Workthere Research - February 2026

workthere
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Managed Market Outlook

Trends & opportunities in London's Managed Office market



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One Old Queen Street, St James's



Crown Estate, 16-21 Sackville Street, Soho

Introduction

Welcome to Workthere and Savills first report on the state of the managed office space market across London. The sector is increasingly becoming more prominent and we have sought to identify key trends that are emerging from this growing segment of the office market.

There is a lack of historical data relating to the managed market, alongside limited data transparency across the wider flexible office sector. In order to mitigate these challenges, this report has been produced in partnership with Valve (the leading flexible workspace aggregator platform in the UK). The data included in this report has been collected by Workthere, Savills and Valve and been analysed by Savills Research. The trends presented in this report are supported by the most granular market data collated on the managed market.

What is managed space?

As the flexible office sector continues to mature, the diversity of offering from both landlords and operators continues to increase. This has resulted in several different types of flexible office space being offered to the market, which includes, most recently, managed space. Workthere defines managed office space as a private, self-contained demise, typically a floor, floors or entire building, fitted prior to occupation and with the management of the space and services for the tenant outsourced, whether to the landlord, managed provider or third party. Managed offices are fully equipped with all necessary amenities, such as meeting rooms and kitchens. However, unlike serviced offices, these facilities are private and not shared, although some managed building facilities have additional shared amenities. Managed office space also differs from landlord Cat A+ space where landlords either partially or fully fit out office space, but the tenant is responsible for the management and maintenance of the demise.

Managed space contracts typically range from one to five years, and can either be licence agreements, short form leases or a traditional lease with a side management contract. Tenants are also permitted to include branding within their suite and also the reception area subject to landlord approval. Costs are all-inclusive, with legal fees the tenant's responsibility and agency fees for letting the space covered by the landlord.



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How much has the managed space market grown?

The scale of the managed space market can initially be assessed by the number of buildings offering this type of product. Each building listed on Valve has been categorised as either providing serviced or managed space. According to Valve, in 2022, there were 455 buildings across Central London (Zones 1-2) providing managed office space. This number had risen to 755, by the end of 2025 - an increase of 66% - highlighting the sector's rapid growth. However, when compared to the total number of office buildings (including conventional) in this market area, those with managed space still represent just 5%, underlining the significant growth potential that remains.

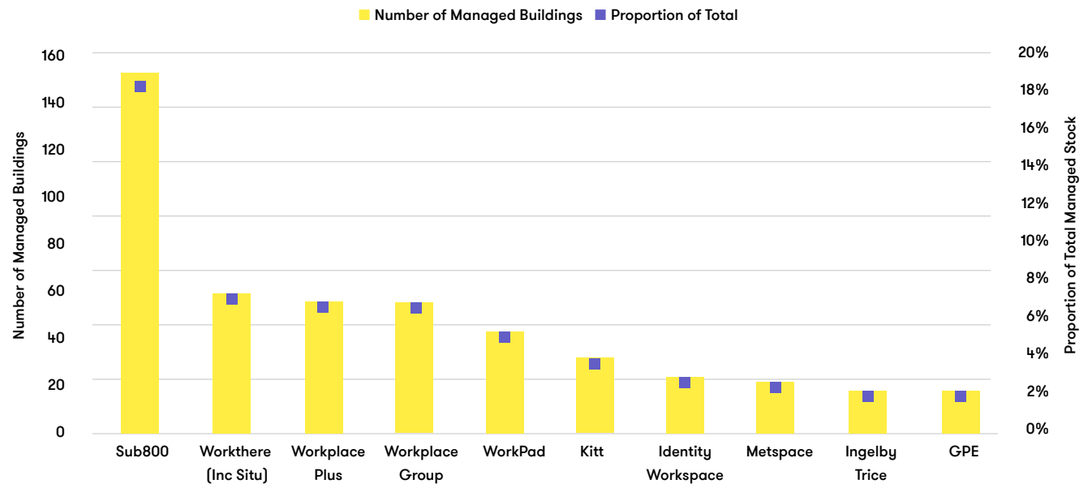
London dominates the current supply of managed space with 98% of Valve's listings across the UK being based in the capital. Notably, the West End accounts for the highest quantum of managed space with 34% of the number of buildings that provide managed space which equates to 281, being located in this submarket.

