



# UK Flexible Office Market Report

Q2, 2024

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## About Rubberdesk



# National Desk Rate Falls 2.9% to Median £475 per Desk

After a notable increase in available Flex office space during the latter half of 2023, increased tenant demand has reduced vacant space to 5.65 millions square feet, a drop of 12% in the past quarter. Despite the reduced supply, challenging economic headwinds continue to hamper the larger office market, especially in London, driving median desk rates down 2.9% for the quarter to £475 nationally.

This report delves into major markets beyond Greater London to provide an insight into trends across the UK.

London accounts for 75% of all flexible space in the UK, hence has a large impact on median rates across the country. While desk rates in London fell 3.2% to £600 per desk, rates across other cities were in lockstep with all but Cardiff and Leeds accounting for lower rates in the last quarter.

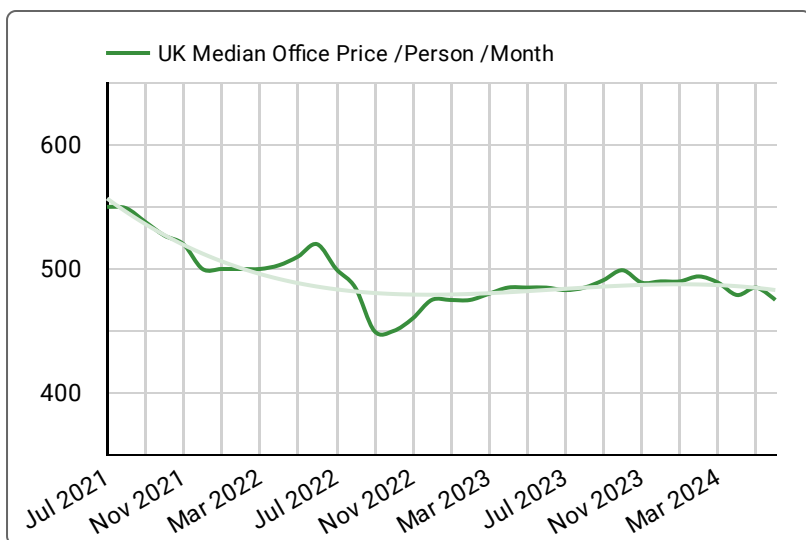
Cambridge once again has the highest desk rates (Median £725, down from £775 last quarter). Which highlights the local peculiarities inherent with flexible office rates, impacted by supply and demand, grade of building, location and the individual economics of a centre such as occupancy and cost base.

Outside of Leeds, which saw a 16% increase in desk rates to £318 per desk, Birmingham, Bristol & Newcastle all reduced. Rates fell -15% in Birmingham to £250 per desk, down 13% in Newcastle to £165 per desk and -9% in Bristol to £375. Rates in Manchester and Cardiff remained flat at £360 and £225 respectively.

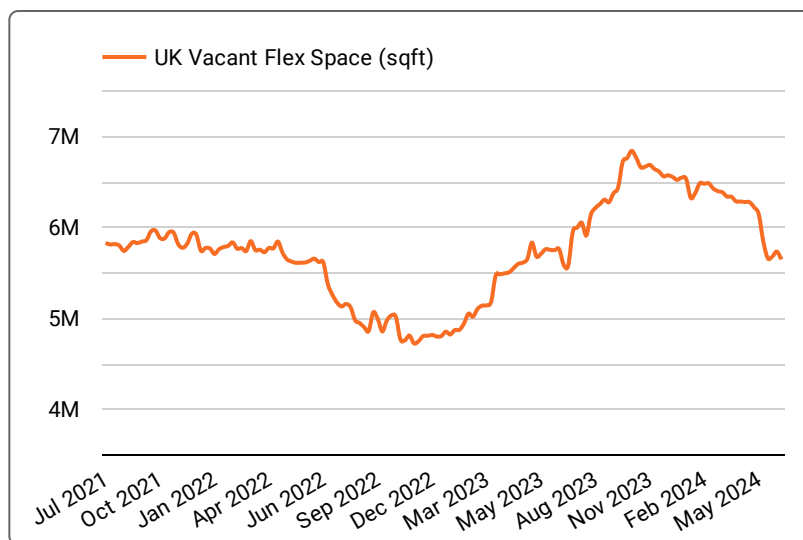
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
<b>5,592</b>	<b>5,649,100</b>
↓ -3.8%	↓ -11.6%
Vacant Workstations	Median Office Rate
<b>112,982</b>	<b>£475</b>
↓ -11.6%	↓ -2.9%
<i>Relative to previous quarter</i>	

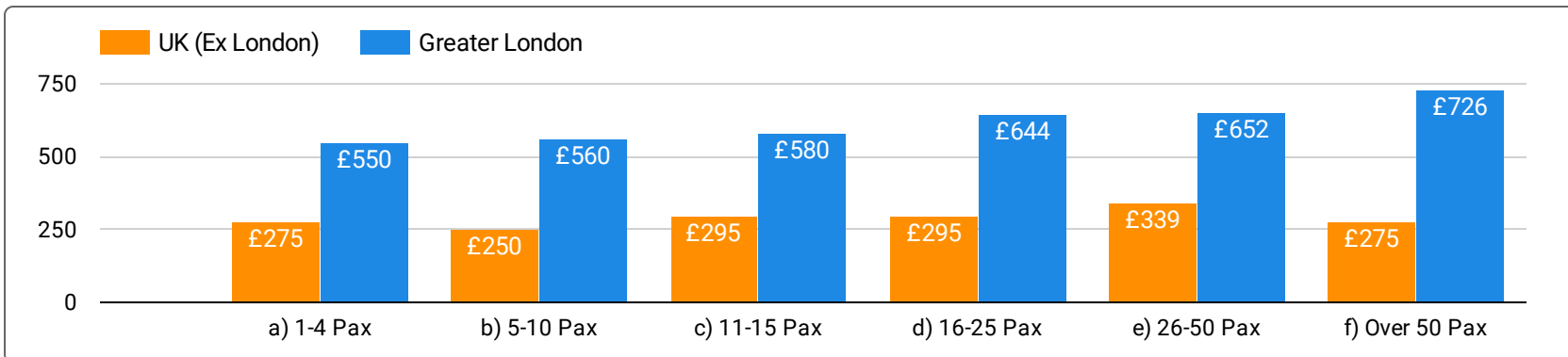
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate by Office Capacity (London vs Rest of UK)



Median Office Rate /Person /Month by City



# London: Flex Office Rates Down 3.2%

With many businesses continuing to wait on the office sidelines and work remotely, desk rates across London fell again for a 3rd consecutive quarter. As traditional spaces sit empty, serviced office operators continue to see growing competition from landlord held inventory and Managed Service Agreements. However, the reduced Flex Office supply (down 12.8% in terms of sq ft) indicates that demand for office space is soft.

Like many large global cities, desk rates in London vary by location and building grade. Median rates in Central London for example attract a desk rate of £687 compared to £475 in West London and £440 per desk in East London, down 2.2% from last quarter. For businesses happy to be located outside the city centre, desk rates in North and South London are an attractive option at £325 and £294 per desk.

With 44% of the available flex office space catering to teams smaller than 10, this segment offers space across all areas of London at a median rate of £555 per desk while spaces for larger teams requiring more than 50 desks will cost ~£726 per desk due to the extra amenities and private breakout spaces. Location also plays a role with enterprise offices in Central London in excess of £810 per desk.

