

HOW TO GET STARTED AND SUCCEED IN FLEX



BE NEWS

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INDUSTRY GUESTS:

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At this year's UKREiF, leading figures in the flex sector joined BE News for a free-to-attend panel debate and networking event, sponsored by technologywithin and Interaction, exploring how to break into - and succeed - in the flex sector.

Speaking to a capacity audience gathered in the atrium space at event host Orega's flagship 1 Broad Gate flexible workspace on The Headrow in Leeds city centre, Samuel Warren (pictured right), sales, and marketing director at technologywithin, kicked off proceedings by talking about the company's newly released report: 'Breaking into Flex: A Landlord's Guide to Entering the Flexible Office Market'.

What followed was a wide-ranging, dynamic discussion that delved into issues ranging from how to design flex space and what tenants are really looking for, to the importance of amenities, ESG and the technologies required to enable flex space to thrive. Here are some of the highlights from the discussion.



WHAT ARE THE BIGGEST BENEFITS FOR TRADITIONAL LANDLORDS CONSIDERING MOVING INTO THE FLEX SECTOR?

COBB: A huge part of what I do is advise landlords on their current portfolio and why flex could be a good idea. But it depends on the asset. If it is multi-tenanted, then flex can diversify the income and provide amenity for the building.

WHAT ARE THE KEY CONSIDERATIONS WHEN DESIGNING COWORKING AND FLEX SPACE VERSUS TRADITIONAL WORKSPACE?

WOOD: "We've delivered both traditional and flex workspaces, and while the fundamentals are similar, flex spaces often demand a more elevated user experience.

"For coworking, the design has to balance strong aesthetics with versatility and durability - all while aligning with very different operator models. Ultimately, success comes from understanding what works operationally and designing for that."

PEPPER: With design, not everything works for flex. There are examples where people are trying to squeeze flex in. So, we would go to see something and there would be no natural light on one side of the building and that means we are just not going to get the offices we need.

This building - 1 Broad Gate - works



because we have the atrium. Otherwise, the lower floors would not work because we would not have any natural light inside the offices. We recently walked away from a building that had the worst possible air conditioning and cooling systems.

WHAT IS THE MODERN TENANT LOOKING FOR COMPARED WITH A TRADITIONAL OFFICE TENANT?

COOKE: The sector has matured. When we came out of the pandemic, the question was 'what is going to happen?' It might be hybrid, but people still need to come into the office.

You have got to make the office a magnet, which comes down to the different service levels you offer. It is about the quality of the space, good design and lots of amenities and services to make tenants' lives as efficient as possible.

"If an asset is multi-tenanted, flex can diversify the income and provide amenity for the building"

Phoebe Cobb



WHITE: Large corporates looking at their property strategy have several things in mind. They might want to downsize dramatically, but they still want to be able to attract and retain talent and they do not want to do the fitout project management themselves.

What a truly flexible landlord will do is say 'yes, we can fit out the building for you and we can tag on services.

We've got community and gyms' and they can go as far as providing a lifestyle app so people can chat with their colleagues who might work across various departments within the same building.

GIVEN THE HIGH LEVEL OF AMENITY TYPICALLY OFFERED BY FLEX LANDLORDS, IS FLEX SPACE SEEN AS SUPERIOR TO TRADITIONAL OFFICE SPACE?

GARDINER: Not superior; it just caters for more people as traditional office space has restricted amenities. With flex space, the provision is there for tenants to upsize, or downsize. Flex workspace provides amenity and community.

Flex can come in many different forms. Operators can keep it very corporate: [tenants] come in, get what they need and leave, but you get a great, vibrant space. Then others, and especially start-ups, need connection in the community. They need a platform to grow. Flex provides more options and flexible agreements, like hybrid leases.



HOW ARE YOU APPROACHING COMMUNITY BUILDING AND THE HOSPITALITY OFFER IN YOUR FLEXIBLE SPACES?

GARDINER: We do not spend a lot of time doing community. This not because I do not care. It's because we do not get great engagement from it. It all comes from understanding your occupier.

Our smallest unit is 20 desks and our average is closer to 40, so we are dealing with bigger businesses, who have their own culture, their own programme and events.

Where we get engagement is around things like DE&I, International Women's Day and Pride. Drinks on a Thursday? Watch the tumbleweed roll in because they do their own thing. ➤

HOW ARE EXPECTATIONS CHANGING IN TERMS OF ESG?

WOOD: Landlords are very focused on ESG and talking about it when you are doing the design and fitout of the space is crucial. It gives you a differentiator. Who is driving it depends on the tenants. Corporate clients are absolutely on the front foot, but some tenants, like tech scale-ups, are less interested.

WHAT TECHNOLOGY DO OPERATORS NEED TO PUT IN PLACE TO ENSURE THEIR FLEX SPACE IS SUCCESSFUL?

CASE: We have heard how the quality of the product is improving and the occupier is becoming a higher end customer, which is great. But from a tenant perspective, it means the technology needs to be excellent, not average.

When you are providing internet wi-fi in a flex building, it is a much harder problem to solve than providing wi-fi in a building with a single company, given the multitude of companies that are sharing a flex space and that need their own secured part of the network.

To market a space to corporate occupiers that require certain standards, you must tighten security and deliver multiple networks in the building.

You need to be able to set this up



From a tenant perspective the technology needs to be excellent, not average"

Adam Case



Andrew Cooke



Alan Pepper



Theresa White



Occupiers are increasingly demanding greater amenities and services"

Alan Pepper



Phoebe Cobb



Adam Case

quickly and ensure it is not going to drag, or a third-party IT company has to come in and tinker in the comms room before customers move in.

HOW DO YOU SEE THE FLEX SECTOR EVOLVING OVER THE NEXT FEW YEARS?

WHITE: We will be asked to do more for the customer - providing those extra levels of service. This could be in terms of the technology and tracking where people are at at certain times, energy consumption, ESG and supporting what we do with data.

COBB: Hotelification is the way the sector is moving. There will also be more landlord space coming to the market and more consolidation within the market.

Operators that are not necessarily the best in one area will partner with others to try and compete with the bigger players.

PEPPER: This is a highly operationally intensive business, and it gets more so the bigger you get and that impacts the type of people, the management layers and technology systems you need. It becomes much more complex.

Occupiers are increasingly demanding greater amenities and services – the challenge is going to be to meet expectations and provide these while keeping their costs down.

That's why it's important to have experienced operators, who can provide quality environments but at a sensible price." □



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