

UK Flexible Office Space Report

September 2022



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New Supply Dampens Rates Across UK Office Market

To understand the serviced office market in the UK, it's important to understand that there are really two separate markets in the UK; 1) Greater London & 2) everything else. With London making up 75% of the available Flex Office space across the UK, it heavily skews the monthly rental rates & available space.

The following report looks at the cost and availability of flexible office space in key cities outside London.

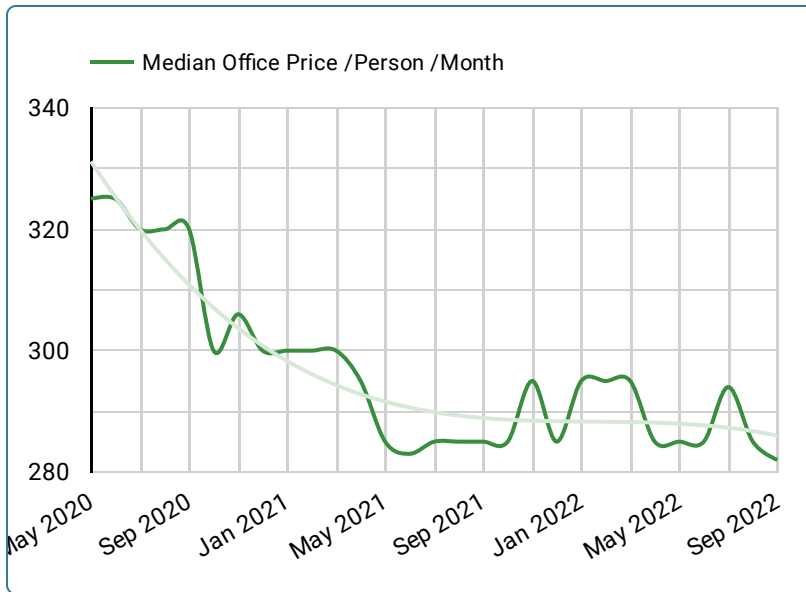
Despite showing some resilience over the past year, the rental prices for a desk in a coworking or serviced office reached a new post pandemic low of £282 per desk while the available supply was up 12.8% over the past quarter due to new offices in Manchester, Birmingham & Cardiff.

With the exception of Cambridge, which has rates closer to those found in London, office prices (per desk) is up to 50% cheaper outside London with Manchester priced at £374 per desk while the desk rate in Cardiff is £205 per month. In Scotland, a desk in a private office will set you back £332 in Glasgow, £300 in Aberdeen and £225 in Edinburgh.

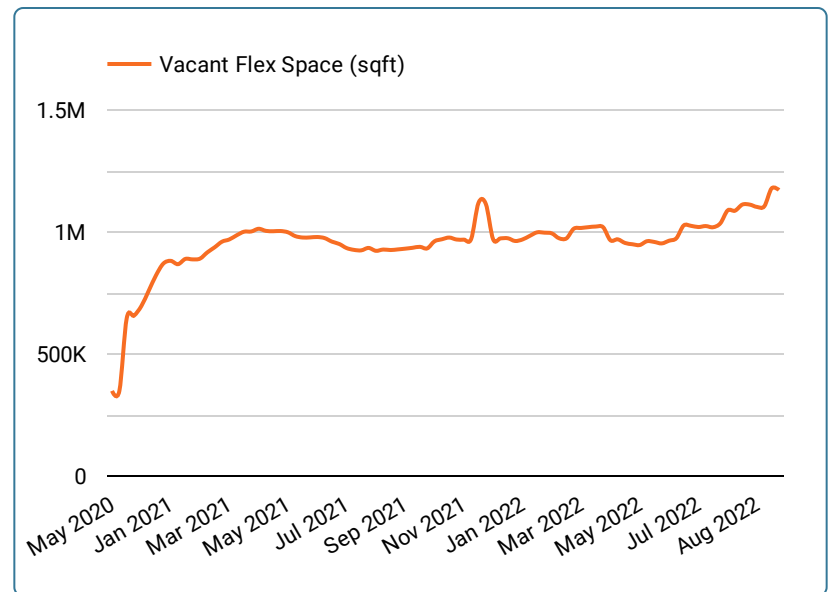
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
1,743 ↑ 11.9%	1,254,600 ↑ 12.8%
Vacant Workstations	Median Office Rate
25,092 ↑ 12.8%	£282 ↓ -1.1%
<i>Relative to previous quarter</i>	

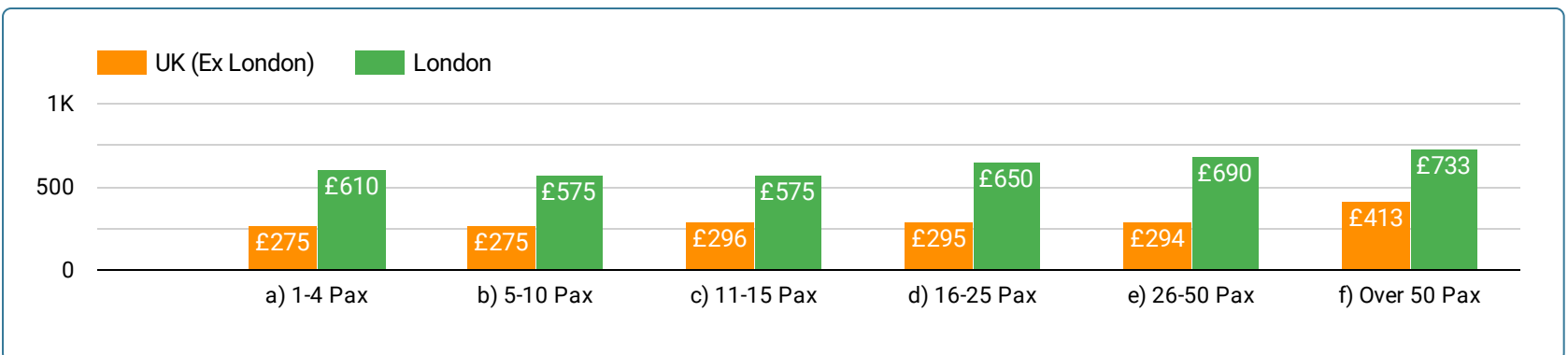
Median Office Rate /Person /Month & Trendline



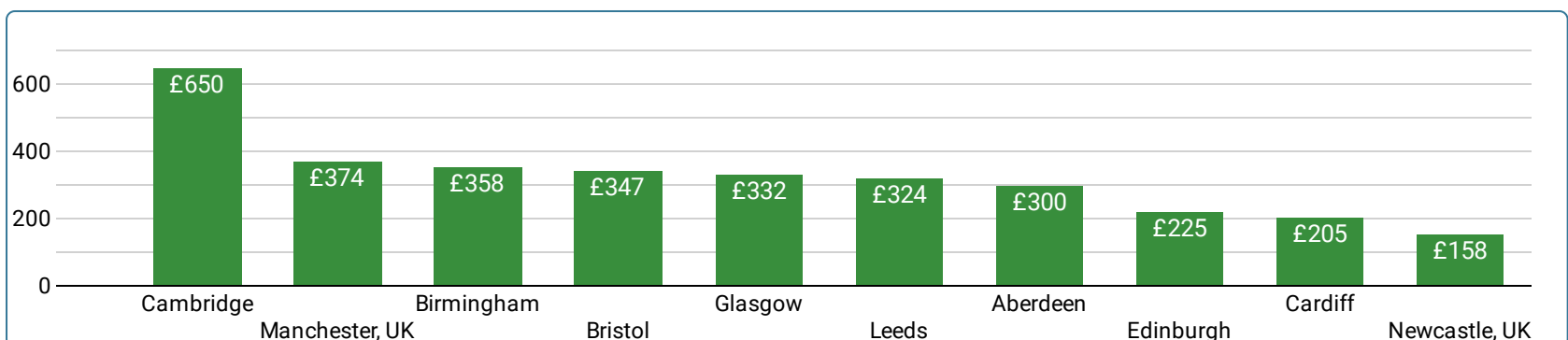
Vacant Flex Space (sqft) over Time



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



Median Office Rate /Person /Month by Location



Office Rental Rates up 7% Across Greater Manchester

After bottoming out in June, prices for flexible office space increased 6.9% to £374 per desk. Vacant space increased 9.1% quarter on quarter to 275,200 square feet due to new offices in the City and Old Trafford.

