

Instant

RETHINKING WORKSPACE



GLOBAL FLEXIBLE WORKSPACE REPORT: A FLEXIBLE FUTURE



EXECUTIVE SUMMARY

Strategic growth: the next chapter for flex

Companies of all sizes across the world are increasingly recognising that workplace flexibility enhances employee well-being, increases productivity and lowers costs. As a result, the flexible workspace sector is growing rapidly, with suburban and premium locations in particular offering strong investment opportunities. Landlords and operators

who adapt to these trends can capture higher returns and lead the new wave of growth.

This report, based on data and insights from H1 2025, illustrates how these trends are reshaping office and workplace strategy, driving enterprise adoption and creating compelling suburban growth opportunities.

KEY TRENDS AND INSIGHTS:



Hybrid work wins

74% of companies now operate flex or hybrid models, driving productivity, well-being, and cost savings for both employers and employees.



Suburban growth brings bigger investment opportunities

Smaller towns and commuter hubs are booming, with US demand up 164% YoY and UK regional markets now making up 66% of total demand.



Enterprise adoption: scaling with flex

Large corporates are embedding flex into core real estate strategies. Rising demand for 26+ desk spaces, especially in Asia-Pacific, signals stable, long-term demand for premium and scalable flex solutions.



Flight to quality

Businesses are demanding premium, amenity-rich workspaces that deliver on design, wellness, and sustainability, driving a 42% rate uplift in EMEA compared to the market average.

FLEXIBLE AND HYBRID WORKING

Flexible and hybrid work models are now commonplace. It's time for real estate to catch up.

Flexible and hybrid working is no longer just a trend, it has become a core element of workplace strategy, with **74% of companies worldwide adopting some form of flexible or hybrid work model**.

According to The Instant Group's 2025 Global Occupier Survey*, just 18% of global companies follow a full presence in office or office-first model.

The overwhelming majority of firms are adopting flexible workplace strategies for the long term, with between 65% and 79% operating in a hybrid model when split by company size. Small businesses have the highest proportion of those requiring full-time office presence at 24%.

Flexibility and cost reduction are the driving forces behind these changes in workplace strategy. The top

three factors driving changes in office strategy are: a shift to hybrid work (63.4%), demand for flexibility (e.g., shorter leases, access to flexible workspaces) (54.9%) and cost reduction efforts (45.7%).

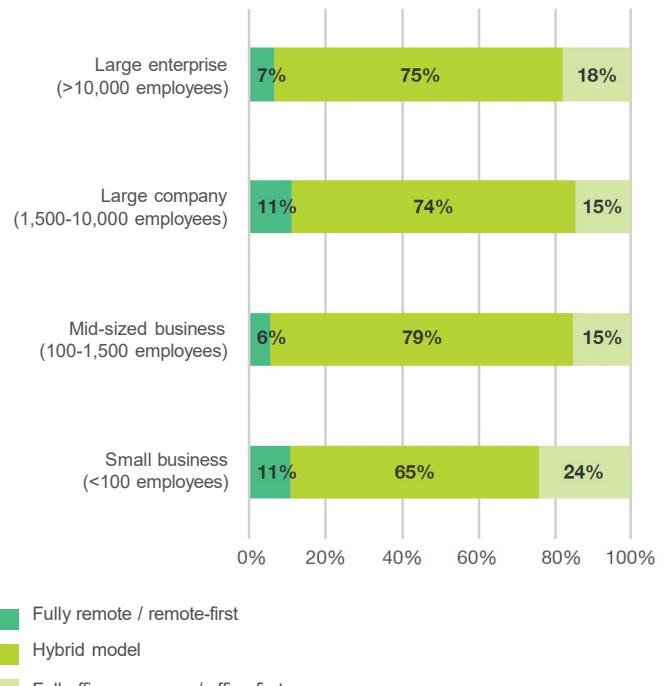
Companies are no longer prepared to sign up to long leases and rigid terms. They, along with their employees, are demanding flexibility, convenience and greater choice.

These fundamental workplace shifts will shape the flex industry over the coming years:

- Increased demand for flexible workspaces
- Diversification of supply
- Localised supply
- Greater choice of flex product



Global workplace models in 2025 by company size



*Includes a global survey of over 300 companies of all sizes and industries.