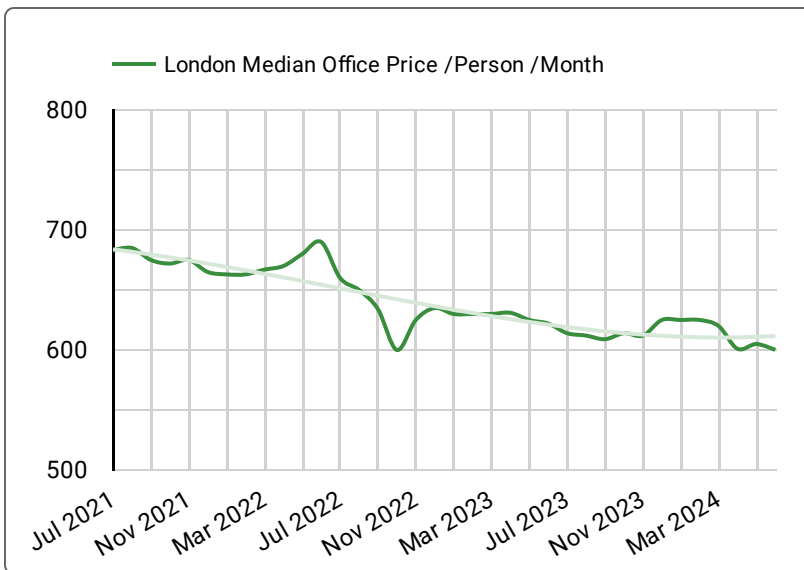
Despite the dip, desk rates in sought after areas such as Mayfair, SOHO and Marylebone remained above £750 per desk.

## Flex Office Space at a Glance

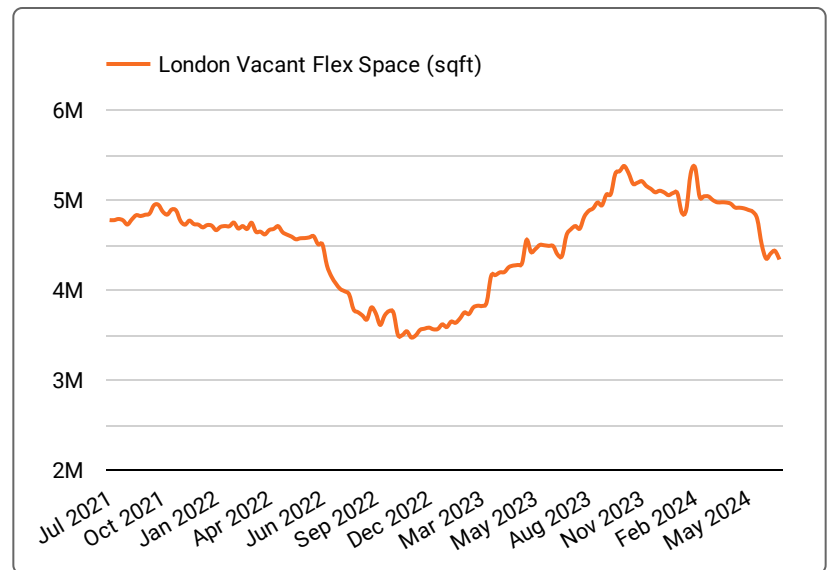
Vacant Offices	Vacant Space (sqft)
<b>3,746</b>	<b>4,338,650</b>
↓ -4.5%	↓ -12.8%
Vacant Workstations	Median Office Rate
<b>86,773</b>	<b>£600</b>
↓ -12.8%	↓ -3.2%

Relative to previous quarter

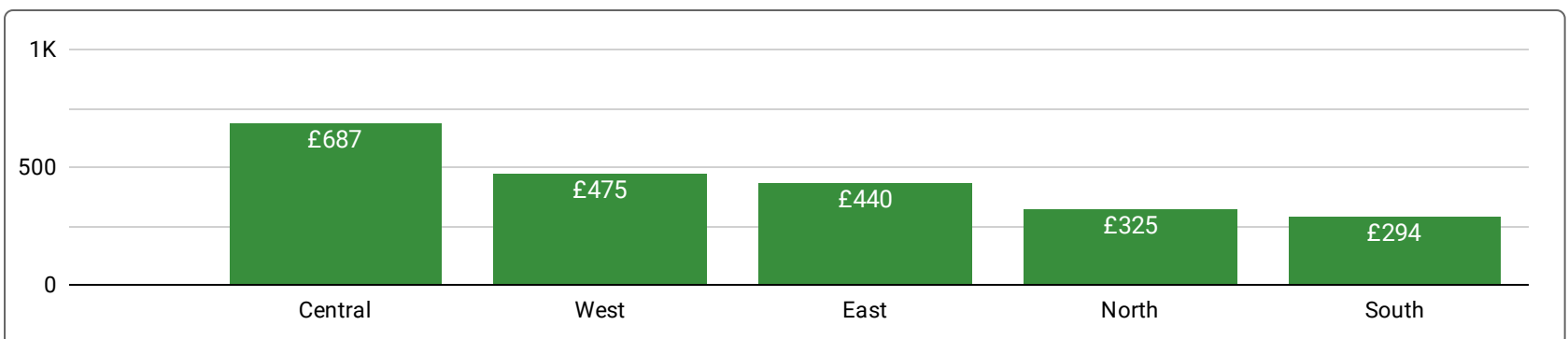
Median Office Rate /Person /Month & Trendline



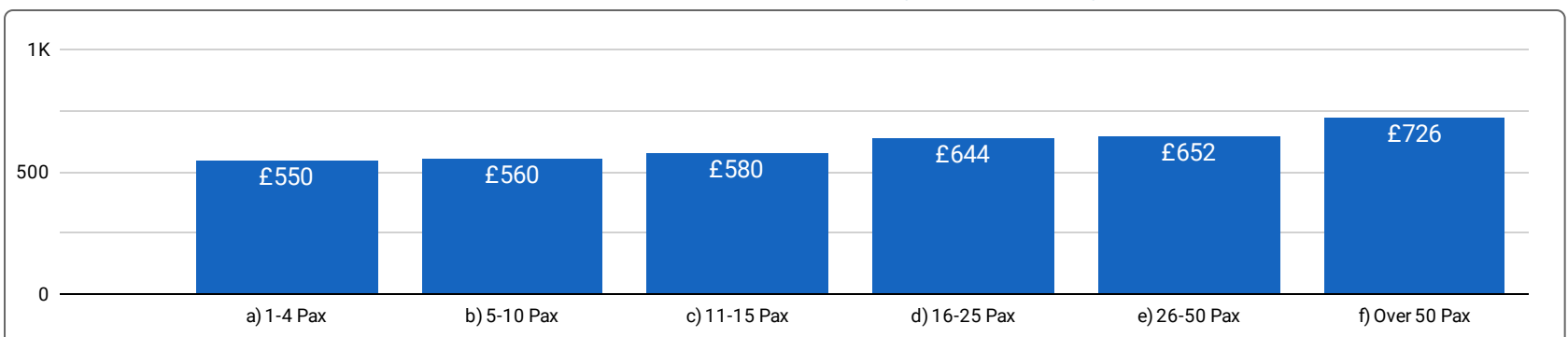
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Region



Median Office Rate /Person /Month by Office Capacity



# Manchester: Rates Hold Steady as Vacant Space Falls

As the second largest Flex market in the UK, with a reported one million sq ft of total flexible office space, Manchester boasts a wide variety of offices suitable for businesses of all sizes, including enterprises in need of over 100 desks. With larger offices typically offering additional features, such as private whole floors, meeting rooms, and private entrances, which cater to the needs of larger businesses. As such prices average £458 per desk for these enterprise spaces.

After price gains in late 2022 and 2023, desk rates for flexible office space across greater Manchester have since fallen close to pandemic lows at £360 per desk, despite available inventory falling 28% in the past two quarters.