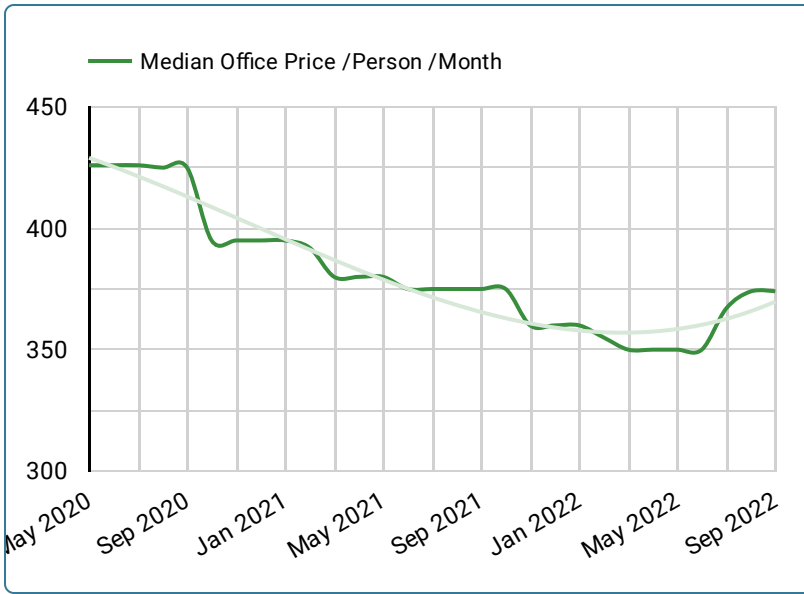
While majority of the inventory is in Manchester City, there are options available in Old Trafford, Salford, Rochdale, Bury and Bolton ranging in price from a high of £525 in Rochdale to £181 and £175 per desk in Old Trafford and Bury.

As the second largest market in the UK after London, the Greater Manchester area has a wide variety of offices available for business of all sizes including those looking for more than 100 plus desks. Though these larger offices come with a slightly higher desk rate, £427 per desk compared to the median rate of £374, they often include more amenities and features such as whole floors, meeting rooms and private entrances.

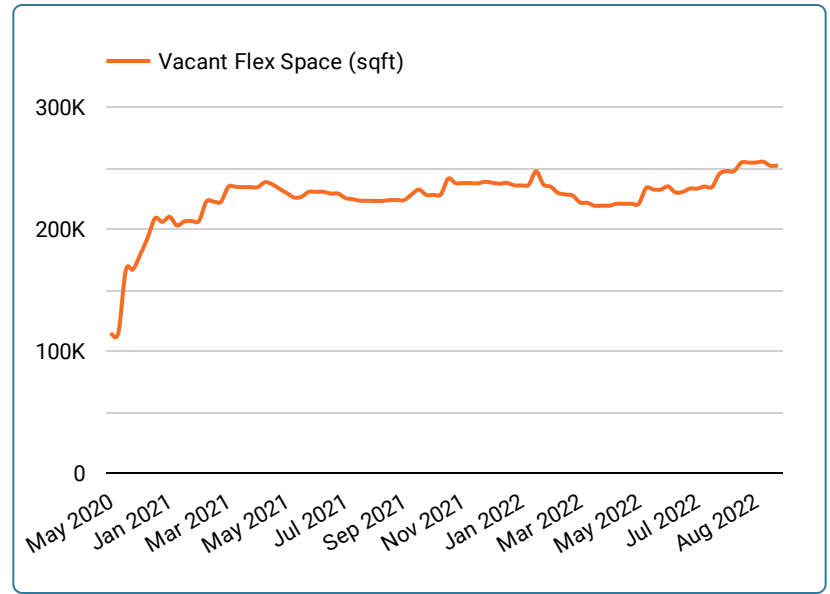
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
301	275,200
↑ 15.3%	↑ 9.1%
Vacant Workstations	Median Office Rate
5,504	£374
↑ 9.1%	↑ 6.9%
<i>Relative to previous quarter</i>	

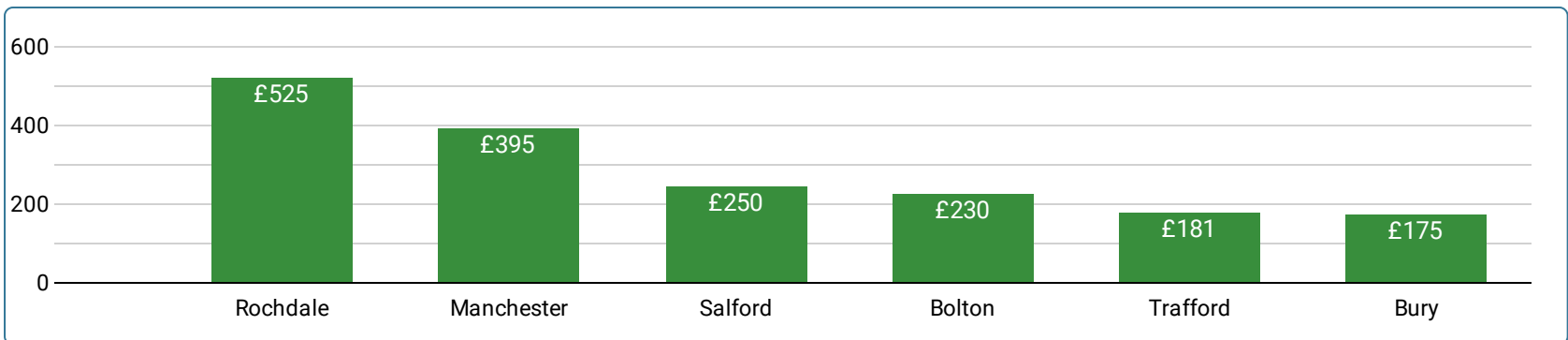
Median Office Rate /Person /Month & Trendline



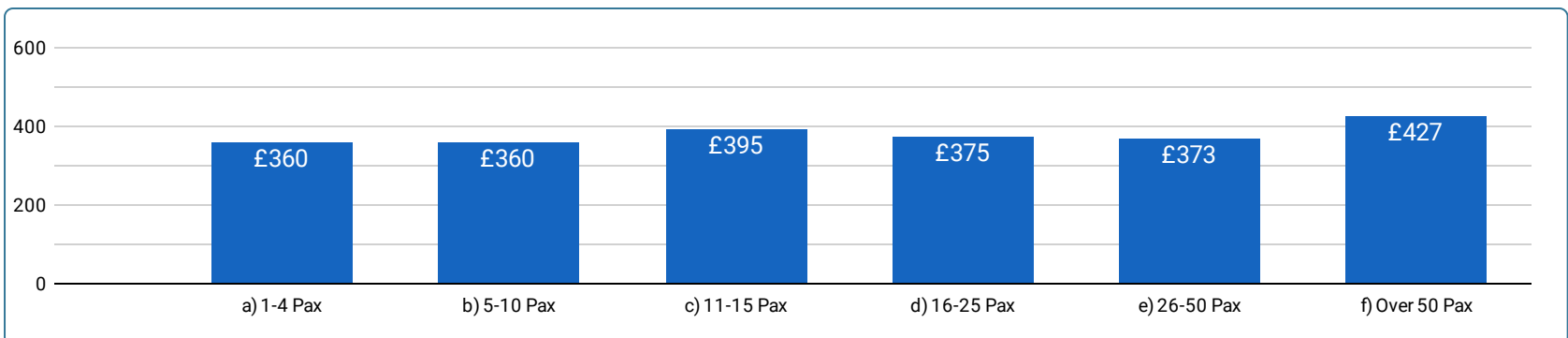
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month in Greater Manchester



Median Office Rate /Person /Month by Office Capacity



Greater Birmingham Sees Big Leap in Office Inventory

After rising sharply in June, rental rates dropped just as quickly (to £358) as new inventory came to market, rising 25% quarter on quarter.

While rents are considerably cheaper compared to those in London, rents in Birmingham City are at a premium of £384 per month, compared to £198 in Wolverhampton, and £175 in Dudley.

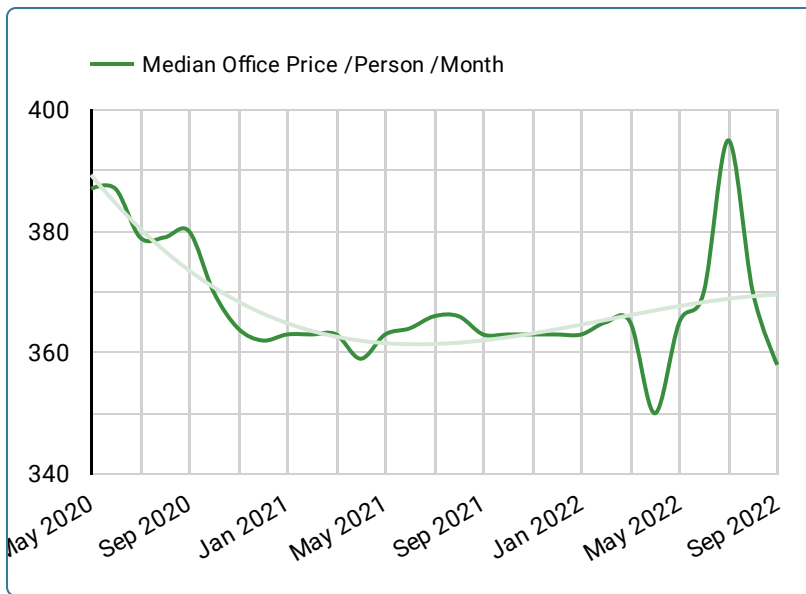
Regardless of preference though, businesses of all sizes will find a full range of spaces available, from the smaller 1-10 person office with a median price of £332, to larger enterprise style offices with additional amenities for teams of 50 to 120 plus, at a slightly higher median price of £464 per desk.

