



Workspace Stream

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Panel: The future of flex and coworking: trends, innovations, and new markets

Moderator: Michael Dubicki, founder, Flex Engine

Panellists:

- Jane Sartin, executive director, FlexSA
- Josh Dane, business operations manager, Runway East
- Lisa Cations, managing director, JCR Advisors
- Rupert Dean, CEO, x+why

The flexible workspace sector was discussed, noting its evolution from co-working to managed offices, and the need for clear definitions and operator expertise. Metrics showed that London leads in revenue generation per square foot, with regional cities like Birmingham and Manchester performing well. The sector's resilience amid economic challenges was emphasized. The discussion highlighted the challenges and opportunities in the co-working and senior living sectors. Co-working revenue has decreased due to reduced discretionary spending, with occupancy rates remaining stable at 85-90%. The average contract length has increased to 3.5 years, and additional revenue opportunities exist through ancillary services. In senior living, rental models are gaining traction, offering flexibility and affordability. The importance of community, purpose, and well-designed spaces was emphasized. The panel also discussed the

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need for better policy support and the potential for mid-market solutions to meet growing demand.

Opportunities and Challenges in the Co-Working Sector

- The growth market is shifting towards management agreements, where operators guarantee income and share upside with landlords.
- Amenities play a crucial role in driving demand and higher rates, with examples like the recording studio and podcast space in Elephant and Castle.
- The importance of branding in the co-working sector is emphasized, with trusted brands driving footfall and success.
- Additional revenue opportunities include technology-driven services and ancillary services, which can significantly boost margins.

Investing in flex: navigating the market and maximising returns

Presentation by John Williams, director, B&E Consulting

Risks and Investment Considerations in the Co-Working Sector

- The mismatch between investor expectations and operator language often leads to misunderstandings.
- Concerns about demand volatility and the impact of recessions are discussed, with the sector proving resilient during the pandemic.
- The importance of data transparency in making informed investment decisions is highlighted.
- The potential for significant returns in the sector is reiterated, provided the structure and additional revenue model are understood.

Regional Market Dynamics and Investment Strategies

- The average desk rate in the West End has slightly increased, with encouraging data from regional markets.
- The fringe market offers opportunities for higher margins, particularly in tricky spaces with lower rents.
- The importance of understanding local market dynamics and costs is emphasized for successful investment.
- The potential for significant returns in the sector is reiterated, provided the right locations and strategies are employed.

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