

the cost of flexible space

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WEBSITE

ARE YOU PAYING TOO MUCH FOR YOUR SPACE ?

Comparison indicates following cost options, face value :

Option 1 (Proposal)	£ 10,500 pcm
Option 2 (Comparable)	£ 10,600 pcm
Option 3 (Benchmark)	£ 10,518 pcm

Comparison indicates following cost options, hidden value :

Option 1 (Proposal)	£ 11,007 pcm 'inclusive'
Option 2 (Comparable)	£ 8,578 pcm 'inclusive'
Option 3 (Benchmark)	£ 10,518 pcm 'inclusive'

An explanation for these estimates is provided in this report.

Comparing flexible products can be like comparing apples with oranges. Flexible packages differ between operators and buildings. A flexible rent might be inclusive of meeting room credits, for example. We delve into the detail and examine the differences between flexible packages. This makes comparison easier and more informative and can help leverage the negotiation.



Option 1

Landmark

Package Details



ADDRESS	Building 1		
DISTRICT	City Core	STAFF No.s	20 desks
CONTRACT	£ 10,500 pcm	BENCHMARK	£ 10,518 pcm
DESK RATE	£ 525 pcm	BENCHMARK	£ 526 pcm
SETUP cost	£ 17,200	BENCHMARK	£ 10,518 pcm
FLOOR SPACE	950 sq ft	BENCHMARK	1,000 sq ft
DESK AREA	48 sq ft	BENCHMARK	50 sq ft
Hidden Value	£ 11,007 pcm 'inclusive'		

CONTRACT PROPOSAL Option 1

The above summary offer and package details has been scrutinised for comparison purposes.

We have measured this against our benchmark for spaces in this location to give an indication of value. The inclusive cost is an estimate of the contractual package based on the inclusive package that we use for benchmarking. This is a subjective value and is indicative of a comparison with a market estimate that we use for benchmarking.

This will help identify any hidden costs that might not otherwise be apparent from the proposal. This provides a more informed view of the offer and can be used to leverage a better deal.

Option 2

Spaceworks (IWG)

Alternative Package Details

ADDRESS	Building 3		
DISTRICT	City Core	STAFF No.s	20 desks
CONTRACT	£ 10,600 pcm	BENCHMARK	£ 10,518 pcm
DESK RATE	£ 530 pcm	BENCHMARK	£ 526 pcm
SETUP cost	£ 19,800	BENCHMARK	£ 10,518 pcm
FLOOR SPACE	1,200 sq ft	BENCHMARK	1,000 sq ft
DESK AREA	60 sq ft	BENCHMARK	50 sq ft
Hidden Value	£ 8,578 pcm 'inclusive'		

ALTERNATIVE PROPOSAL Option 2

The above summary offer and package details has been scrutinised for comparison purposes.

We have also measured this proposal against our benchmark for spaces in this location to give an indication of value. We look at differences in floor area, service package and attribute a value so that this can be measured against other options which have also been compared with our benchmark for flexible spaces.

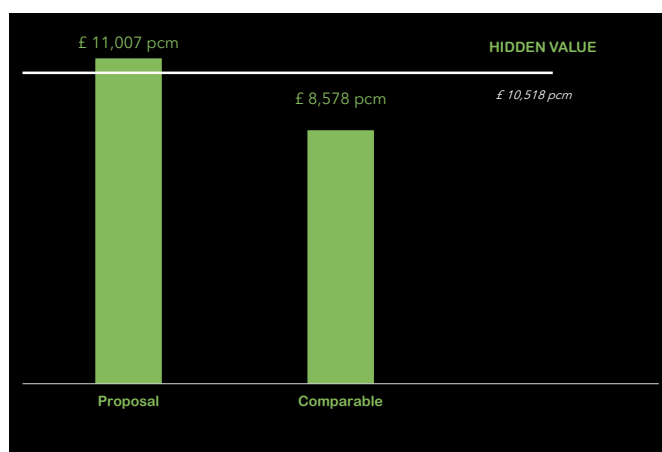
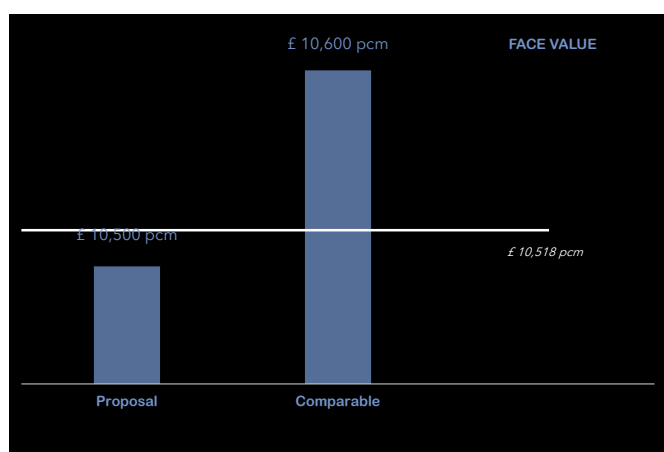
Any differences between the options will be apparent and will prove useful in determining the best overall package. This provides a more informed view of the offer and can be used to leverage a better deal.

CONTRACT VALUE

Cost Differences

The contract value is the quoted price for the space by the operator for that building. The service package will vary between operators and buildings depending on the dimensions and service package for the space.

For example, floor area will be different in many cases. Some packages are inclusive of meeting room access. There could be different deposit arrangements, phone plan or even differences in the pantry offering including coffee and refreshments. All of these elements go to make up the offer and need to be identified and compared. This provides a more informed view of the offer and can be used to leverage a



breakdown

VALUE SUMMARY

The hidden value is a hypothetical calculation that indicates the generosity of the offer. You will pay the contractual price but the hidden value is indicative of the scope of the package and what is included in the offering.

For example the setup costs could be different between the comparable options. Likewise, the floor space might be more generous for one of the options when a comparison is made. The services that are included in a package will vary between options.

The purpose of the hidden value comparable is to measure a difference in the elements that are included within the options. It is a subjective value based on our benchmark criteria and market assessment.

The point of this comparison is to reveal any differences between options so that the customer is more informed about what is on offer. If the customer requires further negotiation, we will go back to the operator with our arguments on value. We will seek to revise terms with the objective of matching or improving on the original offer.

CONTRACT VALUE

Cost Differences

How do you know if you are getting the best deal ? Is it because the agent said so or is there more to it ? We like to demonstrate value and comparison by applying a systematic and measured approach which scrutinises the cost elements of the deal. We use this to show where the value truly is in relation to spaces and the package on offer and apply this information to reinforce our negotiations on behalf of our customers.

Flexible packages differ between operators and buildings. We use a benchmark system that we have created for comparison purposes. We look at the elements that go towards a service package and apply dimensions and measures to reveal the differences between service packages.

All of these elements go to make up the offer and need to be identified and compared. Our technique provides a more informed view of the offer that can also be demonstrated. We use this information in our discussions with stakeholders to enable us to strike the best deal for the customer.

detail

COST CATEGORIES

Setup costs (in addition to the package)

- Deposit
- Admin Fee
- Phone Plan
- Exit Fee

Services – Operational Costs (OpEx)

- Meeting Room Hire
- Printing Services
- Kitchen & Pantry
- Furniture Plan
- Cleaning Office Plan
- Security (Cards | Keys)
- Internet Access & Services
- Internet Services

Business Rates – Local authority business rates for occupied space.



YOUR information that we use

