



GLOBAL TRENDS IN FLEXIBLE OFFICE



2026

EXECUTIVE SUMMARY

The sector’s strategic importance has never been clearer, and momentum is broadening.

Flexible office is a core real estate strategy, not an amenity. Occupiers and building owners are leaning on flexible office to navigate a less linear market. Demand has become structural.

AI is an emerging growth driver. Markets with growing AI-sector activity are seeing that reflected directly in flexible office maturity scores.



India leads flexible office market maturity at 100%. The UK (94%) and France (92%) held the top two spots in EMEA for a second year.



Operators are shifting their operations both domestically into secondary cities and cross border into new markets. As a result, larger institutional players are becoming more dominant.



For landlords, flexible office is a vacancy-mitigation tool. Partnerships with flexible operators are activating underused space and repositioning assets to match evolving occupier expectations.

FOCUS
ON



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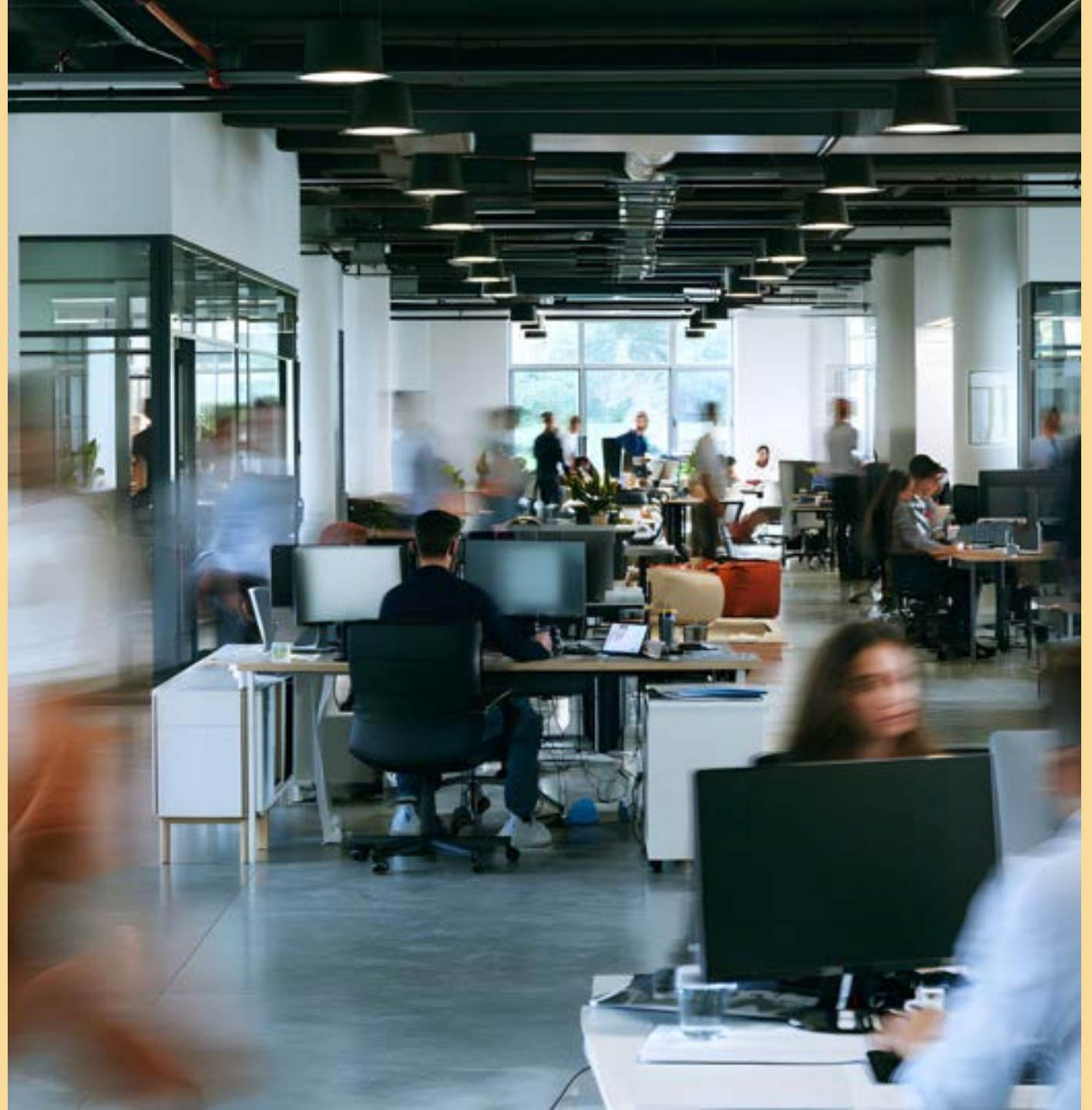


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OUTLOOK

01

GLOBAL TRENDS



FLEXIBLE OFFICE UTILIZATION EVOLVES



Flexible office utilization remains primarily desk-focused, though users are increasingly leveraging dedicated spaces to support collaboration and focused individual work.



Based on a recent Upflex analysis of nearly 23,000 completed on-demand bookings*, the share of global bookings for private offices increased from 3.4% in H1 2025 to 9.9% in H1 2026, while meeting room bookings rose modestly from 17.0% to 18.9%. Over the same period, desks declined from 78.4% to 70.7% of total bookings.

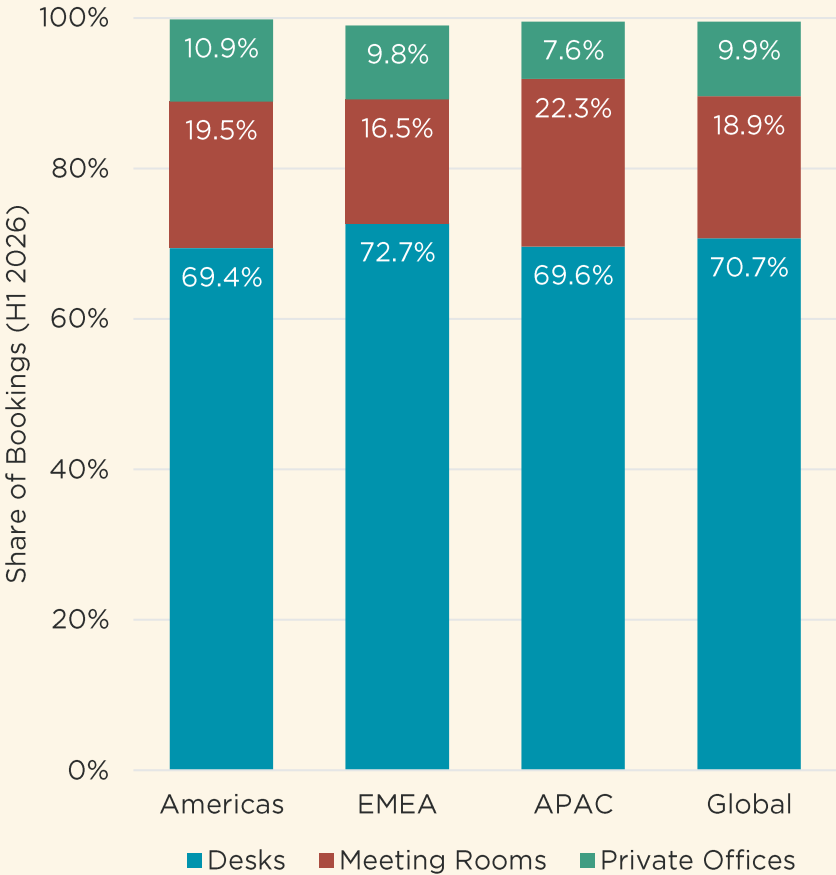


APAC occupiers utilize meeting rooms the most of all regions, which account for 22.3% of regional bookings. The Americas lead in private office utilization, representing 10.9% of all bookings, while EMEA remains the most desk-oriented region, with desks comprising 72.7% of the market's bookings.



The shift from non-dedicated desks toward meeting spaces and private offices suggests a more intentional use of flexible office solutions, with occupiers utilizing flexible space to enhance both team engagement and individual productivity.

Demand shifts towards meeting rooms and private offices



Source: Upflex, Cushman & Wakefield Research

*Regional composition of bookings: Americas (44%), EMEA (38%) and APAC (18%)

DEMAND IS BROAD-BASED ACROSS THE GLOBE



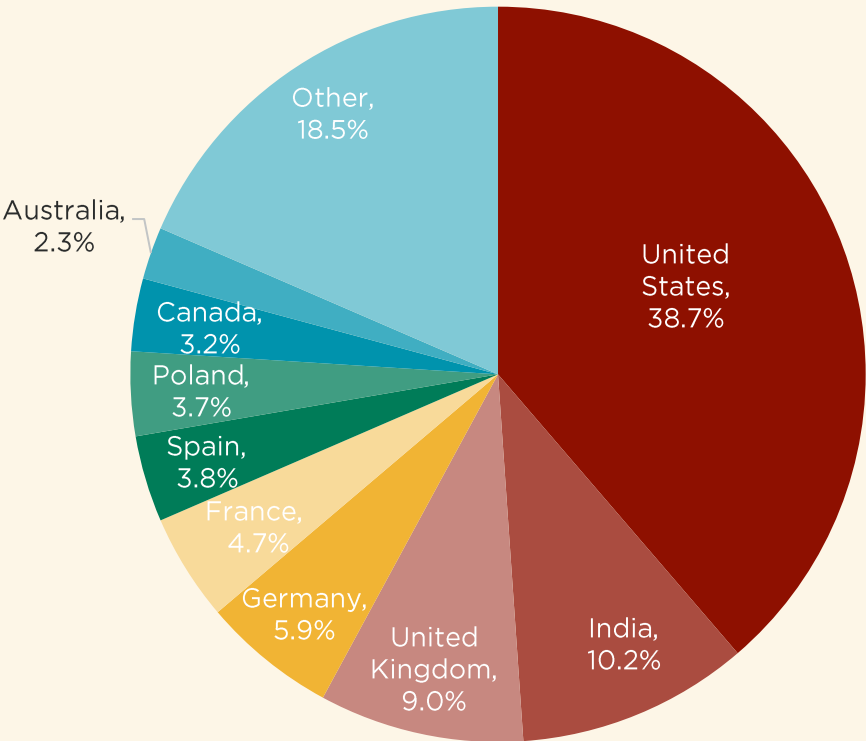
Global flexible office activity is geographically diverse, though the United States continues to dominate demand. In H1 2026, the U.S. accounted for 38.7% of on-demand bookings, according to a recent Upflex analysis of nearly 23,000 on-demand bookings*.

However, India has rapidly emerged as a major global market, with its share of on-demand bookings rising from 2.2% in H1 2025 to 10.2% in H1 2026, making it the second most active flexible market worldwide.

Activity is also becoming less concentrated in the largest gateway markets; The top five cities by booking volume saw their combined share of demand decline by 330 basis points, falling from 23.5% in H1 2025 to 20.2% in H1 2026.

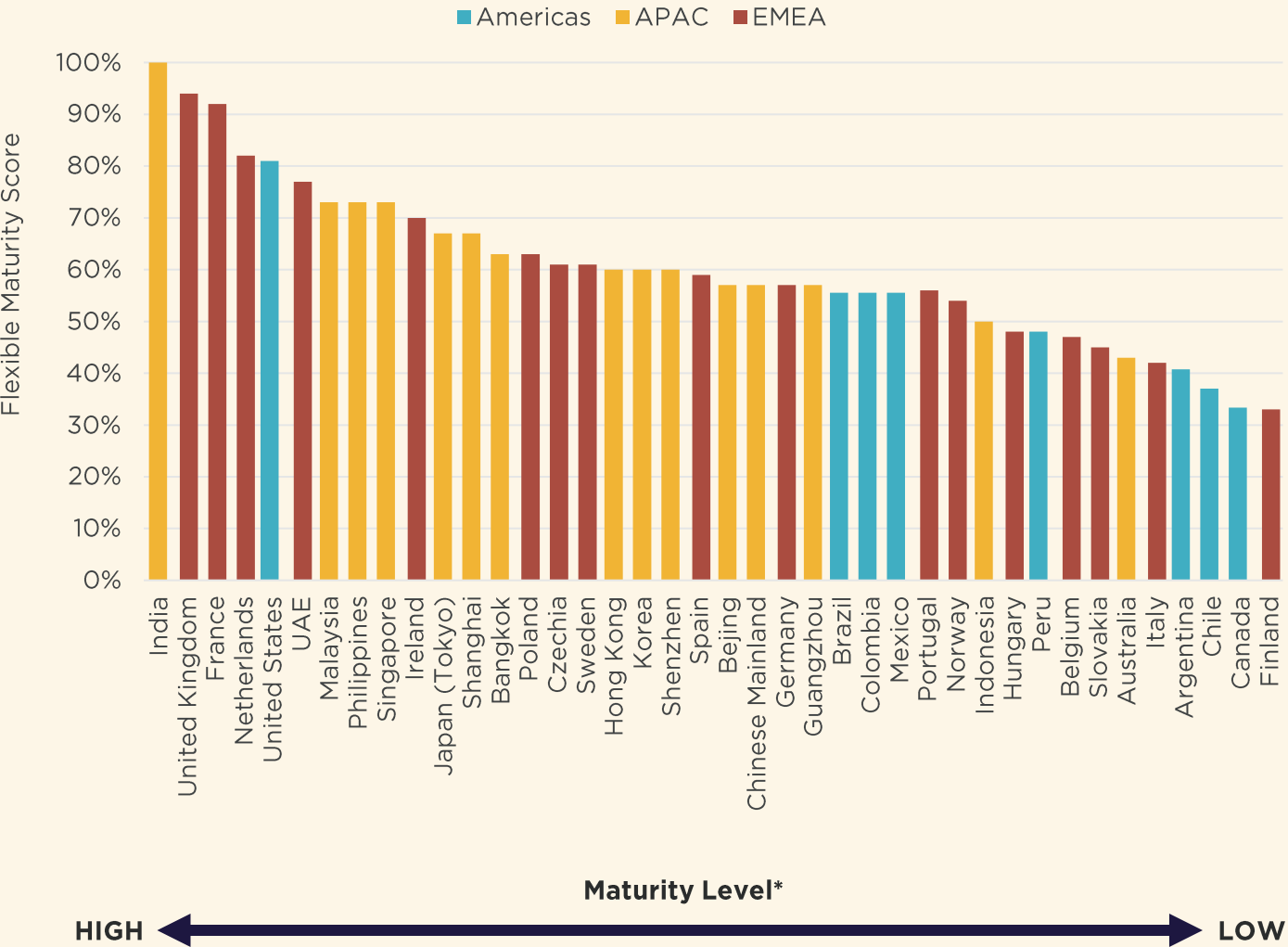
The growth in flexible office demand beyond major gateway markets suggests that occupiers are increasingly incorporating flexible office solutions across a broader range of geographic locations, enabling expansion into new office locations and supporting distributed work teams.

