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UK H1 Flexible Office Market Update 2025

The first half of 2025 has reinforced many of the patterns that shaped the Flexible Office Market in 2024. Demand and occupancy remain resilient, underpinned by a continued focus among businesses on optimising their space needs, both in terms of size and quality.

Pricing

- Average desk pricing continues to climb across the UK, driven by demand for premium workspaces, often referred to as the 'flight to quality', and a willingness to invest in environments that support employee satisfaction and retention.

Average Desk Cost by Region 2023 to 2025

Region	2023 H1	2023 H2	2024 H1	2024 H2	2025 H1
Avg Cost - London	£782	£801	£730	£800	£841
Avg Cost – Rest of UK	£410	£276	£320	£432	£463

Average desk size (desks)

- The average number of desks being signed in each deal has increased, rising from 19.8 desks in H1 2024 to 22.3 desks in H1 2025, a 12.6% uplift.

H1 2024 (desks)	H1 2025 (desks)	% Change
19.8	22.3	12.6%

22.3

Average desks being taken per deal

£841

Average monthly cost per desk in London

£463

Average monthly cost per desk outside of London

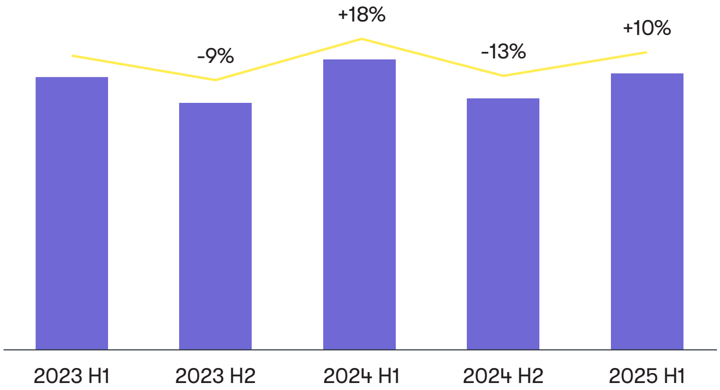
17.3

Average number of months for a term in 2025

Demand

- Enquiry volumes in H1 2025 have remained steady, continuing the seasonal pattern of stronger activity in the first half of the year. Between January and June, demand followed a predictable upward curve, broadly in line with H1 2023 and H1 2024 levels.
- Operators also confirmed this trend in our Flexible Operator Survey, reporting stable enquiry volumes compared to the same period last year.

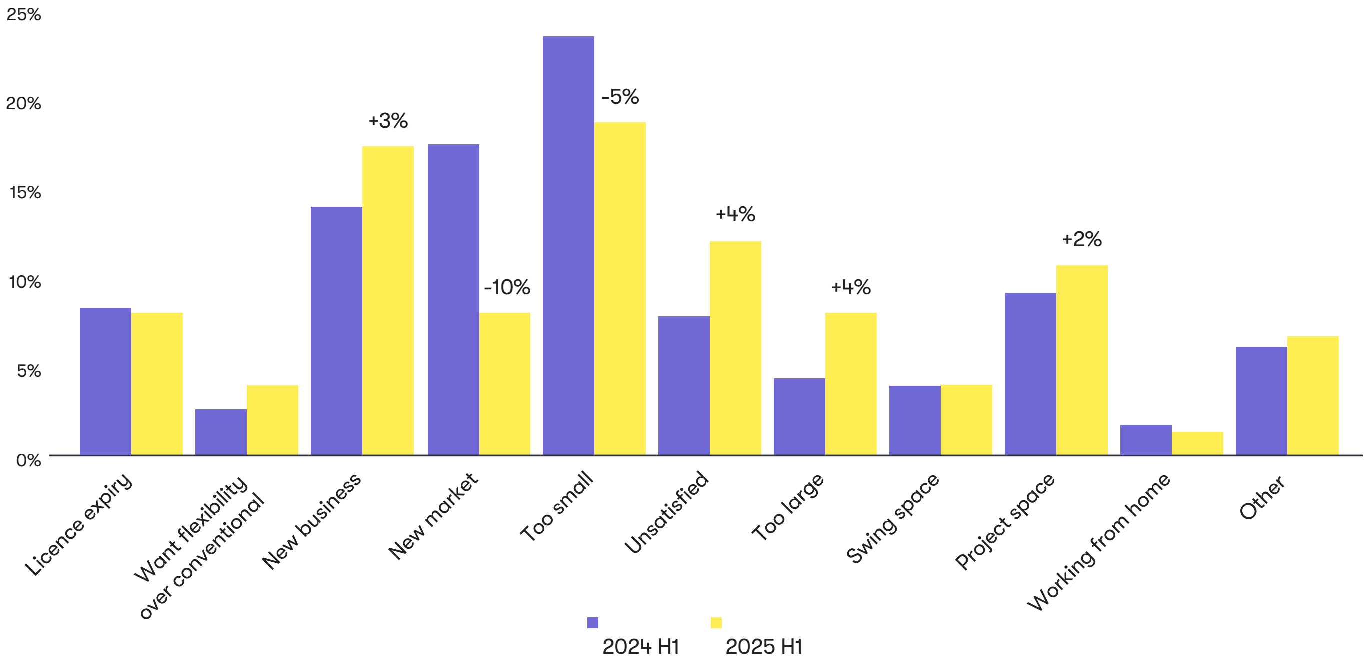
UK Flexible Office Enquiries by Half-Year 2023 to 2025



Reasons for moving

- Workplace right-sizing remains the dominant motivator for enquiries. Although the proportion of businesses enquiring due to their current space being too small fell by 5% to 18%, this was offset by a 4% increase in those indicating their space is now too large. This shift reinforces not only post-Covid recalibration, where companies prioritise the search for the right amount of space, but may also point to a greater number of tenants moving from traditional leasehold space, which operates at a higher square footage per desk compared to flexible office space.
- Additionally, workplace satisfaction continues to be a major driver of demand, underscoring the long-term priority of employee experience in location strategy.
- Another notable change is a 3% increase in demand from newly established businesses, now accounting for 17% of enquiries. In contrast, the number of companies expanding into new markets fell by 10%, returning to levels more consistent with pre-2024 averages.

