



## Occupancy planning trend report

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# Coworking

Coworking and other flexible space arrangements can help drive employee engagement, as well as organizational value. This report includes findings from our survey of prominent real estate teams around the world that you can apply to your workplace planning.





# The answer to improved agility?

Coworking and other flexible space arrangements can play a valuable role in supporting an increasingly mobile workforce, as well as bolstering organizational agility with short-term space solutions. Many firms are also seeing how flexible space options like coworking can help them meet human experience goals. In fact, nearly half (48%) of CRE professionals across the globe highlight flexibility and agility of their real estate portfolio among their top three human experience goals, according to JLL's 2018 Future of Work Survey.

Looking ahead, strong coworking brand awareness, aggressive adoption and forecasts of widespread future use will only continue to drive implementation of flexible space. Since 2010, the flexible space sector has grown at an average annual rate of 23%.

Although that pace of expansion seems destined to slow, buyer expectations have been reset in a way that will fundamentally change the way space is delivered and consumed. The growth of flexible space has brought a new focus on amenities and the need for state-of-the-art space for short durations.

## Definitions

- **Coworking** – Shared workplace, often an office used by individuals who work for different organizations.
- **Flexible space** – Flexible space is a broad term for space that creates flexibility across the real estate spectrum, including short-term leases, tenant amenity space, flexible workplaces within a portfolio and coworking spaces.



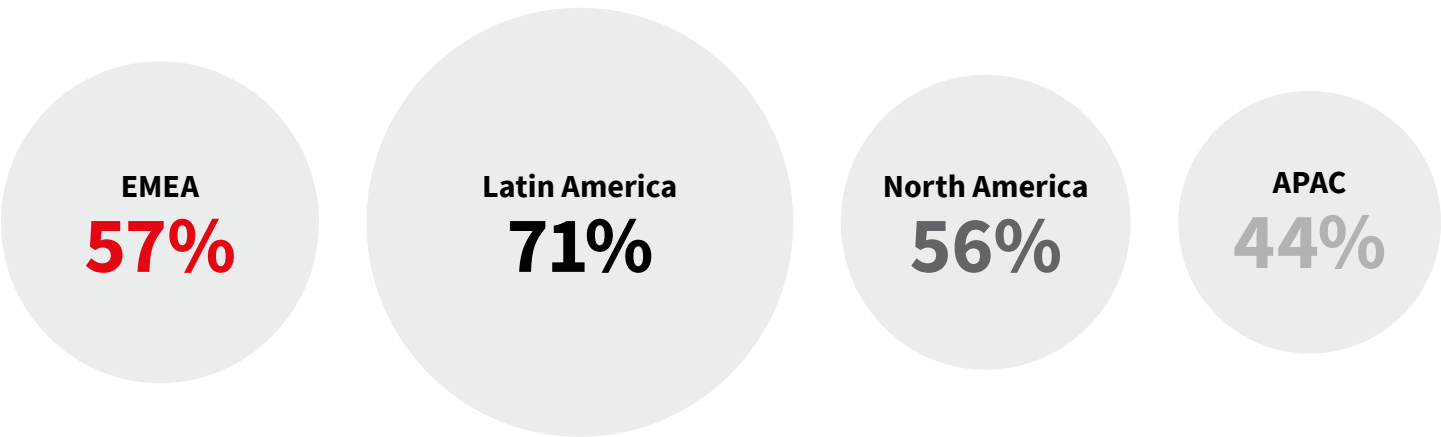
## Research methodology

We asked prominent real estate teams from around the world to answer roughly 100 detailed questions about how they use their space. Ninety-one organizations participated in the survey, providing a response for each region in which they operate. In total, we received 162 responses.

# Coworking usage

More than half (55%) of respondents report using coworking as part of their real estate strategy.