Currently there is limited provision of managed space across the regional cities. These markets provide an opportunity for operators and landlords to capitalise on the growing tenant demand for fitted space with the inclusion of private amenities which both managed and Cat A+ space offer.

There is clear demand for flexible office space in these markets which is evident from the number of serviced office space listings. Manchester, Birmingham, Leeds, Bristol and Glasgow have over 50 listings of serviced space, notably in Manchester and Bristol this total exceeds 100, highlighting the potential pent up demand for managed space in these markets as we see tenants looking to acquire their own demise, which is one of the main enquiry sources for managed space seen in the capital.

The expansion of the managed space market is evidenced by the variety of different operators and landlords who are offering this product. There are 101 different listers of managed space currently listed on the Valve platform, which demonstrates the increasing provision of this type of product. We have chosen the term "Lister" as a general term, as some managed operators are listing space on a speculative basis, where they are not formally instructed by the landlord, whereas others have formal landlord engagement to list. For the purposes of this report we have not sought to segregate these different approaches. The largest lister of managed space across the UK is Sub 800, who account for 18% of all managed stock with over 150 different options listed on the platform. After which there are a number of other managed operators, with Workthere currently tracking in second place, followed closely by Workplace Plus, Workspace Group and Workpad. These providers have expanded significantly in recent years by providing a mechanism for office landlords to access this managed market quickly, efficiently and via an established route to market.

Manged Space Providers - Top Ten Listers



SOURCE: VALVE

The diversity of managed space providers is significant ranging from aforementioned start-ups to listed REIT's. The appetite of large existing landlords to enter and expand within the managed space sector has also contributed to the expansion of this offering. Workspace Group, Grosvenor, The Portman Estate, Great Portland Estates (GPE) and The Crown Estate are all actively providing managed space within their portfolios. GPE recently announced their plans to increase their fully managed office space portfolio to over one million sq ft. This planned expansion highlights the scale of growth achievable across the managed space sector if more large landlords provide this type of space.

The growth of the managed space market has been mirrored by the expansion of the supply of fitted space across Central London. There is a clear desire from landlords to capture demand from occupiers who are seeking fitted office space. Savills has recorded 3.1 million sq ft of available fitted space on sub 10,000 sq ft floorplates across Central London which reflects a 75% increase since the end of 2023. Notably the increase rises to 94% during the same time period when reviewing fitted supply on sub 5,000 sq ft floorplates. The scale of available fitted space is evident when comparing against total supply. On floorplates below 10,000 sq ft, the proportion of space available that is fitted is 39%. This proportion rises to 46% on floorplates below 5,000 sq ft.

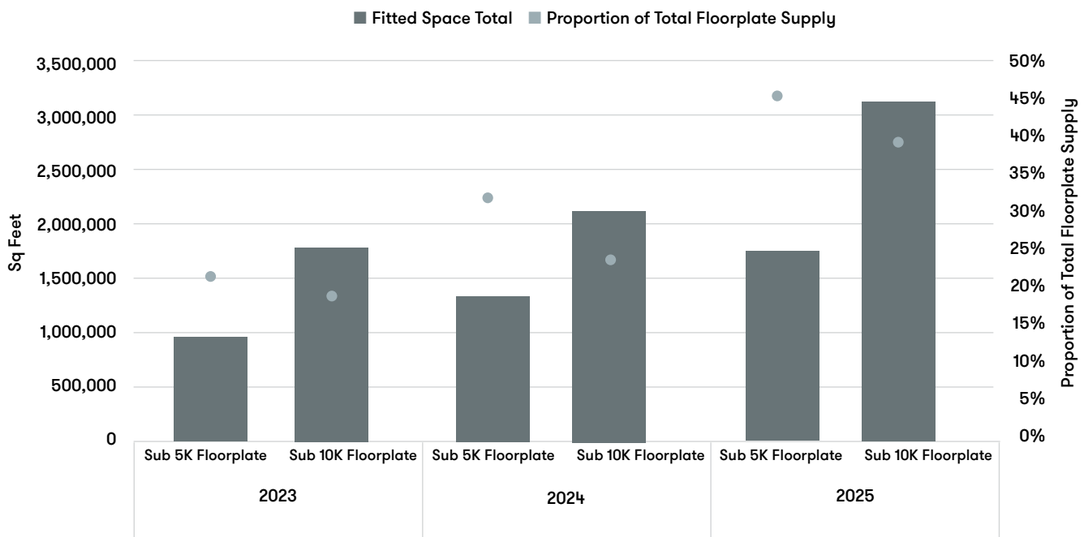
> Markets with a large supply of serviced accommodation are a great incubator, and by adding fitted space to these same markets, they are ripe for growth of the managed product, as tenants want to move to a space that provides them greater individuality and identity, but without forgoing the flexibility, ease of use and price transparency of the serviced world.