On the supply side, less expensive inventory from Citibase & Bizspace, helped bring down the median rate by 3.2%.

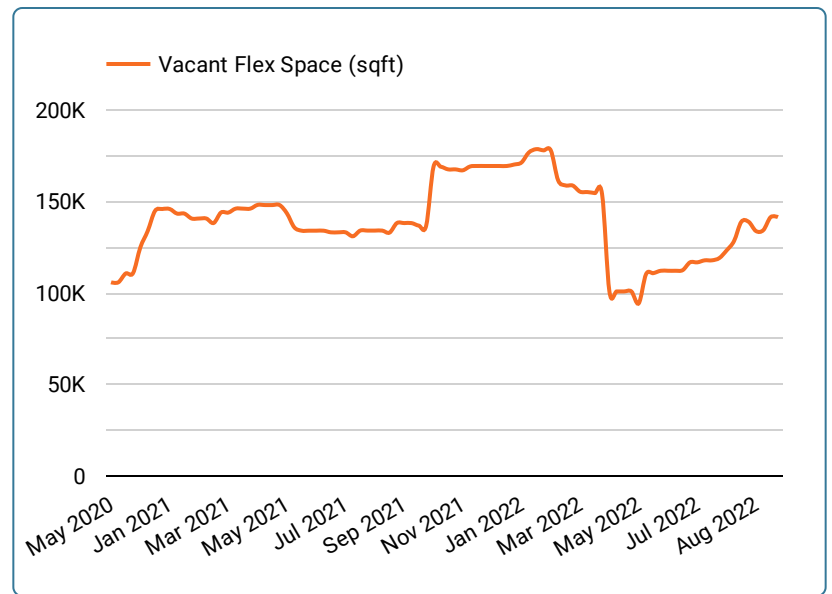
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
184 ↑ 20.3%	145,900 ↑ 25.2%
Vacant Workstations	Median Office Rate
2,918 ↑ 25.2%	£358 ↓ -3.2%
<i>Relative to previous quarter</i>	

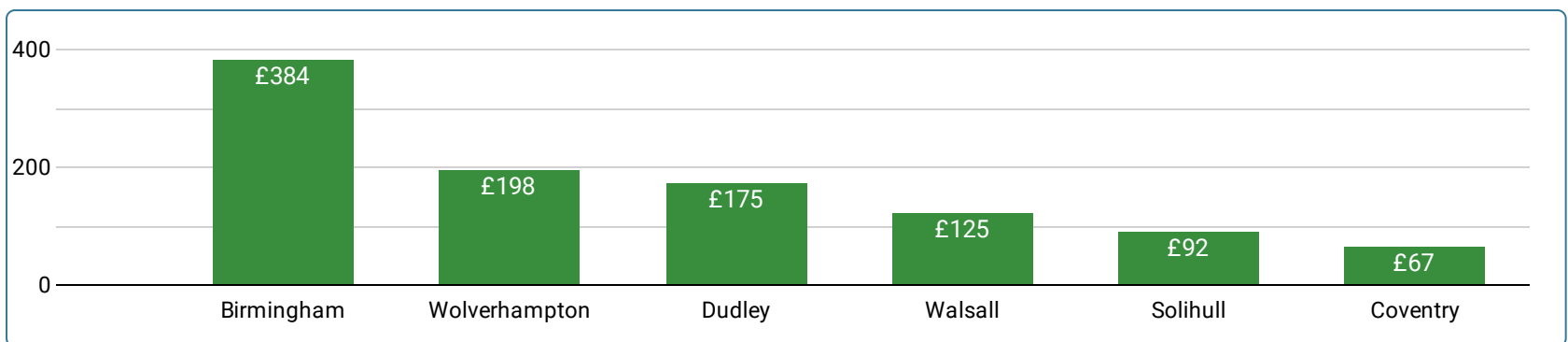
Median Office Rate /Person /Month & Trendline



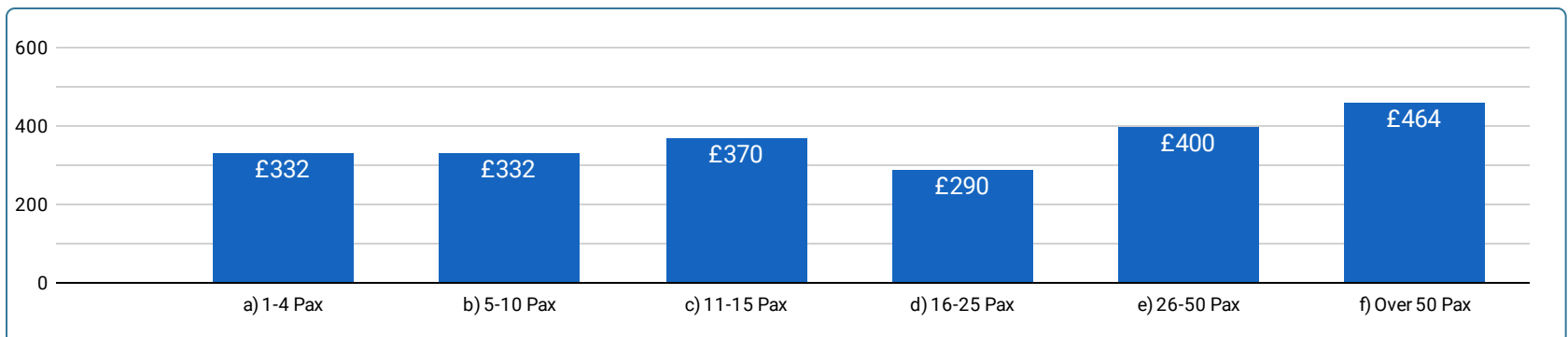
Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month in West Midlands



Median Office Rate /Person /Month by Office Capacity



Prices Cool in Leeds as New Inventory Added to Market

Unlike many locations in the UK, rents for office space in Leeds have climbed steadily over the past 2 years, primarily due to a lack of available inventory. However, as new supply has entered the market, rates have dropped to a median rate of £324 per desk during the past quarter.

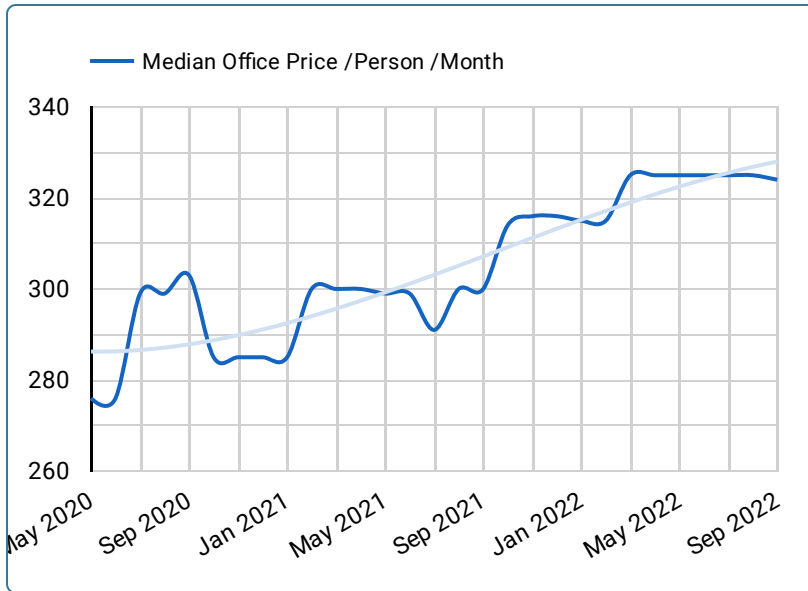
With serviced offices accounting for upwards of 15% of all available commercial deals over the past year, the future for office flexibility looks very bright in Leeds. As businesses seek more flexible ways of working, the city's strong cluster of technology, health, financial and creative professionals, will be poised to take advantage of available space and flexible terms.

Though spaces are limited for companies looking for an office for more than 25 people, rents for these enterprise offices are priced competitively ranging in price from £163 to £249 per desk per month.

