



London Flexible Office Market Report

Q3, 2024



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London Desk Rates Edge Up as Enterprise Offices Surge

Despite easing inflation, falling interest rates, and growing economic confidence, London businesses remain cautious about significant capital expenditures. This caution has led to new supply once again outpacing demand and when combined with new inventory from commercial office landlords converting traditional leased spaces into flexible arrangements, vacant space in London rose a whopping 19% in Q3 to 5.8 million square feet.

Pushed by higher growth in larger enterprise offices, the median price per desk rose 2% to £629, the highest in over a year. Central London commands the highest rents at £710 per desk, while South London remains the most affordable at £330 per desk despite a 10% increase in Q3. North London is attractive at £400 per desk, though prices are up 14% quarter-on-quarter due to larger traditional spaces entering the market.

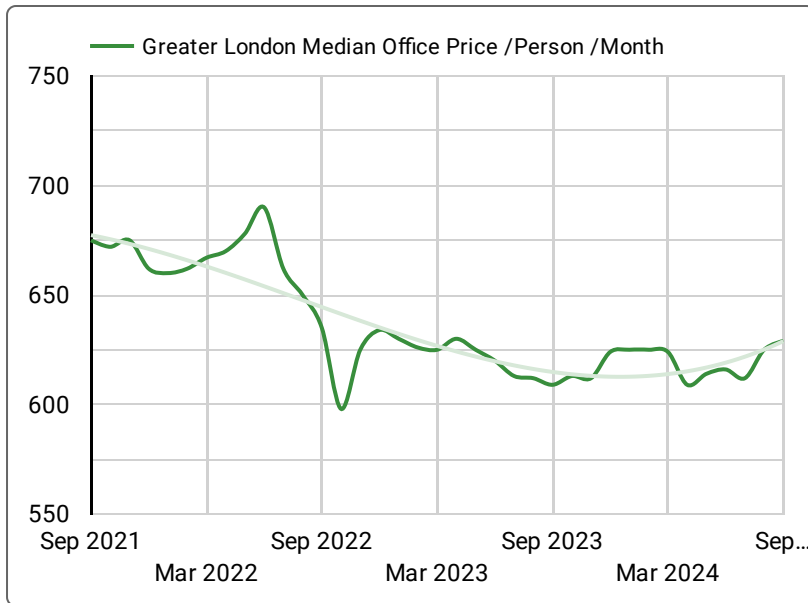
Notably, desk rates for larger offices accommodating over 50 staff increased by 12% to £819 per desk, while rates for smaller offices for 10 or fewer people remained flat at £560 per desk.

Flex Office Space at a Glance

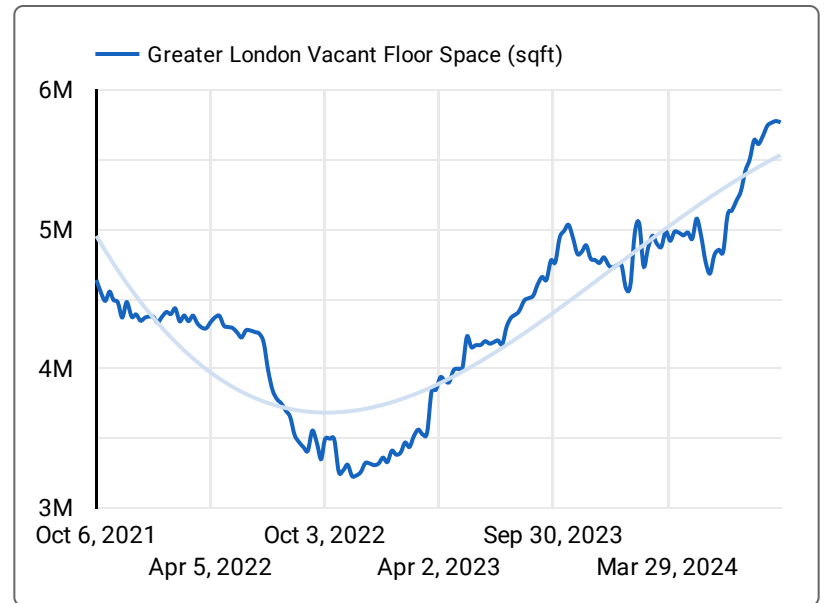
| | |
|---------------------|---------------------|
| Vacant Offices | Vacant Space (sqft) |
| 4,548 | 5,766,750 |
| ↑ 12.8% | ↑ 19.1% |
| Vacant Workstations | Median Office Rate |
| 115,335 | £629 |
| ↑ 19.1% | ↑ 2.1% |

Relative to June 2024

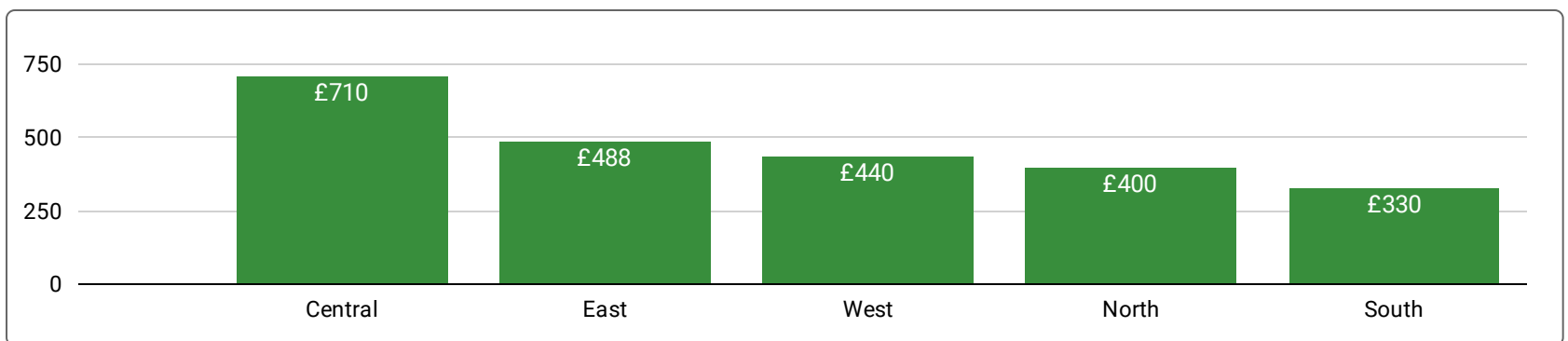
Median Office Rate /Person /Month & Trendline