The United States and India lead the way



Source: Upflex, Cushman & Wakefield Research

*Regional composition of bookings: Americas (44%), EMEA (38%) and APAC (18%)



FLEXIBLE MARKET MATURITY DIFFERS AROUND THE WORLD

Cushman & Wakefield [developed a scoring system](#) to evaluate flexible office performance across global markets using market maturity indicators. The assessment covers flexible inventory as a percent of total office space, the number of flexible operators and the prevalence of management agreements.

India is the most mature flexible office market globally, with flexible office serving as a significant source of demand. Malaysia, Philippines and Singapore also stand out as mature flexible markets in APAC.

Flexible office maturity varies across EMEA markets, with the UK, France and the Netherlands ranking as the region’s most mature markets.

In the Americas, the U.S. remains the sole mature market, as flexible office adoption is still growing.

Source: Cushman & Wakefield Research; *Methodology found on the back cover

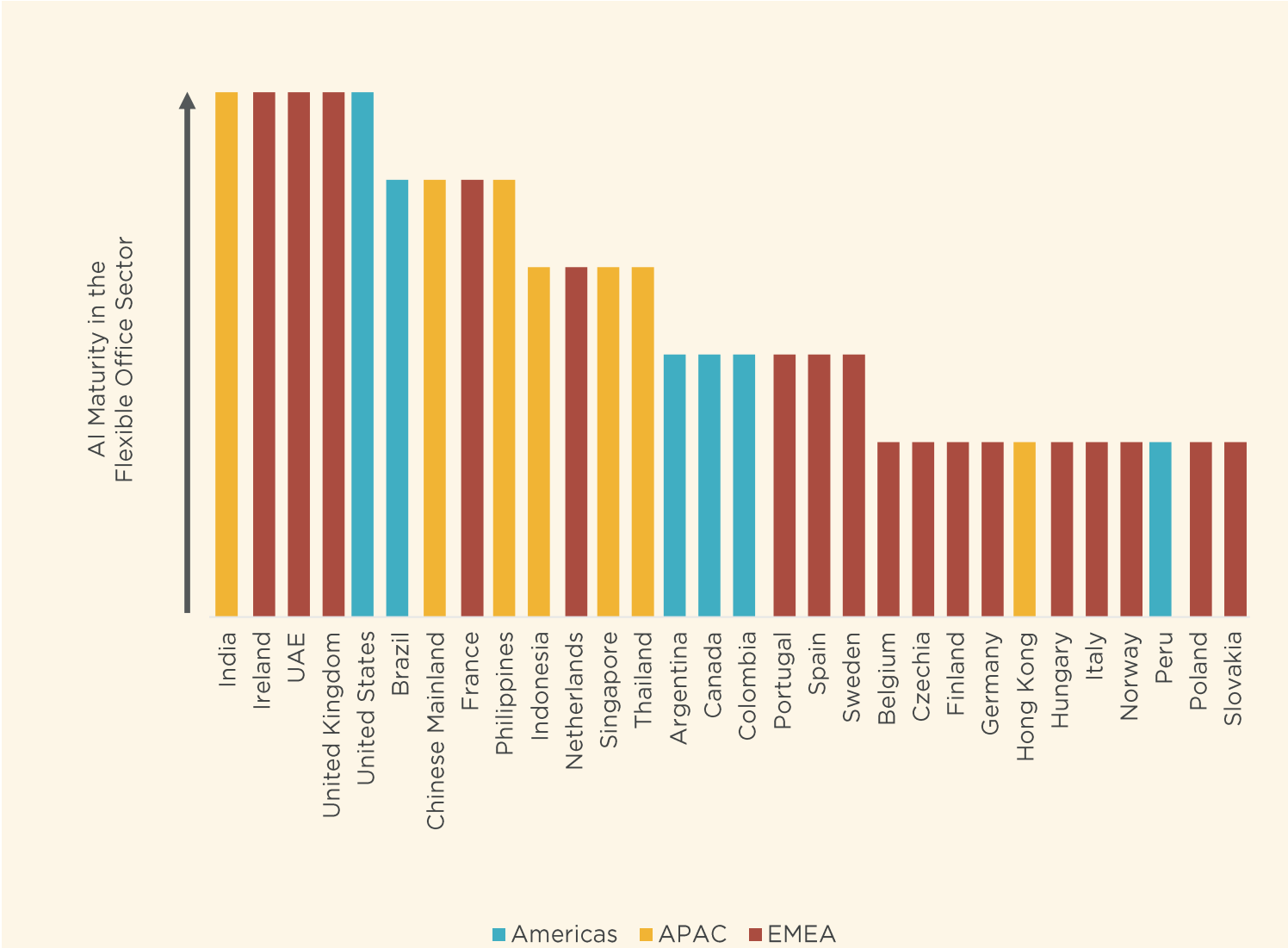
AI OFFERS OPPORTUNITY FOR FLEXIBLE OFFICE

The rapid rise of AI presents a significant growth opportunity for the flexible office sector and can support its expansion globally as a key component of workplace strategies.

AI companies often scale quickly, driving a need for additional workspace. Many AI companies also maintain office-first cultures with employees working from the office most of the time.

Flexible office provides turnkey workspaces that enable companies to seamlessly expand their occupancies as headcounts and space requirements grow, aligning with the needs of AI firms.

India, Ireland, the UAE, the UK and the U.S. have already developed mature AI ecosystems within the flexible office sector.



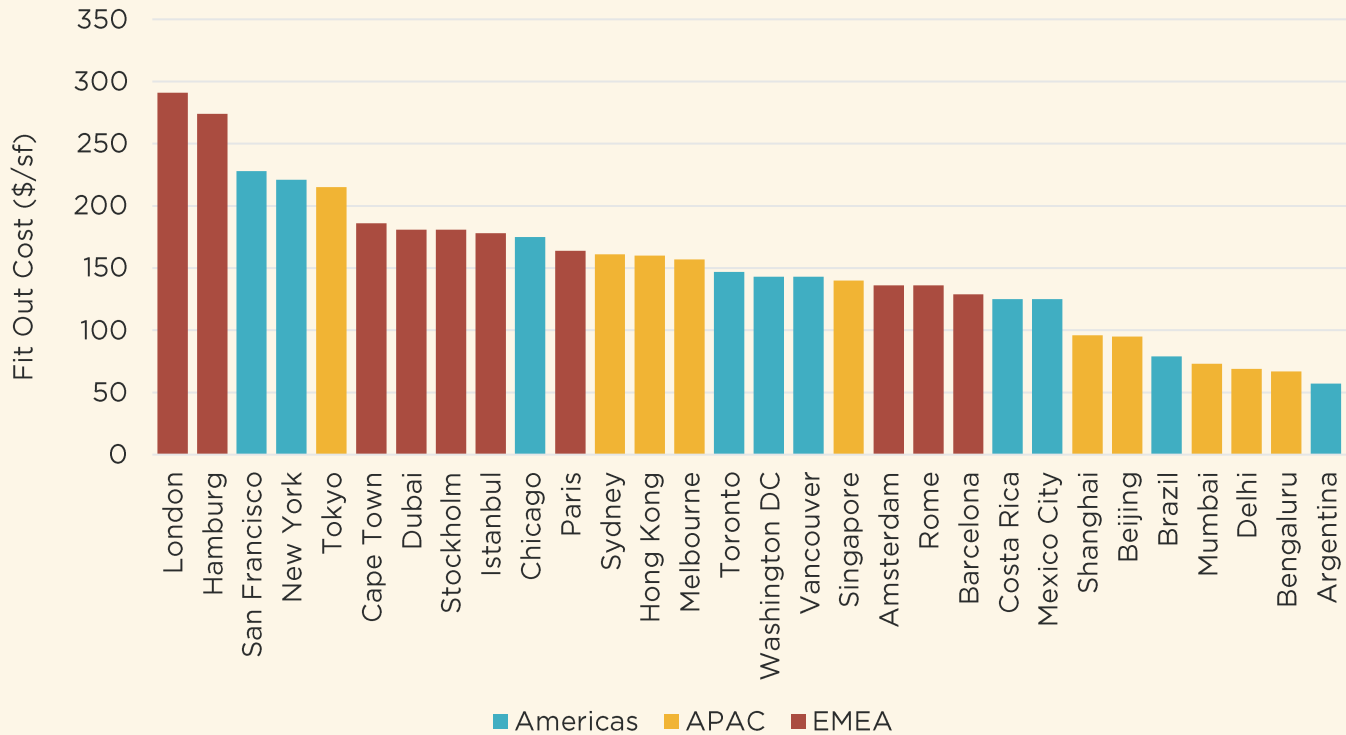
Source: Cushman & Wakefield Research

GLOBAL FIT OUT COSTS ARE STILL CLIMBING...

Construction costs continue to rise across the globe, with labor remaining a key driver of the cost escalation. Slower development activity in many global markets has limited the availability of new, high-quality space, increasing occupier focus on repositioning and upgrading existing buildings.

Flexible office provides premium, fully fitted and furnished workspaces, enabling occupiers to avoid managing construction budgets and timelines while supporting immediate occupancy with limited disruption to business operations.

HOWEVER, CONSTRUCTION COST GROWTH IS SLOWING



Source: Cushman & Wakefield Research

KEY TAKEAWAYS



Flexible office continues to play a critical role in occupiers' real estate strategies across global regions.

While the maturity of the flexible office sector varies by market, its ongoing growth reflects increasing demand for turnkey workspaces that can be occupied immediately and adapt quickly to evolving business and workforce needs.

Flexible office offers versatile workspaces that can support the diverse ways occupiers work.

Demand for flexible office solutions continues to grow globally, expanding beyond established gateway markets.

As occupiers increasingly prioritize premium environments, flexible office provides spaces with those high-quality fit outs already in place.

02

AMERICAS



ELEVATED VACANCY CREATES OPPORTUNITIES

While several major office markets across the Americas continue to face elevated vacancy rates, conditions have been improving in many markets.

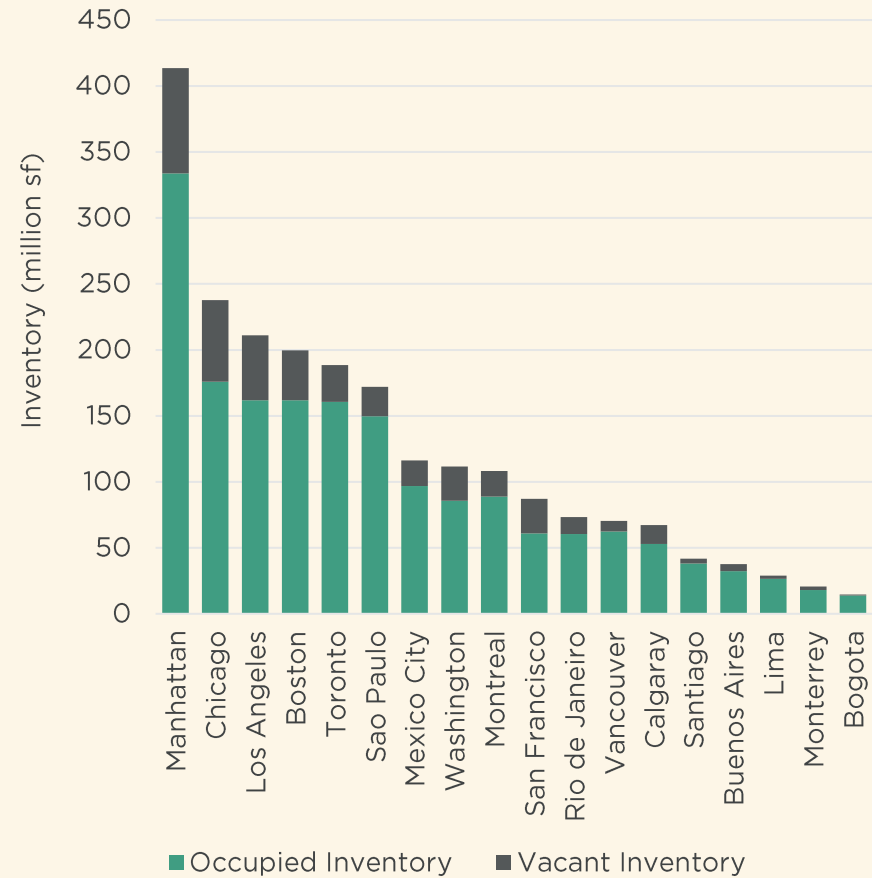
Office buildings with persistently high vacancy rates are increasingly being repositioned through conversions to alternative property types such as multifamily and industrial.

Another option for office properties with heightened vacancy levels is to allocate a portion of space to flexible office offerings through partnerships with providers. Flexible offerings can help increase occupancy by providing space options that are better aligned with occupier needs.

Flexible office can be particularly valuable for occupiers with geographically dispersed workforces across the Americas, giving them the flexibility to offer workplace options in a variety of locations.



