

Flex and the City 2019

the data-driven guide to finding flexible office space in London

powered by



HUBBLEHQ

in partnership with



JLL

A note from our co-founders

“Flexible office space appeals to businesses because of the choice, flexibility, and access to key locations it offers. Once written off as a fad, it has now become more important than ever, creating the biggest revolution in real estate for over a century. In the past five years, Hubble has built London’s largest dataset on the flexible office market and we are proud to share our insights to help businesses anywhere on their journey from idea to IPO, to find an office quickly, easily, at the best price – and love where they work. Our mission with Flex and the City 2019 was to break down the barriers of information in the market and empower everyone from the office manager, to the intern, to the CEO to find the perfect space for their business.”

Tushar Agarwal & Tom Watson
CEO & CTO



14.7m

sq ft of flexible space in London

6.3%

of all office stock is flexible

11%

estimated flex stock by 2023

What is flexible office space?

Whilst conventional leases require businesses to commit to an office for 5-10 years, flexible office space has much lower minimum terms, and is usually charged on a monthly rolling basis.

Often serviced, this takes the hassle out of office management, simplifies costs into an all-inclusive monthly fee, and enables businesses to grow at their own pace.

Flexible office providers include big brands like WeWork, boutique brands like Second Home, or blank canvases where you can build your own brand.

A note from our partners

“The flexible office market in Central London is by far the largest and most developed in the UK. The sector has seen its footprint expand rapidly over the five years from 2013, increasing by 26% per annum, compared to just 9% per annum in the previous five years. At the end of 2018, JLL estimates that there was 14.7 million sq ft, equating to 6.3% of the total office stock. Looking forward, we anticipate that the sector will expand further, in response to growth in demand from larger companies and changes to the way we work – we estimate that by 2023 it will account for 11% of the office stock.”

Elaine Rossall

Head of UK Offices Research & Strategy



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MARKET 01

The flexible office market has been growing rapidly, and now is the perfect time to get involved.

Many thanks to our partners JLL for providing the following data and insights, which illustrate the huge expansion of London's flex scene, and identify which particular areas have the largest proportion of flexible workspace.

in partnership with

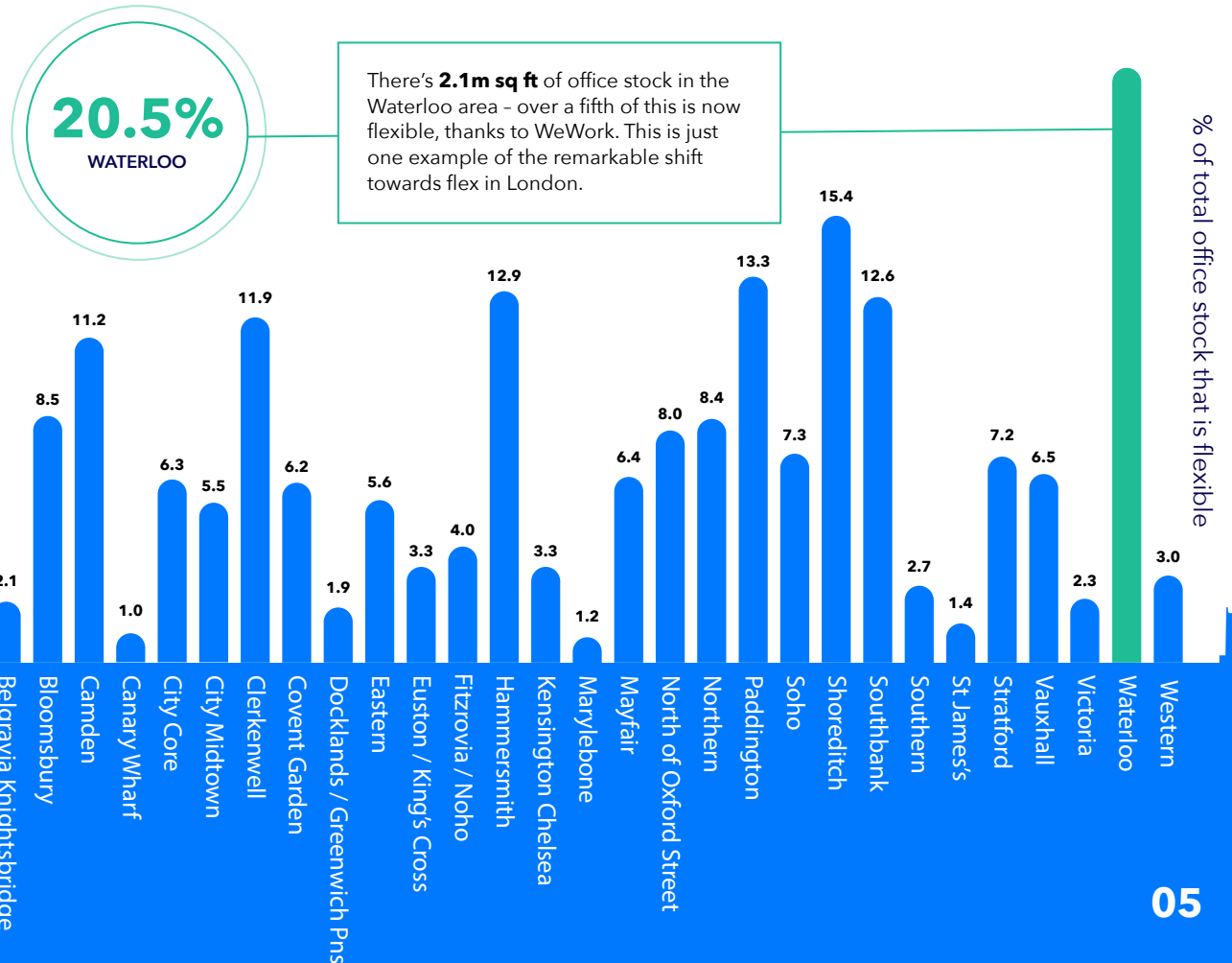


Flexible office space is everywhere

“The expansion of flex has occurred across all parts of Central London - although East London has yet to take off in the same way as parts of the City and the West End.”

“Unsurprisingly, the City Core submarkets have the largest share of flex space - with more than **4 million sq ft** leased to flexible office providers over the last five years - in line with its status as the biggest traditional office market. But it doesn't have the largest proportion of flex stock. The submarkets with the highest concentration of flex space are typically non-core markets,

notably: Shoreditch (**15%**), Southbank (**13%**) Paddington (**13%**) and Clerkenwell (**12%**), where leasing activity has been strong against a relatively small but expanding traditional office stock. Meanwhile, WeWork's commitment to lease the entire 280,000 sq ft 2 Southbank Place in Waterloo means that **13%** of the area's office stock will be occupied by them.”