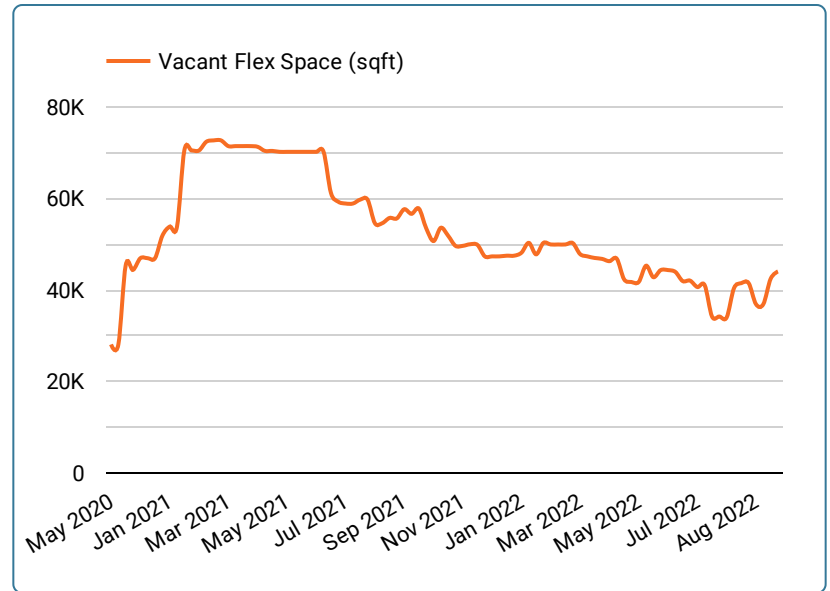
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
83 ↑ 31.7%	47,800 ↑ 4.6%
Vacant Workstations	Median Office Rate
956 ↑ 4.6%	£324 ↓ -4.7%
<i>Relative to previous quarter</i>	

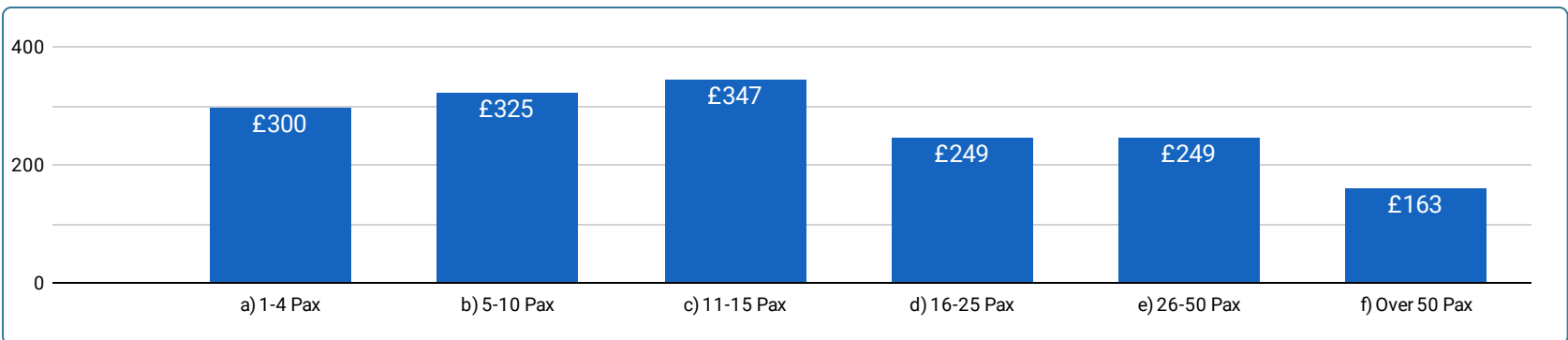
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



Glasgow Flexible Office Rates Hold Steady in 2022

Both rents and supply have remained relatively steady over the past two years. Despite a small increase in available space, up 1.1% over last quarter, office supply is affected by the lack over overall commercial grade A real estate in the market.

With a median rate of £332 per desk, serviced offices are an ideal option for everyone from professionals to insurance & financial service firms to consumer services and engineering.

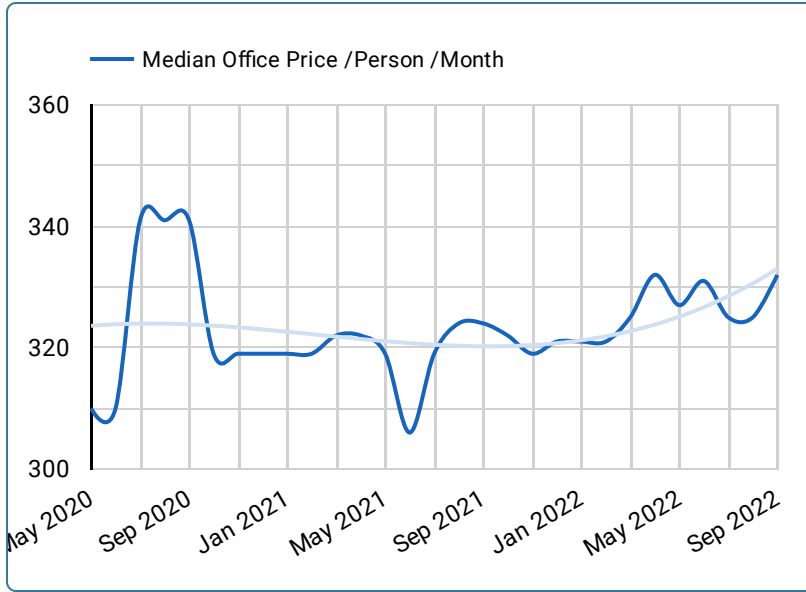
The majority of current availability in Glasgow is focused on smaller businesses such as professionals and early startups looking for 1-10 desks, though there are larger offices available for teams up to 50 desks starting at a median rate of £273 per desk, ideal for financial services, software & engineering firms.

Flex Office Space at a Glance

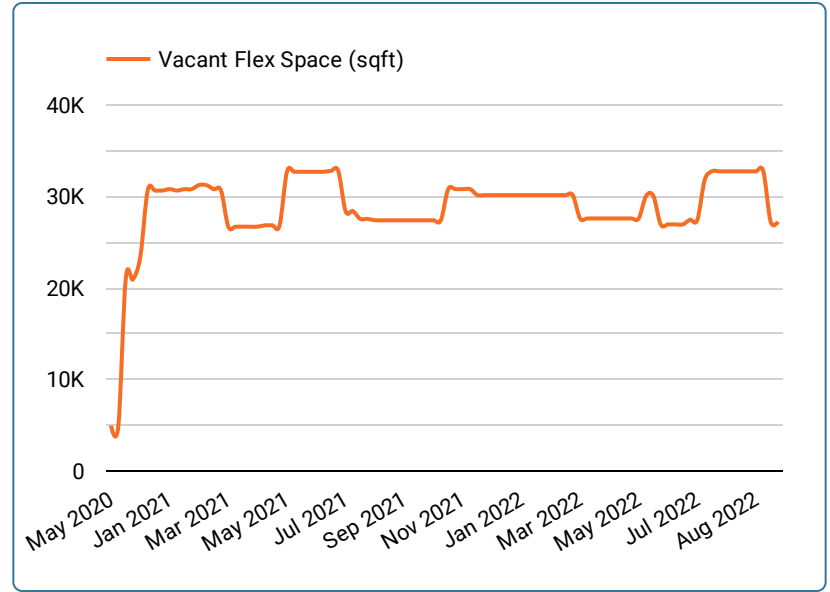
Vacant Offices 64 ↑ 1.6%	Vacant Space (sqft) 28,750 ↑ 1.1%
Vacant Workstations 575 ↑ 1.1%	Median Office Rate £332 ↑ 0.3%

Relative to previous quarter

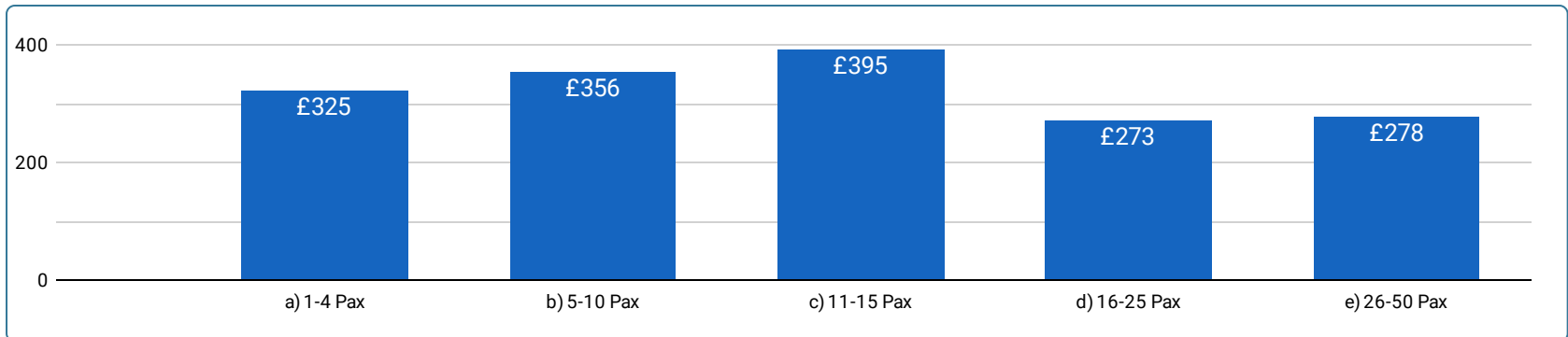
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



Vacant Supply Falls 24% in Bristol Due to High Take Up

After several quarters of growth, the supply of available flexible office space fell 24.6% this past quarter to 39,750 sq. ft. due to a buoyant market and high take up. Despite this large decrease, rents remain strong rising 1.0% to a median rate of £303 per desk.

