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Breaking in to Flex: A Landlord's Guide to Entering the Flexible Office Market

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Welcome to "How to Get Started in Flex: A Guide for Landlords Entering the Flexible Office Market"!

The rise of hybrid working, changing tenant expectations, and the growing demand for agility have transformed the office market. For landlords, flexible workspace is no longer a niche trend; it's a strategic opportunity. But entering the flex market raises a new set of questions: What model should I choose? How does the business case stack up? What operational expertise do I need?

This guide is designed to answer those questions.

Produced by technologywithin, this report brings together practical insights from across the flexible workspace ecosystem. Drawing on the expertise of Workthere, Interaction, Spaces to Places, HEWN, and Osborne Clarke, it covers every stage of the journey—from choosing the right business model to designing the space, setting up the tech, attracting occupiers, and scaling operations.

We also feature first-hand learnings from major landlords who've made the leap into flex, including British Land, Legal & General, GPE, and CEG. Their case studies offer candid reflections, successes, and lessons learned—giving you a real-world view of what it takes to succeed.

Inside, you'll find:

- ✓ Market analysis and business model breakdowns
- ✓ Financial benchmarks and ROI considerations
- ✓ Guidance on design, ESG, and creating community
- ✓ Tech infrastructure essentials and partner selection tips
- ✓ Legal and operational advice
- ✓ Marketing strategies for attracting the right occupiers
- ✓ A step-by-step checklist for getting started

Whether you're considering partnering with an operator, launching your own brand, or just exploring your options, this report is a practical resource to help you move forward with confidence.

Why Flex?

The demand for flexible office space has surged in recent years, driven by a profound shift in how businesses use office space. As hybrid and remote working models become the norm, flexible workspaces have emerged as a key solution to meet the evolving needs of both employees and businesses. This shift has transformed flexible office spaces into a mainstream, high-demand option, making them a crucial asset for landlords looking to adapt to changing market conditions.

What was once seen as a last resort solution is now an integral part of a landlord's office portfolio. Flexible spaces are no longer an "add-on"—they've become a fundamental component of the office market, with higher occupancy rates, lease durations comparable to traditional office spaces, and, in many cases, the potential for premium rental returns. A notable example of this shift is Chancery House, now offering 130,000 sq ft of premium flexible workspace and approaching full occupancy with rents ranging from £275 to £285 per sq ft.

The growth of the flexible office sector, coupled with a growing number of landlords entering the market, highlights the sector's proven success and long-term potential. For landlords, entering the flexible workspace market offers an opportunity to tap into a thriving sector that is reshaping the future of work.

Overview of the Growing Demand for Flexible Workspace

The flexible office market has seen impressive growth, with operators in the UK taking up over 1.06 million square feet of space in 2024—marking the highest level of demand since 2019 and a 12% increase from the previous year. Despite a slight decline in inquiries, transaction levels rose by 35%, reflecting a solid underlying demand for flexible spaces. A significant driver of this growth is businesses outgrowing their current office environments, with 33% more businesses seeking larger spaces compared to previous years. Additionally, the number of businesses dissatisfied with their existing office spaces has doubled to over 10%, highlighting a shift towards higher-quality workspaces.

As Tom Leahy, co-head of Workthere, notes:

2024 reflected a year of stability for the flexible office sector with take-up remaining robust across the board from operators. Whilst demand was down at a headline level, this appears consistent with the wider office market, and the fact that transactions increased demonstrates an improved quality of demand over the course of the year"

Tom Leahy

Co-Head

workthere

Market Trends:
Shifts in Workspace Demand and Usage

The flexible office market has experienced a dynamic transformation, fueled by several key trends:

Hybrid Work and Remote Models:

Hybrid working has firmly established itself as a cornerstone of the modern workplace, with approximately 65% of UK employers embracing some form of hybrid arrangement according to a 2023 report by the CIPD. As a result, many businesses no longer require the large, traditional office spaces of the past. Instead, they are increasingly turning to more flexible, cost-effective solutions to meet their evolving needs. Flexible workspaces offer companies the flexibility to scale their office space as needed, allowing them to remain agile while accommodating fluctuating demands. According to research by Gallagher, 63% of businesses are now reassessing their office space due to shifts in working patterns. Among these, over a fifth (21%) are downsizing to smaller offices, more than a third are considering shared office space, and 7% have already made the transition. A report by IWG, a leading provider of flexible office spaces, noted that 82% of firms have adjusted their office requirements to support hybrid working models

The Hub-and-Spoke Model:

The hub-and-spoke model is gaining popularity, where businesses retain a central office (the "hub") but also expand into smaller satellite offices (the "spokes") closer to where employees live. This model reduces commuting times and accommodates employees' preferences for working from local spaces, especially in regions outside city centres like Bristol and Leeds, which are seeing increased demand. IWG's survey found that 54% now have office or co-working space outside city centres, while 38% now have secondary locations in commuter towns.

Larger and Longer-Term Requirements:

Interestingly, despite the move towards flexibility, the demand for larger spaces is also increasing. In the first half of 2024, 24% of inquiries were for spaces requiring 20 desks or more, up from 12% in the previous year. Furthermore, the average contract length has increased by over 20%, now standing at just under 16 months, reflecting a greater willingness to commit to flexible office for extended periods.

Flight to Quality:

A growing understanding of a workspace's role in talent acquisition and retention is contributing to a flight to quality. More businesses are prioritising high-quality, well-located workspaces, with over 10% of inquiries in 2024 stemming from companies seeking better office environments. This trend underscores the growing importance of providing flexible spaces that not only meet businesses' evolving needs but also align with their corporate culture and values.

Rise in VC Investment:

Venture capital (VC) investment is a major driver of demand for flexible office spaces, particularly among start-ups. These spaces offer the scalability needed for rapid growth, allowing businesses to expand without the constraints of long-term leases. In 2024, seed-stage VC investments accounted for 36% of the total VC raised, up from the 5 and 10-year averages of 26% and 22%, respectively. This is a further positive sign for flexible office operators who often provide a first desk/office at this vital stage of a business's growth. Tom Leahy, co-head of Workthere, noted "Across our managed office portfolio we have seen continued year-on-year transaction volumes from start-up and growth companies as they drive towards acquiring their own self-contained space that is of a high-quality whilst retaining flexible terms and a hospitality-led service".

The Benefits for Landlords

Flexible office solutions present significant opportunities for traditional landlords. As the demand for adaptable workspaces increases, landlords can tap into a diverse and growing tenant base, ranging from start-ups to large enterprises. Some of the key benefits for landlords include:

Higher Occupancy Rates:

Flexible workspaces typically enjoy higher occupancy rates than traditional office spaces. With a wider range of tenants, from small businesses to large corporations, landlords can maintain more consistent rental income, reducing the risks associated with vacancies.

Increased Revenue:

Landlords can generate higher rental returns from flexible office spaces. The demand for high-quality, flexible spaces often allows landlords to charge premium rents, especially in prime locations where businesses are eager to secure flexible but centrally located workspaces.

Diversified Risk:

The versatility of flexible spaces means that landlords can serve a variety of tenant needs, from short-term leases for growing start-ups to longer-term commitments from established enterprises. This diversification helps spread risk across different tenant types, which can be particularly valuable in uncertain market conditions.

A Competitive Edge:

As flexible office solutions become an integral part of the office market, landlords who embrace this trend are better positioned to stay competitive. Offering flexible space that cater to modern businesses' needs ensures that landlords are prepared for the future of work.

Storey is a key part of our campus strategy—it strengthens our entire leasing ecosystem. It gives businesses the flexibility to grow, scale, or pivot without leaving the British Land portfolio. We've seen many occupiers start with Storey and then graduate into conventional leases, which proves its value as both an incubator and a long-term solution. Its presence also reassures prospective tenants. They know that if they need extra space for a project, short-term expansion, or just a transitional period, that flexibility is built in[RG1] .. That kind of agility is a big part of the appeal."

Becky Gardiner

Head of Storey

British Land

Understanding The Flexible Workspace Market

The flexible office market has experienced a dynamic transformation, fueled by several key trends:

What is Flexible Workspace?

Flexible workspace refers to office environments that offer tenants the ability to adjust their space and lease terms according to their evolving needs. For landlords, these flexible workspace solutions provide a lucrative opportunity to tap into a growing market of businesses seeking adaptability, scalability, and cost-effective office solutions. As the demand for flexible work environments continues to rise, landlords can provide a variety of workspace models that cater to both small startups and large enterprises.

There are several types of flexible workspace models landlords can offer:

Serviced Offices

Serviced offices provide fully furnished, private office spaces within a shared building or facility. These spaces are ideal for businesses seeking flexibility with a professional setup without the need for significant upfront investment. Tenants of serviced offices enjoy short-term licenses (typically from one month to three years) and all-inclusive pricing, which covers rent, utilities, cleaning, and common area maintenance. Unlike coworking spaces, serviced offices offer more privacy, with individual offices or suites, but tenants still benefit from shared amenities like meeting rooms, break-out areas, and reception services.

Serviced offices are especially popular with small to medium-sized businesses, startups, and even larger companies seeking short-term flexibility, as well as the ability to scale up or down as needed. They provide a balanced solution between the openness of coworking and the privacy of a traditional leased office, making them ideal for businesses that require a stable, turnkey office environment without long-term commitments.

Coworking Spaces

Coworking spaces are shared office environments that landlords can environments that can be occupied by multiple businesses to multiple businesses and individuals. These spaces are highly flexible, offering short-term memberships or desk rentals, which appeal to a wide range of tenants, from freelancers to growing startups and even enterprise clients who may provide their staff with memberships for travel and convenience. For landlords, coworking spaces generate consistent demand, especially when designed to foster collaboration and networking. Providing shared amenities like high-speed internet, meeting rooms, and event spaces helps ensure higher occupancy rates and tenant retention.

Managed Offices

Over the past five years, the demand for landlord-delivered CAT A+ and managed office space has grown rapidly—particularly in London. For units under 10,000 sq ft, and especially under 5,000 sq ft, pre-fitted space has now become the default. This shift has been driven by rising occupier demand for flexibility, escalating build costs, and increased competition from serviced office operators.

Managed offices are fully fitted, private spaces licensed to a single tenant on flexible terms. They offer the look and feel of a traditional lease—with the added benefits of shorter commitments and bundled operational services such as cleaning, IT, and front-of-house support. Managed space sits between coworking and long-term leases, often appealing to scaling businesses seeking quality space without needing to invest in their own fit-out or operations.

For landlords, managed space presents a compelling opportunity to:

- Monetise smaller or awkwardly configured spaces that may not suit conventional leasing. Managed offices allow these spaces to be let multiple times over their lifecycle, often reusing the same fit-out with only minor refurbishments required between occupancies.
- Attract a new breed of tenant moving on from coworking but still seeking flexibility, quality, and a hospitality-led experience
- Generate repeat income by re-letting the same space with minimal refurbishment
- Compete more effectively with serviced office providers
- Offer a turnkey solution for larger corporates seeking high-quality, satellite or project space

This model is also increasingly being adopted by larger corporates implementing hybrid work strategies. Rather than committing to long-term HQ leases, many are opting for smaller, high-spec managed offices as satellite or project spaces—providing teams with flexible, well-located environments that help encourage staff back into the office while maintaining overall agility. By offering a hospitality-led, turnkey solution, landlords can capture demand from both scaling businesses and enterprise occupiers looking for workspace that blends quality, convenience, and flexibility.

Delivering Managed Flex Successfully

To realise the full potential of managed offices, landlords must take a strategic approach to planning and delivery. Key considerations include:

Location

Ensure the fit-out cost and service offering are proportionate to achievable rents. In many sub-markets in London, pricing for managed space has a clear ceiling.

Design & Appearance

Competition is fierce and quality matters. A well executed fit-out, strong tech infrastructure, and a hospitality-style welcome experience will set your space apart.

Space Mix

Offering a range of unit sizes can widen your appeal and support tenant progression—from coworking and small suites to enterprise-level managed space.

Amenities

Tenants increasingly expect access to communal spaces, meeting rooms, gyms, F&B options, and even outdoor areas that enhance employee experience.

Understanding the Key Differences:

Traditional Leases vs. Flexible Workspace Models

Flexible workspace solutions offer businesses the ability to adapt and scale quickly without the long-term commitments and capital expenditures associated with traditional office leases. These spaces are designed to cater to different business needs, from freelancers and startups to large enterprises. The key models—coworking spaces, serviced offices, and managed offices—provide various levels of flexibility, customisation, and shared amenities to accommodate businesses of all sizes.

The following chart highlights the key differences between these workspace options, helping you decide which model best aligns with your business needs.

Feature	Leased Offices	Coworking Spaces	Serviced Offices	Managed Offices
Space Type	Private offices or floors, typically entire building	Shared open-plan office with hot desks, some private room	Private offices within a shared building	Entire floors or self-contained units
Lease Term	Long-term (usually 3+ years)	Very flexible (monthly memberships)	Short-term (monthly to 3 years)	Medium-term (1 to 5 years)
Furnishing	Tenant responsible for furnishing and fit-out	Fully furnished, including desks, chairs, and shared areas	Fully furnished and ready to move in, option for bespoke fit-out	Fully furnished with higher potential for customisation
Privacy	Complete privacy for the tenant	Shared open space, limited privacy, some private offices	Private offices, but shared amenities and common spaces	Entire floor or self-contained unit, private

Feature	Leased Offices	Coworking Spaces	Serviced Offices	Managed Offices
Cost Structure	Tenant pays for rent, utilities, business rates, maintenance, etc	All-inclusive pricing for desk rental, utilities, and amenities	All-inclusive pricing, including utilities, cleaning, etc., tenant pays legal fees	All-inclusive, tenant pays legal fees
Amenities	No shared amenities; everything within the office	Shared amenities such as meeting rooms, kitchen, events, lounges	Shared amenities like meeting rooms, break-out areas, reception, etc.	Private meeting rooms, kitchens, reception, other shared amenities
Customisation	High customisation in layout and design	Limited customisation, mainly focused on desk space	Limited customisation in private office spaces	High (can be tailored to tenant's needs)
Target Tenants	Large companies, established businesses, long-term stability	Freelancers, remote workers, startups, small teams, and entrepreneurs	Small to medium-sized businesses, startups, larger firms needing flexibility	Scaling businesses, larger corporations, hybrid work models
Flexibility	Limited flexibility to scale or adjust the space	Highly flexible, easy to scale up or down, month-to-month	Flexible terms, scalability to meet changing needs	Medium flexibility, allows some customisation and scaling
Community	No community focus, professional but isolated	Strong focus on community, collaboration, and networking	Some community interaction, depending on the space provider	Some community interaction, depending on the space provider

Leased offices

Leased offices are the conventional work environment we're accustomed to. Leased office spaces involve long-term agreements with landlords or other tenants, typically lasting three years or more. These offices are private, self-contained floors or entire buildings that the tenant designs and manages. While subleases and assignments offer shorter terms, it's important to note that flexibility to scale can be limiting.

Tenants are responsible for all costs, including rent, business rates, service charges, utilities, and maintenance, along with fit-out and dilapidation expenses, legal and agency fees. One of the benefits of covering all the costs is that you will have full permission to incorporate branding within your workspace and in the reception area. However, facilities are not included in the rent and there are no shared amenities as such, so everything your business requires must be within the office suite.

Due to the structured nature of leased offices, they are typically ideal for companies seeking a stable, long-term workspace tailored to their specific needs.

Serviced offices

Serviced offices are workspaces that are managed by an office provider offering everything from small private offices on shared floors to self-contained floors within larger buildings. These offices are fully furnished and typically ready to move into straight away, saving considerable time and effort. Contracts for these types of spaces can vary from a monthly basis to three years, providing flexibility to upsize or downsize as necessary.

Costs are all-inclusive, however, legal fees, if applicable, are the tenant's responsibility, whereas broker fees are covered by the landlord. Tenants also have the options to take space as is or opt for a bespoke fit-out, all included in the costs. Branding options are more limited compared to a leased office, but you can still include your company branding within your suite. In a serviced office scheme, you'll have access to shared amenities within the building's wider facilities, such as breakout spaces and meeting rooms, which are maintained by the operator. Take Fora, Chancery House for instance, this office space is loaded with a wealth of amenities such as terraces, a café and end of trip facilities, all at tenants' fingertips.

Serviced offices provide businesses with the agility they need due to flexible licenses and space options, making them perfect for companies that require adaptability to changing needs. Although historically popular amongst start-ups and SMEs, this type of space has taken off with larger companies looking to adapt.

Managed offices

Managed office space is a combination of serviced and traditional leases, providing private, self-contained floors or entire buildings designed and managed by a third party. Managed offices are fully equipped with all necessary amenities, such as meeting rooms and kitchens. However, unlike serviced offices, these facilities are private and not shared.

Contracts typically range from one to five years, offering similar flexibility to that of serviced office space, allowing your business to scale up or customise the space as desired. Tenants are also permitted to include branding within their suite and also the reception area. Costs are all-inclusive, with legal fees the tenant's responsibility and agency fees covered by the landlord.

Managed offices are ideal for businesses seeking a flexible, long-term, self-contained workspace without operational hassle.

In summary, each office solution caters to different needs. Leased offices provide long-term stability and control, with all operational costs handled by the tenant, suited for companies seeking a permanent base.

Serviced offices offer flexibility and all-inclusive costs with shared amenities, perfect for those requiring short-term adaptability. Managed offices blend traditional and serviced features, providing private, self-contained spaces with long-term flexibility and all-inclusive costs, ideal for businesses needing a stable, customisable workspace. Choosing the right option depends on your business's specific requirements and growth plans.

Growth of Flex Markets in Europe

The European flex office market continues to gain momentum, driven by changing occupier preferences and growing demand for agility in workspace strategies.

Lease lengths are shortening

While prime lease durations in Europe have remained relatively stable, average lease lengths have declined by approximately 20% since 2019, reflecting a broader shift towards more flexible occupancy models.

Desk rates are rising faster than conventional rents

The average cost of a desk across Europe's capital cities increased by 6% over the past year, with London (+12%), Warsaw (+10%), and Berlin (+8%) leading the way. In contrast, conventional office rents rose by just 2.4% on average over the same period.

Landlord-delivered flex models are on the rise

There is growing interest in management agreements and landlord-fitted solutions. Savills' latest European Investor Sentiment Survey revealed that 15% of investors plan to increase exposure to flex via landlord-fitted space, while 12% are looking to do so through management agreements over the next 12 months.

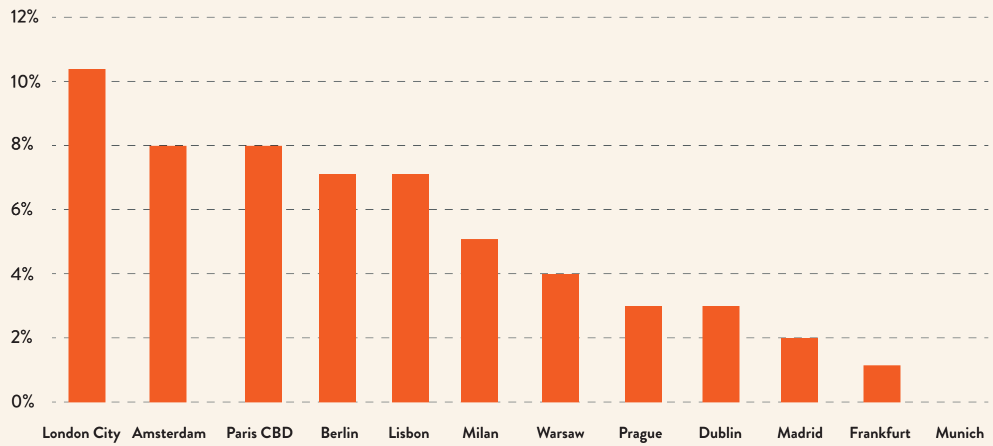
Occupancy remains robust

According to Workthere's 2023 Flexmark report, average contract occupancy across flex spaces held steady year-on-year at 83%—well above the 80% threshold typically seen as a signal for operator expansion. Major providers are responding accordingly: IWG opened 306 new locations in H1 2024, more than doubling its H1 2023 figure. Other operators such as Industrious, Morning, and B.Amsterdam also secured new space across the continent.

Flex operators are gaining share of the leasing market

Flexible office providers accounted for 5% of all office leasing activity in H1 2024—up from 4% in H1 2023. London remains the most active market, driven by the length of conventional prime leases, followed by Amsterdam and Paris CBD. Workthere also reported a 14% year-on-year increase in customer enquiries in H1 2024, highlighting rising occupier demand for amenity-rich, service-led work environments.

Flex takeup as a % of total, H1 2024



We explored a number of models—coworking memberships, desk-by-desk pricing, even access to Storey Club spaces via subscription. But ultimately, we decided our business wasn't operationally geared to manage the high churn and admin that comes with rolling memberships. At our scale, the return just didn't justify the effort. Instead, we opted for short form lease-based agreements. It really supported us during COVID. Occupiers didn't disappear overnight, as they might have with a license-based model. It gave us the stability to have flexible, sensible conversations rather than being left with empty space. Post-COVID, we were able to act quickly as demand bounced back—securing some of our highest-ever rents on short-term deals. That's the power of flex: the ability to adapt to demand while protecting against downside risk through smart structuring."

Becky Gardiner

Head of Storey

British Land

Business Models For Landlords

Landlords have several pathways to participate in the growing flexible workspace sector, each offering a different balance of control, risk, and return. The main models include owner-operated, leased, and management agreements

Owner-Operated: Running a flex space in-house

In this model, the landlord takes full control of operating a flexible workspace—handling design, sales, customer service, and day-to-day management internally.

ADVANTAGES:

Higher Returns:
If executed successfully, landlords can capture both rental income and operator margin, leading to superior returns.

Control Over Brand & Experience:
Full authority over design, pricing, brand positioning, and tenant mix can enhance the building's value.

Stronger Tenant Engagement:
Direct contact with occupiers enables landlords to understand tenant needs and build long-term relationships, improving customer experience and retention.

Adaptability:
Spaces can be easily reconfigured or scaled up/down to respond to shifting demand without being tied into a long-term operator lease.

CHALLENGES:

Operational Complexity:
Running a flex space is akin to managing a hospitality business, requiring expertise in sales, technology, customer experience, and operations.

Exposure to Risk:
The landlord assumes full responsibility for occupancy rates, vacancy risk and operational performance.

Upfront Investment:
Significant CapEx is often needed for fit-out, branding, tech and staffing.

Steep Learning Curve:
Mistakes can be costly without in-house experience or a dedicated operating team.

From the outset 7 years ago, we made a strategic decision to develop and manage Storey in-house rather than partner with a third-party operator. We already had the core capabilities—leasing, operations, design, customer engagement—so we asked ourselves: why share the profits? One of the biggest advantages is having a direct relationship with our occupiers. When an operator sits between us, we lose visibility. With Storey, we own that conversation. If a customer wants to grow, we can support them across our broader portfolio—whether that's in Storey, Work Ready or traditional space. Financially, running flex in-house also gives us a direct revenue stream, and the initial investment was relatively modest—just a small number of additional team members. The return has been significant and really validates the strategic value of keeping control of our flex offer."

Becky Gardiner

Head of Storey

British Land

Leased Model: Renting space to an operator

Here, the landlord signs a long-term lease with a third-party flex operator (e.g., Spaces, Fora), who handles the day-to-day running of the workspace.

ADVANTAGES:

Stable, predictable Income:
A long-term lease to a flex operator provides reliable cash flow, usually with limited involvement.

Outsourced Expertise:
The operator handles fit-out, tech, sales, customer service, and all daily operations.

