The diverse coworking landscape and implications for commercial real estate provision: lessons from individual preferences and practice

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Structured Abstract

Method

We employ a mixed-methods approach, observing self-organised coworking sessions and online platforms, and a questionnaire of the coworking networks/groups.

 We address the research questions: i) how do individuals' make decisions about how and where to engage in shared working and ii) do they consider locational characteristics (beyond accessibility) and social and physical (environmental) aspects of coworking?

Contribution

Coworking (shared flexible working spaces) grew exponentially before the COVID-19 pandemic.

The crisis led to spaces closing but demand is likely to increase as homeworking / remote working levels remain permanently higher post-pandemic.

Previous studies largely focused on 'satisfied customers' - freelancers and entrepreneurs in the urban core; but these are a poor guide to future preferences given an increasingly diverse set of potential users.

Understanding these preferences is of significant value to future providers, investors and real estate operators.

Results

Proximity to home is a key result. Participants are mostly local and seek community, with a strong emphasis on effective work routines. Results stress the importance placed on social factors and in-space amenities, but affordability is also important. Coworkers experiencing both informal groups and organised spaces rate the informal experience as significantly more beneficial.

Implications

There are implications for the real estate element of future provision, and funding models.

Contribution

We contribute to the understanding of coworking preferences / motivations through addressing methodological limitations of previous studies. Rather than surveying individuals in coworking spaces, we study individuals who engage in coworking in various forms which will reflect the diverse (users, spaces, locations) demands for future coworking.

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Context and research objective

Coworking, defined as the use of shared flexible working spaces (Spinuzzi, 2012), grew exponentially in the decade preceding the COVID-19 pandemic. The rise in coworking and collaborative shared workspaces – coworking spaces (CWSs) – coincided (before the COVID-19 pandemic) with a steady increase in project-based work and freelance work (Merkel, 2018). Most CWSs placed their emphasis on community, relationships and creativity, and the provision of space that facilitates the freedom to work independently in a non-routine, creative way.

While coworking had its origins in the early 2000s as a 'cottage industry' (Jones et al., 2009), in the following years a whole new sector of the commercial property industry emerged, responding to these new ways of working (Arora, 2017). Cushman and Wakefield (2020) report that 63% of global organisations now use external shared flexible workspaces, with occupiers (i.e. lease-holders of commercial property) offering on average 12% of their capacity as flexible space, with this expected to increase to 24% by 2024 (Cushman and Wakefield, 2022). Thus, pre-Covid, global brands were beginning to expand the coworking industry by targeting corporate teams (Mayerhoffer, 2020). This was partly because CWSs were regarded as 'micro-clusters' facilitating knowledge spill-overs and innovative outcomes (Capdevila, 2015). Moreover, the increasing use of shared working spaces relates to the changing lifestyles and workplace demands of 'Generation Y' and post-Fordist approaches to work organisation had begun to require new office concepts since the turn of the century (Van Meel and Vos, 2001; van Meel 2011; Gillen and Cheshire, 2015). However, no comment on commercial real estate in relation to coworking would be complete without a mention of WeWork, the high-end provider that came perilously close to collapse following its failed stock market listing in 2019 (Guardian, 2019), with the restructured business subsequently floated in 2021 for around 20% of its initial estimated valuation (Financial Times, October 2021). Although an extreme example, WeWork serves as a cautionary tale in that despite relatively high occupancy rates, a combination of high fixed costs, overly rapid expansion, and a disproportionate focus on non-core activities precipitated a crisis.

