



Catella: Flexible Workspace stimulates office markets – increasing interest of investors in Coworking

Catella Research examined the so-called flexible workspace market in Europe. The pay-per-use mentality and flexibility of the working world allows a new economic perspective towards use and the traditional, long-term approach towards paying rent. Flexible workspace creates an alternative form of working, which is mostly located in city centers as well as at strategic locations such as airports, train stations and in combination with urban housing and retail concepts.

The disturbance of the classic, long-term office rental contract has not yet structurally reached the European office markets. However, especially in the large, internationally active companies a change can be recorded. Currently, the new form of working, which is mostly known as Coworking, is more in demand and older corporate office structures are being reconsidered.

Further individual results of the analysis:

- At the beginning of 2018, there were approx. 14.500 flexible workspaces, of which 20% are in Europe. In the course of the last years, there was a strong expansion of spaces related to flexible forms of working.
- Regarding geographical locations, a strong localization in the central business centers, with a spatial focus in and out of so-called trendy neighborhoods, can be seen. Operatively, these providers can be found in new-build spaces as well as existing premises.
- A dynamically increasing part of this is the so-called GIG-Economy (gig = performance), a part of the modern performance establishment in the labor market, where smaller contracts are given to independent freelancers or minor employees.
- But also corporates, so larger companies, are helping themselves to the available supply. More and more, these companies are finding the interaction with innovative start-ups useful and therefore outsource single departments into flexible workspaces.

“In 2018, we estimate the share of flexible work space in Europe (EU 28) to be at around 2.1 million sq. m. Compared to the total European office market of around 275 million sq. m., flexible workspace only amounts to 0.76%”, says Dr. Thomas Beyerle, Head of Group Research at Catella. “Based on the change processes and driven by steadily rising investor demand, we expect a strong increase of flexible workplace centers, as well as a number of extensions”, continues Beyerle. As a minimum area size – the base of the economically relevant management – the Catella analysts estimate approx. 2.000 sq. m. Regarding object types, the focus is clearly on the hybrid model, a mixed form of private offices and shared spaces.

The full analysis is available at catella.com/research.

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Catella is a leading specialist in property investments, fund management and banking, with operations in 14 European countries. The group has assets under management of approximately SEK 180 billion. Catella is listed on Nasdaq Stockholm in the Mid Cap segment. Read more online at catella.com.

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