



Real Estate Report 2026

What do owners, advisers and asset managers think about flex?

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Flex hits maturity, but the
debate about how best to
run it hots up. 

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ALAN PEPPER
Chief Executive Officer

Introduction.

Two years on from our last report canvassing both business leaders and staff about their preferred methods of working and views on the economy, this year we have decided to change tack. In our latest research we are delving for the first time into the attitudes of office owners, investors, developers, fund and asset managers and their advisers who have or are considering offering flexible workspace in their office portfolios.

As the UK's leading provider of flexible workspace under management agreements, we wanted to understand the importance of flex space in the property strategies of those that create and invest in the space, their reasonings behind it, as well as to ascertain how the demand for flexible solutions is expected to evolve.

Rather than speculate we commissioned survey company Markettiers to carry out an independent survey of **500 UK** landlords, their advisers, property asset managers, institutional investors, property fund managers and property developers, all of whom own, manage or advise on property in the office sector. We wanted to know what they in the industry think about introducing flex space – both the pros and the cons – and what they believe to be the best ways of running it.

We also asked for their opinions on what their clients want to see in their working environments and how they plan to accommodate these demands going forward.

We are also interested in their attitudes to technology, amenities, fitouts and the environment.

The research was carried out in March 2026.

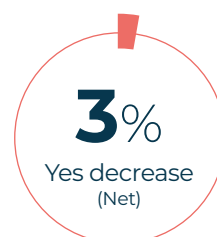
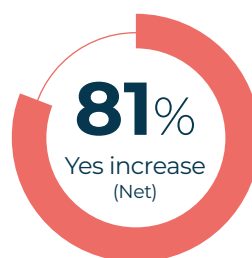
We hope this report will help other landlords, investors, advisers and flex operators understand current thinking – helping us all to create the best workplaces for the future.

Flex space has come of age – now firmly embedded in office portfolios with expansion intent high.

Our survey of office owners, landlords, advisers, fund managers, developers, investors, and asset managers show that flex space is now firmly on the map. We asked how much flex is held as a proportion of the total office space across their office portfolios. Across the 500 respondents, a third (**33%**) said they had up to **50%** of their total office space held as flexspace, with just under a quarter (**23.4%**) saying flex represented between **25%** and **50%** of their office portfolio.

Perhaps even more notable is that over **81%** (81.34%) of respondents said they plan to **increase** their exposure to flex space in the next 1-3 years, with less than **3%** planning to decrease it and **16%** keeping the same. No one plans to exit flex entirely. This represents a significant endorsement of the sector.

Over the next 1-3 years do you plan to change your exposure to flexible office space?





The support for flex is highest in the major cities, with **84%** of respondents in London and **83%** of respondents in Manchester saying they plan to increase their exposure to flex space in the next few years.

This is backed up by recent research from CBRE Business Insights: London Flex Market Update H2 2025

“Landlords are increasingly becoming aware of the positive impact of having a flex provision within their buildings and continue to convert traditional space into flex, which is contributing to the increasing flex footprint across Central London”

Mid to larger portfolios look especially growth orientated. Among those with 1.1m to 5 million sq. ft, **42.4%** say they will increase significantly (compared to 28% overall). Younger respondents are also more expansionary. Among 25-to 34-year-olds, **89%** plan to increase flex exposure, versus 81% overall. **36%** of 25-34-year-olds say they will increase significantly.

Such figures illustrate that flex is now a mainstream property option and part of the wider property strategy for many companies.

This is a significant change to perceptions from a few years ago and reflects a growing appreciation of changes to office demand requirements and expectations; an understanding that provision of flex space provides broader amenity in a building and the growing realisation of the income potential of providing flex space.



The case for flex is now occupier-led as well as revenue led.

Respondents ranked attracting and retaining occupiers **(39%)** as the highest benefits of incorporating flex into their office space portfolio and strategy, followed by improving the occupier experience in their building as a whole **(38%)** and increasing occupancy and revenue potential **(35%)**. Close behind was improving occupier experience in the flex space itself **(34%)**.