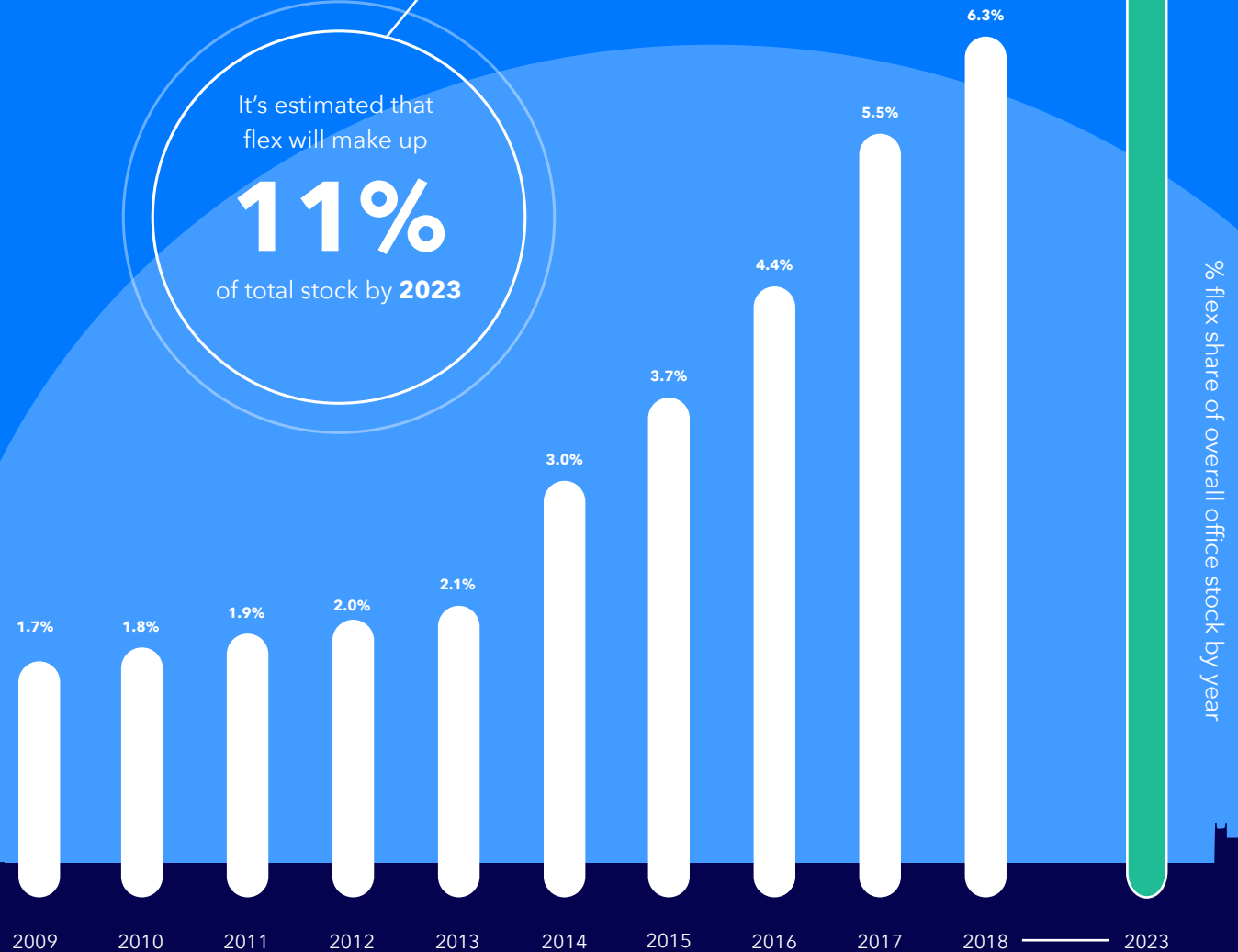


...and it just keeps growing

"The rapid expansion in the supply of flex space has come from new entrants and established operators, as well as new landlord delivered models, such as Storey and Myo. Operators new to Central London in 2018 included Knotel, Meet in Space and No 18, while Convene is expected to open its first London location during 2019.

Despite WeWork dominating the headlines, the London market remains highly fragmented, with more than 150 providers offering some form of flex space in over 650 separate locations. The market is polarised between a few large operators and many smaller operators - over the last five years, just 15 operators have expanded by more than **100,000 sq ft**. Much of the increase in supply has come from WeWork, who have just committed to their 50th London location."

It's estimated that flex will make up **11%** of total stock by **2023**



02

WHERE

We know that location and price are two of the most important factors when looking for a new office.

So, here's the lowdown on both – how much did workspace cost in different areas of London in 2018? Is price always what it seems? And which areas should you keep an eye on? All this and more in the pages that follow.



Average price per desk across London

Finding a new office can feel like a daunting task, with so many things to consider, it's hard to know where to start.

Let's start with the basics: we know that two of the most crucial factors to our customers are location and price. So, just how much did it cost to be based in different parts of London in 2018?

Average monthly price per desk in 2018

LOCATION	LOW	MEDIAN	HIGH	% CHANGE
Aldgate	460	598	664	▲ 3%
Angel	316	358	476	▼ 9%
Baker Street	425	565	624	▲ 1%
Bank	448	700	837	▼ 2%
Barbican	345	456	540	▲ 11%
Bethnal Green	250	279	324	▼ 26%
Blackfriars	411	508	625	▲ 3%
Bond Street	663	850	1166	▼ 5%
Borough	390	498	674	▲ 19%
Camden Town	296	375	534	▼ 6%
Canary Wharf	434	609	698	▼ 6%
Chancery Lane	322	500	656	▲ 9%
Charing Cross	428	534	684	▼ 23%
Covent Garden	390	512	654	▲ 6%
Farringdon	319	435	560	▲ 2%
Great Portland Street	358	402	567	▼ 10%
Green Park	562	781	1065	▼ 3%
Hammersmith	400	501	578	0%
Holborn	393	578	703	▲ 5%
Hoxton	251	298	357	▲ 25%
King's Cross St. Pancras	369	432	683	▼ 5%
Liverpool Street	430	595	704	▼ 11%
London Bridge	318	507	600	▲ 7%
Marble Arch	675	800	1152	▲ 3%
Marylebone	412	539	733	▲ 25%
Monument	589	745	846	▲ 1%
Old Street	353	413	544	▲ 3%
Oxford Circus	525	600	783	▲ 1%
Paddington	748	753	783	▼ 2%
Peckham Rye	137	175	212	▼ 9%
Piccadilly Circus	375	589	750	▲ 1%
Putney Bridge	196	283	497	▼ 52%
Shoreditch High Street	301	404	555	▲ 12%
Southwark	519	623	665	▲ 1%
St. James's Park	529	669	1185	0%
St. Paul's	636	750	870	▼ 1%
Temple	730	748	774	▲ 69%
Tottenham Court Road	512	616	772	▲ 19%
Tower Hill	599	664	745	▲ 1%
Victoria	566	651	850	▲ 30%
Waterloo	606	630	654	▲ 7%

Why give three prices?

We know that office space comes in various shapes and sizes, each offering differing facilities and levels of service.

This means that you can't always compare like-for-like - walking 10 metres down the road from one to another could bring you to a completely different workspace, in a very different price bracket.

Separating the high-value from the high-end gives a better overview of what's on offer and where.

Central London: worth the money?

It's estimated that

70%

of flexible office space is located within Central London - the most expensive part of the country. So, why do people gravitate towards the centre?

There are a number of reasons why businesses are happy to pay that bit more to be closer to the centre, the main ones being:

- Proximity to customers
- Better transport links
- Employee satisfaction
- Attracting new talent
- Fun surrounding amenities

This has shown a big shift in mentality, away from focusing simply on "getting a good deal" and towards understanding the wider impact an office has on a business.

Search offices in Central London at hubblehq.com

Want the best of both worlds?

Whilst Central London is generally synonymous with higher rents, with most private offices costing between £500 and £800 per desk per month, there are places where you can snag lower rates as well as be in a popular part of the city:

LOCATION	AV. PRICE
Angel	£358 pp/month
Farringdon	£435 pp/month
Great Portland Street	£402 pp/month
King's Cross St Pancras	£432 pp/month
Old Street	£413 pp/month

SPOTLIGHT ON

North London

Looking for affordable rates and excellent transport links? Try Camden.

With its strong creative community, easy access via tube and overground, and selection of high-quality workspaces, Camden is an increasingly popular location amongst businesses – particularly those in the creative industries.

Whilst supply of flexible space may be limited at present, this promises to change with the huge new LABS development in Hawley Wharf, opening soon.



Camden Market



The Regent's Park



Average rent pp/month in **Camden**

£375

▼ Fell **6%** in 2018

+ good transport links

— limited office supply (for now)

SPOTLIGHT ON

East London

You don't have to travel far East before desk prices start to tumble.

Bethnal Green, for example, saw monthly rents fall by over a quarter in 2018, to an average of just **£279/person.**

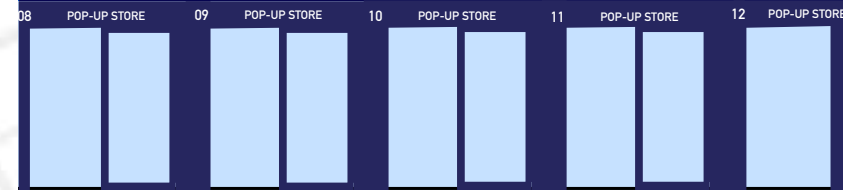
The trade off? East London isn't the most well-connected, and you could potentially be moving further away from your team members' homes - but the lower prices mean you'll have more budget to invest in your business, and you're not too far from Shoreditch when you need your bars and restaurants for post-work events.

 Columbia Road Flower Market

 Bethnal Green

 Whitechapel Gallery

BOXPARK



Average rent pp/month in **Bethnal Green**

£279

▼ Fell **26%** in 2018

- + super low rents for London
- further from the centre

SPOTLIGHT ON

Canary Wharf

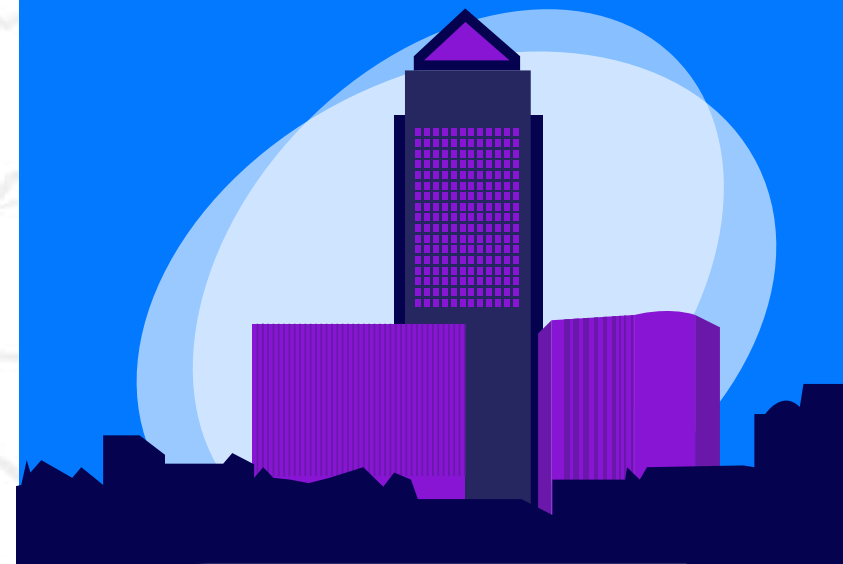
As the flex market grows, how is Canary Wharf – one of London's key office districts – faring?