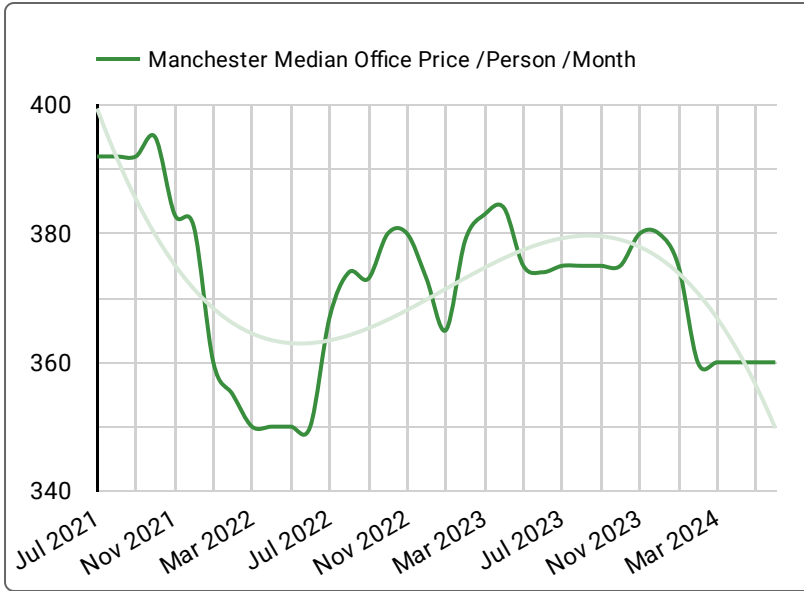
The majority of available inventory is concentrated in Manchester City, offering a diverse range of office sizes. Offices in Old Trafford and Salford are also available along with limited options in Rochdale, Bury, and Bolton. Prices for these locations vary, ranging from £175 per desk in Bury to £384 per desk in Manchester City.

## Flex Office Space at a Glance

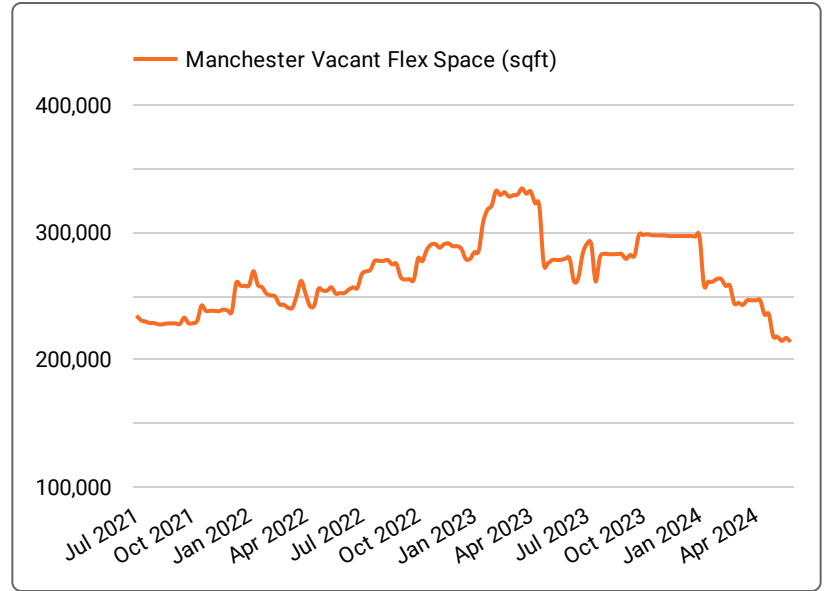
Vacant Offices <b>266</b> ↓ -12.5%	Vacant Space (sqft) <b>213,900</b> ↓ -12.5%
Vacant Workstations <b>4,278</b> ↓ -12.5%	Median Office Rate <b>£360</b> 0.0%

*Relative to previous quarter*

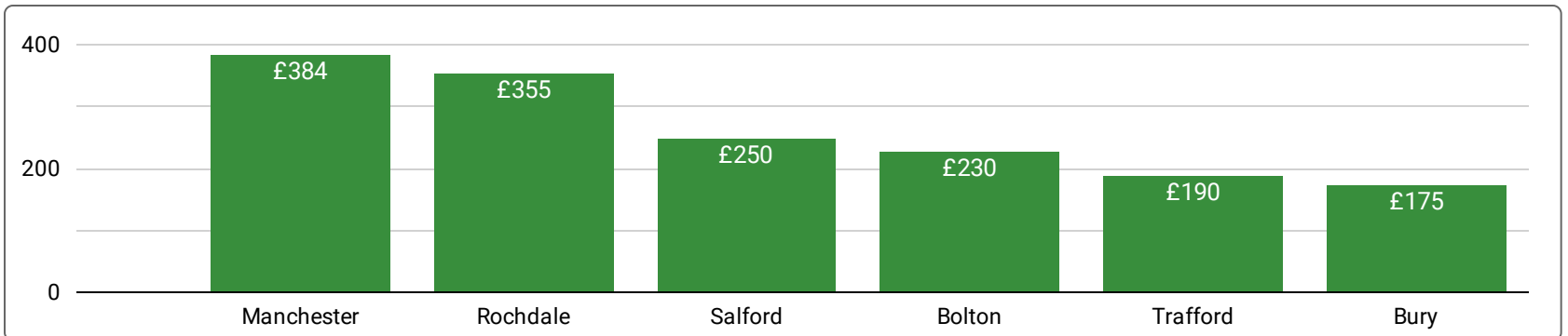
Median Office Rate /Person /Month & Trendline



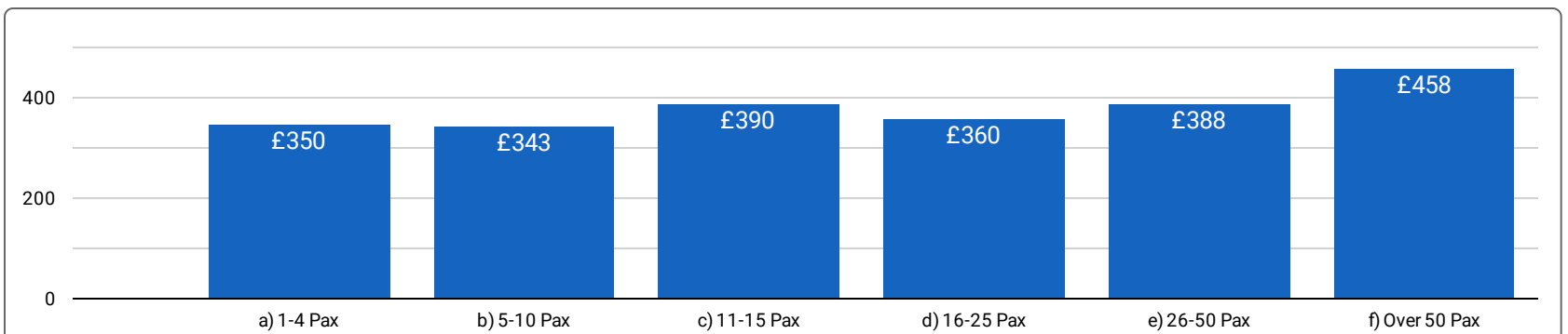
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month in Greater Manchester



Median Office Rate /Person /Month by Office Capacity



# Birmingham: Flex Rates Slide 14.7% on Weak Demand

The recent spike in desk rates in Q1 was short lived as prices reset as quickly as they rose to close the quarter down 14.7% to £250 per desk. This variation appears to be due to local operators increasing their list prices for a period to test the market.

Rents vary by location as might be expected, with the city centre ~£300 per month, down 2% from Q2, compared to £231 in Coventry and £175 in Walsall.

