



coworkintel

Coworking Industry Report 2020

Q4 2020

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In Partnership with:

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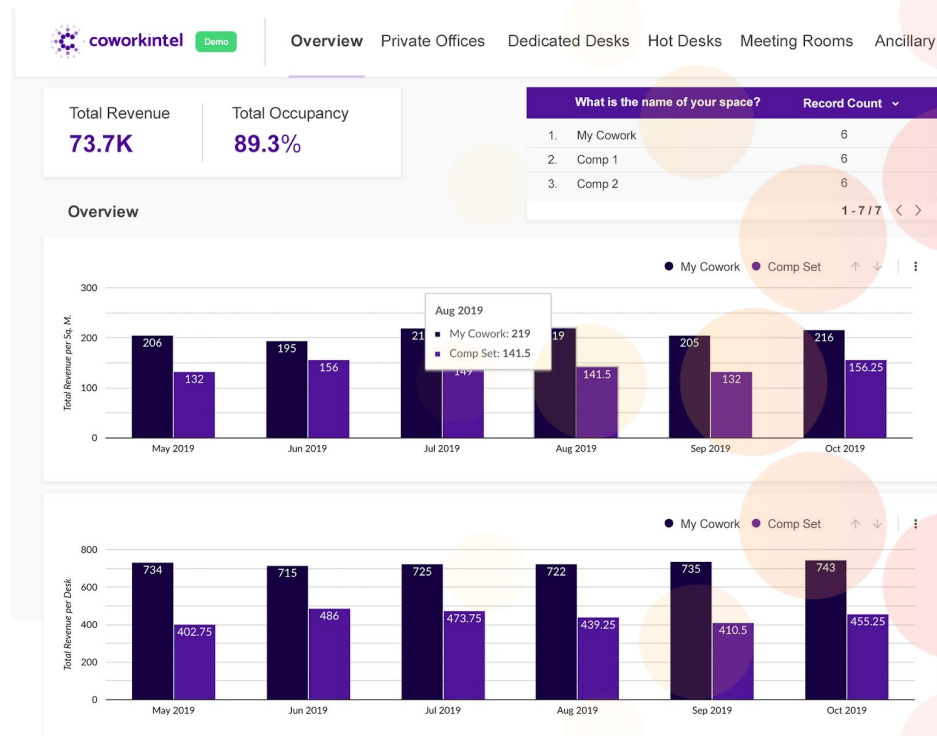
Cowork
inFRANCE

Premium global data analytics for the coworking industry

CoworkIntel is building the data source of reference for the flexible workspace industry.

We empower real estate investors, brokers, developers, coworking and workcenter operators to make smarter revenue, distribution and investment decisions.

We never show individual private data: only averages of at least 4 spaces



Examples of insights include:

Your close competitors' private office average **occupancy** is now at **70%**



You might expect some further discounts from their part

The hot desks occupancy of your competitors is getting **close to three times their available** hot desks.



Perhaps some more supply in your space would be a timely choice



Meeting rooms are hot right now with more supply available on the market and transacted prices per square meter going up!



Your competitors offer food and beverage for 20-30% higher prices than your space.
Are you leaving money on the table?



Join the leading coworking data co-op today:

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Sections

Introduction	6
Highlights	7
Who answered	9
Who answered (further details)	11
Impact on occupancy	15
Contract renegotiation	21
Impact on employee count	23
Recovery expectation	28
Tech stack	29
Country focus	32

Introduction

The flexible workspace industry is on the front line of an economic crisis. With reduced mobility and imposed work from home policies by many companies globally, coworking and other shared spaces are expected to have suffered a particularly strong hit.

[In June 2020](#) we asked coworking spaces around the world how exactly the crisis had impacted them. In particular, we looked at the impacts of the health and economic crisis on flexible workspace demand and occupancy, employment, contract renegotiations and expectations for the future of this industry.

We are now updating this survey with questions on the same areas and additional analysis of the tech stack of the industry, in particular: which property management software do they use and how much revenue do they generate from online and traditional brokers.

With the purpose of answering these questions, Coworkintel has partnered with industry experts to survey flexible workspace operators all around the world and present this report offering unique insights on the state of the industry. We would like to thank our partners:

officernd

SeLoger
bureaux & commerces

Welcomr

deskpass

COWORKIES

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Our goal at Coworkintel is to offer premium intelligence to investors, landlords, operators and vendors acting in the Flex Industry.

We hope that you find this report enlightening and inspiring for your current and future business venture.



Survey Highlights

- On average 31% drop in occupancy but more moderate impact on employee count (although higher than previous June survey)
- A majority of operators on lease model with 10% under a form of profit-sharing agreement
- More than the half of the operators under lease have renegotiated it

Country	Average of Occupancy Change <i>Feb' to June '20</i>	Average of Occupancy Change <i>Feb' to Sep' '20</i>	Average of Employee Count Change <i>Feb to June '20</i>	Average of Employee Count Change <i>Feb to Sep' '20</i>
United States	-27%	-27%	-21%	-20%
United Kingdom	-36%	-31%	-21%	-15%
Spain	-40%	-25%	-29%	-18%
Canada	-36%	-37%	-24%	-15%
France	-22%	-7%	-3%	1%
Brazil	-55%	-47%	-8%	-1%
Australia	-18%	-12%	0%	1%
Netherlands	-14%	-8%	-16%	-16%
India	-44%	-40%	-10%	-2%
Portugal	-25%	-15%	0%	0%
Mexico	-28%	-35%	-19%	-12%
Germany	-3%	-3%	-2%	-8%
Belgium	-35%	-28%	0%	2%

-31%

Occupancy loss globally

-20%

Employees

62%

Operating spaces under lease model

55%

Of the space under lease model renegotiated their lease

30-75%

Use PMS with a high average satisfaction

10-30%

Revenues from online and traditional brokers

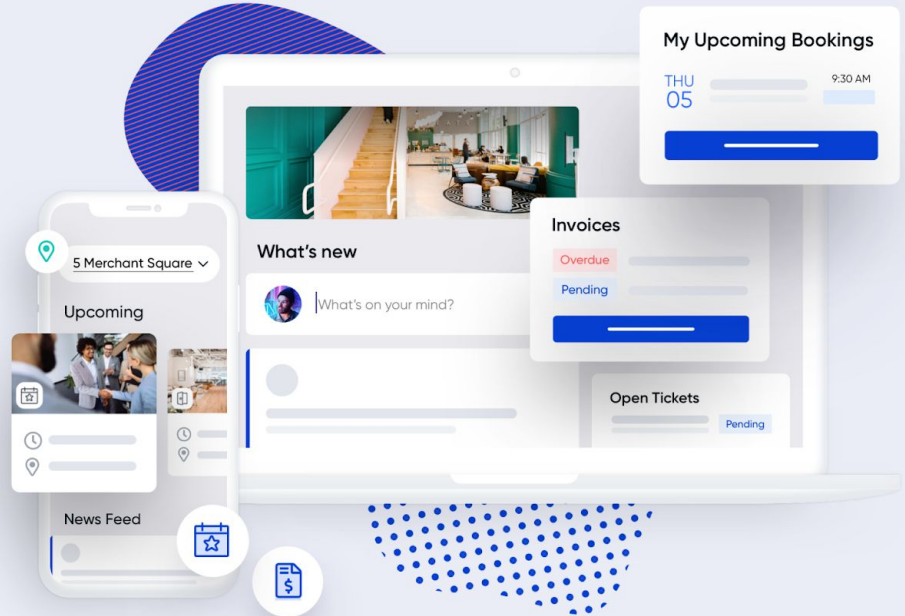
officernd

The Ultimate Platform for Coworking and Flex Spaces

OfficeRnD enables space operators to save time and focus on growth by:

- Automating operations
- Maximizing productivity
- Improving member experience

Learn more on officernd.com



Who responded to this survey?