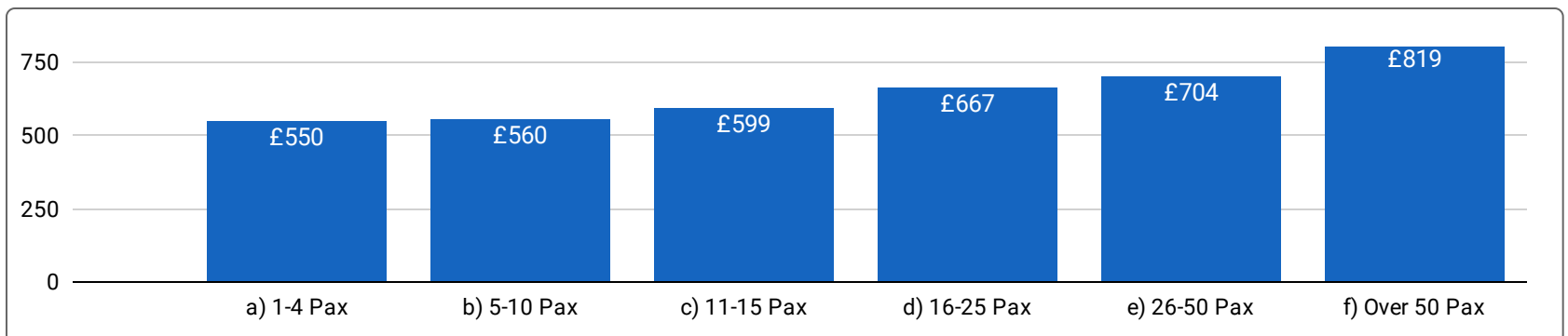
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



Larger Offices Push Rates up 1% in Central London

London's largest region, Central London encompasses Victoria in the West to King's Cross in the North and Southwark in the South giving businesses the widest variety of office space including size, quality, and price points of anywhere in Europe.

After a relatively flat first half of the year, the amount of available flex inventory grew 29% to 4.3 million sq ft in the past quarter spurred on by a slew of new offices. Though prices increased marginally to £708 per desk, this rate increase was primarily driven by higher cost executive offices for 50 or more staff which increased 9% in Q3 to £884 per desk pushing the overall desk rate higher.

Despite this increase for larger offices, desk rates for smaller private spaces for 2-10 people receded, falling 3% to an average of £662 per desk while inventory increased 124% to 346,900 sq ft.

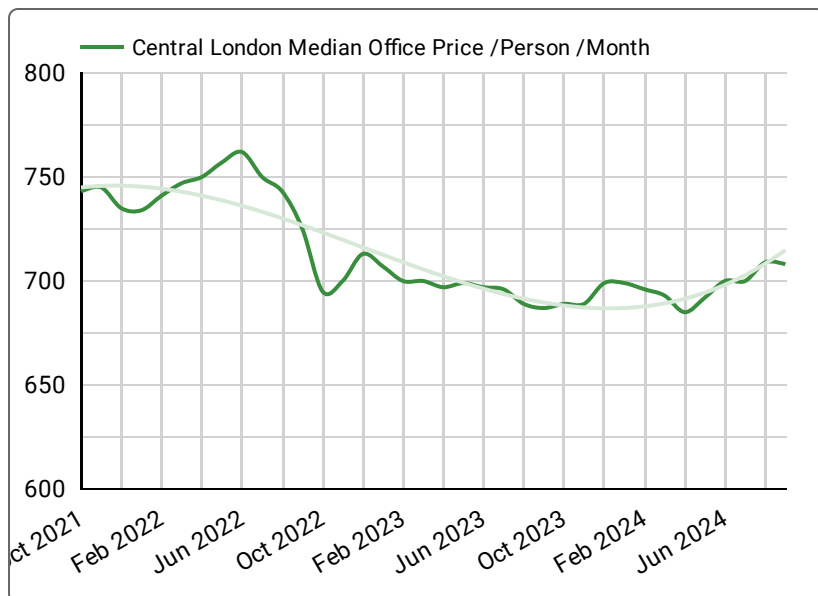
While prices were down across most areas of Central London, rates for offices in key sought after areas such as SOHO and Marylebone increased 12.3% & 2.5% respectively to £842 and £808 per desk. Desk rates in Mayfair, which spiked in excess of £1,000 per desk in Q1, fell for a second consecutive quarter to £941 per desk.

Flex Office Space at a Glance

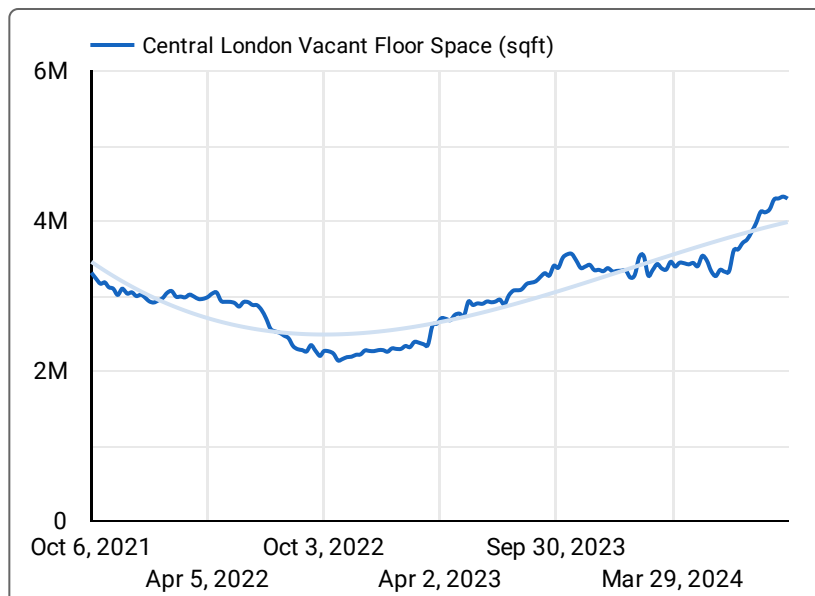
| | |
|--------------------------|-----------------------------|
| Record Count | Vacant Space (sqft) |
| 3,219 ↑ 18.7% | 4,298,200 ↑ 28.9% |
| Vacant Workstations | Median Office Rate |
| 85,964 ↑ 28.9% | £708 ↑ 1.1% |