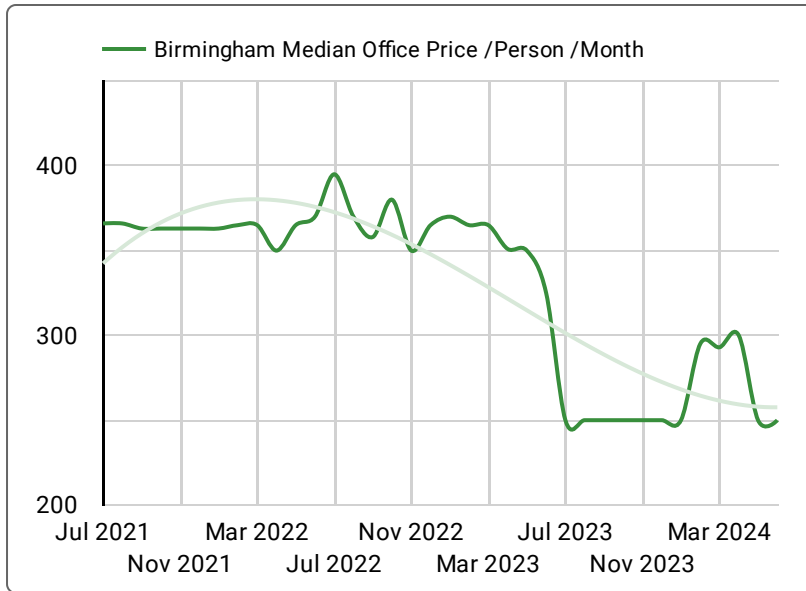
Regardless of preference, businesses of all sizes will find a full range of spaces available, from the smaller 5-10 person office with a median price of £231, to larger enterprise-style offices with additional amenities for teams of 50 to 120 plus, at a slightly higher median price of £250 per desk.

On the supply side, larger enterprise offices with 26 or more desks increased 25% quarter over quarter to £313 while smaller offices with 1-10 desks fell 26% in the same quarter.

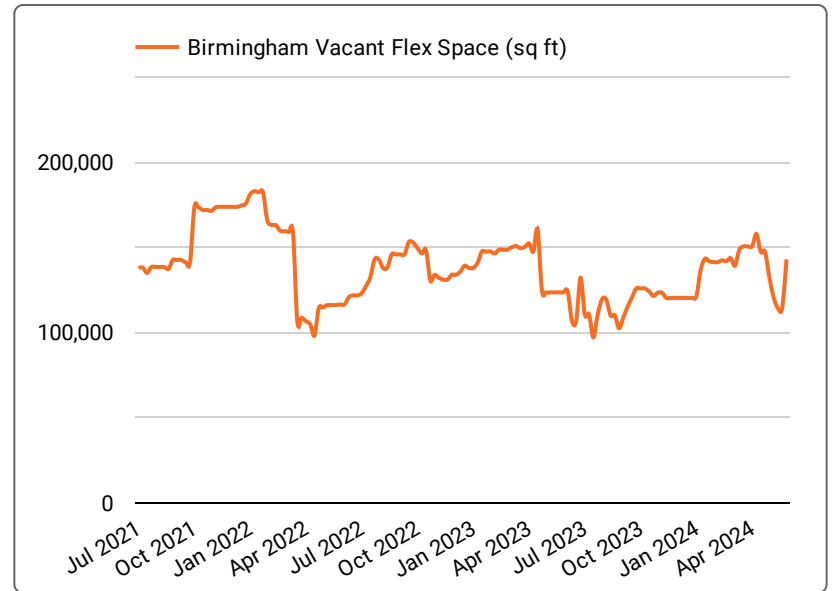
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
<b>163</b> ↑ 6.5%	<b>142,950</b> ↓ -0.5%
Vacant Workstations	Median Office Rate
<b>2,859</b> ↓ -0.5%	<b>£250</b> ↓ -14.7%
<i>Relative to previous quarter</i>	

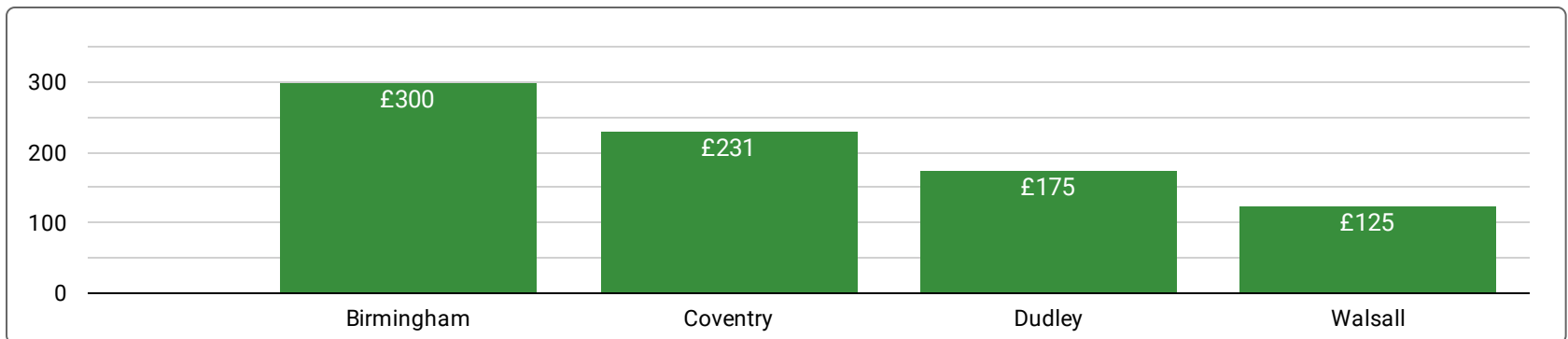
Median Office Rate /Person /Month & Trendline



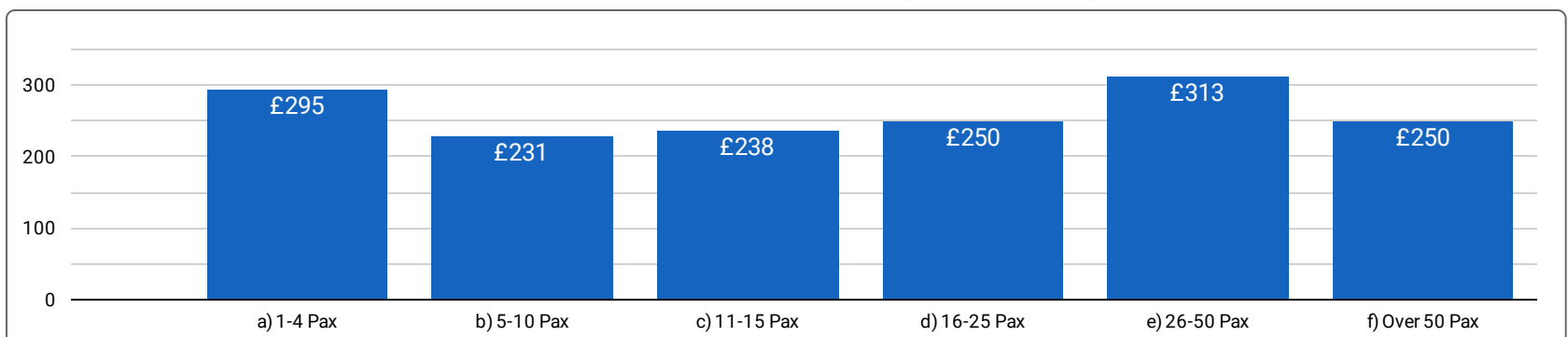
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month in Greater Manchester



Median Office Rate /Person /Month by Office Capacity



# Bristol: Desk Rates Cool 9.3% for First Time in 2 Years

After two years of steady price increases, desk rates in Bristol cooled in Q2, down 9.3%. Despite a 28% decline in supply, rates fell to £340 per desk per month, following declines in many markets across the UK.

With 57% of all offices located in the heart of vibrant Bristol, the options outside the city centre are primarily limited to smaller spaces. However, businesses venturing further out will discover larger enterprise offices in Lawrence Hill, Patchway Coniston and Parkwall & Walmley wards for £315 and £377 per desk.