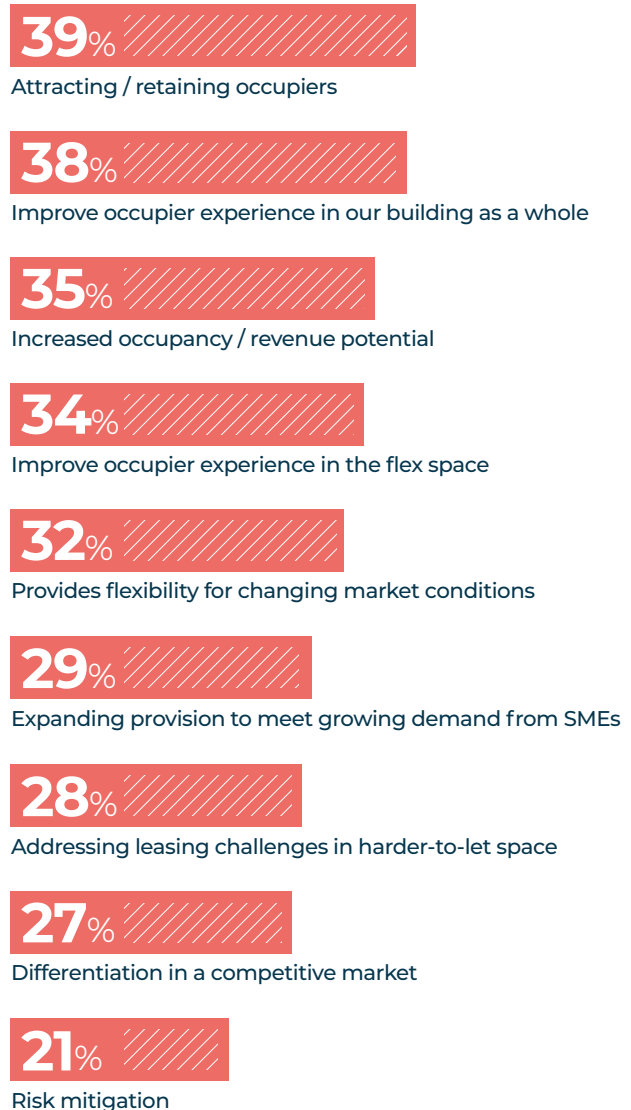
Over **42%** (42.15%) of those surveyed in London and **40%** of those in Manchester also selected attracting and retaining occupiers as the highest benefit.

Slightly differently **43%** of asset managers ranked improving the occupier experience in their building as a whole as the highest benefits of incorporating flex in their buildings.

Such findings illustrate the story is no longer just about filling empty space but increasingly about asset competitiveness and occupier experience.

Owners and asset managers now feel that offering flex is a main draw for potential new occupiers and as a way to keep them happy in their space. But they are also seeing the benefits of adding flex to their overall property offer, creating a more diverse and dynamic building environment which all occupiers in the building can benefit from. This is a far cry from the days of offering flex as a last resort or concerns that it would reduce the overall appeal of an office. Landlords are now expected to provide flexible options, or risk losing opportunities.

What do you see as the key benefits of incorporating flex into your office space portfolio and strategy?



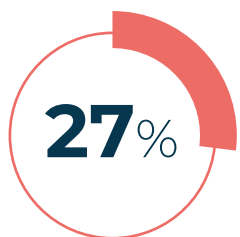
UK economic uncertainty and expense cited as main concerns about flex.

As well as the positives we wanted to know the main barriers respondents associate with providing flexible office space. The highest concerns (cited by **27%** of those surveyed) said demand uncertainty in the current period of economic uncertainty, followed closely behind by concerns that offering flex may be more expensive than offering traditional leases (**27%**).

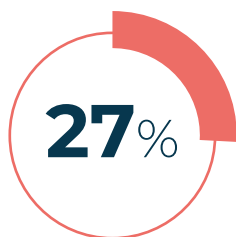
Nearly a quarter (**24%**) of respondents also cited their own lack of internal expertise and people numbers to manage the flex space as a key barrier, with a similar number citing the operational complexity of running flex. Operational complexity was even cited as the highest barrier for respondents in London (**28%**) and Manchester (**30%**). **36%** of respondents in the South East also said it was their biggest deterrent.

Owners and their advisers now appear more attune to the fact that running flex space has its own and differing needs to running traditional office space via leases – often with a much more intense and varied client-driven approach needed for successful operation. This has resulted in the need to recruit or develop internal teams to support or run flex or by finding specialist operating partners to help. Having an operating partner you can trust is going to be key.

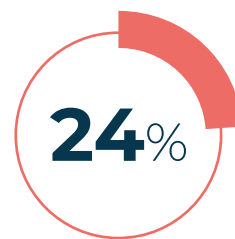
What are the main barriers or concerns you associate with flex within your office space portfolio?