The COVID-19 pandemic led to the sudden closure of CWSs in countries that imposed stay-at-home orders. While this meant that many CWSs closed permanently, in the longer run the demand for new shared working spaces is likely to increase as a consequence of the 'forced experiment' in homeworking during the COVID-19 pandemic (Felstead and Reuschke, 2021). For example, the proportion of the workforce in the United Kingdom (UK) that reported working exclusively at home rose from 5.7% in early 2020 (pre Covid-19) to 36.5% in June 2020 (ibid.). Although still evolving, consensus appears to be growing that even though the 'death of the city' or 'death of the office' scenarios articulated early in the pandemic were overstated, there will likely be a significant permanent shift to 'hybrid' working arrangements (Nathan and Overman, 2020; Florida et al., 2020). Significantly, in the case of the UK, 50% of new homeworkers reported the preference to work at home 'often or always' even when Covid-19 restrictions permit a return to 'normal' working (Felstead and Reuschke, 2021). Full-time homeworking can, however, lead to isolation (Mann and Holdsworth, 2003) and conflicts between work and domestic roles and commitments (Delanoeije et al., 2019); thus, it is reasonable to expect that the significant increase in homeworking (not only in the UK but internationally) is likely in turn not only to increase the demand for CWSs but also to change who seeks coworking, for example as a means to avoid social isolation. Indeed, some regional governments (e.g. Wales) and municipalities (e.g. Italy) are already anticipating such developments including a more 'localised' coworking closer to where people live (Reuschke et al., 2021a). Moreover, increased remote

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working over an extended period will have significant second-order effects that need to be understood, such as shifting the demand for travel, leisure, hospitality, and retail spending.

Of course, not all occupations possess the same potential for remote working, particularly those with lower knowledge economy elements (Dingel and Neiman, 2020). Moreover, such occupations are distributed unevenly across space, meaning that remote working potential and by extension the physical and digital infrastructure to support remote and hybrid working will also be uneven (Reuschke et al., 2021a). In addition, individuals with the same occupation may have different personal circumstances and preferences, not least in terms of access to a viable 'home office'. Hence, future demand is likely to be driven by people who are not yet regular CWS users, so that there is the need to study both current and potential users in order to draw conclusions regarding how coworking providers might adapt their future offer. In this study, we investigate preferences and motivations of both current and potential users covering diversity and those who are not currently working in a CWS – contrasting most existing study designs. We argue that an improved understanding of the motivations and preferences of why people want to use CWSs will be invaluable to commercial real estate (CRE) practitioners and academics in assessing both the location and nature of facilities that are likely to be demanded, given the digital and spatial transformations of work in the post pandemic recovery. These insights can assist the CRE community in better fulfilling the needs of its users, which in turn contributes to a more complete understanding of the value proposition of its flexible space investments and funding models. This in turn may inform decisions on which assets to buy / retain / sell / repurpose and indeed what acceptable asset values and returns actually are (French, 2022) for investors in the emerging workplace 'ecosystem' (Cushman and Wakefield, 2022). This broader reach should prove more useful to those interested in the forms of real estate appealing to a market beyond existing 'satisfied customers' of CWS. This has both operational and investment implications.

Existing typologies of coworking, knowledge of user preferences, and implications for CRE provision

Attempts have been made in the literature to categorise CWSs in terms of the nature of their offer and the profile of their users. For example, according to Gandini & Cossu (2021) CWSs were initially a grassroots or 'avant-garde' movement of a 'marginal elite' of creative workers prioritising social value, before a largely 'neo-corporate' (urban-based and economically-focused) model evolved in parallel. Although growing rapidly, would be somewhat premature to consider the corporate model as displacing other forms of coworking; in 2020, 86% of the nearly 6,000 CWS in the UK were still independent and small scale (Cushman and Wakefield, 2020).[1] To this perspective that focusses on the management of CWSs, Yang and Bisson (2019) add a typology that is based on users' needs. They propose coworkers as mentees, networkers, motivators, and the 'reluctant soloists'. As per Brown (2017), this classification is based on individuals who were active users of CWSs. Similar in terms of methodology, Weijs-Perrée et al. (2019) provide a more specific analysis of coworkers' preferences. Their findings highlight the importance of accessibility, atmosphere and a 'home-like' interior. Analogously, Clifton et al. (2019) found that social factors overall were rated more highly than physical aspects (design and facilities etc.). Although freelancers and entrepreneurs are typically discussed in previous research as the drivers of coworking demand, and the users most likely to benefit from CWSs due to high levels of working from home and the associated risks of social and professional isolation (Hislop et al., 2015), empirical studies have reported that CWSs users also include significant numbers of those in more mainstream forms of employment, those seeking employment and also students

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[1] It should of course be noted that the proportion of total desks provided by independent operators will by their nature be significantly lower than 86%.