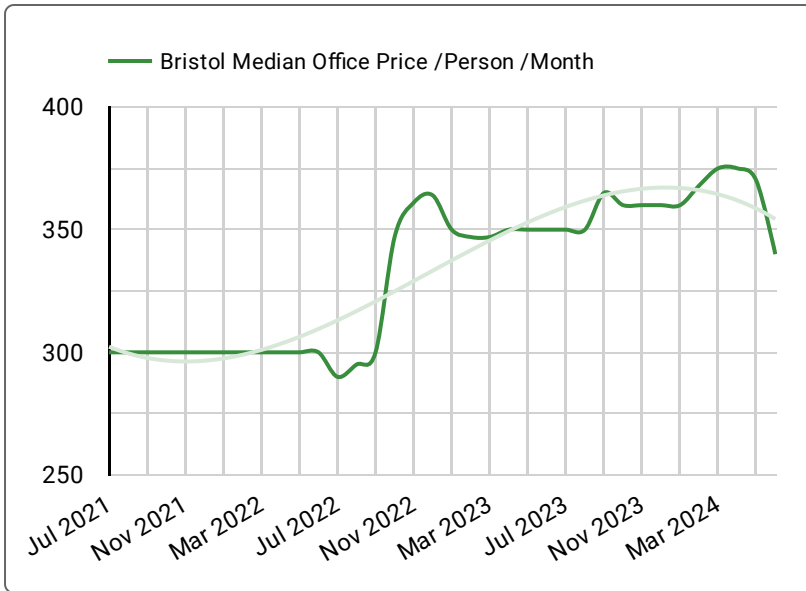
Offices for smaller teams of 1-15 people account for 71% of all available offices in the Greater Bristol region and are priced from £305 per desk for 5-10 staff, £347 per desk for 1-4 staff and £375 per desk for a team of 11-15. In fact, due to falling inventory, desk rates for teams of 11-15 rose 19% to a new all time high.

The top services operators include national players including Citibase, Chadwick, Bizspace and Runway East.

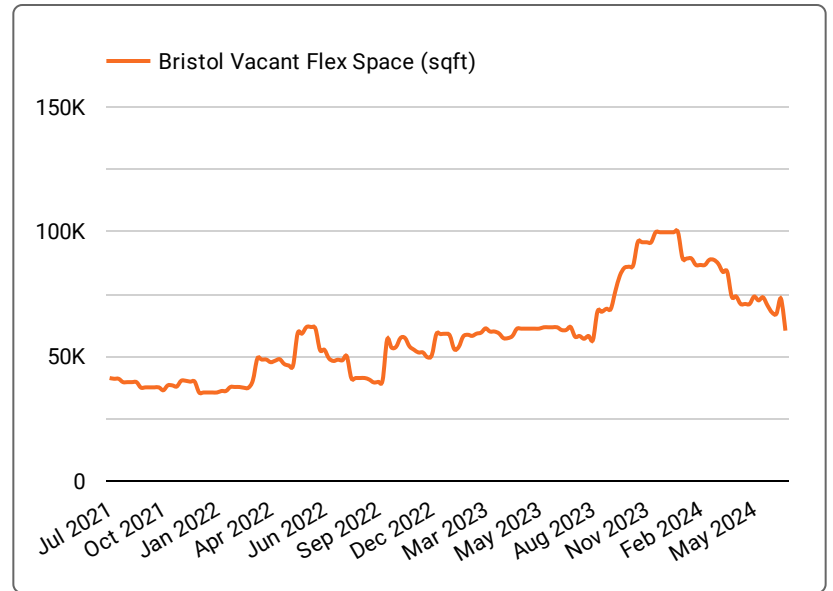
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
<b>83</b>	<b>60,300</b>
↓ -13.5%	↓ -28.1%
Vacant Workstations	Median Office Rate
<b>1,206</b>	<b>£340</b>
↓ -28.1%	↓ -9.3%
<i>Relative to previous quarter</i>	

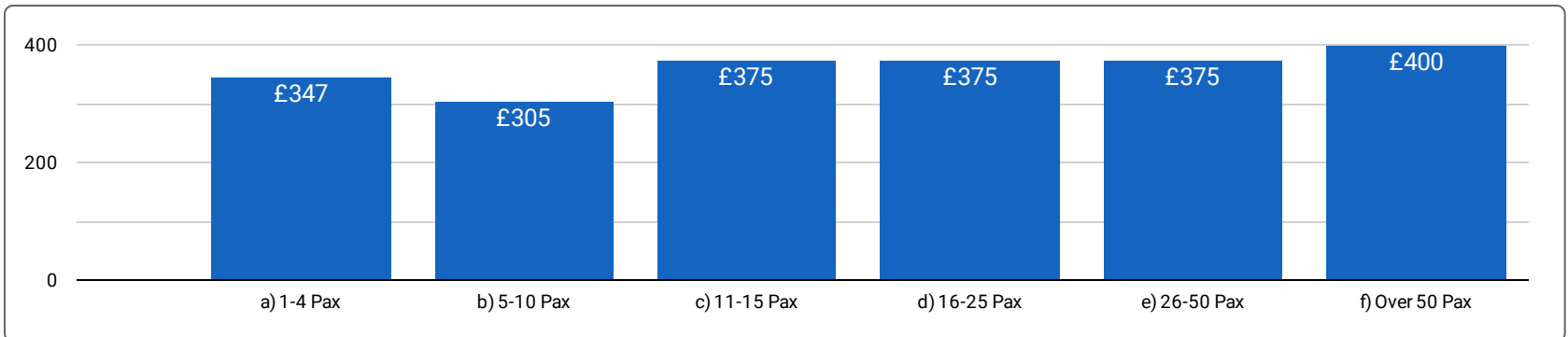
Median Office Rate /Person /Month & Trendline



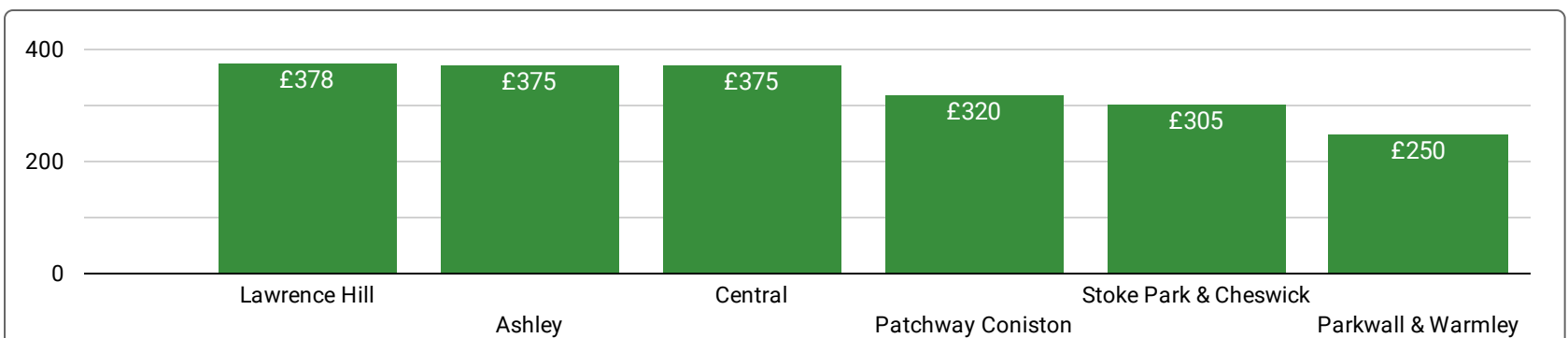
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



Median Office Rate /Person /Month in Greater Bristol



# Cambridge: Desk Rates Fall 6.5% But Remain Elevated

With its close proximity to London and abundant talent pool, demand and supply for flexible office space has grown equally in Cambridge since the pandemic. In fact, desk rates in this thriving city have risen close to 40% over the past 3 years before falling back to £725 per desk. As a result, Cambridge now holds the title of the most expensive city in the UK to rent flexible office space, albeit a relatively small market.