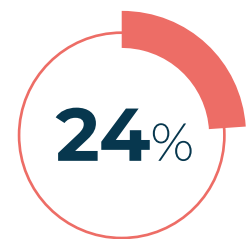
Demand uncertainty in period of economic uncertainty



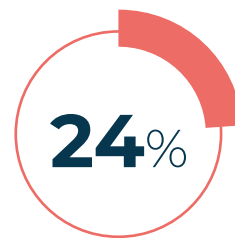
Concern that it may be more expensive than offering a traditional lease



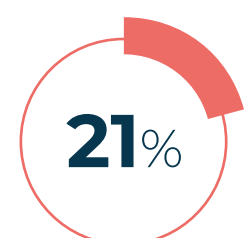
Whether having flex space will upset other occupiers in the building



Lack of internal expertise / people numbers to manage it



Operational complexity



Valuation uncertainty

Other barriers our survey picked up included whether having flex space could upset other occupiers in the building and the loss of control over who is in the building or knowing who they are.

Over **22%** (22.20%) of those surveyed also mentioned lender or investor resistance to having flex and another **21%** cited valuation uncertainty. Considerations of the bottom line appear to be never far away.





Opportunity for AI as owners and asset managers increasingly call for tech tools to help manage flex.

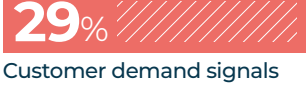
Not surprisingly, concerns about how to manage flex space efficiently has led to over a third of respondents revealing that technology tools for managing flex would be the greatest help in adopting or expanding their flex strategy, followed closely by seeing the proof of success. This was particularly high in London where **39%** of those surveyed stated technology tools for managing flex would be the greatest help.

The effects of AI on the market are still uncertain, but it's clear that owners and operators will need to thoughtfully consider how to leverage it to enhance the management of space.

And in line with responses to our previous question, proof of concept and success stories (**33%**) and stronger operator partnerships (**32%**) also scored highly. Property advisors in particular stressed the need for strong operator partnerships (**38%**). Better financial models and ROI evidence also scored highly (**31%**) as was having the support from lenders and investors. Interestingly, adopting flex to improve ESG credentials came as a lower consideration for those surveyed – at **27%**.

There is some regional variability. **34%** of respondents in London and **36%** in Manchester indicated that improved financial models and ROI evidence are a top priority – likely reflecting the intense competition for flexible workspace in these cities.

What would mainly help you adopt or expand your flex strategy



Why businesses have chosen flex space: flexibility to expand or reduce space comes out top.

We asked respondents why they thought their business occupiers / customers have embraced flex over the past 12 months. **32%** said they felt businesses primarily wanted the flexibility to expand or reduce their space according to their business needs. And **26%** said they thought businesses wanted the simplicity to avoid a complicated lease and pay a one all-inclusive fee for services.

Since Covid businesses have been trialling new ways of working with changing numbers as to who comes into the office to work and who works at home. Alongside this, businesses have also been grappling with economic uncertainty and a changing tax and employment law regime. In such an environment, most businesses want to avoid being locked into a lengthy lease with major obligations for a space that might not fit their future needs. Businesses want flexibility. And they want to be able to concentrate on their business needs, with the running of their office environment taken care of by someone else.

Our research also shows that flex owners believe businesses like the ability to mix with other like-minded businesses, often creating a more diverse and dynamic work environment their employees enjoy and in locations they might not otherwise have been able to afford. Having an office in the right location is a key pull for attracting and retaining talent, particularly if it has better technology and a better fit out or amenities than the business could access or afford on its own.

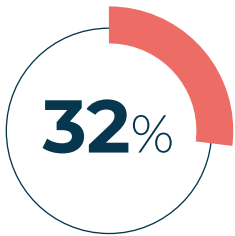
According to Savills

https://www.savills.co.uk/research_articles/229130/383260-0

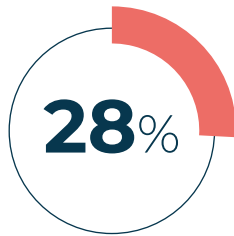
"The flight to quality from operators and customers is supporting the expansion of the market"

Fewer respondents (**24%**) said flex space was more conducive to hybrid working than in previous surveys. This suggests the market now sees flex less as a pandemic-era hybrid fix and more as an asset in helping to run a successful business.

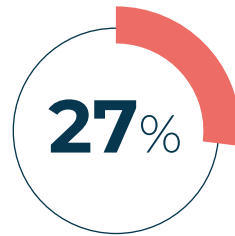
Research reports show demand from customers / businesses for flex space has increased over the past 12 months. Why do you mainly think businesses have embraced it?