In 2018, the average monthly price per desk in Canary Wharf fell by **6%** compared to the previous year. But why? Whilst Brexit has indeed caused a number of businesses to relocate to other parts of the city, or even to other financial hubs abroad, it's possible that many businesses are finding Canary Wharf less attractive than central locations and the enhanced amenities, connections, and wider talent pool they can offer.

Nevertheless, pricing in the area remains relatively high, and businesses can expect to pay over **£600 pp/month.**



Canary Wharf



Average rent pp/month in **Canary Wharf**

£609

▼ Fell **6%** in 2018

+ prices dipped last year

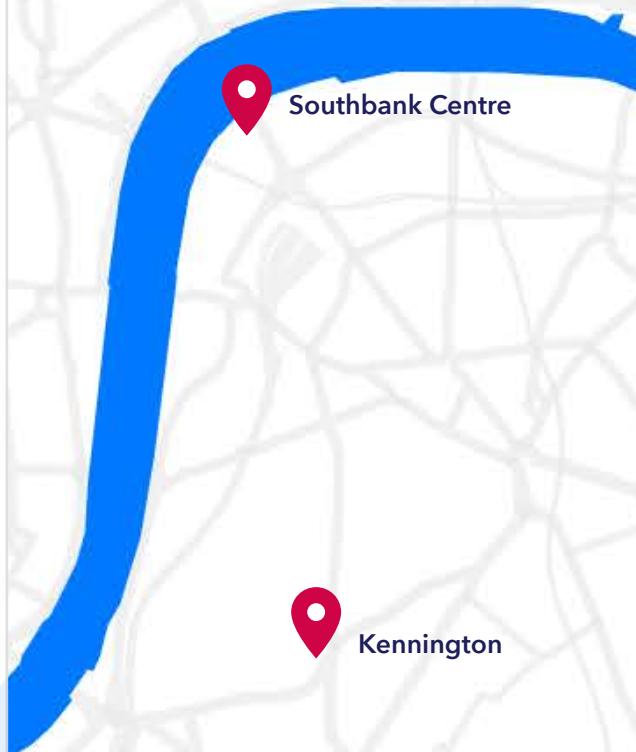
— less attractive to businesses

SPOTLIGHT ON

Southbank

Waterloo and Southbank are increasingly popular areas among businesses – from startups to SMEs – and the good news is, there’s a lot of choice.

As a result, we’ve seen prices around London Bridge rise despite a big increase in supply, and neighbouring Borough has also started to gain in popularity as high-quality operators flood to open workspaces in the area. Though prices have gone up, businesses are happy to pay the higher rents in return for premium offices and an enviable location.



BOROUGH MARKET

Average rent pp/month in **Borough**

£498

▲ Rose **19%** in 2018

- + high-quality offices, lots of choice
- monthly rents are on the rise

SPOTLIGHT ON

West London

West London has a complex portfolio of workspace, comprising a wide variety of quality and quantity.

Monthly rents in luxurious, centre-west locations such as Bond Street and Mayfair can exceed **£1,200 per desk**, whilst traditionally popular areas such as Hammersmith average at around **£500**.

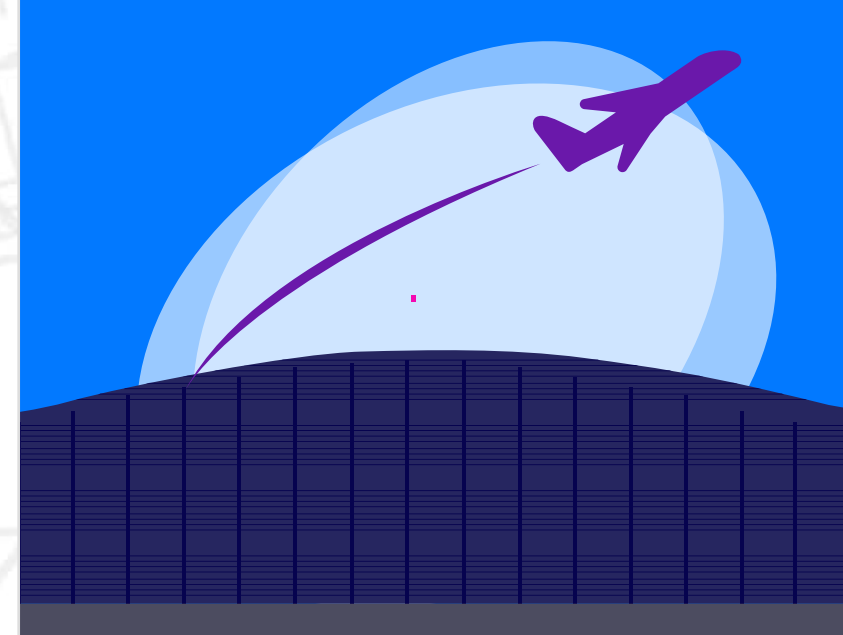
Meanwhile, just a 10-minute train journey from Paddington (and in close proximity to Heathrow Airport) is Ealing, where desk rates sit at just **£347/month** – making it a great option for businesses looking to make savings.

And, with operators such as WeWork and Spaces now setting up shop here, this area is well worth a look for startups, scaleups, and SMEs alike.

Average rent pp/month in **Ealing**

£347

- + influx of well-known operators
- further from Central London



What you see isn't always what you get

(in a good way)

Whilst the figures above give a solid indication of how the cost of office space varies across London, it's really important to differentiate listing prices from transaction prices. During 2018, Hubble witnessed big discounts on office space across the board - excellent news for businesses, as it means you can get more bang for your buck.

Yep - that means that last year, your average business paid 15% less for their new office than the amount listed online.



And that stat doesn't even include other incentives, such as rent-free periods and seasonal offers, which bring prices down even further. As businesses become more aware of competing brands and the ability to knock down rates, we forecast that this trend is likely to continue. Of course, this doesn't just happen - getting a deal isn't going to come naturally, meaning you need to be willing to negotiate.

Good News:

Hubble can advise you on the most suitable course of action and help you negotiate the best deal possible.

Head to hubblehq.com to speak to one of our advisors now



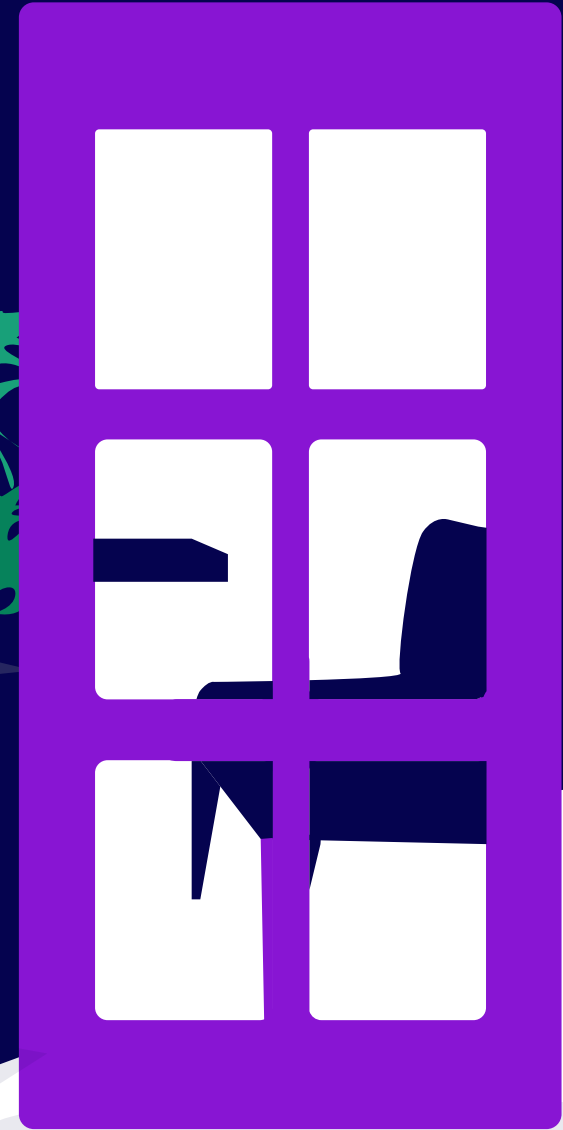
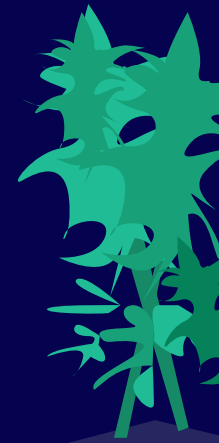
HUBBLEHQ

WHAT

03

Offices today offer so much more than just a desk and a chair.

