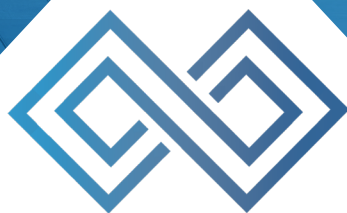


The Landlord's Guide to Flexible Workspaces

How to Unlock Value in Your Office Buildings
by Embracing the Flex Revolution



infinitSpace



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How to Unlock Value in Your Office Buildings by Embracing the Flex Revolution

The concept of flexible working has entered the mainstream over the past decade. The practice of allowing employees greater freedom in how, when and where they work has been met with a significant shift in the commercial real estate (CRE) sector.

Traditional office spaces, provided on long leases to a single client, are no longer the only option. Instead, as CRE landlords and asset managers will likely have seen first-hand, flexible workspaces are now increasingly common in towns and cities worldwide.

and high-spec technology. We are the partner that landlords trust to create and operate their unique, flexible and inspiring workspace brand – we have launched and operate nine workspaces around the world, and here we will share some of our expertise into the changes that are at play and how to capitalise on them.

At infinitSpace, for the past five years, we have been at the forefront of this transformation. We create world-class, white-labelled flexible workspaces with curated services



What do we mean by a flexible workspace?

It is a broad term, but from the perspective of the end user, it is an office space designed to offer employees the ability to work in different locations within the office, choosing the area that best suits their current task. Rather than purely offering assigned desks in a single office, a flexible workspace typically provides breakout spaces, meeting rooms and collaborative areas, coupled with kitchen areas, food and drink options, built-in technology services, and a community management team that will deliver events, networking opportunities and perks.

financial liabilities according to accountancy regulations. Additionally, flexible workspaces not only request lower security deposits when compared to standard long-term leases, but also, as the space is fully fitted out, the capital expenditure (capex) and time required to refurbish and fill the space is effectively zero, allowing an organisation to move in quickly with minimal associated costs.

Crucially, as much as the space and services on offer, a flexible workspace is defined by the leasing options. Flexible, short-term leases allow organisations to choose between private office space and hot-desking options. Moreover, they can easily scale their membership type up or down based on the kind of space they need and the number of employees who require access to it.

There are potential financial benefits for organisations using flexible workspaces as well. For one, office leases are financial liabilities that are clearly visible on a company's balance sheet, whereas most user contracts at flexible workspaces are not perceived

It is the combination of these factors – what the workspace has to offer, the terms on which they use the space and the potential financial benefits – that has made flexible workspaces increasingly popular over recent years.



The transformation of the office sector

The Covid-19 pandemic is credited with transforming the office sector. In reality, this transformation was already well underway – a steady move away from traditional office leases towards more flexible alternatives has become more evident since the start of the 21st Century.

For instance, in London, it was reported that there were already more than 1,300 flexible office locations available across the city in 2018, which represented a 9% year-on-year increase. The proliferation of cloud computing and personal devices made it exponentially easier for organisations to allow staff to work from anywhere, and so the previous modus operandi of most employers, wherein all employees would work out of an office with a dedicated desk and PC, rapidly evolved.

The pandemic did, of course, accelerate the pace of change. Data from Savills in December 2024 showed that enquiries for flexible office space were now 206% above pre-Covid levels, underlining the sharp rise in demand for such workspaces.



Today, hybrid working patterns are commonplace, and while some larger firms are mandating a return to four or five days a week in the office, many organisations continue to embrace a model wherein staff have an even split between days working remotely and days working in the office.

This trend is unlikely to change in the foreseeable future; a McKinsey study found that companies employing hybrid work models reported higher revenue growth compared to firms requiring workers to stay in a single location. Further, employees themselves are increasingly demanding hybrid roles, which makes flexible workspaces and flexible working patterns important as organisations seek to attract and retain the best talent.