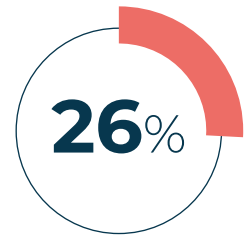
Flexibility – ability to expand / reduce space as needed



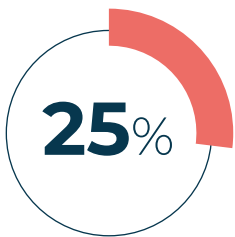
Ability to mix with other like-minded businesses



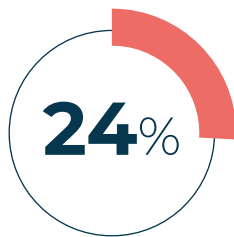
Good locations they could not otherwise afford



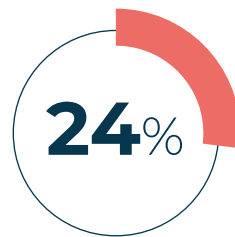
Simplicity (to avoid a complicated lease and pay one all-inclusive fee for services)



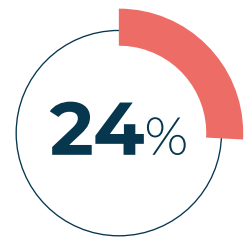
Better internet / technology



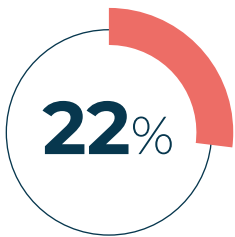
More conducive to hybrid working



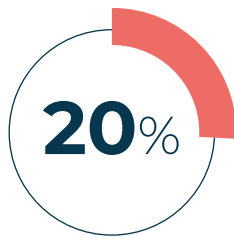
Better fittings / layout than individual businesses could afford on their own



Expectation for better amenities



Fun environment – to attract people back into the office to work



Access to community events

And why the vote for flex will continue going forward – a hedge against uncertainty?

Respondents believe these trends will continue to be the biggest drivers of flex space growth in the next five years. Over one third (**36%**) of respondents cite general economic uncertainty deterring businesses from taking long leases as a key reason why businesses will continue to look at flexible office space options. The demand for simplicity and desire to avoid the hassle and responsibilities of holding a lease and arranging their own fit outs and technology etc (**35%**) is not far behind. As is the ability to be (via flex space) in a central location that businesses could not otherwise afford (**33%**).

34% of respondents also stated that businesses are likely to be attracted to the ability to work with an operator who can provide multiple satellite locations. This is most highly voted for in London (**39%**), perhaps reflecting those businesses with a main London HQ but are looking to expand elsewhere and want to put a toe in the water first.

Orega has found this to certainly be a growing trend among professional and tech businesses. Lawyers for example thinking of opening new offices outside of London are keen to start with a flex operation and see how the business evolves before rushing into signing a long lease. If the same operator can take away the hassle factor whilst providing an office in another central city location and do this under a trusted brand, so much the better.

34% of respondents in Manchester also cite continued changes in employee working habits as a key factor for the attraction of flex.

What do you think will be the biggest drivers of flex space growth in the next 5 years?

36%

General economic uncertainty (e.g. tariffs / Trump) deterring businesses from taking long leases

35%

Business' desire to avoid the hassle and responsibility of holding a lease / arranging internet / technology / office furniture

34%

Ability to work with an operator who can provide multiple satellite locations

33%

Ability to be (via flex space) in central locations that businesses could not otherwise afford

32%

Desire for greater flexibility – able to expand / contract as needed

30%

Increased demand for better amenities in the workplace

27%

Continued changes in employee working habits

26%

Ability to attract talent in different parts of the country

24%

Accommodating an expanding SME market





Who should run flex space – partnering comes out top.

Given the recognised complexities of running a flex space operation, we wanted to canvass who property owners, advisers and asset managers felt should mainly operate the space. Overall, it was a vote for specialist operator, with **39%** of respondents saying that joint venture or management agreements with a specialist operator was the best way forward, followed by landlords doing it themselves in house (**33%**). Less than a quarter (**23%**) thought third party operators via a lease was the best choice.