Reduced Risk and Operational Burden:
Landlords are shielded from occupancy fluctuations and there is no need to build internal capabilities.

Brand Lift:
Well-known operators can enhance the building's profile and draw foot traffic.

CHALLENGES:

Lower Income Potential:
Income potential is capped, as landlords forgo the operator's margin.

Loss of Control:
Landlords have little say over the brand, service quality, or tenant experience. If the operator fails to deliver quality, it may reflect poorly on your building.

Risk of Operator Default:
If the provider underperforms or defaults, landlords may be left with vacant or partially fit-out space and unpaid rent.

Limited Adaptability:
Long lease terms restrict a landlord's ability to repurpose the space based on changing market demand.

Management Agreements: Revenue-sharing with an operator

A hybrid approach where the landlord partners with a flex operator, sharing both revenue and operational responsibilities. The landlord retains ownership and funds the fit-out, while the operator manages the day-to-day.

ADVANTAGES:

Shared Rewards:
Landlords participate in the upside, while the operator brings operational expertise.

Aligned Incentives:
Both parties are motivated to optimise performance and customer experience.

Greater Control:
Compared to a leased model, landlords maintain more influence over brand and service delivery.

Flexibility:
Easier to pivot or repurpose the space if needed.

CHALLENGES:

Complex Agreements:
Contracts can be intricate and require close collaboration.

Shared Risk:
While risk is reduced for the operator, the landlord still assumes occupancy and performance risks.

Market Trend:
Management agreements now account for around 50% of new flex office deals in Europe (2024), reflecting landlords' growing comfort with more operational involvement in exchange for higher returns. More traditional landlords are also seeking to provide managed space solutions, where the tenant has private facilities, chooses their own fitout, and is more easily able to promote their own brand, with agreements usually between one and five years.

The Future is Flexible

As occupiers seek more tailored, high-amenity, and adaptable workspace options, the traditional lines between conventional leases and flexible offices continue to blur. More landlords are incorporating managed space into their portfolios to meet this demand—offering turnkey solutions that combine flexibility, privacy, and quality without the burden of daily operations for the tenant.

Ultimately, the best model depends on the landlord's appetite for risk, available capital, in-house capabilities, and long-term strategy. But one thing is clear: flexibility is no longer a niche offering—it's a core part of the future office landscape.

Choosing and implementing the right business model

As the demand for flexibility in office space continues to grow, landlords and operators are adopting a variety of business models to deliver flexible workspaces, and integrate these into their strategic development of commercial real estate.

Our role at HEWN is to work with the landlord to identify the best business model in flexible workspaces and incorporating flex into the wider landlord or asset manager portfolio.

These models differ in how risk, control, and rewards are shared between the parties. The most common models include own operation, lease, management agreement, and partnership lease.

Each comes with distinct advantages and trade-offs.

1. Own Operation (Owner-Operator Model)

This suits owners that have the ability to adapt and create operational real estate within their assets. The OpCo and PropCo model is often very difficult for owners to create given the traditional real estate model of asset management and lettings - essentially it is a business within a business with a different P&L sheet.

> **An owner-operator model is an attractive proposition for institutional landlords and estates, however, for this to be done right, there needs to be wholesale buy-in from the business as this is resource heavy and needs the financial backing for it to work. Storey by British Land, GPE and MYO by Landsec are great examples of an owner-operator model, it is a strategic move by the business used in their assets**

Will Kinnear
Director
HEWN

2. Lease Model

This suits owners that don't necessarily want to get involved in operational real estate and have income and valuation drivers that only allow them to sign leases or are risk averse. This model does mean the operator takes the operational risk but ultimately it owns and controls the community it creates.

> **"Having a traditional lease means the operator has full control of their offer - which is its greatest benefit. But, to get this operation off the ground, an operator will generally need to have capital reserves or investment. MyWorkSpot in Berkshire takes traditional leases as do Canvas in London"**

Will Kinnear
Director
HEWN

3. Management Agreement

This model suits owners that understand the need for operational real estate in their asset. They benefit from an operator relationship that allows their space to be professionally created and operated alongside the added benefit of being marketed through all channels and to all occupier types. Through these agreements, the owner also benefits from the operator providing amenity and service for other tenants in the building. This model appeals to landlords who want to enter the flex space market without the hands-on running of operations directly.

4. Partnership Lease (Hybrid/Revenue Share)

This suits owners that want to be involved in some form of operational real estate and are either unable to sign full management agreements and require a lease, or, they want the reduced risk that a hybrid lease brings. They can also benefit from a base rent, and an excess of market rent when conditions dictate. The operator takes more risk as per a conventional lease but they are able to adapt and be agile with their sales to protect them from historic rents that aren't necessarily reflective of current market conditions.

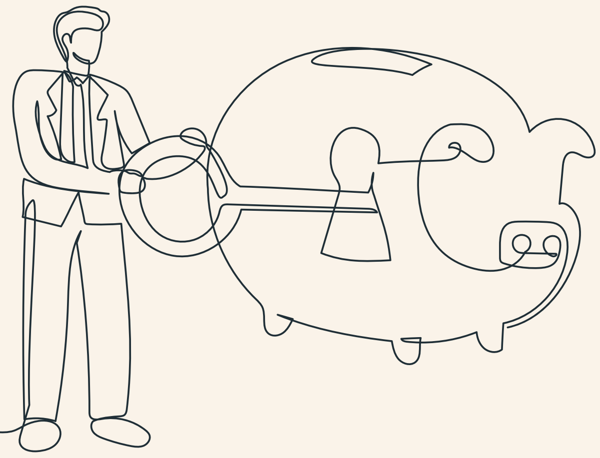
Partnership leases are gaining traction as both landlords and operators look for more balanced, resilient models, especially in uncertain or emerging markets.

> **"A Partnership lease is a conventional lease but where the rent paid is based upon the performance of the operation - it is different to a management agreement. We've facilitated partnership leases where returns for landlords have significantly outperformed market rents - Runway East is a superb example along with IWG, regularly outperforming the market."**

Will Kinnear
Director
HEWN

Each of these business models offers a unique balance of risk, control, and reward.

The choice depends on the strategic priorities and capabilities of the parties involved. While the lease model remains widespread, the trend is moving toward hybrid structures like management agreements and partnership leases that foster shared success and reduce exposure to market fluctuations.



Financial Considerations & ROI

Comparing Flexible Workspace returns to traditional office

As we have learnt above, there are a number of different models available in the flexible workspace market, but how do these compare to traditional Estimated Rental Values (ERVs).

HEWN recently launched the flexible workspace returns index examining three different grades of flexible workspace products, from 5* to 1* throughout seven London sub-markets.

The findings from the index:

- Across nearly all locations, 5* and 3* product returns were in excess of market rents, both throughout 2024 and as a whole over the last 5 years, even during COVID. This flight to quality space mirrors the traditional office market, however returns as high as 140% of market rents were achieved from flexible workspace products throughout the period.
- 1* products saw more pricing volatility, however the overriding trend showed returns to be at or very close to market rents throughout 2024 and since 2020.

Flexible workspace suffers from a perception of short term agreements and a transient client base that could ultimately affect returns for property owners and operators. The Index highlighted that variable income streams and fairly low volatility in pricing since 2020 allowed returns to be in excess of market rents.

The flexible workspace market is able to adapt very quickly to local, national and global pressures. It also provides in demand, operational real estate for its customers in order to drive higher returns than traditional offices from service and hospitality products.

Flex spaces can respond quickly to economic shifts while offering high-demand, operational real estate. The result? Potentially higher returns than traditional offices, especially when service layers like hospitality, meeting rooms, coworking, and F&B are monetised effectively.

Route to flex?

1. Understand what you need from your asset and space
2. Identify what your occupier needs
3. Do your market research
4. Identify risk appetite
5. Look at each model and the impact on income and asset valuation - which routes are open to you?
6. Appoint an independent consultant that fully understands the implications of each model and operator model types
7. Understand the costs involved and the returns potentially available

The data is now supporting what many in the industry have long believed: flexible workspace is not a passing trend—it's a resilient, scalable model that, when executed well, can outperform traditional real estate investments.

Cost considerations

Fit-Out

Investing in a high-quality fit-out can support premium rental pricing, but it's crucial to align spend with achievable returns. While delivering a best-in-class workspace can command above-market rents, there is a ceiling—increasing spend does not guarantee proportionally higher income.

To future-proof your asset and ensure agility for future leasing campaigns, consider strategic fit out features such as:

- Evenly distributed floor boxes throughout the space, even if not immediately needed.
- Split mechanical and electrical systems, allowing for easy "Day 2" additions like meeting rooms without major retrofitting.

This approach helps accelerate leasing, reduce downtime, and lower future capital expenditure.

Operations

Managing operational costs effectively is critical to preserving margins.
Landlords and operators should:

- Regularly tender key services (cleaning, maintenance, etc.) to benchmark pricing.
- Avoid long-term vendor lock-ins without periodic cost reviews.
- Focus on lean operations that deliver value without compromising service quality.

By maintaining strong cost discipline, landlords can improve profitability while remaining competitive in a dynamic flex market.

UK Desk Rates and Contract Lengths

According to Workthere, flexible office pricing outside of London has seen notable growth. In 2024, private office desk rates rose by 17%, with the average now at £384 per desk per month. In contrast, London's pricing remained steady, averaging £776 per desk per month, or approximately £209 per sq ft, maintaining its position as the most expensive UK flex market.

Additionally, average contract lengths have increased by over 20% compared to previous years. As of end of 2024, the typical contract now spans just under 16 months, up from 13 months in 2022. This suggests growing occupier confidence and a shift toward longer-term commitments in flexible space.

Additional Revenue Streams

Managed internet bandwidth

With the right network management tools, flex operators can turn internet bandwidth into a dependable and profitable revenue stream. While most spaces offer a basic shared service as standard, there is growing demand for premium shared and dedicated bandwidth — particularly among private office clients who require guaranteed performance. By segmenting bandwidth pools and reserving capacity for high-value users, operators can deliver a seamless, high-speed experience even during peak demand.

UK flexible workspace operator shared bandwidth price per month, flexible term (£)*

Basic Shared (10Mbs to 100Mb/s)	£0.00
Enhanced shared (150Mb/s)	**£60.00**
Premium shared (200Mb/s-250Mb/s)	£100.00

UK flexible workspace operator dedicated bandwidth price per month, flexible term*

Service	Average	Range
20 Mb/s	£134	£30-£250
50 Mb/s	**£249**	**£60-£400**
100 Mb/s	£426	£200-£750
200 Mb/s	**£784**	**£275-£1250**
500 Mb/s	£705	£425-£1200

This approach not only drives additional monthly revenue (premium shared services average £100/month) but also boosts retention by meeting tenants' evolving digital needs. As more operators simplify their offering — for example, by bundling small amounts of dedicated bandwidth per desk — selling becomes easier for teams, and propositions become clearer to clients.

Scalable, intuitive bandwidth management platforms make all of this possible. They allow operators to segment bandwidth pools, monitor usage in real time, and easily adjust services per client.

Positioning and pricing dedicated and shared bandwidth

Adam Case
Technical Director
technologywithin®

Over the last year, we have seen real change in how shared and dedicated internet bandwidth services are presented to tenants. Operators are beginning to understand how much their clients value fast, resilient internet and utilise it as a more strategic client acquisition and retention tool.

This is especially true in the London market where clients have more choice of high-quality, well-run flex and coworking spaces. Here, operators are creating innovative offerings to differentiate their service proposition and meet client needs:

- Some operators are now including a small amount of dedicated bandwidth per workstation in private offices. So, here the internet isn't being used as a standalone revenue generator but used to attract new clients and maintain workstation rates.
- Operators are reviewing their bandwidth offering to create propositions which are easy both for their teams to sell and for clients to understand, such as creating a set rate for every 10Mb/s of bandwidth.

Internet bandwidth is still a revenue stream

Selling dedicated and shared bandwidth services is still offering operators the opportunity to generate additional revenue streams. In order to enable your teams to sell bandwidth easily, we advise operators to minimise offerings, create a simple, consistent (yet competitive) pricing structure across all locations and offer regular training.

Positioning your services

Standard shared bandwidth

Entry level internet and WiFi service, created as a set bandwidth pool offering contended connectivity. Frequently included in the workstation rate.

Premium shared bandwidth

As shared but with a larger bandwidth pool/lower contention ratio. Usually chargeable, offering a steppingstone between the basic shared and dedicated services.

Dedicated bandwidth per desk

A set amount of dedicated (uncontended) bandwidth per workstation. Can be included in the workstation rate, positioning it as a premium offering.

Dedicated bandwidth

Uncontended, high-quality internet performance, suited to clients with heavy data usage. Also allows larger businesses to implement their network and security deployments, ensuring staff have IT consistency throughout their flex and permanent office spaces.

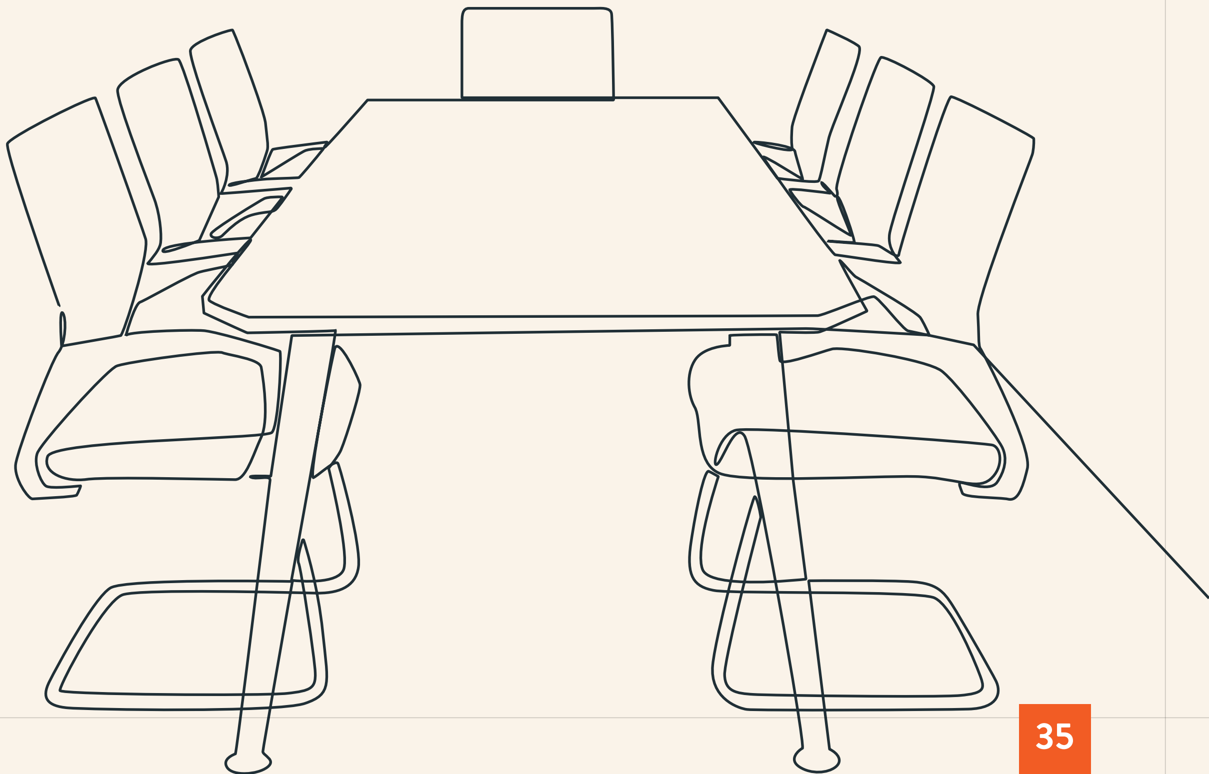
Meeting Room Bookings

Meeting rooms are one of the most underutilised assets in many flexspaces — but with the right tools, they can become a consistent and growing revenue stream. Adding an online booking tool directly to your website makes it easy for external users (not just members) to find, book, and pay for rooms on demand. This opens your space to a much wider audience, from local freelancers to corporate teams looking for ad hoc space.

Beyond the room itself, there are several opportunities to upsell services such as catering, AV equipment, hybrid meeting tech, or extended hours — all of which can be offered as part of the booking journey. This not only drives incremental revenue but also enhances the client experience.

Meeting room panels outside each space can show availability in real-time and automatically lock the room when it's not booked. This helps prevent unauthorised use, encourages bookings, and ensures rooms remain revenue-generating rather than casually occupied. Smart usage reporting also helps you optimise layouts, pricing and promotions over time.

By combining visibility, accessibility, and upsell opportunities, operators can maximise value from their meeting space.



Using Data for Dynamic Pricing and Targeted Offers

Utilise member movement data to inform your pricing models. High-traffic locations can command premium prices, while creating multi-site access tiers can attract clients who want flexibility without overspending. This approach ensures that your pricing aligns with demand, maximising your revenue potential.

Harness the data on member movement across your various sites to spot lucrative upselling opportunities. If certain members frequently visit specific locations, consider offering them a premium membership that grants discounted access to those sites. This approach not only delivers extra value to your clients but also boosts your revenue stream.

Movement data allows you to optimise staffing and maintenance schedules at each location based on real traffic patterns. This not only improves operational efficiency but also reduces costs—keeping your spaces inviting and well-maintained.

"Importantly, all this data needs to be easily accessible and integrated. The best way to achieve this is through seamless API integrations that allow data from all platforms to flow freely. By ensuring that your systems can export or integrate data effortlessly, you'll be able to take a high-level view of your operations, helping you make better decisions faster. With the right tech stack, you'll be able to combine and analyze data across various systems, improving your pricing strategy, enhancing member experience, and optimizing operations."

Adam Case

Technical Director

technologywithin®

Designing for Flex Spaces: The Strategic Role of Design in a Changing Market

Why Coworking Design Is Different

Designing for coworking is not simply about aesthetics. It involves creating spaces that reflect evolving workplace behaviours, foster community, and enable constant adaptability. Where traditional offices serve one long-term tenant with fixed needs, coworking spaces are agile ecosystems that accommodate a revolving door of users with diverse expectations.

Flex spaces are products, not just premises. Short lease cycles, higher churn, and strong branding requirements mean every design element must be intentional. Spaces need to feel ready-to-go, yet remain flexible enough to evolve. Each design choice contributes to the experience, whether it's a curated welcome lounge or a strategically placed quiet booth.

Coworking users are members, not tenants. They expect a hospitality-driven experience, where everything from the lighting to the Wi-Fi feels considered and seamless. The focus is on wellbeing, connection, and productivity - not just square footage. Although a design strategy might focus on certain types of tenants – say, scaling tech brands – it still needs to accommodate all working behaviors and neurodiversity – so it has to balance focus and broadness in equal measure. Opportunities for personalisation are key – clients will need to make their offices their own.

As a result, coworking design becomes a layered discipline. It balances emotional connection with operational functionality, requiring a deeper understanding of user psychology and business viability.

Underneath this, there are hundreds of specific details that need consideration: acoustics need engineering to ensure some buzz while keeping headaches to a minimum. Each corridor needs a destination - there should be no dead ends. Storage and clutter control needs careful planning to keep things looking sharp. The designs for the tea points should ensure an organic flow, so there are no early-morning bottlenecks. Space for M&E needs to be carefully considered, as well as fire strategies, windows and the ability to split floorplates.

Dead space must be minimised or utilised. Consider multi-sensory design: how will the space sound, feel, smell (and even taste)? User experience is paramount, so taking into account the way people move through the space is critical; is the post room near enough the front desk, or will getting post be a constant chore?

"Little (almost secret) moments of joy should be found wherever a user goes, activating areas through art, design or planting – it's these little experiences that elevate the best coworking spaces."

Laura Stephens

Designer

interaction

Layout & Amenities:
Trends and Tenants Expectations

Flex tenants demand spaces that enable choice, mobility, and purpose. Gone are the days of rows of desks and bad lighting - if people are making a commute, they're expecting hospitality, community and the ability to work better than they can at home.

Modern layouts offer environments for focus, collaboration, and socialising - without the clutter of walls. Runway East's coworking spaces prioritise community, with statement communal breakout areas perfect for everything from quick coffee catchups and informal lunches to large-scale events and their famous 'Cake Wednesdays' - all designed to bring members together.

Successful designs use strategic zoning to create varied environments within the same footprint. Flooring, lighting, and acoustic treatments help guide users intuitively from one space to another.

Amenities define appeal. From showers and yoga studios to podcast rooms and office bars, amenities help flex spaces stand out. Many flex spaces now include outdoor spaces too – like FOUNDRY Wandsworth's courtyard and Runway East's rooftop terrace in Birmingham. These additions are perks that boost both dwell time and member loyalty.

Other trends to watch include biophilia (think planting, natural light and natural materials), modular furniture which can be reconfigured as and when members may need to, and invisible tech, such as AI-controlled heating and lighting systems. These elements all help boost productivity, wellness, and operational efficiency.

> "Coworking designs are becoming less focused on density and more focused on community and experience. A building only works if it services all the needs of everyone within – it's no longer enough for the metrics to just add up. You can squeeze in all the desks you want, but if you can't have a communal lunch or a private meeting, something's not working"

Lucy Symons

Account Design Lead

interaction

Understanding Your Audience

At Interaction, we design with people in mind - not just the plan. Every successful flex starts not with moodboards or materials, but with a solid understanding of the people the space needs to serve. That means speaking directly to end users, reviewing workspace booking data where possible, and absorbing what the local market is saying.

One size-fits-all doesn't fit anyone well. The best flex operators have a laser focus on their target audience and how to attract them: for instance, a tech scale-up looking to impress investors needs something very different from a regional legal team after acoustic privacy.

A clear segmentation of the target audience into clear personas with needs, expectations and commercial value is vital.

These personas shape everything from floorplate to finish. For example:

- Tech-first teams need fluidity. That means modular meeting pods, agile breakout zones and plug-and-play power - spaces that flip from brainstorm to pitch in minutes.
- Creative teams gravitate toward light, texture and flexibility - gallery walls, tactile materials and natural daylight that supports everything from deep work to content creation.
- Corporate satellites want focus and consistency: brand-neutral suites, concierge-style reception areas, and places that feel secure and professional from the moment you walk in.
- Purpose-led organisations expect their values to show up in the space. Recycled finishes, transparent sustainability metrics and biophilic elements are key staples.

We always pair spatial decisions with operational thinking. It's not enough to design for how the space looks - we consider how it runs. 24-hour access policies, managed meeting rooms, or circular furniture schemes all contribute to the user experience. Technology plays a huge part here – many projects are starting to use AI to learn usage patterns and adapt lighting, HVAC, or seating availability in realtime, as well as helping users decide where to sit for the type of work they're undertaking.

Amenities and expectations are closely linked to demographics: BLOCK's layered, high-energy layout suits its fast-scaling tech tenants, while FOUNDRY's refined hospitality tone attracts design-conscious professionals.

Design is only as good as its alignment. When we get it right, spaces fill faster, retain tenants longer, and deliver a better return. We don't just design for how people work today; we design for who our clients want to walk through the door tomorrow.

Hybrid Design: Blending Coworking and Private Office Space

Designing for Gradation of Use

From lively breakout areas to deep focus booths, hybrid spaces should enable seamless transitions. Privacy needs can vary throughout the day, and design should support that fluidity.

Interaction's design for FOUNDRY in Wandsworth exemplified this approach. A large, communal breakout space encourages connection and community, while the adjacent private offices and focus booths supported focused, enclosed work - all within a single cohesive space.