Major market vacancies support flexible office growth



Source: Cushman & Wakefield Research

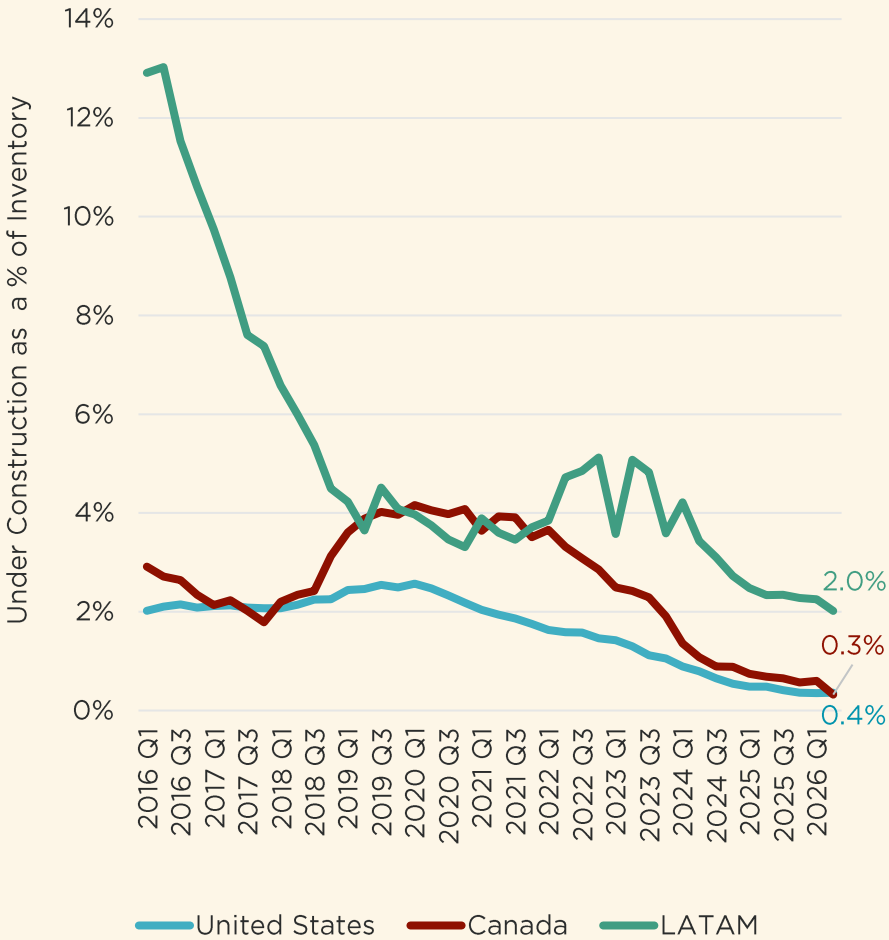


OFFICE PIPELINE CONTINUES TO CONTRACT

The office construction pipeline across the Americas has continued to contract, with nearly 32 msf currently underway in the three sub-regions. This represents an 82% decline from the recent peak of 175 msf recorded in Q1 2020.

The declining pipeline of new office inventory provides a tailwind for flexible office. As the supply of new, Class A office buildings diminishes, occupiers seeking premium office spaces will face more limited options. Flexible office providers can capitalize on this demand by offering high-quality amenity offerings similar to those in top-tier buildings.

New office inventory will remain limited



Source: Cushman & Wakefield Research



Source: Cushman & Wakefield; *Methodology found on the back cover

UNITED STATES’ FLEXIBLE MARKET IS MOST MATURE

To evaluate flexible office performance across global markets, our team [developed a scoring system](#) to measure market maturity. Areas assessed include flexible inventory as a percent of total office space, the number of flexible operators and the prevalence of management agreements.

The U.S. leads the Americas in flexible office maturity, supported by many flexible operators and a high volume of flexible leasing activity.

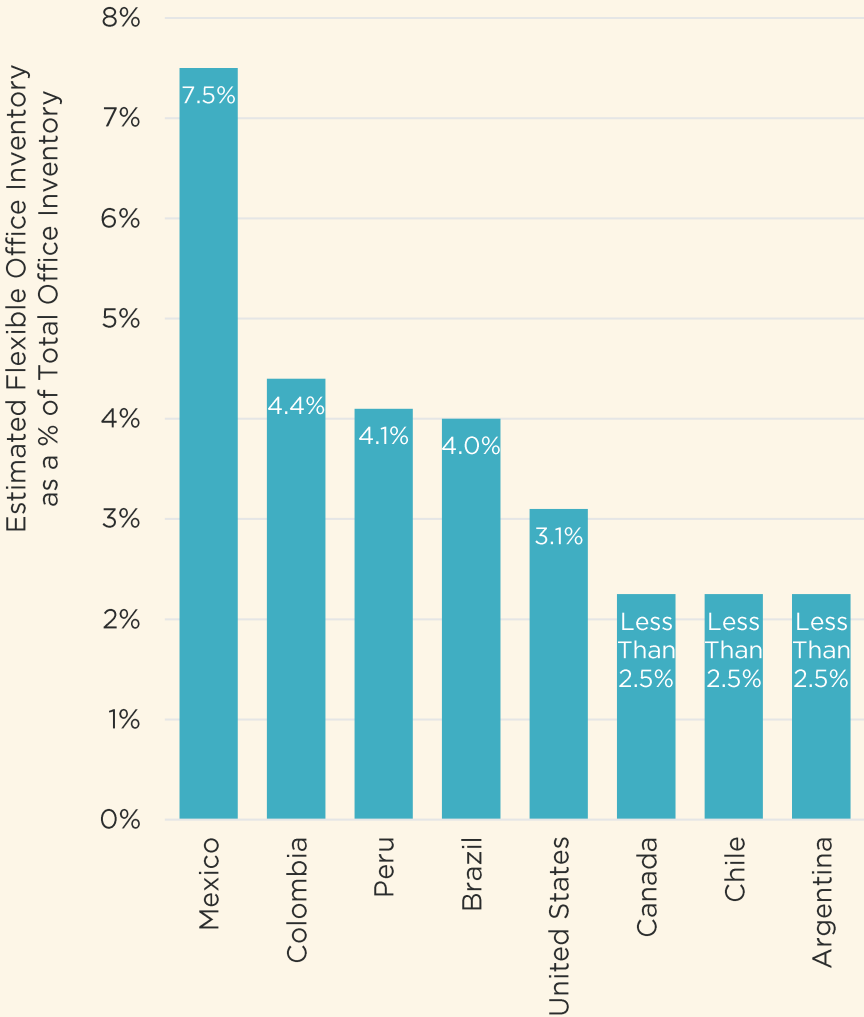
Mexico, Brazil, Colombia and Peru have established growing flexible office markets, while the industry remains in earlier development stages in Argentina, Chile and Canada.



FLEXIBLE OFFICE INTEGRAL TO AMERICAS MARKETS

While the share of flexible office inventory varies across the Americas, the sector maintains a strong presence in numerous markets. Flexible office is estimated to represent more than 2.5% of total office inventory in five countries: Mexico, Colombia, Peru, Brazil and the U.S.

Management agreements have seen the greatest adoption in the U.S., while the traditional lease model remains favored in other Americas markets. Management agreements allow landlords to offer flexible spaces in their properties by partnering with flexible operators who manage the space under their brands without entering conventional lease agreements.



Source: Cushman & Wakefield Research

SPOTLIGHT ON U.S.

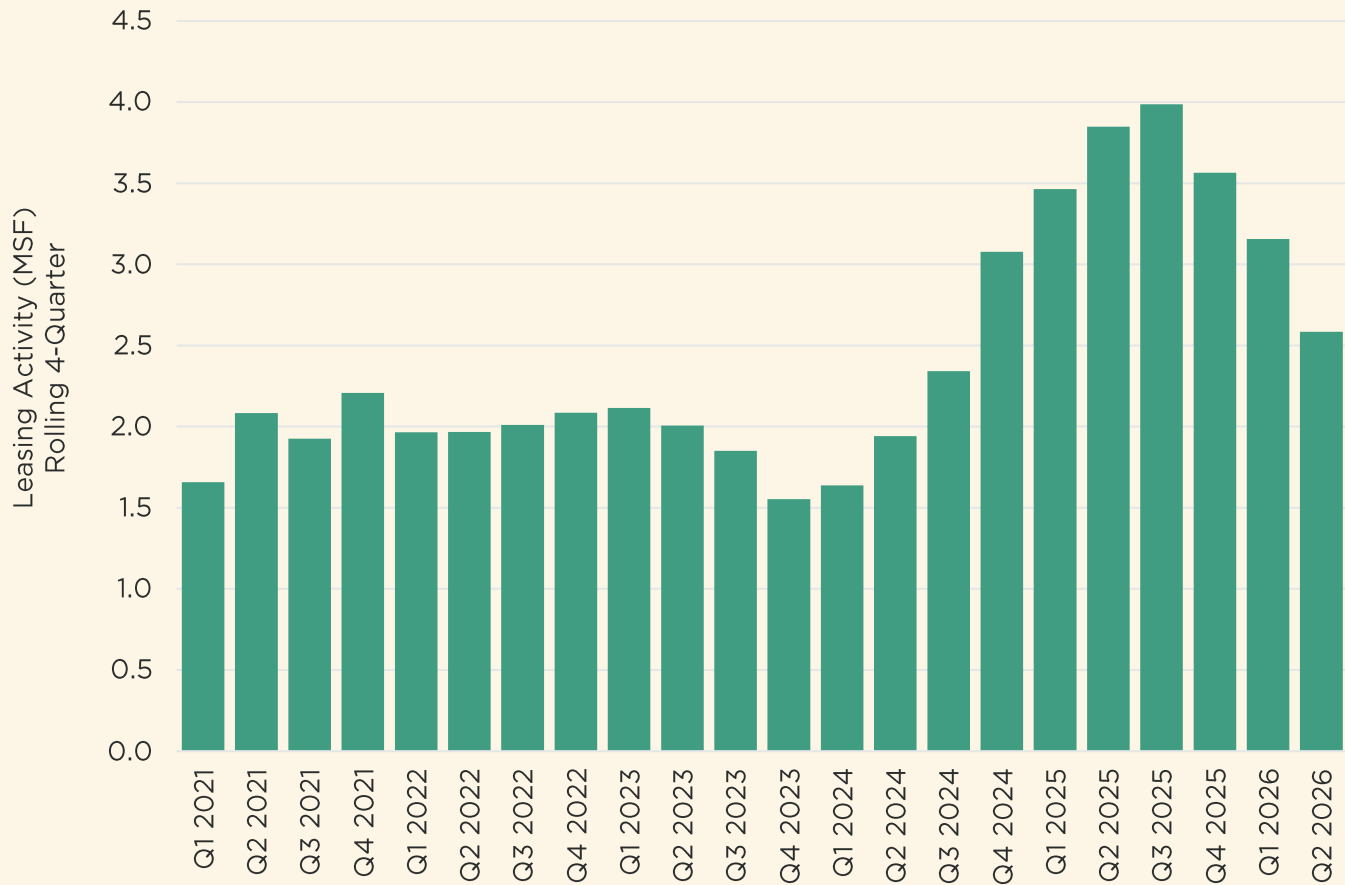
U.S. FLEXIBLE OFFICE DEMAND REMAINS ROBUST

Following a period of softer activity in the wake of the pandemic, leasing by the largest flexible office providers in the U.S. has gained momentum, with the four-quarter rolling total reaching a peak of 4.0 msf in mid-2025.

Leasing activity over the past four quarters has surpassed 2021-2023 levels by 32%, reflecting growing interest in flexible office space as hybrid work continues to reshape occupiers' workplace strategies.

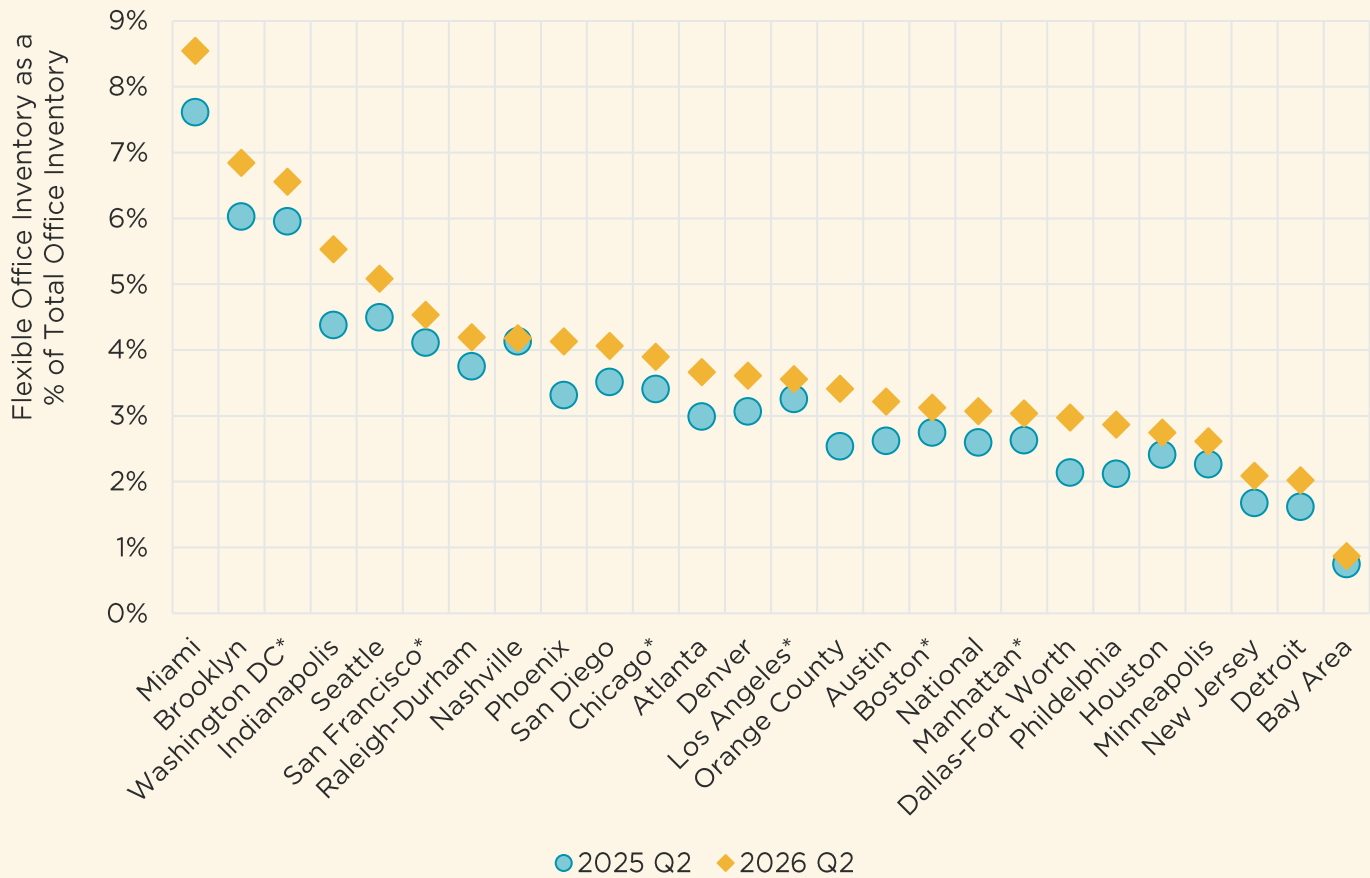
In addition, flexible office's growth has extended beyond traditional office leasing activity, as flexible office providers increasingly leverage landlord partnerships and establish locations in retail properties.