Not surprisingly, inventory outside of Bristol city is somewhat limited to smaller offices for teams of 2-25 people though there is one larger enterprise office available for up to 60 people in Clifton Village.

Operators in the area tend to cater to smaller businesses across technology, media and professional services with 82% of all available offices for 15 or less desks.

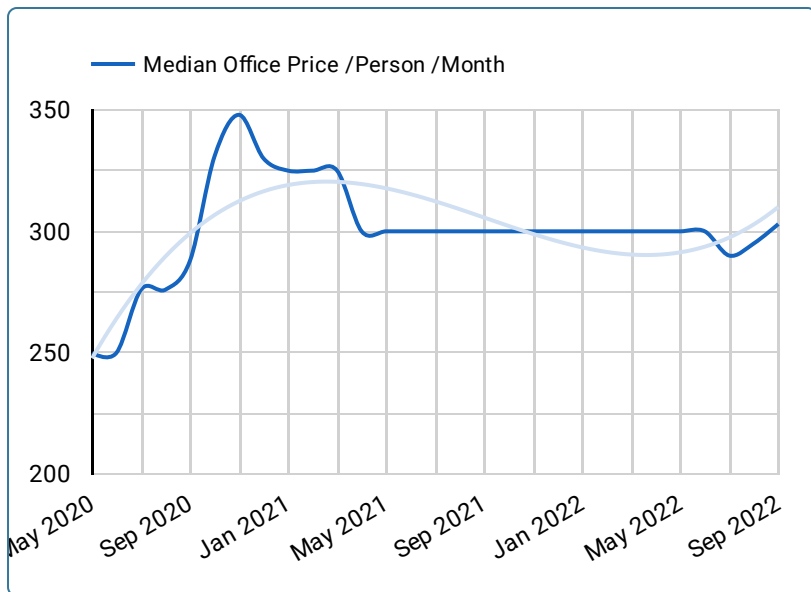
Serviced offices operators accounted for 9% of all recent real estate leases over the past half year which should lead to new supply in the Bristol market over the coming year.

Flex Office Space at a Glance

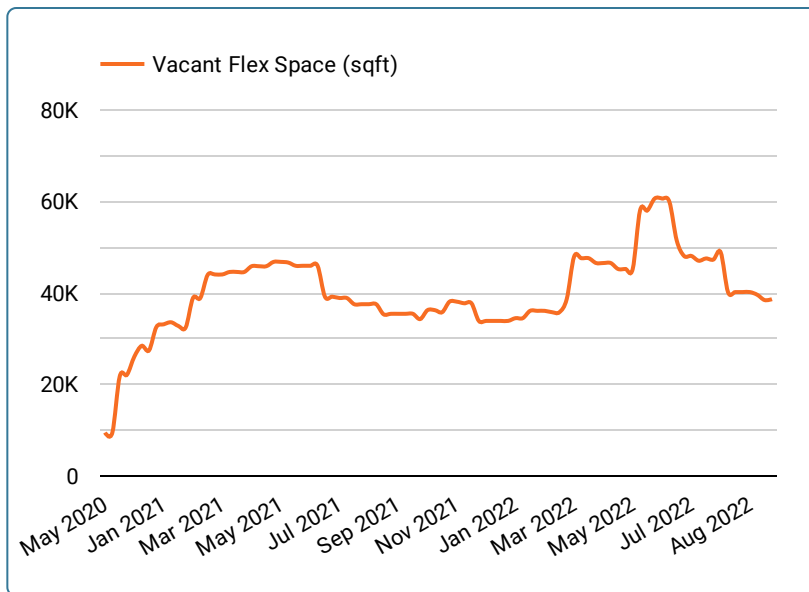
Vacant Offices	Vacant Space (sqft)
73	39,750
↓ -21.5%	↓ -24.4%
Vacant Workstations	Median Office Rate
795	£303
↓ -24.4%	↑ 1.0%

Relative to previous quarter

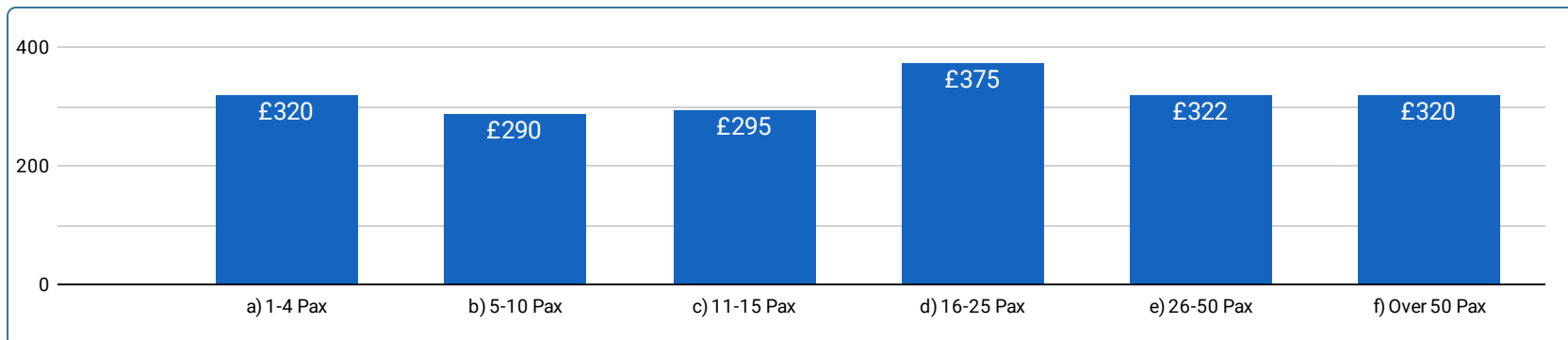
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



Rates Remain Flat as Vacant Space Falls 7.6% in Aberdeen

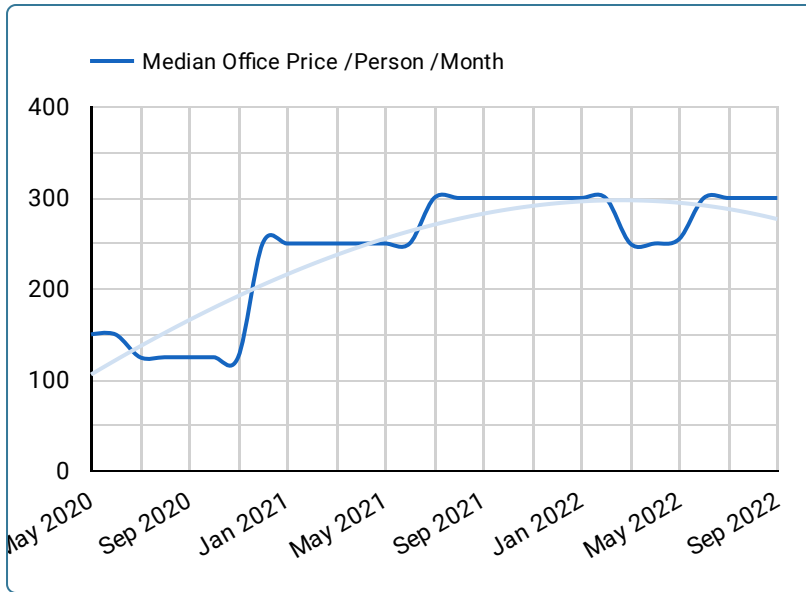
As the third largest city in Scotland, Aberdeen has a bustling market for serviced office space. Unlike many other markets in the UK, rental rates in Aberdeen have been on an upward trend over the past two years maintaining a high of £300 per desk for most of 2022.

As a smaller market, most of all available space is reserved for teams of 2-10 though there are a few larger enterprise offices available for teams of 25 to 130 for a median rate of £250 per desk.