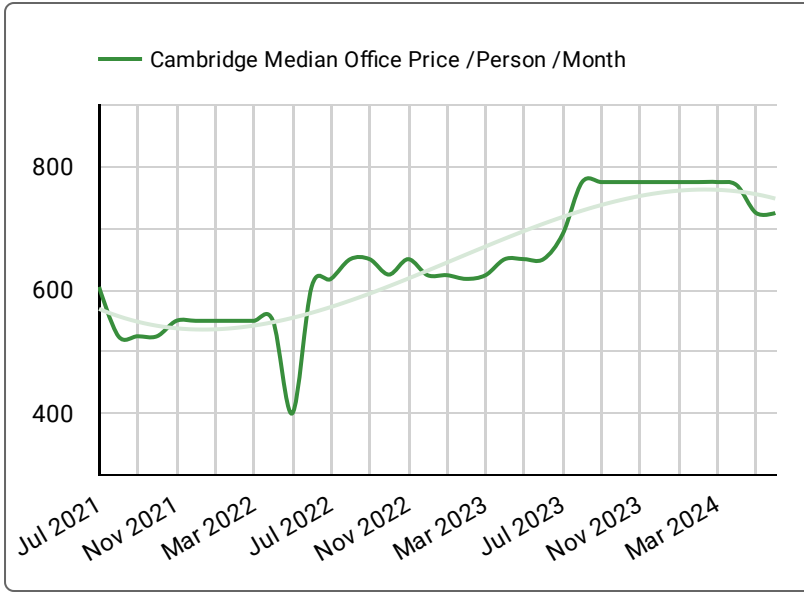
Driven primarily by the surge in demand from small businesses and startups, operators responded by significantly expanding the availability of offices tailored for teams of fewer than 10 individuals—an impressive 47% increase!

Enterprise offices with 26 or more desks command a slightly higher premium, averaging £725 per desk. This is attributed to the inclusion of additional amenities like private meeting rooms and offices. In contrast, coworking desks offer a more affordable option for solopreneurs or small teams who don't require a private space, priced at £275 per desk.

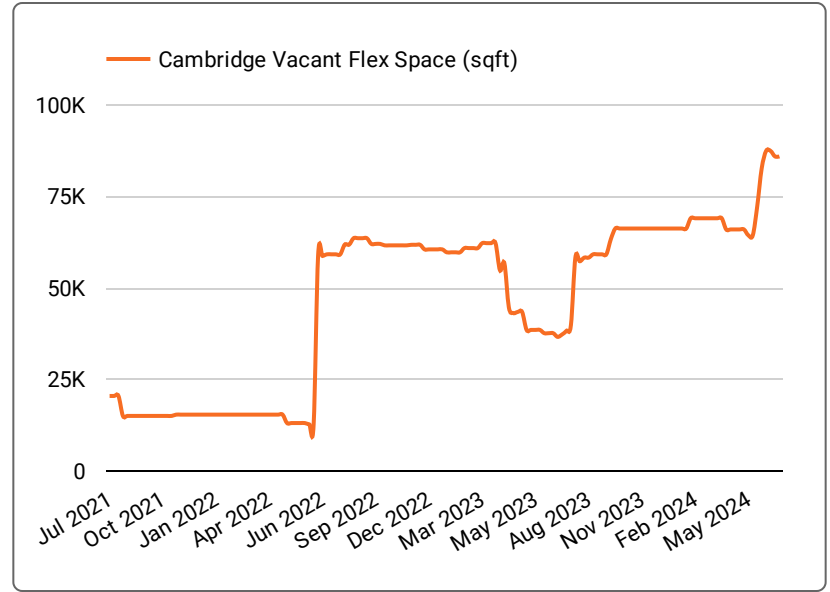
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
<b>66</b> ↑ 10.0%	<b>85,950</b> ↑ 24.5%
Vacant Workstations	Median Office Rate
<b>1,719</b> ↑ 24.5%	<b>£725</b> ↓ -6.5%
<i>Relative to previous quarter</i>	

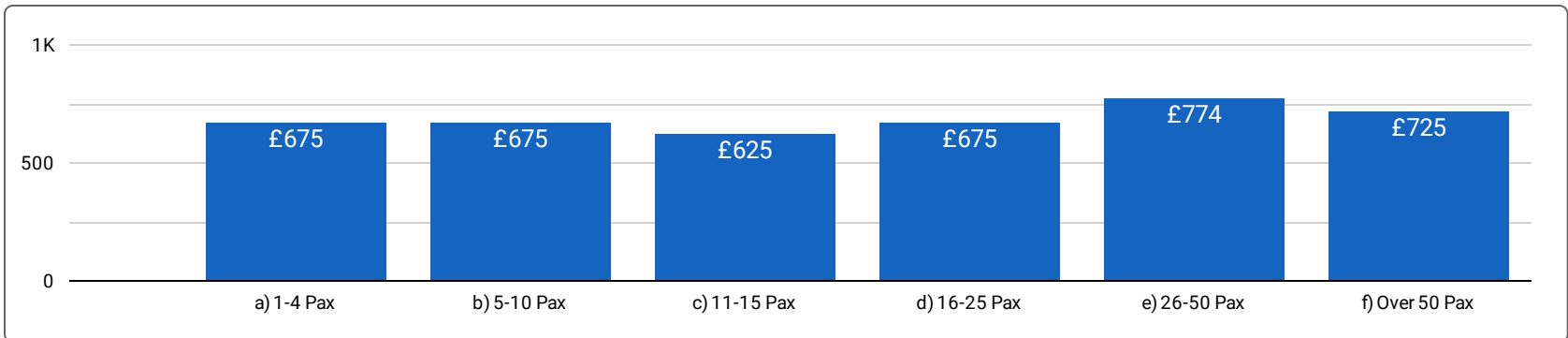
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity





# Leeds: Desk Rates Rise for First Time in a Year

After repeated quarters of price decreases in the UK's fastest growing flex city, desk rates in Leeds rose 16% to £318 per desk in Q2. This increase came on the back of an 19% surge in vacant space to 64,800 sq. ft.

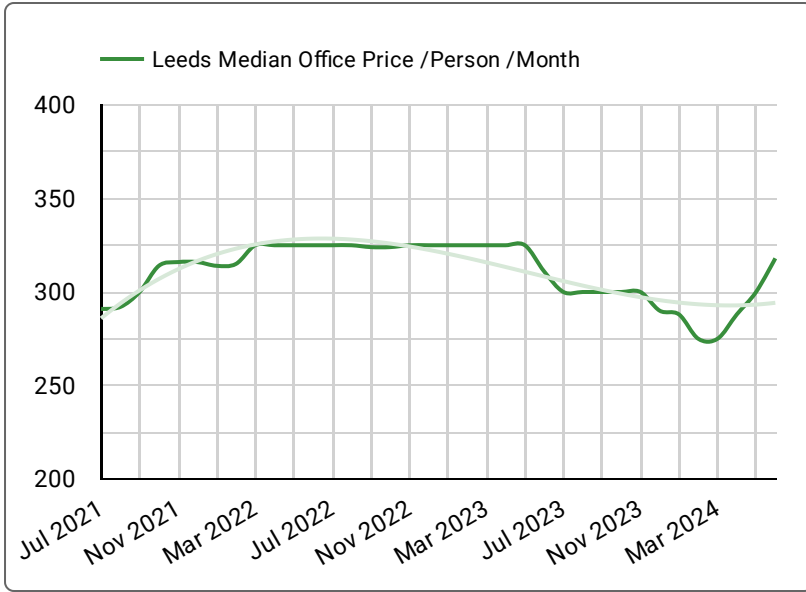
With more than 6,000 small and medium-size enterprises, which account for more than half of employment, it's no wonder that 61% of all flex offices are set aside for teams of 1-10 people. While there are larger enterprise offices for companies in search of a larger space with more than 25 desks, spaces are limited. On a positive note though, rents for these enterprise offices are priced competitively ranging in price from £160 to £360 per desk per month.

Businesses will find spaces available from national operators including Workspace Hub, Citibase, Orega Serviced Offices, Landmark Spaces and Regus.

