



Market Report

A Snapshot of your Market Sector

Virtual Office / PA

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 2021**. 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 office market has shown strong annual growth up to 2019, when the number of centres reached 3,741. This was followed by a moderate 1% increase in 2020, reflecting the disruption caused by COVID-19. Growth in 2020 was primarily driven by multi-location operators who continued to expand as they see long-term opportunity in the market, while smaller, independent operators were more severely impacted by the pandemic. In 2021, slightly stronger growth of 3% is expected to take the number of centres to **3,892**, partly driven by operators expanding in regional towns and cities and suburban markets. (Mintel, *Serviced Offices* – September 2021).
- ◆ The UK supply of serviced offices is expected to increase year-on-year over the next five years, with annual growth rates projected to fluctuate between 5% and 8%. In 2026, the number of serviced offices is forecast to reach 5,331, representing **cumulative growth of 37% compared with 2021**. (Mintel, *Serviced Offices* – September 2021).
- ◆ At the start of 2021 there were estimated to be **5.6 million UK private sector enterprises**. There were 5.548 million small businesses (with 0 to 49 employees), 99.2% of the total business population. Scotland is estimated to have 342,000 private sector enterprises. (Department for Business, Energy and Industrial Strategy, *Business Population Estimates for the UK and Regions 2021*, October 2021) (<https://tinyurl.com/44nk8edx>).
- ◆ The Serviced Offices industry grew strongly prior to the COVID-19 (coronavirus) pandemic in 2020-21. Businesses have been increasingly deterred from choosing heavily contracted workspaces as remote and online working practices have become more prevalent. Technological advancement has changed working habits and shifted demand from larger traditional offices to smaller, more flexible spaces such as hot desks, serviced offices and virtual offices. IBISWorld expects industry revenue to increase at a compound annual rate of 6.7% over the five years through 2021-22, to £2.2 billion, supported by a forecast strong recovery of 81.3% in the current year. (IBISWorld, *Serviced Offices in the UK*, November 2021).
- ◆ 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](http://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 - UK (September 2021)**. The changes in working practices post COVID-19 will result in an overall reduction in office space requirements. However, the growing popularity of hybrid working models and the emergence of the “work near home” concept are set to contribute to increased demand for high-quality, flexible workspaces. The changes afoot will play to the benefit of the serviced offices sector as it can offer greater flexibility and agility than the traditional route. Post COVID-19, creating better collaboration environments, as well as quiet spaces and a focus on features like smarter technology, sustainability and wellbeing, will be more critical than ever. The ability to personalise space and a focus on making spaces multifunctional and adaptable to different kinds of user will also be key. The growth of hybrid working means that work places need to be designed to be appreciably better than working at home.
- ◆ **IBISWorld - Serviced Offices in the UK (November 2021)**. The Serviced Offices industry is anticipated to grow strongly over the next five-year period as more companies opt for the flexibility and increasing suitability of serviced offices. Industry operators are also expected to benefit from a rise of the number of businesses operating in the United Kingdom, predominantly due to growth in the technology and professional services sectors. IBISWorld expects industry revenue to increase by 17% over the five years through 2026-27 to reach £4.8 billion. Industry profitability is expected to recover over the coming years in line with industry recovery from the pandemic.

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.
- ◆ **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**

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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