

# January 2018 Newsletter from the Business Centre Specialist



## Continued Growth in the Market

Welcome to my first newsletter of 2018.

I have been updating my circulation list simply by searching on the internet for business centres not on my previous list. I have been surprised by how many additional centres there are both for serviced offices and coworking centres. Almost every major town now has some form of coworking space.

If this is the first time you have received my newsletter, you are especially welcome. You will find articles of interest in my previous newsletters which can be viewed on my website <http://www.thebusinesscentrespecialist.co.uk/newsletters.php>. Alternatively, email me and I will send you back issues.

The pace of the development of new centres continues unabated fuelled by the continued demand for flexible space. I detect that there is also more interest in developing new managed workspace also let on flexible terms. This is something that has been overlooked in the last few years and demand may be outstripping supply.

As mentioned in my last newsletter, there will be more consolidation as well as new centre openings.

If you are thinking of expanding, there are some opportunities at the end of this newsletter.

Towards the end of last year, I carried out an informal survey of clients I have worked for to get their views on the state of the market. With very limited exceptions, the feedback is that demand has been holding up and most were either full or had their highest ever occupancy.

Let us hope that continues throughout 2018

## 2018 Global co-working Survey

The Deskmag global coworking survey is now open until the end of this month. If you own or operate a coworking centre you should participate. Follow this link

<https://ww2.unipark.de/uc/2018CoworkingSurvey/>

## Market Recap: 2017 Trendsetters & Newsmakers and forecasts for 2018

Essensys have produced a very useful guide to what has happened in 2017. This can be viewed by following this link.

<https://essensys.tech/2017-recap-tomorrows-workspace-market/>

Essensys have also produced an excellent forecast for 2018 which predicts continued significant growth in space being offered on flexible terms.

<https://essensys.tech/2018-flexible-workspace-market-forecast>

**This is something I have been saying for a considerable time and it does seem that the growth of flexible space is gaining momentum.**



### It's A Wrap: 11 Highlights from The Flexible Workspace Industry In 2017

This was Frank Cottles review of the year just past

<https://allwork.space/2017/12/its-a-wrap-11-highlights-from-the-flexible-workspace-industry-in-2017/>

## Time is Money

In a survey reported in the **i** newspaper recently, it stated that an extra 20 minutes commuting per day can have the same impact on job satisfaction as a 19% pay cut. Every extra minute of travel increases strain and worsens mental health.

The average daily commute in England has risen from 48 minutes to 60 minutes over the last 20 years.

One in seven commuters spends at least two hours per day travelling to and from work.

880000 people in England and Wales commute for three hours or more each day

Three in every five people travel to work by car or van.

Workers commuting to London spend an average of 11% of their salary on travel.

If there was ever a good argument for working locally either in a business centre or co-working space, these figures back it up.



## We work growth continues

If anyone doubts the growth of coworking or its popularity, have a look at this article about the relentless growth of We Work.

<https://www.placenorthwest.co.uk/news/we-havent-scratched-the-surface-yet-says-wework-expansion-director/#.Wja3zcCbc24.linkedin>



## CBRE reveals latest insights into flexible workspace “revolution”

A new report from CBRE (November 2017) shines the spotlight on the growth of flexible workspace in the UK and Europe.

The report summary can be accessed from the BCA blog <https://www.bca.uk.com/blog/cbre-reveals-latest-insights-into-flexible-workspace-revolution>

Or directly from CBRE <https://www.cbre.co.uk/report-download?pubid=6c16f4f2-4c23-4bf8-bbb3-5ecfde20abba>

## Your on-line presence

One of the things I have noticed when assisting business centres is that many centres have differing pricing on the various internet office broker sites and may also be inconsistent with what is on their own web site and on their published material. I believe that this is simply down to the centres not paying attention to detail and not a deliberate marketing ploy.

In my view it is essential that your on–line presence is consistent as this generates confidence in your product.

As a New Year resolution, why not take the time to check what prices you are quoting on-line on the various search options? And make sure that they are accurate.



# MEES

Is your building going to be MEES compliant? From 1<sup>st</sup> April the Minimum Energy Efficiency Standards (MEES) come into force.

If your building has an EPC of F or G you cannot grant new leases or lease renewals from 1/4/18.

There has always been an argument that letting space on a licence agreement you do not need an EPG. However, as a licence could be considered a lease if challenged then an EPG is required. My view is that you need an EPC.

There are certain exceptions for some industrial / workshop premises with low energy demands but you will need expert advice on these.

You will certainly need an EPC if you plan to sell your business centre.

## Energy use

A few years ago when I was with Evans Easyspace we had both fully serviced offices and more simple offices which were unfurnished and not inclusive. They were still let on the same flexible terms but in the simple offices the occupiers paid for their electricity via a sub meter.

We asked the Carbon Trust to carry out an independent survey and the result was that those occupiers in the fully inclusive package used more electricity than those where there was a sub meter.

The result was not surprising. When the power was included in the licence fee, it was not valued and there was less incentive to switch off lights, machines etc.

You can of course mitigate costs with automatic sensors etc and regularly remind clients not to waste energy however you cannot control everything they do.

I would recommend that any new centre installs solar panels and if you have the capital available retrofit these into your centre. Most of the energy in a business centre is during daylight hours therefore there should be real savings.

The other factor is that with increasing concerns about global warming and the environment, it will give you a marketing advantage if you make your building more environmentally friendly.

## Instant Offices

Instant offices will shortly be publishing their 2017 review. Watch out for it on their web site.



## The GWA 2017 survey

The Global Workspace Association (GWA) have published the results of their survey and is available via their web site. Some of their findings were

- Landlords offering flexible space direct to consumers
- 40% of serviced offices are offering some form of coworking space
- 80% of coworking centres offer private offices
- 12% of coworking clients were from corporate users

## New opportunities

**Sheffield** - I will shortly be bringing an opportunity to the market to create a new serviced office in Sheffield. Email me if you want details when available.

**North West** – Large business centre for sale freehold. Details available shortly.

**Lewisham High Street** – I have a client who has a property available to let which would be suitable for a serviced office and / or coworking space. Details are available on request.

**Bristol** – I have a client who has a property of 5600 sq ft in central Bristol which would be suitable for a serviced office / coworking centre.

**East Midlands** – I will shortly be bringing a large business centre to the market for sale as a going concern. Please email me if you would like details sent to you when available.

**Kirkintilloch** – Business centre for sale. Currently full but with development potential into adjoining properties.

**Aberdeen** – I have a client who may have a 40000 sq ft building available for conversion to a serviced office. There would be a contribution to the fit out cost. Email me if interested

**Livingston** – large business centre for sale. Please contact me for details

**Glasgow** – Small business centre for sale in central business location

**Doncaster** – Property available for conversion to fully serviced office

**Sturminster Newton** – I am currently preparing a report for Sturminster Newton Council on the possibility of developing an Enterprise Hub for the town on a prominent roadside location. If you are interested in being involved in the development, please call me on 07879485898.

For the report, I am also looking for examples of business centres developed in small towns. If you are operating a centre in a small town location, I would welcome the opportunity to speak to you. Please get in touch.

*The  
Business Centre  
Specialist*

*Tom is a recognised expert in Business Centres and provides independent advice to operators of serviced offices and managed workspace. Details of all services offered and experience are [on his web site](#).*

*If you require any assistance with:-*

- *The development of a new centre*
- *Improving the performance of an existing centre*
- *Selling your centre, or*
- *General advice about business centres*

*Please get in touch*

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