Top countries / regions are: **US, UK, France, Spain, Canada, Asia and LatAm** with spaces slightly bigger than the previous iteration (June '20)

500+

Locations

3

Years Opened
in Average

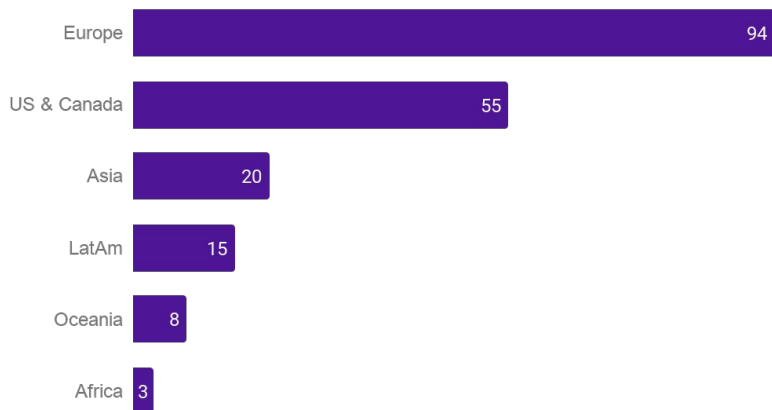
1,800

Square Meters
on Average

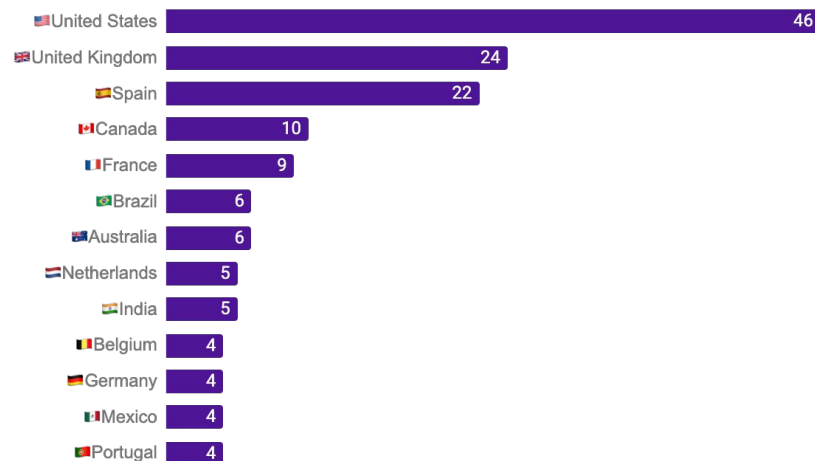
45

Countries

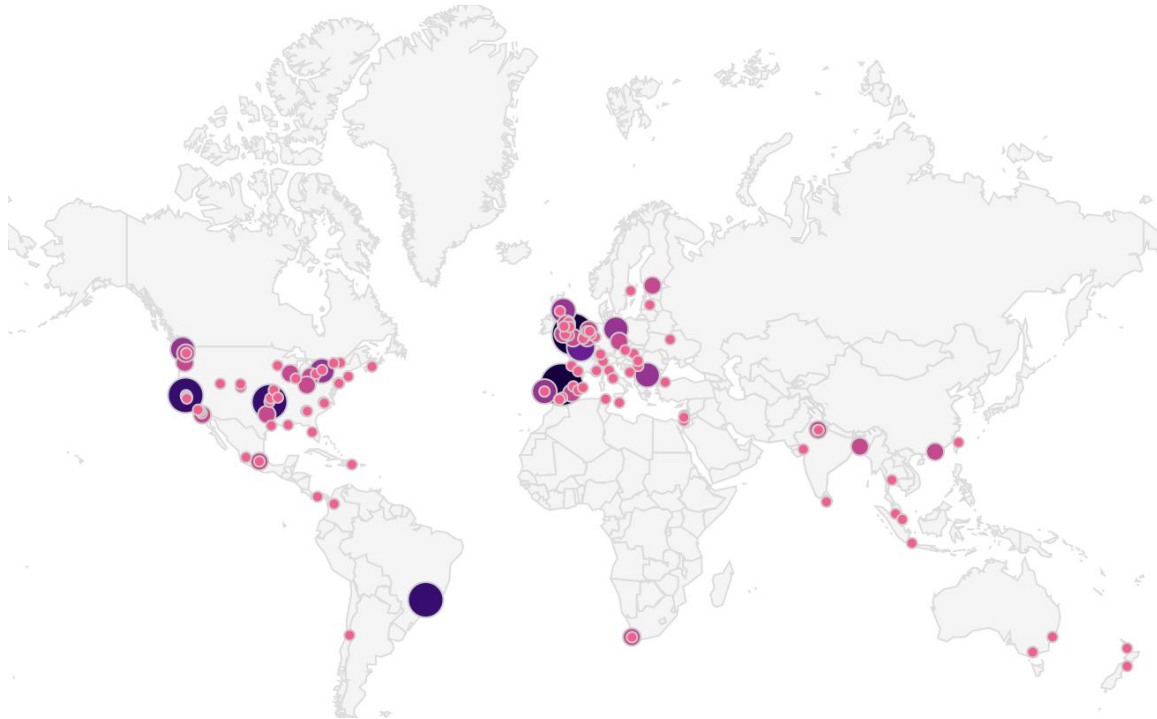
Answer by Region



Answer by Country (4 answers or more)



Who responded to this survey?

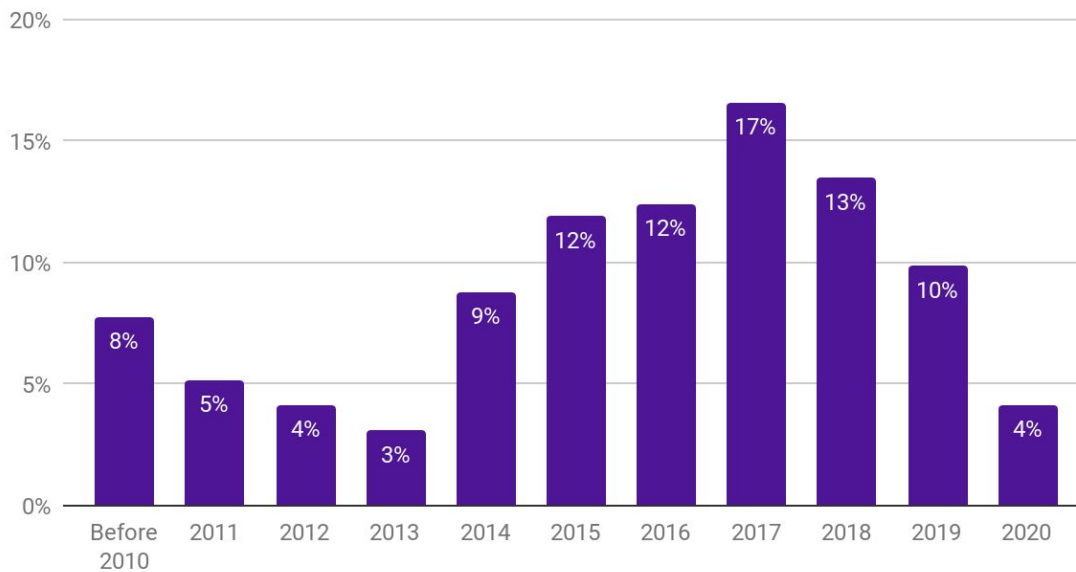


We would like to thank the respondents helping us bring more transparency to the coworking and flexible workspace industry globally.