From soundproof phone booths to free booze, the possibilities are (almost) endless when it comes to workspace amenities. We've analysed our search data to find out which facilities businesses were looking for in 2018 compared to 2017.



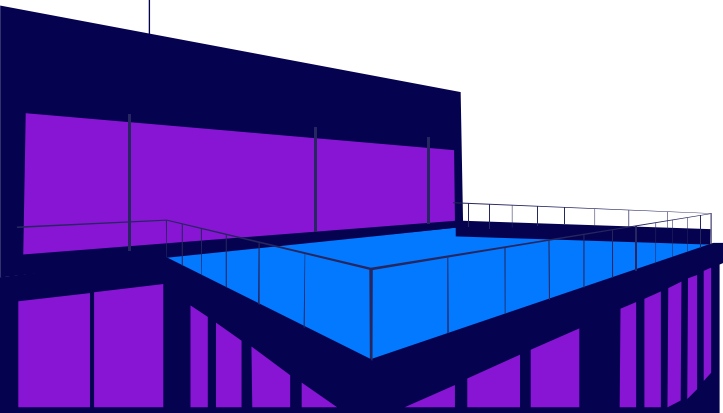
Which facilities were businesses searching for in 2018?

On Hubble, you can narrow down your search by specifying which amenities you'd like in your office. Here's how facility search trends changed between 2017 and 2018, and the reasons why.

Roof terrace

+238%

An enormous 238% leap in the number of searches for a roof terrace shows how occupiers are increasingly looking to provide the "wow" factor for both teams and clients.



24hr access

-15%

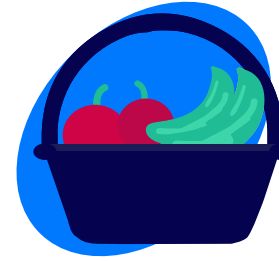
2018 saw a drop in Hubble users specifying a need for round-the-clock access - reflecting the growing trend towards more sociable working hours and a better work/life balance.



Pets allowed

+14%

We've received a growing number of requests from tenants searching for pet-friendly office space. The benefits are two-fold - infinitely more flexibility for dog owners, free dog therapy for everybody else.



Fruit and snacks

+11%

Promoting a healthy lifestyle has become increasingly important to employers, who are aware of the positive impact this can have on team morale and productivity. This jump in free healthy snack searches shows how health is on the agenda.



Beer and wine

+2%

Facilities such as gyms and healthy snacks may have been popular in 2018, but the number of users wanting free beer and wine remained stable, too - we're only human.

Gym facilities

+11%

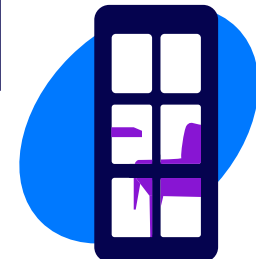
Searches on Hubble looking for onsite gym facilities have also risen 11%, in tandem with the requirement for healthy fruit and snacks. Being able to offer free gym use to teams is a powerful recruitment incentive.



Phone booths

+17%

Providing private space away from the hubbub of the main office has become a key priority for many companies. In 2018, 17% more Hubble users felt phone booths were an essential part of their criteria.



SPOTLIGHT ON

Pet-friendly spaces

Studies have proven that having pets in the workplace can have an array of positive effects on employee wellbeing. And not only for the owner – but for colleagues, too.

From an employer's point of view, allowing your team to bring their pets to the office can definitely work in your favour, especially when attracting new hires – as it shows that you view your employees' health and happiness as a top priority.



“

“Having dogs in the office makes even the hardest days working for a startup just a bit more fun. Our awesome dogs Buddy, Milo, and Mia put a smile on everyone's face when they walk in the door. Working in an office without dogs would be the worst.”

Damian Brychcy, COO



The extras are great

but some things are fundamental

Whilst the range of facilities available in serviced offices continues to grow in both quantity and quality, there are certain non-negotiable factors for businesses. Unlimited beer is cool, but if you don't have the following fundamental features then your team won't be happy:

“

Our customers often ask us questions about the internet speed in offices on our platform. Nowadays, WiFi is probably the most essential facility in ensuring that business can actually take place - and the most noticeable when it doesn't work.”

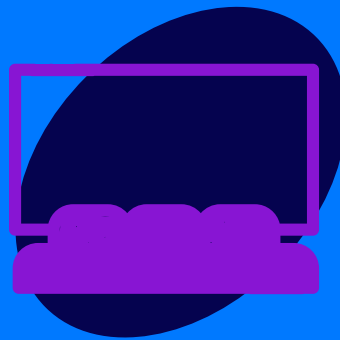


Leonora Clark,
Customer Success Manager
at Hubble



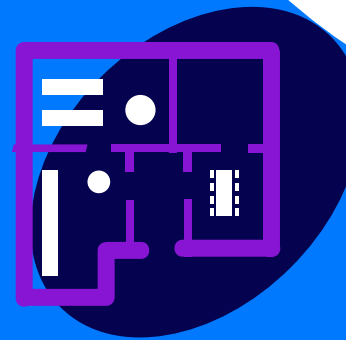
Strong and fast internet

High-speed WiFi and a reliable connection are crucial to companies in every industry.



Meeting rooms included

Customers are aware of how quickly these add-on costs can spiral if not included.



Intelligent layouts

Workspace that balances privacy and breakout space for agile working is key for many businesses.



Natural light

Having a bright and well-lit workspace is essential, given its positive impact on team morale.

04

WHO

Like-minded businesses tend to gravitate towards the same areas.