ENQUIRIES FOR FLEXIBLE OFFICE SPACE ROSE 206% BETWEEN 2019 AND 2024



Adapting to the change

Whether driven by the demands of their employees, a drive for greater cost efficiencies, or simply seeking a workspace that provides a more rounded offering on more flexible terms, organisations of all sizes and sectors are now embracing flexible workspaces. Landlords are having to adapt to this trend.

To remain competitive, office landlords and asset managers must embrace these notable shifts in working patterns by exploring options to integrate flexible workspace into their portfolios. Typically, this requires them to transform traditional office space into flexible workspaces that boast all the facilities and services that members want, and ensuring this space is made available on the flexible terms that clients are demanding.

The question, then, is how landlords can effectively make this change. In this exclusive **infiSpace** guide, we will:

1. Share insights into the trends shaping the global office and flexible workspace market.
2. Outline the business case for why landlords should consider embracing flex spaces.
3. And offer some helpful guidance as to how landlords can start this process.

The worldwide rise in demand for flex – what you need to know

We have already noted that demand for flexible workspaces is on the rise. **infiSpace's** own research, carried out in 2024, demonstrates how landlords are moving quickly to ensure they can cater to this increase in demand.

Based on an independent survey of 250 UK office landlords, we found that as an average percentage of their total office space square footage, the amount dedicated to flexible and coworking space is predicted to rise from 36% in mid-2024 to 54% by 2030. What's more, a tenth of the landlords surveyed expected that their office portfolio would be almost entirely (91-100%) made up of flexible workspace within the next five years.

Looking globally, JLL has predicted that by 2030, 30% of all office space worldwide will be flexible. Landlords are evidently looking to seize opportunities in this growing market. Indeed, a separate report from Cognitive Market Research, published in August 2024, stated that the global flexible office market will hit a value of \$96.8 billion by 2030, which would represent a compound annual growth rate of 15% between 2023 and 2030.

THE AMOUNT OF SQUARE FOOTAGE DEDICATED TO FLEXIBLE AND COWORKING SPACE IS PREDICTED TO RISE

FROM 36% IN MID-2024 TO 54% BY 2030





The business case for incorporating flex space into an office building

To say that CRE landlords and asset managers should consider incorporating flexible workspaces into their office portfolios simply because there is greater demand for this space is overly simplistic. It is important, therefore, that we look at the specific benefits that a flexible workspace can provide to landlords should they dedicate some of their buildings to this purpose.

Bolster property value

Valuations across the CRE sector have been a major talking point since the onset of the pandemic, posing a challenge to landlords and asset managers looking to bolster the value of their buildings. Here, converting to flexible workspaces may lead to an overall enhancement of the property's value.

Higher occupancy rates

Traditional office leases often have long-term, rigid commitment terms, which can deter many businesses, especially those prioritising fiscal or strategic agility. Flexible workspaces, on the other hand, offer flexible leasing and membership terms.

Modern, well-designed flex spaces with amenities such as high-speed internet, meeting rooms, fully stocked pantries, barista coffee and communal areas are attractive to potential occupants, as outlined earlier in this guide – ensuring an asset caters to increasing areas of market demand can protect or bolster property valuations.

This adaptability can attract a wider range of occupants, including growing SMEs that need scalability, freelancers, remote workers, teams seeking on-demand workspace products, and even large corporations. By catering to this diverse tenant base, landlords can boost occupancy rates and reduce vacancy periods.

Adapting and future-proofing a building

Hybrid working models are here to stay, but exactly how organisations will evolve and use their workspaces will always be subject to change.

Higher rental yields

Flex spaces typically achieve higher rental rates per square foot compared to traditional office leases, as occupants are willing to pay a premium for the added value of flexibility, modern amenities, a fully fitted-out workspace ready for move-in, as well as a collaborative environment.

Additionally, the shared nature of flex spaces allows landlords to maximise the use of their properties. For instance, on average, private offices allow for around 100 square feet per person, while flex spaces require an average of around 50 square feet of floor space per person. Plus, other facilities like breakout areas, event space and meeting rooms can not only be shared between companies, but also hired out privately – for example, to an organisation wanting to use the space in the evening for a professional event.

