



Contents

- 01 The difference between Serviced/Managed and Traditional leases
- 02 Serviced/Managed offices
- 03 Traditional lease

SERVICED/MANAGED OFFICES VS TRADITIONAL LEASE GUIDE

Understanding the difference
between Serviced/Managed offices
and Traditional lease



01

The difference between Serviced/Managed Offices and Traditional Leases

Serviced/Managed offices and Leasehold offices are significantly different in terms of cost, flexibility and control over the workspace.

The main difference between a Serviced/Managed office is that a serviced/managed office is generally an all-inclusive ready-to-use office package with shorter lease terms, while a leasehold office requires the tenant to arrange many of the services themselves, generally with a longer-term commitment and more office customization. Serviced/Managed Offices are used predominately by businesses who have fewer employees where, in most cases, require a lot more flexibility when it comes to the lease term.

For smaller businesses that want to have a fixed rate every month so they can manage their expenditure, a serviced office can be a good solution as these offices are, in most cases, 'plug and play.' Flexible size requirements are also an added advantage for businesses who may be start-ups or have small teams, so if the business changes shape, the office space can easily be reorganized in a matter of days.



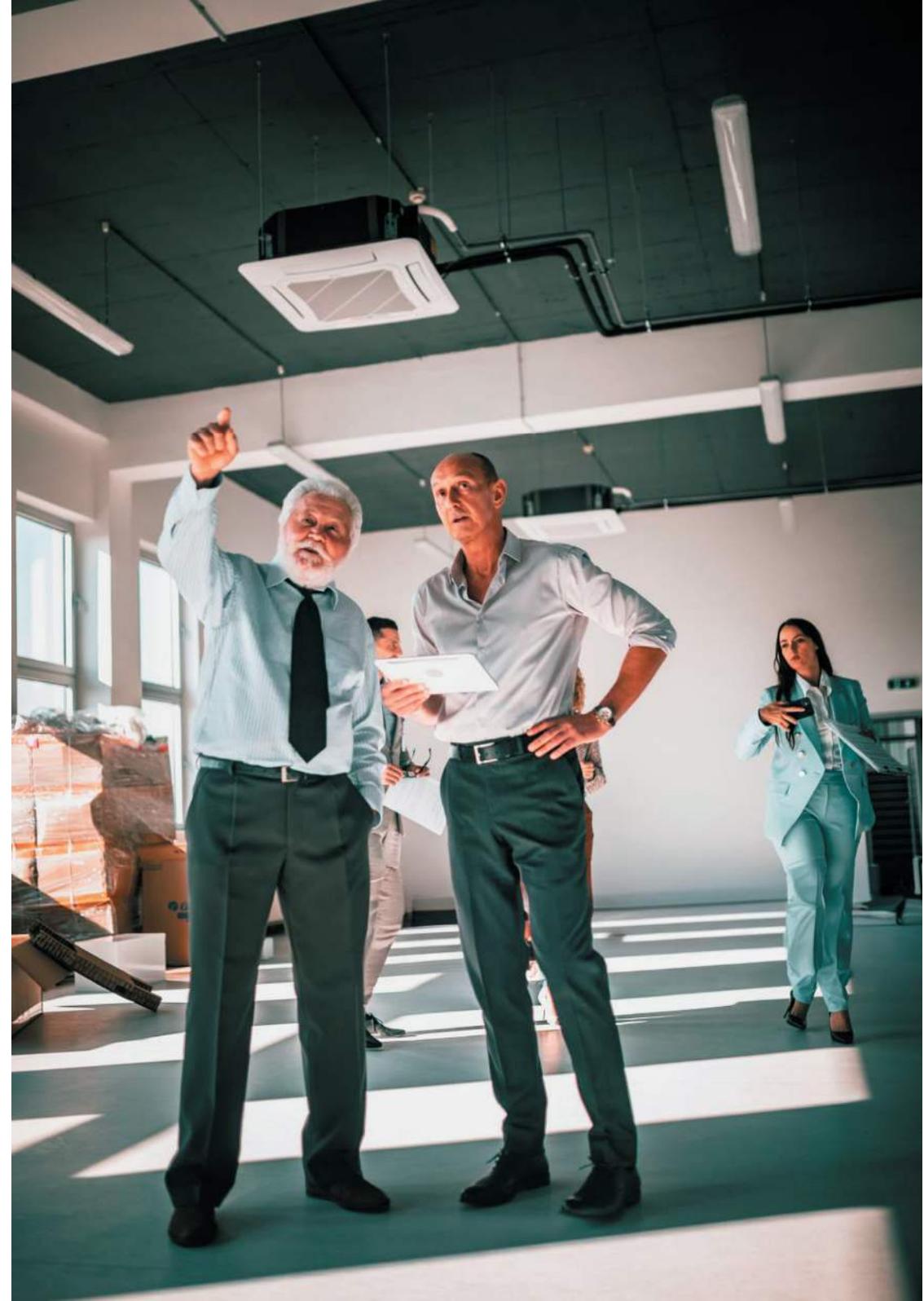
02

Serviced/Managed Offices

Contracts for serviced/managed offices are usually offered on anything from a month-by-month basis to a 12-36 month contract, based on an all-inclusive cost per desk or per sq ft, allowing the business to avoid long-term commitments and provide flexibility in the business planning.

Serviced offices are essentially a “plug & play” office space with all your office services included in a fixed monthly cost. Whilst you will still have a “private office” it will be within part of a larger shared floor, giving you access to shared kitchens, meeting rooms (additional costs involved) and coworking space. The main advantages of a Serviced Office are: All Inclusive fixed monthly cost, lease term flexibility, minimal upfront costs, ability to upscale office size during your contract term, networking.

A managed office is a hybrid between a serviced office and a traditional lease, giving you a consistent all-inclusive monthly cost whilst providing you with the self-contained feel of a traditional lease. The office space could be furnished or unfurnished, depending on the building and provider, but this option offers businesses that are prepared to take on more responsibility for their own office on a slightly longer-term solution, even if they are not ready to sign a five year lease.



03

Traditional Lease

Taking a lease on a building means either renting an empty office space and tailoring that space to fit the needs of the business or taking a lease with an existing fit-out in situ.

This can mean providing partitioning, internet/telephone connections and furniture. Taking a lease on a building allows a business to 'make their mark' on a space, branding the area and developing the office to reflect the business corporate image. (This can mean discussing your office requirements with a fit-out specialist).

This option often means signing a longer lease, generally five years with a tenant only break-clause depending on the logistics of the rental agreement.

Conventional, or traditional office space leases are the preferred option for businesses who have an infrastructure in place to deal with the maintenance and upkeep of an office, providing more autonomy with the space and more freedom to change the internal space if the business expands or contracts.

Traditional leases are priced per square footage, which varies depending on the area you are carrying out your search.

To understand more about the rental costs across London, have a look at our London Rental Map [here](#).



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SERVICED/MANAGED OFFICES AND TRADITIONAL LEASE GUIDE

For further information about the office relocation process please feel free to contact:

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