From day one, we wanted Storey to feel self-contained and premium—more than just desks in a box. With our unit sizes starting from 1,500 sq ft or around 20 desks, each unit includes private meeting rooms and tea points so occupiers can work, meet, and reflect their brand without relying entirely on shared amenities. It's about striking a balance: autonomy with access. That focus on quality has really paid off. We're not aiming for flashy, but for premium spaces that last—some are now seven years old and still look as good as the day they opened because we follow a rolling refresh model and upgrade only where needed. Ultimately, it comes down to knowing your audience. If you try to appeal to everyone, you lose focus and add unnecessary complexity. We're now crystal clear on who each location is for—and that clarity drives both consistency and efficiency."

Becky Gardiner

Head of Storey

British Land

Acoustics and Boundaries Without Walls

Using acoustic baffles, curtains, plants, and lighting to create soft boundaries allows users to flow through different zones naturally, while maintaining distinct atmospheres. They also help give each area its own atmosphere, as well as cutting down on noise pollution.

Furniture That Enables Choice

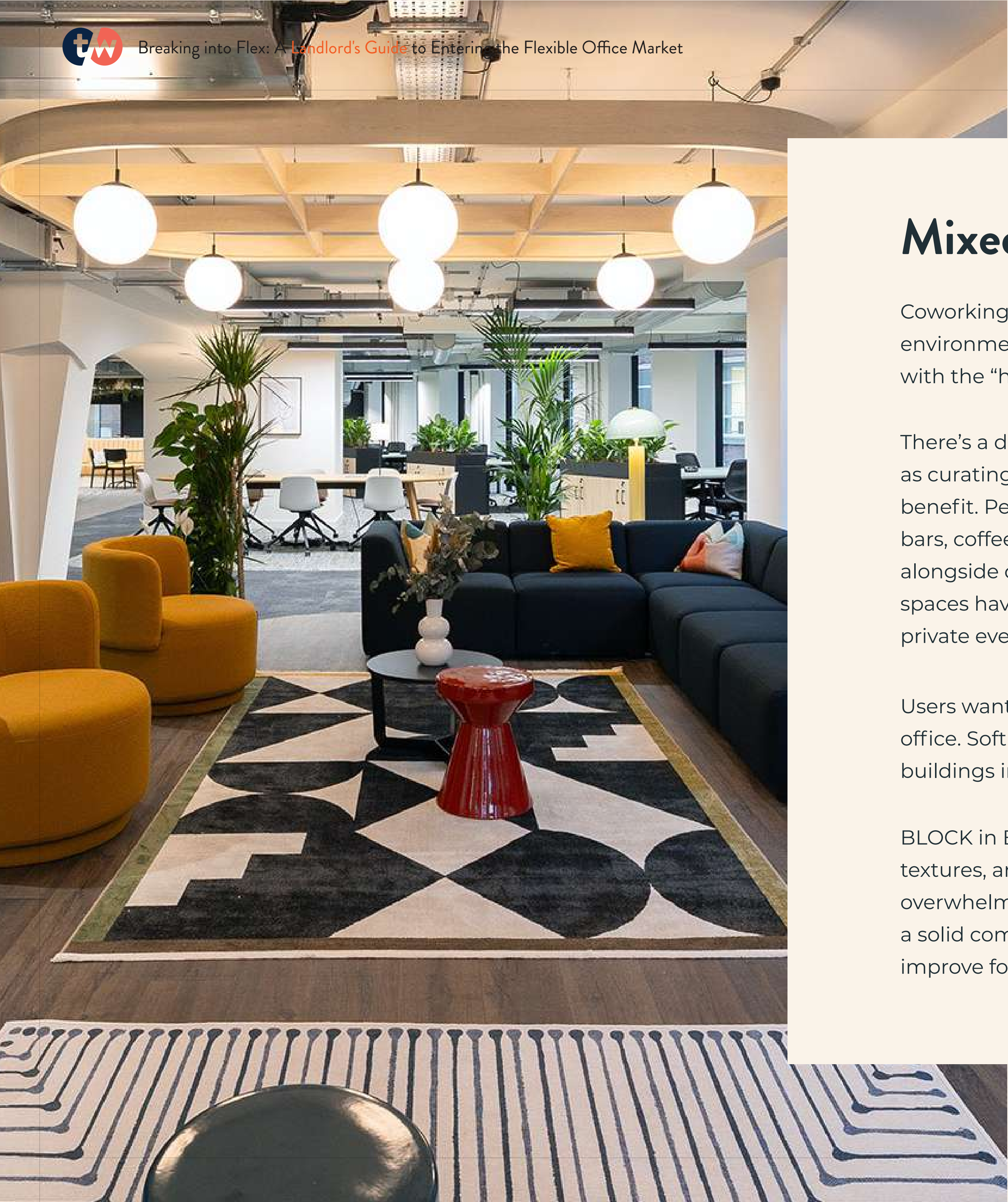
Modular meeting pods, foldable tables, and mobile tech units allow spaces to adapt on demand. Every item should serve more than one purpose.

"It's important to think carefully about everything that's in eyeline, or that people touch. Something can feel cheap quickly, especially when it's heavily-used – like cheap door handles. Wayfinding is something you can't cut corners on – signage should be high quality and reflect the environment, not be printed out and sellotaped to doors."

Martha Gray

Creative Lead

interaction



Mixed Use Offerings

Coworking is increasingly embedded within mixed-use environments - part retail, part residential, part hospitality – with the "hospitality" part becoming increasingly important.

There's a drive to offer experiences beyond the workplace – such as curating private member's clubs with coworking as an added benefit. People are wanting more from their "3rd space" - gyms, bars, coffee shops and fully catered kitchens are popping up alongside coworking spaces everywhere. Some coworking spaces have additional multifunctional rooms bookable for private events – even weddings.

Users want spaces that feel like home but function like an office. Soft lighting, warm finishes, and intuitive layouts turn buildings into experiences.

BLOCK in Bristol leads with hospitality cues: lounges, natural textures, and curated artwork. It creates atmosphere without overwhelming the purpose. Ambience and community drive a solid commercial strategy. Thoughtful shared spaces improve footfall, retention, and ROI.

ESG: Embedding Sustainability in Coworking Design

Sustainability can be make-or-break when it comes to attracting clients. For many users, particularly younger professionals and B Corp-aligned businesses, it is a deciding factor in what co-working space to choose.

Visible, Measurable Sustainability

Today's tenants want transparency. They want to know where materials come from and how they are disposed of. At Interaction, we often use QR-coded signage to help users learn about every sustainable element in their environment, from reused tiles to furniture made from cork and hemp.

Embedding ESG Without Compromising Design

Good ESG design should be baked into the concept, not bolted on. Natural ventilation, reupholstered furniture, and materials with strong environmental credentials now sit alongside tech integrations that track energy use and enable behaviour change.

Circular Design and Lifecycle Thinking

Ensuring a focus on circularity means designing spaces that can evolve. This includes reusing materials from old projects, choosing finishes with low embodied carbon, and ensuring that furniture can be repaired or repurposed. It's not always prioritising recyclable material – it may be more sustainable overall to put a longer-lasting but less recyclable finish on a high-impact surface for instance; everything decision has to be weighed as part of a sustainability strategy.

From kinetic energy harvesting to sculptures which collect rainwater to hydrate plants and innovative ways of combing technology and nature – there are endless ways to make a space more sustainable with enough creativity and strategy.

How to Get Started: Design and Build Considerations

Launching a new flex space requires practical steps that turn ambition into a viable asset.

Key Considerations

- **Budget:**
  Start with the end in mind. Build in a 10-15 percent contingency and understand the full project lifecycle cost - not just the upfront CAPEX.
- **Density and Safety:**
  Consider legal requirements and best practice. Plan for around 8-12m² per person and ensure fire strategies are integrated from the start.
- **Wellbeing Standards:**
  Natural light, air quality, acoustic control and ergonomic layouts are essential. The higher these standards the happier the tenants.

Engage the Right People Early

Involving landlords, D&B partners, operators and advisors at the earliest stage can significantly reduce risk. Many cost overruns stem from decisions made too late.

Plan for Change

Design for adaptability. Modular layouts, movable walls, and plug-and-play tech reduce long-term costs and allow the space to evolve with user demand.

Partnering for Delivery:
Architect vs. Design and Build

Architect-led projects often deliver high-concept designs. But for fast-paced, budget-conscious flex space builds, the Design and Build (D&B) model brings speed, control, and cohesion. D&B cuts handovers. One team owns every stage - from briefing to delivery. Fewer surprises. Faster decisions. Clearer budgets. We have a blog with more detail on the approach here.

At BLOCK, we delivered four floors of bold, brand-driven design in under 14 weeks. With FOUNDRY, we turned a vacant shell into a plug-and-play workspace in just 16, and completed the project ahead of schedule, allowing FOUNDRY to move in and start welcoming members earlier than planned.

The results speak for themselves, averaging a 40% faster speed to completion than traditional routes.

> Operators tell us that using a Design & Build route brings them greater pace, cost control and higher overall quality. Having a core team work on the project from start to finish not only makes iterations faster, but less complex, with a single point of contact having oversight and ownership."

Martha Gray
Creative Lead
interaction

Conclusion

The coworking and flex space market is in flux, shaped by shifting work patterns, rising expectations, and a focus on wellbeing and sustainability. Design is no longer just about visual appeal. It is about performance, flexibility, and experience.

The most successful operators will be those who invest in thoughtful design, early planning and agile delivery. Whether through hybrid layouts, mixed-use models, or ESG-led construction, the future of coworking belongs to those who understand that space is a service.

At Interaction, we help turn that service into an experience. Beautiful, sustainable, and ready at speed.

The Importance of Tech Infrastructure

The Essential **Tech** Stack

When you're just starting out in flex, it can be tempting to piece things together using whatever tools you already know - basic booking forms, inboxes, and off-the-shelf apps. But this kind of patchwork setup quickly creates more problems than it solves. We've seen operators try to manage bookings without a system, chase payments manually, or try and deal with frustrated members because there's no way to monitor or manage WiFi performance. It's inefficient, error-prone, and ultimately unsustainable as you grow.

Operational efficiency is the key to a profitable organisation — and in flex, your tech stack is where that efficiency begins. As your space grows, so does the complexity. Admin starts piling up. Members get frustrated. You find yourself spending more time chasing invoices or troubleshooting WiFi issues than actually growing your business. That's when it becomes clear: **you don't just need more tools, you need the right ones working together!**

Your tech stack is the digital backbone of your space. Done well, it automates the boring stuff, gives you the data to make smarter decisions, and makes every touchpoint feel seamless for members. Done poorly, it creates friction, burnout, missed revenue and significant customer frustration..

In this section, we'll walk you through the essential technologies every coworking or flex space needs, from connectivity software to workplace management to access control, and show you how to weave them into one integrated ecosystem. Whether you're just getting started or upgrading from a patchwork of tools, this guide will help you build a tech stack that scales with your ambition.

Connectivity Software

In a coworking or flex space, the internet isn't a "nice to have" — it's the backbone of your offering. For members across sectors, especially professional services and corporate teams, a fast, secure, and always-on connection is often not requested or specified, just expected. Any interruption to service damages trust and can quickly lead to churn. Modern connectivity platforms give you enterprise-grade performance, security, and control, without requiring an in-house or external IT team. You can easily create secure networks, set bandwidth limits, track usage and monitor performance. Crucially, these systems should be intuitive enough that your front-of-house team can manage onboarding, create new WiFi logins, and troubleshoot basic issues — all without needing to escalate to either an in-house IT resource or external provider.

Workplace Management Software

A robust workplace management platform lets you streamline licence and contract management, automate billing, handle client requests efficiently, and simplify meeting room bookings — all from one central system. Multiple departments, from sales and operations to front-of-house and finance, can use the platform to stay aligned and reduce manual work. In one example, Pure Offices used **twiin**workspace to cut their monthly billing admin from a full day to under 30 minutes across 1,200 clients, proving how powerful the right system can be when managing a growing portfolio.

CRM

A well-integrated CRM is essential for managing your sales pipeline from first inquiry to contract signing. It centralises all communications and allows you to track every interaction with prospects and members. With a clear visual pipeline, your team can easily see where each lead stands, ensuring no opportunities slip through the cracks. Some workplace management platforms, such as **twiin**workspace, have CRMs as part of their offering. This ensures the handoff between sales and operations becomes seamless, creating a smooth journey for members from lead to signed contract and beyond.

Accounting Software

Keeping your finances in order is essential, and accounting software helps you do just that with minimal fuss. Whether you're reconciling invoices, tracking expenses, or preparing reports for stakeholders, the right tool reduces errors and saves hours of admin time. For flex operators, integration is key — when your accounting platform connects with your workplace management software, billing and reporting become seamless, with no need for double entry or manual corrections. This not only improves accuracy but gives you a real-time view of cash flow, helping you make better business decisions faster.

Payment Gateway

In a membership-driven model like flex, smooth, reliable payments are everything. A modern payment gateway enables you to collect payments securely, process recurring transactions, and issue refunds with minimal effort. It should support multiple payment methods and integrate tightly with your billing system, so charges are automated and reconciled in real-time. For members, this means predictable, friction-free billing. For you, it means less time chasing late payments and more time focusing on growth.

Document Signing

Speed matters when you're onboarding new clients or updating contracts. Digital document signing tools eliminate the need for printing, scanning, or waiting on physical signatures — turning what used to take days into a few clicks. This accelerates the sales process, reduces paperwork, and ensures everything is securely stored and easy to find. When integrated with your CRM or workplace management platform, document signing becomes even more powerful, allowing for a truly end-to-end digital experience.

Access Control

Modern access control systems do more than just keep your space secure — they're an essential part of delivering a seamless member experience. From mobile door entry to scheduled access permissions, the right solution gives you full visibility and control over who's coming and going, and when. For members, it's about convenience. For operators, it's about peace of mind and the ability to manage access remotely. When integrated with your workspace management platform, new members can be onboarded instantly, and access rights can be adjusted in real time — no keys or keycards required.

Simple steps to building a tech stack

1. Audit What You've Got

Start by listing every software tool currently in use across your space — including ones that may have been forgotten. Talk to your team about what's genuinely helpful vs. what's gathering dust. This gives you a clear picture of what's working, what's not, and where the gaps are.

2. Define Your Must-Haves

It's easy to get distracted by flashy features. Focus instead on what your space actually needs. Is billing your biggest pain point? Do members struggle with booking or access? Prioritise the tools that solve real problems, not theoretical ones.

3. Map the Member Journey

Look at your full member lifecycle — from enquiry through onboarding, daily usage, and retention. Identify the tech touchpoints along the way and where friction exists. This will help you align software solutions to actual member experience.

4. Choose the Right Connectivity Provider

Internet is the backbone of your space and your customers expect fast, reliable, and secure WiFi. Choose a solution that offers enterprise-grade performance with automation, smart security features and intuitive solutions your front-of-house team can actually manage — no IT team required.

5. Choose Software Tools That Play Well Together

Integration is key. Look for platforms with open APIs or pre-built integrations. Systems that "talk to each other" save you time, reduce manual entry, and create a smoother experience for both members and staff.

6. Start Small, Scale Fast

You don't need to overhaul everything at once. Pick one high-impact area — like payments or CRM — and get that running smoothly. From there, build out your stack in layers as your needs grow.

7. Involve Your Team Early

Bring in the people who'll be using the technologies every day. Their insights will help you choose solutions that are practical, not just pretty. It also boosts buy-in and adoption when you roll out.

8. Audit What You've Got

Your tech stack should evolve with your space. Schedule regular reviews to assess what's working, explore new features, and make sure your tools are still aligned with your goals.

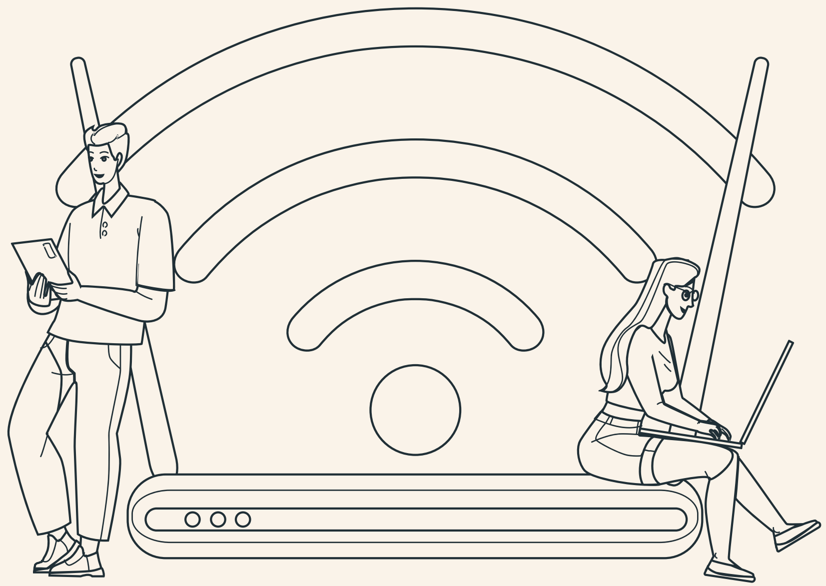
Connectivity: Your Most Valuable Utility

Members, especially corporate teams and professional services, expect fast, secure, and reliable connectivity from the moment they walk in. A dropped connection or sluggish WiFi doesn't just frustrate — it erodes trust, damages your brand, and sends members looking elsewhere.

And the demand is only growing. In 2023 alone, the average fibre bandwidth ordered to sites jumped by 80%, with 10Gb/s fibre lines now making up 25% of all lines ordered. This shift reflects a broader trend: flex operators are moving from "just enough" bandwidth to **future-proof connectivity** — not just to meet today's expectations, but to stay ahead of tomorrow's.

Operators are also doubling down on resilience. 80% now install backup lines, often from alternate providers, with auto-failover set up to ensure seamless service during outages.

But it's not just fibre changing the game. One of the most disruptive trends in the past 12 months has been the rise of wireless leased lines — high-speed, point-to-point connections that rival fibre in performance but are much faster to install (as little as 14 days, sometimes less) and often more affordable. For sites facing delays due to wayleaves or tight timelines, wireless lines are proving a smart route to market.



In markets like Central London, where choice is growing and expectations are sky-high, operators are using high-performance internet not just as infrastructure, but as a **competitive edge.** Some operators are bundling in dedicated bandwidth with private office packages to win deals and maintain pricing power. Others are simplifying their offering with clear, scalable pricing per user or bandwidth tier — making it easier to sell and even easier to manage.

In short: your workspace experience is only as good as your internet. Whether it's wireless, fibre, or both — make it fast, make it resilient, and make it easy for your team to manage. Your members (and your bottom line) will thank you.

The German Market: Catching Up on Connectivity

Germany's flex space sector is evolving fast — but when it comes to internet connectivity, it's still playing catch-up. Our 2025 German Coworking Connectivity Trends Survey revealed some key gaps that operators should be aware of if they want to stay competitive and meet rising client expectations.

The good news? Demand is growing, and most operators surveyed plan to upgrade fibre bandwidth in their next sites. But current performance shows room for improvement: average bandwidth to site still sits below 1Gb/s, and just 64% of locations have a backup line in place. That's a significant risk in a market where downtime can cost more than just a few hours of productivity — 11% of respondents reported losing or failing to win clients due to IT issues.

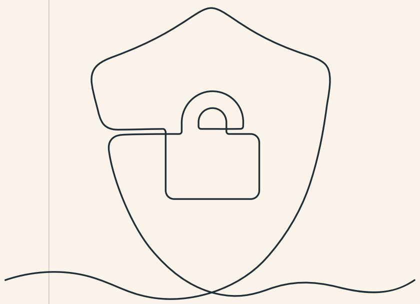
Compared to more mature markets like the UK — where 25% of fibre orders are now 10Gb/s and 80% include a backup — the German market has clear headroom to improve. With global brands entering the market at pace, domestic operators are under growing pressure to match international standards, particularly when it comes to technology. The challenge is real, but so is the opportunity. With the right guidance and software in place, local providers can close the gap and compete confidently.

Importantly, the client base has changed. German operators are now serving larger organisations with stricter IT policies and higher bandwidth demands. Dedicated bandwidth services are increasingly popular, but often still require manual setup via central IT teams or external partners. That complexity is holding spaces back. With the right automation and integrations, operators could offer faster onboarding and more seamless client experiences.

Security is another area of concern. Over half of German coworking spaces still offer open WiFi networks with no login — exposing members to unnecessary security risks and making life harder for sales teams pitching to IT decision-makers. Fixing this is simple: secure, segmented WiFi access can be implemented without making user experience more difficult, and it boosts trust in your tech offering.

The takeaway? German flex spaces have a clear opportunity: modernise their connectivity approach, invest in resilience and security, and make internet a strength rather than a liability. For those willing to lead, the competitive advantage is real — and measurable.

Finding the Right Technology Provider: What to Look For



Security

Choosing the right technology provider is one of the most important decisions a flexspace operator can make. It affects everything from day-to-day user experience to the ability to attract enterprise clients. While cost and convenience will always play a role, one factor must never be compromised: security.

In a multi-tenant environment like flexible workspace, the stakes are uniquely high. Tenants expect, and often require, networks that are not only fast and reliable but also secure, isolated, and compliant with corporate IT policies. A failure in security doesn't just impact the user. It also damages trust in the operator and the space as a whole.

Unfortunately, not all providers are up to standard. A key component of any flexspace tech system is the ability to move end users onto their own private network. This network is "ring-fenced" exclusively for the end user's company, ensuring that their data and activity is completely isolated from other occupants in the building. While a second network for guests and visitors may exist, our focus here is on the secure networks for building occupiers. A common feature of nearly all flexspace tech stacks is VLAN (virtual local area network) technology. VLANs have long been a trusted IT solution designed to separate networks running on common equipment. Their reliability and security make them an ideal choice for flexspaces.

The key differentiator lies in how the tech product associates a particular end user device to the correct VLAN. It is crucial that this is handled properly and securely, because if a device mistakenly ends up on the wrong VLAN, it could give unauthorised access to another end user's network, posing a major security risk. Many providers still rely on outdated or vulnerable methods like MAC address authentication to manage network security. It may sound technical, but the risk is simple: spoofing a MAC address, and gaining unauthorised access to another tenant's network, can be done in seconds. Worse still, these MAC addresses are transmitted unencrypted, making them easy to intercept without physical access to the building.

To avoid these pitfalls, flexspace operators should look for providers using Enterprise-grade encryption, such as WPA2 Enterprise. Yes, there's a small trade-off - users may need to accept a certificate the first time they connect. But once done, they enjoy seamless and secure access across locations, with full confidence that their data is protected.

Bottom line: your provider should make security a core part of their offer, and not an afterthought. Ask for their security standards documentation. Request a breakdown of their authentication process. And don't be afraid to bring in third-party advice if the answer feels vague or outdated. Losing a major deal, or suffering a breach is too high a price to pay for shortcuts.

Flexibility

In the fast-evolving world of flexible workspaces, agility is everything. Whether you're managing a single site or a growing portfolio, your technology choices shouldn't box you in.

When evaluating technology providers, it's crucial to look for platform and hardware-agnostic, interoperable solutions. Systems that integrate easily with your existing tools, such as booking platforms, billing software, or CRM systems, enable you to build a tech stack tailored to your specific needs, rather than being forced into a one-size-fits-all ecosystem.

We've seen this principle in action through integrations like those between connectivity tools and workspace platforms. For example, our **twiin**data product integrates with **twiin**workspace, Office RnD and Nexudus workspace management platforms, bringing together WiFi and internet management with space operations in one interface. But the real takeaway isn't the integration itself—it's the underlying philosophy: choose technology that plays well with others.