Primary Reasons for Office Moves – H1 2025 vs H1 2024



26%

Enquiries driven by rightsizing

17%

Enquiries driven by new business

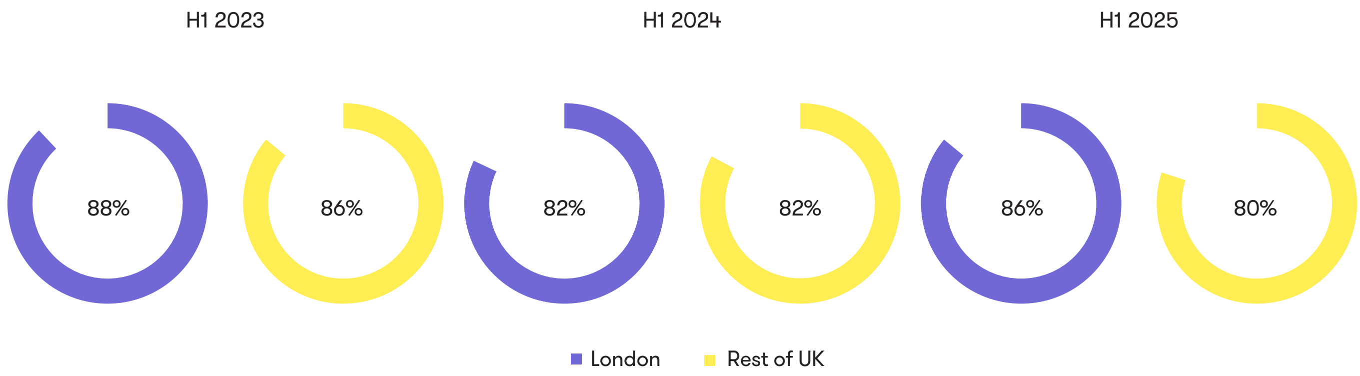
12%

Enquiries driven by dissatisfaction with current space

Occupancy

- Occupancy remains stable across the UK, despite the added supply introduced in 2024, with UK flex operators acquiring more than 1 million sq ft nationally in 2024 and already nearing half a million square feet in 2025.
- This is a testament to the ongoing strength of the flexible office sector. London saw a modest improvement from 82% in H1 2024 to 86% in H1 2025, suggesting absorption of the additional inventory. The rest of the UK saw a slight decline of 2% to 80%, although still within historically positive levels.

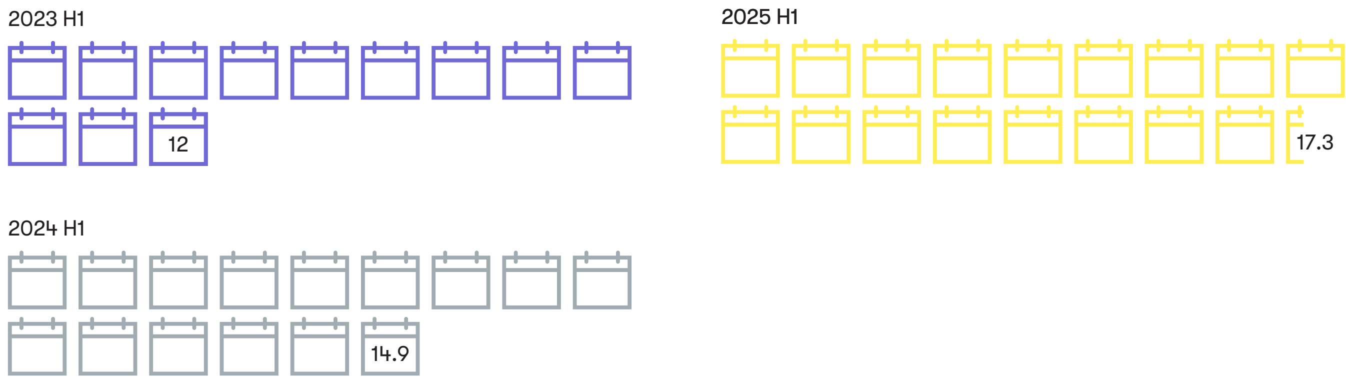
Occupancy (by contract) as at the end of June



Term Length

- The average lease term has continued to lengthen, reaching 17.3 months in H1 2025. This steady growth reflects increasing confidence in the flexible office model from occupiers, as well as providers' evolving willingness to support longer commitments. It may also indicate growing certainty within businesses as economic conditions stabilise.

Term Length by Half Year 2023 - 2025 (months)



Workthere.com
Workthere is a business by Savills focused solely on helping businesses find flexible office space, whether that's a serviced office, co-working or shared space.

Get in touch for further information

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