Relative to June 2024

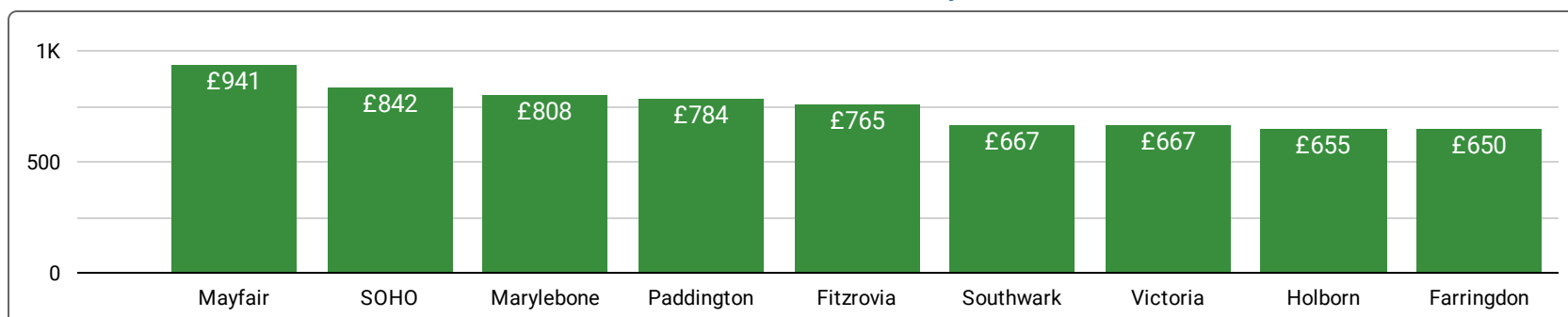
Median Office Rate /Person /Month & Trendline



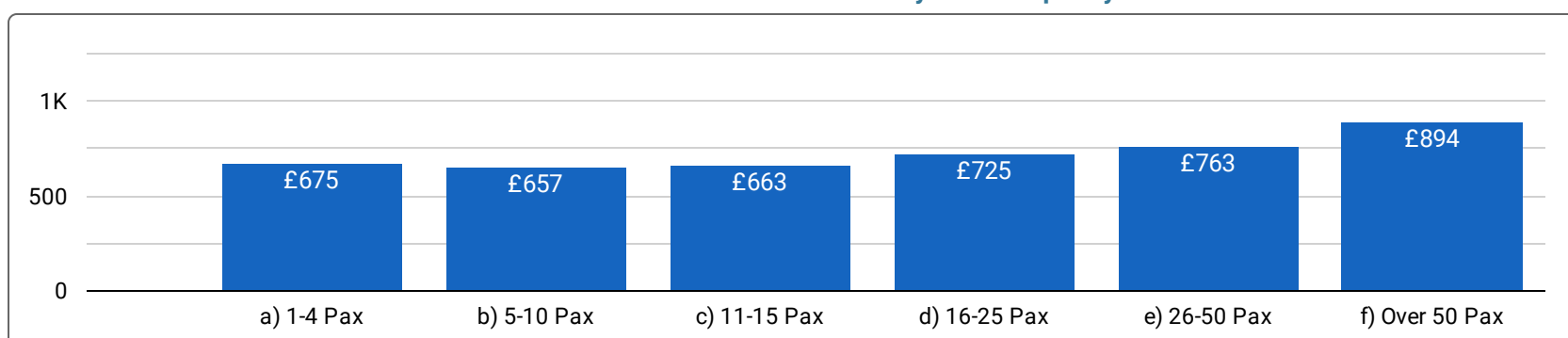
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



Supply Retracts as Demand in East London Grows

As London's second largest region by available inventory, desk rates in East London rose marginally to £465 per desk after two declining consecutive quarters. Available supply fell 3.2% for the quarter.

Accounting for 26% of available inventory, Shoreditch continues to offer the best value in East London when it comes to available options and price with desk rates at £551 per desk, down 14% in the past quarter. Whitechapel and Spitafields also rank highly amongst businesses for choice, price and accessibility to the city centre with rates at £465 per desk while Canary Wharf gives businesses the option of a serviced or managed office in A class buildings at super affordable rates.

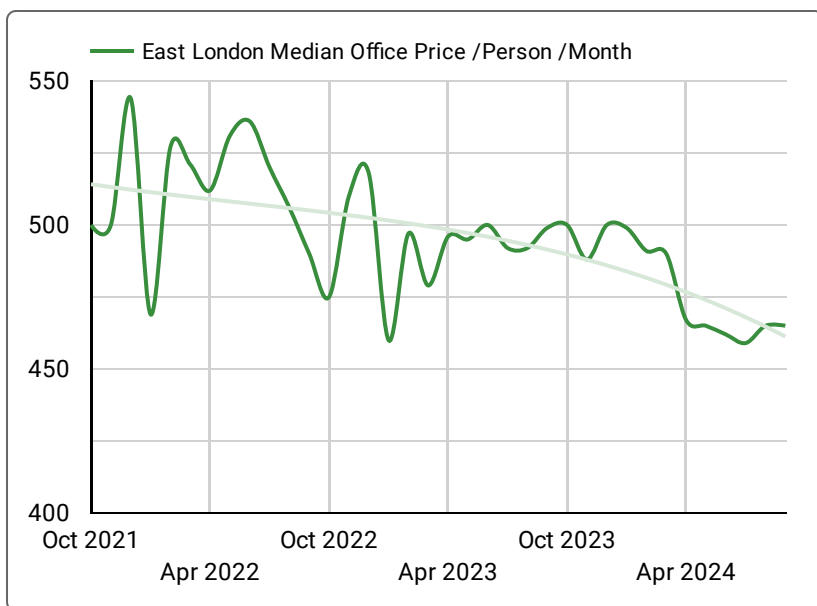
Like Central London, enterprise offices for 26 or more staff kept overall prices in the region a float as desk rates for these larger offices rose 4% to £525 per desk. Rates for smaller offices of less than 10 people fell 1% to £420 per desk. Down 11% for the quarter to £605 per desk, offices for teams of 50 to 300 make it feasible for larger teams to build the workspace that best fits their hybrid model.