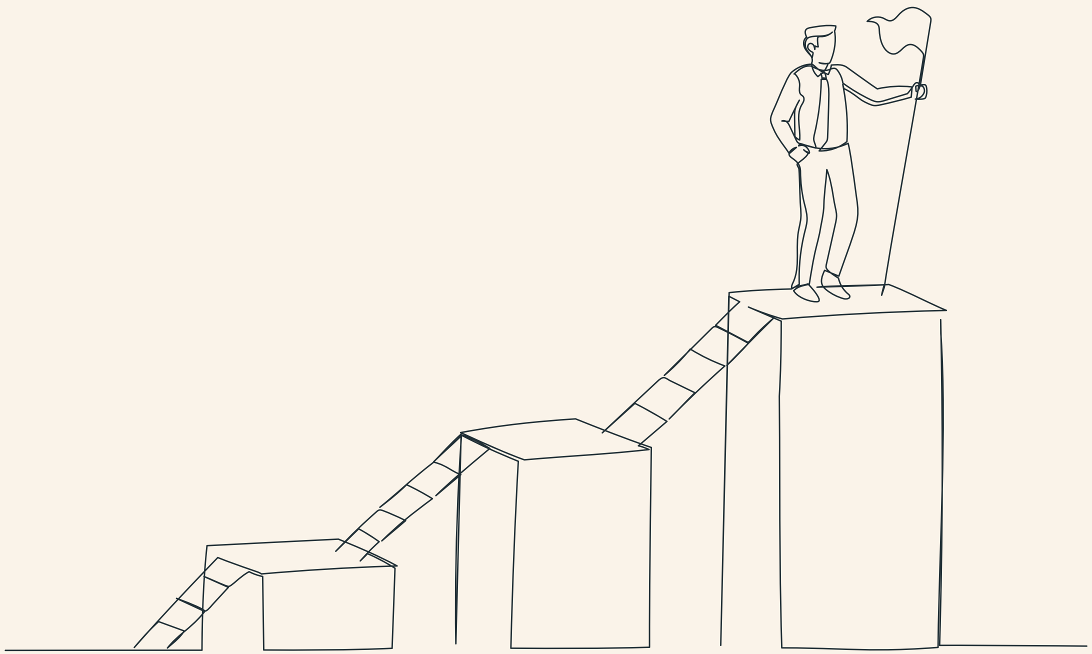
This approach delivers several key advantages:

- Best-of-breed performance – You're free to choose the best product for each function, rather than settling for bundled features that may not perform as well.
- Operational efficiency – Integrated systems reduce duplication of effort and allow teams (especially front-of-house staff) to work within a single interface.
- Faster setup and onboarding – A modular tech stack often means faster deployment and easier scaling across multiple sites.
- Reduced vendor lock-in – Being able to switch out parts of your stack without replacing everything gives you greater long-term flexibility and negotiating power.
- Future-proofing – Open, well-documented integrations make it easier to adopt new tools as your business needs evolve.

Scalable

When selecting technology for your coworking or flexible workspace, it's essential to think beyond today's needs. As your business grows, whether that means opening new locations, entering new markets or serving larger enterprise clients, you'll need systems and partners that can scale with you seamlessly. Look for technology that can be deployed across multiple sites quickly, managed centrally, and adapted easily to suit different client profiles. For example, we were able to support Industrious expand into new European markets at scale by automating their connectivity with our **twiin**data product, eliminating the need for on-site IT at every location.

Working with a partner that grows with you ensures consistency in user experience, operational efficiency, and client satisfaction across every stage of your expansion.



Key things to look for include:

- Multi-site management: Can the platform support multiple locations under one dashboard? Is it simple to onboard new sites?
- Automation and integration: Are there built-in tools or integrations that save your team time as client volume increases?
- Commercial flexibility: Does the provider offer pricing and contract models that grow with you, without penalising success?
- Enterprise-grade support: As you scale, so does the complexity of your client base. Choose a partner who understands the expectations of large, security-conscious tenants.
- International capability: Can the provider support deployments across borders, with the infrastructure, local knowledge, and support to match?

Software-driven Automation

In a fast-paced flexspace environment, your technology should lighten the operational load—not add to it. The right platform should automate routine tasks, simplify day-to-day management, and eliminate the need for constant external IT support. That means your front-of-house teams can take control of critical services like connectivity and user access, without waiting for a ticket to be logged or a technician to be dispatched.

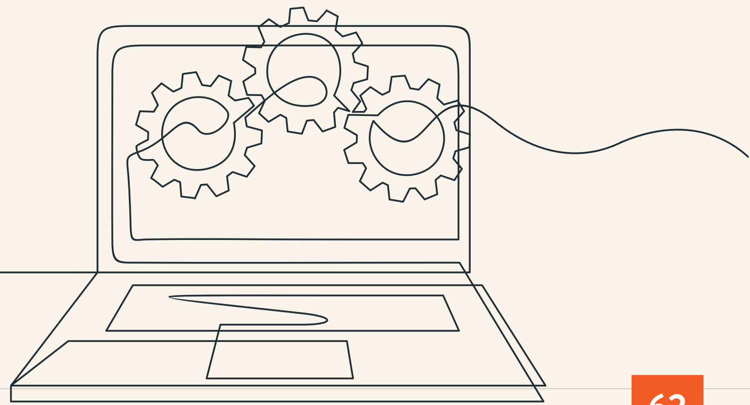
When your systems are intuitive and easy to manage, your team can respond faster, onboard new members seamlessly, and resolve small issues on the spot. It also means you can get new locations up and running much quicker and without extensive training.

Automation plays a key role too. From booking meeting rooms to billing to assigning bandwidth - look for platforms that handle these tasks with minimal manual input. It means fewer errors, less admin, and more time to focus on what really matters: creating a standout member experience.

Ultimately, technology should enable your people, not slow them down. A user-friendly, automated solution helps your teams do more with less, giving you the freedom to prioritise what matters most: building strong relationships with members and delivering spaces they love coming back to

The benefits go beyond convenience:

- **Time savings:**
  Reduce time spent on repetitive tasks and troubleshooting.
- **Cost savings:**
  Minimise reliance on external IT support or engineering call-outs.
- **Increased agility:**
  Empower on-site teams to act quickly and independently.
- **Consistency and Accuracy:**
  Minimise human error and ensure processes are followed correctly, every time.
- **Centralised control:**
  Manage your entire portfolio from a single platform, gaining visibility across all locations and the ability to implement changes instantly.



Robust Financial Backing

Technology is a long-term investment and the stability of your tech provider matters just as much as the product itself. In an industry built on trust, speed, and service continuity, the last thing you want is a partner that disappears when you need them most.

Before committing to any long-term partnership, it's worth asking: *Is this a provider that will still be around in five years? Are they investing in their future and, by extension, mine?*

Working with a well-capitalised provider gives you peace of mind and ensures your technology foundation is resilient.

Key reasons to prioritise financial robustness in a provider:

- **Reliability over time:**
  A stable provider won't fold or compromise service midway through your contract. There is nothing worse than losing your connectivity provider and, by effect, the internet connection within your workplaces.
- **Ongoing innovation:**
  Financially backed companies can continuously improve their platforms and stay ahead of industry trends.
- **Scalability:**
  Providers with strong backing can grow with you, supporting your expansion into new sites, cities, or regions.
- **Support infrastructure:**
  With solid funding, providers can invest in world-class support teams, onboarding, and training that benefit you from day one.

Pitfalls to Avoid When Selecting a Tech Partner

Choosing the right technology provider can unlock new levels of efficiency and service. But choosing the wrong one? That can lead to downtime, frustrated customers, and costly retrofits. To make the right decision, it's essential to go beyond the sales pitch and ask the tough questions.

Here are common pitfalls to avoid, and the questions that help you steer clear of them:

Being locked into proprietary hardware or rigid ecosystems

Ask: Is your solution hardware-agnostic? Can I integrate with other platforms if my needs change?

Lack of scalability

Ask: How easily can I onboard new sites or manage multiple locations? What does scaling up look like with your platform?

Security shortcuts

Ask: What's your approach to network security? When it comes to connectivity, do you rely on MAC authentication or use enterprise-grade encryption and VLAN assignment?

Hidden costs and inflexible pricing

Ask: How do your pricing and contract models accommodate growth? Are there usage-based fees or limits I should be aware of? Do you offer CapEx or OpEx pricing?

Overly complex systems requiring constant IT support

Ask: Can front-of-house staff manage key tasks without external IT help? What's the average time to train a new team member on the platform?

Poor support and limited visibility

Ask: What kind of support do you offer, and is it available across all markets I operate in? Can I access real-time data and reporting across sites?

Choosing a partner with limited financial or operational stability

Ask: What's your company's track record of delivery and growth? Who are your existing clients? Who are your backers, and what investments are you making in your roadmap?

Choosing the right partner means thinking long-term. Ask these questions early, and you'll save yourself time, money, and operational headaches down the line.

Managed Service Provider, In-House IT or Software Solution?

When it comes to managing internet and connectivity in a flexible workspace, operators are often faced with a critical decision: should you rely on a Managed Service Provider (MSP), hire in-house IT staff, or invest in a dedicated software solution?

What is a Managed Service Provider (MSP)?

An MSP is an external company that manages your IT services, from setting up your network infrastructure to providing ongoing support. While this can be a useful option for small operators without in-house IT expertise, it comes with several drawbacks, especially as you scale.

The Challenges of Relying on an MSP

Slow Response Times

When issues arise, MSPs often require you to log a ticket and wait for a technician to respond, sometimes without a guaranteed resolution time. This can delay your team and negatively impact your member experience, highly unsuitable to the fast-moving world of flex space.

High Costs

MSPs typically charge either per call-out or a fixed monthly fee. In quiet months, you're paying for a service you may not use. And when you do need help, it can get expensive quickly.

Lack of Autonomy

With an MSP, your network is managed by individuals. If staff changes happen on their side, documentation can be inconsistent, and network configurations may get lost or misaligned, resulting in instability.

Security Risks from Human Error

Unlike purpose-built software, MSP-managed networks rely on manual configuration. Even well-intentioned technicians can make critical errors that introduce vulnerabilities.

No Easy Integrations

MSPs aren't built for workplace tech integration. That means no simple plug-ins with workspace management platforms, leading to operational inefficiencies.

Scaling Becomes Difficult

MSPs typically operate locally. If you're growing across regions or countries, you'll need to find and manage a patchwork of local providers. This can get expensive and complex. It also means that uniformity across all your sites can suffer and these local providers may not necessarily talk to each other. One provider may set up the network in a particular site in a completely different way to another. It is also impossible to get visibility on all the networks across your portfolio from one centralised platform.

Limited Insight & Innovation

MSPs are generalists, not workspace specialists. You miss out on data insights like user movement across locations, bandwidth usage trends, and space utilisation metrics that software platforms provide by design.

Why Software is the Scalable Solution

Modern software platforms give you full visibility and control over your network with built-in security, automation, and data insights. You can:

- Onboard new locations quickly
- Empower front-of-house teams to manage connectivity without IT
- Access a detailed record of changes (what was changed, by who, and when)
- Automate user and bandwidth management so changes are made instantly
- Integrate seamlessly with other platforms like workspace management software
- Get insights across all locations instantly, and inform smarter decisions and improve member experience

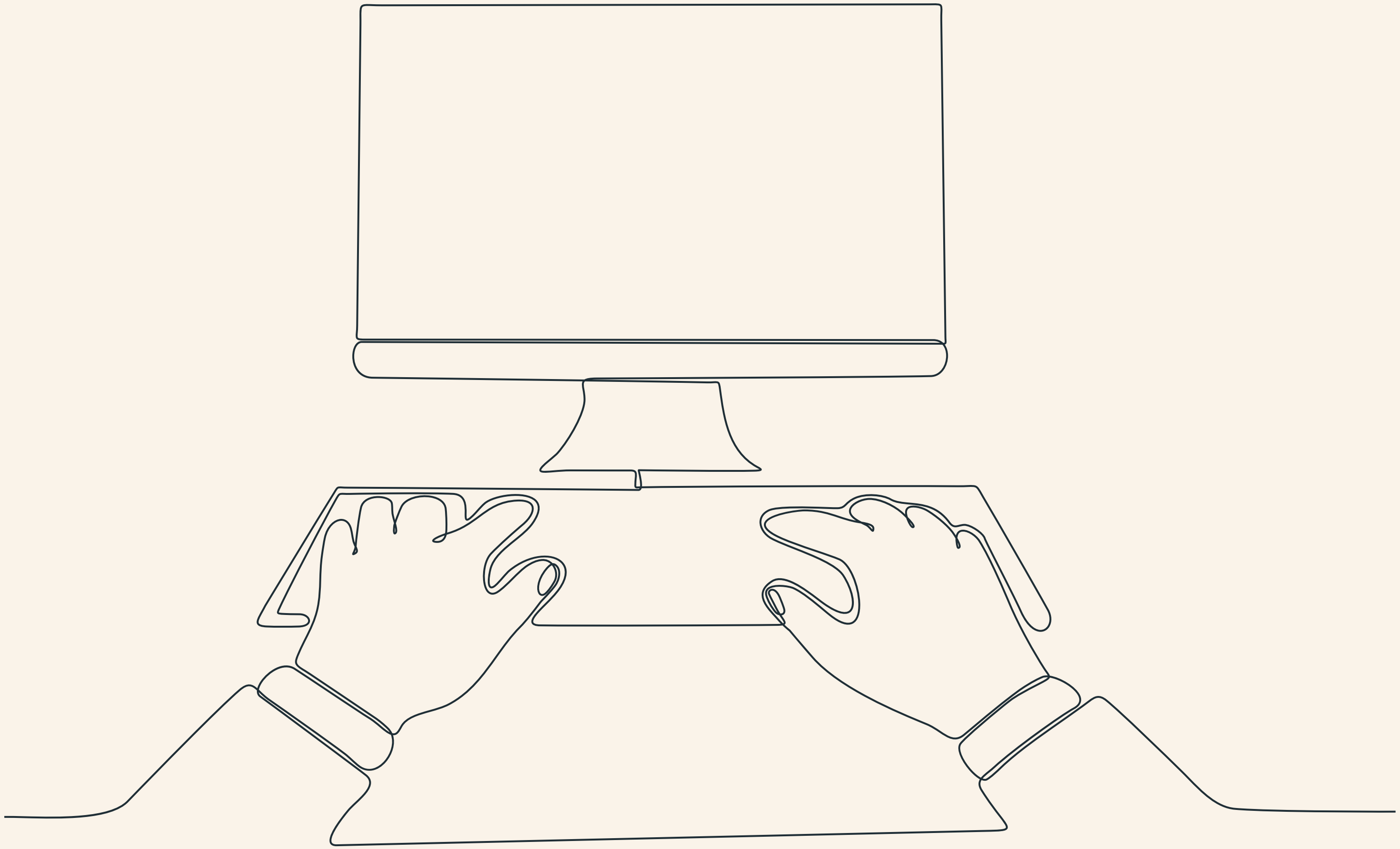
Best of all, software grows with you, whether you're adding one new location or expanding across multiple countries.

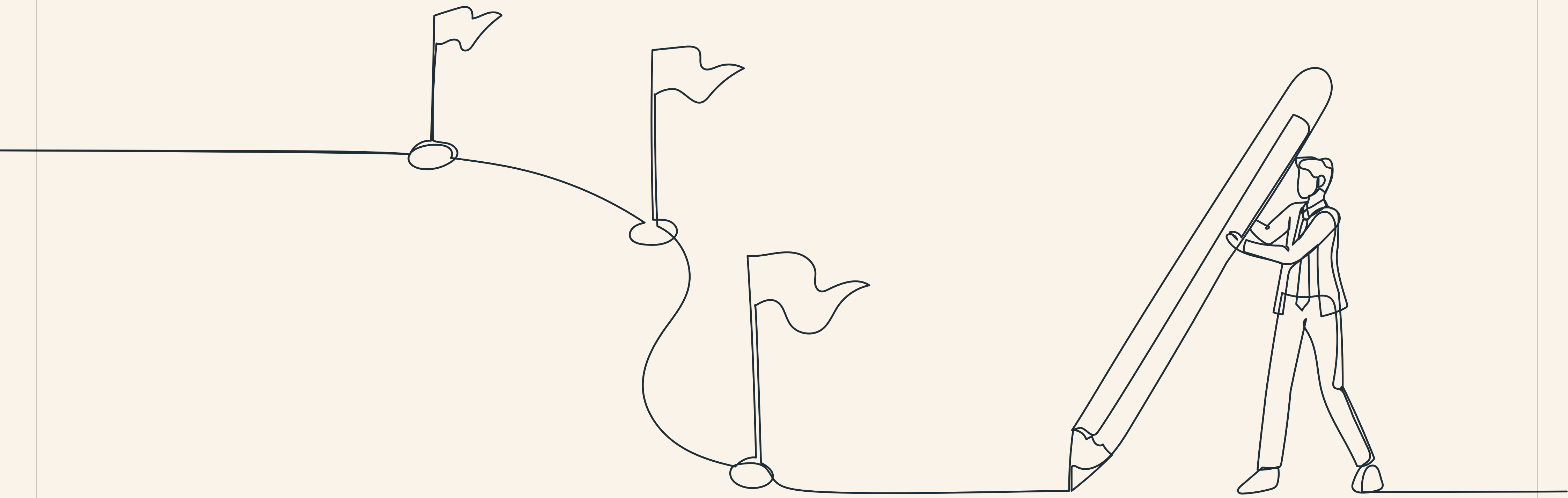
What About Small Operators?

For smaller teams that rely on MSPs due to lack of internal IT, that's perfectly understandable. But even here, we recommend that your MSP uses the software platform on your behalf. This reduces your reliance on call-outs and helps streamline your operations while maintaining a high level of control and security.

The Future is Software-Led

The flex space industry is evolving rapidly. With rising expectations around digital security, automation, and user experience, the traditional MSP model is becoming outdated and software platforms are fast becoming the standard.





Operational Strategy for Flexible Workspaces

Delivering a successful flexible workspace isn't just about great design—it's about excellent service. Whether you're running your space in-house or working with a management partner, your operational approach should prioritise hospitality, responsiveness, and tenant experience.

Owner-Operated: Building an In-House Team

Running a flex space yourself gives you full control, but it also means assembling and managing the right team. Your staff are the face of your brand—think hotel concierge, not building manager.

Key Staffing Considerations:

Hospitality-Led Hiring:

Prioritise candidates with backgrounds in hospitality, events, coworking, or retail. Real estate experience is helpful but secondary to service mindset.

Defined Roles & Structure:

Clearly differentiate roles—e.g., Front of House vs. Community Manager.

In smaller spaces, staff may need to wear multiple hats (e.g., Community Manager also handling viewings). Balance this carefully to avoid compromising service for existing customers.

Platform Training:

Ensure your team is trained on your workspace management system (e.g. **twiin**workspace) and can handle basic tech troubleshooting for Wi-Fi, printers, access systems, and bookings.

Customer Engagement:

Encourage staff to learn about your members, use that insight to tailor experiences, foster connections, and build loyalty.

Track member satisfaction (e.g., **NPS scores**) and align staff performance targets accordingly.

Team Culture:

Hold regular team check-ins to review feedback and share ideas.

Celebrate wins and support ongoing development.

Using a Management Partner

For landlords who prefer to stay hands-off, outsourcing operations to a specialist management company such as Workthere offers a streamlined route to market with reduced risk and operational burden.

Benefits:

- **Faster Launch and Fewer Headaches:** Partners bring established playbooks, systems, and trained staff— getting you operational faster.
- **Performance-Based Fees:** For example, Workthere operate on a fee basis ONLY when a tenant is in occupation and paying, with the agreement going on hold during any void periods.
- **Scalable Operations:** Benefit from the buying power and economies of scale of your partner, including turning services on and off with relative ease.
- **Simplified HR:** Staffing, training, pensions, sickness cover, and compliance are managed by the partner—not the landlord.
- **Built-in Accountability:** Key performance indicators can be put in place contractually, so under-performing management can be moved on while tenants remain in situ.
- **Brand Leverage:** Partnering with a trusted, established party boosts marketing and enhances credibility.

Potential Downsides:

- **Reduced Control:** You have less say over day-to-day operations, making partner selection critical.
- **Profit Sharing:** Some agreements include a profit split, though others (like Workthere's model) use a fixed-fee approach with all profit retained by the landlord.
- **Less Direct Tenant Contact:** While this can reduce involvement, it may be seen as a benefit for landlords seeking passive management.

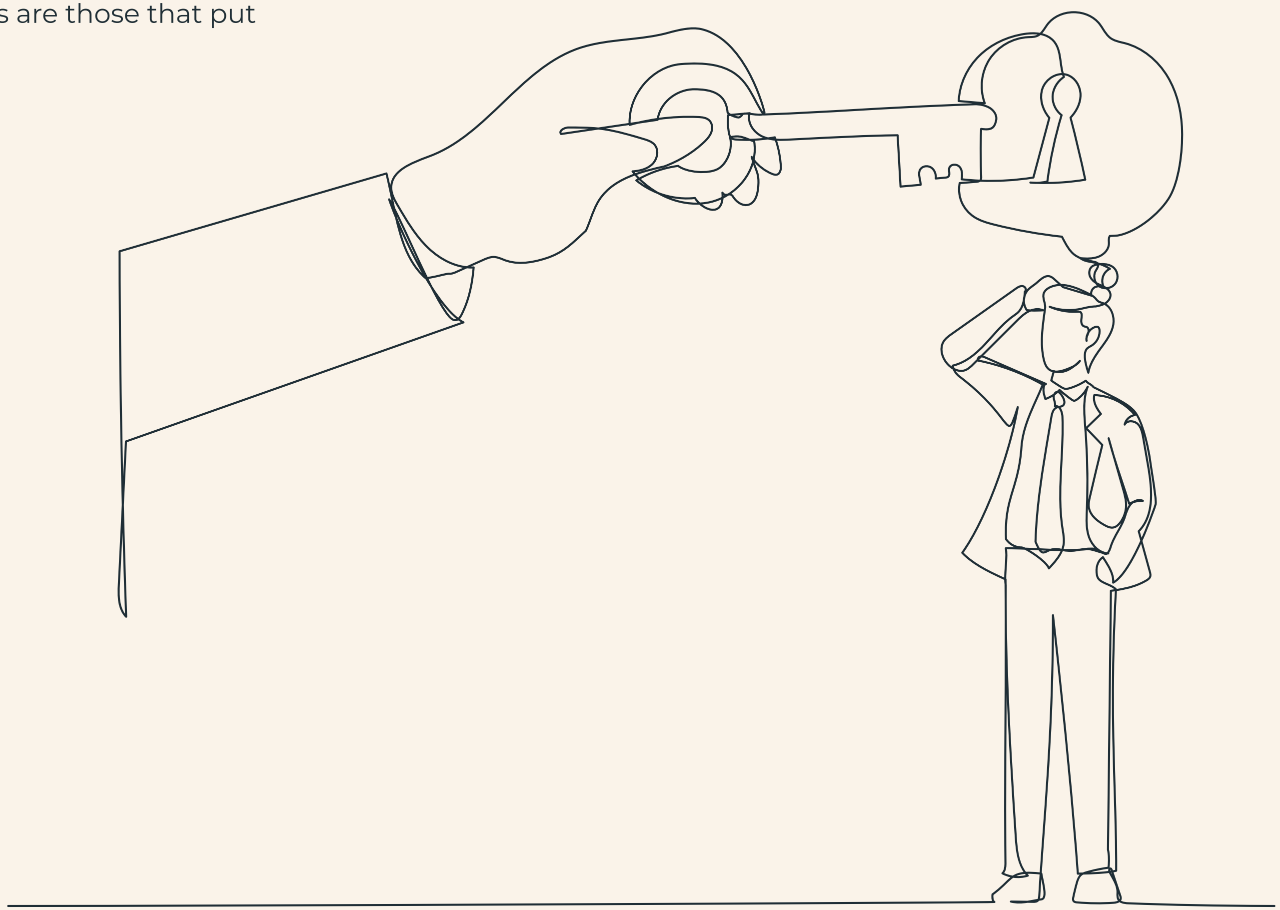
Choosing the Right Model

Your operational strategy should align with your desired level of control, risk tolerance, and internal capability. Owner-operators gain brand and experience ownership, but carry more complexity. Management agreements offer ease and efficiency but require a trusted partner. As flex continues to evolve, the most successful strategies are those that put service, tech, and tenant experience at the centre.