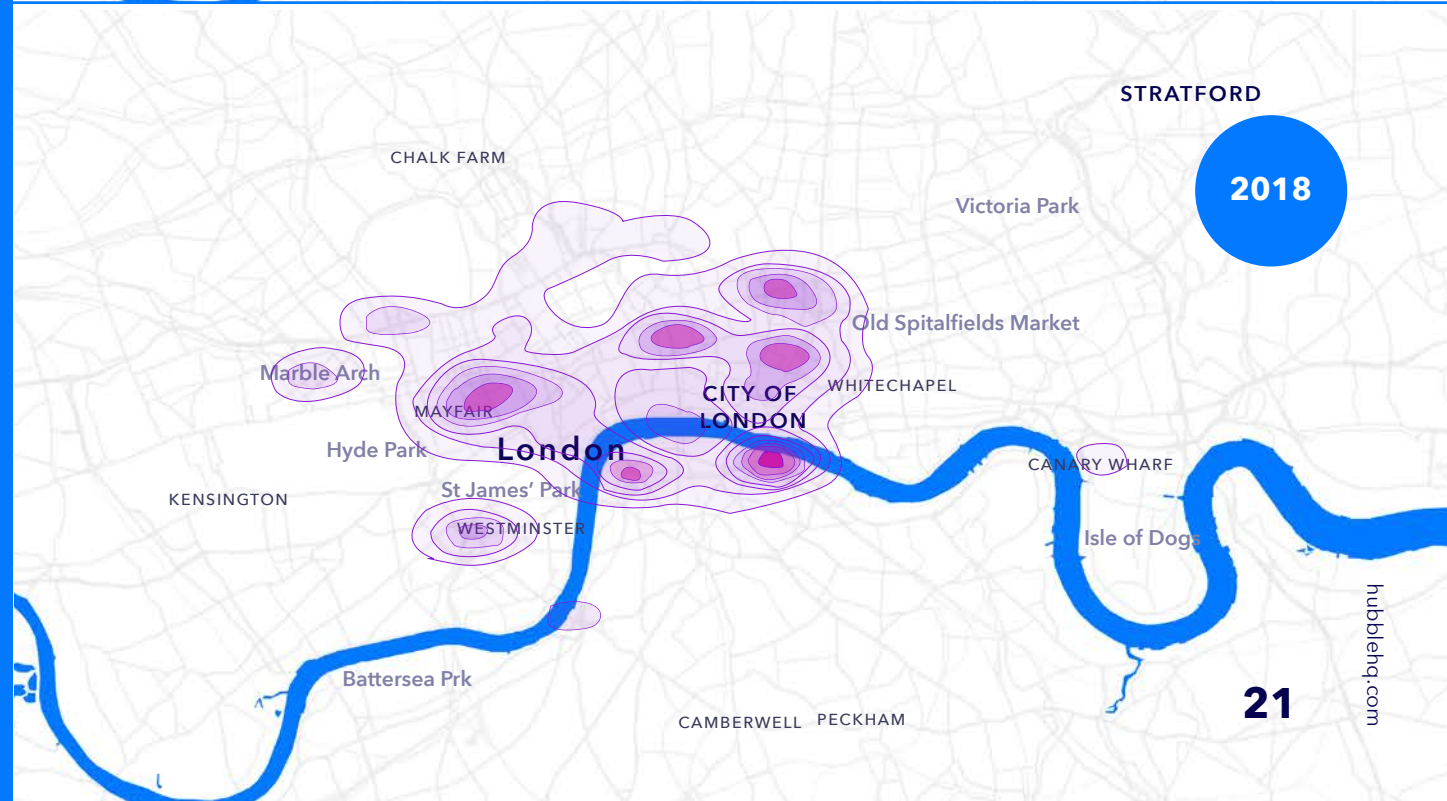
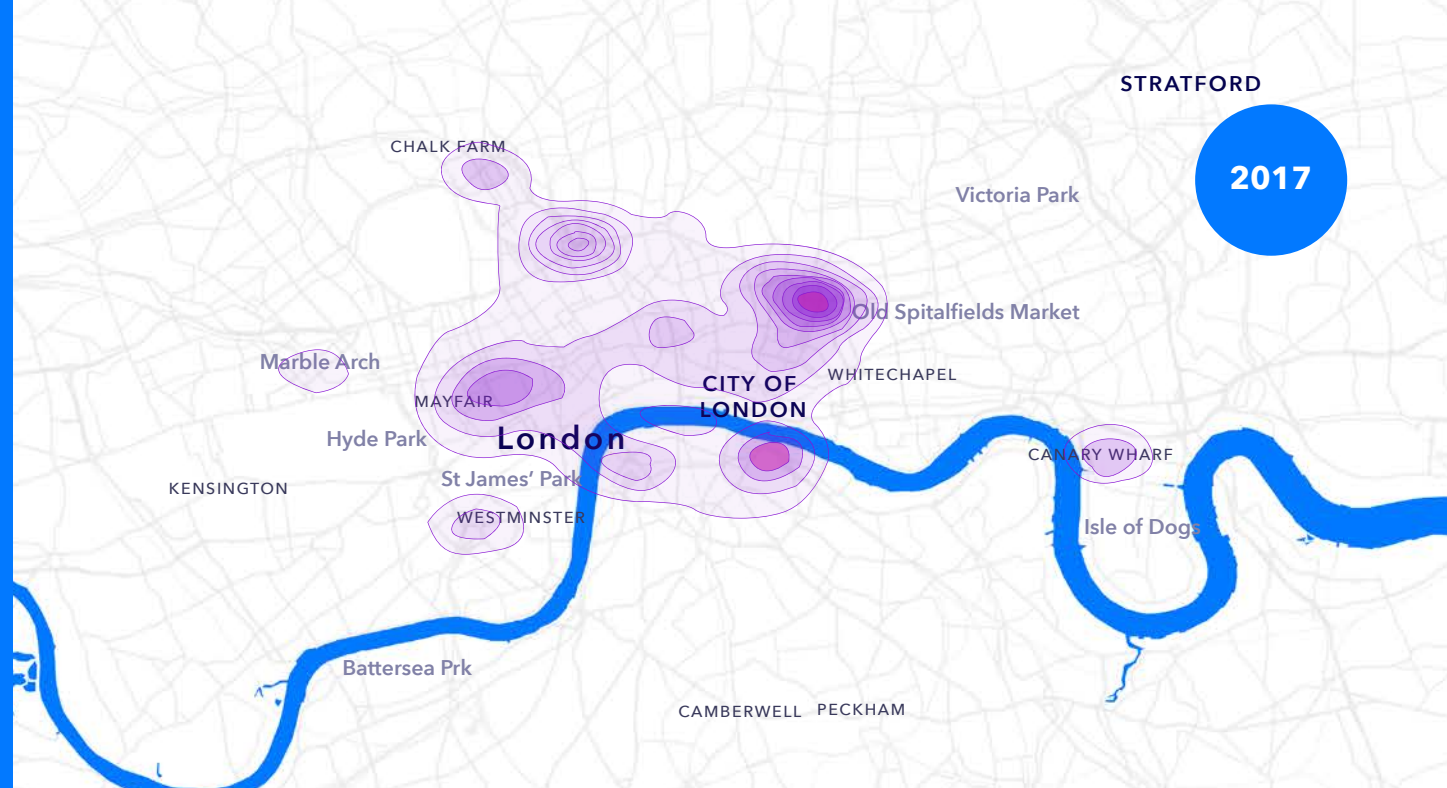
We've studied our data to identify how trends amongst early-stage startups, scaleups, and SMEs have changed over the past two years. We've also looked into which industries are increasingly choosing flex - find the frontrunners in this section.



Startups

1 - 10 PEOPLE

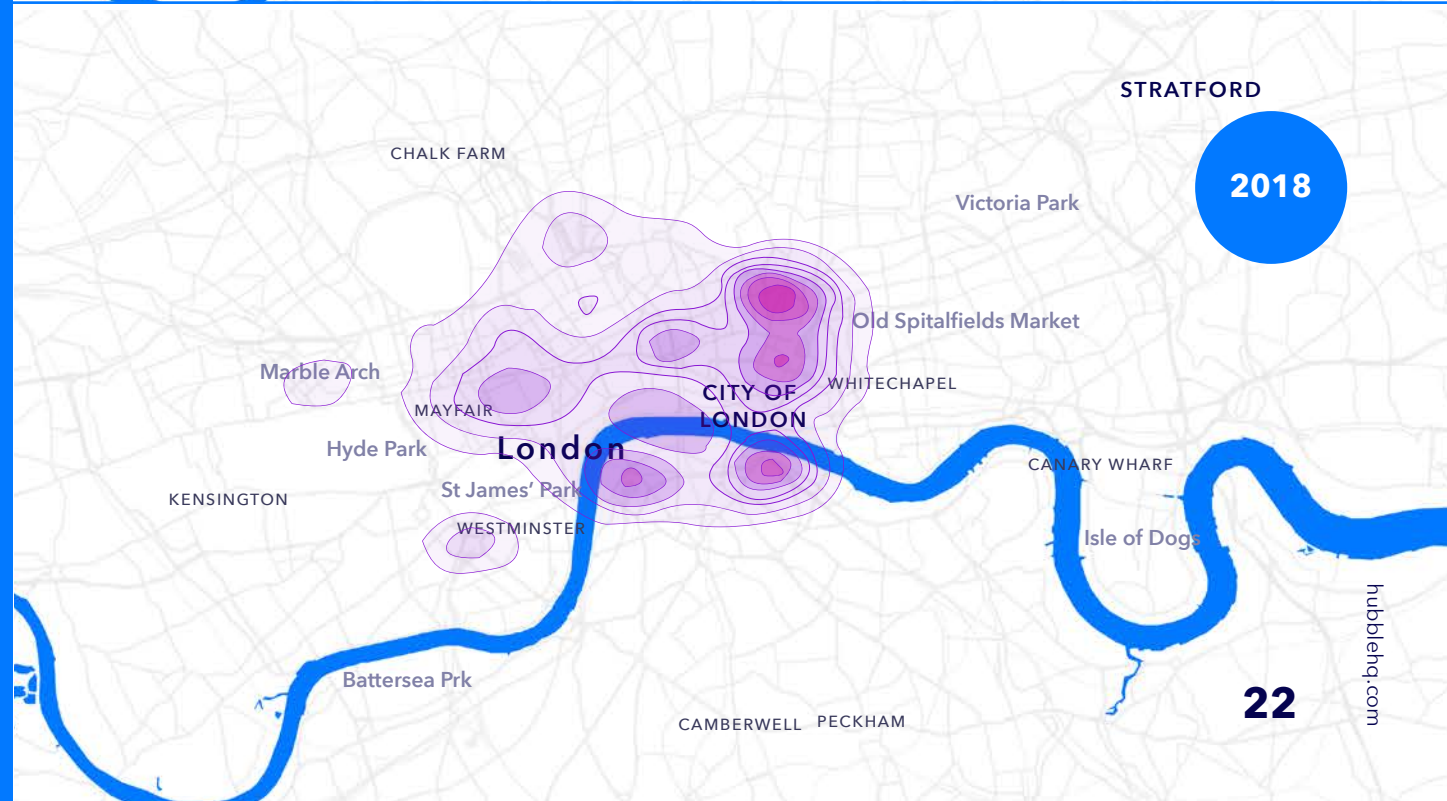
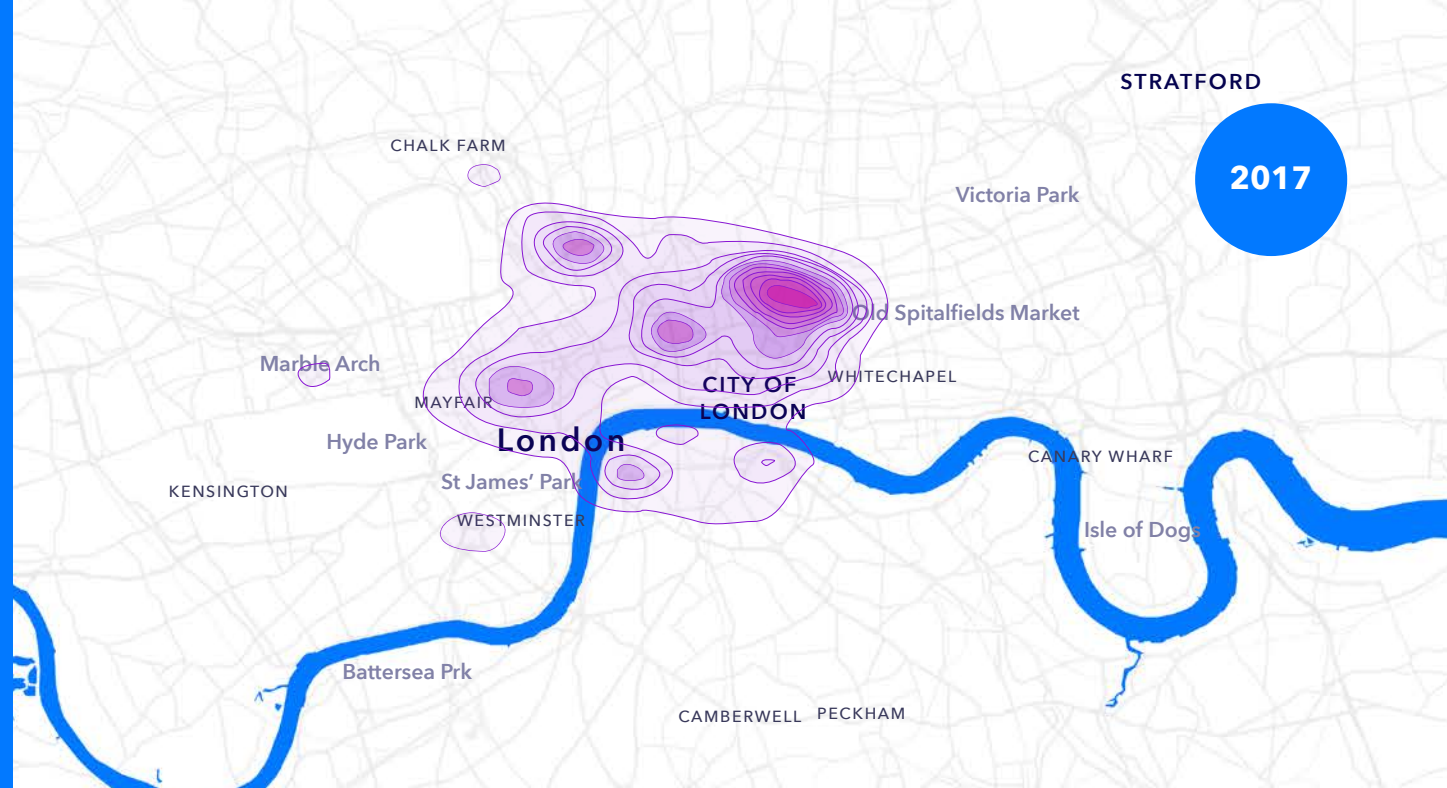
Old Street has been famous for its high concentration of startups ever since it was dubbed “Silicon Roundabout” back in 2008. However, Hubble data shows that last year, young companies broadened their search beyond Tech City, showing greater interest in areas such as Soho – traditionally popular amongst creative agencies – and Southbank, which was once dominated by the public sector. The result? A much more diverse startup landscape, proving that UK businesses are increasingly happy moving out of their comfort zones.