Flex Office Space at a Glance

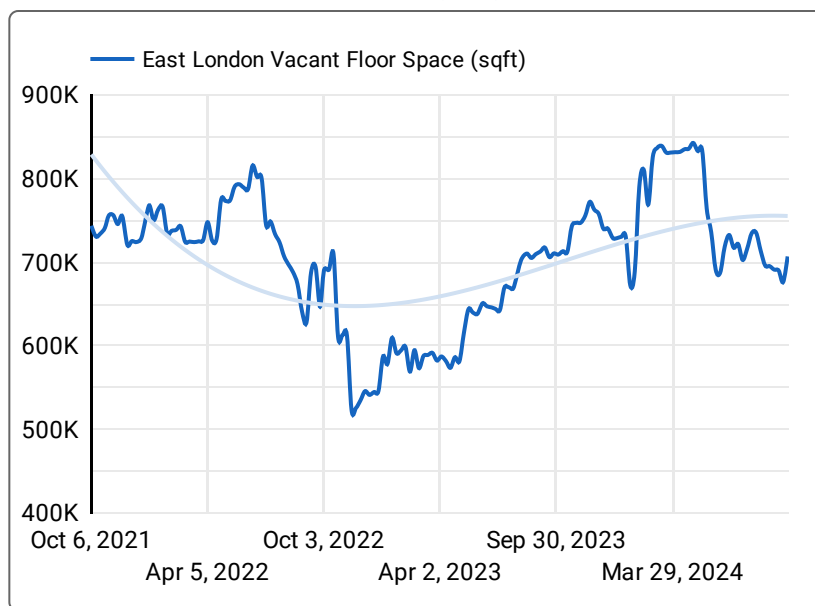
| | |
|---------------------|---------------------|
| Vacant Offices | Vacant Space (sqft) |
| 538 | 706,900 |
| ↓ -2.9% | ↓ -3.5% |
| Vacant Workstations | Desk Rate |
| 14,138 | £465 |
| ↓ -3.5% | ↑ 0.6% |

Relative to June 2024

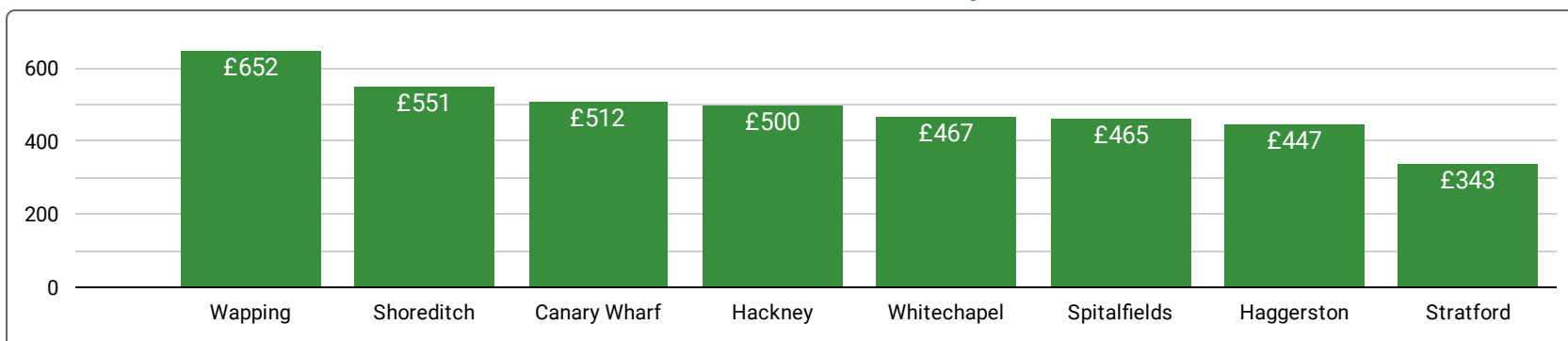
Median Office Rate /Person /Month & Trendline



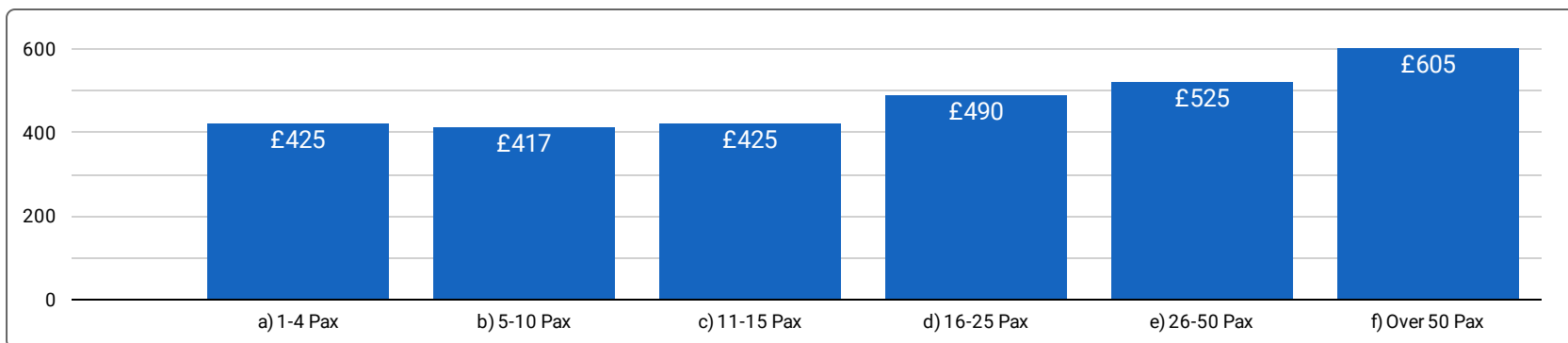
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



Desk Rates Fall 5% Across West London

For a second straight quarter, desk rates across West London fell 5% to £440 per desk while inventory fell 3% from Q2 to 370,150 sq ft.