Tom Leahy

Co-Head

workthere

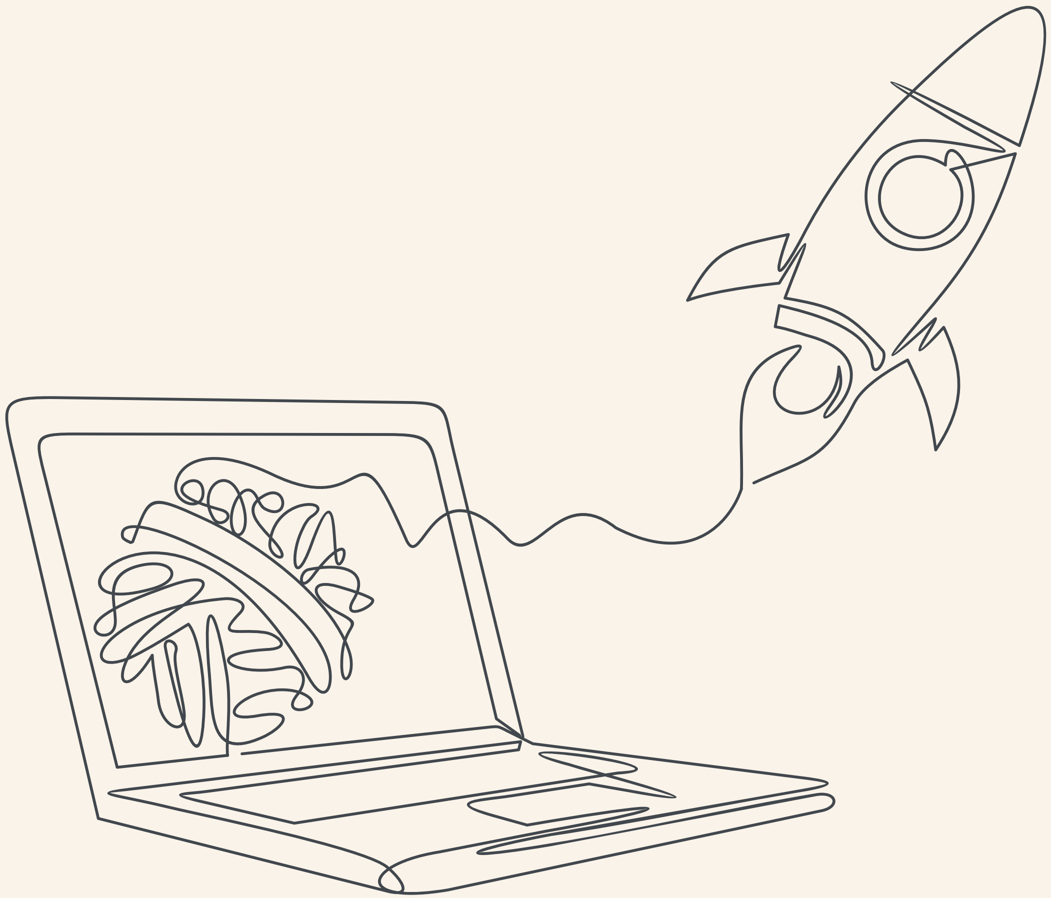


“Service expectations in flex are completely different. Occupiers expect a hospitality-style experience—more like a hotel stay than a typical office lease. That meant rethinking how we deliver service to our customers under the Storey brand: being more responsive, more proactive, and communicating clearly. To meet those expectations, we introduced Community Managers as a dedicated on-site presence complimenting the already excellent work of the Property Managers and estate site teams that support all our occupiers. They manage day-to-day relationships, flag signs of customer growth or changing work practices early, and coordinate with our internal teams to resolve issues quickly.”

Becky Gardiner

Head of Storey

British Land



Marketing and Attracting Occupiers

Building a strong brand in an increasingly competitive market

There are many ways to differentiate yourself from the competition, and which one you choose really depends on what demand you're trying to meet. Below are some of the most obvious methods of setting your business apart.

Brand

Differentiating your flexible workspace business from the rest by using the power of branding is the least tangible and arguably least reliable method to stand out, but it can be a silver bullet when it does work.

Take WeWork, for instance, who managed to become more than just a coworking space and shifted into the realm of being a household name, and a genericisation of coworking spaces themselves. WeWork's whole brand identity is built around the idea of becoming part of a 'we', to the point where they actually hold the trademark for the word. They make full use of that trademark and create a heavily branded experience at every one of their locations.

Effectively splitting away from the pack using brand power, like WeWork did, relies on impactful branding and heavy marketing. However, a successful brand has to be backed up by an effective product, so don't expect to survive off good branding alone.

Niching down

Finding a niche is another way to distinguish your flexspace business, and it's a method of differentiation that's at play in a huge range of other industries. The benefits of niching down are rooted in the idea that, by targeting a specific subsector of a larger market, you can adapt your model to suit them more directly.

Targeting a smaller audience means that you can tailor your offering to perfectly suit their needs and outclass the broader-targeting competition. Choosing a niche does limit your potential market, but a bigger slice of a smaller pie can be a good thing, especially when you would otherwise be going up against Goliaths in the wider market.

The idea of niching down in the flexible workspace market is exemplified by operators like The Building Society in London who target built environment specialists, Third Door who combine coworking with on-site nursery facilities, and AllBright who target businesswomen exclusively.

To find a niche, you should employ all the market research resources you can. Positioning yourself to effectively target a narrow niche means more than just adapting your service – it also means considering location, pricing, amenities, aesthetics, and more.

Customer service

One of the most concrete avenues to differentiation in a crowded market, and one that is a genuine value-add to customers, is to outclass the competition on customer service. Offices are, after all, spaces built for humans, so the way that your customers feel while they are there can be the difference between loyalty and churn.

Prioritising customer service can come in many different forms, from having a business mentor or access to funding sources on-site to allowing entry for customers with dogs or offering free fruit or breakfasts. The methods you choose to adopt to improve your customer service will depend on a couple of factors, including who it is you're serving and what your budget is.

Several flexible workspace operators clearly prioritise providing great customer service to stand out, including Huckletree who offer education programmes for customers, to Platf9rm in Brighton who consistently host workshops and other on-site events.

Almost any improvements you make to your customer service experience will come at a cost, which can minimise your profit margins. The key is to ensure that the knock-on effects that your improved customer service has not have on word of mouth marketing eclipse the investment.

Price

Differentiating on price factors is a simple brand differentiation model, but it can be very effective. As we've already covered, Incuhive's philosophy essentially revolves around cutting operational costs and, consequently, prices for their customers.

Price is an important factor in any buying decision, and that's no less true in the flexible office space market. That means that the return on adopting a price-based differentiation model should be fairly tangible, in that you can at least loosely predict the outcomes if price differentiation is executed successfully.

However, it's worth noting the obvious – that competing on price means that your margins will inherently be minimised. You should also be aware of potential negative effects from low pricing in the form of decreased perceived brand prestige.

Amenities

If you can figure out what customers want better than anyone else in the market can, differentiating your business by focusing on providing the amenities that target these customer needs is a viable strategy.

What do workers need from their workspace? Ask the question even 10 years ago and you'd get a very different answer to today, and ask it again in 10 years' time and the answer will likely be further transformed. Pinning down the needs of your customers is an elusive art, but it's founded on market research.

Use whatever analytical tools you have at your disposal to determine what value-adding amenities look like in your market. Is it an on-site gym, 24-hour access, or something else entirely? Just make sure that you are being realistic about cost and not aiming too high.

You can see examples of operators distinguishing themselves from competitors through the provision of unique amenities wherever you look. Fora in Soho, for example, offer practical amenities like recording rooms for podcasts, while Runway East in Bristol have playful amenities like swing seats and rooftop terraces.

Battling complacency

While it's all well and good finding a differentiation strategy and making your brand stand out in a competitive marketplace, you will soon become irrelevant if you don't continue to innovate and develop. Being good just isn't good enough in a market as competitive as flexspace.

Especially post-COVID-19 – when operators might feel safe having managed to ride out the occupier churn – complacency is dangerous. Increasingly, there is going to be an alternative that is close by and poised to steal your customers, so thinking ahead and continually developing your product is essential.

Essentially, you need to remain the best option for your customers by pre-empting their changing needs and evolving your service. If you manage to do this, there will be no real reason for high occupier churn, and therefore you will only grow as an operator. Fail to keep up, and it's likely that you'll be left in the dust.

Remember – the flexibility that attracts businesses to coworking spaces is a double-edged sword, in that it also allows customers to leave your space just as easily as they entered.

Zoe Ellis Moore

CEO & Founder

Spaces to Places

Marketing to Attract Occupiers: Targeting SMEs, startups, and corporates

Attracting occupiers is one of the most critical and competitive aspects of launching and operating a flexible workspace. Success depends on reaching the right audience with the right message, through the right channels. That's why a balanced approach to lead generation is essential. Understanding how and when to use each marketing channel, and how they work together, can give landlords a significant edge in an increasingly crowded market.

Marketing vs brokers

Brokers are a traditional source of leads for workspaces and offices. With strong industry networks and access to a wide pool of prospective occupiers, they can play a key role - especially when kickstarting a new workspace's revenue generation or to fill a short-term gap in occupation. Their speed and reach can help operators secure tenants quickly and generate early revenue.

However, relying solely on brokers over the long term can limit brand visibility and reduce direct engagement with your customer base. That's where marketing comes in. A well-executed marketing strategy builds brand equity, strengthens customer relationships, and creates a sustainable pipeline of inbound leads over time.

The most effective acquisition strategies blend both approaches—leveraging brokers to accelerate early traction, while investing in marketing for long-term growth. Brokers are especially valuable in the early stages of running your workspace, when long term channels like SEO and social media are still building momentum. By directing brokers to pursue leads for office space pre-lets, before you've even launched, you can smooth the transition into operation and hit the ground running with offices already filled.

	Marketing	Broker
Relationship	Long-term	Short-term/ad hoc
Motivation	Building out a comprehensive pipeline of leads and strengthening brand equity	Securing occupiers
Fees	In-house or marketing agency	Commission basis
Approach	Penetration of local and digital ecosystems	Targeting based on lease expiry and owned contacts
Ownership	You own the lead	The broker owns the lead

Lead sources

SEO

Google is the first place many people turn for information, including when they're trying to find a new workspace. SEO, or search engine optimisation, is the practice of optimising your website to appear in search results for the keywords that customers search when they're looking for your product or service. In this case, when they're looking for a flexible workspace.

SEO underpins the digital side of your location's marketing strategy. It's a long-term channel that can pay massive dividends if consistently invested in through content creation and optimisation, gradually growing to be the ultimate passive lead-generation tool.

PPC

PPC, or pay-per-click advertising, is another way to gain visibility on the world's biggest information sources – search engines. Unlike SEO, however, PPC is a paid channel, meaning you pay for each click you acquire through it. Google Ads is by far the most popular PPC ad platform, and can expose you to the same users that you'd target through SEO, but with a fraction of the effort and in much quicker turnaround times.

PPC runs best in tandem with an SEO campaign, as the keywords targeted by each will have significant overlap. It's a channel that's perfect for short-term acquisition, whether you're trying to fill desks quickly after opening or looking to smooth over a temporary shortfall in revenue.

Ads can be run independently for each location, targeting both geographic and generic keywords and with a highly flexible budget. An effective PPC campaign aims to provide tangible ROI in the form of capturing searchers and bringing them to the website, where they can then convert through contact forms or telephone details.

Social media

Social media lead generation opportunities can be split into two categories – organic and paid. The differences between these mirror the differences between SEO and PPC – organic social is excellent for long-term sustained growth, and paid social is great for capturing leads in the short term.

There are many social media platforms to consider using, but your target market is generally concentrated on LinkedIn. Instagram is also worth pursuing, albeit with slightly less of a focus. Organic social media activities focus on building an audience, gradually increasing engagement, driving traffic to the website, and pushing users to convert on-platform. Paid social media activities are more direct – usually leading directly to the website without the requirement to first grow the account.

PR

PR is an often-overlooked element of a comprehensive marketing strategy, but when utilised effectively, the PR channel can itself drive meaningful engagements while also complementing other channels.

The focus in any PR campaign should be to gain coverage in publications that have a high chance of attracting your target audience. Coverage can be gained in many different ways, from providing comments to tangentially-related articles to securing full self-written features or guest post opportunities. Consistently making use of press releases to publicise important announcements, such as the opening of your space, is also a great way to receive incidental coverage in industry publications.

You can see examples of operators distinguishing themselves from competitors through the provision of unique amenities wherever you look. Fora in Soho, for example, offer practical amenities like recording rooms for podcasts, while Runway East in Bristol have playful amenities like swing seats and rooftop terraces.

Local

Workspaces are, by their very nature, a local-focused service. That makes local marketing a critical element of the overall strategy. You can reasonably assume that a high percentage of your ideal users are either local themselves or searching for a workspace in your particular area. Local marketing seeks to target those users specifically.

Local marketing takes many forms, but the most important elements are effective setup and use of a Google My Business listing, presence on all major local directories, and pursuit of press coverage or backlinks from important local publications or authorities. There are also other local opportunities that can be leveraged for exposure, including building partnerships in your local business community and distributing promotional flyers.

The aim of local-focused marketing is to become a part of the local conversation and build your presence on all local-centric digital platforms. Investment in achieving this aim can have long-lasting positive effects, both online and off.

Direct

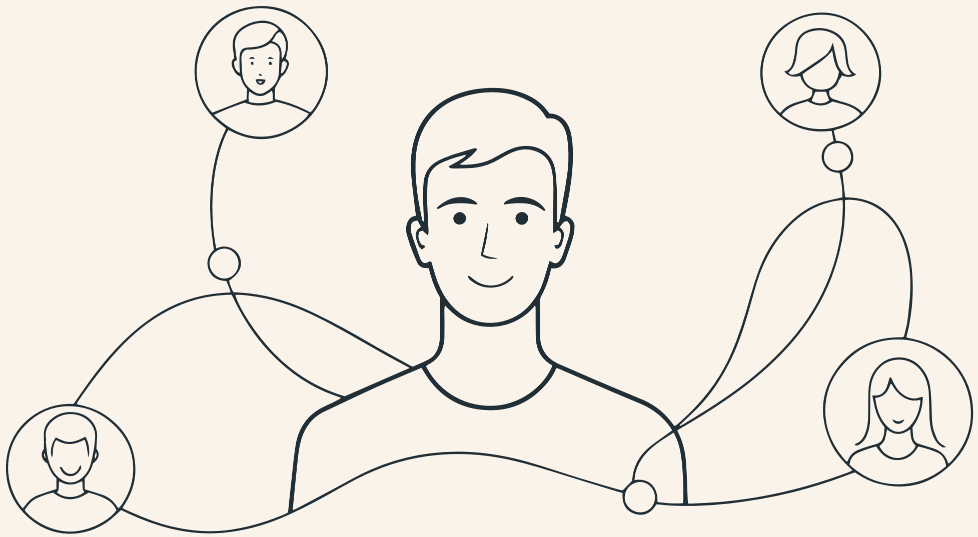
While the ideal long-term position to be in is to have 100% of your leads be inbound, and therefore largely passively acquired, that stage requires patience. Direct marketing, similarly to PPC advertising, is a highly effective short term solution, allowing you to generate interest and acquire leads through direct input.

Essentially, any form of direct interaction with your target market can be considered direct marketing. This includes reaching out on social platforms like LinkedIn, building mailing lists to nurture, hosting networking events at your location, and even organising a launch event.
Direct marketing is a manual way of filling the top of your sales funnel. Theoretically, the amount of time and effort put into this channel will be directly represented in the number of leads acquired.

Targeting Specific Audiences

Corporates

In the long term, if the goal is to attract more global corporates, we recommend working with brokers, particularly in larger urban areas like London, Manchester, and Birmingham (with populations over 200,000). Brokers have access to lease expiry data and established contacts within large companies.



Startups and SMEs

For startups and SMEs especially in smaller towns and cities, a direct outreach strategy can be more effective. It's possible to build relationships and generate leads locally without intermediaries.

Flex Natives

We're also seeing a rise in "flex natives" businesses that have only ever operated from flexible workspaces. These users are typically more informed and experienced with the model. In contrast, others may still be weighing flexible options against traditional leases or looking to have a mix of office solutions. Understanding where your audience sits on this spectrum is key to tailoring your sales approach effectively.

Go to market plan

Research

Any good marketing campaign should begin with a research element, ensuring that the strategy adopted is aligned with the addressable target market. Research takes the form of:

- Local demographic research to determine who your ideal customer is and how abundant they are
- Customer profile creation to solidify an understanding of personas you're targeting and consolidate knowledge on how best to target them
- Keyword research to uncover search volume of relevant keywords and potential opportunities for SEO and PPC

Setup

Once research has been carried out, the next step is to set up all of the required platforms to ensure a marketing campaign can be smoothly deployed. This includes:

- Creating a database for acquired leads – typically in a mail client or spreadsheet or your management system
- Setting appropriate KPIs for all chosen marketing channels to ensure that performance can be properly tracked
- Setting up relevant goals in Google Analytics and conversion tracking in Google Ads to help measure performance
- Creating a Google My Business Listing

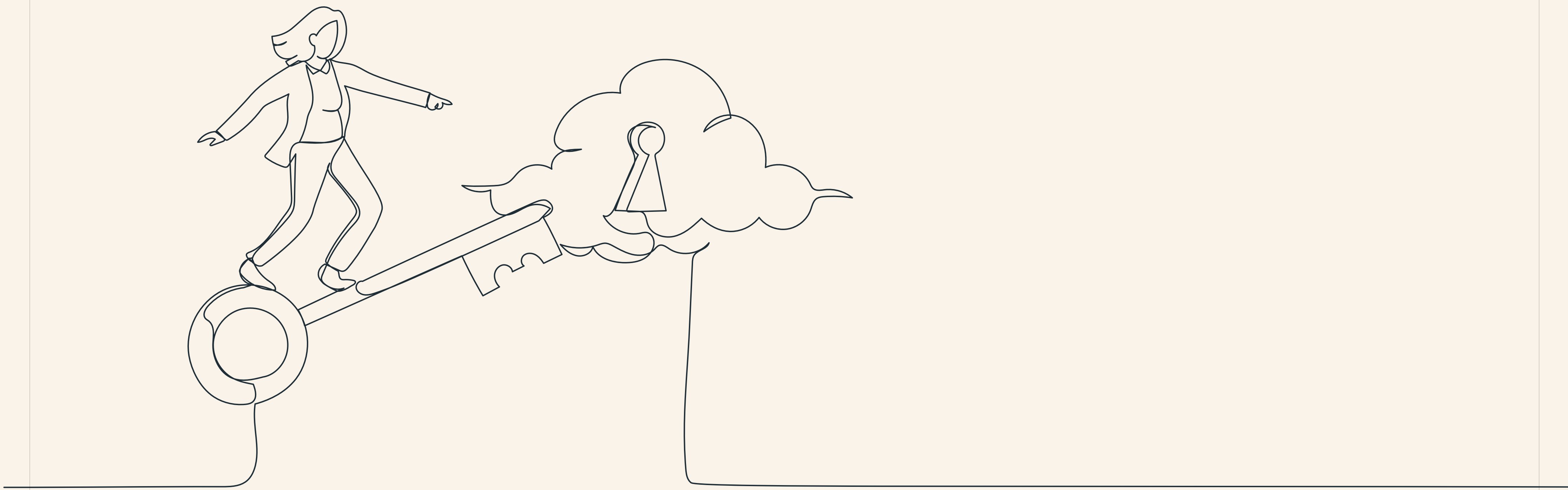
Build/implementation

With setup complete, the build process can begin, moving swiftly on to campaign implementation. This process includes:

- Creating the relevant page for the new location on your website
- Strategising a 6-12 month plan for all major channels, including Events, SEO, PPC, social media, and PR
- Building out all major campaigns, including ad group creation for PPC, blog post production for SEO, social media copywriting for LinkedIn, etc
- Going live with the campaign

Review and tweak

And, finally, it's important that a campaign isn't forgotten about as soon as it's running. Constant reviewing of performance and regular tweaks to strategy, implementation, or intensity are required to get the most out of the campaign, and this should be informed primarily by data.



Overcoming Common Challenges

Navigating legal and lease implications in the UK

There is consensus that the flexible office market is going through a period of maturation. CBRE's acquisition of Industrious and Yardi's majority ownership of WeWork are the flagship examples of this. But has there been a similar evolution of the legal documentation that underpins the relationship between the landowner and flexible office operator? In short, no. But is the legal process catching up? Well, we're getting there...

To better explain the current state of play in the legal market, I first need to explain (briefly) the typical options available to landowners and operators contracting with one another:

1. Traditional Lease

The operator here takes on full responsibility for the space with the landlord ceding control, as would typically be the case with a corporate occupier. The operator takes on the hard liability of full rental (and other) payments, and associated real estate risks, but the landowner has little to no say in the running of the space.

2. Management Agreement

This document is akin to a services contract and sets out how the operator will run the space on behalf of the landowner. The landowner provides the space, to the operator's speciation, and is responsible for ongoing capital expenditure – both in terms of the initial provision of the flexible office product (including furniture) and ongoing operational expense until the space is generating sufficient revenue.

3. "Hybrid" Lease (or revenue share lease)

This document looks very much like the Traditional Lease but brings in elements of risk share and collaboration. Typically, a reduced rent will be paid with a top up rent payable based on the profit generated by the space. The operator will also look to recover its costs and expenses prior to paying further sums (above and beyond the agreed rent) to the landowner.

Popular consensus in the market is that option 1 is now used less and less, due to the rigid capital constraints associated with this approach, and so I want to focus on options 2 and 3.

There is a school of thought that a lease and management agreement are at polar ends of the real estate legal spectrum, and apportion risk in very different ways. I wouldn't say that this is a misconception, but the revenue share lease certainly closes the perceived gap. Better apportioning the risk between the parties and stimulating mutual interest in the operator's success. There are still certain fundamental differences, and I explain these below, but there are also ways to draft these documents to make them operate in a similar way despite the difference in form.

Jonathan Mills
Partner
Osborne Clarke

Key differences between a management agreement and revenue share lease:

Tax

SDLT is payable under a lease (should the minimum rental threshold be met, being 'all' rents (including revenue-based rent)) and not a management agreement. The higher the overall rent paid to the landlord, the higher the SDLT will be, and this calculation applies to all 'rents' in the broadest sense.

Rent commitment

A revenue share lease will usually have a rental commitment from the operator, albeit this is often a percentage of market rent with a revenue-based top up also included. There will not be a rent payable under a management agreement.

Tenant protection

A lease will afford the operator (as tenant) with protection against forfeiture. The laws of England and Wales are considered tenant friendly and will allow the tenant to apply for relief from forfeiture in certain circumstances. A management agreement can be terminated in accordance with the agreed contractual provisions in that document.

