Shared office rental market

The CEO Guide to Growth

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Sector
overview for CEOs

The UK shared office sector has entered a mature phase, with landlords now central to market growth alongside established operators.

Flexible workspace has evolved from start-up co-working into a mainstream office product, driven by hybrid working, occupier preference for amenity-rich environments, and sustained demand for shorter, more adaptable lease models. This means a transition from start-up expansion to scaled, landlord-integrated flex.

The UK flexible office space market is projected to reach over $2bn and grow to $3bn by 2030, giving a compound annual growth rate of 8.95%.

Growth drivers:
The sustained shift towards hybrid working models has bolstered demand for flexible workspaces. Since the pandemic, there is a growing preference for suburban locations which allow employees to work closer to home and reduce commuting times.

Market dynamics:
There is an expansion beyond London, with regional cities emerging as viable hubs to offer cost-effective flexible office solutions.

This is seeing tighter hybrid patterns bringing teams back into amenity-rich environments.

The desire for quality is sustained by scarce Grade-A supply and employer brand competition. However the various capital-light growth models of management agreements and franchised/managed sites are supporting operator resilience and owner returns.

Market Structure:

Three models currently dominate the shared office sector. These are specialist operators (including IWG, Fora and WeWork); landlord-branded flex (including Storey, Myo and MadeFor); and partnership agreements (including Orega).

Growth is increasingly landlord-led, particularly in London prime estates.

Costs:

The cost of the desk rental rates vary across the UK. Within London the average cost is c.£500–£600 per month, although premium submarkets can demand above £1,000.

Regional cities remain more affordable at £200–£400 per month. Private, premium suites command strong premiums.

MARKET GROWTH

finding new markets...

Usage & Trends:

Since the pandemic, the hybrid work patterns are now stabilising with more in-office days. Demand is strongest for quality, ESG-compliant, hospitality-style offices. There is an increase in companies committing to longer terms (c.22 months), and landlords are offering managed suites to capture this demand.

Opportunities:

The key growth opportunities for companies focus on the key growth levers of:

- converting secondary space into managed flex
- expanding via management agreements
- scaling in regional hubs

There are also growth opportunities around dynamic pricing and product diversification (such as day passes and flexible desk packages). These allow landlords to capture hybrid-driven demand.

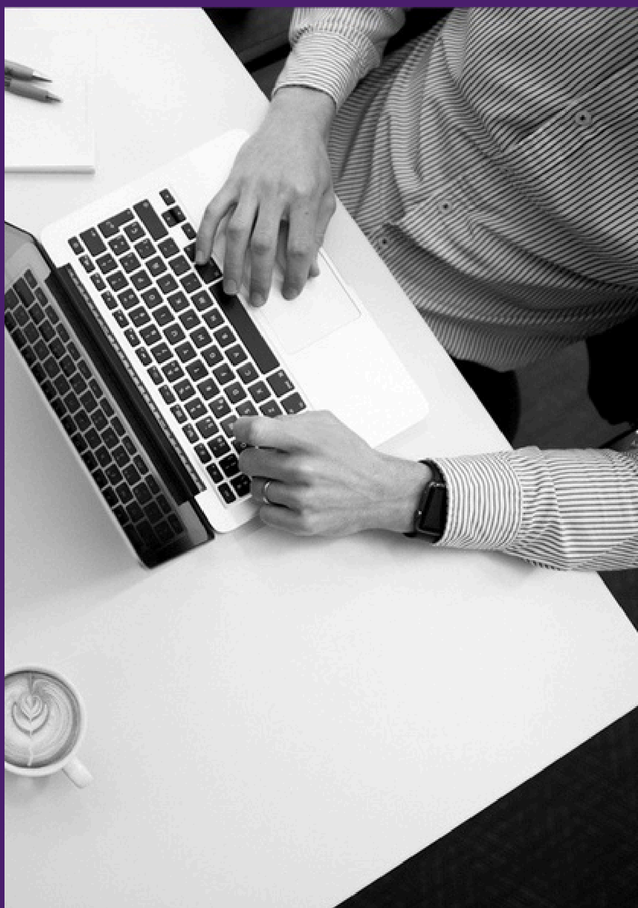
Growth outside of the UK:

London remains Europe's most mature and expensive flex office market, with deeper supply and stronger pricing power. Continental Europe is expanding flex rapidly but from a lower base, with higher vacancy in legacy stock.

Outlook:

With London leading Europe in maturity and pricing, and regional cities showing steady demand growth, the UK market will continue to favour landlords and operators able to deliver premium, flexible, service-rich space.

For those CEOs who are looking to drive growth, the ability to combine quality real estate, strong service platforms and adaptable leasing models will hold the key.



Where
to find growth

The key areas for CEOs to consider focus on maximising the use of assets, tailoring the approach and flexing agreements.

Target under utilised assets

- Reposition secondary or under-let floors into fully managed, turnkey flexible offices.
- Leverage Grade-B/C stock in good locations by upgrading fit-out, ESG compliance and amenities.

Form strategic partnerships

- Pursue management agreements or joint ventures with experienced operators (such as Orega or Landmark) to de-risk operations.
- Partner with hospitality brands, wellness providers or technology platforms to differentiate the offer.

Expand regionally

- Looking beyond London to cities such as Manchester, Bristol, Leeds and Edinburgh; here desk rates are lower but demand is rising.
- Focus on transport hubs and university cities with growing knowledge economies and SME clusters.

Diversify product offering

- Introduce tiered memberships (day passes, part-time desks, premium suites).
- Provide on-demand meeting and event spaces for corporates adopting hybrid models.
- Use dynamic pricing to capture peak demand (such as higher mid-week occupancy).

Cater to Enterprise clients

- Develop managed suites and full-floor solutions with brandable space, enterprise-grade IT and enhanced privacy.
- Offer flexible commitments that bridge short-term convenience with long-term stability.

Differentiate through amenities and ESG

- Incorporate wellness facilities, concierge services and hospitality-led experiences to justify premium pricing.
- Achieve BREEAM/LEED ratings and net-zero ready design to attract corporates with sustainability targets.

Leverage technology and data

- Use smart building systems to monitor utilisation and optimise layouts.
- Implement apps for access, booking and community engagement, strengthening tenant retention.
- Adopt AI-driven analytics to forecast demand and inform dynamic pricing.

Looking at growth in Europe:

London is Europe's most mature and expensive flex office market, with deeper supply and higher desk rates than most continental cities.

The UK leads in landlord-integrated models, whereas many EU markets remain earlier in adoption.

Continental Europe is growing rapidly, but often from a lower base and with higher vacancy in older stock.

Summary

The UK shared office market is entering a new phase of maturity, with strong demand for premium, flexible space. The trend in hybrid work patterns and a shortage of prime offices is fueling the growth.

Landlords integrating flex into their assets, or partnering with specialist operators, are best positioned to capture growth.stock.

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