WIN-WIN FOR EMPLOYEES AND COMPANIES

Flexibility boosts well-being, productivity and sustainability.

Flexible and hybrid work models have become a strategic approach for companies to successfully balance productivity and employee well-being.

They offer a unique blend of flexibility and structure which benefit both employees and businesses in measurable ways.

Respondents working in flexible or hybrid models reported more positive impacts on their well-being and overall productivity across all measures, compared to those in full-office or office-first environments.

84% of people with a hybrid work model say it has a positive impact on mental health and 82% on physical health.

Companies who are focused on offering a flexible or hybrid work model to improve the wellness of

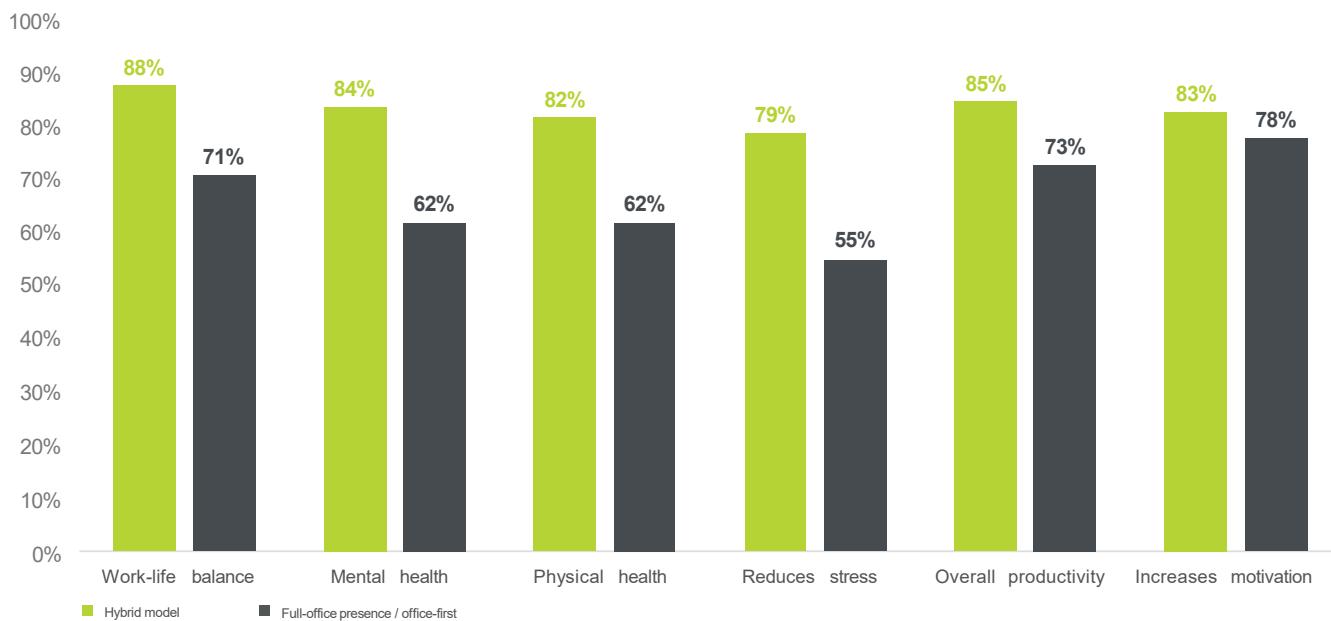
their employees will reap the benefits of improved productivity, increased motivation and subsequently higher staff retention.

Forward-thinking companies can further drive increased productivity through offering access to flexible workspaces.

56.3% of employees rate their productivity as excellent in a flexible workspace compared to just 35.6% in the main company office.

Providing employees with the option to work from flexible locations near their homes can contribute to corporate sustainability targets, as 58.9% of individuals surveyed believe this would have a positive impact on sustainability.

Do you agree that your current workplace model has a positive impact on the following factors?



Maximise your investments in health and well-being with the WELL Coworking Rating – a science-backed, globally recognised framework to attract and retain premium customers and drive higher desk rates.



SPOTTING HIGH-VALUE MARKETS

Bigger investment opportunities often exist in smaller towns and suburbs.

