

Are flexible workspaces the formula to fast business growth?



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The evolving workspace trend

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Embracing the shift towards flexible working

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“The Singapore Factor”

04

Office price guide by area



The evolving workspace trend

Accelerated digitisation

The unprecedented work from home experiment has hastened the digitalisation process, introducing a new variable into the equation: remote working. Office space has been the default setting for businesses to house their employees. However, the remote working arrangement has altered how firms rationalise their office space, requiring greater flexibility in their workspace to adapt to their changing business needs. Telecommuting has become an essential portion to how businesses operate today. Since the pandemic struck, the demand for video-conferencing tools and project management software which simplifies team collaboration across locations has surged. Investment in these team collaboration tools and software has become unavoidable for the modern workforce embracing this digital transformation.

New workplace ecosystem

A new workplace ecosystem is emerging. Office headquarters, satellite offices, flexible workspaces and home offices will co-exist, resulting in a hybrid office model as companies readjust their real estate footprint. As social distancing measures

remain in place, the trend for office dedensification will continue under this new normal. In the short term, firms may resort to A/B work shifts to comply with the safe distancing requirements. However, in the long run, companies may require more office footprint to house their employees through the adoption of the hub and spoke model or a combination of remote working arrangements with the use of flexible workspaces. Businesses are increasingly looking for workspaces that provide maximum flexibility, which allows them to adapt to the changing business environment with minimal disruption.

High demand for flexibility

Flexible workspace will be a viable solution for businesses during this uncertain period due to its shorter lease commitments. Additionally, the elaborate growth of the flexible workspace market in Asia over the past few years offers a wide spectrum of workspace products which will be suitable for consumers with a different budget appetite.

In recent times, there has been a demand for flexible workspaces in Singapore from the finance, tech as well as professional services sectors. This could be

attributed to the accelerated pace of digital adoption especially amongst fintech firms providing online financial services involving cashless payments, lending and trading. Take for example, [Arcc Spaces](#) which started its new flagship space operations at One Marina Boulevard in August 2020, reported that 30% of their take up rate in September is from companies in finance, technology and professional services.

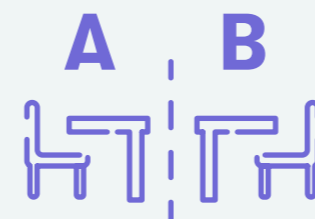
In October 2020, [Bloomberg](#) reported that Tencent Holdings Ltd. has decided to set up their first Singapore office in a coworking space with almost 200 seats at JustCo's OCBC Centre East amounting to 10,000 square feet.

Another observation is an increased demand from large corporates and enterprises embracing flexible workspaces.

Flexibility will be crucial for businesses during this uncertain time.



Office headquarters, satellite offices, flexible workspaces and home offices will co-exist, resulting in a hybrid office model



Firms are adopting A/B work shifts to comply with the safe distancing requirements.



Accelerated pace of digital adoption among fintech firms providing online financial services involving cashless payments, lending and trading.



luxury



wellness



hospitality



coworking

Wide spectrum of workspace products that will be suitable for consumers with a different budget appetite





Embracing the shift towards flexible working

01 Flexibility for businesses to change and grow

More lease term flexibility as flexible workspace providers offers three to six-month contract for their private office space products.

This allows companies to adapt their changing business requirements whether expansion, reduction, or even vacating the workspace.

02 Plug and play solution with a single monthly bill

The flexible workspace is a ready to use office with all the following elements: Wi-Fi, office furniture, meeting rooms, reception, IT support, building maintenance and cleaning services.

Everything that is needed is incorporated into one monthly bill. This plug and play solution saves you the hassle and cost to purchase and manage all these services on your own, which also means that there wouldn't be unexpected costs throughout your contract.

03 Tailored services to targeted audience

Providers are willing to specially tailor their workspace to house larger firms and corporations over twenty staff as potential members into their space.

This could be high end customised workspaces with dedicated meeting room spaces, privatised pantry area along with their workspaces based on the client's preference for choice of interior design and furniture selection.

04 Brand building

There is a wide range of flexible workspace design concepts that has emerged whether is it leaning towards hospitality, luxury workspace, wellness or the more casual open set up coworking style that companies can choose from to match their organisations' brand and identity.

05 Minimise cost

Many flexible workspace providers were quick to adapt by converting their spaces to be COVID-19 compliant, allowing their members to preserve their capital and minimise overheads. At the same time, this allows companies to better focus on their business operations.