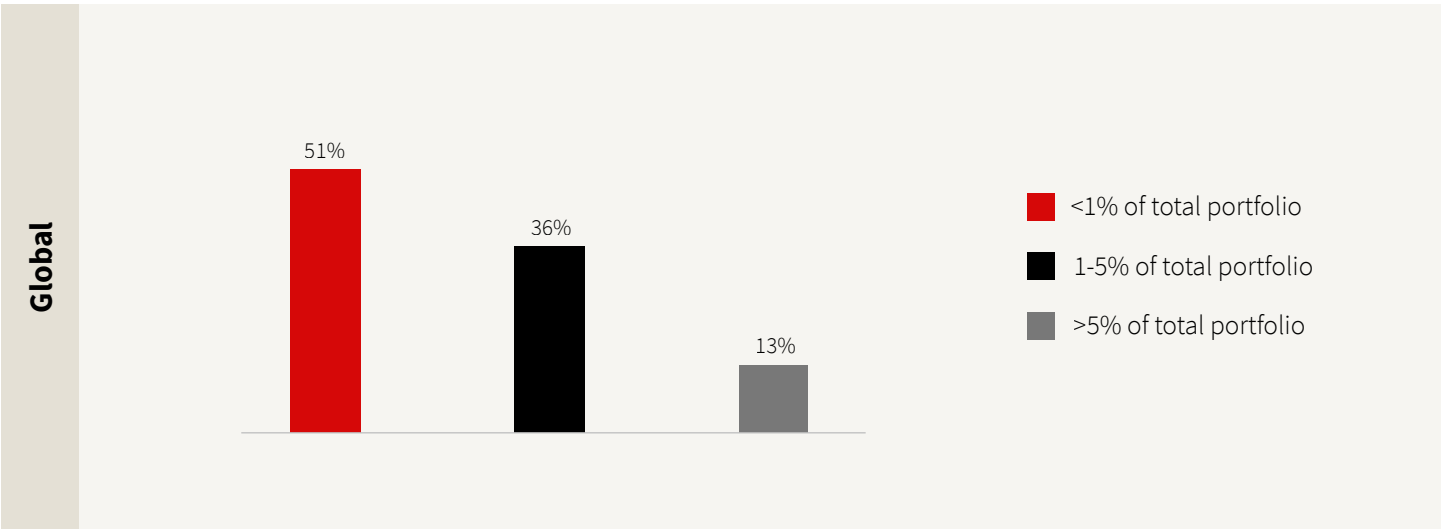
## Regional breakdown



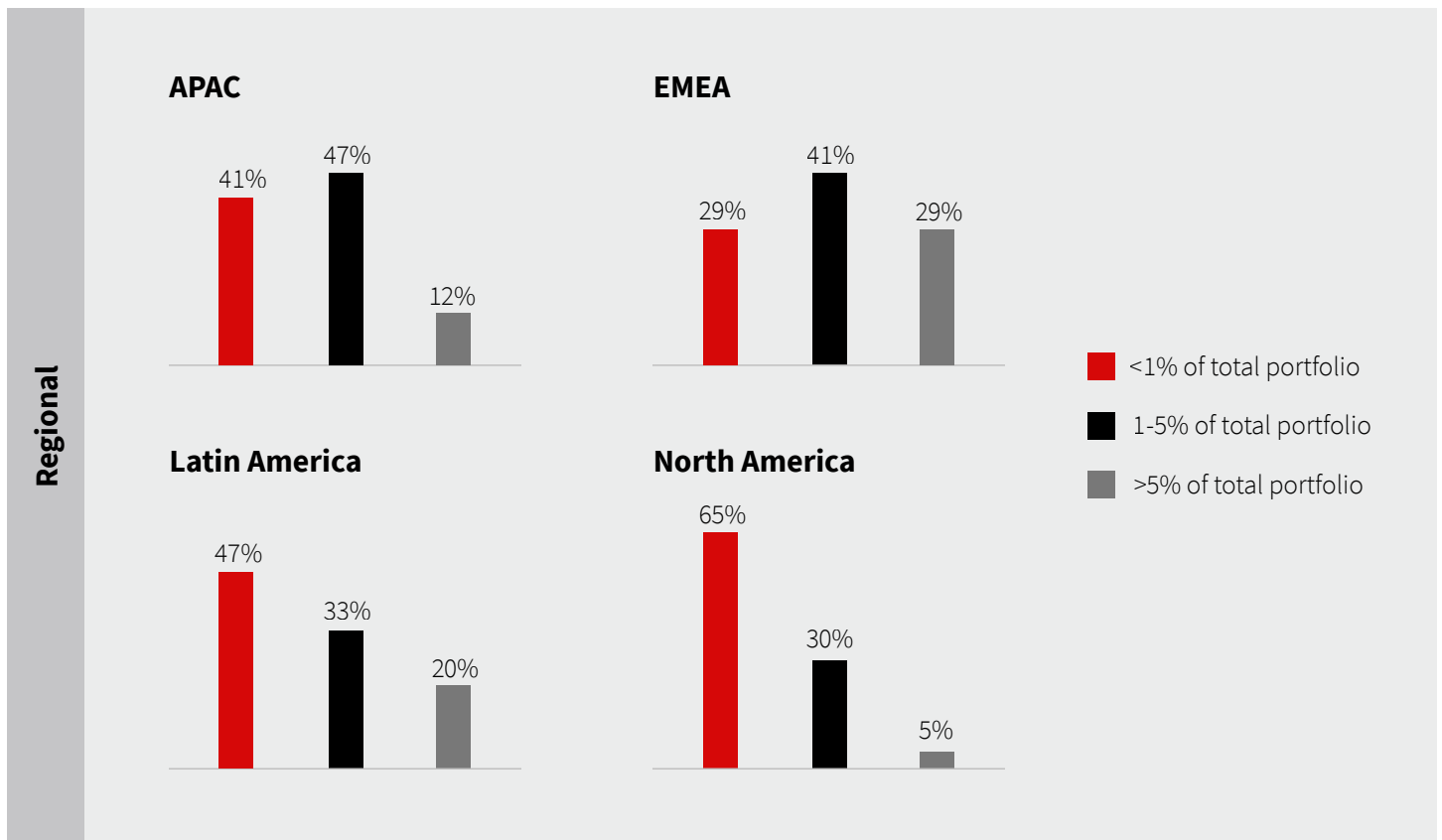
## Coworking as a percentage of portfolio

While a majority of respondents report using coworking, these solutions account for less than 1% of the portfolio for more than half (51%) of organizations in the survey. About a third (36%) said coworking solutions account for 1%-5% of

their total portfolio, while just 13% said coworking accounts for more than 5% of their portfolio, indicating that most large enterprises today are not leveraging coworking to meet a significant portion of space needs.



Percentages may not add up to 100 due to rounding.