July 17 Who responded to this survey?

Most of the spaces opened around 2017, i.e. around 3 years of operations

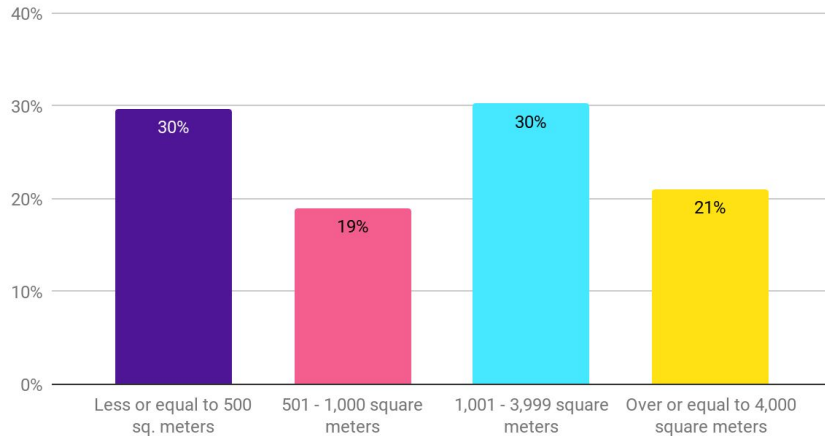
When was the opening year?



Who responded to this survey?

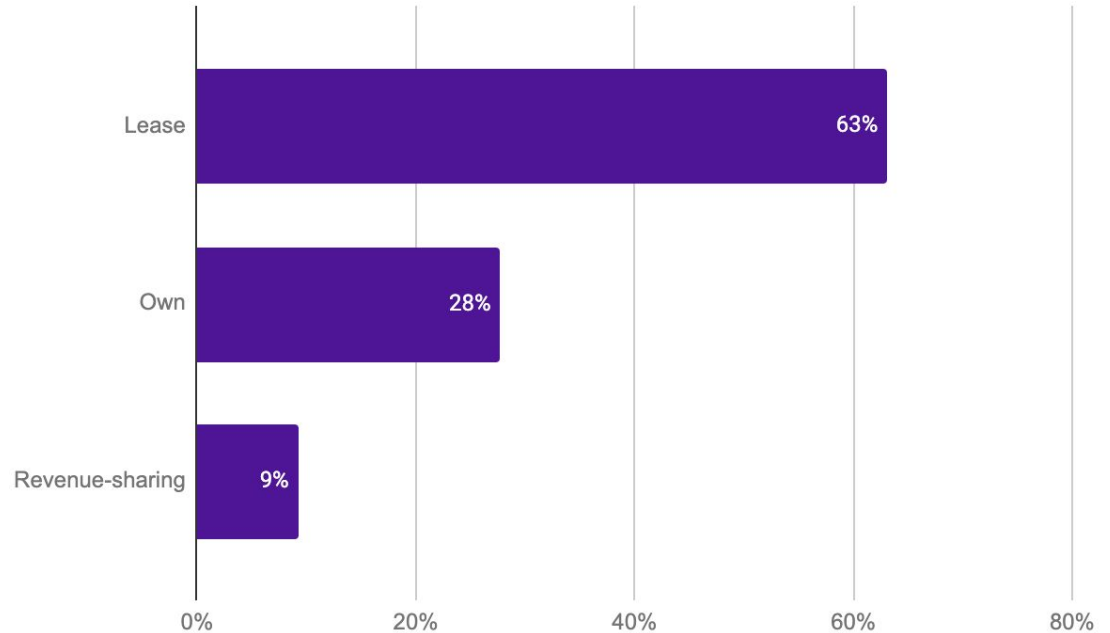
A majority of small and medium size spaces

What is the size of your space in square meter?



Who responded to this survey?

- **Leases** continue being the most used agreement.
- **Owner-operators** make a bit over a quarter of the industry.
- Around 10% on a form of **service agreement**

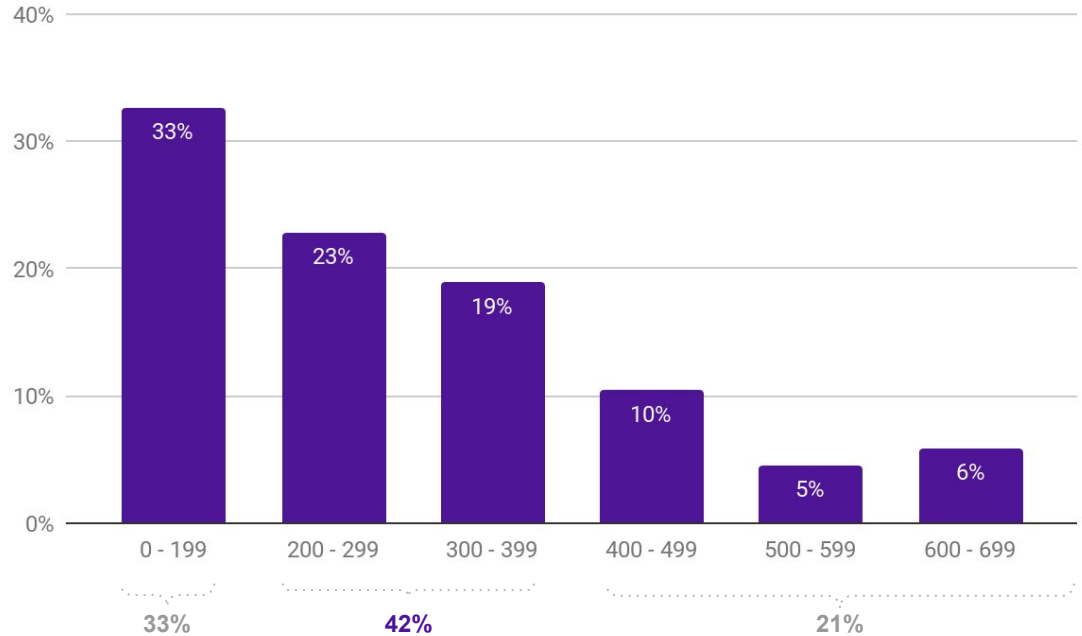




Who responded to this survey?

- **42%** of prices are in the \$200-\$399 range
- **21%** above \$400
- **33%** less than \$199

What is your average monthly price per desk?