Hammersmith and Hounslow saw modest increases of 2% to £537 and £358 per desk while office space in Ealing and Richmond upon Thames experienced an 8% drop in rates to £300 and £445 per desk respectively. Offices in Kensington & Chelsea remained the most expensive at £584 per desk.

A 20 percent fall in desk rates for mid-sized offices of 11-15 people in combination with a 7% decrease across micro offices for 1-4 people dragged the overall rate down as prices for these smaller offices fell to £362 and £385 comparatively.

Larger offices for teams of 26-50 remained the most expensive at £559 per desk, after increasing 2% over the past quarter.

Flex Office Space at a Glance

Vacant Offices

357

↑ 0.6%

Vacant Space (sqft)

370,150

↓ -2.6%

Vacant Workstations

7,403

↓ -2.6%

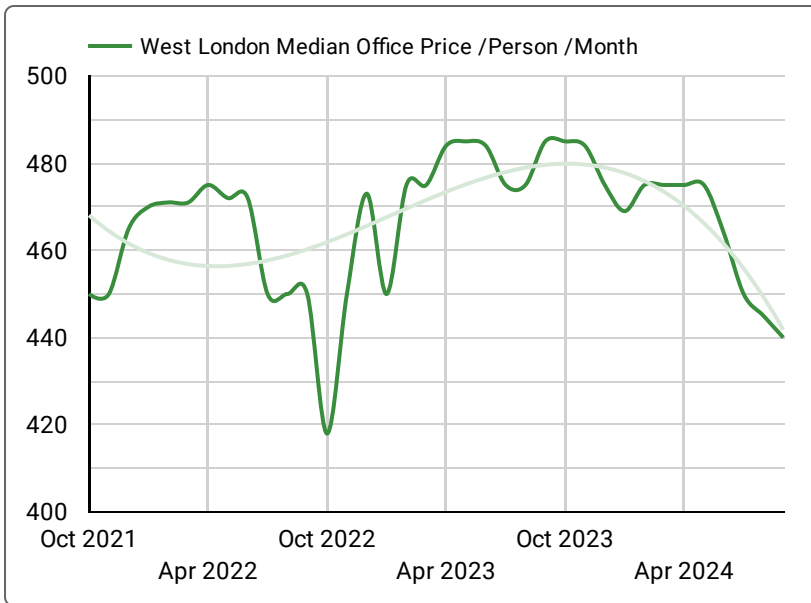
Median Office Rate

£440

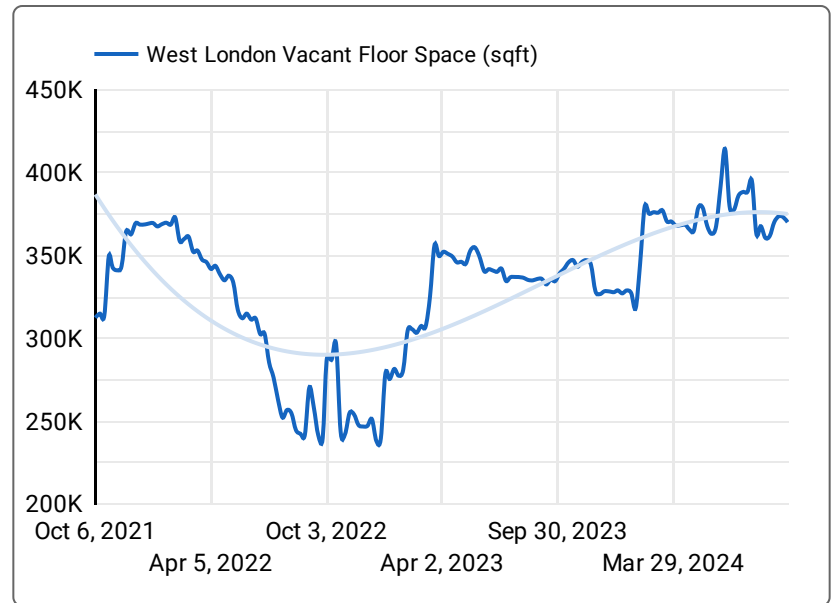
↓ -5.2%

Relative to June 2024

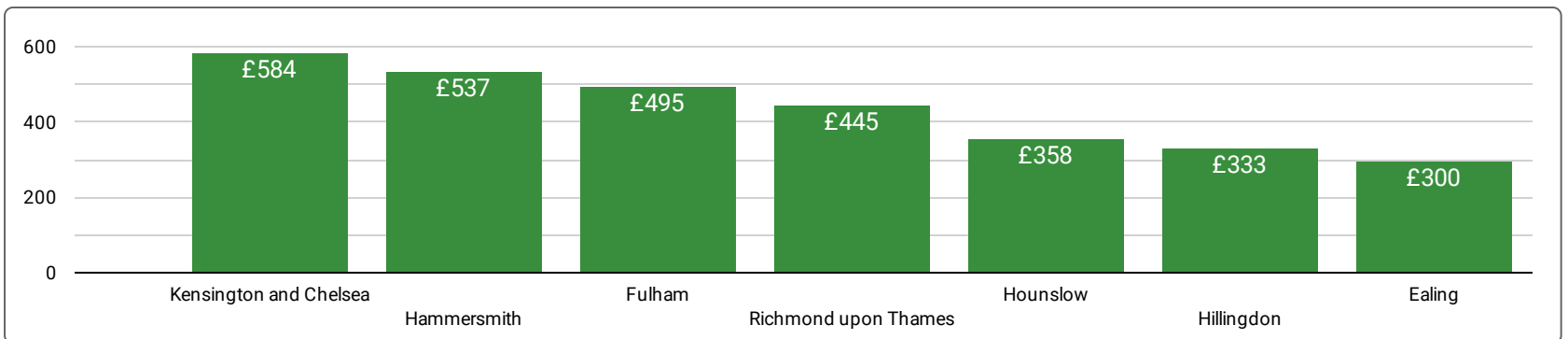
Median Office Rate /Person /Month & Trendline