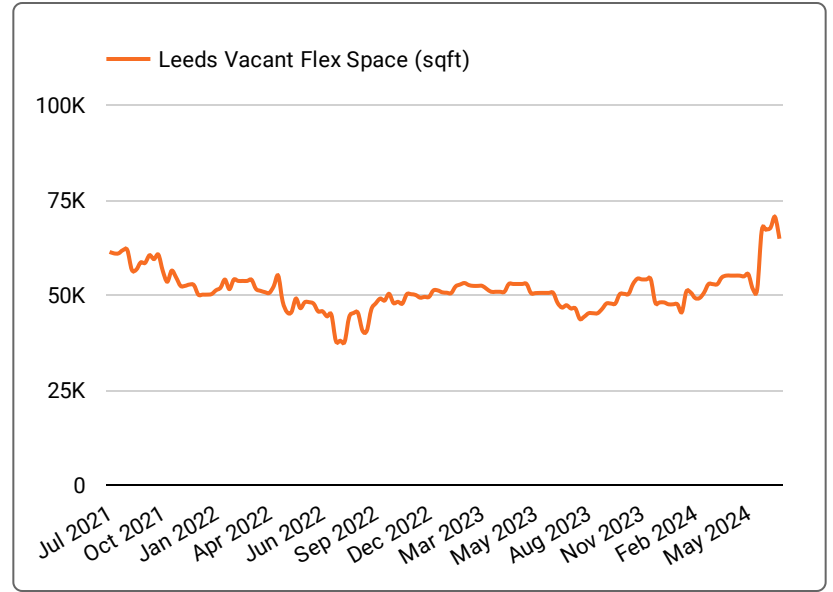
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
<b>104</b> ↑ 15.6%	<b>64,800</b> ↑ 18.7%
Vacant Workstations	Median Office Rate
<b>1,296</b> ↑ 18.7%	<b>£318</b> ↑ 15.6%
<i>Relative to previous quarter</i>	

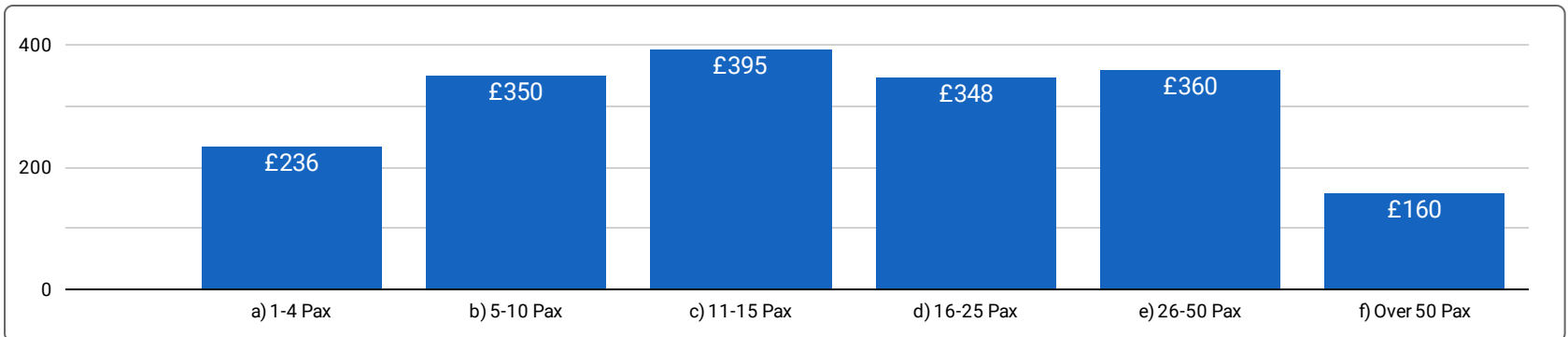
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



# Desk Rates in Cardiff Hold

Cardiff's thriving business ecosystem of tech startups to creative agencies and professional services combined with a large university presence have contributed to an increasing demand for serviced offices.

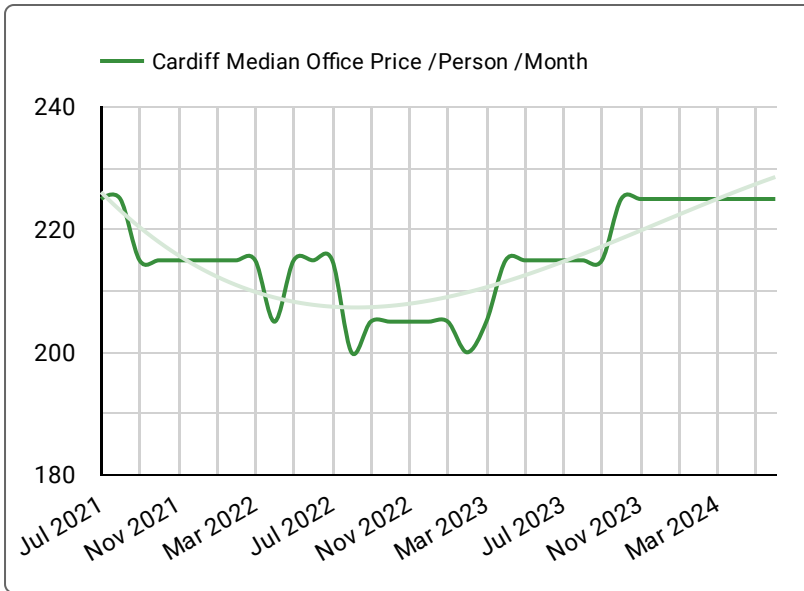
Offices tailored for teams of 1-10, constitute 62% of the listings on Rubberdesk and significantly influence the median desk rate sitting at £225 per desk. However, for businesses looking for a more expansive space for 26 to 200 people, there are cost-effective options available at a significant markdown. Though these enterprise offices tend to attract a higher premium in cities in London, businesses in Cardiff will find available options for as low as £140 per desk with further savings available for longer terms.

As one of the smaller city centres in the UK, most of the currently available offices are within a 2-mile radius of the city centre providing easy access to many of the amenities the city provides. The top serviced operators include Clockwise, Rombourne, Bizspace and Chadwick Flexspace Solutions.

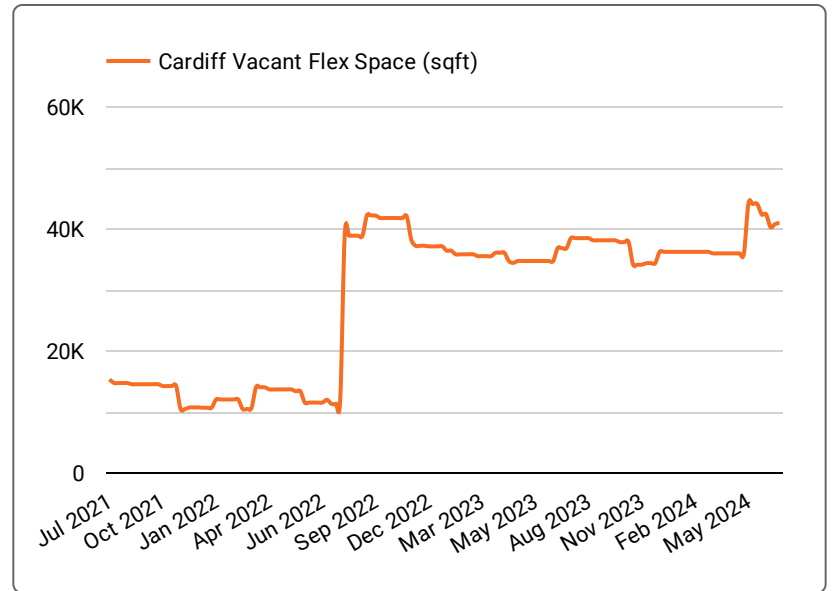
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
<b>37</b> ↓ -5.1%	<b>45,250</b> ↑ 12.4%
Vacant Workstations	Median Office Rate
<b>905</b> ↑ 12.4%	<b>£225</b> 0.0%
<i>Relative to previous quarter</i>	