Scaleups

11 - 49 PEOPLE

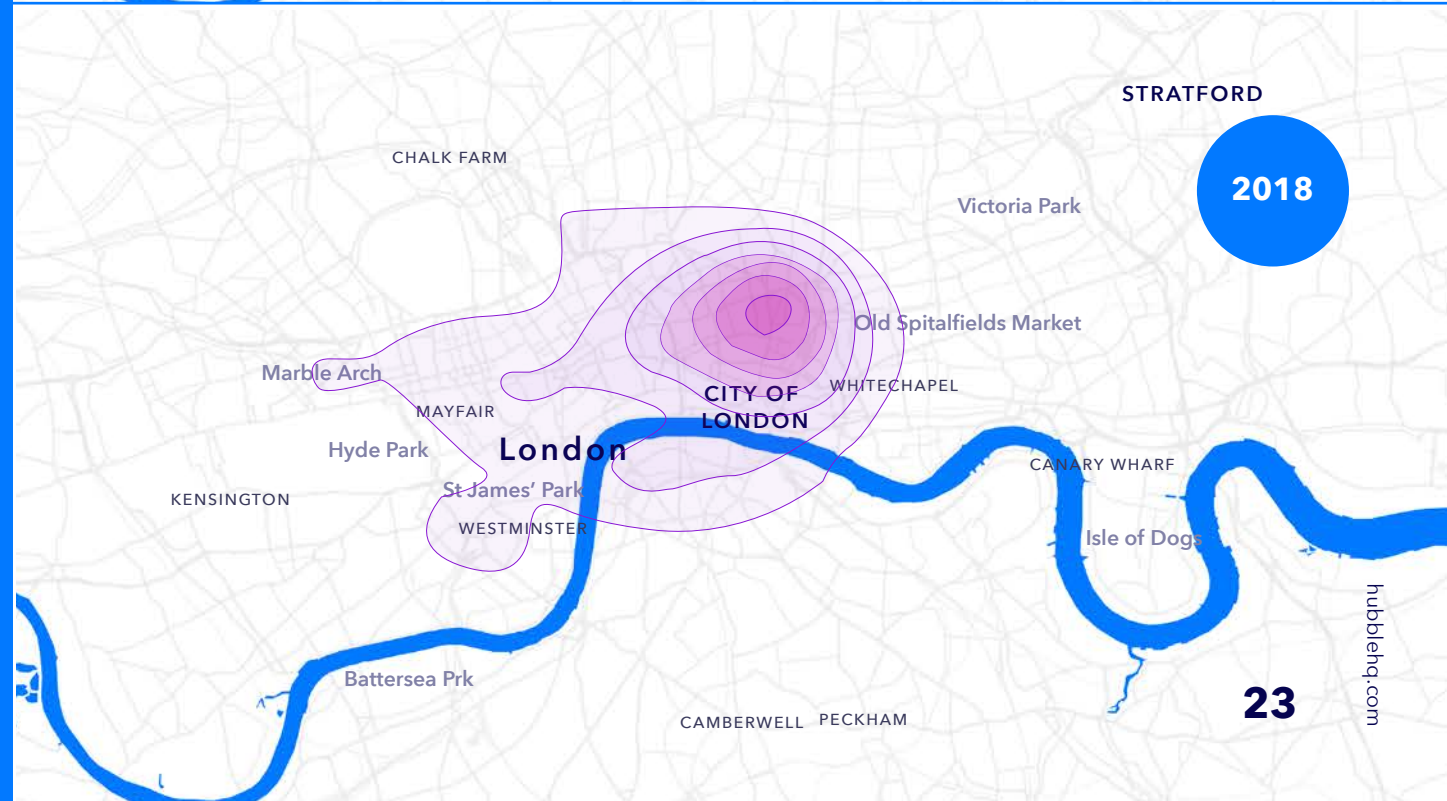
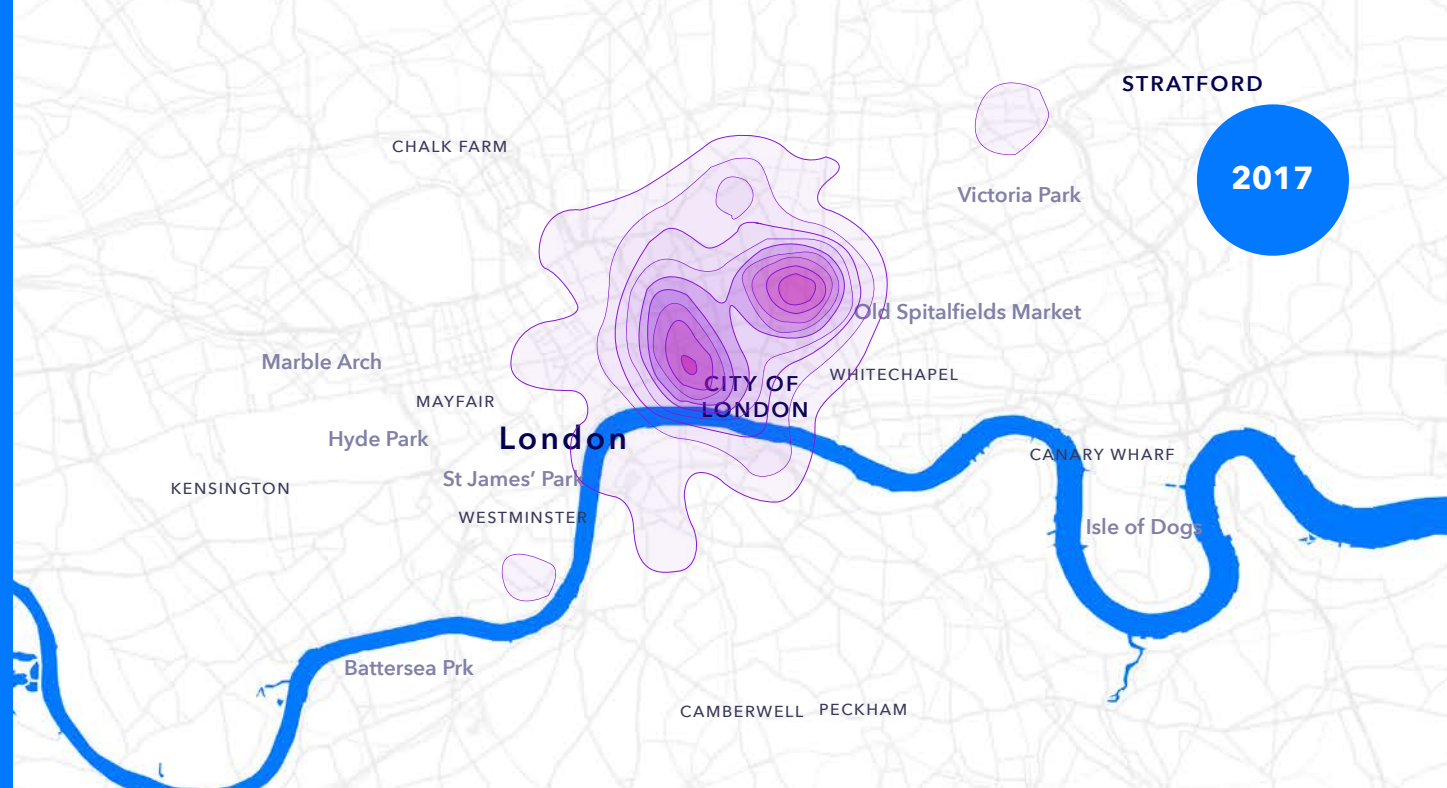
Whilst Clerkenwell, Old Street, and Shoreditch remain popular with scaleups, searches for private offices south of the river increased significantly within this demographic last year. In tandem with this rise in demand, supply in Southbank and its surrounding areas has also grown in recent months, with many workspace providers now offering high-quality office space in close proximity to key transport hubs such as Waterloo and London Bridge: ideal for these growing businesses looking to attract and retain talent.



