

Australia Flexible Office Space Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The Australian flexible office space market is expected to record a CAGR of more than 8% during the forecast period. The growth of big tech companies in Australia is a key indicator for the procurement of flexible office spaces. Twitter, Apple, Amazon, and Atlassian are becoming buzzwords in the property world. These companies are taking significant amounts of space in the leading Australian property markets. Many companies have implemented business continuity plans, with post-COVID-19 options being considered and implemented. When considering a post-COVID-19 company plan, choosing flexible office premises and working hours is essential. Post the pandemic, co-working spaces will gain huge demand.

Companies across Australia are seeing a resurgence of interest in flexible workspaces, with larger corporations leading the charge. The quantity and length of transactions increased in 2020, indicating that workplace confidence is returning, and many flex workspace operators are now focusing on corporate clients. Businesses are seeing the advantages of shifting away from traditional office models, and the focus is now on developing a real estate model that can weather future changes. These real estate decisions will be based on flexibility, resulting in an excellent picture for the industry. While Australia's flexible office space accounted for only 6.4% of total available office space in 2020, this percentage is expected to rise substantially. The volume of space in major areas is expected to grow threefold in the coming years.

Australia Flexible Office Space Market Trends

Demand for Larger Spaces driving the market

All major cities in Australia are expected to see massive development of flexible working space in the coming years. The companies are more interested in taking dedicated and secure private offices for one person up to 100 employees. While remote

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working will supplement future workplace methods, it will not completely replace them. Large corporations, in particular, still require a central headquarters to strengthen their brand and culture. In Q1 2021, 18% of all flex space inquiries in Australia were for 10+ workstations, while demand for 1-2 person offices fell by 14% since Q1 2020.

Over the last two years, there has been a shift toward larger organizations employing flexible space, with smaller businesses adapting to remote working more efficiently. Large floor plates are now accessible from various flexible workspace providers, making it easier for corporate firms to take on flex space where it was previously difficult to locate suitable space. Furthermore, businesses can take advantage of cheaper flex workstation rates in CBD regions, allowing them to obtain high-quality space in a central location at a lesser cost. The increased provision of larger spaces and floor plates within the flexible market and relatively lower rates are proving to be advantageous for companies to occupy agile workspace.

Demand for Flexible Office Space in New South Wales and Victoria Driving the Market

In 2020, New South Wales and Victoria accounted for over 75% of the flexible office space in Australia, with the CBDs of Sydney and Melbourne being the largest centers. North Sydney followed, with Brisbane not far behind and growing rapidly. In 2020, at a state level, NSW had the most expensive private office space per person per month, owing to the amount and prices in the Sydney CBD. Victoria is the second most expensive per seat, and Western Australia is the third most expensive per seat. Sydney and Melbourne have historically dominated Australia's flex space market, and this dominance is expected to continue in 2020. Sydney is Australia's largest center for flexible office space, and the CBD has the highest price for office space before discounts.

Companies are extending their services in the region to take advantage of this potential. For instance, in July 2021, Deskpas, the platform that is ushering in a new world of remote and hybrid workplaces, announced its launch in Sydney, Australia, the first international city and the platform's fourth new location in 2021. With the addition of Sydney, Deskpas now has the largest on-demand network of bookable workspaces. For enterprises with remotely distributed teams, Deskpas is a Work-from-Anywhere solution through a global network of tens of thousands of workspaces.

Australia Flexible Office Space Market Competitor Analysis

The Australian flexible office market is fragmented with the presence of many players. Many new players are entering the market to meet the rapid demand for casual environment offices. The companies operating the market are involved in several growth and expansion strategies to gain a competitive advantage. Some of the major players in the market include IWG, WeWork, Servcorp, Flexible Workspace Australia (FWA), and Deskpas.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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