

Deposit-free space on offer

Serviced office provider Business Environment Group has scrapped tenant deposits in a bid to tempt nervous occupiers into its buildings.

The group, which has 650,000 sq ft of space across 11 locations, said the move was a response to tenants' growing concerns that they would lose deposits if serviced office operators were to fail in the downturn.

Last month, it emerged that the collapse of a subsidiary of MLS – the UK's third-largest serviced office operator – could leave tenants at two London buildings without their deposits.

Serviced office operators typically charge two months' rent as a deposit and use the funds as working capital.

BEG managing director David Saul said the company's decision to forgo deposits was unique.