SMEs

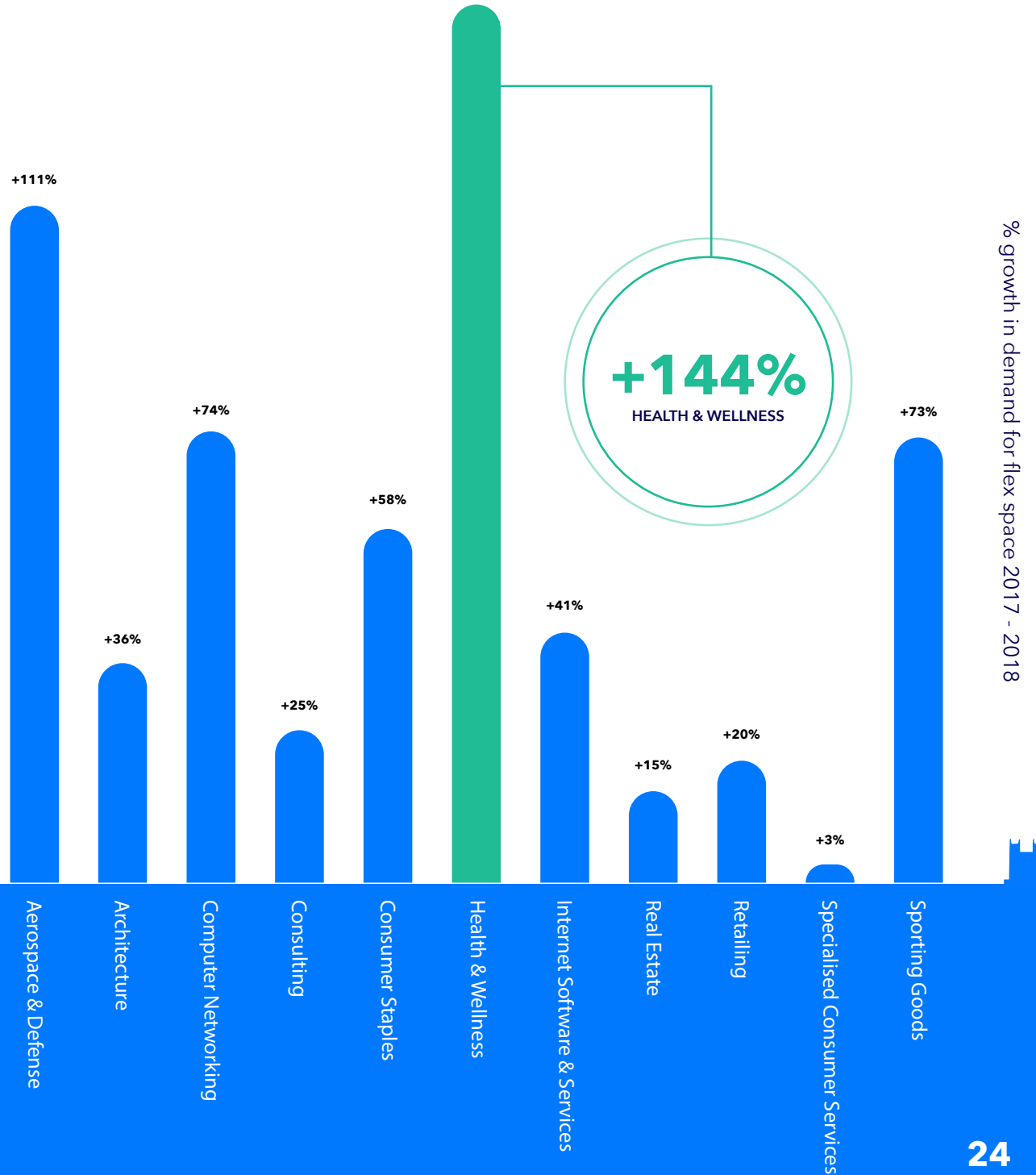
50+ PEOPLE

Back in 2017, businesses looking for more than 50 desks tended to focus their office search around the City, Midtown (aka Holborn) and Old Street. In 2018, the search trend shifted more towards Old Street and its environs. SMEs know the value of choosing a location that's appealing to their team, and this part of London is enticing to a new millennial workforce. It also shows the evolution of Tech City - with the arrival of big names such as MADE.com, Infosys, and Bosch, it's no longer just for scrappy startups.



Which industries are choosing flex?

We're seeing huge growth across the board in the number of companies opting for flexible office space - but within a few industries, the increase in demand has been particularly significant.



SPOTLIGHT ON

Health and Wellness

We recently helped Grow Biotech, a medical cannabis company, find a new office and move their 28-person team in under 48 hours.



“

“We started off the process by going down the more traditional route, using a broker to help us find an office, but on the Tuesday before we were supposed to move, the deal fell through. We were without an office and only had 2-3 days to find somewhere else.

We had to start the whole process again, so we decided to try something different. After being recommended Hubble by a friend, we had a look at the website and started filtering our search, making a shortlist of our favourite spaces in Central London. Henry (one of Hubble’s tenant advisors) then helped to arrange five back-to-back viewings on one day. By the end of it, we had picked our space and closed the deal. The process was very quick and efficient – so much easier than our original office search. It’s hard to believe that the viewings took place on Wednesday and we had signed and moved in by Friday.”