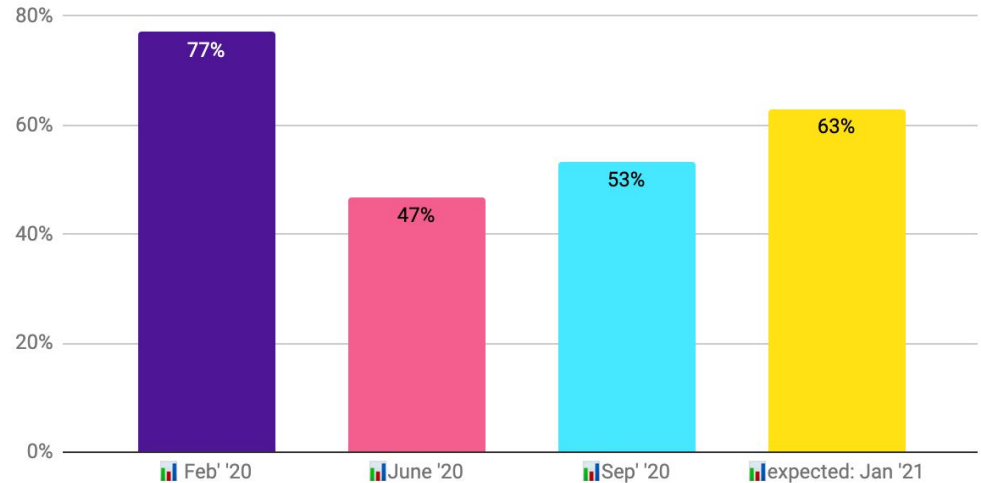
Impact of the lockdowns on **occupancy**

Occupancy levels of coworking have halved as a result of the lockdowns from 80% to 40% (on a subscription basis - physical attendance has gone even lower).

From **September to June coworking have slightly recovered** to occupancy above 50%.














The industry **expects coworking spaces to be in demand** next year with expected level of occupancy at 60%.

What has been your occupancy level (subscription occupancy, not physical)?

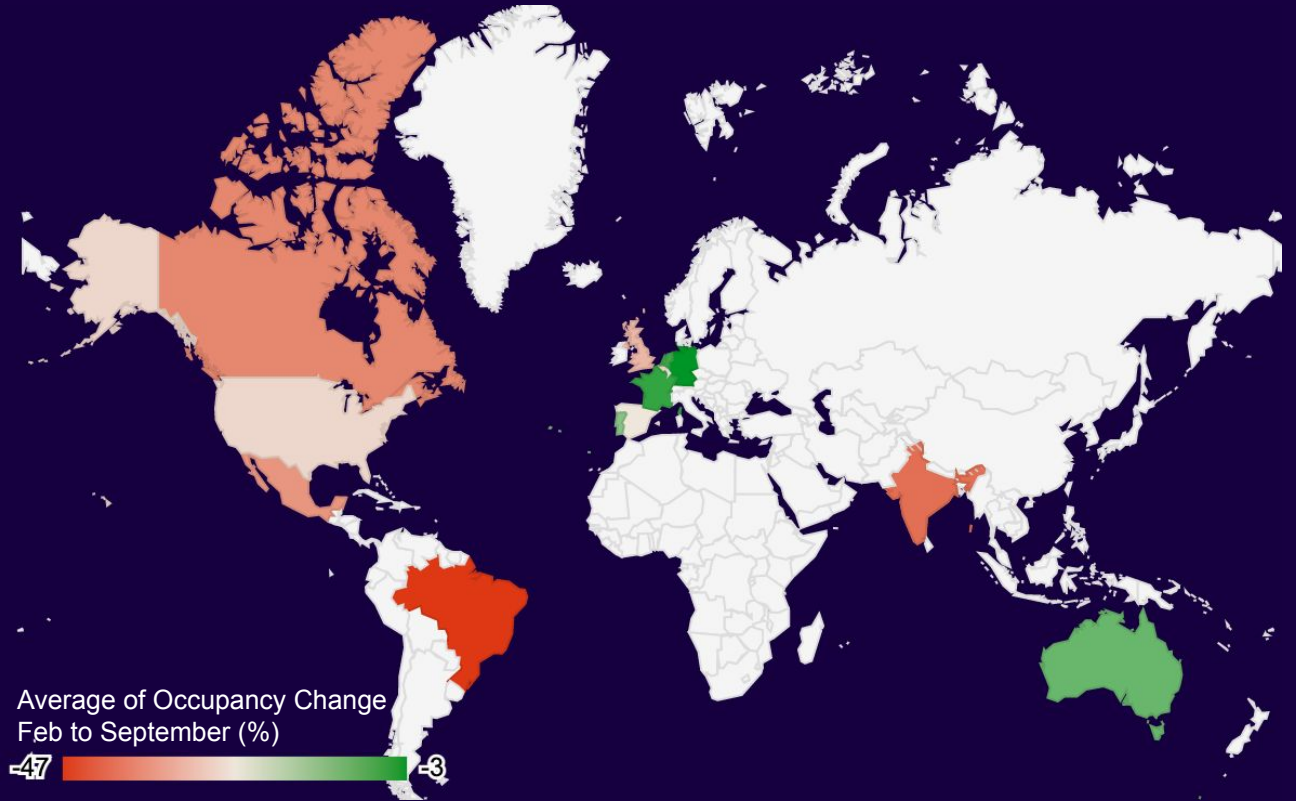


Impact of lockdowns on contract occupancy and employment by country

- Amongst countries with most respondents, largest drop in occupancy from Feb' to Sep' '20 seen in Brazil and India, followed by the US / Canada, UK and Spain. France, Germany and Australia held relatively better in terms of contract occupancy.
- Employment dropped by 15-20% over the same time period in the US, UK, Spain, Canada and the Netherlands, while it held better in France, Brazil, Australia, India and Portugal

Country	Average of Occupancy Change <i>Feb' to June '20</i>	Average of Occupancy Change <i>Feb' to Sep' '20</i>	Average of Employee Count Change <i>Feb to June '20</i>	Average of Employee Count Change <i>Feb to Sep' '20</i>
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Impact of lockdowns on contract occupancy and employment by country





