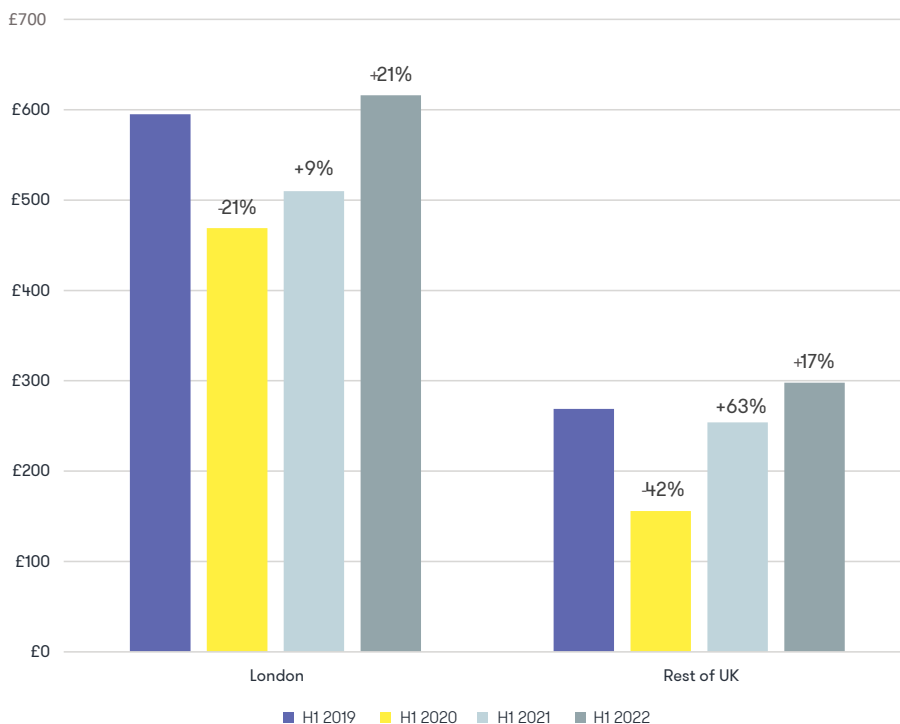


UK H1 2022 flexible office market snapshot

Pricing

- The average price per private office desk in the UK was £525 in H1 2021, this is up 22% on the first half of last year, and surpasses the desk price pre-Covid by 13%. We have seen increased demand as well as a consolidation of supply drive prices above where they were before the pandemic
- The average price per private office desk in the London is £616 which is up 21% Y-o-Y and up 4% on 2019 prices. Similarly pricing in the regions is at £298 per private office desk, which is up 17% Y-o-Y and 11% on pre-pandemic levels.
- The average contract term length was 12.3 months which is down 8% on last year.
- The level of rental discount achieved by Workthere brokers is down from 23% to 11%, this is reflective of the demand in the market which has meant providers have not needed to negotiate on pricing as hard.

Average monthly private office desk cost (£)



£525

Average monthly cost per desk in the UK



12.3

Average number of months for a term in H1 2022



11%

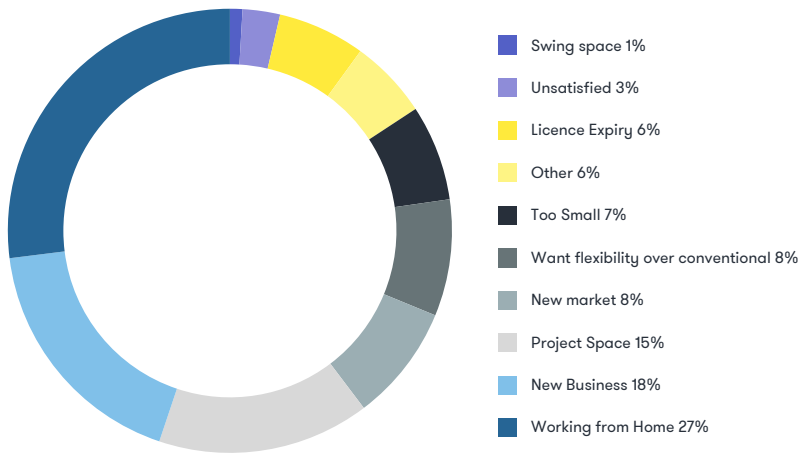
The level of rental discount achieved by Workthere brokers