Office demand globally is shifting to more flexible formats as occupiers prioritise flexibility, optionality and scalability. This transformative landscape is driving demand for flexible workspace solutions, **up 24% in H1 2025 compared to H1 2024.**

Property owners and landlords can capture the opportunity by adapting to changes in occupier demand and integrating flexible space into their buildings. This will not only drive increased revenue but also increase lease-up speed and provide improved amenities to tenants.

Flex spaces can also command a premium over traditional rates, driving increased return on investment. However, there are often bigger opportunities outside capital cities.

Flexible achieved rates in mature markets such as London and New York typically achieve 2-2.5x traditional leasing rates on a square foot basis.

However, smaller growth markets, such as popular commuter towns or suburban areas, present greater investment opportunities, often achieving flex rates up to 5x higher than traditional leasing rates.

The additional value driven by services means that traditionally lower-value markets have the potential to generate far higher revenue returns, at least on a percentage basis.

Detailed data and insights can help property owners and landlords make the right investment decisions and drive the greatest value from their assets.

Traditional leasing rates versus achieved transaction rates for flexible offices.

City	Flex rate (\$/Sq Ft)	Traditional rate (\$/Sq Ft)	Flex space rate multiple
Adelaide	\$102	\$20	5.14x
Plano (TX)	\$112	\$26	4.40x
Perth	\$119	\$29	4.16x
Lyon	\$145	\$35	4.12x
Melbourne	\$117	\$29	4.09x
Marseille	\$131	\$32	4.04x
Brisbane	\$106	\$27	3.90x
Alexandria (VA)	\$139	\$36	3.88x
Long Beach (CA)	\$120	\$35	3.42x
Stamford (CT)	\$128	\$41	3.09x
Milton Keynes	\$97	\$32	2.99x
Sydney	\$149	\$52	2.88x
Slough	\$96	\$35	2.71x
Bracknell	\$80	\$30	2.66x
Reading	\$106	\$41	2.58x
New York City (NY)	\$189	\$75	2.53x
London	\$178	\$88	2.02x
Paris	\$211	\$121	1.75x



AMERICAS: US SPOTLIGHT

Localised working drives small town investment

Across the US, there is rapidly rising demand for suburban and smaller town locations as employees want to work closer to home and reduce long commutes.

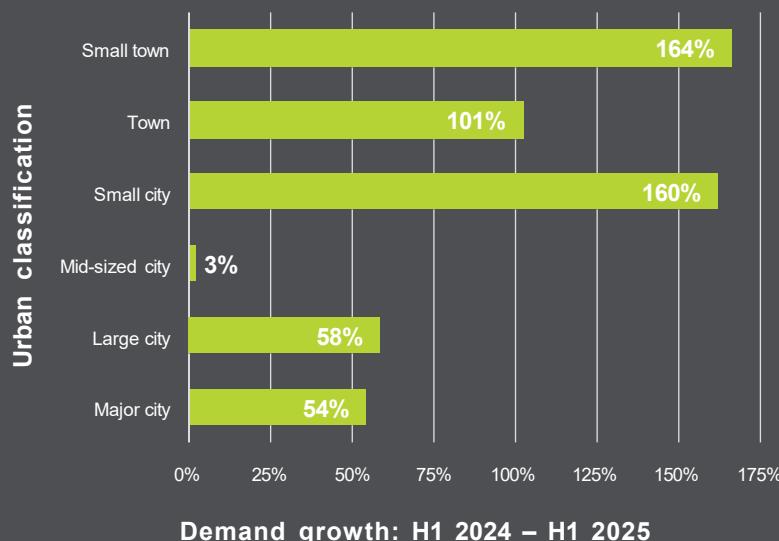
Prohibitive travel time is the #1 factor dissuading employees from going to the office in the US.

While long commute times dissuade employees from going to the office, workers want to spend 60% of their week outside the home office. The solution? The rise of the 15-minute city and further investment in coworking solutions in the suburbs and smaller towns where people actually live.

In 2025, demand for flexible workspace solutions in smaller towns and cities across the US has reached record levels. Small towns with populations under 5,000 have experienced the most dramatic surge – a remarkable 164% increase in demand in H1 2025 compared to the same period last year.

As demand continues to outpace supply in these underserved markets, forward-thinking operators should prioritise investment in smaller towns. International Workplace Group is one such operator, actively focusing their growth strategy on bringing coworking spaces closer to where people live. Recent openings include Franklin, TX, Berwyn, PA, and Bloomfield Hills, MI, all with populations below 5,000.