Relationship with members

Members will contract directly with the operator should there be a lease in place, but with the landowner should a management agreement be the document of choice. A management agreement does not provide the operator with the required basis on which to grant licences to members, but the operator will often negotiate / facilitate (and even sign) on behalf of the landowner pursuant to contractual rights granted under a management agreement.

Possession

Under a lease the operator will have what is known as 'exclusive possession' of the space, and the landowner will have limited ability to access the space (usually on specifically agreed terms, or to comply with legal requirements). No such right exists under a management agreement, and the operator is merely managing the space on behalf of the landowner. A well drafted management agreement will still put parameters on the landlord's use of the space, to facilitate the running of the flexible office product.

Aspect	Management Agreement	Revenue Share Lease
Tax (SDLT)	No SDLT payable.	SDLT payable with payment being based on all 'rents' paid.
Rent Commitment	No fixed rent payable by the operator.	Usually includes a base rent, plus a revenue-based top-up payment.
Relationship with Members	Termination is governed by the contract terms.	Operator has additional statutory protections under English law, as a tenant, including rights of relief from forfeiture in certain circumstances.
Relationship with Members	Members contract with the landowner; the operator may facilitate agreements on the landowner's behalf.	Members contract directly with the operator.
Possession	The operator manages the space with no exclusive rights.	The operator has exclusive possession of the space.

Areas of cross-over

(Should a collaborative approach be taken to the drafting):

Fit-out contributions

The parties are at liberty to agree their respective contributions as they please under either document. It is a purely commercial point. Although the parties need to be mindful of the tax consequences associated with each party's contribution.

Ownership of fit-out / FF&E

Again the parties can agree who is to own these items, or when ownership will pass between the parties. There is often particular discussion around ownership of the fit-out and furniture in the event of termination (including forfeiture in a lease context).

Reporting

Given that under both documents there is a variable revenue based payment to the landowner (which is largely controlled by the operator), the landowner will want to see detailed reporting to substantiate the operator's accounting. This will apply regardless of the document used, with quality monthly reporting a crucial part of building trust and understanding at each site. The right for the landowner to request an audit can also be considered.

Working capital

Traditionally an operator would be responsible for working capital under a lease, and a landlord would fund this (subject to any other commercial agreement between the parties to the contrary) under a management agreement structure.

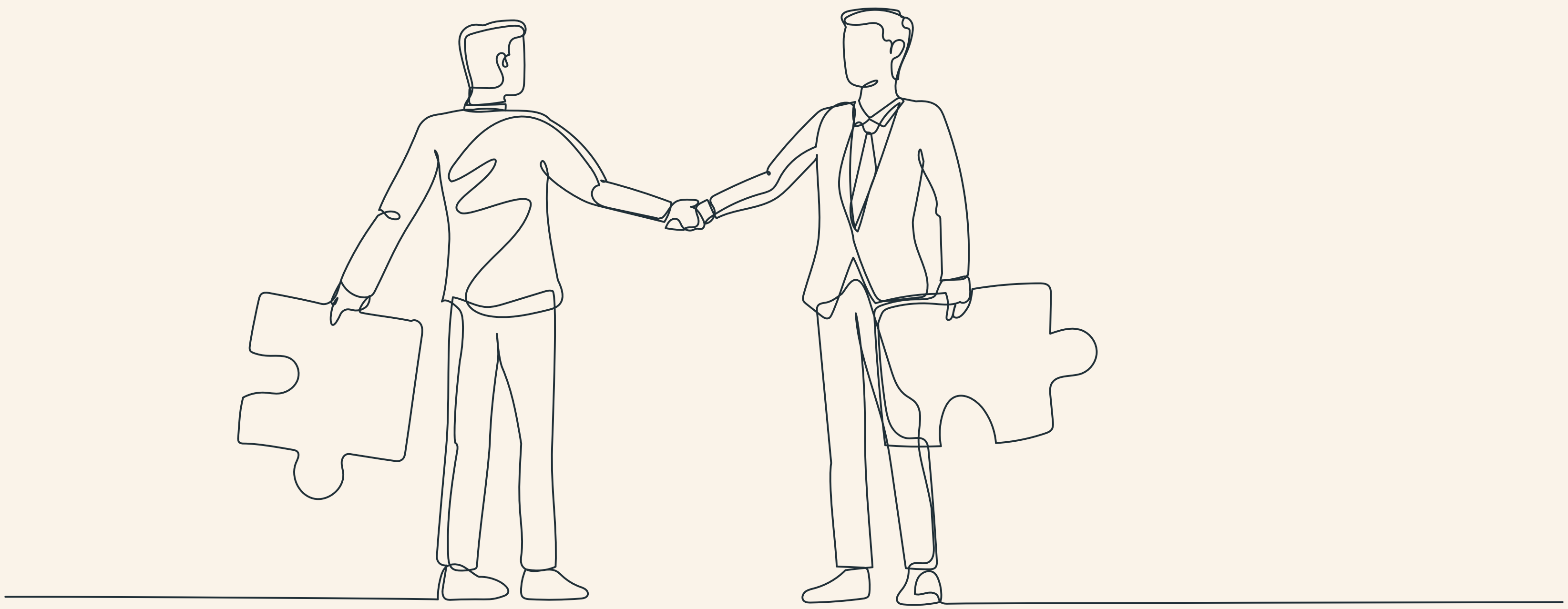
This is subject to further nuance under a revenue share lease because the operator will remain responsible for working capital but would expect to recover this under the costs 'waterfall' prior to further sums being distributed to the landowner. This is also the case for other real estate costs – e.g. business rates, utilities, insurance premiums etc – which would be the operator's responsibility under a traditional lease but are very much part of the overall commercial discussion when a revenue share lease is used.

Termination

A management agreement is often used because of the inherent contractual flexibility that it can provide to both sides. That said, a well drafted break clause or termination provision in a lease can provide just as much flexibility as the parties would expect under a management agreement. Even performance-based break clauses, with cure rights (if agreed), are now seen in revenue share leases.

And just to touch on the apportionment of risk, as the final point here. The perception of many landowners (and their advisors) is that operators are taking on no risk under management agreements because they typically put little to no capital into the transaction. In addition to the usual rebuttal here – that capital items are not the only cost-sensitive elements required in a good management deal - the revenue share lease will usually allow capital costs to be recovered by the operator (as touched upon above) prior to further distributions being made to the landowner. Narrowing the difference in risk profile between the different documents available for use.

For several of the items in this section there is often a predetermined idea that there are very different approaches to be taken depending on whether a lease or management agreement is chosen. As you can see, this is changing, and a well drafted revenue share lease can look similar to a management agreement in many respects – bringing mutual benefit to both parties but in a more traditional structure. There is clearly room in the market for both documents, depending on the desired approach or business model of the operator. We are seeing both approaches being welcomed in RfPs and tender processes, mainly as the two documents are not as different as many would make you believe.



To the Continent

Given the growth of flexible office demand across Europe, we also wanted to set out how these arrangements are being documented on the Continent. We will focus on Germany, as a maturing market, with a sprinkling of other jurisdictions.

Germany

The commercial real estate landscape in Germany has evolved significantly with the rise of flexible office spaces. Not only are real estate owners interested in entering into agreements with flexible office operators, but also large commercial tenants that are bound into long term leases are showing interest in "subleasing" parts of the premises they do not need anymore to flexible office operators.

What type of contracts are seen in Germany?

The German real estate industry is a rather traditional business, and the prevailing contract type is still an office lease agreement. Management agreements are not very common yet, but market insiders predict that this will change. Many international operators working with management agreements in other jurisdictions, such as the United Kingdom, will aim to have consistent operational models in many jurisdictions and are likely to push for management agreements in Germany as well.

Lease Agreements

Traditional office lease agreements are still the most commonly used agreements between the owner (or landlord) and the flexible office operator. There are two particular nuances for operators in the German market that we wanted to highlight:

(i) The **permitted use** under the lease agreement must be described precisely. The actual use goes beyond office use as many flexible office operators offer their clients additional services such as events or conferences. This requires that the building permit for the building allows the use going beyond a simple office use. If this is not the case, the permit has to be extended what can require additional works in the building, in particular in relation to fire protection regulations.

(ii) **VAT regulations** are important as well. In Germany, as in all other EU countries, commercial lease agreements are free of VAT in principle. The owner can opt for VAT under certain circumstances and one of the most important requirements is, that the premises are used for businesses with VAT-able turnover. There is no doubt that the flexible office operator's business as such is a VAT-able business. However, the problematic point is, if the agreements between the flexible office operator and its clients can be deemed as a sublease under German law. If this is the case, the actual client has to operate a VAT-able business to enable the owner to opt for VAT. If the option will not be recognised by the tax office, significant tax repayments can be claimed by the tax office. This requires protection mechanism for both parties in the lease agreement. Tax advice is strongly recommended.

Revenue sharing leases

Revenue rent models are becoming increasingly popular in the German market. This is a combination of a relatively low base rent and in addition the flexible office operator will also pay a certain percentage of the revenue generated at the space to the landlord. The landlord, therefore, will share the risk of its tenant's success. This type of rent structure has been common in retail leases for many years, but is relatively new to office leases.

The definitions of income and deductible costs, as well as the control mechanisms for the landlord, require thorough negotiations and detailed provisions in the lease agreement. These rent models are often supported by 'keep open' obligations for the operator. The landlord wants to avoid instances in which the operator does not properly operate and market the site.

Management Agreements

Management agreements are new to the German market. For the owner they bear additional risks as the operator will only pay a share of its revenue but the overall risk for the fit-out, maintenance and repair remains with the owner. It remains to be seen if this type of agreement will play a significant role in Germany soon.

Management agreements are known in the hotel industry but are new to the office market. Currently, no German standards have been developed for flexible office space. There is evidence that some operators are trying to use their UK management agreements as a starting point for the German market, and it can be expected that these agreements will be modified to fit into the German legal environment.

Conclusion

While Germany remains a relatively traditional market in terms of real estate structures, the growing demand for flexible office solutions is prompting change. Lease agreements continue to dominate, but the increasing interest in revenue-sharing models and early signs of management agreements suggest a slow but steady shift toward more collaborative, operator-friendly structures. As international operators expand into continental Europe, there is evidence they will bring with them new approaches and documents, gradually influencing local norms. With proper legal and tax guidance, both landlords and operators have an opportunity to create commercially successful and legally sound partnerships that meet the evolving needs of the modern workplace.

Thomas Schnabel

Partner

Osborne Clarke

Other European Jurisdictions

Spain

Lease agreements prevail in existing deals. However, the market is moving toward management agreements, specifically in those areas where there is high vacancy in office buildings or non-CBD locations.

Italy

Management agreements and variable lease agreements in relation to office premises have not taken hold yet, with a strong prevalence of traditional fixed rent agreements.

Poland

Lease agreements are still the prevailing type of contracts. Some of them provide for rents partially based on the income generated by operators. Management agreements are not common yet.

Netherlands

Lease agreements including a fixed rent remain the predominant contract type. Nonetheless, it is not uncommon for turnover-based rent provisions - either wholly or partially in addition to the fixed rent - to be integrated into this market-standard model.

Belgium

Lease agreements are also still prevalent. However, in relation to flexible office spaces, some landlords are starting to use service agreements or a blending of lease and service (among others for tax reasons). Variable rent based on income remains rarely used and is more common in retail leases for instance.

France

Traditional office lease agreements (usually with firm duration of 6 to 12 years) are still prevalent. However, some institutional landlords have now started to accept using variable service agreements (with firm duration of around 6 years, with renewable options) in high vacancy rates areas (such as La Défense Business district).

Sweden

The prevailing contract type is still classic office lease agreements. Revenue share leases are not very common for offices yet.

Managing Fluctuations in Occupancy

Managing occupancy and retention is at the heart of any successful flexible workspace strategy. Below are actionable tactics for addressing fluctuations in demand, optimising performance, and ensuring strong tenant retention.

Key Strategies:

Dynamic Pricing:

Adjust pricing based on seasonality (e.g. summer lulls), upcoming move-outs, and competitor benchmarking. Use demand data to fine-tune rates in real-time.

Incentivise Longer Commitments:

Offer discounts or perks for extended lease terms to reduce voids and turnover costs.

Leverage CRM Platforms:

Use platforms like **twiin**workspace to analyse enquiries, track usage, and gain insights into occupancy patterns. CRM tools help monitor leads and initiate renewal conversations early.

Flexible Product Mix:

Offer a range of workspace types—hot desks, private offices, meeting rooms, day passes, virtual offices, and enterprise suites. Don't hesitate to reconfigure space, layout and amenities based on usage data which you can get from tools such as **twiin**data Nomad.

Broker Platform Listings:

Ensure visibility on aggregation platforms to capture inbound demand and shortlisting traffic.

Local Business Development:

Proactively build relationships with local corporates, scale-ups, and startups to generate direct leads and partnerships.

Design for Let-ability:

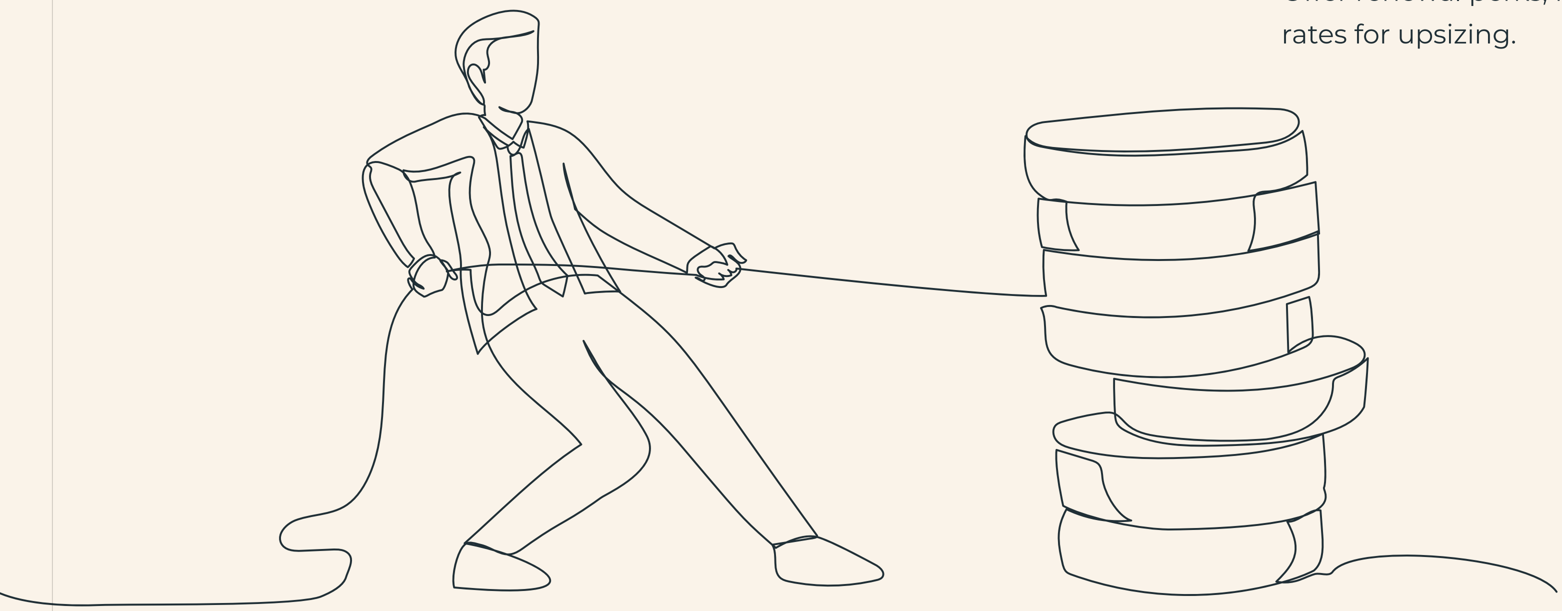
Prioritise natural light, acoustic privacy, ergonomic furniture, and high-quality finishes.
Offer fast, reliable Wi-Fi, quality coffee, and wellness-focused amenities to increase appeal.

Partner with Agents:

Use a well-connected agent such as Workthere to manage viewings and front-end lead generation.
Agents can work alongside and in partnership with your team to ensure maximum coverage without duplicating effort.

Retention:
The Most Cost-Effective Strategy

Securing a new tenant costs more time and resources than keeping an existing one. Strong retention not only supports steady revenue—it builds community and strengthens your brand.

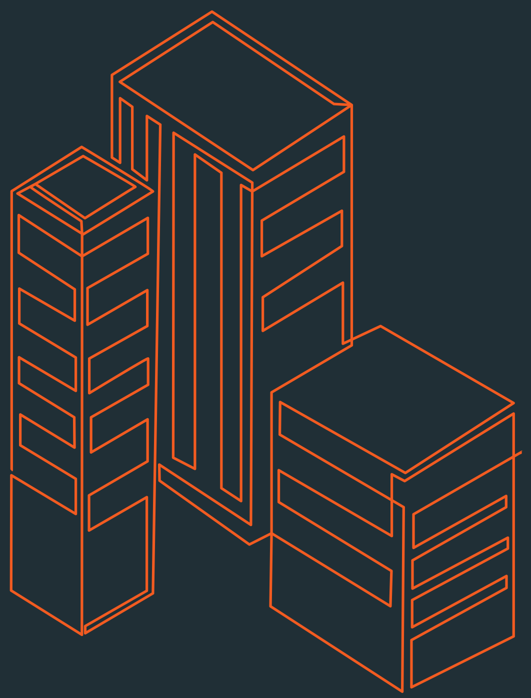


Key Strategies:

Build Community:
Host events, socials, panels, and member spotlights to foster connection and brand loyalty.

Proactive Engagement:
Regularly check in with occupiers to identify and resolve issues early.
Conduct surveys, monitor NPS, and respond to feedback with visible improvements.

Create Incentives to Stay:
Offer renewal perks, flexible upgrade paths, or discounted rates for upsizing.



Success Stories

An Interview with Natasha Morris, Director of Flex Office and Head of Myo at Landsec

Natasha Morris
Director of Flex Offices and Head of Myo, Landsec

What market trends or internal business needs led to Landsec launching MYO?

MYO delivers high quality flex space typically for 10-150 people, created in response to two principle business changes; firstly the combined speed of change for SMEs requiring greater flexibility and a gap in the market to deliver a premium flexible workspace offering; secondly the evolving needs of the Landsec traditional office customer, who often require flexibility within their portfolios alongside their HQ, for overflow meeting rooms, project and swing spaces.

We wanted to be their real estate partner for all their workplace needs. The identified market opportunity and alignment with the Landsec customer led to MYO's premium offer, with emphasis on sustainability, providing genuinely healthy workspaces and concierge-level service.

Since its launch, our customer base at MYO has grown beyond the Landsec customer to those businesses who also wanted high quality professional, modern and flexible workspaces. That's a trend we've seen develop apace in the office market over the last 5 years and we see it continuing.

How does MYO fit into Landsec's broader real estate strategy?

MYO has 235,000 sq ft operational today with a further 135,000 sq ft under construction or in detailed design. It complements the Landsec workplace offer by giving access to smaller customers or smaller space requirements to Landsec-quality buildings, which we had historically been unable to accommodate within our traditional portfolio. It also sits alongside our other office product, Created, which is focussed at the 5-15K sq ft fitted and managed market.

As part of the ecosystem of our workplace portfolio, customers can use MYO for their flexible office needs but also for offsite meeting room, project rooms and event spaces. We're able to meet more of our customer's needs through offering a range of high quality solutions and services.

What factors led you to create your own flex brand rather than partnering with an operator?

Landsec has one of the largest office portfolios in the UK and a long history of managing the full life-cycle of the places and buildings it owns and develops. We've long seen the benefit to the customer in combining our operational and customer service expertise with our knowledge of the buildings we've developed. This integration helped us believe we were best placed to develop the platform ourselves rather than introducing an intermediary.

We have customers across multiple Landsec office products, so strong internal systems to deliver a consistent and frictionless customer experience is key. We didn't think we would achieve that by partnering. However, developing your own platform is challenging and not for the faint-hearted, and is definitely a barrier for other landlords without a large scale portfolio, so partnering or outsourcing will likely make sense for those in other circumstances.

What were the key operational or financial challenges in transitioning from a traditional landlord model to offering flexible workspace?

We had to develop a new platform, recruit different skills into the business and dedicate resource to the product. We've had to bring in different service partners and adapt our operational model to suit the MYO customer. This has taken time and we've continued to develop the platform and our vision for MYO over the last 6 years, improving it iteratively as we grow.

We are delivering a rolled up service, taking responsibility for the full management of our customers spaces, who need high trust in us to give us this control. We are an extension of their own teams which deepens the relationship between us and the customer. Our NPS score last year was +44 which is a stellar approval rating for the service and space we are delivering to our customers. Being able to consistently deliver this type of service means we have customers who don't use the flexibility within their contracts, instead, staying for the experience. We have customers who have been with us since opening MYO Victoria in 2019.

Flex office is a live investment, rather than a passive income stream, and needs continual management on many fronts, be that design, operations or technology. We've been through some cycles of market shocks such as Covid affecting occupancy, the war in Ukraine impacting on supply lines and availability of materials contributing to the hike in construction costs, amongst other factors, and changes in UK taxation regimes impacting on forecasted opex budgets. The careful management of all these types of factors is required for a successful flex business.

How did you determine the ideal customer profile for MYO?

Embracing the large corporate occupier's need for flexibility within their portfolio and delivering a product to meet that need was the original concept for MYO. As we've grown, the customer type has diversified, but there are some general themes. The MYO customer is generally a more mature business – 40% of MYOs customers have been in operation for over 20 years. We offer short-form leases rather than licences, and that additional security appeals to certain customers removing the risk of having to move office on 30 days notice. We are commonly the London, UK or EMEA office for a global business – their space requirement in London is small but their expectations and demands for their employees are high, so they need premium space and service.

MYO is deliberately sector agnostic with broad appeal across industry types with the design of each location responding to the target customer base and local context. We have a large number of tech occupiers, but maturing or scaling rather than start up. We also have representation in sectors such as energy, pharma and e-health, wealth management, legal and media.

How did you approach designing MYO spaces?

Every MYO looks different but the golden thread is the quality. Every MYO is designed with an external designer and responds to the submarket and building it is in, with no two looking the same.

Our brand is designed to sit behind that of our customer. We couldn't achieve that with a uniform fit-out style.

The design and approach has evolved with time based on customer and market needs. We originally built communal spaces speculatively but built out the office spaces along with a customer from Cat A, so it could be fully bespoked and sized to fit. We have transitioned away from that approach as customers now prefer to 'buy off-the-shelf' so we make our own estimations of the unit size composition within the scheme and allow for adaptations.

We've developed a comprehensive set of Employers Requirements that gets refined with every scheme and continue to analyse our own data, performance and the market to zero in on where the expenditure should be and what to focus on to deliver to the evolving needs of the customer.

Over the past 6 years, we have seen demand for different types of working spaces – agile, private, quiet zone, collaborative – grow to respond to the different ways in which individuals like to work which has impacted the design of our schemes. There is a greater than ever focus on amenity with the customer wanting their teams to get more than just the 9 to 5 from their workspace. We have also seen customer expectations grow in terms of amenity within their own spaces. They still want communal spaces but also more dedicated spaces. We've gone through the portfolio and retrofitted this to keep our portfolio consistent with market demands and these insights are informing the next designs.

What was your strategy for positioning MYO in the market? How did you go about creating the brand?

MYO was deliberately created as a distinct brand from Landsec to enable a different marketing approach, to recognise the typically smaller customer base who may not prefer a large corporate landlord.