***Diffusez vos annonces de coworking
sur le site N°1 de l'immobilier professionnel***

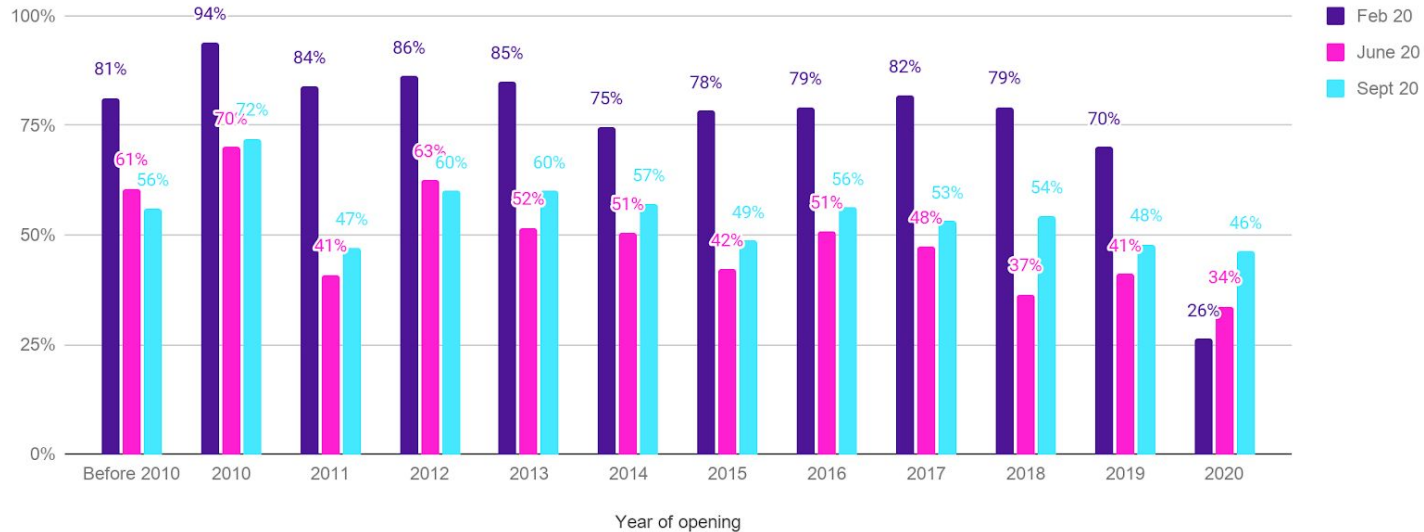
Je découvre

SeLoger
bureaux & commerces

July 17

Impact of Covid 19 on **contract occupancy** by date of opening

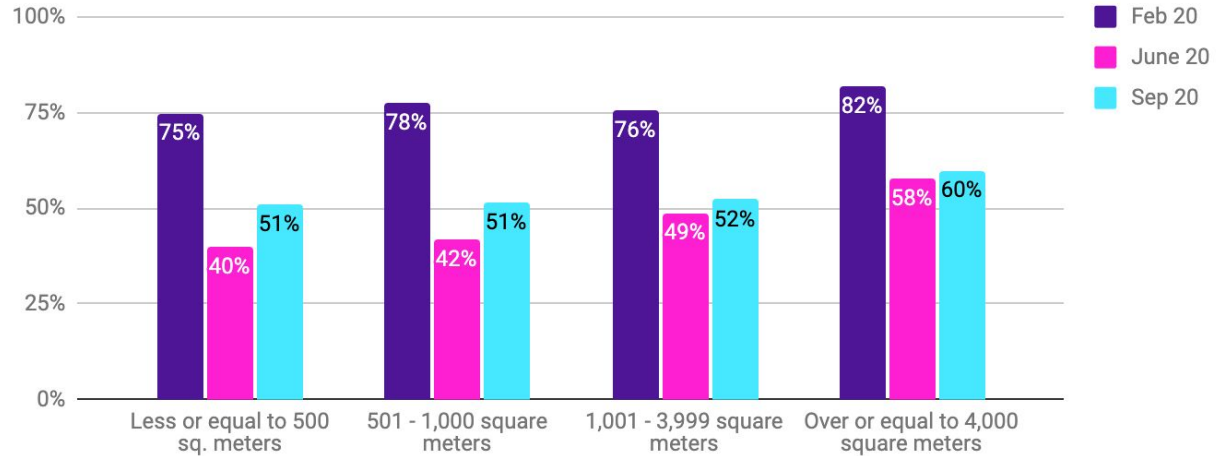
- Coworking spaces take **typically 1 - 2 years to reach long-term occupancy** (around 80%)
- Older spaces were at higher levels of occupancy pre crisis



✏️ Impact on occupancy by space size


Larger spaces have had a higher retention rate

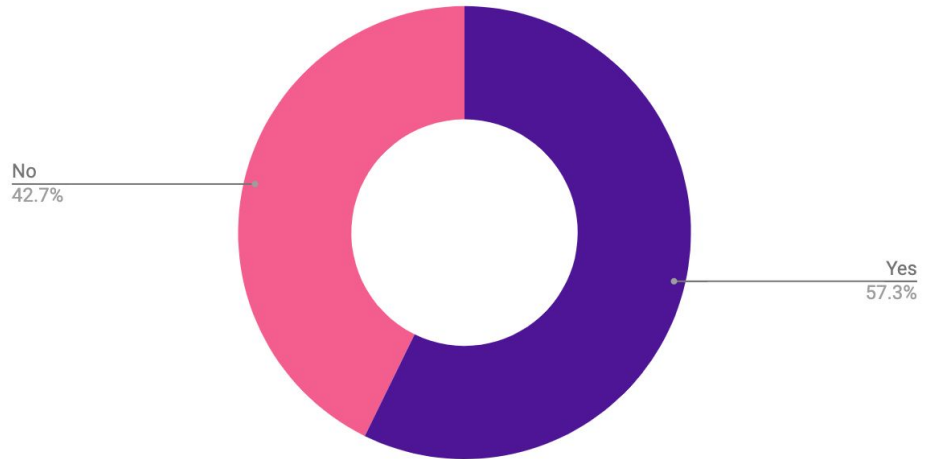
Change in occupancy by size (sq. meters)



As a response to the crisis, **the majority of operators renegotiated their leases**

Landlords have shown some flexibility as close to 60% of coworking spaces on a lease have renegotiated their leases (an increase from 50% since the June update). **This is encouraging** for the ability of the coworking industry to sustain the occupancy shock.

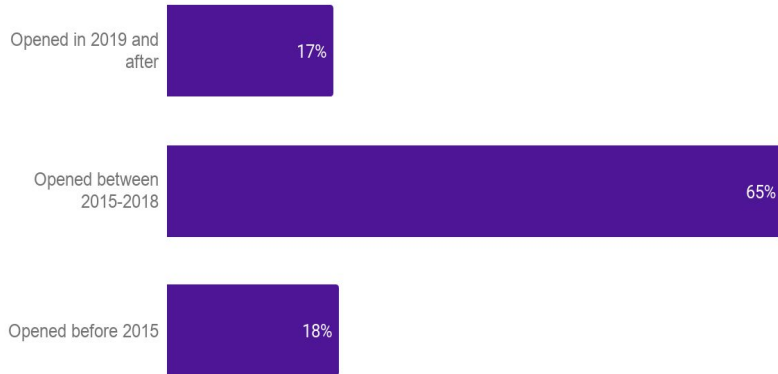
 Have you renegotiated your lease or are you in the process of doing so?



Lease renegotiation by age and size

Older and smaller spaces were more likely to renegotiate their lease

% of spaces who renegotiated their lease by date of opening



% of spaces who renegotiated their lease by size





WHAT OUR CLIENTS ARE LOOKING FOR



Unify building access experience across different sites



Integrate access control and access management to the corporate processes and information systems



Keep the existing access control infrastructure (e.g. card readers, key cards) in use