By embracing flexible workspaces, rather than traditional and conventional private office space, landlords have an offering they can continuously and quickly adapt to ensure it keeps pace with workspace trends and the evolving needs of businesses.

This is possible because flex spaces, generally speaking, are designed in such a way that they can be easily reconfigured to accommodate different types of businesses and working styles. This, in turn, provides a market-resilient, future-proofed solution for landlords.

Where is demand highest?

The growth of flexible workspaces and the rise in demand for them is undoubtedly a global trend. However, naturally, each continent has countries leading the way, and each of those countries has its own cities driving growth. In the US, for example, Los Angeles, Dallas and New York have all witnessed a boom in flex space, while Mexico City purportedly experienced a 163% increase in demand in 2024.

30% of flexible workspace inquiries are for spaces that have 26 or more desks, according to The Instant Group. A similar statistics emerged from Workthere's 2024 report on the state of the UK flexible workspace market – it found that between 2023 and 2024, there was a 33% increase (from 18% to 24%) in the number of businesses that were outgrowing their current space and seeking a larger flexible workspace.

London has been Europe's capital for flexible workspaces over the past decade, but other major cities, including Amsterdam, Berlin, Paris and Madrid, are also seeing a similar trend. Likewise, the Middle East and the Far East are experiencing growth in their flexible workspace markets – all underpinned by the same shift in demand from organisations away from inflexible, long-term office leases towards more flexible alternatives.

Between 2023 and 2024, there was a 33% increase (from 18% to 24%) in the number of businesses that were outgrowing their current space and seeking a larger flexible workspace.

What types of flex space are performing best?

Flexible workspaces are not solely the preserve of entrepreneurs, startups and SMEs. There have been clear signs of larger businesses also looking to flexible workspaces, allowing them to either house large teams in one flexible workspace, or enter into leases in different flexible workspaces across one or more cities to act as a local hub for different employees. For example, in the US,

As well as the demand for larger offices within flexible workspaces, landlords should also take note of the fact that many organisations are seeking spaces that boast premium services. In fact, a study of over 1,000 businesses in the UK, commissioned by NCG, found that the majority would pay a premium for a top-quality workspace with better technology, facilities and decor, suggesting landlords with high-quality assets could potentially get higher earnings for their properties.



How to successfully convert existing office space into a flexible workspace

Understanding the rationale for embracing flexible workspace is only part of the challenge for landlords, though. Just as important are the practical considerations for how they adapt their existing office buildings – or spaces within them – and convert them into flexible workspaces.

This is not always a straightforward undertaking. We previously surveyed office landlords in the UK, finding that while most were looking to adapt their offering to better meet market demands, just over half (51%) of those wanting to increase their flexible workspace square footage found this to be a daunting process.

To help, here are several important questions to address:

What is the right model?

In simple terms, landlords can choose between converting and operating a flexible workspace themselves, fully handing the keys over to a third-party operator through a conventional lease agreement, or partnering with experienced operators to create a bespoke, white-label space.



Many landlords, while understanding the need to adapt to flexible workspace demands, simply do not have the resources, personnel or time to make the necessary changes to their buildings, nor market and operate the flexible workspace once it is ready to welcome members.

Here, collaborations can reduce operational burdens and leverage the expertise of established providers who have experienced the process many times before. Further, opting for the white-label approach can ensure a landlord does not have to sacrifice full control, allowing them a say in the style and brand of the flexible workspace, which they can then implement more widely across their portfolio so there is a consistent offering.

Finding the right operator brings other advantages, too. For instance, at [infinitSpace](#), we operate seven different workspaces under our beyond brand, spanning three countries. As such, when a landlord chooses us as their partner, if they opt to launch a new flexible workspace under the beyond brand, it is instantly connected with all the other locations, leveraging an existing brand and membership base, along with a single online booking platform that increases the financial performance.

But there is no one-size-fits-all solution. It is important for landlords to carefully assess what they want and need should they partner with a third-party to execute a flex strategy.



What needs to be in a flexible workspace?

