

Almost 80% of recruitment firms reviewing office space needs: almost a third will downsize

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A survey of recruitment firms by the Association of Professional Staffing Companies (APSCo) has revealed that 79% are reviewing their need for office space with almost a third (31%) stating that they will definitely downsize and almost half (48%) saying that they will not go ahead with office expansion plans. Over half of the 112 respondents had offices in central London. With almost 40,000 recruitment firms in the UK, the research could make worrying reading for commercial landlords.

“We will not be returning as we had previously,” said one respondent, a life sciences recruitment firm with over 50 staff and offices in central London and the south east. “In fact, our productivity has spiked with remote working so we will be operating offices in the future with a rota of teams in attendance that will support social distancing. However, with a more productive remote work practice, we will look for smaller offices and rotas in the future.”

Over half of respondents (53%) expected to be back in the office within three months, over a third (37%) within six months and 10% next year. When asked about forward planning just over 30% said they were in the process of reading the Government guidance, almost half (48%) had read the guidance and were actively carrying out risk assessments and just over 20% felt that it was too early to plan anything. However, with recent announcements from companies such as Shopify, Facebook and Twitter saying that staff can work from home indefinitely, it is clear that those looking to return are contemplating a different way of working in the future:

“We rent our office but I think the way we rent and use office space needs to change”, commented another respondent a technology recruiter with an office in central London. “We need a base in London for meeting with clients and candidates once it is safe to do so and somewhere to meet as a team once or twice a month. Landlords will need to look at how they rent out space.”

The recruitment sector has been hit hard by the Covid-19 crisis and despite government support packages such as the Job Retention Scheme, 46% of respondents are still planning redundancies.

Commenting on the results of the research, Ann Swain, Chief Executive of APSCo said:

“The biggest two cost bases to recruitment firms are people and premises and so it is not surprising that companies are looking to reduce those costs against a backdrop of a significant fall in business and I hope that once we have some clarity on the Job Retention scheme post June, the percentage looking at redundancies will fall. However, what this research clearly shows us is that the age of the majority of staff being in the office five days a week is probably well and truly behind us.”

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