

Hybrid working to become the norm for FTSE 250 companies

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- New research from IWG shows more than three times the number of FTSE 250 companies are looking to use a more flexible 'hub and spoke'-style office model compared to those looking to carry on in the same way as pre-pandemic
- Almost half (49%) are considering moving offices to areas where their workforce typically live
- Only 13% expect that their workforce will return a five-day office week by the end of 2021
- IWG predicts future of work will revolve around '15-minute commute'



A new study has revealed the extent to which Covid-19 has transformed the way that FTSE 250 companies will use workspaces in the future.

Research from [IWG](#) (LSE:IWG), the world's largest operator of commercial office space, shows that three times the number of FTSE 250 companies are looking to use a hybrid office model compared to those looking to carry on in the same way as pre-pandemic.



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The past year has transformed the way organisations operate, with companies across the globe realising that a workforce can be highly engaged and productive while utilising a hybrid model of working: at home, in a local office and occasionally at a corporate HQ. IWG predicts that the future of work will revolve around the concept of a 15-minute commute, with all

key amenities within a short journey from home.

Of the 501 FTSE 250 businesses leaders surveyed, a third (32%) said their entire workforce currently operates remotely while two in five (40%) say they have become more accepting of this flexible way of working to allow the likes of parenting or exercising during daylight hours.

The future is flexible

Many FTSE 250 organisations have already moved to a more decentralised structure, operating with a 'hub and spoke' model. IWG has added half a million users to its network so far this year with a further million in the pipeline. In March, IWG penned its largest ever deal, with Nippon Telegraph and Telephone Corporation, for its 300,000 employees to work from any of IWG's 3,500 workspaces globally. This followed a number of similar large enterprise deals such as one with Standard Chartered for its 95,000 employees.



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The survey results show that other businesses are likely to follow suit. Only 13% predict that their workforce will return to existing offices full-time by the end of the year. As a result, businesses are re-assessing their office space, with 38% downsizing across the board and 42% looking to either move to or invest in a shared office.

Escape the city

The pandemic is also causing a shift away from city centre offices with almost half (49%) of businesses considering moving to areas where their workforce typically live. IWG's research also found that a work base closer to home is a long-term priority for workers who want to continue with the reduced commute and increased family time they experienced in 2020. In fact, 77% of employees say a place to work closer to home is a must-have for their next job move.



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Mark Dixon, Founder and CEO of IWG said: *"The pandemic has proven the ability of global workforces to work effectively in different ways and in different places. Our research shows that hybrid working will continue to be very popular with employees and businesses.*

Employees have realised that hours have been wasted commuting to an office that they don't need to be in, whilst businesses have seen that a hybrid model not only means happier and more engaged employees, but also significant cost savings. This shift also has the potential to transform local economies; in 2019 we forecast that over the next 10 years local economies were set to benefit from £12bn as a result of the growth in hybrid work patterns. The pandemic has not only accelerated this trend but likely increased that figure.

The continued demand to work closer to home in the heart of communities will make the 15-minute commute a reality across the UK as well as globally."

In the last two years, almost all new IWG centres have been opened in non-city environments and regions away from major urban areas. Compared to pre-pandemic, demand for IWG office space in suburban areas rose by 32% in the first quarter of 2021. Interest in rural office space increased by 20% over the same period.



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IWG provides flexible workspace in convenient locations alongside industry-leading technology, enabling teams to collaborate better and more seamlessly. IWG also offers shorter lease commitments, thereby allowing for ultimate flexibility.

Doug Demers, managing principal at B+H, commented: "Over the last year, the widespread shift to remote working for many has resulted in a newfound appreciation for our immediate neighbourhoods. People want desirable amenities and essential services that they can easily access during a working day, but there is also an increasing appreciation for the things that are often missing such as green spaces and places to collaborate, or hubs to meet and work with colleagues locally.

"With some creative repurposing and strategic planning, the 15-minute city can become a reality across the world and is already evolving in many places. Our illustration of Brighton clearly shows how the city is already primed to be able to offer its residents everything they need to work and live there, within 15 minutes from their front door."

About IWG PLC

IWG is leading the workspace revolution. Our companies help more than 2.5 million people and their businesses to work more productively. We do so by providing a choice of professional, inspiring and collaborative workspaces, communities and services.

Digitalisation and new technologies are transforming the world of work. People want the personal productivity benefits of living and working how and where they want. Businesses want the financial and strategic benefits. Our customers are startups, small and medium-sized enterprises and large multinationals. With unique business goals, people and aspirations. They want workspaces and communities to match their needs. They want choice.

Through our companies we provide that choice, and serve the whole world of work: Regus, Spaces, No18, Basepoint, Open Office and Signature. We create personal, financial and strategic value for businesses of every size. From some of the most exciting companies and well-known organisations on the planet to individuals and the next generation of industry leaders. All of them harness the power of flexible working to increase their productivity, efficiency, agility and market proximity.

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