionable brief.

We'll listen to what your business needs and the results you want for your office investment.

You'll save time and focus only on the offices that tick all the right boxes.

You'll save money and get the features your business needs.

02.

Covered Market

Rubberdesk covers the whole Flex space market, with live availability.

We'll give you a bespoke shortlist of the offices that best meet your brief.

When you're ready, we'll arrange inspections and get detailed proposals.

You'll save time and inspect only the most appropriate offices for your business.

03.

Informed Decision

With up-to-date market analytics and custom proposals that meet your brief, you can make an informed decision.

You'll be ready to negotiate the terms that give your business the best outcome for your investment.

Your Rubberdesk Flex Specialist will help achieve your best outcome.

All for free and without obligation.



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