Again, this is backed up by recent agents' research. According to Savills

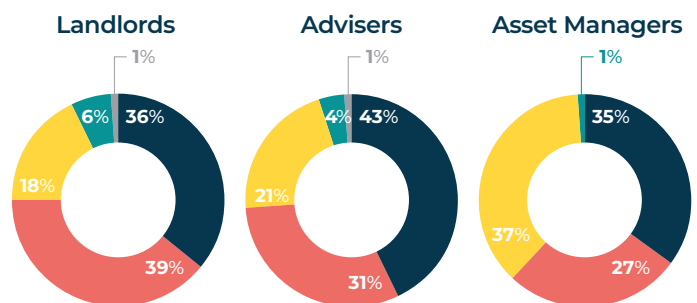
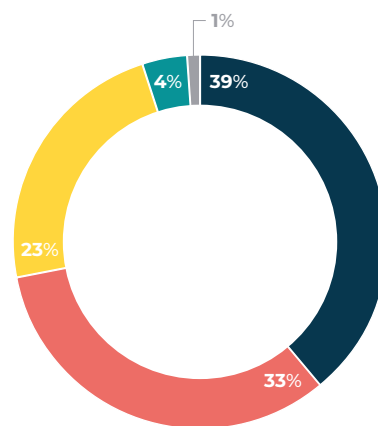
https://www.savills.co.uk/research_articles/229130/383260-0






"Management agreements are driving the sector's growth across London"

However, there was a division according to who was canvassed. **39%** of landlords /owners/investors said they preferred having in-house flex operations, above entering into a venture/management agreement, presumably because this would enable them to control operations themselves. By contrast their advisors, developers and institutions preferred the use of specialist operators, presumably as they do not have the capabilities inhouse themselves. Only asset managers and property fund managers preferred the third-party lease option. This likely stems from a conventional view of property and confidence in lease security, even though recent developments have demonstrated that such assurance may be unfounded.

Landlords/owners/investors rank this lease option third, favouring the other two for greater control over their buildings. They want flex, but not unmanaged risk.

In your view, who should mainly operate flex space?



-  Joint venture / management agreement with specialist operator
-  In-house, landlord doing it themselves
-  Third-party operator via a lease
-  N / A – there is no-one specific I think should mainly operate this
-  I don't know

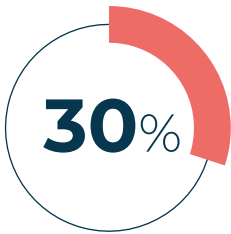
The advantage of using a flex operator in your building is strong.

Respondents do see clear benefits in using a flex operator to run their flex space. **30%** said the main advantage was having a WIFI enabled building, closely followed by providing and running the AV- equipped meeting rooms (**29%**). Offering additional services to other occupiers in the building and providing additional amenities in the building as a whole were also highly rated (**28%**), particularly by landlords/ owners/ investors, as was the operator running front of house or reception (**27%**).

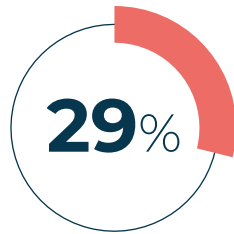
Owners and asset managers appear to appreciate the specialist skills such operators have in making everything run smoothly - skills that can be widened from purely looking after the clients and the immediate flex space they work in to the wider advantage of the building as a whole. **27%** of respondents said operators know what they are doing.

Respondents in London said operators providing additional services to occupiers in the building as a whole was the most important criterium for them. By contrast Manchester respondents cite the access to an established sales and marketing function as the number one advantage, followed closely by the brand halo / repositioning of the building advantage of that professional flex operator. This reflects that such functions might be more difficult to create on your own out of London, where the top operator brands have extensive broker contacts.

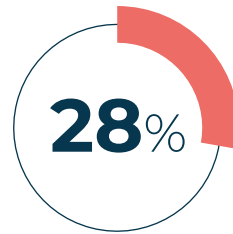
What do you think the added benefits are of using a flex operator in your / your company's / your clients' building as opposed to doing it yourself?



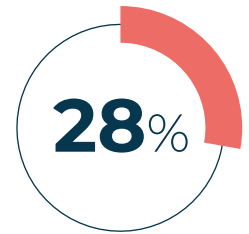
Wi-Fi enabled building



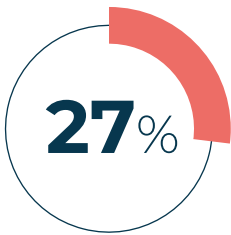
Providing and running AV-equipped meeting rooms



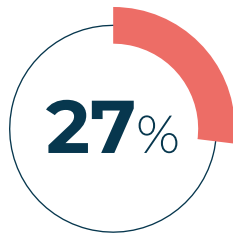
Offering additional services to other occupiers in the building



