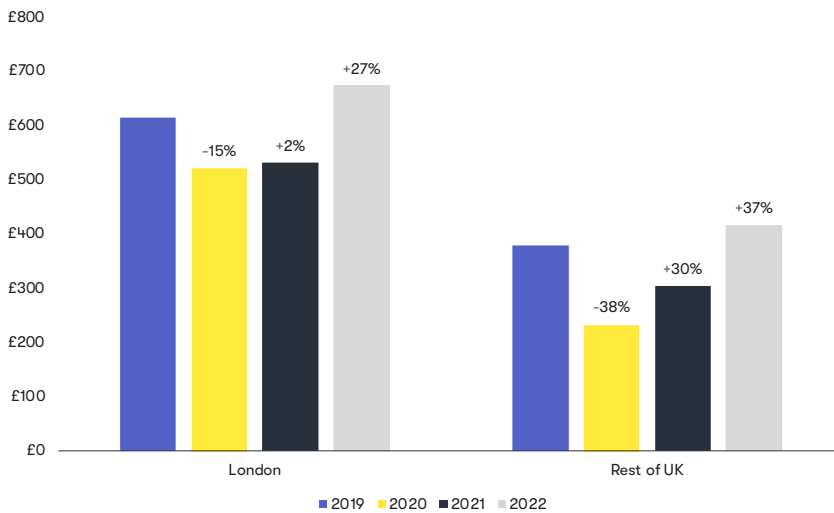


Pricing

- The average cost of a private office desk in 2022 was £549. This is up 24% on 2021 and 4.6% on our update in H1 (£525 per desk), demonstrating the continued growth in the sector following the pandemic. We have seen good quality stock in particular become more constrained as levels of increased demand for the best space have driven occupancy levels.
- The average price per desk in London was £674, this is up 27% on 2021 prices and has surpassed 2019 pricing levels by 9.7%. The story in the regions shows the same trend, with pricing at £416 per desk up 37% Y-o-Y. This pricing increase is indicative of how much more limited the stock is in the regions compared to London.
- The average contract term this year is up 4% at 13.1 months. This is indicative of the increased levels of traditional companies taking flexible office space, as they are more comfortable taking longer contract terms.
- The average rental discount achieved by Workthere brokers is 11%, down from 13.7% last year. Although this is to be expected given the increased levels of demand and the increased levels of building occupancy that we have seen.

Average monthly private office desk cost (£)



	Desk Price	Term	London	Rest of UK	Rental Value Discount
2019	£529	11.7	£614	£378	8.9%
2020	£389	11.8	£523	£234	10.0%
2021	£443	12.4	£531	£304	13.7%
2022	£549	13.1	£674	£416	11.0%
Change Y-o-Y (%)	24%	6%	27%	37%	-20%



£549

Average monthly cost per desk in the UK



13.1

Average number of months for a term in H1 2022



11%

The average discount achieved by Workthere broker

Demand

- There has once again been increased demand within the sector with no sign of this growth slowing. UK enquiries are up 72% Y-o-Y which is an increase of 158% on pre-Covid levels.
- The increased levels of demand have driven building occupancy higher than previously recorded in H1 2022, with UK providers reporting levels in London reaching an average of 90%. While providers with space in the regions reported occupancy levels were up to 88%. The recovery that we have seen in the flexible office sector has been phenomenal, as in December 2021 providers were UK providers were reporting occupancy levels of 71% and 68% in London and the regions respectively.
- In 2022 we have seen occupiers looking for an alternative to working from home continuing to demand space, with this segment accounting for 23% of out enquiries. We have seen increased demand from new businesses accounting for 17% of our enquiries, which is up from 11% in 2021. We believe that larger corporate companies are exploring the flexible office market, with increased levels for project space coming for project space which accounts for 11% of our enquiries this year.
- The large number of enquiries from the smaller end of the market has created the illusion that enquiries from larger desk segments is reduced. However, this is not the case it is just the sheer volume of these enquiries compared to larger desk ones. This is evidenced at the other end of the market where the 100+ desk segment whilst accounting for only 1% of enquiries has seen a 50% increase Y-o-Y.



50%

Increase Y-o-Y of 100+ desks enquiries to Workthere



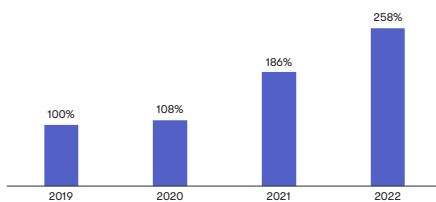
90%

Average London flexible office occupancy in Q4 2022

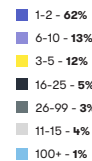
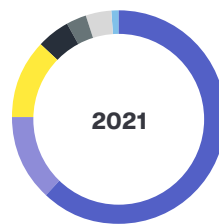
Average building occupancy



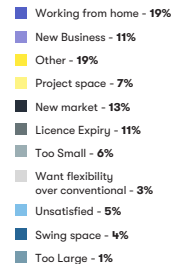
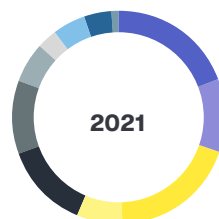
Workthere enquiry index



Workthere enquiries - number of required desks



Reasons for moving offices



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

Cal Lee
Global Head of Workthere
+44 (0) 207 409 8807
cal.lee@workthere.com

Liz Williams Bew
PR Director
+44 (0) 20 7409 8140
lwbew@savills.com

Daniel Jones
Research and Data Analyst
+44 (0) 20 7409 4561
daniel.jones@workthere.com