

A Guide to Serviced Offices



1. Introduction
2. What is a serviced office?
3. Where do you want to be based?
4. What services do you require?
5. Cost implications
6. Is a serviced office right for you?
7. Frequently Asked Questions
8. Next steps

1. Introduction:

The City Property Advisory Team (CPAT) supports businesses (large and small) to locate in the Square Mile. A key part of the offer for businesses relates to serviced offices which form an increasing part of the broader property offer. This guide seeks to help you find appropriate serviced office space and complements a [map](#) resource that identifies the location of the various serviced office providers in the City.

2. What is a serviced office?

Serviced offices are one of the fastest growing markets in the property sector. Many businesses opt to locate in a serviced office due to the ease of occupation, flexibility and practicality.

Statistics show that there are over 800,000 businesses in London, more than any other region in the UK which makes it difficult to find office space. This can be especially challenging for new and emerging businesses that have limited knowledge of the property market and locality and lack the necessary resources.

Serviced offices provide a solution to this, allowing businesses of any size to establish their presence in London.

The providers take on the responsibility of maintaining the building, and will also provide the necessary services and facilities. You will then have the freedom to move in and be up and running on day one.

The main difference between a serviced office and a conventional office is the rental term. Serviced office space is usually on a licence from a month to a year, whereas a conventional office can be anything up to twenty-five years with optional lease breaks should you wish to vacate sooner. The flexibility of the serviced office allows you to grow or shrink your space depending on your business requirements.

The serviced office can also be configured to your own personal and business needs, and will allow you varying sizes from a single desk to an entire building. If you have several arms to your business they can be sectioned off as if in their own space, but within close proximity to the main business allowing all staff to share the amenities. Telecommunications within serviced offices is a number one priority and this can include fast, affordable broadband, telephony and in some cases video conferencing.

3. Where do you want to be based?

The right location can be key to your business growth. Good transport connections are of paramount importance to your clients and will also influence staff recruitment and retention.

Key considerations for choosing your location:

- Access to customers – know who you are targeting and where they are based
- Future business growth – consider what locations could provide global business opportunities for future expansion
- Proximity to peers – seek locations with similar business types for networking and knowledge sharing opportunities
- Image – consider whether prestige is important for your business – for example: some insurance companies wish to be located within close proximity to Lloyds of London

4. What services do you require?

Serviced offices can offer a wide range of services, and it's the type of services that they offer which will help you to decide on a particular provider. Flexible leasing options enable companies/individuals to take space as and when needed without the pressure of long term commitments.

The different types of space include:

- Co-work space
 - Co-work space is usually open plan communal offices with shared meeting rooms allowing collaboration with different organisations with complimentary skill sets. Serviced office providers, such as WeWork, help nurture clients by providing tailored support and help forge valuable connections for businesses. Networking with like-minded businesses or partnering to pitch to a new client collaboratively helps businesses connect.
- Traditional serviced office space
 - The traditional serviced office offers your business corporate space to your individual size requirements. Space is provided on a standard licence for a period up to a year, offering desks, computers and telephony (some broadband) all included in the cost. Depending on the company's growth pattern, space can be increased or decreased to accommodate change. Any additions, meeting rooms and refreshments are added extras.
- Virtual office space
 - Virtual offices afford start-ups a prestigious address without actual occupation, where correspondence and incoming calls will be answered professionally. The virtual office will provide you with a professional face to your business, customer calls will be answered in your business name. Emails and correspondence will be forwarded for you to action.
- Accelerator workspace for start-ups
 - With accelerator workspace the tenant loses some control over their space but in return gains convenience and flexibility. Ideally suited to start-ups looking for space at low cost with the potential to grow, this workspace provision

offers hot-desking and shared work areas. You can use your own laptop, but with the addition of an office where meetings can be held.

5. Cost implications

Finally, but most importantly is the issue of budget. This is where many misconceptions about serviced offices begin.

Side by side, the price per square foot for conventional office space is more cost effective than serviced offices. However, there are many hidden costs associated with a conventional office – aside from the costs of telecoms, furnishing and fit out, the tenant also takes full responsibility for everything within the space e.g. rent, rates, service charge and insurance. You will also pay fees for a solicitor and commercial agent.

A serviced office will certainly appear more expensive simply because it is priced per desk per month, rather than per square foot. However, it's important to remember that this price is fully inclusive of most costs associated with the office (telephony, broadband, reception etc). And aside from a deposit, there are no upfront fees.

6. Is a Serviced Office for you?

Conventional Lease, IF:	Serviced Office, IF:
<i>Looking to take an office for a term 3 – 5 years</i>	<i>Flexibility is required for the licence agreement</i>
<i>Your business growth is minimal</i>	<i>Your business growth is substantial and you plan to employ more people</i>
<i>You have time to go through the legal process for acquisition</i>	<i>You're not sure of staff numbers</i>
<i>Money for an agent and legal advice is abundant</i>	<i>You have time constraints and need accommodation/services quickly</i>
<i>You want to control the outcome of how the office is designed/branded</i>	<i>Budget is critical, other than sign up costs no other expenses required</i>

7. Frequently Asked Questions?

Q. How quickly can I move in?

A. Once security checks are confirmed, and the retainer has cleared the move can take place immediately.

Q. What happens if my business grows substantially?

A. The provider will look to accommodate you within their office stock at your current location, or across their portfolio.

Q. Do I need to pay business rates in a serviced office space?

A. All costs associated with your licence are inclusive of business rates.

Q. What happens if my business goes under?

A. You're obliged to stay until the period committed to on the agreement (usually 1 month).

Q. When can I gain access to the office?

A. The benefits of a serviced office are that you can have access 24 hrs a day, 7 days a week.

The above points may differ depending on the provider.

8. Next steps

If you are looking for serviced office space in the City or City fringes, CPAT can assist you. The [serviced office map](#) was created to assist businesses looking for serviced office provision. The map enables businesses to see at a glance, locations they might be interested in and the providers who are based in these areas. Once you click on a pinpoint, the information on that provider will become available, with a link direct to their website.

If you're looking for non-serviced office space CPAT would be delighted to provide you with a property search of what is available. You can contact either by email: cpat@cityoflondon.gov.uk or call: 020 7332 3496 to discuss your requirements. All services are free and confidential