Office leasing by major providers continues



Source: Cushman & Wakefield Research; Leasing by top 50 providers

Growing flexible supply expands access across the U.S.



Source: CoworkingCafe, Cushman & Wakefield Research
*Gateway markets

SPOTLIGHT ON U.S.

FLEXIBLE OFFICE INVENTORY GROWS

U.S. flexible office inventory continues to expand, rising 18% year-over-year (YOY) as of Q2 2026, per CoworkingCafe data. Flexible office space now represents 3.1% of total C&W office inventory, up from 2.6% in Q2 2025 and 2.3% in Q2 2024, reflecting steady yearly growth.

Flexible office accounts for 3.2% of office inventory in the 25 largest flexible office markets and grew 17% YOY. All 25 markets posted annual gains in flexible office inventory, with Dallas-Fort Worth (+38%), Philadelphia (+34%) and Orange County (+33%) posting the strongest growth.

Flexible office shares of inventory outpace the national average of 3.1% in 17 of the 25 largest flexible office markets. Ample flexible office offerings in markets with robust or growing population bases are essential to helping occupiers meet employee demand for flexible workplace locations closer to home.



SPOTLIGHT ON U.S.

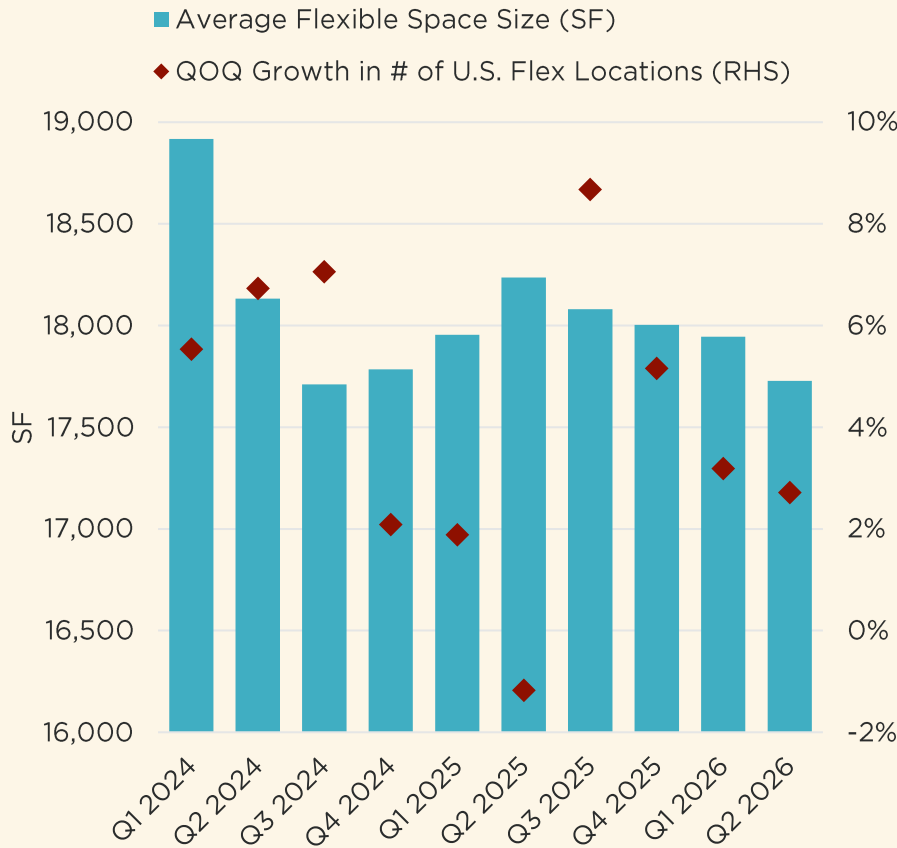
FLEXIBLE FOOTPRINTS TREND SMALLER

Flexible office footprints have been trending smaller, with the average U.S. flexible office space totaling just over 17,700 sf in Q2 2026, down 3% YOY and 6% from the start of 2024, according to CoworkingCafe data.

However, the number of flexible office locations in the U.S. has continued to expand, achieving quarter-over-quarter growth in all but one quarter going back to 2024.

The contraction in average flexible office footprints likely reflects flexible office's expansion in secondary and tertiary markets, where buildings typically feature smaller floorplates and workspace offerings are more efficient.

U.S. flexible office sizes adapt as industry expands



Source: CoworkingCafe, Cushman & Wakefield Research

Top workplace drivers for experience, work and well-being

Rank	Experience	Best Work	Well-Being
1.	Reflect Company Culture	Reflect Company Culture	Energize The Workplace
2.	Energize The Workplace	Provide Spaces For Focused Work	Reflect Company Culture
3.	Provide Spaces For Focused Work	Improve Commuting Convenience	Provide Spaces For Focused Work
4.	Minimize Noise	Provide Quiet Spaces	Ensure Thermal Comfort
5.	Improve Commuting Convenience	Minimize Noise	Offer Social And Active Areas

Source: C&W Experience Per Square Foot™ survey results from Q1 2025 – Q4 2025; Top drivers determined using regression analysis of 35 workplace features across 11 companies. The five features shown had the strongest impact on best work. Survey findings reflect the overall office market and are not specific to flexible office.

SPOTLIGHT ON U.S.

FLEXIBLE OFFICES
DRIVE EMPLOYEE
PERFORMANCE

Flexible office solutions have become a key component of many occupiers’ workplace strategies, offering greater flexibility for both employees and companies.

Flexible offices incorporate many top workplace performance drivers – for example, their designs provide a variety of quiet spaces for focused, individual work.

At the same time, employees still value the energy and social connection of being in an office versus working remotely. Flexible offerings can help bridge that gap, pairing culture and connection with a shorter commute that supports better work-life balance.



KEY TAKEAWAYS

Flexible office is now a strategic real estate tool. Occupiers and building owners are increasingly using flexible office to respond to a changing workforce environment.

Flexible office can help owners address higher vacancy levels and reposition assets. Partnerships with flexible office providers can activate underutilized space while aligning buildings with evolving occupier expectations.



Flexible office has become an increasingly attractive solution for occupiers across the Americas.



As office development slows, flexible office can address the demand for premium workspaces.

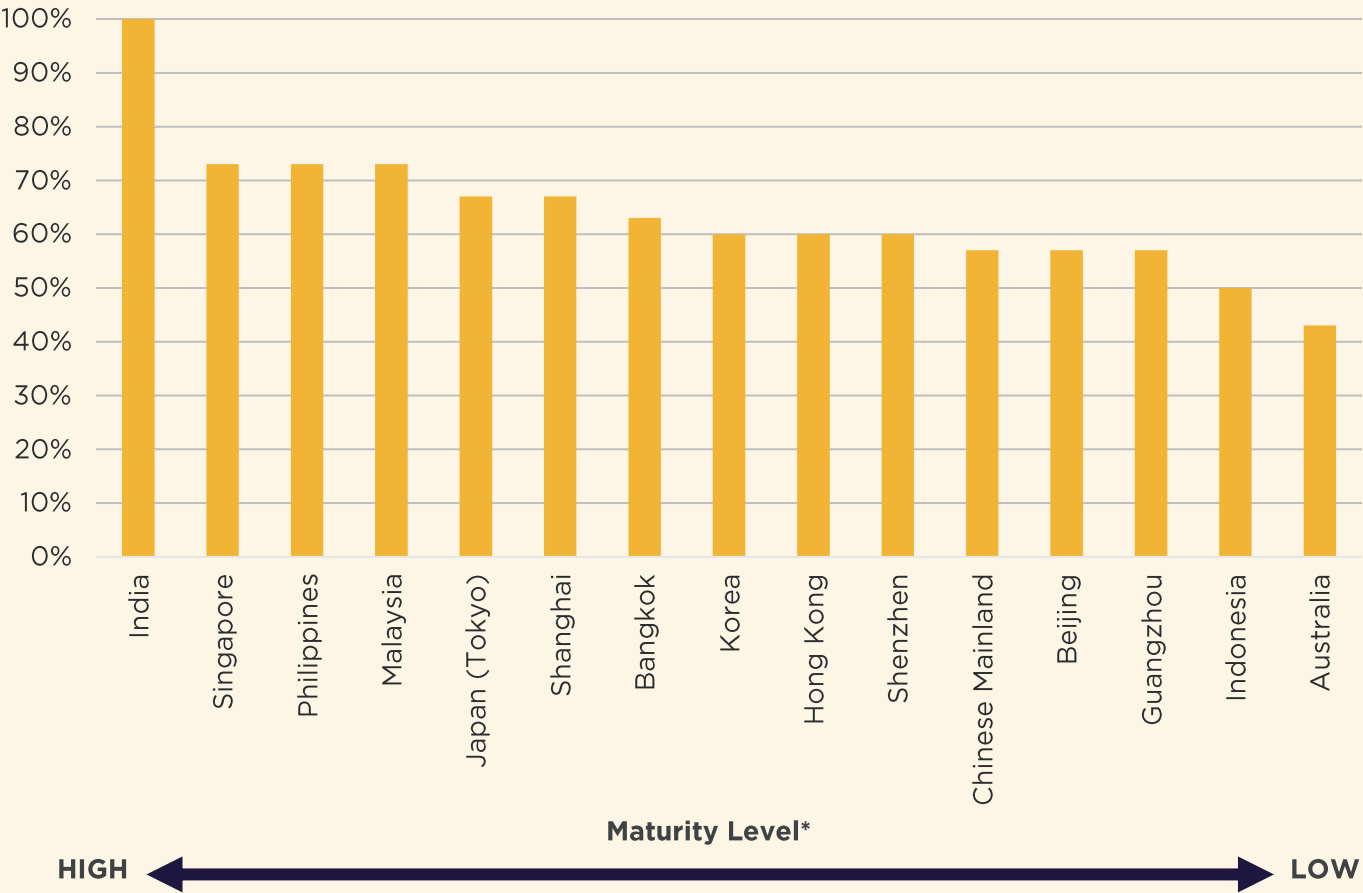


Providers will continue expanding strategically to align with occupiers' diverse preferences.

03

APAC





Source: Cushman & Wakefield; *Methodology found on the back cover

APAC MARKET MATURITY

Based on Cushman & Wakefield’s [assessment across parameters](#) spanning flexible office supply, demand, operator ecosystem, operating models, landlord participation and market transparency, India ranks highest in APAC for flexible office market maturity, with a maturity score of 100%, ahead of Singapore and Philippines.

India demonstrates robustness across all measures when comparing inventory, leasing activity and the presence of flexible office providers, among other measures.

The flexible office market is also significantly mature in Singapore, Philippines and Malaysia.

While the flexible office sector in Indonesia and Australia is still developing, it is more mature in all other APAC countries.



SPOTLIGHT ON INDIA

SUSTAINED DEMAND AND ROBUST GROWTH

Flexible office space accounted for 10.5% of total office stock.

India's flexible demand remained predominantly sub-500 seats in H1 2026, with 79% of ~850 deals sized below 500 seats and just 12% comprising 500+ seats.

Operators are shifting from adding raw stock to acquiring premium assets or upgrading older Grade B space to Grade A, now rivaling single corporate campuses in scale.

Flexible office stock is expected to double by 2030, as operators expand aggressively to cater growing enterprise demand.

India remains the largest flexible office market in APAC and continues to grow rapidly



88.7 MSF
of flexible office stock as of H1 2026



44.1 MSF
space leased by flexible operators in last 3 years



350 – 500 Seats
avg take-up for managed office* transactions in last 3 years



720,000+
flexible seats leased in last 3 years

Source: Cushman & Wakefield Research

Data comprises of all grades. *Office transactions with minimum 100 seats. Last 3 Years = 2023, 2024, 2025

SPOTLIGHT ON INDIA

FLEXIBLE OFFICE BECOMES A CORE OCCUPIER SEGMENT



Flexible office has evolved from a stopgap to the first choice. What was once purely a temporary solution is now a preferred entry point for new GCCs and companies expanding into or testing new markets.



Demand is reaching record levels. Flexible office leased 8.5 MSF in H1 2026 across India's top eight cities, marking its strongest-ever H1 performance.

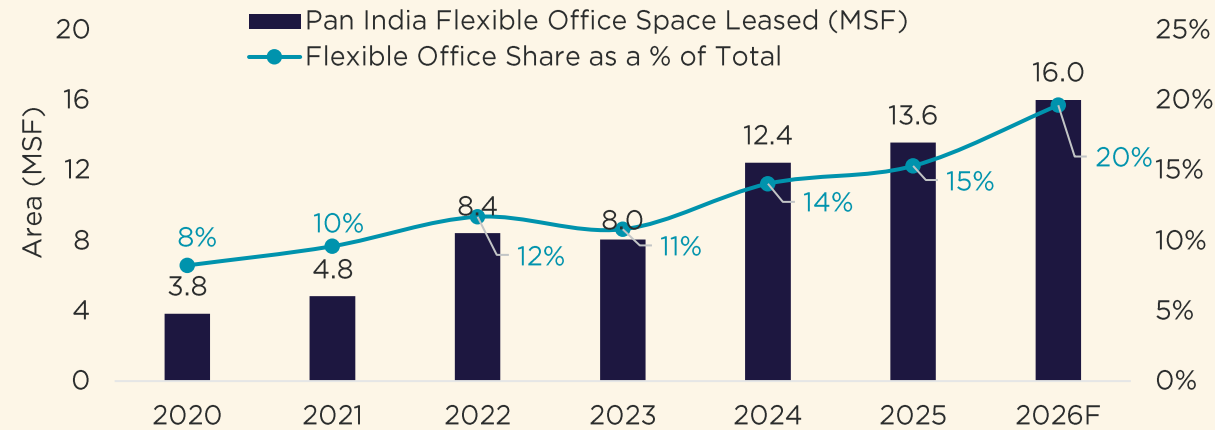


In some markets, flexible office is already the dominant demand driver. Flexible office accounted for 35% of leasing in Pune, 33% in Ahmedabad and 26% in Hyderabad in H1 2026, increasingly serving as the first landing point before occupiers commit to a long-term corporate office.

