

Media Contact:

Michael A. Lassiter
Director of Public Relations, North America

E: mlassiter@savills.us

T: +1 202 624 8539

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Flex Office Providers Less Optimistic on Short-Term, Survey Finds

Workthere's third Global Flexible Office Provider Sentiment Survey results reveal a dip in North American providers' confidence in the sector over the next three months

NEW YORK (August 11, 2020) – The third Global Flexible Office Sentiment Survey by Workthere, Savills' dedicated flexible office advisory service, revealed growing concern in the short term for the flexible office sector among providers in North America over the next three months. This decrease in optimism appears to be driven by an increase in the percentage of members seeking rent relief (up to 39% from 33% in May) as well as an increase in the number of members not renewing contracts (28% up from 19% in May).

Workthere Americas National Director [Ted Skirbunt](#) said, "With the novel coronavirus outbreak embattling many US cities, it is not surprising that the results of our July sentiment survey show decreased optimism over the short-term to 30% in North America, compared to 59% in May. However, 61% of providers are optimistic about the flexible office sector over the long-term."

Data indicated that, globally, 40% of flex office providers were optimistic toward the sector for the next three months, a slight dip from the 42% that reported a positive sentiment in the May survey. The long-term outlook was more positive, with nearly 80% of respondents reporting optimism about the flex market over the next 12 months.

The survey also revealed that occupancy in the flexible office sector in North America is expected to be at 49% at the end of August, compared to 80% before the pandemic. On a positive note, monthly inquiries for space across the region increased to 37% of normal levels compared to just 19% in May. Globally, providers expect occupancy to reach 64% at the end of August and inquiries are at 44% of pre-COVID-19 levels.

"It is clear that sentiment across the global flexible office market is becoming increasingly positive," said [Jessica Alderson](#), global research analyst, Workthere. "With more and more people returning to the office as a result of cities starting to open, we anticipate this trend will continue on an upwards trajectory in the coming few months."

Flex office members seeking rent relief dropped to 27% globally, down from 31% in the previous survey. This figure stands at 39% in North America, up from 33% in May. The most common forms of rent relief include allowing members to downsize their space, a 20-50% rent discount for a month and a two-month rent discount of 2-20%.

The Global Flexible Office Provider Sentiment Survey by [Workthere](#) collated 92 responses from a variety of providers in 12 countries across the world to understand their position and plan moving forward, as well as their sentiment on what the short-term and long-term pictures look like for the flexible office sector.

Note to editors: *Workthere's analysis is based on 92 flexible offices around the world, located across Canada, The Czech Republic, France, Germany, Hong Kong, Ireland, Singapore, Spain,*

The Netherlands, The United Kingdom, The United States and Vietnam. The data was collected via an online survey that we sent by email to flexible office providers. Data was collected during the period of 13th May 2020 until 20th July 2020. A 'member' is defined as one membership agreement. This could be for one person or one membership agreement for 150 people.

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About Savills Inc.

Savills helps organizations find the right solutions that ensure employee success. Sharply skilled and fiercely dedicated, the firm's integrated teams of consultants and brokers are experts in better real estate. With services in tenant representation, workforce and incentives strategy, workplace strategy and occupant experience, project management, and capital markets, Savills has elevated the potential of workplaces around the corner, and around the world, for 160 years and counting.

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About Workthere

Launched in February 2017, Workthere is a Savills venture introduced to help businesses find flexible, coworking and serviced office space across Europe, North America and Asia. Workthere is an entirely new brokerage service and website listing platform - workthere.com - combining tech with an expert human touch. Workthere is a completely free service for occupiers and covers the entire flexible workspace market as well as covering more specialist space such as laboratories. The concept was formed by Cal Lee, a former graduate and development surveyor at Savills, who saw the opportunity to offer a new platform for growing coworking and flexible workspace providers to market their space. www.workthere.com.