Scale if need be



Put visitors in the access control too, not just permanent building users



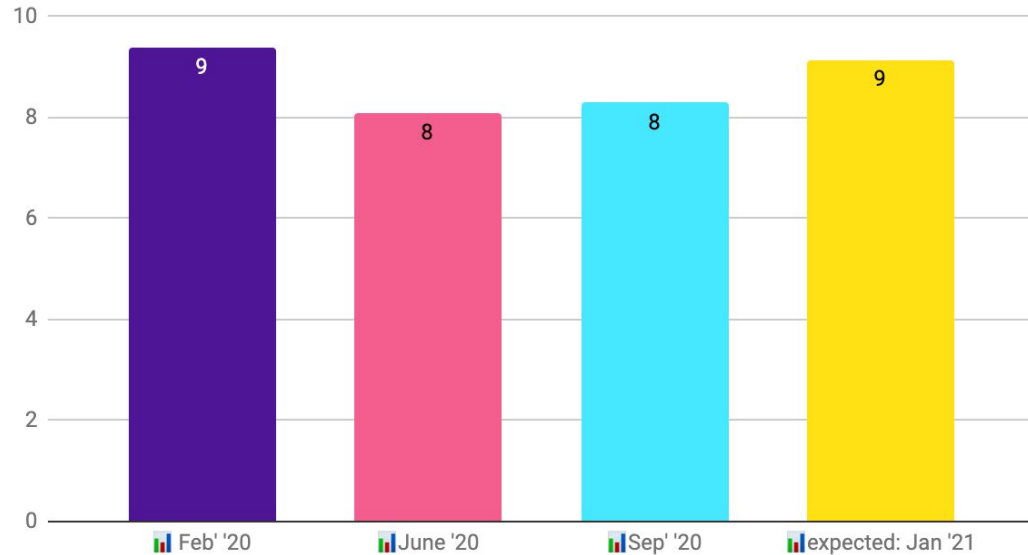
Security and safety all along

OUR CLIENTS NEED A TECHNOLOGY PARTNER CAPABLE OF PROVIDING THE RIGHT SOLUTION SET TO MAKE THEIR REAL ESTATE RESOURCES GO FLEXIBLE EASILY.

The impact on **employment** has been mitigated to some extent

The average number of employees has dropped less than occupancy but still by -12% on average from Feb' to Sep' '20

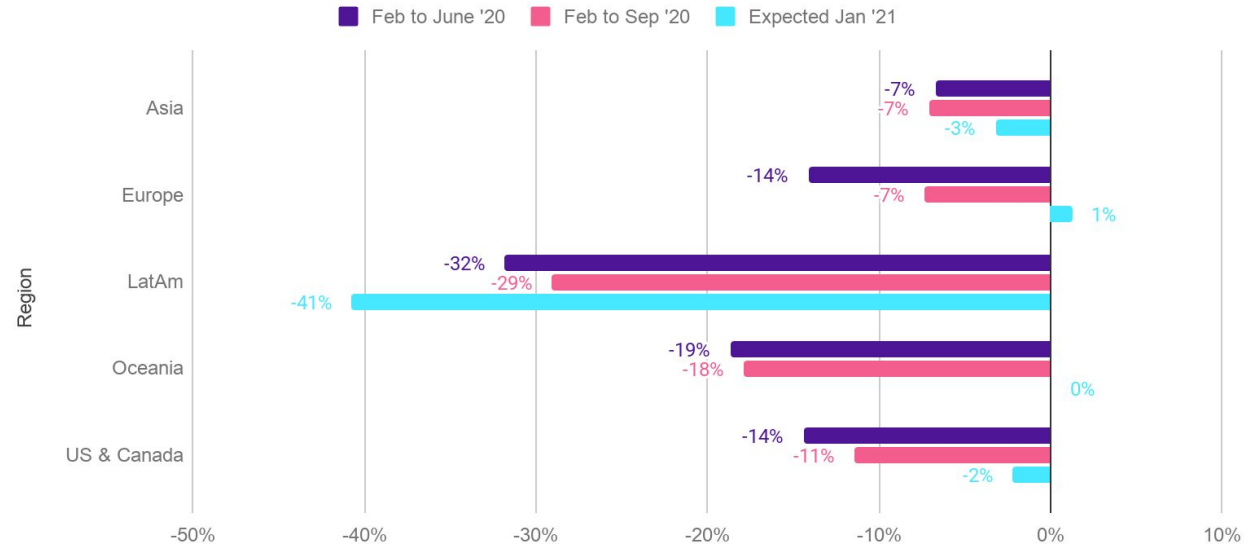
How many full-time employees do you employ?



Employment change and outlook by region

Only Europe expects to hire next year

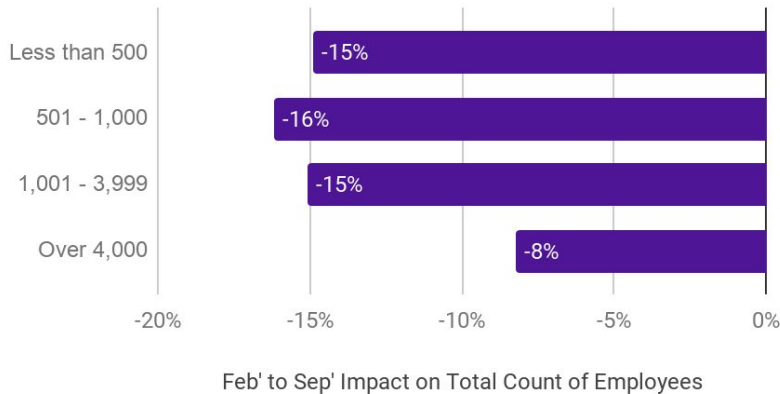
% Change in Employee Count - Pre vs. Lockdown and Pre vs. Post



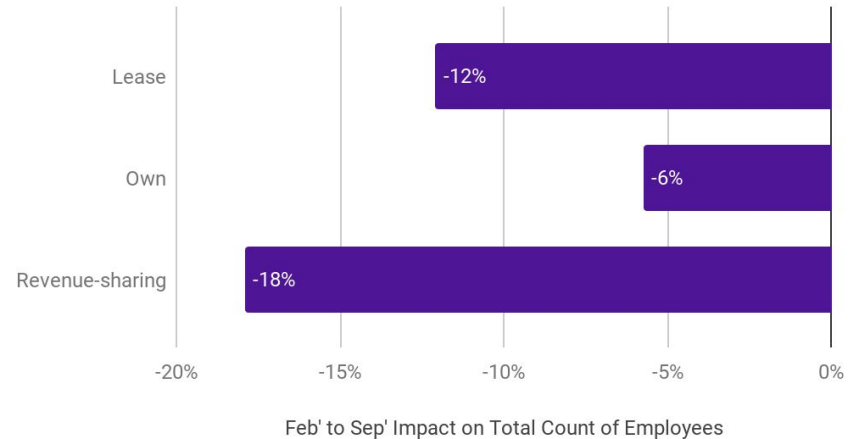
Employee count impact per size and type of contracts

- The total count of employees in **larger spaces** has been less negatively affected than the count in smaller spaces
- **Operators who own their space** have seen a smaller negative impact on headcount than those who lease or use revenue-sharing contracts

By size (sq. meters)



Staff reduction by type of contracts



An overhead, top-down view of a group of people sitting around a white, grid-patterned table in a coworking space. They are focused on their laptops and mobile devices. The scene is brightly lit, and the overall atmosphere is professional and collaborative. The text is overlaid on the left side of the image.