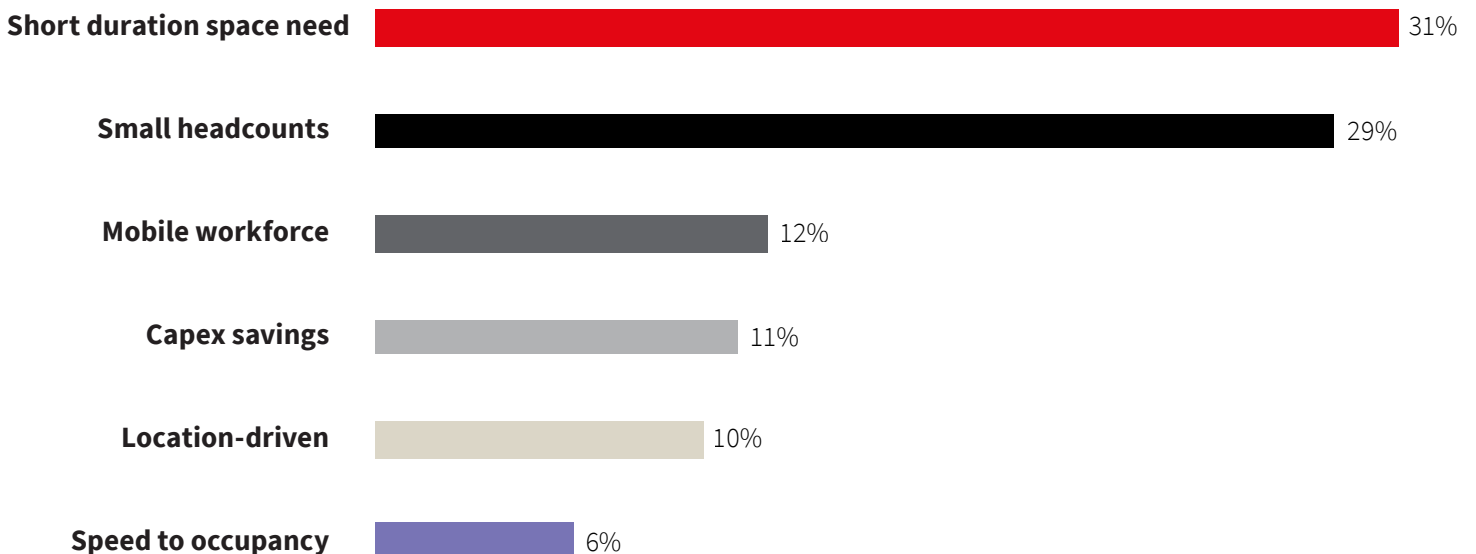


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## Reasons for coworking

Occupiers typically lease coworking space to meet short duration needs and to accommodate smaller headcounts. Thirty-one percent of respondents listed short duration

needs as the most common reason to lease coworking space, followed by small headcounts (29%) and mobile workforce (12%).