(Stam and van de Vrande, 2017; Clifton et al, 2019). This suggests existing research (and indeed CWS strategy) has been too narrowly focused on the entrepreneurial creative class (Clifton, 2008).

For large organisations in central business districts, CRE costs were typically second only to labour costs (Oladokun, 2010), highlighting the importance of decisions in this area. Despite a 2% fall in office space overall in the UK (Financial Times, January 2022), post pandemic this equation has been complicated by contradictory and as yet unresolved pressures – on the one hand demands for hybrid working (with some major corporations looking to downsize office footprint up to 40%) but in combination with a greater emphasis on the quality of environment, amenities, and user experience (Financial Times, February 2022). Pre pandemic trends towards increasing density (as little $5m^2$ per desk) are also inconsistent with higher quality provision, and indeed with persisting social distancing preferences. The relatively lower vacancy rates observed for Grade A office space (Financial Times, March 2021) appears in line with these observations. Similarly, there is evidence of increasing demand for flexible and collaboration space (Financial Times, March 2021; Cushman & Wakefield, 2022) both onsite but also potentially within CWS away from central business districts, with demand driven by remote workers who are unwilling or unable to spend a significant proportion of their working week at home. Thus, flexible space may serve as a 'bridge' for working from home (Cushman & Wakefield, 2022). Indeed, Mayerhoffer (2021) has shown that although in the short-term CWS income reduction significantly outweighed decreases in costs during lockdowns, the member base remained stable with strong digital adaptions. This suggests the viability of post-pandemic hybrid models if the coworking offer can meet user needs at realistic cost levels. Interestingly, Cushman & Wakefield (2022) also report a reduced willingness to commute amongst office workers in general, although there is little evidence of flexible spaces 'migrating' to suburbs' as a consequence of changing locational demands. We return to this apparent paradox in the discussion.

Overall the present situation is one of increased competition in the CRE ecosystem, with landlords expanding their own flexible space offer, challenging both lease-holders and existing independent CWS providers (JLL, 2022). If increased competition does ultimately translate into better fulfilment of user requirements, this may in turn drive the value proposition. Given that valuations are ultimately an estimate of price without an actual sale occurring (French, 2022), these should not be narrowly limited to directly observable financial considerations, but also consider benefits that flexibility and employee satisfaction can bring. Often these were neglected within a focus on direct cost reduction – typically "how many m^2 can we cut" (Appel-Meulenbroek et al., 2015, p. 23). This limited approach ignores how buildings are actually used and can be a false economy (albeit not immediately apparent) if configurations are inappropriate for user needs.

In the light of the above discussion and given the likely increase of an increasingly diverse workforce as potential users of CWSs in the near future, Yang and Bisson's (2019) business model delineation of CWSs may become more relevant for understanding the CWS landscape after lockdowns. They differentiate by revenue (unused space rented out for additional income), synergistic (selective membership by work discipline) and customer contact (corporate-sponsored coworking), noting that these models can be used as "corporate real estate strategies to build workplace flexibility and resiliency" (ibid., p. 324).