Demand growth by urban classification: H1 2024 – H1 2025



Urban classification	Population
Major city	1million+
Large city	500,000-999,999
Mid-sized city	100,000-499,999
Small city	25,000-99,999
Town	5,000-24,999
Small town	<5,000

APAC SPOTLIGHT

Rising demand from enterprise clients

Flexible workspaces are no longer just for startups and SMEs. An increasing number of global organisations are using flexible office solutions as a core part of their real estate strategies, underscoring a sustained corporate pivot to flexibility.

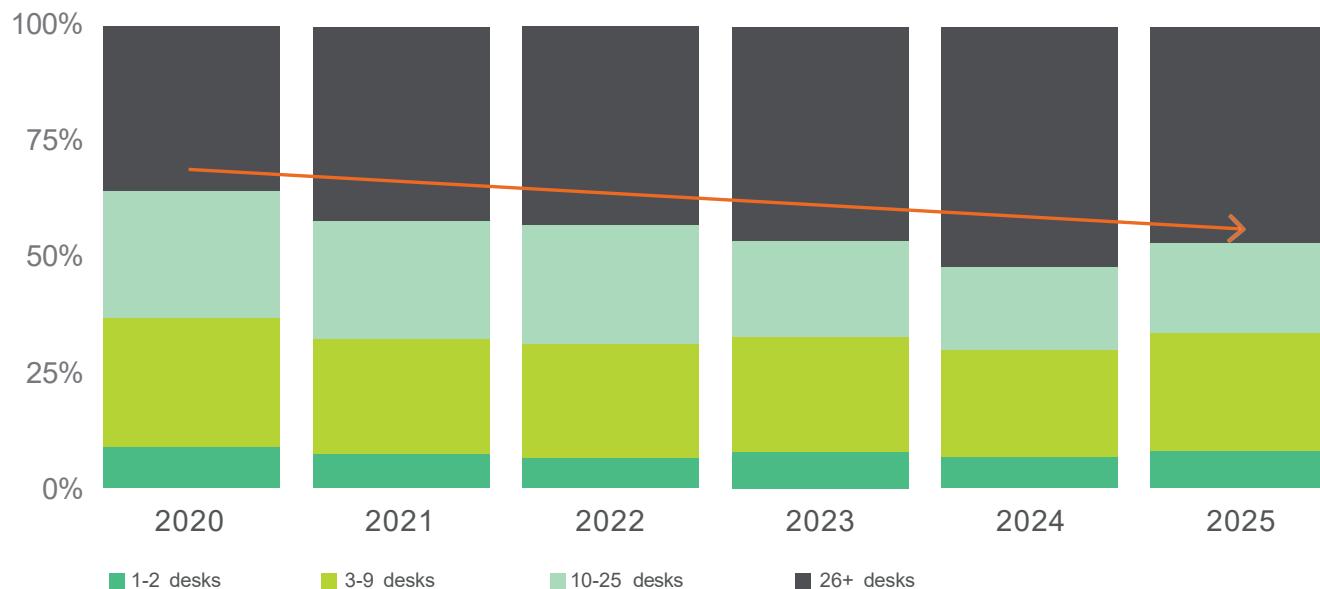
This trend is particularly pronounced within the Asia-Pacific region, where companies have historically been more traditional in their approach to office space, but are now embracing flexible models to support workforce decentralisation, talent retention, and rapid scaling across diverse markets.

Across the Asia-Pacific region, 68% of large enterprise companies (over 10,000 employees) have adopted flexible or hybrid work models.

As a result, demand for workspace requirements of 26 desks or more is increasing, indicating a clear shift among enterprise clients toward flexible solutions over traditional long-term leases.

The top five cities experiencing the largest growth in average workspace requirement size in H1 2025 vs H1 2024 are: Nagpur (+170%), Hanoi (+153%), Gurugram (+102%), Canberra (+86%), and Kathmandu (+62%).

Demand profile – enquiry





UK SPOTLIGHT

Flex boom in regional markets

As the geography of work is opening up, the flexible workspace landscape across the UK is undergoing a significant transformation. Demand for flexible solutions outside of major urban centres is at a record high, signalling that now is the time for strategic suburban investment.