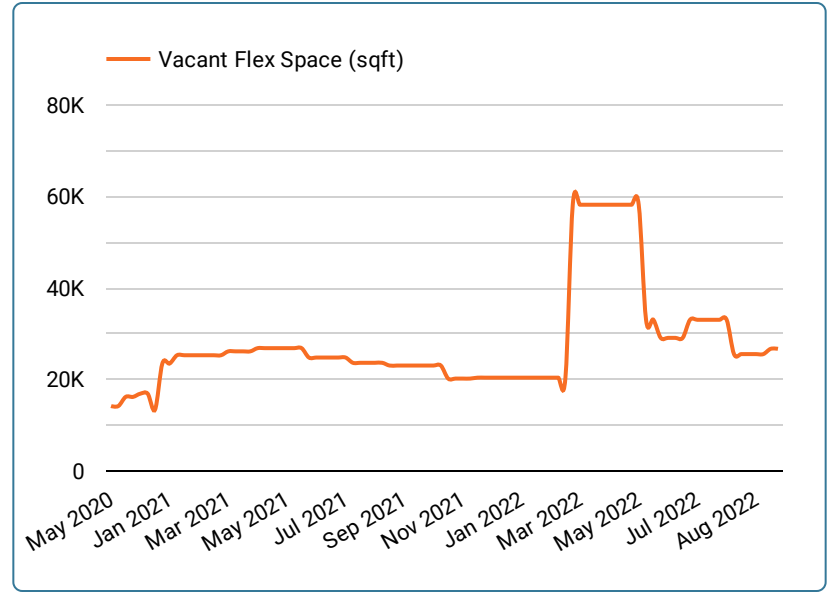
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
45	29,050
↓ -11.8%	↓ -7.6%
Vacant Workstations	Median Office Rate
581	£300
↓ -7.6%	0.0%
<i>Relative to previous quarter</i>	

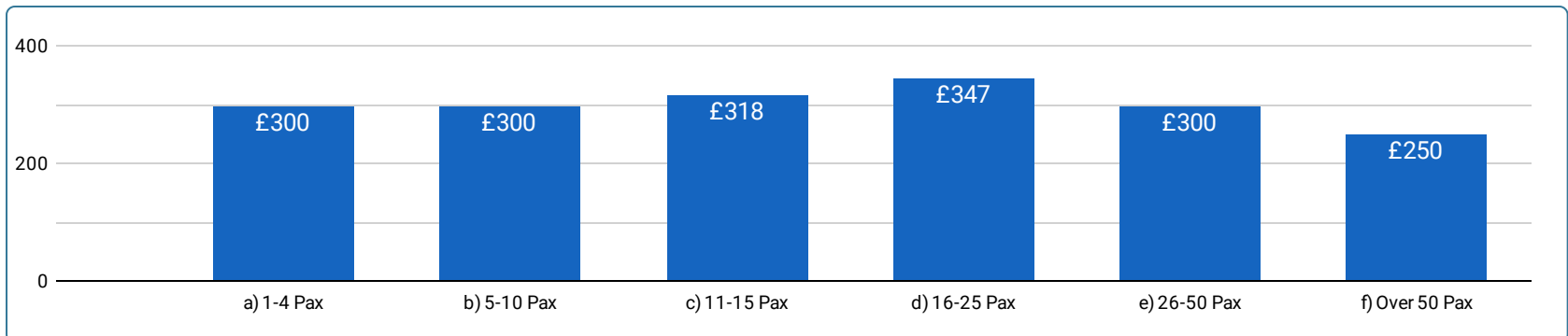
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



Edinburgh Flex Office Rates Recover After Q2 Fall

After dipping to £200 per desk at the end of Q2, median rents for flexible office space increased 12.5% this quarter to £225 per desk. With 86% of all available offices for teams of 15 or less people, serviced offices in Edinburgh are better suited for startups and smaller teams looking to take advantage of low rates and terms.

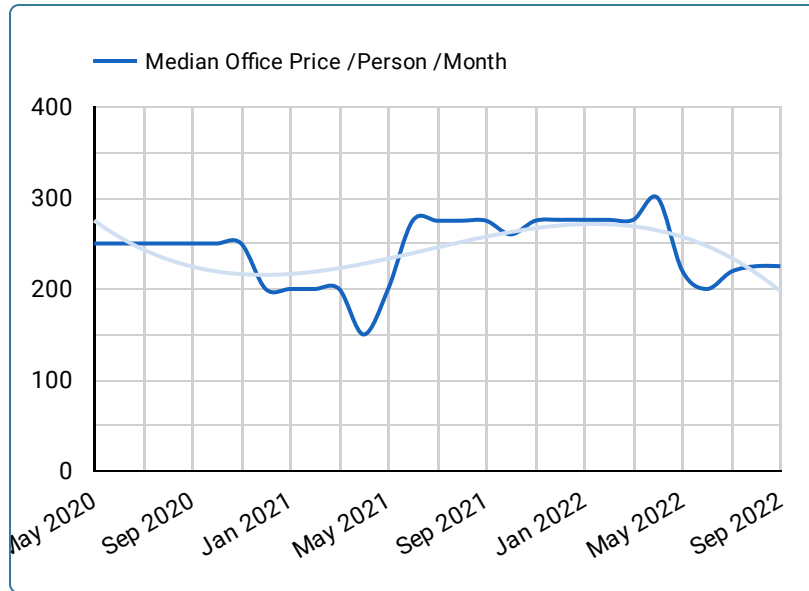
With average grade A commercial rents above £30 per square foot, median rents of £225 per desk is quite the bargain for businesses in professional services, technology, media and financial services.

Due to the lack of larger spaces, businesses will pay a premium to rent a space for more than 25 people.

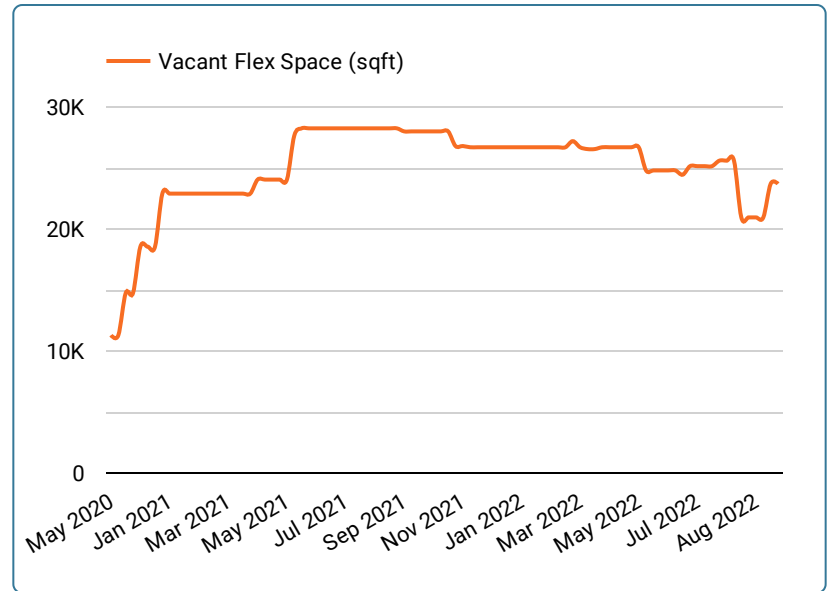
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
43 ↑ 4.9%	26,000 ↓ -4.6%
Vacant Workstations	Median Office Rate
520 ↓ -4.6%	£225 ↑ 12.5%
<i>Relative to previous quarter</i>	

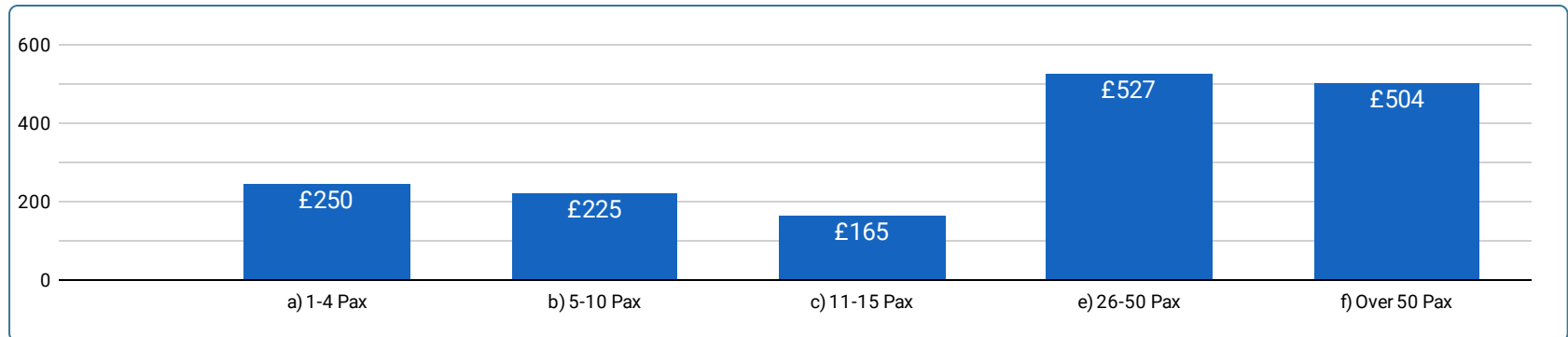
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



Newcastle Records 15% Price Increase

Unlike many other cities around the UK, Newcastle was one of the few not to see a drop in price during the pandemic. In fact, much of the new inventory has been spurred by new demand for office space of all types.

