

The business case for taking serviced office space in preference to a conventional property lease

With a constantly changing global economy most businesses are finding it difficult to make long term strategic plans.

So why would anybody who cannot accurately predict the exact location and the size of office space best suited to meet their changing business needs over the next couple of years, really want to commit to a cumbersome five, ten or even 15 year traditional property lease?

The solution, being taken by more and more go-ahead businesses, is to take flexible space in business centres.

Business centres have come of age in the UK during the past decade and can now offer businesses and individuals a range of location, quality and cost solutions to meet every scenario their business may encounter.

There are a number of benefits in taking space at business centres and these include:

- **FLEXIBILITY**
 - the ability to adjust the size of the space used and to reconfigure it to suit the exact needs of your business
 - the ability to vary the length of time it is needed for without incurring any financial penalties
 - the ability to relocate to different offices or even different buildings without any hassle

- **BENEFITS**
 - Speed of entry
 - Simple user-friendly contracts
 - No legal fees

- **TECHNICAL CAPABILITY**
 - Access to the latest specification IT and telecoms equipment and services, which can be rented by the week with no major capital outlay
 - Access to state-of-the-art office equipment, including photocopying, laminating and binding machines

- **QUALITY BUILDINGS**
 - Prestigious locations include city centres and business parks with many business centres being close to major transportation hubs
 - Business centres are fitted out to the highest quality standards which make a good impression on clients and their visitors
 - High-quality office environments help with staff retention and motivation

- **FULLY SERVICED**
 - Reception services included – saving clients the cost of hiring staff
 - Menu of secretarial and support services available on a cost-per-use basis

- **COST SAVINGS**

- Proven cost savings of up to 50% **
- One simple monthly bill for ease of accounting – no hidden extras and no nasty surprises
- No long term financial commitments

The cost-savings associated with taking space in a business centre have been well proven in such surveys as the **Chartered Institute of Purchasing – *True cost of the flexible office* report and *Total Office Cost Survey* produced by leading property consultants, Cushman Wakefield Healey & Baker.

However, potential clients can make their own simple cost comparison by taking the fully inclusive price quoted by a serviced office space provider for a given number of people and length of term and then filling in the cost of sourcing the services provided on an individual basis.

Cost comparison chart:

Item:	Serviced office cost:	Conventional acquisition:
Rent	£	£
Lease negotiation	<i>included</i>	
Liability for unexpired term of lease	<i>included</i>	
Liability for lease termination reinstatement costs	<i>included</i>	
Service charge	<i>included</i>	
Uniform business rates & Services	<i>included</i>	
Administration	<i>included</i>	
Air conditioning	<i>included</i>	
Furniture	<i>included</i>	
Office equipment	<i>included</i>	
IT and Telecoms	<i>included</i>	
Electricity	<i>included</i>	
Heating	<i>included</i>	
Hot water	<i>included</i>	
Security	<i>included</i>	
Cleaning	<i>included</i>	
Water charges	<i>included</i>	
Washroom and hygiene	<i>included</i>	
Window Cleaning	<i>included</i>	
Building insurance	<i>included</i>	
Building maintenance	<i>included</i>	
Dilapidation	<i>included</i>	
Reception personnel	<i>included</i>	
Reception accommodation	<i>included</i>	
Gardening and landscaping	<i>included</i>	
Fire procedures and precautions	<i>included</i>	
Lift maintenance	<i>included</i>	
Refuse clearing	<i>included</i>	
General signage	<i>included</i>	
Health & Safety management	<i>included</i>	
Total:	£	£