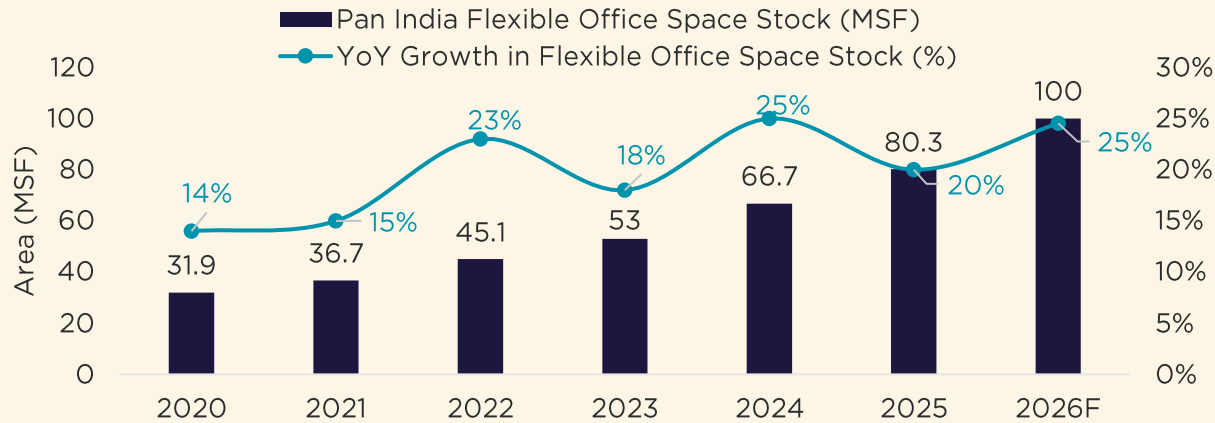


Flexible office is now one of India's largest occupier segments. At a 20% share of H1 2026 leasing, flexible office trails only IT-BPM (22%) and has moved ahead of BFSI and Engineering & Manufacturing.

Flexible Office Occupiers Expanding Across Cities



Pan-India Flexible Office Stock Nears 100 MSF, Sustaining Strong Growth Momentum



Source: Cushman & Wakefield Research

SPOTLIGHT ON INDIA

UNCERTAINTY DRIVES FLEXIBLE OFFICE DEMAND



Nearly 7x growth in seat demand since 2020, undisturbed by macro shocks
Flexible seat demand has risen every year since 2020, growing nearly 7x from 38,000 seats to an estimated 300,000 in 2026.



Flexible office is becoming an institutional asset class
Four major operators are now publicly listed, starting with Awfis in 2024, followed by Smartworks, IndiQube and WeWork India in 2025. Table Space is also exploring public-market listings.

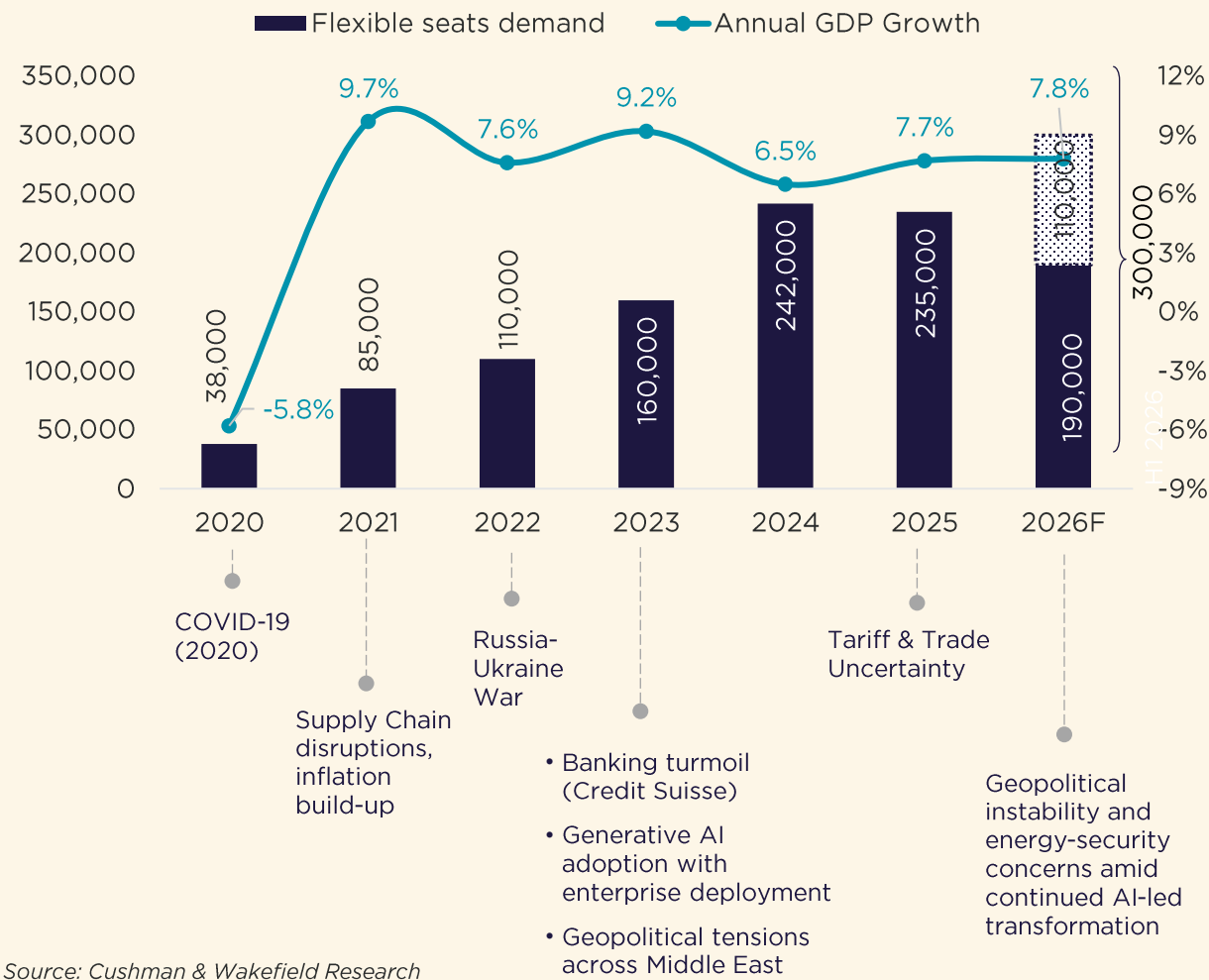


Developers are increasingly backing flexible office platforms
BuzzWorks (Brigade Group), Bflex (Bagmane Group), CoWrks (Brookfield Properties) and M|X Spaces (RMZ Corp) are using flexible office to improve occupancy and retain occupiers.



Leading operational flexible office portfolios are now campus-sized
Table Space operates ~11-12 msf, Smartworks has ~9.2 msf, and WeWork has ~9.1 msf of operational area with portfolios comparable to or larger than many corporate campuses.

India's Flexible Seat Demand Remains Resilient Amid Global Economic Disruptions



Source: Cushman & Wakefield Research

THE OUTBOUND TREND: INDIAN OPERATORS GO GLOBAL

India’s flexible office maturity is becoming a launchpad for global expansion
Operators are increasingly taking India-built models overseas: Smartworks has expanded into Singapore, and Table Space is entering the Philippines through its proposed 24.9% stake in KMC Solutions, with Malaysia flagged as a potential next market. The flow is two-way, with regional players like JustCo expanding into India, alongside established Middle East operators including WeWork, Corporate Edge and TEC.

Demand is increasingly driven by choice, not supply constraints
Flexible office’s share of office leasing has risen from ~10% in 2019 to ~20% in 2025, even as conventional Grade A supply has improved.

Flexible office is moving towards a much larger share of India’s office market
The sector is projected to account for ~30% of office space consumption by 2030, growing at a ~14% CAGR.

SMARTWORKS x **THE Work Studio***

Acquired 100% of Singapore-based Workstudio Spaces for USD 2M, more than doubling its Singapore footprint to 4 centres (~76,000 sq ft) and adding 45+ enterprise clients.

CORPORATEDGE x **BRAYMONT GROUP**

Entered the UAE via a joint venture with Dubai’s Braymont Holding, launching its hospitality-led “Offitel” concept under a new JV brand, Empyrean Edge, with a ~USD 27.3M roadmap to expand across Abu Dhabi, Riyadh, Jeddah and Bahrain.

Source: Cushman & Wakefield Research

KEY TAKEAWAYS

India's flexible office market maturity is increasingly extending beyond domestic boundaries
India leads APAC's Flexible Office Maturity Index, with its flexible office ecosystem increasingly reaching international markets. Smartworks and Table Space are expanding into Singapore and the Philippines, alongside operators such as WeWork, Corporate Edge and TEC with established footprints across the Middle East.

Demand for flexible office space is becoming increasingly structural in nature
Flexible office now accounts for approximately 20% of India's office leasing, with enterprise and international occupiers emerging as the primary demand drivers.

Growth is broadening across both geographies and operating models
Operators are expanding into Tier II cities to capture talent and cost advantages, while consolidation and institutional expansion are driving a shift toward more planned and scaled growth.



Flexible office stock is on track to cross 100 msf in 2026 and reach roughly 160 msf by 2030, a ~14-15% CAGR, building on the ~3x growth already recorded since 2020.



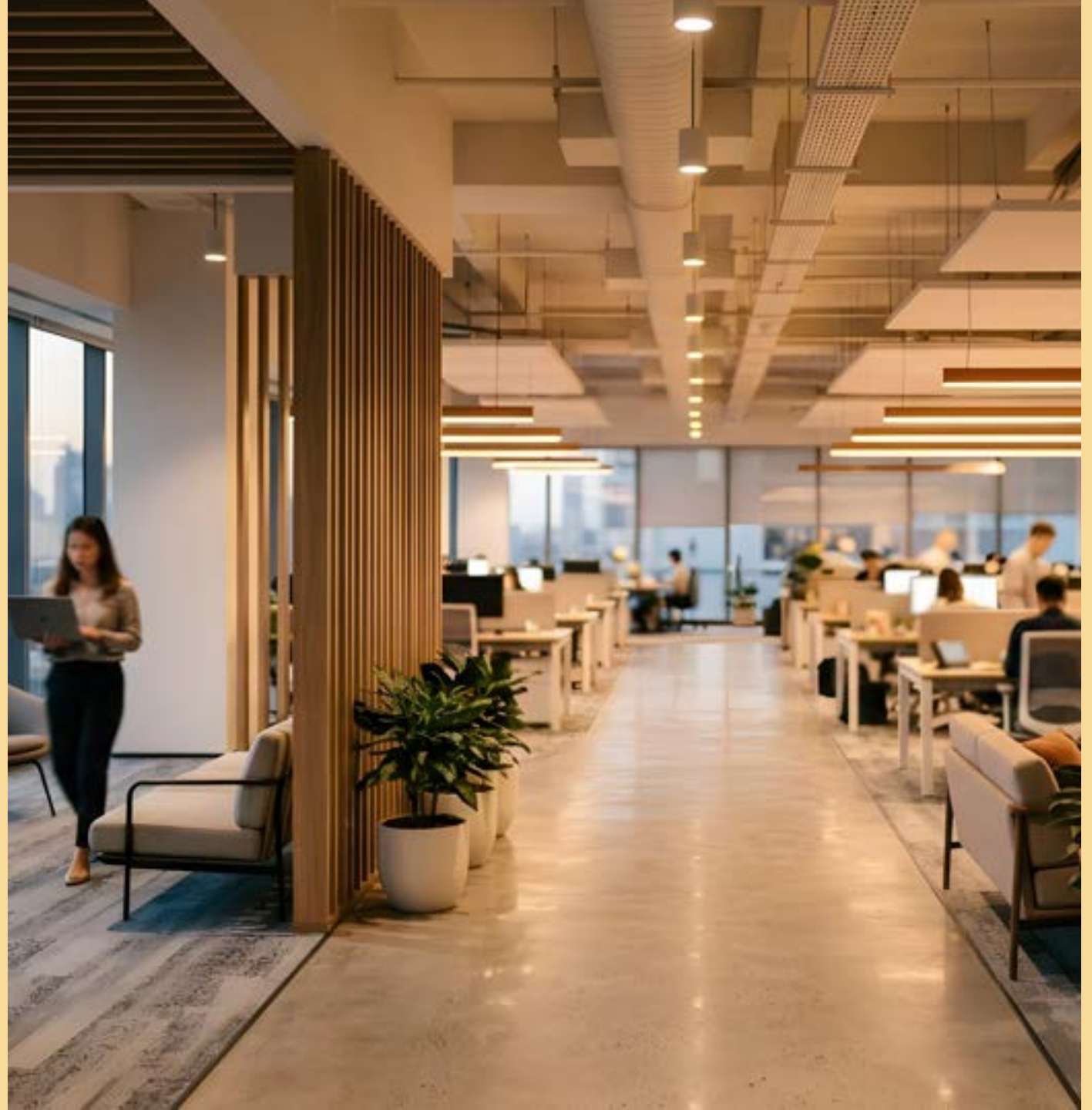
Institutionalization is accelerating: four operators (Awfis, Smartworks, IndiQube, WeWork India) are now publicly listed, with Table Space in the IPO pipeline.



Tier I markets will continue to lead growth, but Tier II markets and outbound expansion mark the next growth frontier.