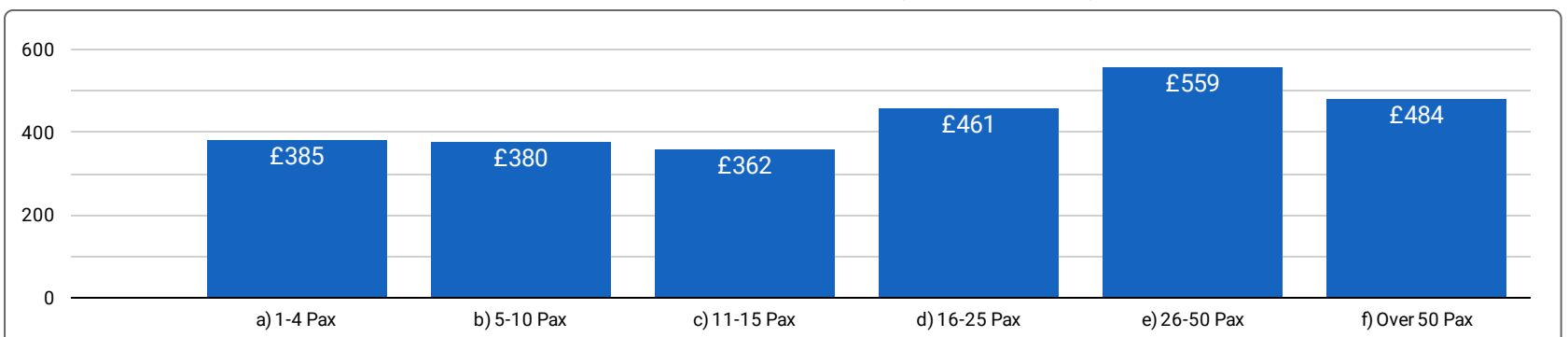
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Region



Median Office Rate /Person /Month by Office Capacity



Rates Jump 14% in North London as Supply Climbs

After a gradual decline in desk rates across the Northern region over the past two years, prices for flexible office space finally showed signs of life rising 14% to £400 per desk, despite an 18% increase in supply.

Unlike Central London which saw most of new supply devoted to larger offices, the supply of new inventory in North London has been more evenly distributed across the breadth of offices sizes we track. And while rates rose across most office sizes, larger enterprise offices for teams of 50 or more declined 18% to £585 per desk providing greater value.

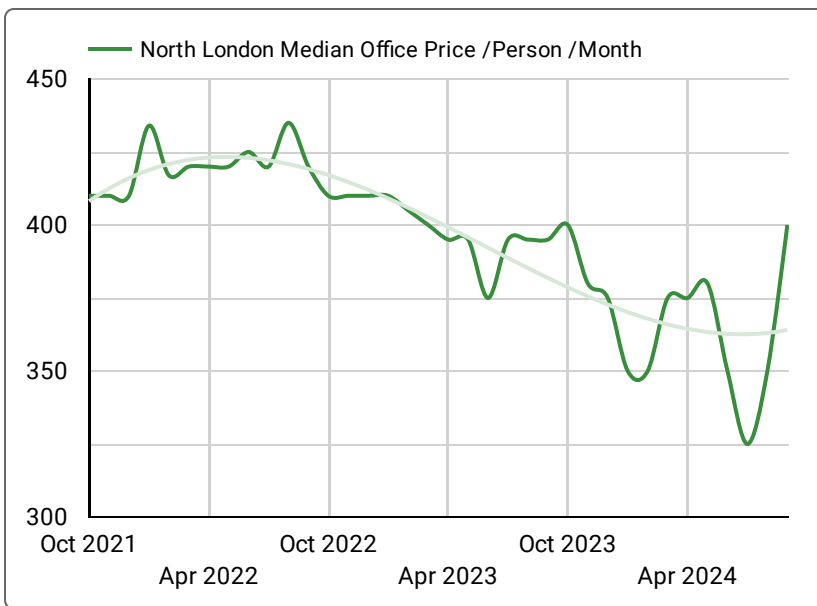
With prime locations like King's Cross close to Central London, North London provides the best of both worlds for businesses looking to be close to the city without the same budget. Desk rates in the district of Islington and Hackney for example range from £467 to £530 per desk while offices in Camden Town tip the scales with a median desk rate of £545. The districts of Harrow and, Ealing in North West London offer the most economical options for businesses to set up a secondary office for teams of 1 to 70 at a median rate of £125 per desk.

Flex Office Space at a Glance

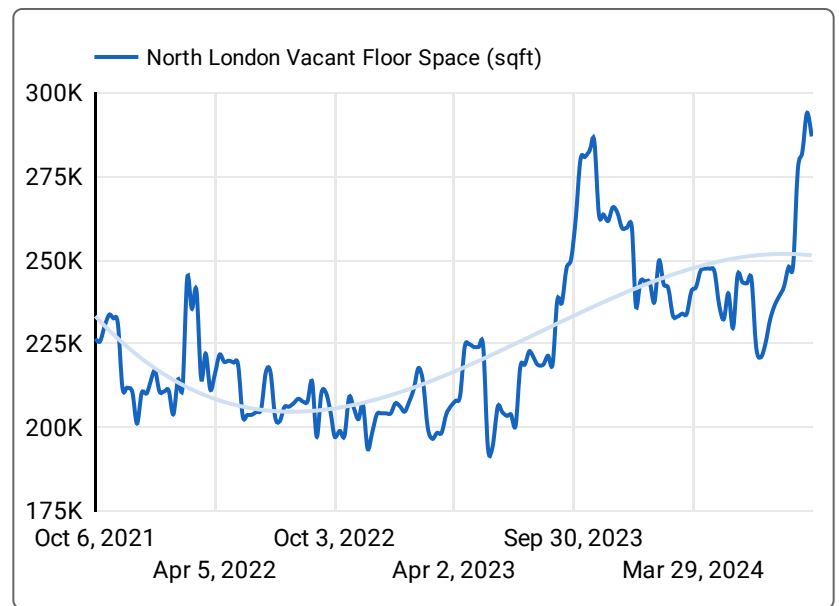
| | |
|-------------------------|---------------------------|
| Vacant Offices | Vacant Space (sqft) |
| 273 ↑ 17.2% | 287,000 ↑ 17.5% |
| Vacant Workstations | Median Office Rate |
| 5,740 ↑ 17.5% | £400 ↑ 14.3% |