Tom Leahy,
Co-Head of Workthere UK


1-2 Silex Street, Waterloo

Central London Office Fitted Supply



SOURCE: SAVILLS RESEARCH

Notably, the West End has the highest quantum of fitted space available, accounting for 65% of fitted space on sub 10,000 sq ft floorplates across Central London, this proportion rises to 68% for sub 5,000 sq ft floorplates.

The increased delivery of fitted space into the Central London office market can act as a catalyst for the expansion of the provision of fully managed space. Fit out works typically represent the most significant cost for landlords when delivering this product. The availability of existing fitted stock lowers the barriers to repositioning space into managed product. Increasingly, existing providers of fitted space are offering managed services to occupiers on a pre-let basis, this will help accelerate the delivery of managed space into the market.

Changing occupier requirements have been a key driver of the increase in the availability of both fitted and managed space, notably in the West End. These trends will be explored in the next section.


Verso, 22 Lavington Street, Waterloo

What is driving demand for managed space?

Demand for managed space is growing which is evident when reviewing the number of leads listed on Valve. There were 83,000 managed leads recorded on the platform in 2025 for spaces in London which represented a 23% increase from the previous year. Furthermore, this total was 65% above the total recorded for the same time period in 2023. The uptick in enquiry levels demonstrate the improving levels of market penetration that managed space is currently experiencing.

Managed Space Leads in London



SOURCE: VALVE

The West End is experiencing the greatest volume of managed leads when compared to other submarkets. There were 30,000 enquiries recorded at the end of 2025, which reflected a 13% increase in demand levels from 2024 and a 53% above the 2023 total. Demand across the West End office market has traditionally been driven by smaller occupiers. This trend has been evident in the conventional office market, with 74% of lettings recorded over the last five years below 10,000 sq ft.

Notably, the appeal of the managed space appears to be filtering out from the Central London core submarkets which is demonstrated by the increase in enquiries recorded in the Rest of London and City Fringe market areas. Over 8,000 and 10,000 enquiries were recorded in 2025 for both submarkets, respectively, which represented an annual growth of 251% and 83%, highlighting the growing appeal of managed space outside of Zone 1-2.

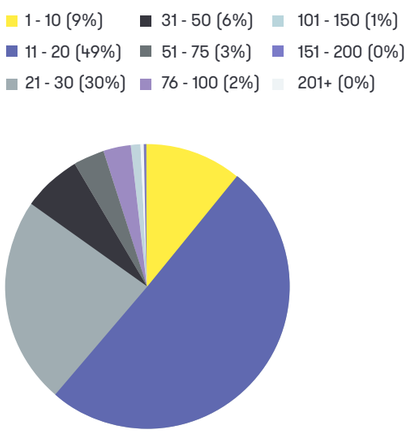
Managed space offers greater flexibility with lease terms starting from 12 months. This has appealed to fast growing companies who are seeking a hospitality-led product that managed space can provide. This trend is reflected when reviewing the desks required by size band for each enquiry. The most frequent quantum of desks required was between 11-20 desks. This desk size range was required by 49% of recorded enquiries in the first half of this year. Managed space also appeals to larger occupiers, which is reflected in the 405 enquiries who required over 150 desks.

> The appetite for managed space from the businesses we work with is incredibly strong right now across Central London, as occupiers seek the benefits of a flexible office but with their own identity.