COWORKIES JOBS



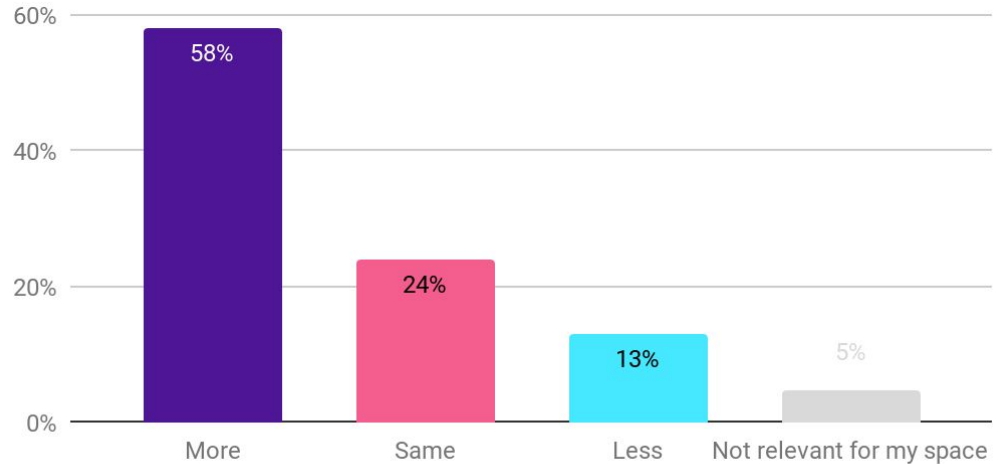
IN COWORKING SPACES

Find a job you'll love, in a coworking space near you in just a few clicks,
on [coworkies.com](https://www.coworkies.com)

Expected recovery

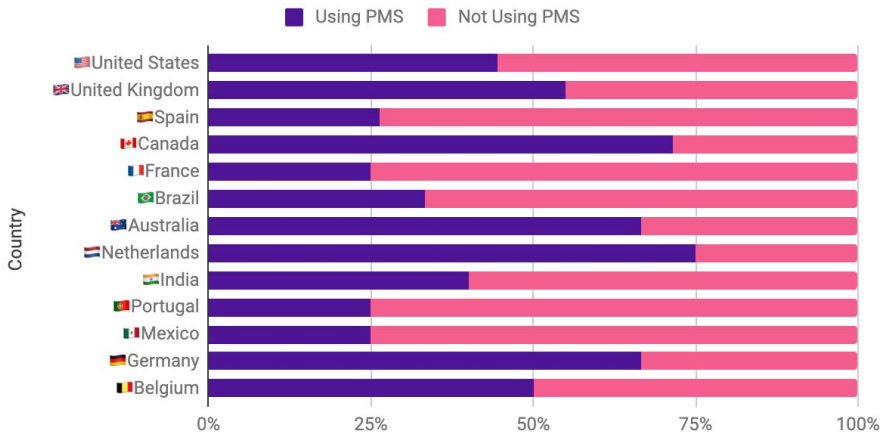
The industry is expecting changes in demand and products with the majority of coworking spaces **expecting more demand for private offices**

By January 2021, do you expect more demand for team and closed products (private offices)



One to three quarters of the respondents, depending on countries, are using a piece of tech-enabled property management software (PMS) and most are satisfied with it

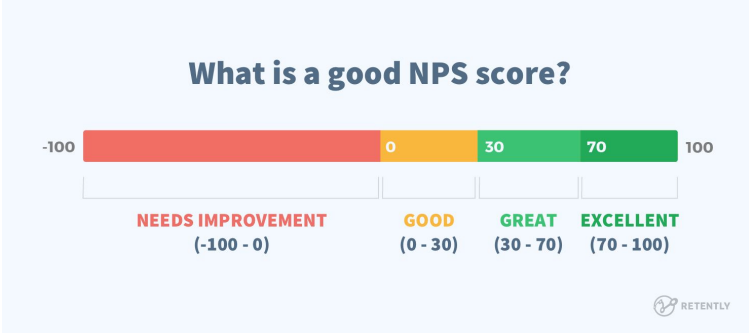
👤 Do you use a Property Management Software (OfficeRnD, Essensys, Nexudus, etc.)?



16

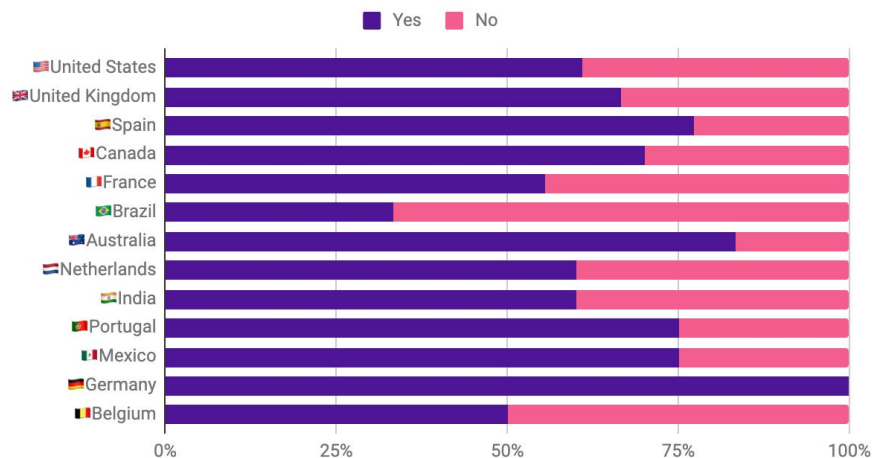
Average NPS score of PMS in answers

The Net Promoter Score (NPS) is the percentage of customers rating their likelihood to recommend a company, a product, or a service to a friend or colleague as 9 or 10 ("promoters") minus the percentage rating this at 6 or below ("detractors") on a scale from 0 to 10.

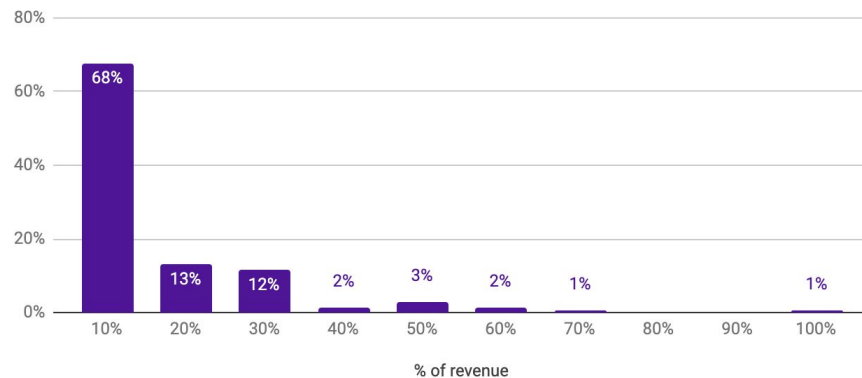


The majority of the industry advertises on online brokers, which makes up between 10% - 30% of their revenue

👤 Do you advertise your space on online brokers?

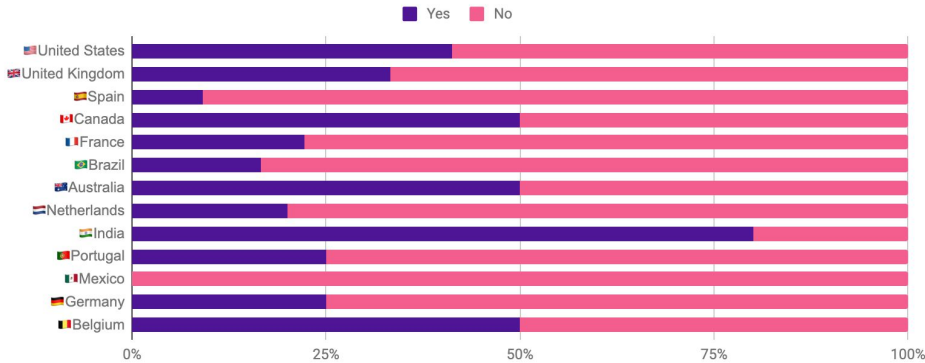


👤 How much of your revenue is brought in to you by online brokers?