Lana Cundle,
Personal Assistant to CEO
at Grow Biotech

“

“The process was very quick and efficient”

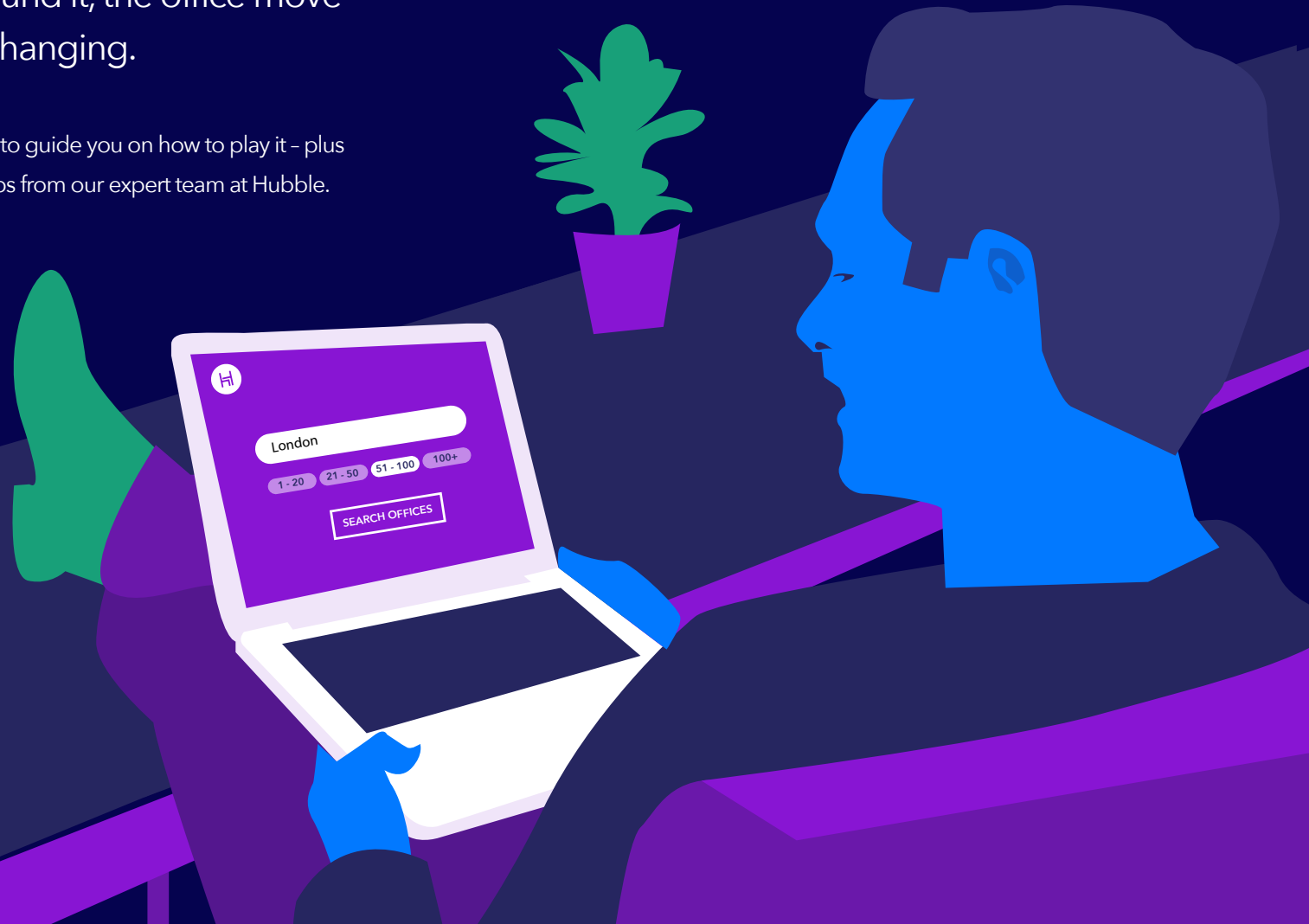


05

HOW

From the time it takes to find a new office, to the time that businesses stay there once they've found it, the office move game is changing.

Here's the data to guide you on how to play it - plus some insider tips from our expert team at Hubble.



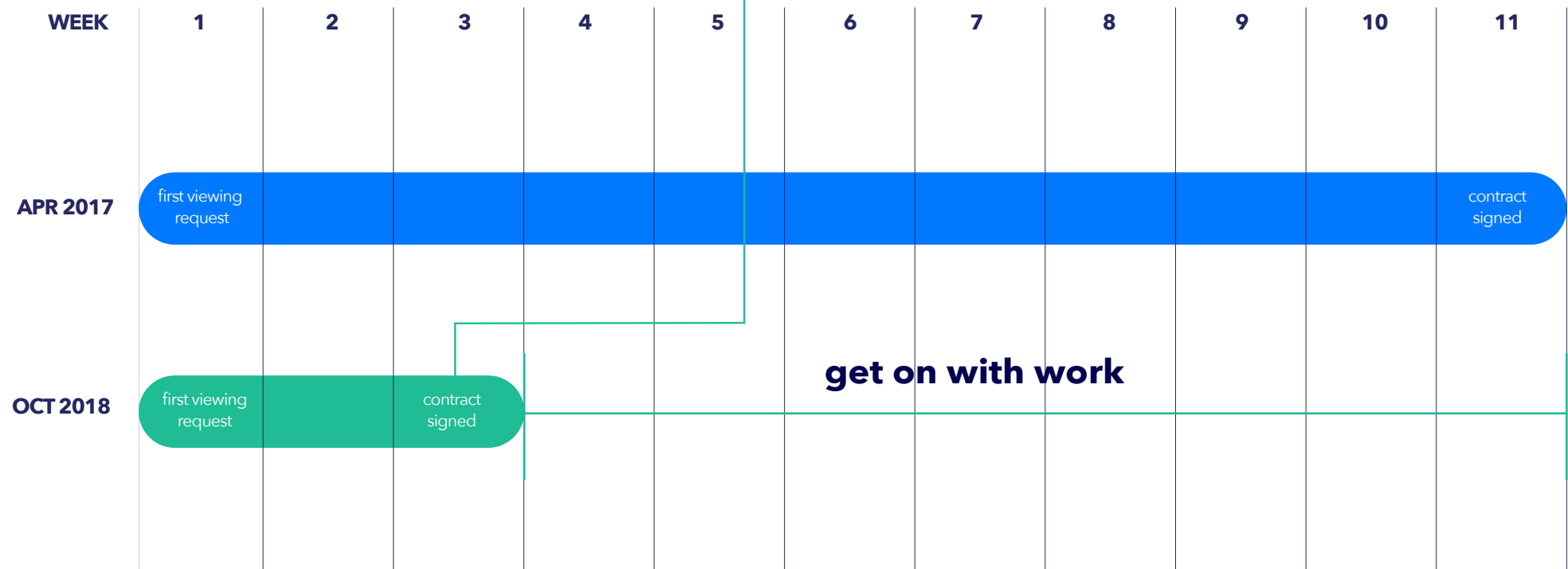
How long does it take to find a new office on Hubble?

4x
faster (almost)

At the beginning of 2017, the average time period between a customer booking their first office viewing and signing for their new workspace was **11 weeks**.

By the end of 2018, Hubble's powerful combination of unrivalled tech paired with expert in-house advisors reduced that timeframe to just **3 weeks**.

That's almost four times faster than the previous year - meaning that you can now spend less time office hunting, and more time on the things that matter.



How long are companies staying in one place?

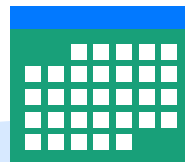
Long gone are the days of businesses being forced into traditional five or ten year leases.

Don't get us wrong: longer leases are the most suitable option for some. However, the beauty of flex is the freedom it offers to businesses - particularly early-stage and high-growth - to choose the level of commitment they want. Teams can grow or shrink at their own pace, without any repercussions.

That said, whilst a large proportion of the office providers on our platform offer monthly rolling contracts, our data shows that on average, companies are now choosing to commit to 9-10 month contracts.

This shows that whilst flexibility is crucial to businesses who want the freedom to change at their own rate, the importance of stability is not to be underestimated. There are also financial incentives for those happy to commit to a longer term.

At Hubble, we can find you an office, whether it's serviced, managed, or leased. Our property experts will advise you on the best option for your team.



How does Hubble help?

automated by tech,
assisted by people

We pride ourselves on the quality and innovation of our tech, but we also understand the importance of a human touch. That's why we've handpicked our team of experts, who all have a wealth of knowledge and experience in their fields, to help you find your new office with ease.



Top tips from the Hubble team:



"If you're looking for a one-person workspace, don't forget to factor 20% VAT into the price. Most hosts don't include it in their listing, and small companies can't claim it back. It's best to be aware to avoid any shocks later!"

Grace | Tenant Advisor



"Depending on your move date and the term you can commit to, individual landlords will be able to offer anywhere from 5-30% off the advertised monthly rate - it's worth remembering this when allocating your budget."

Henry | Head of Sales



"Try to find at least two workspaces that work for you - it puts you in a much stronger negotiating position with the landlord when you have options."

Lilly | Tenant Advisor



"If you're basing your search on square footage rather than the number of desks then on average, providers will allocate 35 sq ft per person."

Chai | Tenant Advisor



"Keep checking Hubble - we update pricing and availability weekly, which can bring new offices into your search bracket that weren't previously there."

Adam | Head of Customer Success



"The product team are constantly chatting to customers and listening to your feedback to understand what features you want. We want to make your search as carefree and effective as possible!"

Rick | Lead Designer

Searching for an office now?

Hubble's platform provides the ability to search and compare across the whole flexible office market and filter by up-to-date pricing, live availability, location, amenities, exclusive offers, and more.

Search on hubblehq.com

London

Team size:

1 - 20

21 - 50

51 - 100

100 +

SEARCH OFFICES

120

NEW OFFICES EVERY MONTH

4.9/5

GOOGLE STAR RATING

99%

MARKET COVERAGE

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