Faith Robins,
Head of Occupier Advisory, UK

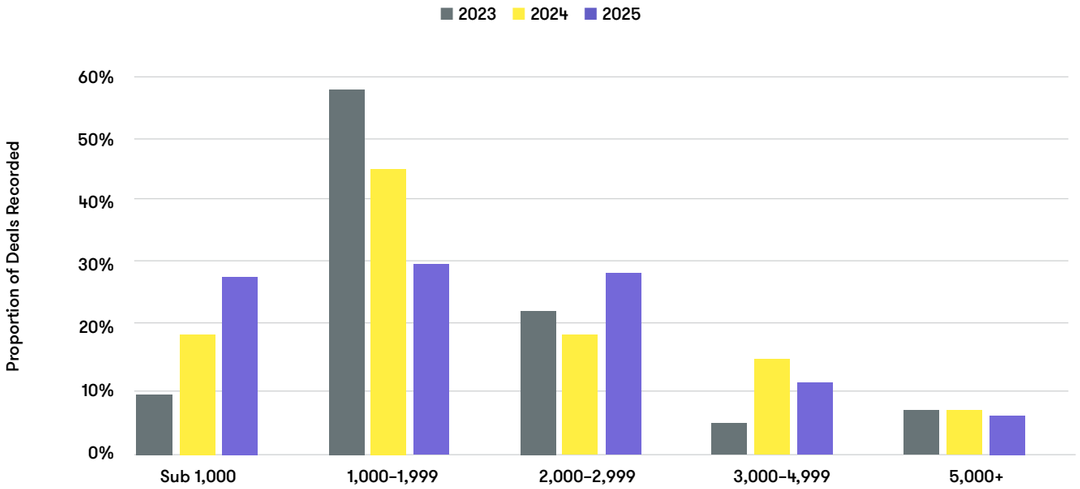
2025 Enquiries by Desk Size Band



SOURCE: VALVE

The trends that have been highlighted by the enquiry desk size band analysis from Valve, have been largely corroborated by the transactional data supplied by Workthere on their managed portfolio, which now spans over 50 buildings listed and over 165 deals done since inception. The average deal size since 2023 has been 2,157 sq ft. Interestingly, there has been limited volatility for this statistic on an annual basis with the average deal size fluctuating by less than 3% for the past three years.

Managed Deals by Size Band



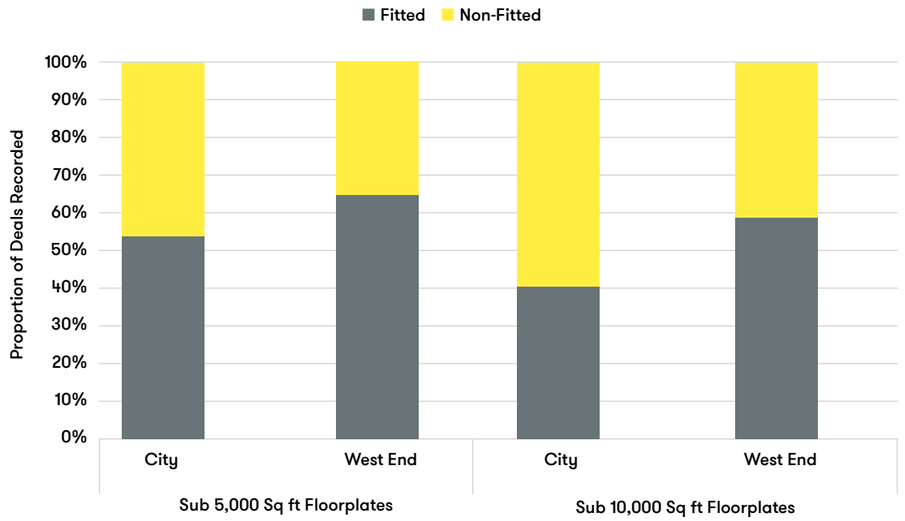
SOURCE: WORKTHERE

The most active size band for deals recorded is 1,000-1,999 sq ft, albeit the proportion of lettings recorded in this threshold has been falling for the last three years, potentially as a result of increased competition with serviced providers offering "Enterprise" or larger units as part of their letting strategies. The demand pool for managed space is varied which is evidenced by the above chart. This trend has been apparent in 2025 with no size band accounting for more than 30% of transactions. Providers of managed space who are able to offer a mix of different suite sizes will be best placed to cater for the varied demand pool.