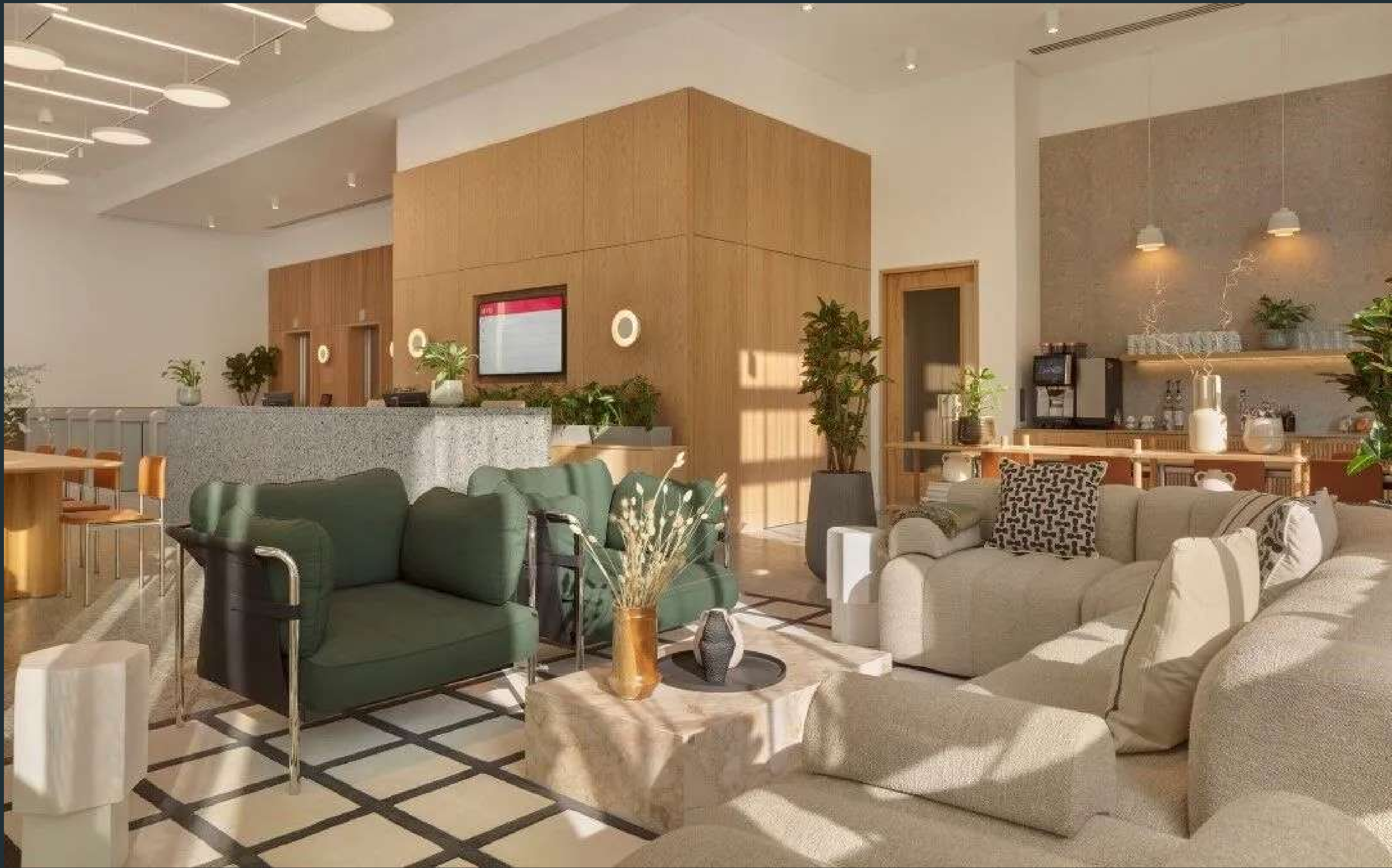
What role do brokers play in bringing occupiers to MYO?

Brokers and agents are integral to the MYO business in terms of customer pipeline. MYO is a boutique portfolio and the organic digital search opportunities are limited because of that. The quality of product we provide, with the premium attached to that, means we need well advised customers who understand our product differentiators that support our pricing. We do have a strong customer referral pipeline due to the MYO and Landsec reputation and customer base which also provides good leadflow.

How important is community-building in a successful flex space?

Networking is a relatively low priority for the MYO customer, which is consistent with us offering premium, private offices rather than co-working and likely pricing out start-ups who typically value input from and exposure to other businesses. This means our community building tends to be tied in with customer experience - in the same way you recognise the faces in your members club, you feel comfortable having a familiarity and interaction with neighbours in the same space.

We have focussed on customer experience and bringing more to the typical working day for our customer by through the surprise and delight programmes that run in our spaces throughout the year. But however much you focus on community and perks, what the customer values most are getting the basics right, first time, every time. If you can't reliably deliver on that, you can't compensate with an experience programme.



How did sustainability and ESG factor into the design and operation of MYO?

MYO is the market leader for sustainable, genuinely healthy flexible workspaces. We are located within Landsec buildings which are known for their high scoring ESG credentials and the MYO portfolio has developed on that principle by developing to WELL principles in the fit-out. Two schemes have been awarded Platinum, with a third, Kings Cross, expected later this year – a record for a flex operator.

For some occupiers, this level of performance is an essential part of their brand and corporate commitments, and they are very educated on the area, but even for those who are not yet, we believe they're on the journey and we are future-proofing our portfolio for that emerging customer. There is a significant cost attached to developing and operating a sustainable workplace and it's important that the sector embraces sustainability with integrity.

What role does technology play in the MYO experience?

The goal is a frictionless experience for the customer and technology plays a huge part in that. Whether that is transitioning through the spaces, or visiting other sites, using the plug and play meeting room and events spaces or communicating with the individual customers in the MYO. Technology also supports us in getting the basics right, first time every time – such as WC call buttons to alert our cleaning teams to issues and sensor data insights being used to plan our operational schedule through the working day.

Having a single CRM that supports the customer journey from lead to offboarding has been the goal we've been working to and we're currently looking at how additional plug ins and AI can speed up or automate some functions to reduce pressure on the internal teams and allow them more time for in-person interactions with our customers. We don't want technology to remove our interactions with our customers, we want technology to unlock and enhance them.

How do you see MYO evolving over the next 3–5 years?

We have an expansion plan in place for MYO and the next site launches later this year in Kings Cross, a building acquired specifically for MYO. It will be our largest yet and a step forward in terms of amenity, delivering our first fully-fitted gym, studio, wellness rooms and dedicated event space, The Stables.

We have another scheme in design and have identified future opportunities within the Landsec portfolio. We will continue to search for other opportunities in markets that are looking for premium space.

We expect the focus to remain in Central London and have other flex products in Landsec's UK portfolio serving our regional market. We are also looking at how to marry the growth of MYO with our other product, Created, whilst on longer terms than MYO, can meet customers fitted and managed needs.

How do you see the future of landlord-led flex brands evolving?

I'm sure that flex will continue to be embraced by different landlords but the barriers to entry are significant without scale delivering cost efficiency and to consistently meet customer expectations means that the platform you build needs to be very robust and encompasses skill-sets beyond enhanced building management and leasing.

GPE's Strategic Pivot: Embracing Flexibility to Meet Evolving Customer Demands

GPE's move into flexible workspace was driven by market trends and a shift toward prioritising customer needs. As demand for flexibility grew across both traditional and non-traditional customers, GPE recognised the need to adapt. The Flex market is sizeable and growing, with 77% of all West End deals for less than 5,000 sq ft[1] being for Flex office space. Market opportunity and early success at 16 Dufour's Place confirmed this strategy, prompting the company to explore more flex opportunities within its portfolio.

Nicola Jones, Customer Experience General Manager at GPE explains:

> **"Businesses that would typically opt for traditional leases are now actively seeking flexible managed solutions. Our recent five-year deal with Next at Alfred Place is a prime example—an established customer embracing the operational ease and adaptability of a flexible model."**

Nicola Jones
Customer Experience General Manager
GPE.

As building owners, GPE's full control over assets ensures consistency and quality across its portfolio. Nicola Jones adds: "Unlike providers that lease space desk by desk, we manage everything, from the building environment to the service. This control allows us to integrate flex smoothly into our wider portfolio. It also removes any ambiguity for our customers - there's no passing the buck or delays in action. We're the single point of accountability, which gives our customers greater confidence and peace of mind. This also means we can deliver a more cohesive experience and consistently high standards across the entire building".

Creating Seamless Transitions Between Flex and Traditional Leasing

Many of GPE's buildings operate as hybrid assets, accommodating both traditional and managed spaces, which creates a seamless experience during lease renewals or shifts in business requirements. Nicola Jones explains: "One of the key strengths is our ability to offer customers a pathway between the two. Traditional customers can move into a Fully Managed space when their needs change, and vice versa. This adaptability helps us retain customers for longer periods of time, by offering them more choice and control".

[1] Savills

GPE: Alfred Place

Additionally, GPE has a Customer Experience (CX) team which now leads both traditional and flex spaces, ensuring consistent service across the portfolio. This unified approach allows GPE to deliver an exceptional customer experience regardless of the leasing model, reinforcing its commitment to meeting diverse customer needs.

Evolving Operations to Deliver a Premium Flex Experience

GPE's move into flexible workspace required more than just adapting a product - it demanded a fundamental shift in mindset, culture, and operations. The transition marked a departure from simply providing office space to delivering a curated experience. This evolution called for greater attention to detail, a strong service ethos, and a willingness to challenge conventional real estate approaches.

Nicola Jones reflects: "One of the key learnings has been the importance of staying ahead of trends rather than simply reacting to them. That means being brave - testing new ideas, pushing boundaries, and delivering something different to what competitors are offering. Not everything works the first time, and that's okay. The ability to test, learn, and refine is essential in this space."

This iterative mindset fostered a more entrepreneurial culture within the business. Customer Experience Managers (CXMs) were empowered to make on-the-ground decisions and take calculated risks, resulting in a more agile and responsive service model. Their autonomy has been essential in delivering GPE's high-quality, service-led Fully Managed product offer.

As expectations in the flex market continue to rise, GPE recognises that customers want more than just functional office space. While traditional tenants manage the basics themselves, flex customers expect a premium experience with everything in place and working flawlessly.

Nicola Jones explains: "They're not just expecting the essentials - they expect their workspace to be flawless. High-speed Wi-Fi, welcoming environments, spaces that attract their teams back into the office. And when something doesn't work, they expect a fast, proactive fix. It's about anticipating their needs before they even ask."

This hospitality-led approach redefined GPE's offer into what Nicola Jones describes as a "corporate hotel". These are spaces that go beyond the desk to offer rooftop terraces, wellness classes, breakfast clubs, and quiet areas for focus. Delivering this level of service meant hiring people with the right mindset: individuals with emotional intelligence, adaptability, and a genuine passion for service. "It's not just about property management anymore," says Nicola Jones. "It's about curating an experience people want to be part of."

Building the Right Team and Culture

To support this shift, GPE focused on assembling high-functioning flex teams equipped with adaptability and people skills. Technical knowledge can be taught, but authenticity and human connection are essential. "Our team must genuinely feel like an extension of our customers' businesses," Nicola Jones notes. "It's about breaking down traditional office manager barriers. If a CXM can walk into a customer's space and chat naturally, we've done our job right."

One of the more surprising lessons has been the organic growth in demand driven by personal, high-touch service. For example, a holiday event featuring reindeer was so well-received that it led to the introduction of additional seasonal surprises like Easter chicks and rabbits. These moments build energy in the workplace and give customers a reason to return to the office, especially during quieter periods. GPE's event strategy is tailored to each building's customer profile, ensuring relevance while reinforcing community and loyalty.

To ensure a consistent, high-quality experience across all locations, GPE has developed a strong framework for collaboration. Regular team meetings, supplier-led workshops, and lunch-and-learns allow ideas and best practices to be shared quickly across teams. This knowledge-sharing culture reinforces the brand's commitment to exceptional service and helps maintain unified experience, no matter which building a customer is in.

Tailoring to Location and Industry

GPE recognises that different locations attract distinct types of customers, and it has tailored its flex offerings accordingly. In Piccadilly, for example, the professional atmosphere and larger floorplates tend to draw corporate clients from sectors such as legal, banking, and finance. In contrast, the London Bridge campus attracts more startups and creative businesses looking for vibrant, collaborative environments. This flexibility in design, amenities, and fit-out style enables GPE to effectively meet the needs of varying customer profiles across its portfolio.

Traditionally conservative industries like finance and law are increasingly embracing managed workspace models. Nicola Jones explains: "These businesses are recognising the value of flexibility, bundled services, and reduced operational overhead. There's also a broader trend where companies come to viewings with clearer expectations and more market awareness. That pushes us to keep elevating what we offer, because many of our customers now know exactly what 'good' looks like."

Different Business Sizes, Different Uses

Smaller businesses typically make full use of the space's amenities - leveraging wellness classes, rooftop terraces, and community events to enhance their company culture and attract talent. Larger companies, on the other hand, may arrive with pre-established workplace strategies, but often adapt these after experiencing the benefits of GPE's service-led approach.

The result is a model that works across business sizes, each group using the space in different but complementary ways, further reinforcing the product's broad appeal.

Approach to Designing Flexible Spaces

GPE's design strategy for its flexible spaces revolves around creating a cohesive identity across the portfolio with spaces that feel connected yet unique. Each building retains its own character, but subtle design elements ensure a consistent experience, signaling to customers, "this is a GPE space."

The CX team plays a vital role in the design process, with their insights helping shape everything from layouts and flow to the positioning of amenities and the ambiance of shared areas. This close collaboration between design and service delivery ensures that each building not only looks great but functions effectively, creating a seamless experience for customers.

Grown-up Flex

GPE's approach to flexible workspace stands out by offering a more mature, refined version of flex space. Nicola Jones adds: "we call it a "grown-up" version of flexible workspace. One of our key USPs is GPE's "Fully Yours" concept: dedicated, self-contained spaces with their own front doors, giving customers a real sense of ownership and privacy while still benefiting from the ease and agility of a flex product".

Another distinguishing feature is their plug-and-play model, where spaces are fully fitted and ready for immediate use. This eliminates the hassle of setup and downtime, appealing to customers seeking efficiency and convenience.

Community Building in Flexible Workspaces

Community-building plays a vital role in the success of GPE's flexible workspace offering. Creating a space that aligns with customer needs requires a deep understanding of what resonates with the individuals using the space. This is achieved by actively listening to customer feedback and tailoring offerings to fit the unique requirements of each location.

Nicola Jones comments: “When you have a strong sense of community, people are more likely to want to come into the office, which is the ultimate goal. Building that sense of connection involves a mix of events, benefits, and offering incentives including, on-site food, breakfast clubs, networking opportunities, talks with guest speakers, and seasonal activations.

However, we also understand that not all customers need the same level of engagement. Some prefer to handle things internally, so we adapt and provide options within their space, whether it’s breakfasts or after-work drinks events. Additionally, we see a growing trend of customers using our amenity spaces for their own events”.

Embedding ESG into Flexible Workspaces

ESG is central to GPE’s approach to flexible workspace design and operations. One example of this commitment is GPE’s partnership with Send Coffee, a non-profit organisation that helps young adults with disabilities transition back into the workforce.

This partnership not only contributes to a meaningful social cause but also enhances GPE’s operations, as Send Coffee supplies all their bean-to-cup machines. On the design front, GPE focuses on reducing waste, using recycled furniture, and clearly labeling products to educate customers about their origin. Air quality is also a key consideration, with materials chosen to contribute to healthier workspaces.

Nicola Jones comments: “One of the biggest challenges is predicting future trends and ensuring that the sustainable choices we make today will still be relevant and effective in the future. It’s about making decisions that will stand the test of time, both in terms of functionality and environmental impact. We’re fortunate to have a strong sustainability team that keeps us ahead of the curve, but it's always a balancing act - investing in the right infrastructure while ensuring we’re not locking ourselves into solutions that could become outdated too quickly”.

Role of Technology in the GPE Experience

Technology plays a central role in enhancing both operations and customer experience at GPE. One of the key tools is the GPE app, which acts as the hub for access control, meeting room bookings, and push notifications. This app allows customers to access buildings seamlessly and stay informed with real-time updates about the facilities.

GPE: Alfred Place

Meeting room technology is also a priority, with GPE ensuring that all spaces are equipped with high-quality audiovisual (AV) equipment, clear sound systems, and state-of-the-art cameras. These technologies are fully operational from day one, providing customers with a hassle-free, top-tier experience.

Data and analytics are integral to improving the customer experience at GPE. The company leverages occupancy data to provide valuable insights into how spaces are being used. This data enables tenants to optimise their space usage, making more informed decisions related to growth and efficiency.

Lessons learned and future outlooks

The introduction of flexible workspace into GPE's portfolio has provided valuable lessons, particularly in terms of the need to scale rapidly. Nicola Jones highlights, "One of the biggest lessons has been the need to scale up quickly. We've got a great pipeline of properties coming up, and the demand is there, so we're eager to expand rapidly. Flex spaces deliver a core element of the GPE office offer and we are on track to meet our ambition of growing Flex space to over 1 million sq ft across our portfolio ."

Looking ahead, the company anticipates further growth in its amenity spaces, enhancing the value provided to customers. Technology will also play an increasingly pivotal role in streamlining operations and improving the customer experience, from smarter building systems to more robust digital platforms.

Additionally, GPE foresees a shift in customer profiles, with traditional businesses making up a larger portion of their customer base. As these more established companies recognise the value of flexible, managed workspaces, GPE expects them to become a larger driver of demand. As Nicola Jones notes, "We've seen strong performance across our assets, and things are moving in the right direction. Our product is resonating with customers, and the results at the end of the year have validated our approach".

Capitalising on Regional Demand: The rise of Let Ready by CEG

Even before formally entering the flexible workspace market, CEG's portfolio naturally supported flexible use. With many multi-tenanted buildings and a history of adapting floor plates to suit occupiers, the business had already accumulated a number of smaller suites across its national portfolio. These spaces, however, often proved harder to market and remained vacant for longer.

This recurring challenge, paired with untapped potential in larger assets, led to the creation of Let Ready. A pivotal example was Alpha in Birmingham - a 28-storey, Grade II-listed building with substantial refurbishment potential. When Regus approached CEG to lease part of the space, it prompted a strategic rethink: if operators saw value in the space, why shouldn't CEG deliver it directly?

At the time, Birmingham's coworking market was just beginning to evolve, with few contemporary flexible workspace options beyond traditional serviced providers. The combination of internal supply, market demand, and a gap in regional offerings made 2016 the ideal time for CEG to launch Let Ready.

Alpha launched in Birmingham as a fully serviced offering. Designed around a club-style membership model, it provided a genuinely all-inclusive experience. Unlike many operators that advertised all-inclusive pricing but introduced hidden costs, CEG ensured absolute clarity. This approach built trust with occupiers and offered internal operational benefits, enabling consistent P&L management and pricing flexibility through adjustable desk rates.

As the brand evolved, CEG introduced the Let Ready managed workspace model to meet demand from more established businesses. These occupiers typically didn't require the full service layer of a coworking space but wanted to avoid the limitations of conventional leased offices. In response, CEG created a simplified lease structure, removing complexity while delivering a high-quality, well-managed environment.

A Strategic Decision to Build In-House

So why did CEG choose to launch Let Ready as an in-house brand? Theresa White explains:

> **"In truth, we had a bit of belief, or you might say confidence, that we could do it well ourselves. We'd already had experience working with various operators in some of our buildings, including more traditional serviced office providers. While those relationships were fine, they didn't always align with our long-term asset strategy or give us the control we wanted. Our Investment Director really championed the idea of building something in-house. His attitude was very much, "Why not have a go ourselves?" That mindset, paired with the early success we had in Birmingham, gave us the momentum to push forward with Let Ready as our own brand".**

Theresa White
Head of Workspace, ceg

This approach leveraged existing in-house expertise, from building management to investment and surveying without needing external partners. Full control also meant CEG could iterate the product design and pricing more responsively. Crucially, the in-house model preserved the local character of each building. With a portfolio spanning the UK, CEG found occupiers were more drawn to location-specific identity than a homogenous national brand, something a standardised third-party model couldn't offer.

Building the offer internally also allowed CEG to fully integrate flex into its broader leasing strategy without conflicting with existing tenants or operators. In large buildings, Let Ready functions as a feeder, capturing early-stage occupiers and enabling them to scale within the same property. This progression supports tenant retention and deepens relationships over time. The model also appeals to established organisations seeking short-term or project-based space. Corporate organisations have used Let Ready for temporary needs, later transitioning into longer-term conventional leases within the same building.

Building the Right Team and Culture

A key challenge in launching Let Ready was managing the speculative nature of capital expenditure (CapEx). CEG was essentially betting on demand, trying to predict tenant preferences for space layout and suite sizes. Flex is a cyclical market, and increasing supply often leads to pricing pressures, making it difficult to forecast income and justify investment.

Securing CapEx approval was not always straightforward. While some investors supported the long-term vision, others were more cautious. Having a senior exec team that understood the strategic value of calculated risk-taking helped push the project forward. Theresa White adds: "We also benefited from a bit of a testing ground in Milton Keynes at Witan Studios. It's a 60,000 sq ft building where we trialled the concept gradually through a rolling refurbishment. We didn't try to do it all at once, which gave us space to learn what worked and build a track record. That phased approach helped build confidence across the business".

Operational Shift

Operationally, CEG brought front-of-house teams in-house to ensure consistent service delivery across sites, moving away from outsourced FM and temporary staffing. CEG adopted a model where occupiers deal with the same person throughout their tenancy. Theresa White explains: "That also forced us to rethink recruitment. We shifted our focus toward people from the hospitality industry. They are used to fast-paced, customer-facing environments and often bring incredible resilience and a genuine passion for people".

Let Ready uses a hybrid staffing model, blending a central strategic team with on-site personnel tailored to each building's size and needs. The core team, known as the Workspace team, focuses on strategic functions such as space planning, speculative projects, and aligning with investment managers to guide Let Ready's overall vision. Each location appoints a Let Ready Champion, responsible for representing the product locally and feeding insights back to the central team.

Key on-site roles include:

- Community Managers: Build relationships with occupiers and handle lettings.
- General Managers/Front-of-House Staff: Manage reception duties and customer service.
- Building Managers: Oversee the technical aspects of the building while maintaining a customer-focused mindset.

> "One big challenge has been ensuring consistent communication and service levels across multiple locations. When the organisation is busy, it's hard to align everyone. We try to overcome that by holding regular meetings and drop-in sessions for operational staff. These are not just about training but about clarity—making sure everyone understands any changes to service delivery or policy".

Theresa White
Head of Workspace,
ceg:

Let Ready prioritises' high standards of customer service through:

- Referring to occupiers as customers emphasises care and respect.
- New customers receive a welcome meeting, pack, and lunch to help them feel at home.
- Regular check-ins with customers to address concerns and maintain engagement.
- Regular Customer Surveys to collect feedback.

Design Approach for Let Ready Spaces

The design of Let Ready spaces was guided by four core principles: natural light, spaciousness, autonomy, and flexibility. Every studio ensures access to natural light, with no partitioned wall blocking it, and generous desk ratios that prioritise openness and comfort.

A key design element is giving businesses a sense of ownership, with each Let Ready studio featuring its own front door. While the spaces are designed to a high standard, tenants are encouraged to personalise their environment, adding their own branding or layout modifications.

While aesthetics are important, practical elements are paramount. Clean, functional bathrooms, working coffee machines, and reliable hot taps are essential for maintaining a positive experience. Theresa White explains: “We also pay obsessive attention to things like signage and cleanliness. You’ll often find me doing ‘fresh eyes’ walkthroughs, checking for dirty corners or rogue laminated signs that don’t fit our branding. These spaces are a premium product, and tenants are paying for a high-quality experience, so every detail matters”.