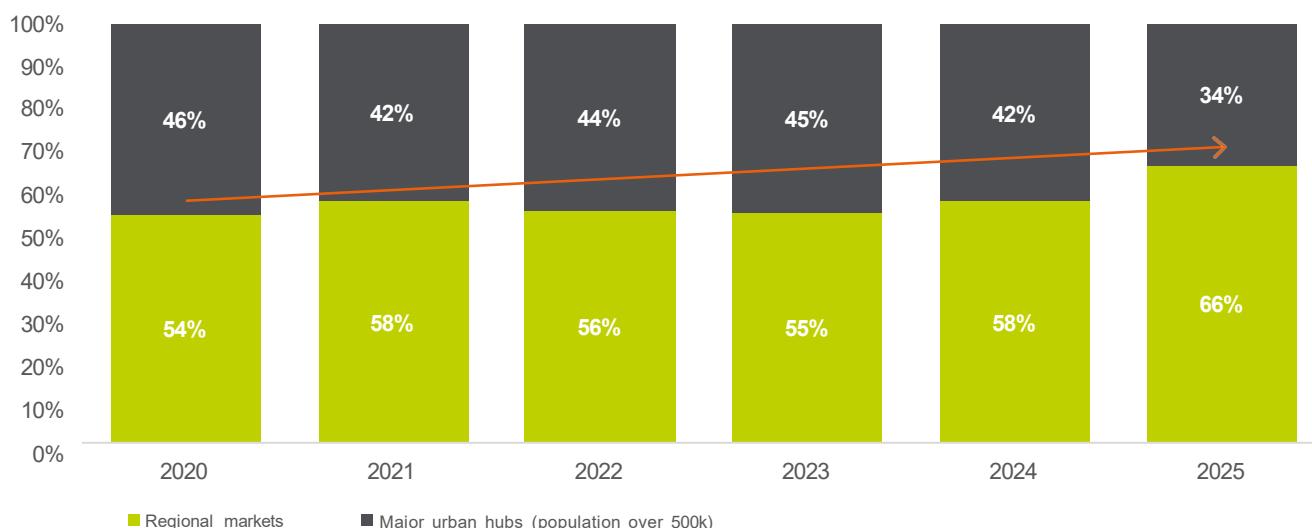
While many operators have already turned their attention to key cities beyond London, and a growing number of regional providers are emerging, smaller towns and suburban areas remain largely underserved. This presents a valuable opportunity for early movers to establish a presence and meet the growing appetite for localised, high-quality flex space.

Ongoing investment in new supply is required to keep up with current demand levels.

Based on current demand and supply levels, many popular commuter towns are set to reach capacity within the next 12 months, such as Sidcup (0.64 yrs to capacity), Cannock (0.65 yrs), Walsall (0.67 yrs) and Slough (0.78 yrs).*

While the fast-growing managed segment continues to absorb larger corporate requirements, there is a notable surge in demand from smaller occupiers, with 1-2 desk enquiries accounting for 68% of total enquiries in H1 2025.

Demand split by regional markets and major urban hubs



*Data is extrapolated from Instant's proprietary data based on the assumption of 25% conversion rate per year and a 20% annual churn of space.