The increase in demand for managed space can be partly attributed to the high quality specifications that landlords and operators have provided with increasing competition in the sector. The flight to quality from occupiers has accelerated since the Covid-19 pandemic across the office market as companies seek to provide aspirational workspaces in a hybrid working environment. Managed space has been able to satisfy this demand whilst also minimising liabilities for tenants. Unlike, conventional office space, tenants do not incur fit out or dilapidation costs at the beginning or end of their lease. Whilst this benefit is reflected in the rental premium that managed space commands when compared to conventional office space, tenants are increasingly prepared to pay this premium to concentrate on running their business without needing to allocate resource to maintaining and managing their office space.

Furthermore, the flexibility has appealed to large corporate occupiers who may require short-term swing space or expansionary space. This trend was exemplified by Next leasing 11,500 sq ft on fully managed space at GPE's 31 Alfred Place in Q1 25.

2025 Take-Up by Specification Type



SOURCE: SAVILLS

The scale of demand for managed space is partly constrained by the availability of this product. Examining the take-up of fitted space across Central London can help ascertain future take-up levels for managed space. There has been 3.8 million sq ft of take-up since the start of 2023 across Central London for fitted suites below 10,000 sq ft highlighting the demand for this type of specification. When reviewing the most recent take-up data, at the end of 2025, the proportion of transactions recorded sub 10,000 sq ft that were fitted lettings totalled 50% of transactions recorded. This proportion rises to 60% for transactions recorded below 5,000 sq ft. The demand for fitted space is more skewed towards the West End, when reviewing the same criteria for transactions below 5,000 sq ft with fitted deals accounting for 65% of deals recorded, respectively. These data points imply that the scope for increased demand for managed space is evident by the current occupier preference for fitted office space across Central London in these size bands.



Metspace, 21-22 Great Sutton Street, Farringdon



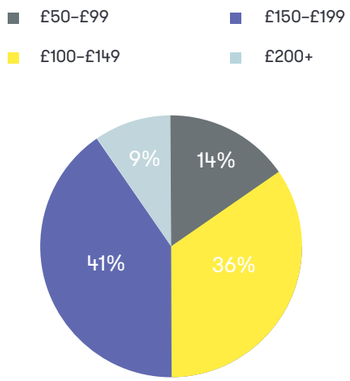
Kitt Offices, 44-46 Southwark Street, Southwark

Does managed space deliver a premium or is it about reducing void?

As previously mentioned in this report, the economic benefits that managed space provides with no fit out and dilapidation costs incurred for the tenant is reflected in the rental levels achieved for this product. As the managed market evolves there are differing levels of quality and service provided by the operator, which is reflected in the rent charged.

Thus, a wide range of rents have been achieved for managed space across London. The most frequently achieved rents were between £150-£199 with these levels being achieved in both the West End and City market areas.

Managed Deals Rent Achieved by Size Band (2023-Present)



SOURCE: WORKTHERE

According to Workthere, the average rents achieved since the start of 2023 for managed space across the City and West End markets are £135 per sq ft and £172 per sq ft, with the offices being let spanning Grade B, Grade A and best in class in the respective locations. Across the portfolio of lettings there has been 10% rental growth in the average annual rent achieved over the last two years, which stood at £153 per sq ft for 2025.

The local market dynamics of each submarket will be a key determinant in the rental premium achievable by providing fully managed space. As the managed market continues to mature, the rental growth achievable across London will in some cases be product led.

Case study - 41 Moorgate



Workthere secured 10 pre-lets at 41 Moorgate all on a managed basis on behalf of the landlord Vismay. These lettings resulted in the 24,806 sq ft building being fully pre-let ahead of its official opening early 2026, eliminating any potential void periods.

There are however certain submarkets where the managed rental premiums will be curtailed by the prevailing market rent for conventional office space. This is most notable in fringe submarkets which consequently, may result in a clustering of managed space that provide high specifications and amenities to tenants based in core submarkets.

Historically fitting out office suites to provide fitted or managed space was predominantly considered a strategy for landlords who had struggled to let vacant office space. Increasingly, landlords are delivering fitted space upon the completion of refurbishment or development works to cater for the growing demand pool for this type of product.

