

Inigo Update

July 09



A note from Giles Curtis, Inigo's MD

In the current interesting economic conditions the role of the serviced office comes even more to the fore. I am sure that all operators are experiencing as Inigo is a significant number of enquiries from start up businesses, companies downsizing and companies of all sizes opting for the flexibility of a licence instead of a fixed lease. It would seem that the recession is resulting in more well known and large organisations taking advantage of what the serviced office offers.

This is good news for our industry and will I am sure accelerate the growth of the serviced office sector versus the conventional office post recession as well as now. The not so good news is the perception that we have to slash our prices in order to survive. Whilst the overall level of demand may be less than it was eighteen months ago there is a reduced amount of serviced space on offer. Surely we should only be reducing our charges slightly in order to reflect the actual market place for serviced offices. At the end of the day no matter how much prices are reduced

there will be same number of businesses opting for our product. In the real world things have a funny habit of going full



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circle and in this instance all operators will end up with much the same occupancy as they would have had without the price cutting that is going on.

Just as marginal operators offering "serviced" space because they do not know what else to do with it are damaging for our industry in the long term so are the price cutters. They will be pushed to maintain the requisite standards and will find it hard to increase prices such that the whole sector might find it difficult to maintain the professional image we have all worked so hard to establish.