EMEA SPOTLIGHT

Demand for quality is widening the pricing gap

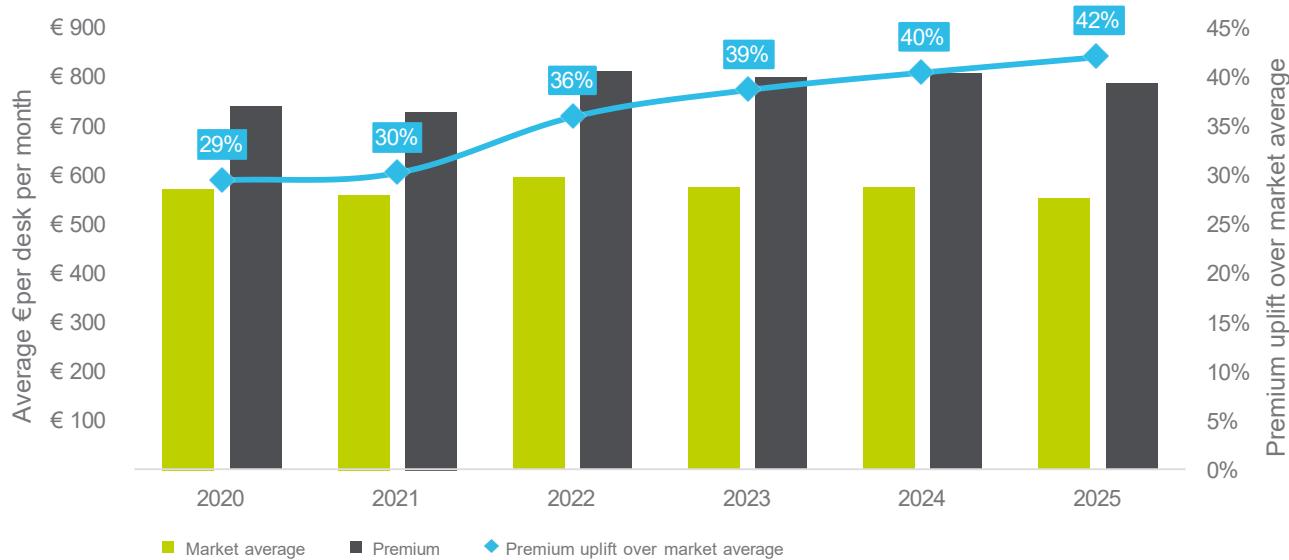
The continued flight to quality within the flexible workspace market is driving up desk rates at the premium end, as occupiers prioritise environments that offer more than just space. Increasingly, businesses are seeking workspaces that deliver on experience, design, wellness, and sustainability, reflecting a broader shift in workplace expectations.

However, while demand for top-tier, fully amenitised spaces continues to rise, supply has struggled to keep pace, widening the gap between average and premium workspace desk rates.

Premium flex offerings across EMEA are currently achieving a 42% uplift on the market average, compared to just 29% in 2020.

Markets experiencing the fastest premium rate growth in H1 2025 over H1 2024 – and signalling strong investment potential for operators offering high-end solutions – include **Abu Dhabi (+36%)**, **Prague (+32%)**, **Stuttgart (+21%)**, **Zurich (+18%)**, and **Frankfurt (+18%)**.

EMEA average desk rates by quality





FLEX FORWARD

Strategic growth at the heart of success

As the global workforce continues to decentralise and prioritise flexibility, the flexible workspace industry is poised for sustained, strategic growth. Hybrid work has firmly established itself as a permanent fixture, driving measurable gains in productivity, well-being, and talent retention. Suburban and smaller-town markets are emerging as high-value investment frontiers, while large enterprises are accelerating adoption of scalable flex solutions as part of their core real estate strategies. At the same time, a clear flight to quality is reshaping

occupier expectations, with premium, amenity-rich spaces commanding significant rate uplifts.

Operators who harness data-driven decision-making, invest early in underserved markets, and deliver user-centric, high-quality experiences will lead the next wave of innovation – positioning flex solutions as a cornerstone of corporate real estate and redefining how and where the world works.

Rethinking Workspace.

We are The Instant Group

We exist to make work smarter for everyone: employees, businesses and the planet. For us, this means more than being the world's largest marketplace for flexible workspace.

It means providing over 250,000 organisations around the world with everything they need to work smarter, whether that be office space, coworking memberships, virtual offices or meeting rooms. As well as delivering the latest data and insights on the flex market or offering expert consulting services on portfolio strategy, procurement and sustainability.

For over 20,000 landlords, flex operators and investors, we deliver demand generation for flexible workspace through our global digital marketplace, as well as offering insight-driven advisory, data and flex solutions to help our partners transform their portfolios, stay relevant as the market evolves and build a smarter working world for today's occupiers.

www.theinstantgroup.com

How we help operators

Worka Partner Portal

Drive more demand across the world's largest global marketplace for flexible workspace.

[List with us today.](#)

WELL Coworking Rating

A globally recognised and science-based evaluation of your health and well-being strategies that drive revenue.

[Achieve your rating.](#)

Research Methodology

Data and insights from this report are compiled from The Instant Group's proprietary flexible industry database, which tracks supply, demand and transactional data, as well as primary research from The Instant Group's 2025 Global Occupier Survey, a survey of over 300 companies of all sizes and industries.