Flexibility allows for changing business requirements



Ready to use office, saves hassle and cost



Customisation tailored to different needs



Workspace design that matches organisations' brand



Minimise cost to allow companies to focus on business operations



Why Singapore is a suitable space

Singapore, an established technology hub

As stated in the 2020 KPMG Technology Industry Innovation Survey, Singapore has taken the top spot as a potential world-leading technology hub. One third of the respondents highlighted that Singapore's modern infrastructure is the most essential factor for the city to become a technology innovation centre. The city is also recognised for its advanced IT infrastructure, intellectual property laws, a deep talent pool and strong government support.

Despite the uncertain global business climate, many multinational companies across a broad range of sectors continue to expand their operations in Singapore to serve the Asian and international markets. In the first half of 2020, the Republic has attracted around \$14.3 billion in fixed-asset investments, close to 95% of total investment commitments for the entire year of 2019, \$15.2 billion. As the green lanes reopen, there is a positive outlook for international businesses especially amongst the tech sector.

According to the Business Times, there is an estimated 350,000 sqft of new leases and expansion in office space adopted by tech firms since the beginning of 2020. Prominent tech companies such as Tencent, ByteDance, and Zoom have announced plans to pick Singapore as their beachhead for their Asia expansion. This would increase the tech presence in Singapore. Fintech will continue to become a growing trend as

more people begin to embrace digitalisation. There is a noted change in consumer behaviour as people steer towards web-based platforms and away from face-to-face transactions in the wake of social distancing measures. Online digital services have surged with the usage of eWallets and contactless payment methods. There is a significant increase in people opening accounts for digital investing and the use of robo-advisory services amongst Singapore banks. According to DBS, the monthly average for DBS Vickers and DBS digiPortfolio accounts opened in Q1 2020 has more than tripled compared to Q1 2019. In addition, deep technologies such as Artificial Intelligence (AI), Machine Learning (ML), Blockchain, Internet of Things (IoT) would continue to evolve at a rapid pace.

Strong government funding and support

The Singapore government has been actively supporting the growth of technology innovation in the financial services sector with a recent announcement to invest S\$250 million for a three-year plan to push forward expertise innovation within the monetary providers sector, with added emphasis on AI. 10. The Monetary Authority of Singapore (MAS) reported that within the past 5 years, 40 innovation labs and 1,000 fintech companies have been set up in Singapore alone.

As for deep-technology start ups, S\$300 million was injected during budget 2020 into Startup SG Equity.

Under this scheme, the Government will co-invest up to S\$4 million with qualified third-party deep technology startups. This would be a timely support for new emerging Deep tech companies in areas such as urban solutions and sustainability, health and medical biosciences, advanced manufacturing and agri-food.

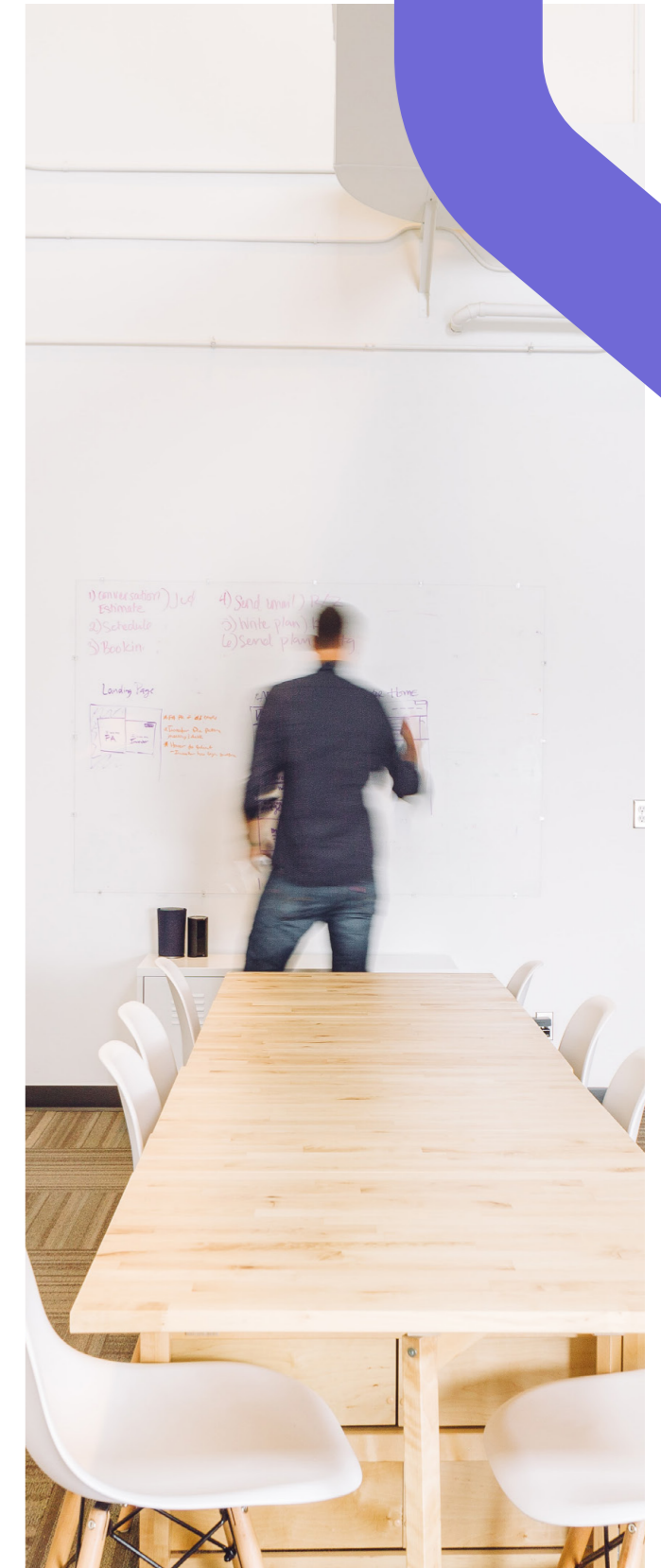
Apart from funding for the tech sector, the city has introduced monetary policies to attract more fund managers to domicile in Singapore and improve its position as an international fund management centre. In January 2020, the VCC framework was launched. The VCC has received strong interest from the fund management industry both locally and abroad. As of September 11, 2020, 123 VCCs have been registered since its initiation, despite the economic uncertainties presented by the pandemic fallout.

