

## Flex space



Above: Our co-working space in partnership with Runway East at New City Court, SE1

Near right: Our flex space offer at City Tower, EC2

Far right: Bowie, the resident dog at Runway East, New City Court, SE1

**30%**  
premium to net effective ERV



# Flexing our space

The space requirements of London's businesses are evolving as they become more agile and their workforces more mobile. Whilst the majority of central London take up continues to consist of longer-term leases, a growing number of businesses, particularly SMEs, are looking for more flexible office space to meet their needs.

Flexible office provision has always been a feature of the London office market, helping to keep small businesses in London and contributing to the city's growth. In recent years, the demand for greater flexibility has grown. Flexible office providers have accounted for around 12% of annual take-up over the past four years, albeit their share of the overall London office market remains low at around 5%.

As the London leasing market has evolved, so have we. In the last 18 months, we have successfully launched two flexible offerings to meet this growing market need.

Firstly, a flex offer to provide dedicated, fully fitted space, on flexible terms, allowing occupiers to move in and out of the space with ease. This has been rolled out in a number of buildings across the portfolio, including at Elm Yard, WC1 and we have had significant leasing success, with all of the 39,200 sq ft we have delivered to date either

fully let or under offer within a month of completion and at a 30% premium to the net effective ERV.

Secondly, we entered into partnership with Runway East, a co-working and flexible office provider, for 48,400 sq ft of office space at New City Court, SE1. Runway East are operating the space on a three year term and we share the revenue that is paid by the businesses in occupation. New City Court is a building in our development pipeline and our partnership with Runway East will maximise the income from the site before we are ready to start construction, expected to be in 2022.

Looking ahead, we expect our flexible offerings to continue to evolve and we are currently assessing a further 124,300 sq ft of space, across both our investment and development properties, where these offerings could be extended.

**"Our flexible offerings have been very successful. We have created exciting vibrant spaces that have let quickly at a significant premium to ERV."**

Simon Rowley  
Head of Office Leasing

**"By combining our operational expertise in the flexible office space sector with GPE's understanding of how the market will develop, we've been able to quickly fill New City Court and drive revenue for both parties."**

Andy Williams  
CFO, Runway East