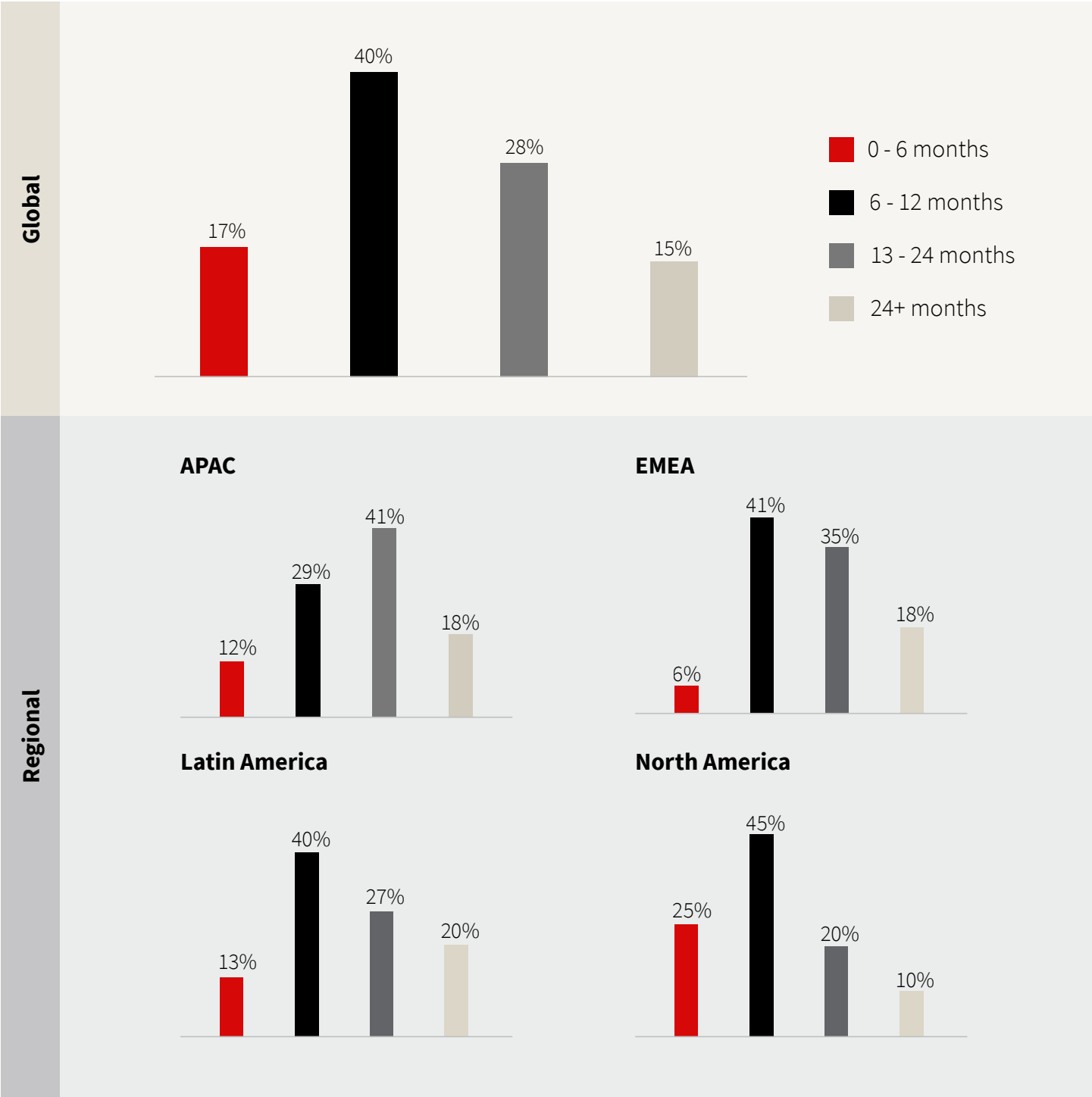


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# Commitment length

Many firms turn to coworking solutions to address short-term space needs—and their average commitment lengths reflect this common purpose. Forty percent of our survey respondents said their firm’s average commitment length is 6-12 months, while 28% report 13-24 months.

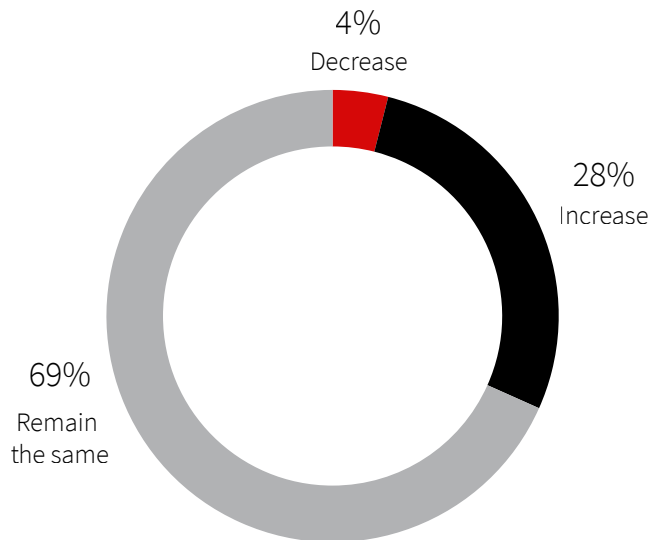
These relatively short commitment periods can give organizations the agility it takes to better address internal and external changes, or other types of uncertainty. They can also help CRE teams support small headcounts, while allowing for workforce growth down the line.



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## Share of portfolio

The majority (69%) of respondents said the coworking share of their portfolio will remain the same through 2020, while 28% said they will increase this type of space.



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## Key takeaways

- Flexible space and coworking solutions resonate with many firms by providing innovative workplace designs and technology integration—without the resources needed for in-house investment and management.
- We project continuing growth in flexible and coworking space use, as organizations of all sizes seek to support short duration needs, small headcounts and an increasingly mobile workforce. The flexibility of coworking leases enhances an occupier's agility across the portfolio.







## Learn more

The changing world of work requires global leaders to seek out and act on novel ways to stay ahead. Understanding how other organizations are adapting their space strategies can help.

JLL publishes additional research findings and insights on trends driving workplace transformation, including:

- **Key occupancy benchmarking metrics**
- **Space eligibility and standards**
- **Space allocations and chargebacks**
- **Demand forecast planning**
- **Mobility programs**
- **Utilization**

Visit our [online space planning resource center](#) to learn more.