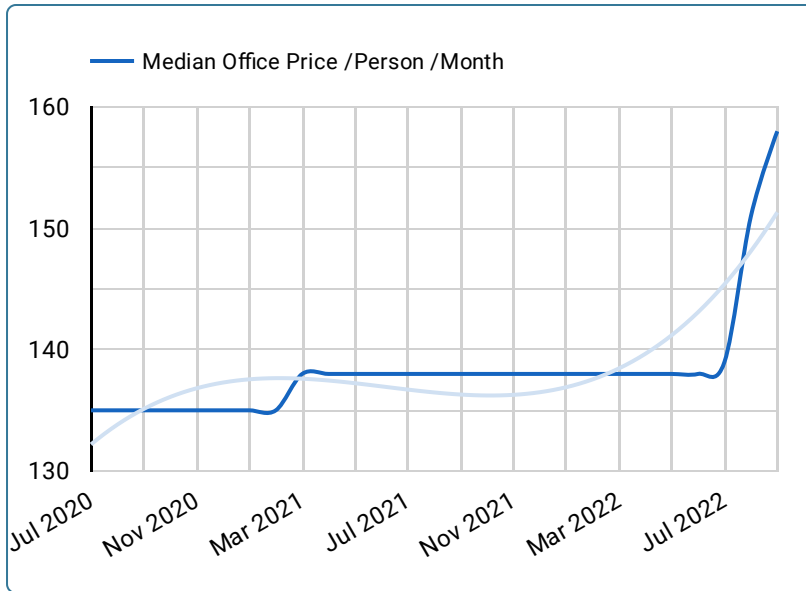
This trend has continued over the most recent quarter with rental rates reaching a new high of £158 per desk on the back of further new inventory added to the market, up 15% to 33,950 sq. ft quarter on quarter.

Despite recent price rises, the rental rates for serviced offices in Newcastle are some of the lowest in the nation. While opportunities might be limited for larger spaces, there are plenty of offices available for teams of 2-15.

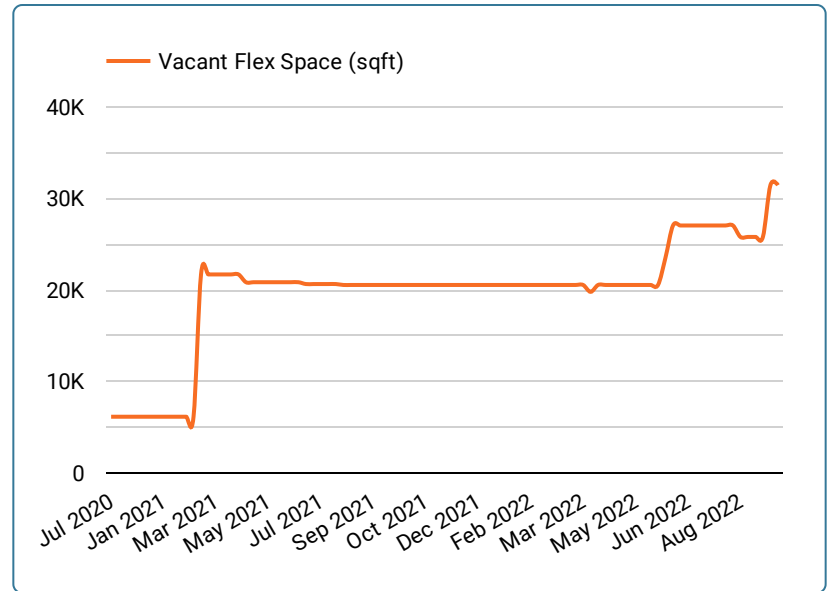
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
42	33,950
↑ 5.0%	↑ 14.9%
Vacant Workstations	Median Office Rate
679	£158
↑ 14.9%	↑ 14.5%
<i>Relative to previous quarter</i>	

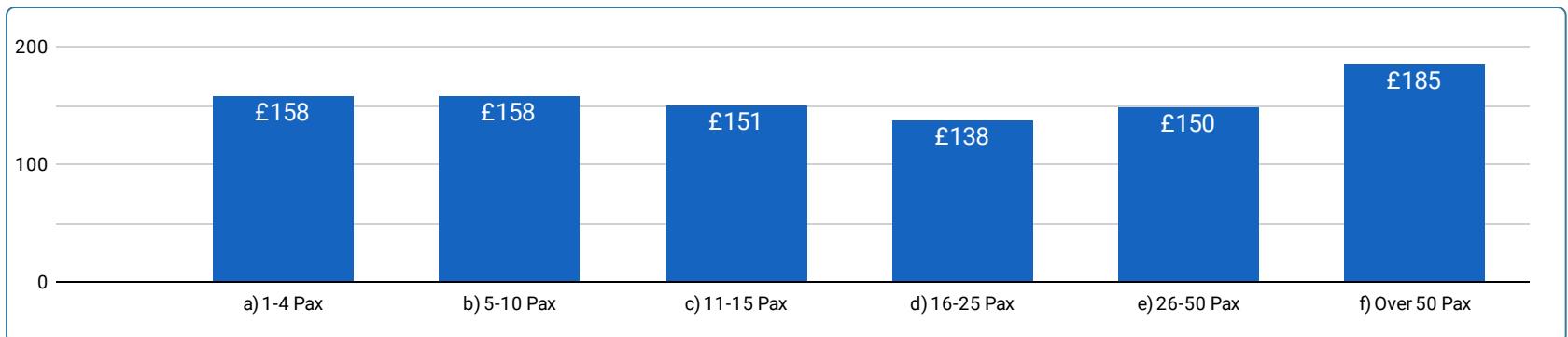
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



New Supply Pushes Rates Down 5% in Cardiff

Better known as the Welsh capital with a large university presence, serviced offices in Cardiff have dropped 20% since the start of the pandemic to £205 per desk.

Though supply has historically been limited, the opening of BizSpace's refurbished Trafalgar House has added over 50,000 sq. ft. of much needed serviced office space.

Catering to businesses of all sizes, from 1-10 people to 200 plus, there are a range of office sizes available with some of the larger enterprise offices priced as low as £140 per desk.

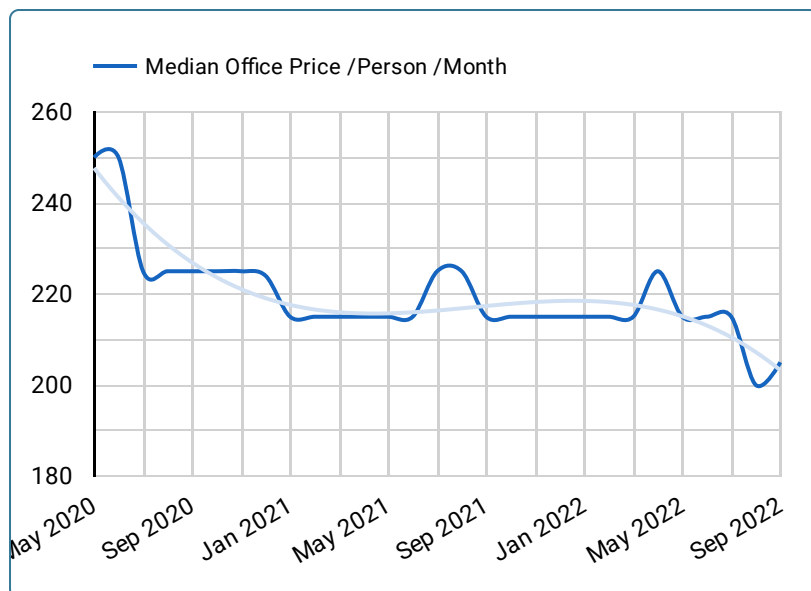
As one of the smaller city centres in the UK, most of the current available offices are within a 1 mile radius of the city centre providing easy access to many of the amenities the city provides.

