# Regus™

Global Growth Returns.

World GDP growth is stronger now than it has been in the past 50 years, with forecasted growth rates ranging from +3% to +4% in 2016 – well above the historical +1.8% average annual growth. Leading economists predict a gradual uptick in advanced economies and a mild slowdown in emerging and developing economies.[1]

World Economic Outlook Update[2]
July 2015 Annual Growth Rates

Global Economy			Advanced Economies			Emerging Market & Developing Economies		
3.4	3.3	3.8	1.8	2.1	2.4	4.6	4.2	4.7
2014	2015	2016	2014	2015	2016	2014	2015	2016

The U.S., Eurozone, China, India and Japan are all experiencing improvements in macroeconomic conditions with considerable growth forecasted through 2016.
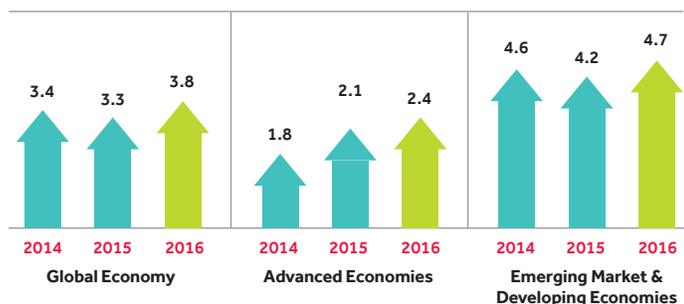
The U.S. economy has momentum from stronger than expected growth at the end of 2014:

- Consumer sentiment and trade activity increased
- The unemployment rate fell to 5.6% in January
- Financial markets benefited from upbeat investor sentiment

U.S. growth forecasts are estimated to exceed 2% for 2015 and nearly 3% in 2016 driven by[1, 3]:

- Positive job growth momentum: +251K jobs/month in 2015 and +216K/month in 2016
- Current 7-year low U.S. unemployment rate of 5.5%, expected to drop to 5.1% in 2016
- GDP forecasted to expand 3.1% in 2015 with a 0.6% reduction in inflation
- Consumer spending remains bullish, expected to increase by +3.3% in 2015 and by an additional +3% in 2016

In the Eurozone, after sluggish growth last year, macroeconomic conditions are improving due to Europe's looser monetary policy, falling oil prices, and evidence of recovery in several regional economies.

China and India have both experienced recent improvements in macroeconomic conditions. While the Chinese economy growth rate has slowed to +7% in 2015, the forecast for 2016 remains positive at +6.3%. Conditions in India are improving, with a +6.5% growth rate for 2016.

With an improved global economic outlook, particularly in the largest economies, come new market expansion, job creation and stronger employment rates. International companies will be positioning their business units to seize the global opportunity and expand their corporate footprint.

Corporate Senior Executives Agree

A recent survey conducted by Regus and TechValidate revealed that:

- Nearly 70% of organizations across all industries believe that growth will return in 2016

- 62% of senior executives estimate revenue growth of 10% or more in 2016 over 2015

- Professional Services, Finance/ Banking, Computer Hardware/ Software services, Retail, Insurance, Healthcare and Pharmaceuticals all anticipate the strongest growth

The Impact on Real Estate

Real estate is a critical cost factor in planning for growth. Fifty-two percent of organizations agree that changing business demands and market conditions will impact their real estate needs, and 50% of Corporate Real Estate (CRE) Professionals are likely to invest in additional conventional, fixed office space to capitalize on impending growth opportunities.[4]

Even with this optimistic outlook, organizations remain cautious about taking on significant risks. Seventy-eight percent of Fortune 500 companies state that "mitigating risk" will continue to play an important role in their real estate strategy.[4]

The key challenge is how to simultaneously balance the real estate risk and capitalize on growth. One-third of businesses are acutely focused on reducing their fixed office space as a key priority to mitigating risk.

The Latest Trend in Planning for Growth? Get Agile.

The latest trend in expansion planning is all about driving more AGILITY into the corporate real estate portfolio. A blended strategy of fixed and flexible office space is the key to minimizing CAPEX and mitigating unnecessary risk.

Regus is leading this trend by helping organizations shift their real estate portfolio of up to +5k square feet of office space to a "blended" fixed/flexible model.

By shifting just 10% of traditional leases into a more flexible office solution through Regus, growing companies can minimize risk. Increase speed into and out of markets. Expand and contract at will — around the globe.

With Regus' unparalleled network of workspace solutions in 3,000 locations across 120 countries, no other company in the world can so seamlessly transform a corporation's real estate strategy to a more cost-effective blend of fixed and flexible, agile workspaces.

"Regus provides flexible space in as many locations as we require a presence. The pricing is fair and terms are very flexible. With Regus, we can easily enter new markets, without spending capital."

– Corporate Real Estate Director, Global 500 Pharmaceuticals Company

> **Smart businesses know they can't stand still**

41%

of organizations surveyed agree that Regus' straightforward, simple pricing and flexible terms are the most appealing benefits over traditional, fixed leases.
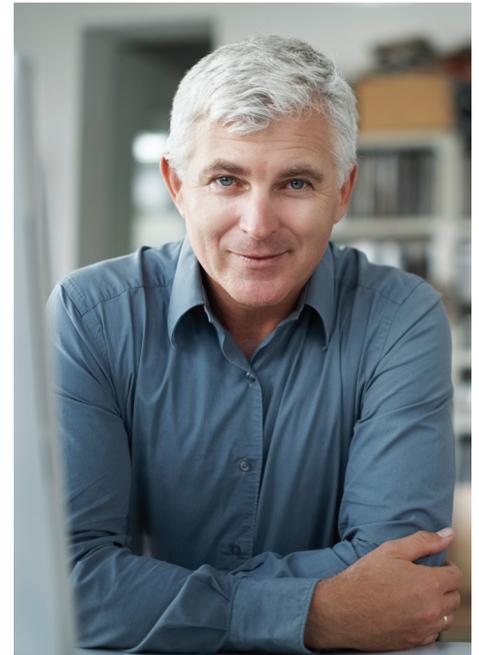
Tangible Advantages Save Costs

- Streamline operations – straightforward pricing and a single, flexible global contract

- Work with one partner – not multiple landlords and leases

- Reduce costs – through more efficient space utilization. Use only what you need

- Decrease the risk to your portfolio – increase mid- to long-term flexibility

- Transfer locations with no penalty, when and where you want

"Regus is a strategic partner for any global company attempting to scale rapid growth across the globe."

– Senior Director, Global Real Estate and Facilities, Computer Software Organization

A Proven Solution

Regus works with multinational corporations throughout the world to provide flexible workspace solutions to meet any business need. World-class organizations partner with Regus for:

Dedicated offices

Project, overflow and swing space

Co-working space

Workplace recovery

Custom build-outs

On demand: business lounges, day office and meeting rooms

Find out how Regus can help you. Contact us today.

844 920 9547

contact.regus.com/insights

Footnotes:

1) The outlook for global growth in 2015 – McKinsey & Company   2) International Monetary Fund's World Economic Outlook, July 2015

3) Business economists boost 2015-2016 outlook for US economy – Fox Business 4) Regus and TechValidate Survey, June 2015

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