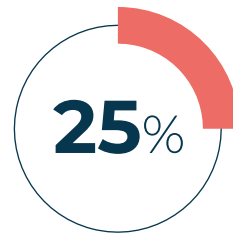
Adding additional amenities to the building



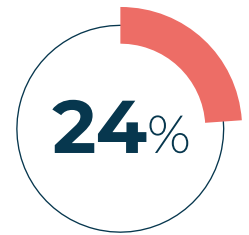
Running FOH / reception for us / the client



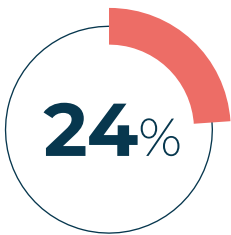
They know what they are doing



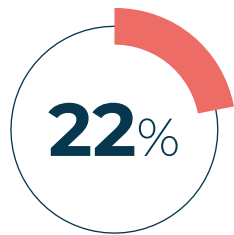
Running event space



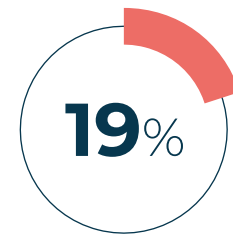
Access to an established sales and marketing function



Hospitality-led customer services approach



Brand halo / repositioning of the building



Breakout space

But concerns are there too.

41% of those surveyed stated that reputational risk – the operator not running the space to standards the owner upholds or running into financial difficulties – would be their greatest concern with partnering with a flex operator. This is higher in London (43%) and in Manchester (47%). And a third of respondents also stated concerns about the lack of transparency on performance, the legal structure of the agreement and possible poor performance of the operator impacting the revenue from the building. Again, these concerns are higher in London. In Manchester 36% of respondents are mainly concerned about the valuation effect of flex on the building.

Such concerns show that trust appears to be paramount. While the operator proposition is attractive, the market is saying it wants governance, reporting and brand protection.

All this underlies the importance of the owner, landlord, investor, developer, adviser or asset manager partnering with the right operating outfit, carrying out proper due diligence and making sure both parties share the same values. At Orega, transparency with our landlord partners at the outset is key - so everyone knows what we are working to. It is also important to have a clear and agreed financial model to work to - to show what to expect and what costs need to be catered for. Such models can show that a management agreement or joint venture isn't necessarily more expensive than traditional lease agreement.

What would concern you about partnering with a flex operator as opposed to running a flexible space yourself?

41%

Reputational risk (e.g. if they don't run the space to the standards we uphold or if they run into financial difficulties)

33%

Lack of transparency on performance

33%

Legal structure of agreement

33%

Possible poor performance having an impact on revenue from the building

32%

Less control over the different businesses in the building

30%

Valuation effect on the building

25%

Cost

5%

N/A – there is nothing specific I would dislike / nothing would concern me about doing this as opposed to running this myself / ourselves





Conclusion.



What can owners, investors, landlords, developers, asset and fund managers and operators learn from our survey?

Firstly, that flex is now firmly entrenched. It's here to stay and looks set to grow. Just over four in five UK office property players plan to grow their exposure to flex in the next one to three years, particularly those with mid to large portfolios. Flex is now a core portfolio strategy, no longer a side show.

Secondly the nature of flex has changed. It is not just about filling empty office space, it's becoming a occupier retention strategy; to attract and keep the best customers, and not just those in the flex space; but to support occupier retention in the whole building.

Thirdly economic uncertainty is the biggest driver for flex's growth. Businesses are increasingly moving away from long leases and long-term commitments to a building; and landlords and asset managers are appreciating this. Businesses want the simplicity and desire to avoid the hassle and responsibilities of arranging their own fit outs and technology needs. They want good amenities and services provided whilst having the flexibility to expand or contract as their businesses develop. Given the political and economic uncertainty in the UK, and indeed the world, this trend is unlikely to change in the short term.

And fourthly the overall realisation, including from landlords, is the need for dedicated professional operator partners. Respondents overall said operating via a JV / management agreement with a specialist operator was preferable to DIY or lease structures. But it needs to be the right partner. Concerns about reputational risk, transparency and legal structures remain.

Respondents value operators who can deliver Wi-Fi enabled buildings, AV-equipped meeting rooms, amenities services and FOH capabilities. However, they want to see evidence of achievement, technological resources, more robust operator partnerships, improved financial models and proof of return on investment before they jump in. The market is clearly looking for operators to improve a building's operating platform and to do it credibly but also profitably. Only the best will succeed.



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