

## Coworking Space Goes Mainstream

According to a recent Global Coworking Survey, by year end (2107) nearly 1.2 million people worldwide will have worked in a coworking space. Nearly one in five coworking spaces has 150 or more members...in 2016 that percentage was only 13%. There are nearly 14,000 coworking spaces worldwide with a total membership of nearly 1.2 million members. Around 40% of coworking members use the space at least every work day and 30% use it 3-4 times a week. The overall average simultaneous occupancy of coworking space is around 60%. In 2017, 66% of coworking space operators plan to expand their existing space and 40% were planning to open a new facility. Only 54% of coworking space members plan to leave their space in 2017 (vs. 65% in 2016). An average of 129 members work in coworking space.

By 2020, 40% of America's workforce will be freelancers. Approximately 20%-30% of the working age population in the U.S., according to a recent McKinsey & Company report, engage in independent work. Today, the average age of coworkers is just over 36 years old. **Coworking space could be the "office story" for 2017 and beyond as coworking goes mainstream.**

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### Drivers Of The Demand For Coworking Space

- An ability of a company to enter/explore a market without a large financial commitment.
  - An ability to connect, network and collaborate in a culture that fosters innovation, brainstorming and an absence of structure.
  - Higher worker productivity.
  - An island away from home surrounded by professionals "like you."
  - Flexibility, shared cost and cool amenities.
  - Knowledge-sharing.
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Source: CEL & Associates, Inc.

In every U.S. region, **coworking space is not a fad**...it is becoming a real estate trend that is changing the landscape of office leasing. Coworking, a complex social phenomenon, is poised to enter a significant growth phase. As Corporate America rethinks its space utilization and requirements, the top priorities for occupiers are agility, flexibility, productivity and employee engagement. Recent surveys show that 70% - 80% of employees are not "engaged" or are "actively disengaged." If an engaging culture and workplace environment are desired outcomes, coworking space will be one of the major stories for owners and operators of commercial space. WeWork, the giant coworking company, with over 130,000 members, is now valued at \$20 billion and growing. Soft Bank has agreed to invest more than \$4.0 billion in WeWork.

## Key Questions To Discuss With Your Leadership Team

1. How has your organization created a workplace environment that encourages innovation, collaboration and engagement?
2. What is your layout strategy for office space that reflects today's "new" Millennial employee?
3. Do you or should you have a strategy to take advantage of the coworking trend? If so, what should it be?
4. How are you tracking this trend to achieve a competitive advantage?
5. Is this the time to own, reconfigure and/or operate office space? If so, how does coworking factor into that strategy?

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### Prediction

*"By 2025, 75 – 80 million Americans could be independent contractors, reducing the demand for traditional office space and increasing demand for creative and shared workplace environments."*

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## Closing Comments

We hope you enjoyed this article and will be able to utilize the "Key Questions" at a future leadership meeting within your firm.

We welcome your comments, feedback, insights and perspectives

Regards,



Christopher Lee

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