



Market Report

A Snapshot of your Market Sector

Virtual Office / PA

This pack has been designed to provide information on setting up a business in the **Virtual Office/PA** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2020**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Virtual Office/PA market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The UK serviced offices market has grown to include **3,741 centres in 2019** – a year-on-year **increase of 5%**. This is expected to be followed by marginal increase in **2020**, taking the number of centres to **3,756**, reflecting the disruption caused by COVID-19. (Mintel, *Serviced Offices: Inc Impact of COVID-19*, November 2020).
- ◆ Growth in new serviced office centres in 2021 is expected to be hampered by the financial impact of the pandemic, forcing some operators to rationalise their networks. The sector is expected to return to stronger growth from 2022 onwards. Between 2020 and 2025 the number of serviced offices is projected to increase by a **cumulative 34% to 5,021 centres**. (Mintel, *Serviced Offices: Inc Impact of COVID-19*, November 2020).
- ◆ There were **6.0 million private sector businesses** in the UK at the start of 2020, which was an increase of 1.9% from 2019. Small businesses accounted for 99.3% of the total - 5.94 million companies with 0 to 49 employees. Scotland had 370 000 private sector enterprises. (Department for Business, Energy and Industrial Strategy, *Business Population Estimates for the UK and Regions 2020*, October 2020) (tinyurl.com/yce2dkl6).
- ◆ Over the five years through 2025-26, IBISWorld anticipates the number of businesses operating in the United Kingdom to increase at a compound annual rate of 1% to reach 2.9 million. However, the COVID-19 (coronavirus) outbreak in the current year is expected to cause a severe decline in demand for serviced offices, with industry revenue forecast to decline by 10.2% in the current year. Despite this, IBISWorld expects industry revenue to **grow at a compound annual rate of 11.9%** over the five years through 2020-21 to reach **£2.3 billion**. Virtual offices are projected to generate **38.9% of industry revenue** in the current year, making this the second largest segment. (IBISWorld, *Serviced Offices in the UK*, October 2020).
- ◆ Industry bodies for this industry include the [Flexible Space Association](http://www.flexsa.co.uk) (www.flexsa.co.uk), [UK Association of Virtual Assistants \(UKAVA\)](http://www.ukava.co.uk) (www.ukava.co.uk), the [Society of Virtual Assistants](https://tinyurl.com/ybs6kb5m) (tinyurl.com/ybs6kb5m) and the [Institute of Administrative Management](http://www.instam.org) (www.instam.org).

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel - Serviced Offices: Inc Impact of COVID-19, UK (November 2020)**. While changes in working practices beyond COVID-19 will result in an overall reduction in office space requirements, offices will still be needed but with a greater requirement for more flexible space and shorter leases. Serviced offices are predicted to benefit from this change as they can offer greater flexibility compared to traditional office landlords. Serviced office providers are increasingly diversifying into additional services, which provide further revenue, help retain occupiers and differentiate them from competitors. Additional benefits, products and services offers may include HR, payroll, food and beverages, legal services and gyms.
- ◆ **IBISWorld - Serviced Offices in the UK (October 2020)**. Technological advancement has changed working habits and shifted demand from larger traditional offices to smaller, more flexible spaces such as hot desks, serviced offices or virtual offices. Additionally, political and economic uncertainty surrounding the UK's exit from the European Union has meant that companies are less willing to enter into long-term commitments, instead moving towards the spaces offered by the Serviced Offices industry.

There are also a number of online resources you may find helpful:

- ◆ **Businesses in Scotland** (tinyurl.com/y9l378au) is published annually by the Scottish Government and offers information on numbers of businesses operating in Scotland, broken down by industry, business size, local authority area, urban/rural area and country of ownership.
- ◆ **Serviced Office Company - Serviced and virtual offices provide options for disabled entrepreneurs, June 2019**. (tinyurl.com/y25kxmv1) Discussing the benefits of these types of working environments to individuals with limited mobility or other issues.
- ◆ **Savills** - numerous blog articles based on Savill's research which examine the market for flexible office space, including the global and the European flexible office sector. (tinyurl.com/yd3gttbj). According to Savills' research, geographically, things are becoming far more fluid with a strong case for more satellite offices in cities around the UK, such as Manchester.
- ◆ **Property Week - Leeds bucks fall in flexible office rates across 'big six' locations, February 2020**. (tinyurl.com/yb7qmczo). This article discusses how Leeds is the only city in the UK's big six that has witnessed a rise in flexible office desk rates in the past year.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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