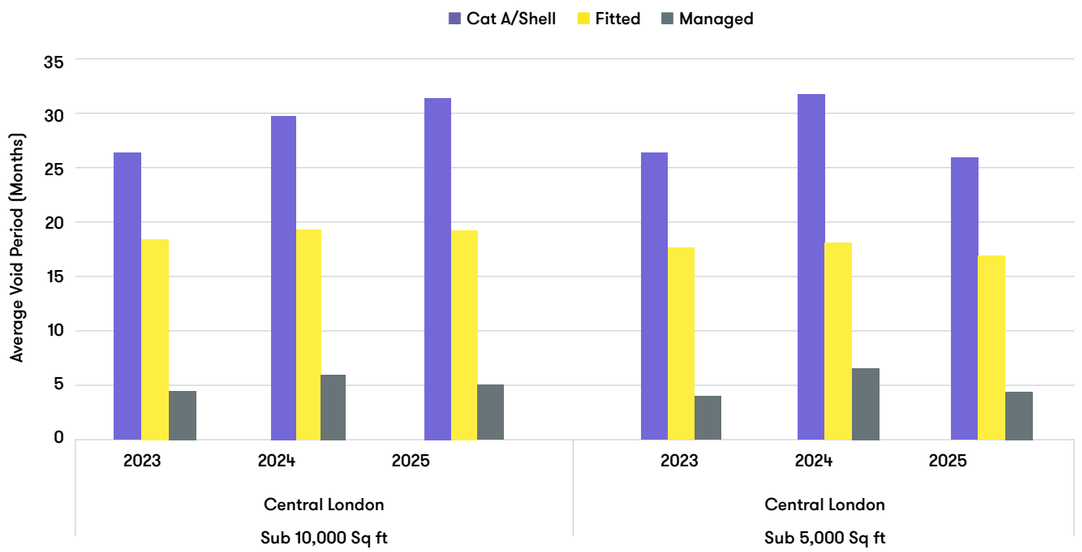
The latter is reflected in the void periods for different specification types. Since the start of 2023, fitted space and managed space have experienced shorter void periods when compared to Cat A office space. Across units below 5,000 and 10,000 sq ft, the average void period for managed space is five months in this time period, which compares favourably to 19 and 28 months for fitted and Cat A specifications, respectively. The rising demand for managed space combined with the lower levels of supply when compared to Cat A and fitted space has contributed to shorter void periods.

> As the managed market continues to be more competitive and property void costs increase, we are seeing some landlords take the "bird in the hand" for the right deal - valuing void reduction as highly as waiting for premium rental income.



Dan Brown,
Co-Head of Workthere UK

Average Void Period by Specification Type

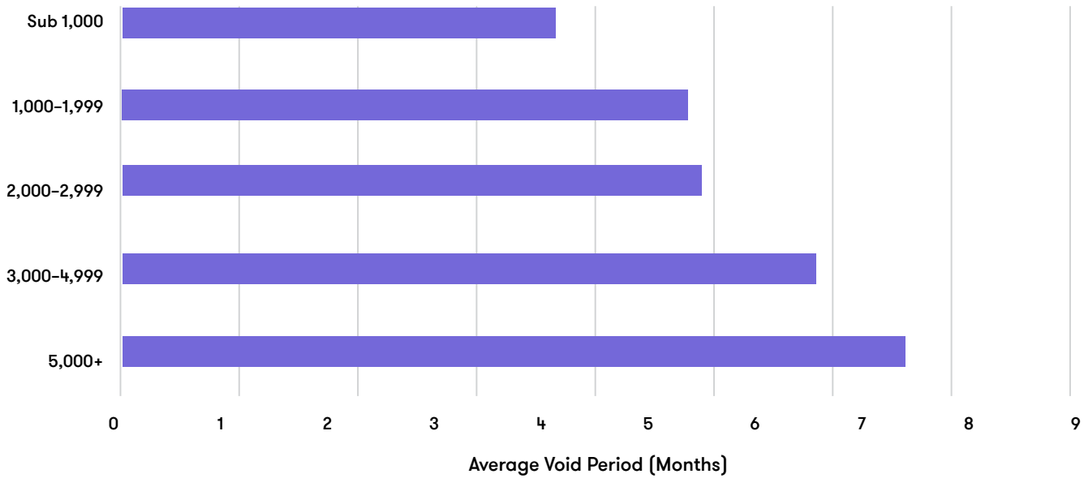


SOURCE: SAVILLS RESEARCH/WORKTHERE

Suites below 1,000 sq ft of managed space have experienced on average the shortest void periods. This trend is demonstrated by the chart below with units of below this threshold, experiencing a void period of on average four months. The void for units over 5,000 sq ft rises to eight months.