Relative to June 2024

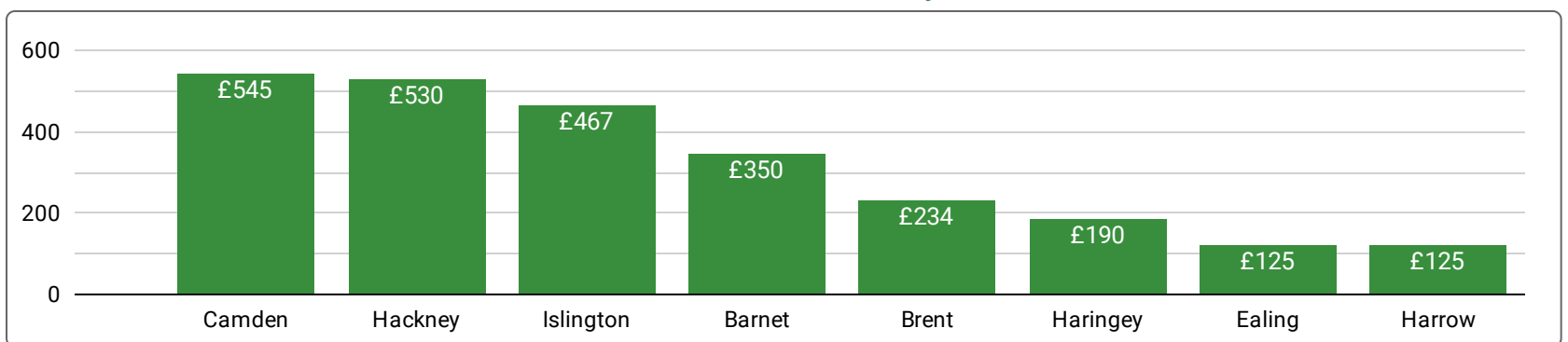
Median Office Rate /Person /Month & Trendline



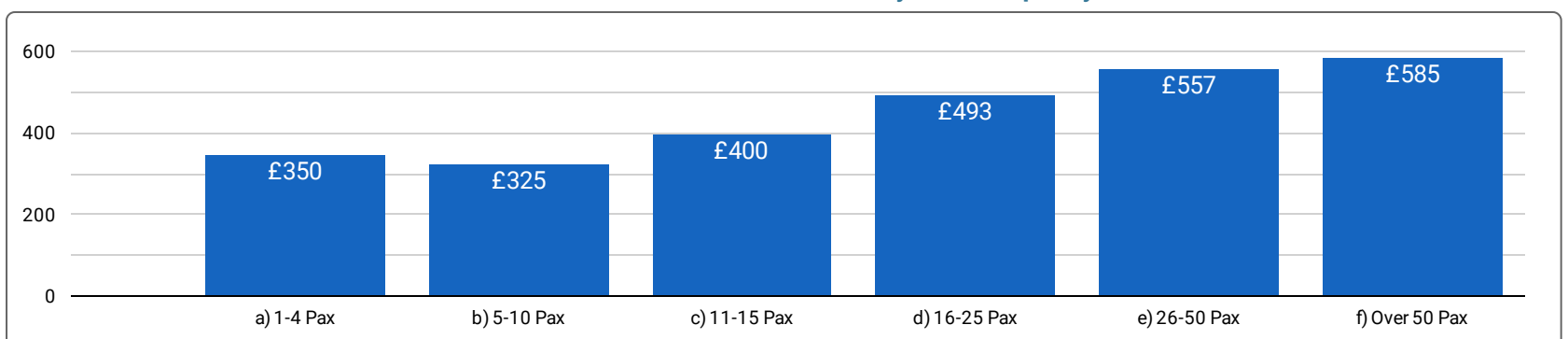
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Location



Median Office Rate /Person /Month by Office Capacity



South London: Desk Rates Continue Upward Climb

Although median desk rates in South London have been on an upward trajectory over the past 3 years, South London's vast region still provides a variety of options for businesses looking to rent office space on a short term basis. While smaller offices for teams of 15 or less staff can be found in abundance, there are a growing number of larger enterprise spaces that include meeting rooms for teams of 16 to 60 in the boroughs of Southwark, Wandsworth, and Merton.

When it comes to rates, the businesses can find large enterprise offices for 26+ staff for less than £120 per desk in Merton. For businesses looking to be closer to the city, rates in Southwark range from £338 for a small 1-4 person office to £576 for a 26-50 person office.

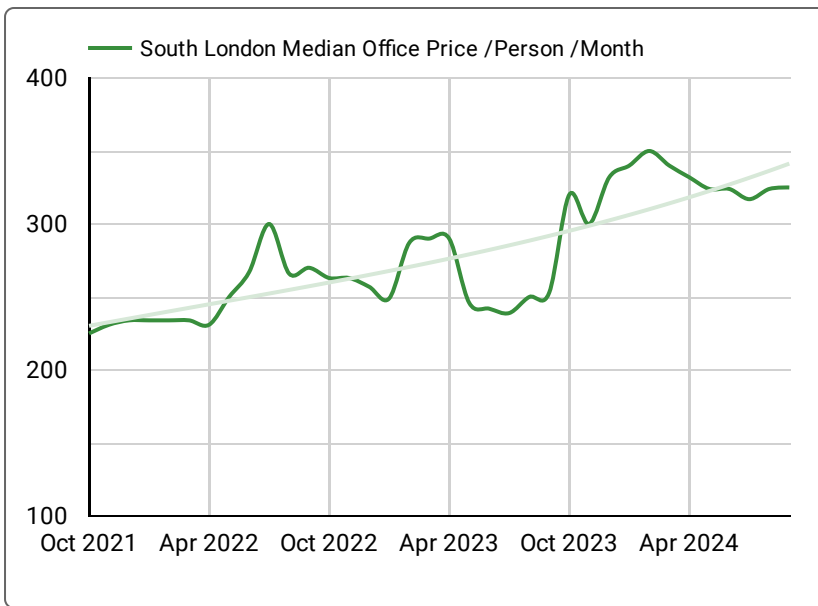
For the best value, business located in Lambeth and Merton will find desk rates below £227 per desk.