Flex Office Space at a Glance

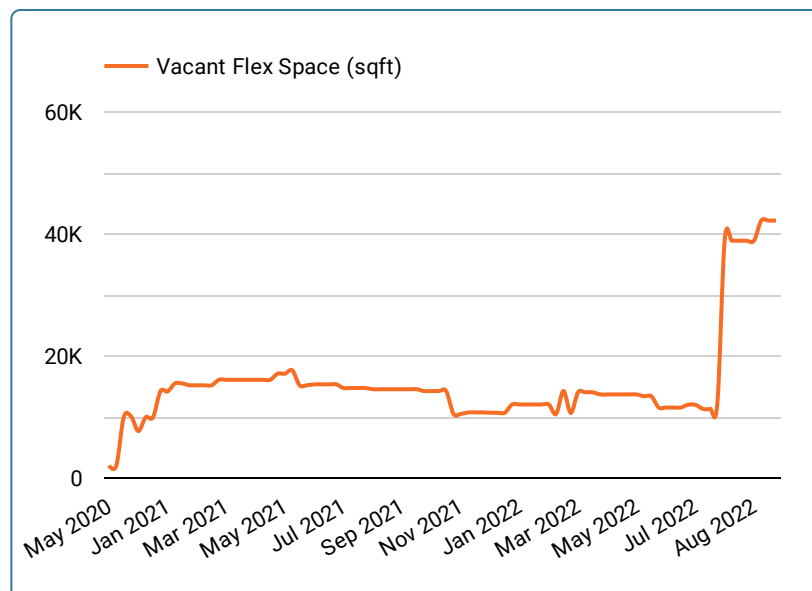
Vacant Offices	Vacant Space (sqft)
39	44,200
↑ 34.5%	↑ 226.2%
Vacant Workstations	Median Office Rate
884	£205
↑ 226.2%	↓ -4.7%

Relative to previous quarter

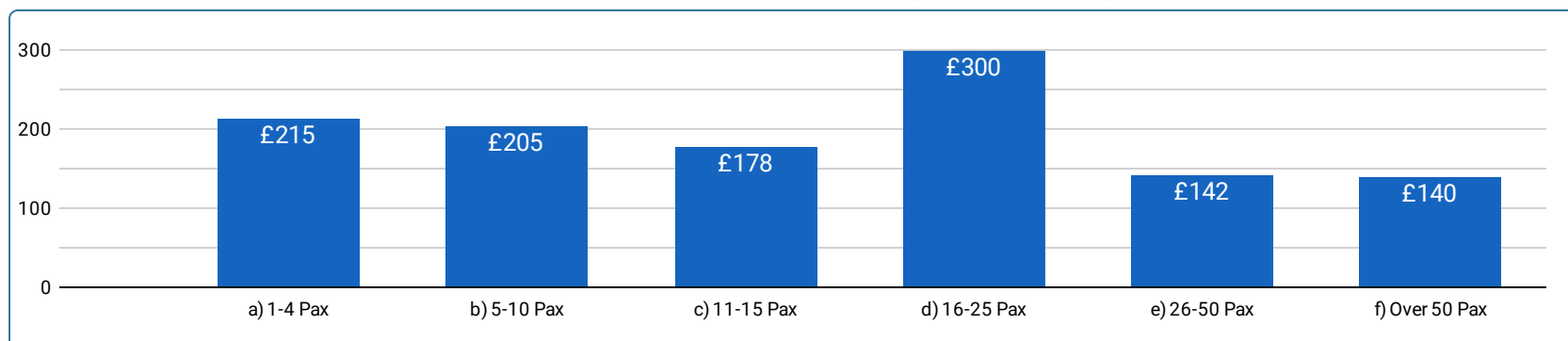
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



Cambridge Office Rates On Par with London

As a university city, Cambridge has typically had a limited supply of available serviced offices with only a few operators servicing the city. But with Silicon Fen, the UK's answer to Silicon Valley, transport links, proximity to London and access to talent, word has spread that the Cambridge market is ready to expand.

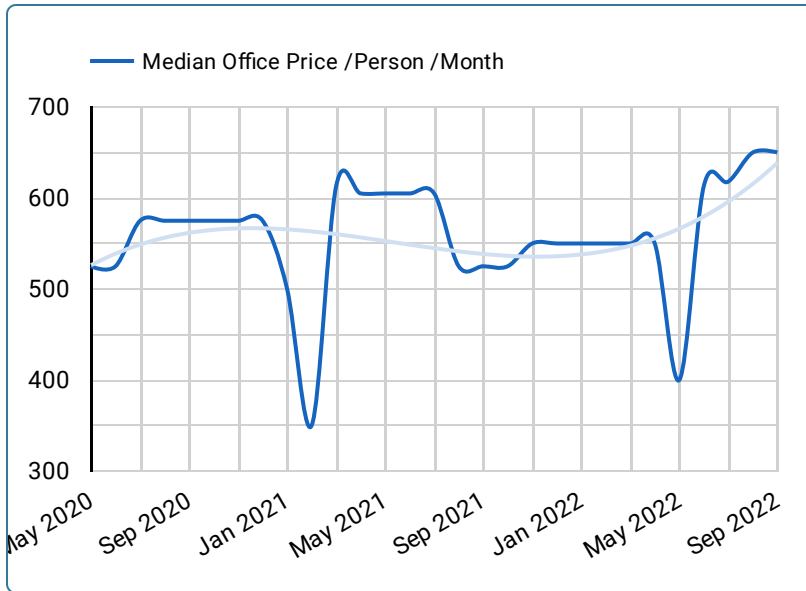
Though median rates have on occasion dipped below £500 per desk over the past few years, the limited availability and lack of competition has quickly pushed prices up again.

With the recent announcement of the opening of a new grade A office from Fora in early 2023 much needed supply will soon be available. The new building operated by Fora brings six storeys of brand new, sustainable workspaces to the heart of Cambridge. As a grade A office, it has pushed the median rate above pre-pandemic levels to £650 per desk.

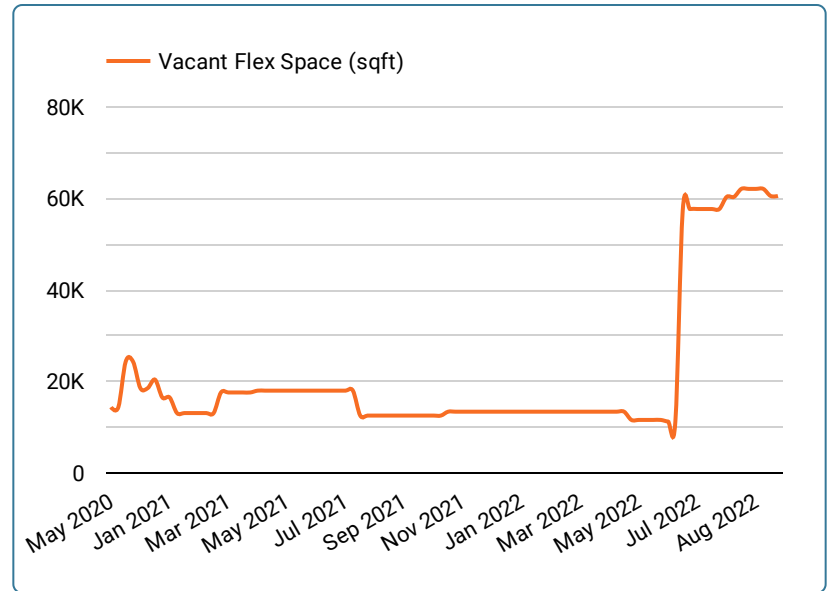
Flex Office Space at a Glance

Vacant Offices	Vacant Space (sqft)
39 ↑ 95.0%	62,050 ↑ 386.7%
Vacant Workstations	Median Office Rate
1,241 ↑ 386.7%	£650 ↑ 10.7%
<i>Relative to previous quarter</i>	

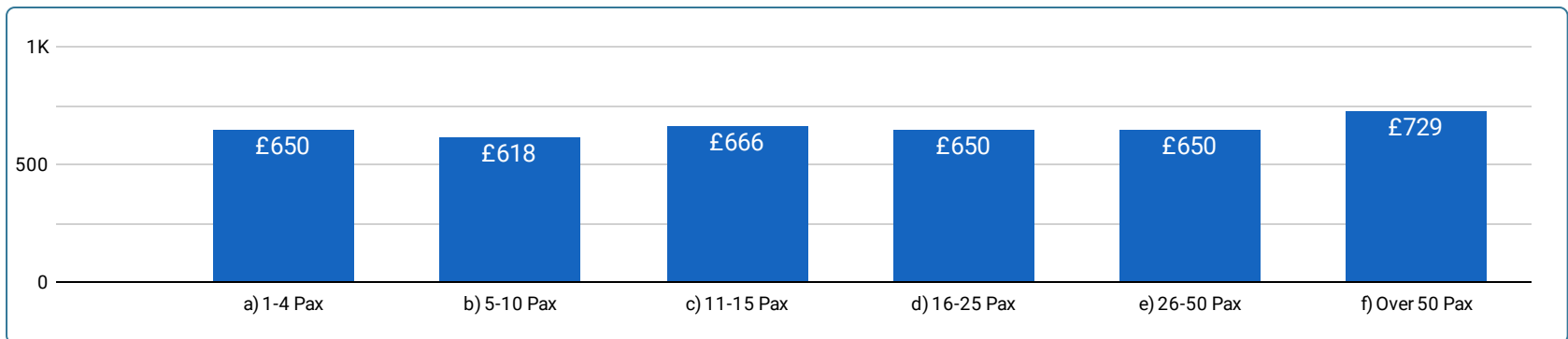
Median Office Rate /Person /Month & Trendline



Vacant Flex Space (sqft) over Time



Median Office Rate /Person /Month by Office Capacity



About Rubberdesk

Rubberdesk is 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, 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.