Smaller companies can be more agile when relocating or opening new offices which is reflected in the lower void periods of smaller units. Notably, there has been an acceleration in the leasing velocity of managed suites. Since the start of 2025, 21% of Workthere transactions have involved the tenant pre-letting space with the landlord incurring no void period.

Managed Space Void Periods 2023 - Present



SOURCE: WORKTHERE

The data analysed in this section initially indicates that managed space has the potential to achieve rental premium, and undoubtedly lower void periods when compared to both fitted and Cat A space for units below 10,000 sq ft. Whilst this will be impacted by quality and the location of the managed space, this trend should provide confidence to landlords and operators who are seeking to increase their exposure to the managed market and will help support the expansion of the sector.

Outlook

The market dynamics evident across London support the ongoing growth of the managed space market. The increase in enquiry levels listed on Valve and the transactions recorded by Workthere highlight the rising demand from occupiers for this type of product. Furthermore, the lower void periods for managed space will be attractive to landlords and operators who are seeking to provide this product. Landlords and investors who are able to identify mismatches in demand and supply on a submarket level will be able to benefit from the pent up demand for managed space.

Furthermore, delineating between managed and fitted space is expected to become more challenging. The supply of fitted space is expected to continue rising given the occupier demand for this product. In a competitive market, landlords may seek to provide additional managed services to historically marketed fitted space. This trend is expected to support the ongoing integration of the flexible office market into the wider conventional office market.

The flight to quality among office occupiers is expected to continue, with the expanding managed office market well placed to help meet this demand.

Occupiers are increasingly taking an employee centric approach to their real estate decisions, prioritising high quality environments that support wellbeing and productivity. Managed offices remain appealing due to their premium fit outs and hospitality led service offer, both of which align with these evolving expectations. This shift is evidenced by the continued growth in enquiries for managed space

The presence of listed REIT's within the top providers of managed space is an indication of the market acceptance of this product. This trend will help accelerate the scale of delivery of managed space across the market. The ability to the accommodate an occupier's expansion within a portfolio, may prove attractive to further larger landlords seeking to enter the sector.

The evolution of the managed market has been focussed in Central London with 98% of the stock being based in the Capital. There is an opportunity for investors and landlords to capitalise on the lack of managed space in key regional markets where there is a mature serviced office market, and further integrate managed space into the wider office market offering to tenants across the UK. We expect by the time we write the next report, there will be many more regional managed spaces delivered by landlord and third parties.



75 Bermondsey Street, Bermondsey

Data & Methodology

The three data contributors are leading participants across both the conventional and flexible office market. Valve is a technology platform that supports flexible workspace sales and marketing by providing a centralised marketplace, and workflow tooling. Valve enables Agents and Brokers to efficiently discover and connect directly with Operators and Landlords, while also offering tools for creating professional, branded presentations and proposals. There are over 17,000 buildings listed on the platform. The Savills research team is unique in providing advice and analysis to clients across all commercial, residential and rural sectors of the property market. The geographical coverage spreads from Central London to all markets in the UK and also includes key markets across Europe. Our established research team of over 50 people produces accurate, well-informed and, independent analysis and commentary. This has been built on knowledge and information, both provided by the Savills network and secondary sources.

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Workthere
Workthere is Savills flexible office advisory helping businesses to find, fill and manage flexible workspace. With dedicated local experts across the globe we're dedicated to securing you the best office space, whatever your needs and wherever you want to be.

valve

Valve
Valve provides flexible workspace marketing software that helps to unlock lead flow, build brand awareness, connect to clients, service occupiers and grow revenues.

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