Flex Office Space at a Glance

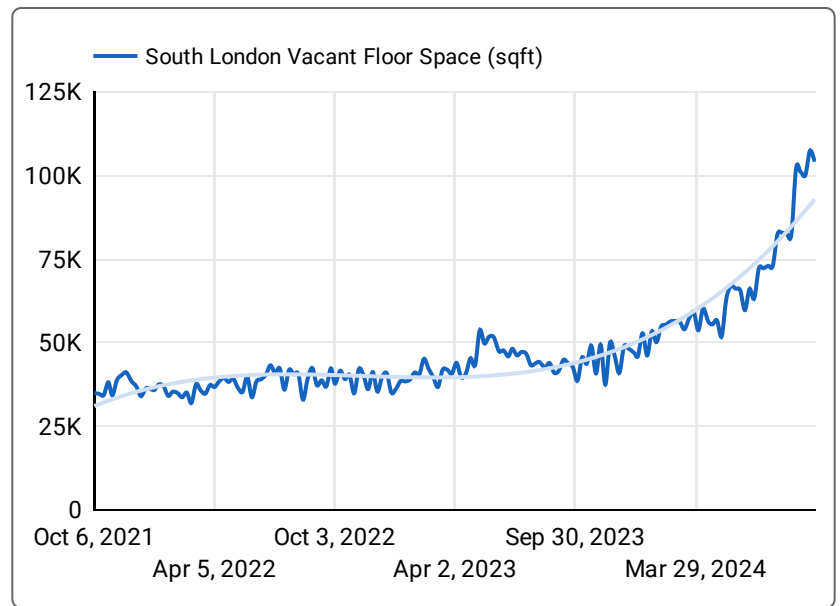
| | |
|-------------------------|---------------------------|
| Vacant Offices | Vacant Space (sqft) |
| 175 ↑ 28.7% | 104,150 ↑ 64.7% |
| Vacant Workstations | Median Office Rate |
| 2,083 ↑ 64.7% | £325 ↑ 0.3% |

Relative to June 2024

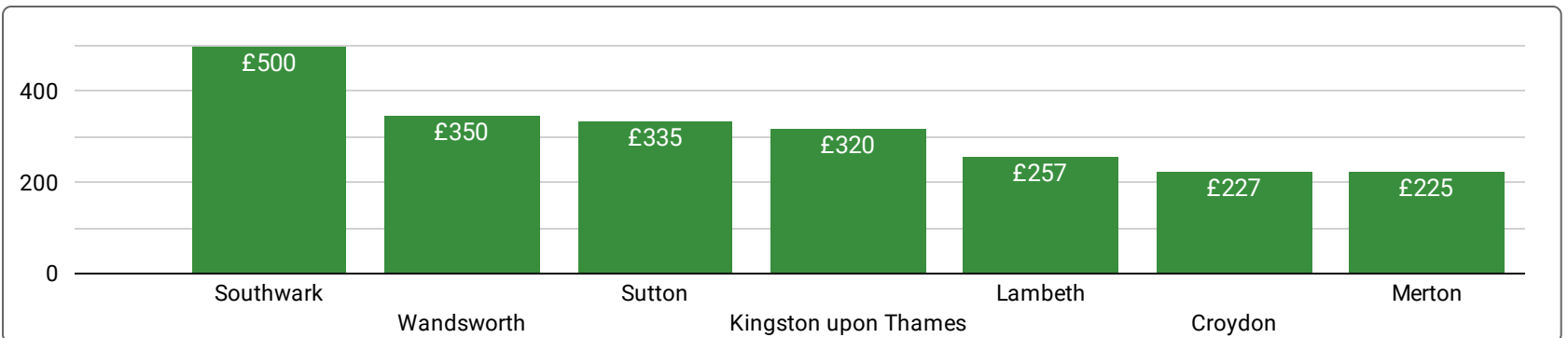
Median Office Rate /Person /Month & Trendline



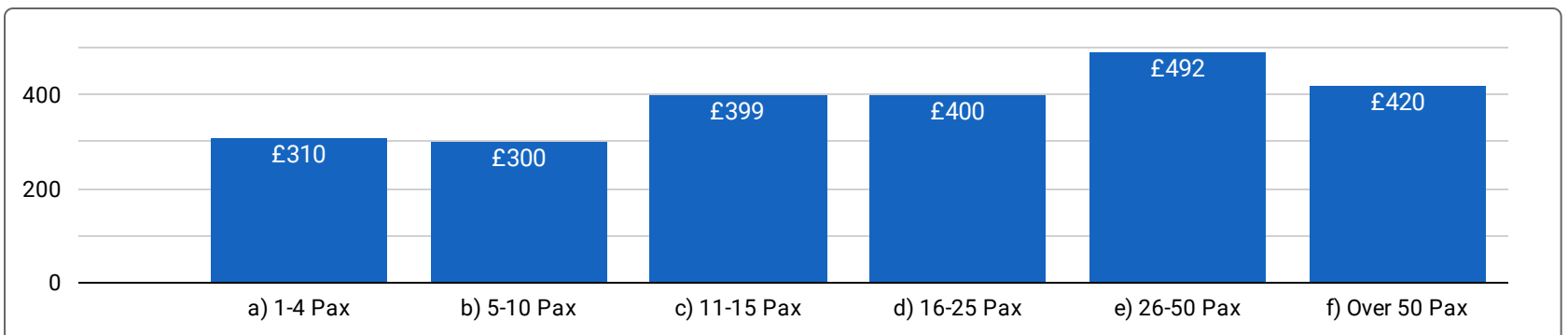
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Region



Median Office Rate /Person /Month by Office Capacity



About 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 Australia, UK, and Ireland, our proprietary platform and industry insights from dedicated flex space specialists, we 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.