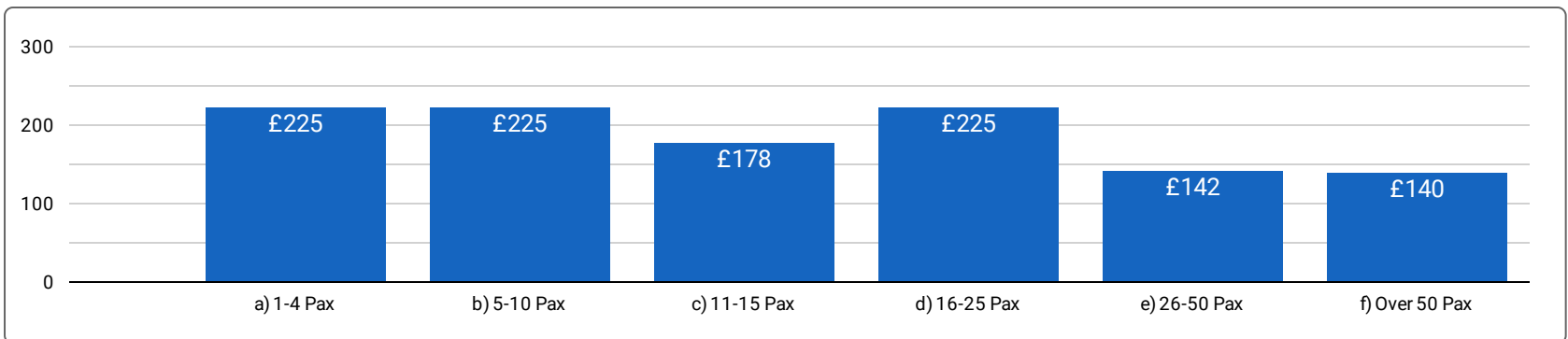
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



# Newcastle: Desk Prices Ease 12% After Recent Surge

After spiking in Q1, desk rates in Newcastle fell back 12% settling closer to their historical average at £165 per desk per month. Though new supply has been hard to come by, there have been a number of new enterprise offices with 50 or more desks added to the market.

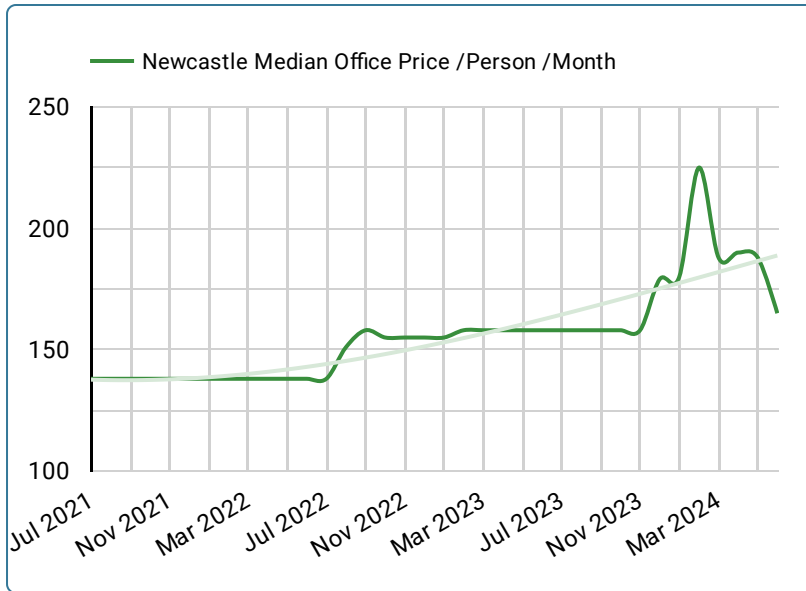
While rates for smaller offices of 1-10 remain flat while mid-sized offices for 11-25 people declined to 35% to £180 per desk. Larger enterprise offices for 50 or more staff bucked the trend rising 27% to £190 per desk.

When it comes to operators, businesses will find deals and opportunities with HyHubs, Citibase, Airivo, Wizu and Cubo Work.

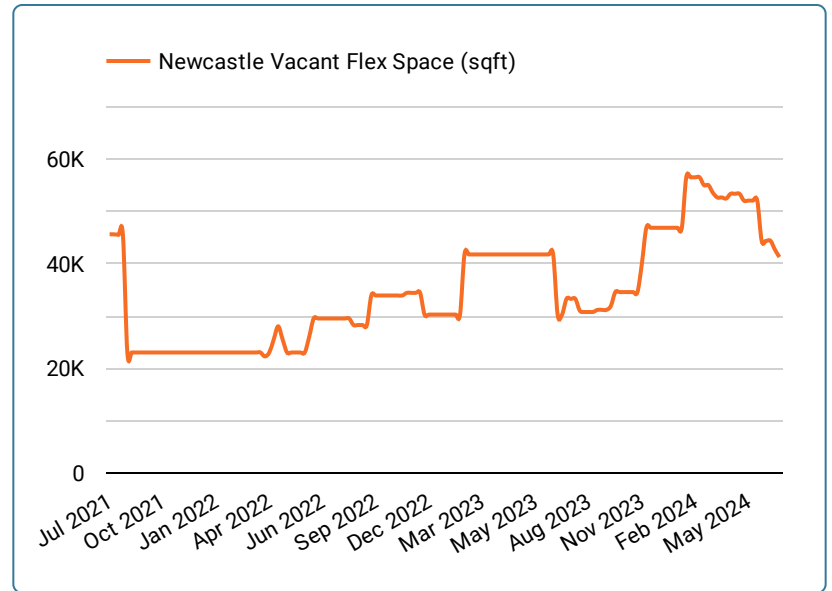
## Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
<b>62</b> 0.0%	<b>52,700</b> 0.0%
Vacant Workstations	Median Office Rate
<b>1,054</b> 0.0%	<b>£165</b> ↓ -12.2%
<i>Relative to previous quarter</i>	

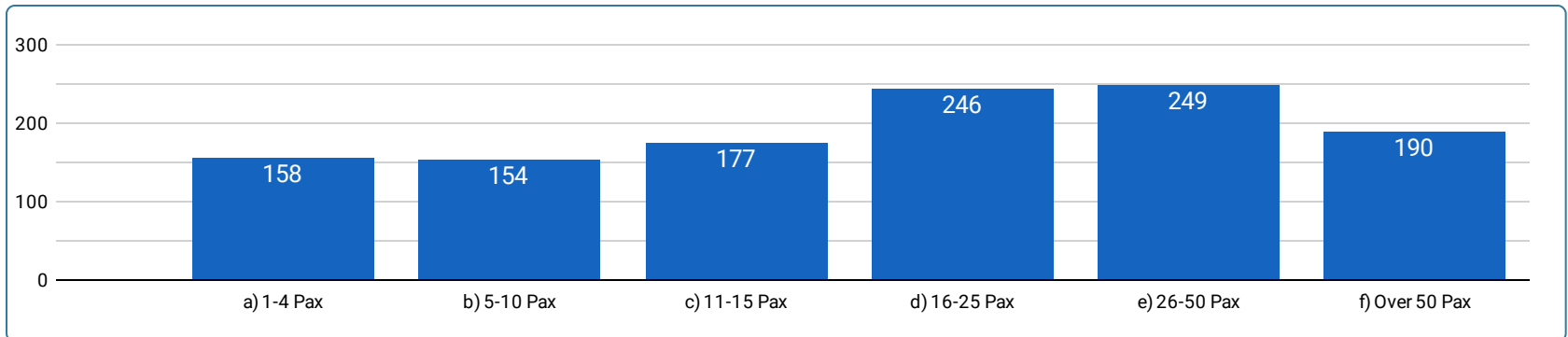
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



# About Rubberdesk

Rubberdesk is a 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, 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.