04

EMEA



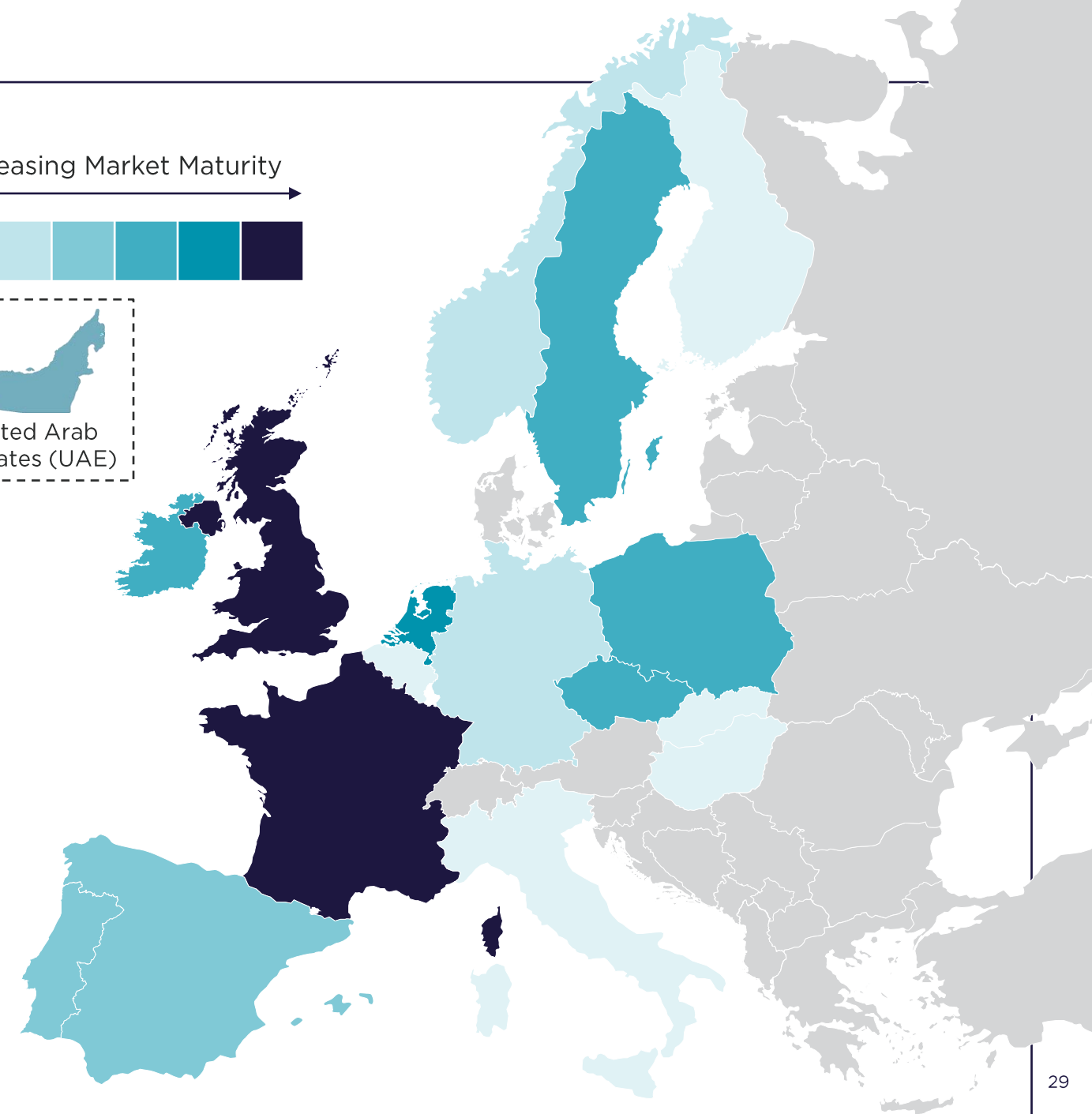
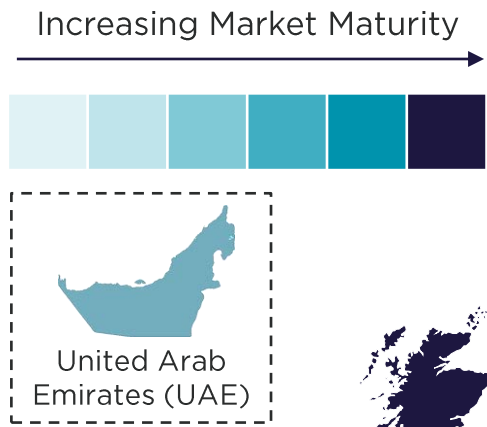
EMEA MARKET MATURITY

Using Cushman & Wakefield's [scoring system](#), 16 markets across EMEA have been studied to evaluate flexible office performance across the region using market maturity indicators.

The addition of two new AI-focused metrics into the indicator set enables the role of flexible offices within the growth of the AI sector to be assessed, alongside the other metrics maintained from the previous year.

The UK and France remained the top two markets for a second year, scoring 94% and 92% respectively – a slight improvement for the UK and a minor decrease for France. Seven other markets also reported decreases of varying degrees.

Conversely, the Netherlands (82%) and the UAE (77%) both reported strong increases in maturity, moving into third and fourth, respectively.





POLARIZED PERFORMANCE

Take-up by flexible workplace operators was mixed across markets over 2025. While the number of markets reporting low levels of leasing increased from 38% to 43%, the number of markets with high volumes also increased from 23% to 36%.

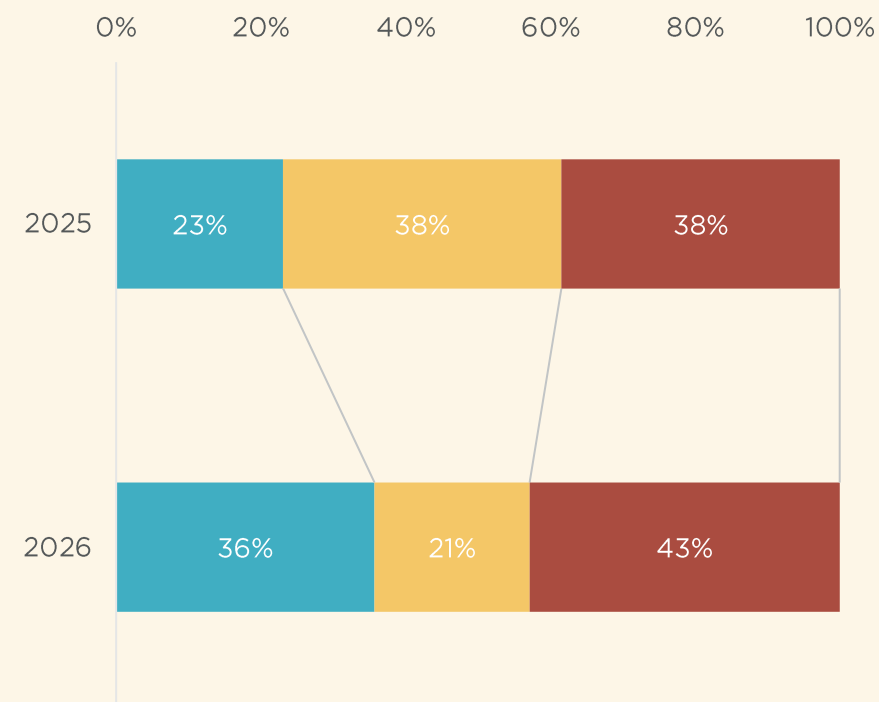
This reflects broader trends in occupational demand, with occupiers – and, subsequently, investors – becoming more locationally precise in their real estate strategies.

At the regional level, this typically means concentrating activity in key economic centers and talent hubs, while at the intra-city level, requirements are being targeted toward highly connected, highly amenitized locations.

Increasing polarization in markets as big players grow their dominance

Annual Take-up of Flexible Workspace Operators

■ High (>25,000 sqm) ■ Medium (5-25,000 sqm) ■ Low (<5,000 sqm)



Source: Cushman & Wakefield Research

MARKET DOMINANCE

The same market conditions driving polarization in performance tend to favor larger operators, as it is more established firms who can afford to pay higher rents and secure the best locations where demand is most concentrated.

This, too, can be seen in the data. Markets reporting medium or high shares of dominance amongst their top three largest flexible workplace operators have increased to 93%, up from 70% the previous year.

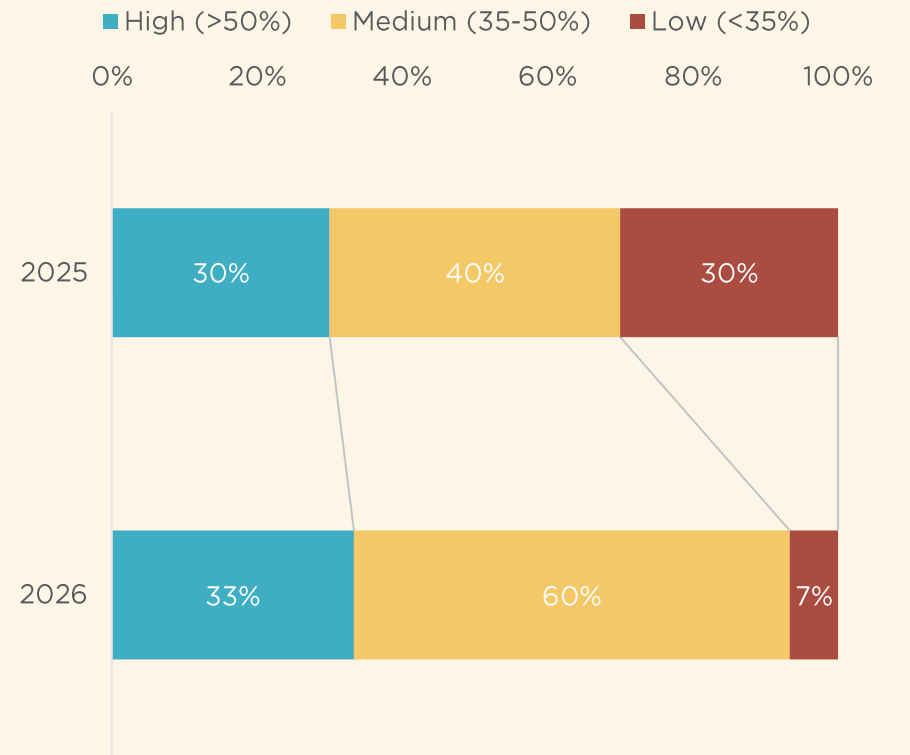
In addition, the dominance of these top operators also reflects wider challenges within the flexible workplace sector. Increased construction costs have impacted development viability across real estate, with flexible operators exposed to this primarily through fit-out costs.

Compounded by higher-for-longer interest rates and borrowing costs, these pricing pressures are being felt across the industry but are often most impactful for smaller operators.



Markets are increasingly dominated by their top operators

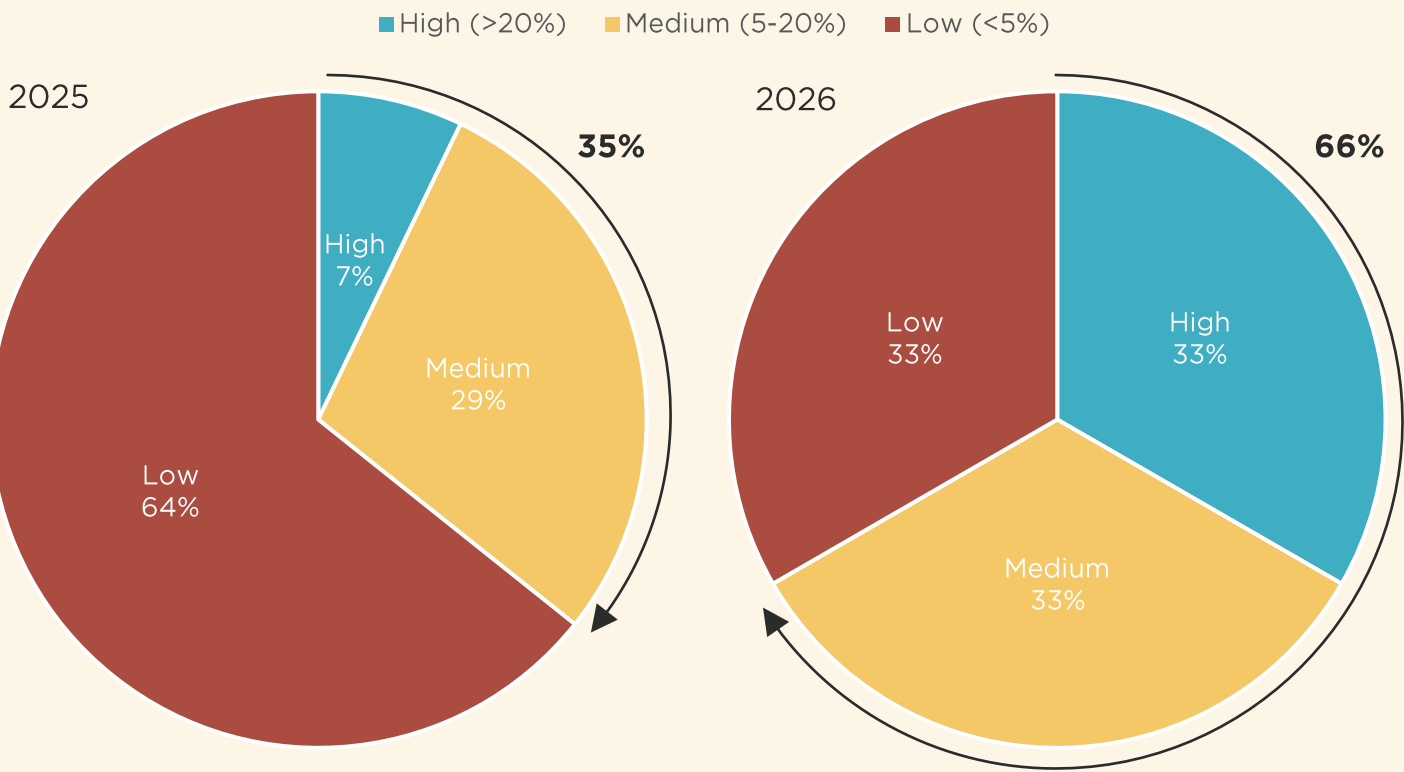
Market Share of Top Three Flexible Workplace Operators



Source: Cushman & Wakefield Research

Previously niche operating models have become commonplace as markets mature

Share of Hybrid & Management Agreements versus Traditional Leases



Source: Cushman & Wakefield Research

FROM EVOLUTION TO ESTABLISHED

Management agreements are also continuing to grow in popularity, shifting from two-thirds of markets reporting low levels last year to two-thirds now reporting medium or high levels.

