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How are flexible spaces better than leased office spaces

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As return-to-office plans intensified after two-and-a-half years, the demand for flexible workspaces has seen a resurgence in the face of expansion efforts of business operators across the sectors. Flexible office spaces offer scores of advantages over traditional leased office spaces.

From cost-effectiveness and adaptability to networking opportunities and reduced administrative burden, flexible spaces cater to the diverse needs of modern businesses and professionals.

As the nature of work continues to evolve, flexible spaces will likely remain a

popular and superior choice for many seeking efficient, cost-effective, and productive workspaces. The shared office industry offers flexibility, amenities

and customised solutions. The flexible office space includes business centres, managed office spaces, enterprise co-working, and co-working.

According to a survey conducted by real estate consultancy firm CBRE, around 47 per cent of corporates are likely to increase the use of such spaces. Notably, the demand for flexible office spaces is not only restricted to solopreneurs, freelancers, SMEs and startups; rather, big corporates, MNCs, professional consulting firms, banks etc. are also opting for them.

Leasing a traditional office space often involves significant upfront costs, such as security deposits, furnishing expenses, and utility setup fees. In contrast, flexible spaces typically operate on a pay-as-you-go model, allowing occupants to choose from various membership plans based on their specific needs and budget. This flexibility means businesses and individuals only pay for the space and services they use, avoiding unnecessary financial strain.

Flexible spaces cater to diverse businesses and professionals, offering various workspace options to suit different requirements. Whether an individual needs a dedicated desk, a private office, or a meeting room for a few hours, flexible spaces can accommodate these needs.

The ability to tailor the workspace to specific tasks enhances productivity and

ensures optimal utilisation of resources. Flexible spaces will likely continue to be a major component of occupiers' portfolios. As per the CBRE survey report, 56 per cent of the respondents were inclined to have more than 10 per cent of the total office portfolio as flexible spaces by 2025.

Flexible spaces have many amenities and services, creating a hassle-free work environment. High-speed internet, office equipment, printing and scanning facilities, refreshments, reception services, and cleaning are often included in the membership packages.

Access to these amenities saves costs and streamlines day-to-day operations, allowing businesses to focus on their core activities. According to the 'Global

Occupier Outlook 2023' report by Colliers, flexible co-working spaces account for around 12 per cent of their real estate portfolio compared to 8 per cent pre-Covid pandemic.

The CBRE report states that Bengaluru has retained the top post in the Asia Pacific in having flexible workspace stock, while Delhi-NCR is pegged at the third position, beating Beijing and Seoul. The other Indian cities that made it to

the top 10 were Hyderabad and Mumbai, with 6 million square feet and 4.7 million square feet of flexible office stock, respectively. Hyderabad is at 7th place, while Mumbai is at 9th.

Many flexible spaces prioritise creating an enjoyable and supportive work environment. They often include relaxation zones and recreational facilities,

encouraging occupants to take breaks and socialise during their workday. By promoting work-life balance, flexible spaces increase job satisfaction and

overall well-being.

Flexible space providers take care of facility management, maintenance, and administrative tasks, freeing occupants from these responsibilities. This allows individuals and businesses to focus on their work without worrying about the day-to-day operations of the workspace. The streamlined administrative process contributes to greater efficiency and time savings.

Flexible space businesses outshine office space leasing due to their cost-effectiveness and compatibility with hybrid work models. As the modern workforce continues to seek agile and cost-efficient workspace solutions, the popularity and success of flexible space businesses are expected to grow further.

According to Vestian report, a Bengaluru-based real estate consultant, the total office leasing across the seven cities (Bengaluru, Chennai, Kolkata, Hyderabad,

Mumbai, Pune, and Delhi-NCR, fell 6 per cent to 13.9 million sq ft during April-June against 14.8 million sq ft in the year-ago period due to delays in decision-making by large domestic firms and MNCs amid global uncertainties.

The bearish office space market could pave the way for the demand for flexible co-working spaces.

In conclusion, flexible office spaces are reshaping the future of real estate by prioritising adaptability, community building, technology integration, and short-term lease options. Co-working spaces and mixed-use developments are becoming more prevalent, and the demand for flexible work arrangements is driving the evolution of office space design.

As businesses and professionals continue to seek agile and cost-effective workspace solutions, flexible office spaces are positioned to play a central role in the future of the real estate industry.