It is impossible to overstate this point: not all flex spaces are created equal.

As noted at the start of this guide, ‘flexible workspace’ is a broad term, and as more flex spaces open, there is ever-greater variation between the options available on the market. So, whether going alone or partnering with a third-party operator, landlords must still scrutinise what they need their flexible workspace offering to look like.

In short, landlords and asset managers ought to focus on creating attractive, service-rich and tech-enabled spaces – or find a trusted partner with a track-record of creating and running such spaces. Modern tenants expect high-speed internet, ergonomic furniture, and collaborative areas, coupled with meeting rooms, food and drink options, and even entertainment. Premium quality not only allows premium prices, but is also more likely to attract the best organisations seeking out market-leading flex spaces.

It is also crucial that customer service and community are not overlooked. Creating an amazing proposition is essential, but the tenant experience must be enhanced through hospitality-driven amenities, such as in-house community teams, event spaces, and wellness programs, fostering a sense of community and belonging.

Landlords and asset managers ought to focus on creating attractive, service-rich and tech-enabled spaces





Why partner with infinitSpace?

infinitSpace was borne out of landlords' need for more support as the flexible workspace revolution was gathering pace. The direction of travel was clear to see, adapting buildings and portfolios to capitalise on this trend was more complicated, which is why we launched our offering back in 2020 to help landlords on this journey.

We work closely with office landlords to guide them through the process. As we like to say, we will take care of the "heavy lifting" at each step of the process.

Whether an entire building or just certain floors within it, we partner with landlords and asset managers to convert traditional offices into modern, flexible and innovative spaces. We take control of the fit-out, layout, design and functionality – but, importantly, we work with the landlord to create a brand for that space, one which will resonate with their tenants.

Crucially, at infinitSpace, we go well beyond the design, build and branding of the space. We are a trusted flexible workspace provider working on behalf of landlords to help manage their spaces day in, day out. On top of the daily operational management, we also take care of the sales and marketing to match tenants with their dream workspaces. Plus, we have the tech to implement within the entire building, including a white label, best-in-class app, elevating the tenant experience for all tenants, long-term and flexible alike.



We are on a mission to make flexible workspace easy for landlords, without them having to relinquish control over their buildings. We have formed partnerships with landlords across the world, establishing ourselves as one of the fastest-growing flexible workspace providers globally, with our team boasting a combined 100 years of experience in delivering profitable workspace solutions to landlords.

Do you want to incorporate flexible workspaces into your office portfolio?

THEN BOOK YOUR FREE ONE-ON-ONE CONSULTATION WITH INFINITSPACE TODAY.

This exclusive offer will see infinitSpace work with landlords and asset managers to develop a business case and roadmap for transforming traditional office space into flexible workspace.

Testimonials

infinitSpace x Helical plc: beyond The Bower

"Our ethos at Helical is creating sustainable and inspiring workplaces which are technologically smart, rich in amenities and that promote employee wellbeing. We needed an equally progressive and ambitious partner that shared our values to create a truly extraordinary workspace experience at The Bower and ultimately found this with [infinitSpace](#)."

Gerald Kaye, Chief Executive at Helical plc

infinitSpace x BNP Paribas Real Estate: beyond Zuidtoren

"Flexible working is transforming business and, in infinitSpace, we have found the perfect partners to transform a part of the Zuidtoren and embrace this shift. We tend to always optimise the service level within Zuidtoren and, by being able to provide a flexible office product, we expect to see further success in this building. The infinitSpace team know how to create, manage, and operate flexible working spaces to maximise their potential and value for tenants."

Jelle de Boer, Associate Director - Asset Manager at BNP Paribas Real Estate

infinitSpace x QH Development 6 GmbH & Co. KG: beyond Quartier Heidestrasse

"When searching for a partner on this exciting project, we sought out an organisation with passion, dedication and a depth of experience in the flexible workspace sector. With a growing portfolio of thriving locations across the globe, we have found the perfect partner in infinitSpace."

Daniel Kollar, Director at QH Development 6 GmbH & Co. KG





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