Ireland, Belgium and Norway all reported increases in the prevalence of these previously niche transactions, while the UK and Netherlands continued to see high levels.

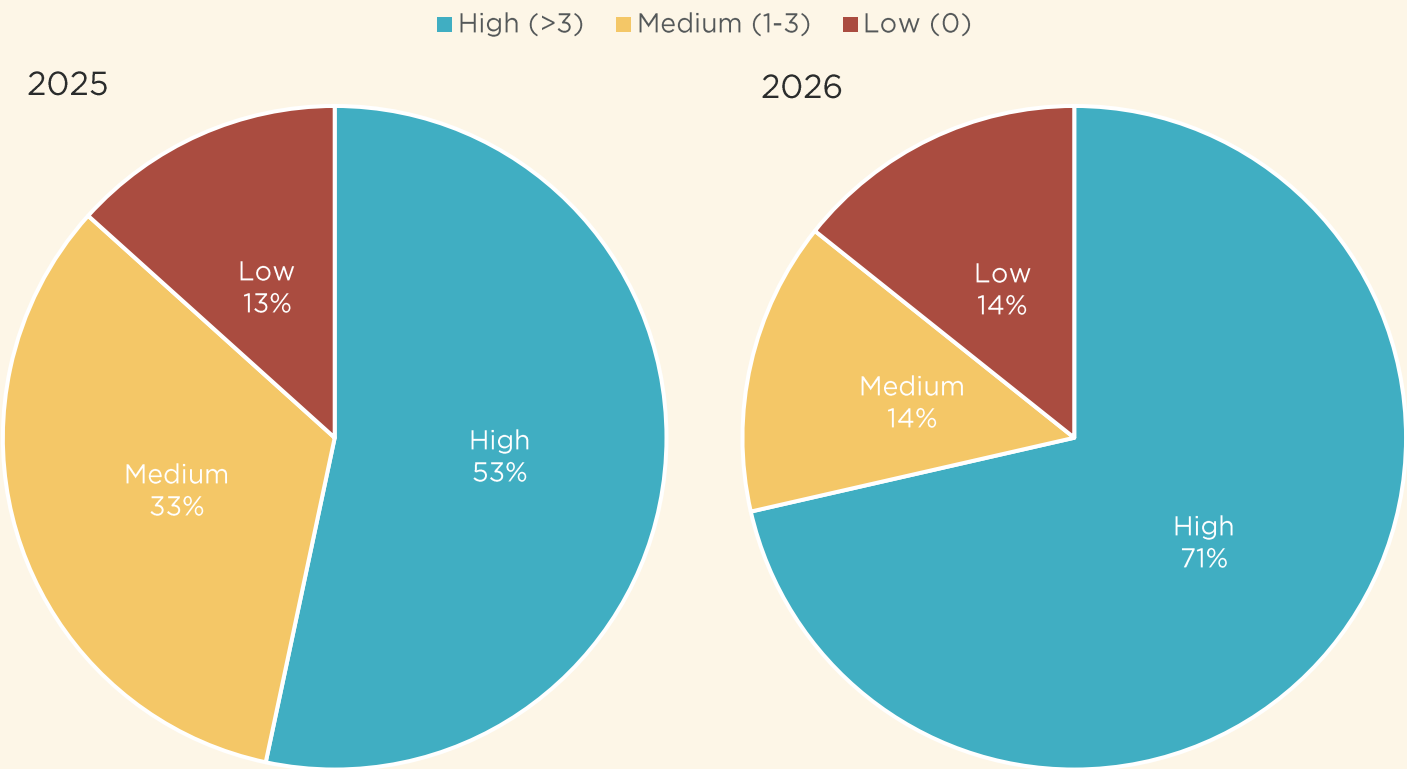
With landlords typically retaining more control of the space, management agreements are designed to align risk, reward and flexibility between owners and operators.

These structures can also lower barriers to entry for operators, since the landlord covers the fit-out costs (although in some cases operators provide a capital contribution) and tends to be more invested in the space’s success as a result.

As management agreements become more common, standardization is increasing, reducing complexity and helping to unlock this potentially appealing solution for more landlords and operators.

Landlord-branded flexible workspace offerings are becoming increasingly common

Landlords Delivering In-House Flexible Workplace Offers



Source: Cushman & Wakefield Research

BRANDLORDS GAIN MOMENTUM

As highlighted in last year’s report, an increasing number of landlords are taking matters into their own hands by providing their own branded flexible workspace offerings – earning these landlord/operators the title of “brandlords”.

This can enable the landlord to ensure a comprehensive ecosystem to their tenants, supporting both new and established firms with growth and expansion space with a diversity of terms.

In addition, brandlords can capture greater rental premiums through the additional services and amenities that flexible workspaces can offer.

With 71% of markets now reporting high levels of landlords providing their own flexible workspace offerings (up from 53% last year), this is evidently a trend that is continuing to gather momentum.

THE PERFECT MATCH

Flexible office often plays a key role in facilitating the growth of budding new sectors, with AI the latest example. Rapid expansion can see these AI firms go from two to hundreds of people in a short space of time – and they need a workspace that enables this growth to happen.

Additionally, clustering in emerging sectors and early-stage companies is particularly valuable, as is closeness to major industry players. AI firms are no exception: with key tech clusters home to the likes of Google, OpenAI and Anthropic have seen substantial boosts to demand.

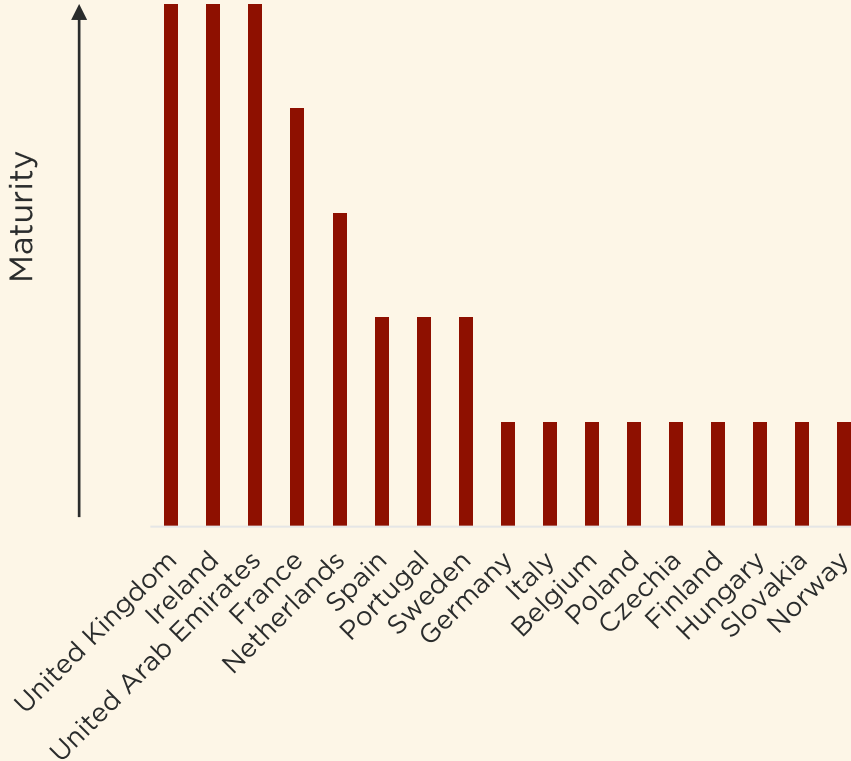
Well-located flexible workspaces enable smaller-scale firms to access these tech clusters and sit in the same neighborhood as top companies – something they would likely have struggled to achieve through the commitments of a traditional lease.

The UK, France and the UAE – all within the top 25 global AI/ML markets according to our [AI Impact on Gateway Cities Report](#) – exemplify this flex-and-AI symbiotic relationship, combining a high presence of flexible workspaces within key tech clusters with high numbers of AI firms occupying flexible workspaces.

This synergistic relationship, however, is not as evident in other markets where the AI sector is less prominent.

Flexible workspaces are supporting rapid growth within the AI sector across markets

AI Ecosystem Maturity within the Flexible Workplace Sector



Source: Cushman & Wakefield Research

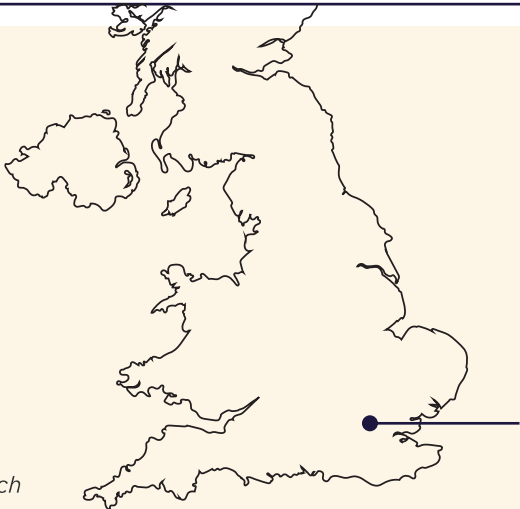
OPERATORS CONTINUE TO REFINES THEIR OFFER AS SUPPLY STORY BOOSTS DEMAND

The well-established flexible office industry in the UK is continuing to grow and evolve, with operators providing best-in-class spaces and amenities to an increasingly diverse occupier pool.

Supply shortages in key locations are forcing some occupiers to renew their previous leases after failing to find a new space that meets their price and size requirements. Many are then turning to flexible workplaces – either within their existing building or elsewhere – to house additional growth.

The UK market has broadly maintained its position from the previous year in terms of occupier activity, the number of occupiers and the flex sector’s share of total office stock; however, a key area for future growth will be the flexible office sector’s support of the AI industry’s expansion.

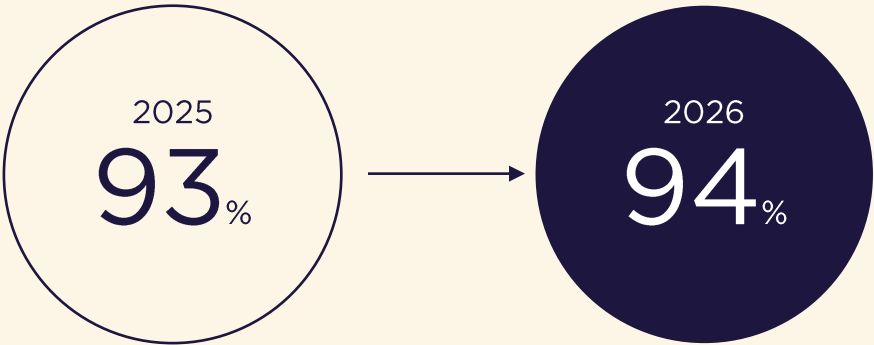
The flexible office market is already playing a vital role in the UK’s rapid growth as an AI hub – particularly in London, where flexible workspaces in the Knowledge Quarter are seeing exceptional demand as emerging firms look to position themselves at the heart of the city’s AI industry. As flexible office provisions become more tailored to the needs of AI firms, this symbiotic relationship should continue to flourish.



KEY MARKET
LONDON

Source: Cushman & Wakefield Research

MATURITY SCORE



SHIFTING DEMAND FAVORS FLEXIBLE WORKPLACES

Flex operators in France are resuming site openings, prioritizing well-located and in-demand locations. This is providing occupiers with adaptable office commitments which is proving popular ahead of the 2027 elections and the typical uncertainty that this brings.

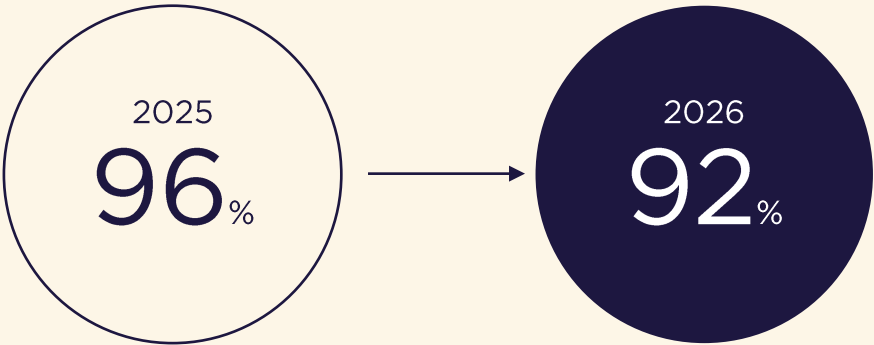
This is also a response to occupier demand, with many pursuing greater flexibility and shorter leasing commitments – both of which can be offered by serviced office space, at a rental premium to reflect this optionality.

The ‘plug-and-play’ offer is also particularly appealing to cost-conscious and time-poor companies that are looking to avoid the considerable capital and time commitments of fitting out an office space.

Additionally, the flex sector across France is continuing to mature through the consolidation and regrouping of operators, contributing to a more coherent service offering and reflecting a higher degree of professionalism across the market.



MATURITY SCORE



Source: Cushman & Wakefield Research

SPOTLIGHT ON NETHERLANDS

DWINDLING STOCK BRINGS A BOOST FOR HIGH-QUALITY FLEXIBLE OFFICES IN HIGH-QUALITY LOCATIONS

Significant levels of office conversions to alternative uses (primarily residential) over the past decade, with limited development activity to replenish stocks, has left key markets in the Netherlands depleted of good quality office space available for tenants to lease on traditional terms.

This, in turn, has brought significant increases in rents which, along with escalating fit out costs, have grown the total cost of occupancy considerably for tenants.

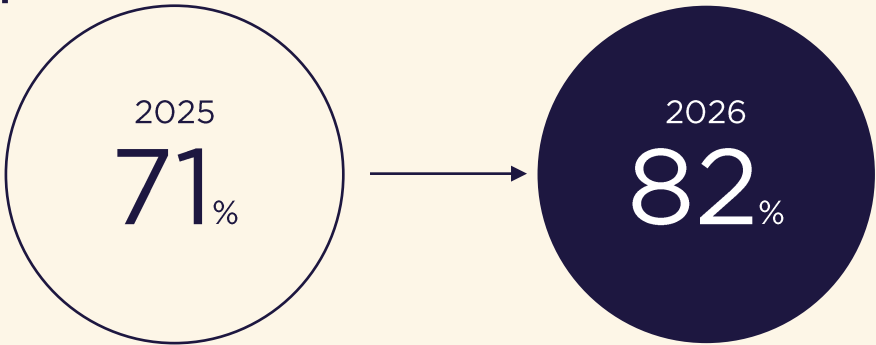
As such, the appeal of flexible workspaces has increased YOY, with ready-to-occupy spaces being preferable for many occupiers – many of which are also seeking more adaptable leasing terms.