The strong government funding and support makes it a suitable place for technology firms, financial services and fund companies to grow and expand their business operations in Singapore.

Transparency and the gateway to Asia market

Singapore is recognised as the most secure and transparent country in Asia. It was ranked world's no.1 in areas of order and security according to the 2019 Rule of Law Index and fourth place as the least corrupt country in the world based on the 2019 Transparency International Corruptions Perceptions Index. Its well established legal, financial and tax regimes has made it one of the most business and investor-friendly countries in the world.

Singapore has continued to act as the Global-Asia Pacific gateway especially for asset managers and investors. According to the MAS, 76% of Singapore's assets under management (AUM) originated outside of Singapore in 2019, and 69% was invested in the Asia Pacific region.



\$14.3 billion

First half of 2020, the Republic has attracted around \$14.3 billion in fixed-asset investments

350,000 sqft

Estimated 350,000 sqft of new leases and expansion in office space adopted by tech firms since the beginning of 2020

\$300 million

S\$300 million was injected during budget 2020 into Startup SG Equity

Singapore flexible workspace landscape

Flexible office space landscape

The sector has witnessed a threefold expansion since 2015 from 1.2 million sqft of flexible workspace to 3.7 million sqft in 2019. Close to 83% of such workspaces are located in the CBD mainly clustered in Raffles Place and Downtown area, while 12% are located in the city fringe and the remaining 5% in the suburban areas. The market has matured with the top 7 operators taking up 65% of the market share in 2019. The top 3 operators in terms of market share are WeWork, IWG Group (Comprising of Regus, Spaces and No.18) and JustGroup.

The flexible workspace market has adapted quickly to the social distancing methods implemented by the authorities and facilitated the business continuity plans for many companies during both circuit breaker and post circuit breaker period.

From a longer term perspective, the flexibility for lease periods and adaptability of flexible workspaces would make it an attractive real estate solution for corporate companies and start ups. It is an easy plug and play solution which offers the flexibility for businesses to change and grow.

About the author



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Flexible office price guide



A: Hot Desk
B: Fixed Desk
C: Private Office

Note: Prices reflected are estimated monthly rates.

The Workthere advantage - Why choose us?

Sustaining a business in during these uncertain times can be challenging and daunting experience. Let us help you recalibrate and accelerate your business growth through flexible office spaces across any Asia Pacific location.



Co-working Space

Ideal for small teams and freelancers, work from a fixed desk for as long as you need.



Hotdesking Space

Flexibility at its best, hot desking is a cost-effective and innovative way to work wherever, whenever...



Serviced Private Offices

Share excellent communal facilities, all while benefiting from your own private office.



Self-Contained Private Office

Perfect for large teams, these demised and self-contained suites offer varying degrees of customization and term flexibility to accommodate your specific requirements.

How it works?

01

Use our website's extensive search criteria to browse for flexible workspace

02

Compare options & create your own tailored shortlist

03

We call you to run through your options & book in viewings

04

Select your preferred option and we'll help negotiate the best terms for you

05

You move in!

Why work with us?



Free advisory service



Browse over 2,000 properties worldwide



Wherever your business leads you, we have a local expert on the ground to assist you



Dedicated local experts to walk you through the market opportunities



Our market insight and data means we negotiate the best deal for you

Get in touch to find out more