The biggest design challenge has been avoiding over-designing spaces. Theresa White comments: “Early on, some of our fit-out partners leaned toward building in everything—custom benches, fixed joinery, sunken kitchens with bleachers (which looked great but weren’t always practical).

The problem is: the more fixed elements you introduce, the less adaptable the space becomes. Let Ready spaces need to appeal to a wide range of businesses. If the design is too niche or restrictive, you risk alienating potential tenants. So we shifted our focus: create wow moments in areas but keep the core studio layout flexible and open”.

Marketing Strategy for Let Ready

Let Ready's marketing approach is centered around four key differentiators: strong regional positioning, genuine flexibility, best-in-class amenities, and being backed by a reputable brand.

1. Regional Focus

Let Ready has carved a niche by offering premium flex spaces in regional locations, such as Nottingham and Peterborough, where high-quality options are often limited. This regional approach has made Let Ready the go-to provider for top-tier workspace outside of London.

2. True Flexibility

Unlike many competitors, Let Ready delivers real flexibility:

Flexible lease terms tailored to various business types

Fully serviced packages, including FM, cleaning, and operational support

Custom-built spaces for businesses needing specific layouts, all offered on flexible terms

3. Best-in-Class Amenities

Many locations feature fitness studios, business lounges, and cafes to enhance the occupier experience.

4. Reputable Brand

Powered by CEG, with 35 years of industry experience, Let Ready is gaining recognition.

Attracting the First Wave of Tenants

The initial marketing efforts focused on a hands-on, hyper-local approach:

Site Visits & Mini-Events

Breakfast events and offering free space for local businesses helped get prospects through the door, where many turned into long-term tenants.

Community-First Marketing

Leveraging local networking communities and word-of-mouth helped generate organic buzz. Building relationships with local connectors was key to this strategy.

Digital & Social Media

Utilising Instagram and Facebook, platforms that were new to CEG at the time, helped attract a younger, more visually-driven audience. LinkedIn is now a key platform.

The Role of Brokers

Brokers play a crucial role in bringing occupiers to Let Ready, particularly in building a qualified pipeline. Let Ready places more emphasis on working with local commercial agents in regional markets. These agents have a deeper understanding of the area and a more personal connection to the businesses they serve. Theresa White adds: “That said, we’re selective. We favour brokers who take a hands-on, human approach. The “churn machine” style, where leads are pumped in from SEO or digital platforms without qualification, rarely works for us”.

Theresa White shared her key strategies for building effective broker relationships:

- “Regular, informal touchpoints: It’s not about big flashy campaigns. It’s about regularly picking up the phone, checking in, offering to meet up, and keeping that relationship alive over time.
- Be known for quality: We're fortunate that Let Ready is known as a provider of high-quality space in the regions, so we often get approached directly when brokers have briefs that fit our model, even if they don’t see anything listed on our website.
- Personal, not transactional: The brokers we work with most often know they can call us and say, “I know you’re not advertising anything in XYZ city, but have you got anything coming up?” Ultimately, it’s about real relationships with real people”.

Community Building at Let Ready

Community-building is a central part of Let Ready's philosophy. It's not just a value-add; it's integral to the customer experience and the long-term success of their spaces.

Strategic Partnerships & Local Ecosystem Support

Let Ready has formed collaborations with organisations like the West Midlands Growth Company and Birmingham Enterprise Community to turn their spaces into launchpads for startups and innovation. By offering free or discounted space to tech businesses and entrepreneurs, they've helped build a dynamic, supportive community.

Organic, Tenant-Driven Initiatives

Tenant-led initiatives are key to fostering collaboration within Let Ready's spaces. For example, marketing agencies have shared their expertise with smaller businesses, creating an environment of peer support.

Technology at Let Ready

Technology underpins the Let Ready experience, with a focus on practicality, convenience, and flexibility, enhancing daily operations without adding unnecessary complexity.

Sustainable Spaces

Sustainability and ESG are integral to Let Ready's strategy, aligned with CEG's overarching commitment to responsible development and operation. With a dedicated ESG team guiding both new builds and refurbishments, Let Ready is ahead of the curve in implementing sustainable practices.

Theresa White adds: "For new builds, we embed sustainability from the ground up, targeting net zero carbon and designing with future-proofed infrastructure. For refurbishments, which form a large part of our portfolio, we often find it's more sustainable to upgrade an existing structure than to build from scratch. That's a key part of our environmental ethos.

Many of our larger corporate customers increasingly have strict sustainability criteria to meet. We're always ready with the documentation they need for audits or compliance purposes, which gives us a competitive edge. As a landlord-operator, we control the building, so we can deliver on sustainability credentials in a way many serviced office operators (who lease space) simply can't".

Customer Experience App

Let Ready's customer app provides a digital gateway to building life, allowing tenants to book classes, access café menus, reserve meeting rooms, and explore amenities.

Data-Driven Optimisation

4D environmental monitoring enables Let Ready to track and improve building performance across lighting, heating, and energy use. Usage data, from meeting room ratios to amenity needs, continues to inform operational tweaks and space design, guided by CEG's agile, feedback-led approach.

Final Reflections

So what has been the biggest lesson learnt since launching Let Ready? Theresa White explains: "Honestly, the biggest lesson has been to stop overthinking and just go for it. At the start, I spent a lot of time second-guessing—Is this the right cost? Is this the right size?—but ultimately, you have to trust your instinct, launch the product, and learn as you go. It's a bit of that old cliché: "Build it and they will come." Sometimes it works, sometimes it doesn't—but every miss teaches you something."

What does Theresa White think about the future of landlord-led flex brands? "Many landlords are interested but hesitant, especially larger, more traditional ones with layers of red tape. That's where we've had an edge: a flat management structure, hands-on leadership, and a willingness to mobilise quickly and take calculated risks".

The Flex Evolution: L&G's Response to a Shifting Office Landscape

The shift toward flexibility in the office space market, particularly in London, became evident around 2015 with the rise of operators like WeWork. During this period, traditional office investors faced challenges leasing smaller spaces under 5,000 sq ft, creating a critical decision point: exit this segment of the market or adapt and compete. L&G chose the latter, aiming to create a range of leasing products to cater to a broad range of customers, from start-ups to small and medium-sized enterprises (SMEs) to larger corporate customers, which could be delivered at different pricing points throughout the UK.

One of the key trends influencing L&G's decision was the growing demand for shorter leases. For many potential customers, the main barrier to flexible office space was not rent, but the upfront cost of fit-out, which made shorter-term commitments financially challenging. To address this, L&G developed Capsule in 2018 a fully fitted workspace product to ease the financial burden on customers, enhance flexibility and reduce the barriers to entry for customers leasing their offices.

Andrew Mercer, Office Sector Lead at Legal & General adds: "But we didn't stop there. It became increasingly clear that offering a great space wasn't enough. Customers were still expected to manage facilities operations, such as, cleaning, risk assessments and M&E maintenance on their own. Given our scale, in-house expertise and existing infrastructure, it made sense for us to offer a fully Managed solution. This allowed customers to focus on their business while we handled the operational side of their office, leveraging our supply chain, property managers, and facilities teams to deliver a seamless experience".

Initially, L&G explored the possibility of partnering with an external operator to offer their Managed model but ultimately chose to deliver the solution in-house. This decision was driven by cost considerations for its customers - eliminating additional profit layers - and the desire for greater operational efficiency and direct contact with its customers. By managing the buildings directly, L&G could provide services like cleaning and maintenance more effectively and at scale, using teams already active across its portfolio.

The expansion into flexible workspace also aligned with L&G's broader reassessment of building management. In 2019, the company revamped its facilities management model by partnering with Bellrock and elevating the role of Facilities Managers to adopt a more customer-focused, experience-driven approach.

In summary, L&G's entry into the flexible workspace market was both a strategic response to market changes and a commitment to enhance customer experience. The company's move was designed to deliver superior, customer-centric services that supported SME's, resulting in shorter voids, increased customer retention and more stable returns for investors. Andrew Mercer comments 'we were delighted to be recognised at the UK Customer Experience Awards in 2023'.

Managing Risk Across Markets

The primary challenge in transitioning to a flexible workspace model was not financial, but managing risk—particularly in regional markets where rents are significantly lower than in London. In these areas, a more tailored approach was needed. Andrew Mercer notes:

> **One of the key operational shifts in the managed model is that we take on the risk of fixed costs. We're effectively capping many of those costs for customers. Naturally, that raised concerns internally, particularly around cost inflation for things like utilities. However, in practice, those risks have been manageable, and we've found that our pricing remains robust and sustainable"**

Andrew Mercer
Office Sector Lead, Asset Management
Legal & General

Ultimately, the challenge was striking the right balance between creating an exceptional experience to attract and retain customers and managing cost exposure to provide our investors with a return, especially across diverse regional markets.

Designing for Longevity and Sustainability

L&G's approach to designing flexible spaces is highly adaptable, reflecting the diverse range of building types and locations in their portfolio across the UK. Rather than applying a uniform aesthetic or layout, each project is tailored to its specific market. This often involves close collaboration with local agents, contractors, and sometimes architects.

What remains consistent across all locations is the commitment to quality. L&G maintains a strict internal specification for every asset, including features like sound attenuation, performance sensors, and durable finishes. These elements are essential for the long-term performance of the spaces. Given that the costs of their spaces are amortised over approximately 10 years, it is crucial that both the functionality and aesthetics hold up over time and require minimal refurbishment.

Andrew Mercer explains: "One of the consistent challenges in fit-out is getting the density right for each building. That depends heavily on the existing layout, number of WCs, fire exit capacity, and its M&E design for fresh air, heating and cooling. Another key challenge is balancing the budget and ensuring we're not overengineering, but also not cutting corners. We focus spending on features that add real value, flexibility and longevity, not just aesthetic impact on day one.

Crucially, we invest in understanding our customers. We conduct regular surveys, embed QR codes around our spaces for real-time feedback, and hold monthly reviews with our supply chain partners. We also do in-person interviews with customers to uncover more qualitative insights. Sometimes it's the small things, like the placement of more plug sockets in kitchens that make the biggest difference".

L&G continuously refines its design and procurement practices to reduce environmental impact across its portfolio. This includes careful material selection and ongoing collaboration with in-house and consultant environmental specialists to ensure buildings perform sustainably over time. Andrew Mercer comments: "A key challenge for us is working in partnership with our customers. Whilst we have dedicated teams of specialists focused solely on environmental factors, many of our customers, especially smaller companies, don't have that luxury. For them, prioritising sustainability can be difficult due to limited resources or a lack of specialised expertise. This creates a need for collaboration, and the best solutions come when we can work together to enhance environmental practices".

Evolving Sales Strategies and Broker Relationships

When L&G first launched its flexible workspace products, it relied heavily on working with traditional agents. Pre-covid, the offering of high-quality fitted space delivered by building owners was in low supply, and demand quickly followed.

Spaces were leased almost immediately after completion, with customers often signing longer leases than anticipated, despite expectations of shorter terms as customers no longer need to amortise fit-out costs over lease terms. Andrew Mercer recalls 'our first 3,000sqft Capsule fitted office let on a 5-year term without break with negligible rent free'.

However, as the market matured and competition increased, L&G found that its Managed space became more difficult to sell using traditional agents due to the complexity of the managed offer, which included services beyond a standard lease. To address this challenge in London, L&G adapted its approach by bringing in specialist flexible space brokers, who understood the nuances of Managed and coworking models.

To build stronger relationships with agents and brokers, L&G invested in roadshows across the UK. These events showcased not just the buildings but also the company's values, customer philosophy, and the people behind the product, such as concierge, supply chain partners, and customer service staff. Andrew Mercer adds: "We realised a few years ago that while many people had heard of Capsule, they didn't necessarily know it was backed by L&G, or understand what the brand stood for. So, we've made it a priority to ensure our broker network can confidently sell not just the space, but the brand and ethos behind it. We are giving our agents and brokers the skills to sell us better as an office owner"

Additionally, L&G diversified its marketing channels. Digital platforms such as Valve and Hubble have played a role, particularly for coworking offerings.

Co-working – Foundry UK

L&G's coworking joint venture, Foundry UK, which started in underused retail spaces on the south coast in 2022 has expanded into L&Gs BTR residential developments. Foundry UK's core market is start-ups and enterprise companies which needed a different approach to attracting customers. Foundry UK leverages a fully digital marketing strategy targeting customers using social media, virtual tours, and online advertising instead of agents and brokers.

Today, L&G typically uses a hybrid approach:

- Traditional agents for larger, fitted and/or regional offices
- Specialist flex brokers and digital platforms for managed spaces
- Digital platforms and social media for coworking and enterprise spaces

A Service-Led, People-First Approach

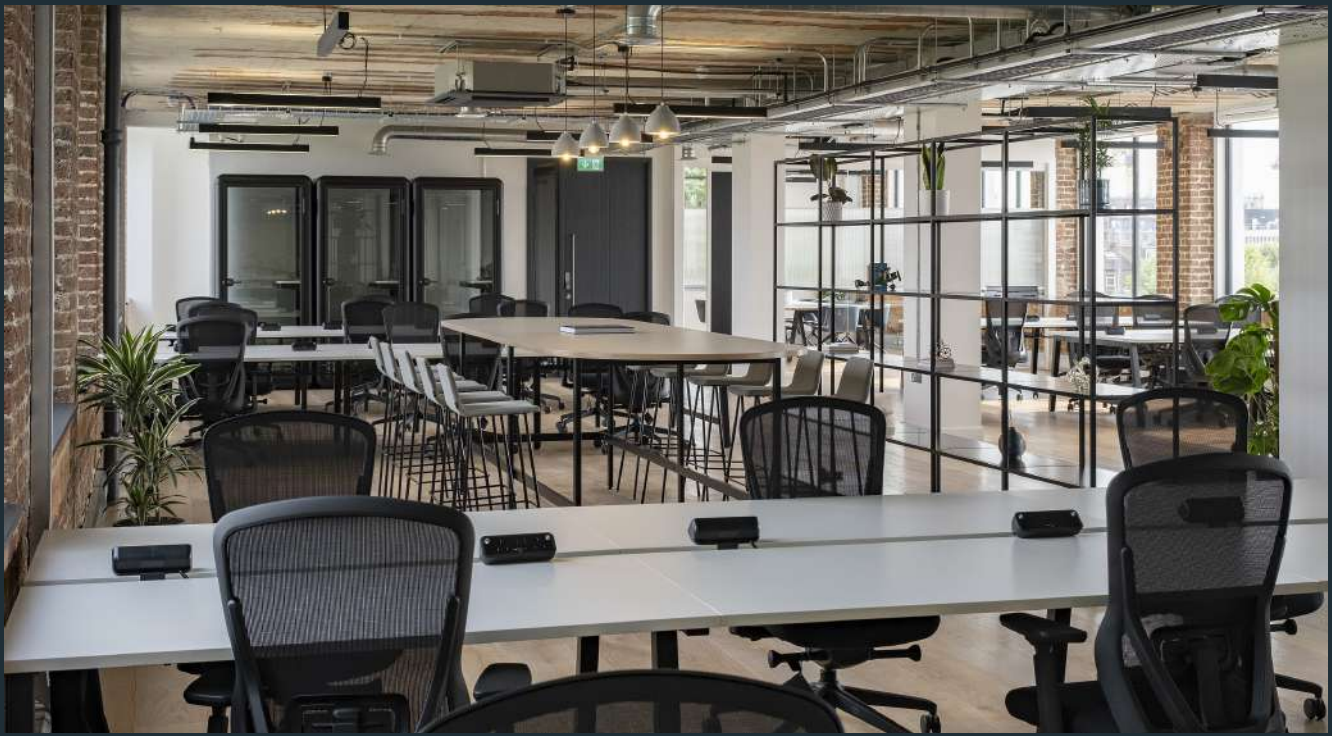
At the heart of L&G's flexible workspace operations is a service-led, people-first approach.

Andrew Mercer adds: "It's inevitable that things go wrong, so you need a technically capable Facilities team who can also communicate well and engage with customers confidently and empathetically". Front-of-house staff play a critical role as the face of each building and often provide the first daily touchpoint for customers. In Managed spaces, dedicated team members deliver a more bespoke experience, such as with onboarding. They help with move-ins, install branding, and handle tailored requests.

Andrew Mercer explains: "We don't just work with the better-known concierge providers. We look for people who are warm, proactive, and adaptable. For example, one of our concierge partners often hires out-of-work actors as they tend to be engaging, high-energy and great with people. We're also mindful of cultural fit depending on the building. In a more relaxed, creative space like the Aircraft Factory in Hammersmith, the tone is informal, but in more corporate environments, the profile of the concierge or front-of-house might be more professional and polished".

Determining the Ideal Customer Profile for L&G's Flex Product

L&G's primary target for their managed offering has been SMEs. These are businesses that are more established than those using coworking spaces, but not yet at the point where a traditional lease and full fit-out are viable for them. SMEs benefit from turnkey solutions that eliminate upfront capital expenditures and management complexity.



However, larger corporates also occasionally opt for Managed space when they require speed, flexibility, or satellite offices.

Andrew Mercer notes: “Post-COVID, we've definitely seen a shift across all business sizes toward more flexible arrangements. Many companies, regardless of sector, are still figuring out their long-term workplace strategy - how much space they really need, the role of hybrid work, and how AI might influence operations. In that environment, flexibility is key, and has maintained demand for both Managed and coworking spaces.

Larger corporates tend to bring their own internal structures, like events teams and workplace managers, which means they typically need less support from us in terms of community or cultural programming. Smaller SMEs, by contrast, really value the ecosystem we've built. That's why we launched our ‘Neighbourhood’ initiative, which connects clusters of smaller offices across our portfolio. Through shared events like film nights, Earth Day talks, or networking lunches, we help create a sense of community and belonging that smaller teams might struggle to foster alone”.

Integrating Flex into the Core Strategy

Flexible workspace now plays a key, adaptive role in L&G's real estate strategy, tailored to the profile and potential of each asset.

In larger buildings, flex is typically introduced not as a standalone product but as a value-added amenity - delivered through L&G's own coworking joint venture Foundry UK or partners like Runway East and Work.Life. These operators take up a portion of the building, offering customers the ability to scale up or down without leaving the site. Andrew Mercer explains: “In these cases, flexible space isn't about creating an entirely new business line, it's about enhancing the ecosystem of the building. It supports customer experience and makes the entire asset more resilient and attractive.”

This hybrid approach, which combines long-term leases with shorter-term, service-based space creates a diverse income stream that blends predictable returns with agile, operational income. That mix not only increases the asset's capital value but also broadens its appeal to a wider pool of investors. Andrew Mercer sums it up: “The ideal model is a building that grows with its tenants. A company might start in coworking or managed space, move into a fitted unit as it scales, and eventually take Cat A space they can undertake a bespoke fit out themselves. That journey drives loyalty and lets our investors benefit from greater retention and monetisation in multiple ways across a customer's lifecycle.”

Lessons Learned and Future Outlook: Embedding Flex for the Long Term

For L&G, entering the flexible workspace market has been a learning curve. The key lesson? It's not just about delivering a quality product, it's also about clearly communicating its value. "The biggest lesson has been around messaging the flexible workspace product," says Andrew Mercer. Unlike traditional office space, which benefits from clear benchmarks and data, the flex market lacks transparency. "We tried to sell a building with a serviced office in a smaller town, and we couldn't find any market data to support the strength of the flexible market in that town," Mercer adds. "This ongoing data gap makes valuation, investor confidence, and long-term planning more difficult and will slow the potential growth of the flex market."

Despite these limitations, the performance of L&G's flex portfolio has exceeded initial expectations. "We're facing the unique challenge of having too few void spaces to accommodate our managed products," says Mercer. With voids down and occupancy strong, the flex model is now seen as a core lever in L&G's broader asset strategy.

Looking ahead, the team anticipates flex becoming increasingly integrated into L&G's office investment landscape. The focus now is on embedding flexibility into the foundation of new investments. Andrew Mercer adds: "One of the questions when buying new offices is how Capsule, Capsule Managed and Foundry fits with the investment strategy. Flex is no longer an add-on, but a foundational consideration in asset planning". But for the wider market to mature, Andrew Mercer believes one thing remains clear: "Until the industry becomes more transparent with its data, it will be difficult to value and position flex spaces effectively."

For now, L&G is positioning itself ahead of the curve, refining its approach with every building, every customer, and every learning along the way.

Flex Space Launch Checklist for Landlords

1. Strategic Foundations

- Define your objectives for entering flex (yield uplift, occupancy, brand, tenant mix)
- Choose your delivery model: Lease, management agreement, JV, or owner-operated
- Select the right workspace model: Coworking, serviced office, managed, or hybrid
- Conduct market research: Location analysis, demand drivers, competition, target audience
- Seek input from flex advisors or consultants to validate assumptions and avoid pitfalls

2. Business & Financial Planning

- Define your total budget: Fit-out, tech, marketing, staff, legal, working capital
- Assess ROI and time to breakeven (typical flex ramp-up periods)
- Identify revenue streams: Memberships, internet, meeting rooms, events, F&B
- Understand margins across models (managed vs leased vs JV)
- Decide on pricing strategy and desk density targets

3. Design & Build

- Appoint architect or design & build partner experienced in flex
- Plan for density, safety, wellbeing, natural light, air quality, biophilia, accessibility
- Define timeline and phasing of delivery
- Decide on amenities: Kitchens, meeting rooms, breakout, event space, wellness rooms
- Engage stakeholders: Asset manager, investors, internal teams

4. Technology & Infrastructure

- Define your essential tech stack: Wi-Fi, access control, booking, CRM, door entry, billing
- Do a tech audit: What infrastructure do you already have in place?
- Due diligence: Security protocols, integrations, scalability, vendor stability
- Decide on IT provision: In-house IT team, MSP, or full software provider

5. Operations

- Choose delivery route: In-house or management partner
- Define team roles and structure: General manager, building manager, community lead, front of house
- Clarify required skillsets: Hospitality, commercial, tech, customer service
- Design service level standards: Maintenance, member engagement, issue resolution

6. Marketing & Sales

- Define your USP and value proposition: Brand, location, service, design, flexibility
- Build broker relationships: Identify best-fit partners, align on positioning and fees
- Create a go-to-market strategy: Website, listings, social, PR, events
- Plan your lead funnel: CRM, enquiry handling, tours, follow-up
- Set KPIs for occupancy, revenue per desk, cost per lead, conversion

7. Legal & Compliance

- Structure commercial terms: Flexible licenses, service agreements, shorter lease formats
- Engage legal advisor with flex experience
- Ensure EPC, DDA, fire safety, GDPR, and health & safety compliance
- Define risk-sharing and liability structure (especially in management agreements)

8. Occupancy & Retention

- Develop a plan to manage seasonal dips and optimise performance. This should include dynamic pricing, CRM-driven renewals, local business development, agent partnerships, and community-building initiatives to drive long-term retention and revenue stability.

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Flexible workspace and coworking technology services in the UK and Europe

technologywithin delivers easy to use technology that enhances flexible workspace. We partner with flex and coworking operators and commercial landlords across the UK and Europe to bring their spaces to life, by providing connectivity, workspace management and voice solutions that deliver growth.

We work with a wide range of clients, from boutique coworking spaces to large multi-site operators and our ethos is always to be easy to do business with. Our clients don't just choose us for our leading-edge technology; we also deliver a service that's friendly, authentic and personal. We're their trusted technical advisers who listen, ask questions and communicate our knowledge clearly.

Get in touch

If you'd like to discuss your shared workspace connectivity, management software or voice requirements, get in touch with our friendly team and we'll be delighted to share our knowledge.

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