This has brought improved occupancy rates across flexible workspaces in Amsterdam, Utrecht and other major city center areas across the country – provided the asset is in the right location with good connectivity and a strong local amenity offer.



KEY MARKET
AMSTERDAM

MATURITY SCORE



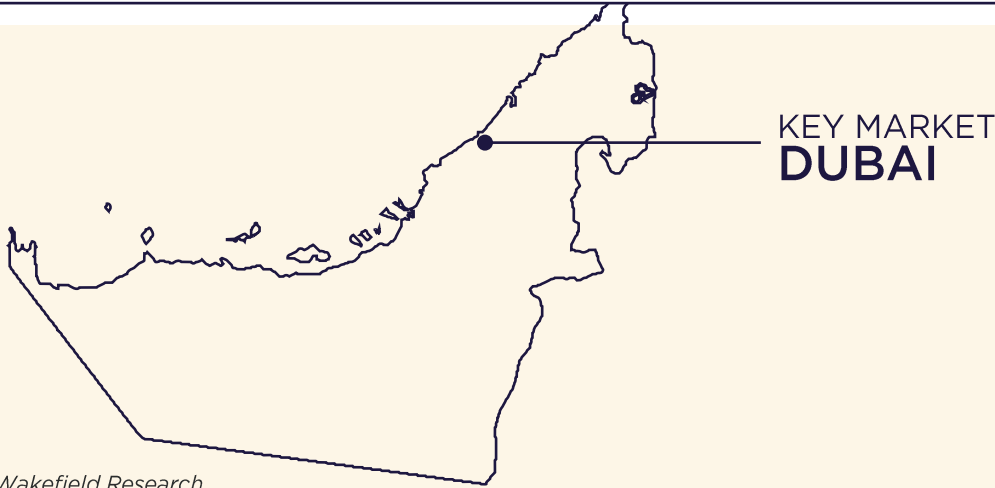
Source: Cushman & Wakefield Research

RAPID SCALING UP OF THE SECTOR SUPPORTING BOTH NEW ENTRANTS AND WELL-ESTABLISHED FIRMS

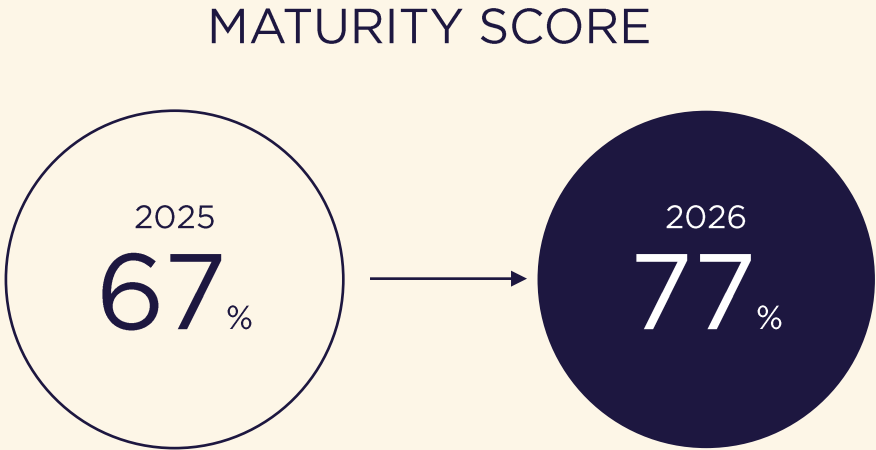
Given the UAE’s strong appeal to foreign firms and individuals, flexible workspaces in tax-free zones often provide a key entry point into the market – offering access to a network, expansion space and supporting infrastructure vital to early-stage growth.

Larger firms are also increasingly turning to flexible workspaces in order to support rapid expansion without committing to long-term traditional leases.

With vacancy levels decreasing to 7% in Q1 2026 (core supply significantly lower) and asking rents for traditional office stock in Q1 2026 more than double what they were in Q1 2020, the value proposition offered by flexible offices remains robust.



Source: Cushman & Wakefield Research



KEY TAKEAWAYS

The EMEA flexible office market continues to evolve over time and geography as the broader office market reshapes in line with occupier demand.

A less linear and more uncertain environment provides a significant opportunity for flexible office to become an essential, assumed feature of any real estate strategy going forward – further compounded by the emerging supply shortfalls of high-quality space in key locations across the region.

Its role in supporting the growth of the AI sector demonstrates the value flexible workplaces provide across scales, from individual start-ups to building ecosystems to the wider economy.



Formerly “emerging” trends are becoming established norms, with management agreements and brandlords now commonplace.



Supportive, flexible, high-quality spaces in the right locations have enabled flexible offices to unlock growth in the AI sector.



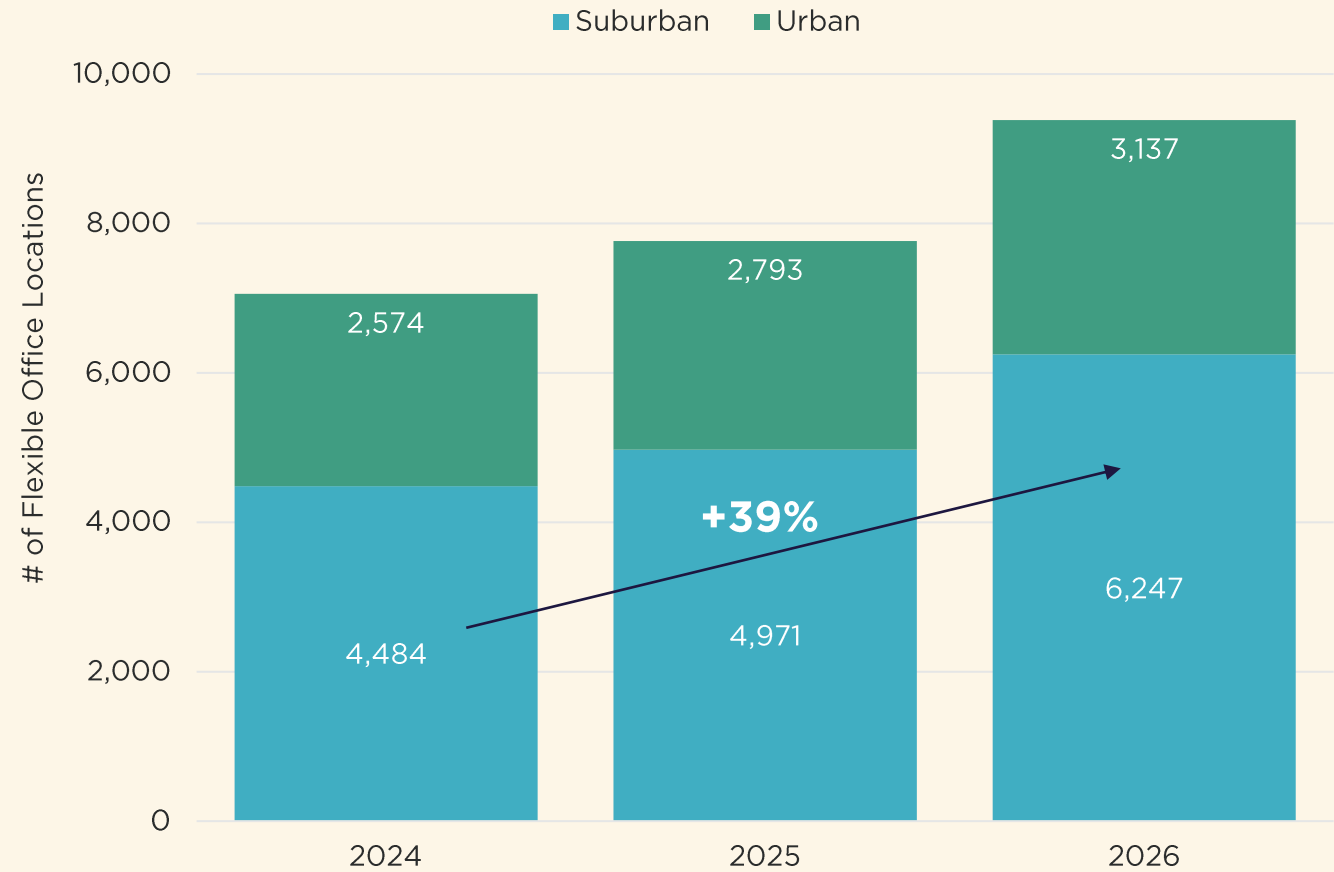
Limited supply, high moving costs and elevated uncertainty all mean flexible office is well positioned for robust demand ahead.

05

OUTLOOK



Nearly double the number of flexible office locations in suburban markets



AMERICAS: U.S. FLEXIBLE OFFICE SHIFTING SUBURBAN

U.S. flexible office locations have increasingly shifted toward the suburbs in recent years, reinforcing an established trend.

Although suburban locations already accounted for the majority of flexible office locations, their recent growth has outpaced their urban counterparts. According to a recent Yardi Kube analysis, between 2024 and 2026, the number of suburban locations jumped 39%, compared with a 22% rise of urban locations.

While part of this shift reflects the natural evolution of the sector, suburban growth is likely to remain an enduring trend.

With hybrid work reshaping workplace preferences, employees often favor office locations closer to home with shorter commutes. Suburban flexible office sites are well-positioned to meet this demand and should continue to play an important role in occupier real estate strategies going forward.

Source: Yardi Kube article: "U.S. Suburban Coworking Hits 67%, Double the Urban Count" retrieved September 18, 2026; Cushman & Wakefield Research

APAC: FLEXIBLE OFFICE IS BECOMING A CORE PART OF INDIA'S OFFICE MARKET

Institutionalization, enterprise adoption and regional expansion



Cross-Border Expansion Surges with Dual Support from Occupiers and Operators

GCCs and MNCs are increasingly using flexible office as the vehicle for their own cross-border expansion, treating a flexible office lease as the low-risk first move into a new geography before committing to a long-term corporate footprint – reinforcing the sector's shift from stopgap to strategic enabler for high-growth, new-age firms.

Premiumization is replacing older-grade pure footprints

Flexible office operators are upgrading and refurbishing Grade B or lower spaces as occupiers become more selective about workplace experience, location, ESG and quality.

Institutional capital accelerates consolidation

Growing institutional funding and public-market access are supporting operator expansion, consolidation and greater scale.

Operators continue to move beyond the traditional coworking model

Operators continue to diversify into managed offices, fit out solutions, D&B and integrated workplace services, deepening their role in occupier portfolios.

Flexible office standards continue to go global

International operators and sophisticated enterprise clients are raising expectations around service quality, technology, consistency and workplace experience. Regional operators with multi-country operations will add to the next phase of growth.

Source: Cushman & Wakefield

EMEA: ANTICIPATION, INNOVATION & VIABILITY

Across the broader office market in EMEA, development viability and the supply of high-quality, well-located space are projected to be a defining feature of both occupier and investor strategies over the medium term. As of Q2 2026, Europe's development pipeline has fallen by 49% from its 2020 peak, down to 10.3 million sqm – the lowest level since 2011.

This is expected to be a significant boon to flexible workspace demand. Occupiers are now having to act in anticipation, planning for lease events that are years in the future. An increasing number of firms will be unable to access the space they need through traditional leasing, with many already incorporating flexible workspaces to fill gaps.

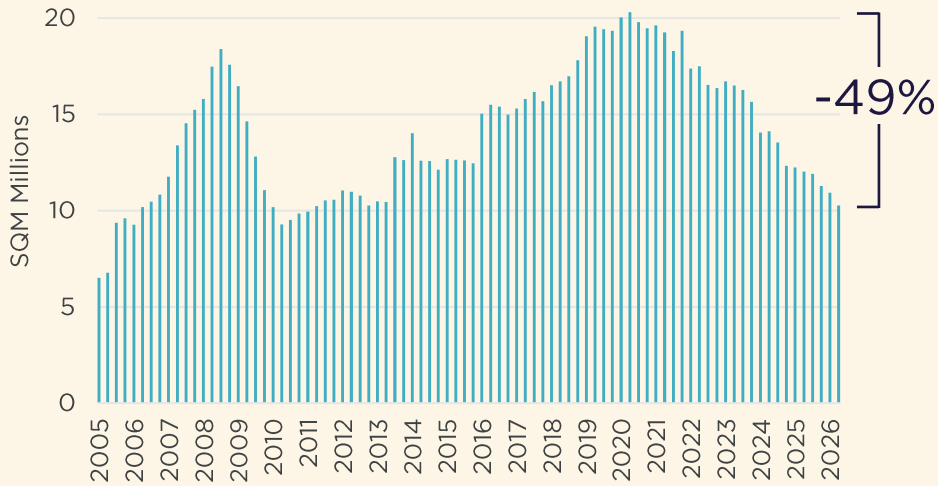
In addition, the neutral-to-upside scenarios from our [AI Impact](#) report project growth in office jobs and business creation, furthering adding to flexible demand – particularly within tech clusters.

However, the same viability challenges affecting traditional office space also extend into the flexible office sector, with record-high fit out costs challenging business models. Innovative operating models that enable this cost – and the associated risk – to be shared among stakeholders are continuing to emerge and evolve.

In this environment, time-to-market, quality and location will remain critical to supporting occupiers successfully in supply-constrained markets.

Flexible office is well-positioned amongst supply shortages

European Office Development Pipeline



Source: Cushman & Wakefield Research



EXPLORE THE AI
IMPACT BAROMETER

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ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

MARKET MATURITY METHODOLOGY

Markets were scored from low to high on the presence of: Flexible workspace stock as a % of total office stock; number of flexible workspace operators in the market; average size of flexible workspace locations; number of large flexible workspaces in the market; landlords' delivering own flexible workspace offers; prevalence of management agreements or hybrid lease vs. traditional leases; availability/growth of managed space; flexible workspace operators delivering wider amenity for building owners; data transparency and presence of aggregator platforms; and leasing volumes. The scores were then normalized for comparison across global regions.