

Workspace insists demand for offices still 'resilient'

The market for flexible office space is still healthy with "resilient" demand and "improving price levels", according to one of its largest players.

Workspace said that there had been further improvement in pricing with like-for-like rent per square foot office space up 1.3% in the second quarter of the year to the end of September and 4.0% in the half year to £38.59.

The business is expected to complete the sale of the residential component of its mixed-use re-development at Riverside, Wandsworth for £55 million in December this year. [It completed 317 lettings in the quarter and 642 lettings in the first half of the year, with a total rental value of £17.5 million with office occupancy stable at 89.6%.](#)

Recently completed projects had seen a "strong demand" with occupancy up 2.7% in the second quarter and 7.5% in the first half to 76.7%.

Graham Clemett, CEO of Workspace, said that the company's trading performance in the first half of the year had been "good with resilient demand, stable occupancy and improving pricing levels".

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“There are clearly challenges ahead in light of the wider economic issues and inflationary cost pressures facing the country, [but we are confident in our ability to navigate successfully through them. Our SME customers have demonstrated through many previous economic cycles their ability to adapt and in many cases prosper in these fast-changing times.](#)”

“At Workspace we have a hugely experienced team, the right offer and a proven flexible operating model supported by a robust balance sheet, putting us in a strong position to capture the market opportunities ahead of us.”

The company acquired UK-based real estate investor McKay for £272 million in May this year and is currently progressing with the [planned disposal its non-core assets, with timing “dependent on market conditions”.](#)