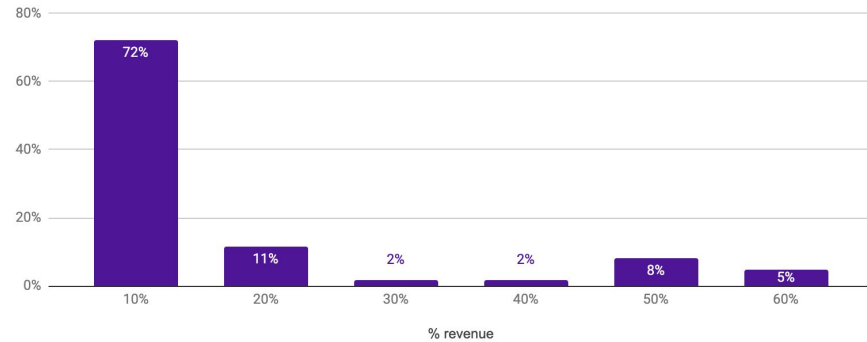


Amount of offers received from **traditional brokers vary depending on country** and makes up 10% of revenues

👤 Do you receive offers from traditional brokers(JLL, Cushman, Colliers, etc.)?



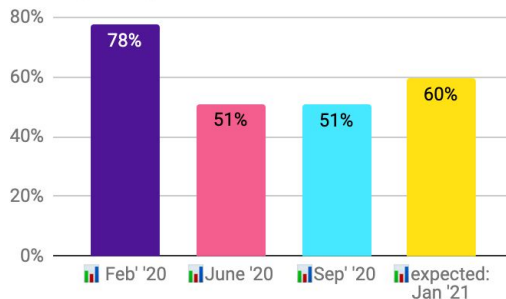
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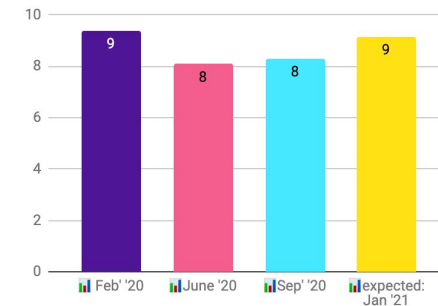
Country Overview:

United States

Occupancy



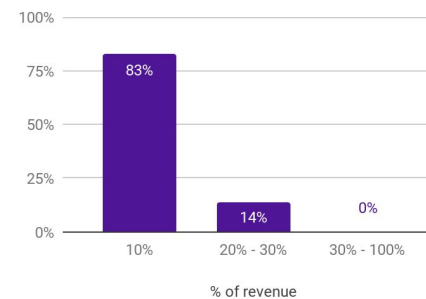
Employees



Monthly price per desk



Revenue from online brokers



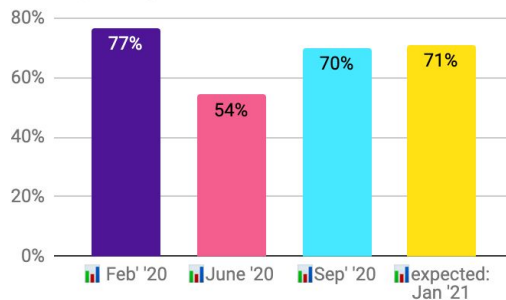

deskpass

Workspaces you'll love

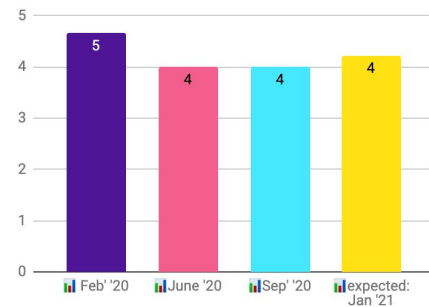
Country Overview:

France

Occupancy



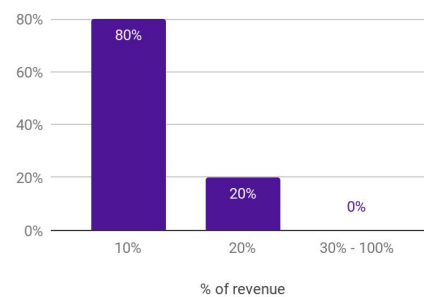
Employees



Monthly price per desk



Revenue from online brokers





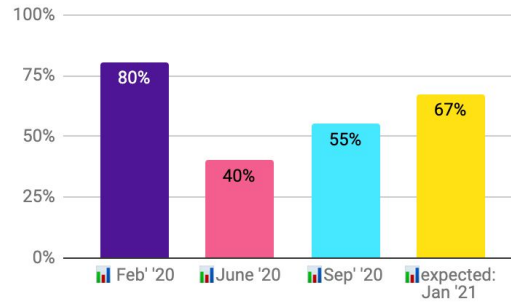
***50K contacts par mois,
profitez de notre puissance.***

Je dépose mon annonce de coworking

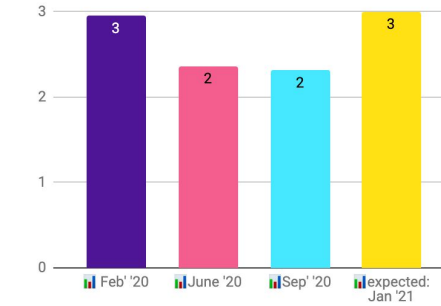
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Country Overview: Spain

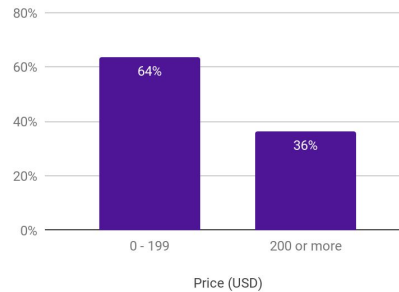
Occupancy



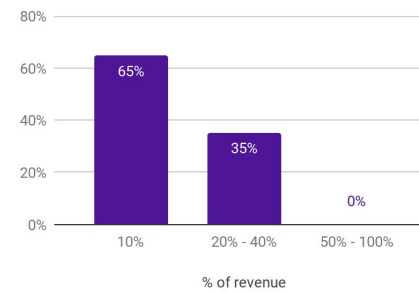
Employees



Monthly price per desk



Revenue from online brokers





COWORKING**SPAIN**

COWORKING & FLEX OFFICE EXPERTS

[CoworkingSpain.es](https://coworkingspain.es) is Spain's leading marketplace for Flex Offices and Coworking Solutions.

We offer useful information to thousands of users and companies looking for flexible office solutions.



About Coworkintel

CoworkIntel is building the data source of reference for the flexible workspace industry.

Our mission is to gather high-quality data to help **operators**, **landlords** and **brokers** streamline their core business.

Data Solution



Comparable Set Report

For coworking: Track the performance of your cowork against a group of comparables and the local market place. Receive alerts for important events



Trend Report

For landlords: Monthly and yearly streamlined information on specific areas