	Desk Price	Term	London	Rest of UK	Rental Value Discount
H1 2021	£431	13.3	£510	£254	23%
H1 2022	£525	12.3	£616	£298	11%
% Change	+22%	-8%	+21%	+17%	-

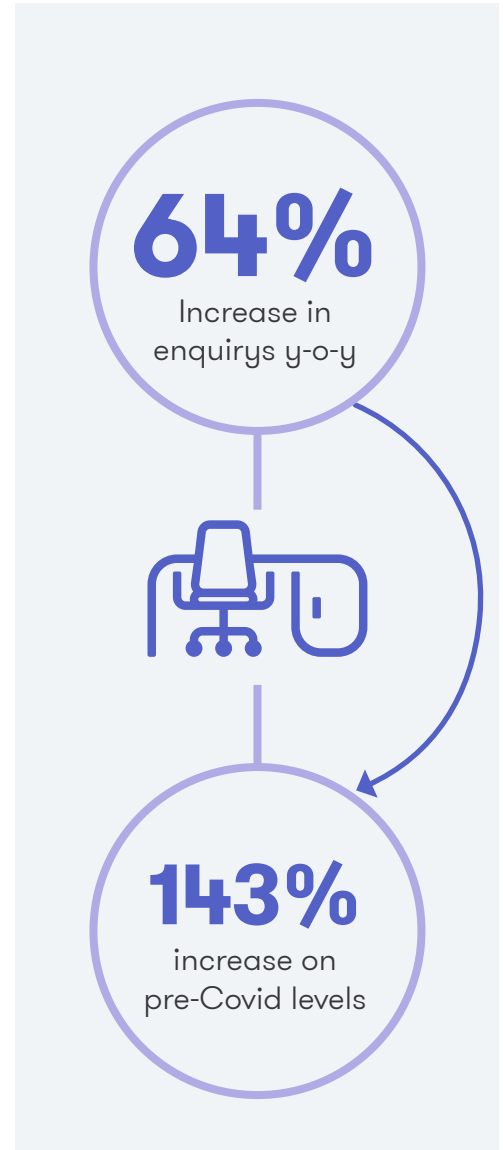
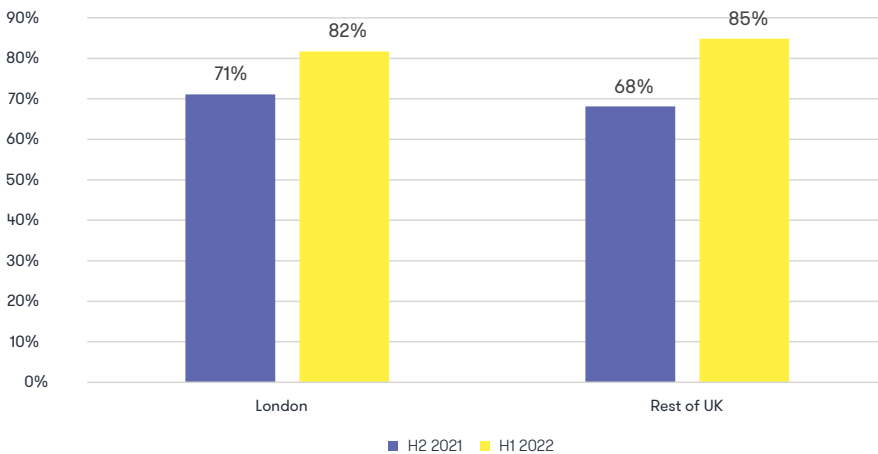
Demand

- The increased demand in the sector is evidenced by the increased number of enquiries that Workthere has seen. UK enquiries are up 64% Y-o-Y, which is an increase of 143% on pre-Covid levels
- This has driven occupancy rates up from December where we recorded contract occupancy levels of 71% in London and 68% in the rest of the UK. Providers reported that this year occupancy levels in London are at 82% while the rest of the UK's contract occupancy was higher at 85%, this difference is caused by the constrained amount of stock in the rest of the UK.
- We have seen continued demand from occupiers that want a workplace outside of their home, with this demographic representing 27% of enquiries. Another demographic we have seen increased demand from is new businesses, with this making up 18% of enquiries. This has been driven by companies that received funding during the pandemic and have been looking to secure their first office. We have also seen larger demand for project space which made up 15% of demand, as companies have seen flexible offices as a viable option for short term projects.

H1 2022 reasons for moving offices



Average contract occupancy



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.

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