

# UK Flex OFFICES

2025



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## Report Summary

The flexible office sector has reached a pivotal moment. After decades of experimentation and new brands entering the market, flex is becoming a mainstream, investor-grade asset class, driven by data, demand, and operational maturity.

### What's Happening Now?

- **Institutional capital is flowing in:** REITs, private equity and landlords are actively funding flex providers or creating their own.
- **Managed space dominates growth:** Central London saw an 895% increase in managed supply since 2019 (Source: Valve, as of 1st May 2025); 78% of 2024 enquiries under 5,000 sq ft were for fitted or fully managed solutions (Source: Workthere, 2025).
- **Brandlords are emerging:** Landlords like Landsec (MYO), British Land (Storey), and CEQ (Let Ready) are building in-house operations for control, speed and upside.
- **Technology is becoming critical:** Smart systems and PropTech tools such as Yardi Kube underpin transparency, pricing precision and operational efficiency.
- **Serviced Office Providers are professionalising:** A fragmented long-tail (1–3 providers) is giving way to 10–15 scalable, branded providers capable of investor-grade reporting and delivery.

### Why This Matters?

- **New lease models dominate:** Management agreements now account for 41% of all new deals up from 9% in 2019 date (Source: Savills 2024).
- **Managed is evolving the market:** Higher customer lifetime value from longer stays and larger units is strengthening cash flow, reducing voids, and supporting stronger returns.
- **Valuation is catching up:** Investors and valuers are moving towards cash flow-based pricing, rather than capitalised NOI alone.
- **Occupier behaviour is reshaping product:** Hybrid working, cap-ex avoidance, and speed-to-occupy are now baseline expectations – not perks.

### Five Signs of a Maturing Market

- 1 Standardised KPIs like RevPAU and cost-per-desk replace anecdotal performance.
- 2 3+ year licence terms and declining churn signal income stability.
- 3 Provider consolidation delivers professional-grade service and ESG standards.
- 4 Capital-light structures such as profit-share align incentives.
- 5 Valued and regulated similarly to hotels or build-to-rent (BTR) properties.

Download your copy for FREE to gain insight into the strategic evolution of flex offices and understand what a fully mature, investable flex market looks like.



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