Research questions and contribution

We seek to contribute to the understanding of coworking preferences and motivations through studying coworking in a novel way, addressing methodological limitations of previous empirical

studies. We used coworking initiatives on digital platforms to identify people who participate in coworking events, or who would like to do so, asking them about their motivation for coworking and their needs and preferences. Through selecting individuals interested in shared working, we are not limiting our sample to users (or indeed managers) of CWSs who are likely to be 'satisfied customers' of the status quo, as is typically the case in prior studies. Moreover, previous research has also tended to focus on freelancers and entrepreneurs in the urban core. Our sample is further not limited to these individuals, but includes a broad range of people who are interested in coworking as a practice, and across a variety of locations. Using this novel approach to coworking, we explore the following research questions: i) how do individuals' make decisions about how and where to engage in shared working and ii) do they consider locational characteristics (more broadly beyond accessibility) and social and physical (environmental) aspects of coworking? We then consider the CRE investment implications of these findings (which derive from data gathered prior to the Covid-19 pandemic), and discuss the pandemic's catalytic impact on work practices in relation to CWS.

A key point emerging from the literature is that a more holistic concept of value derived from an enhanced understanding of what users want such as better fulfilment of needs can in turn drive wellbeing and labour productivity. Conversely, considering m^2 and location in isolation is likely to be sub-optimal. We provide insight with regard to these additional factors, which will likely be even more important post-Covid with high levels WFH and flex offices 'as a bridge' here as per Cushman and Wakefield (2022).

This makes an important contribution, for two key reasons. Firstly, many individuals may have been unable to access CWS, for example for geographical, financial or other reasons and thus have remained neglected in the understanding of changing work practices. Secondly, our approach allows us to consider coworking practice directly without conflating with the space it is carried out in, and thus also the material and symbolic (e.g. prestige, reputational) resources thereof. It offers greater insight to focus on individuals who are interested in shared workspace environments, but who are not presently captured in most extant CWS research.

Methodology and data

The empirical analysis derives from a mixed-methods approach, with a qualitative study of self-organised coworking networks including both observations in face-to-face coworking sessions and in online platforms as well as face-to-face semi-structured interviews with those attending coworking sessions and the organisers of the networks. This qualitative study was followed up by a questionnaire survey targeted at coworking networks/groups identified in the first-stage qualitative study. Crucially, in contrast with existing co-working research, we searched for groups or networks of people who are practicing 'coworking' rather than via the physical spaces where the groups meet, nor did we limit the search to self-employed workers/freelancers thus allowing a more open approach in studying preferences, motivations and practices related to coworking.

The fieldwork of the first-stage qualitative study took place between November 2016 and May 2018. The first point of entry was the UK Jelly website (http://www.uk-jelly.org.uk/) which collates details of self-organised, free-to-attend coworking groups throughout the UK. We also conducted online searches for the UK using Google and social media platforms (Facebook and Twitter) for the terms 'coworking', 'co-working'; 'coworking group', 'co-working group'; 'coworking event', 'co-working event'; 'coworking meet-up' and 'co-working meet-up'. Combining search engines, the UK Jelly

website and social media searches enabled the study to create a database containing over 50 coworking networks. From these, ten groups could be studied in-depth including a total of 45 participants in in-person coworking sessions (Table 1).

All coworking sessions were free to attend including those that took place in CWSs. Self-employed freelancers or entrepreneurs had the highest representation across the ten groups, although employees, academics, and in the case of Brighton Creative Café retired participants were also represented.

Insert Table 1: The self-organised coworking networks researched

A questionnaire was developed to further explore the factors that were important in choosing a coworking session, and how the participants felt they benefitted from these sessions. Within each a range of factors were investigated, with rankings on a 1-5 Likert scale (see Tables 2 & 3). These factors were derived from the first-stage qualitative study and with reference to those identified in the prior CWS and practitioner literature including Clifton et al. (2019), Weijs-Perrée et al. (2016), Weijs-Perrée et al. (2019), Fuzi et al. (2014), Reuschke et al., (2021b), Spinuzzi (2012), Moriset (2014), Capdevila (2015), Van Meel (2011), and Parrino (2015).

The questionnaire was administered online and the identified coworking networks from the first-stage study were invited to participate. We received a total of 65 responses of which some had not attended any coworking sessions yet. We selected from these n=52 respondents who provided all relevant information and had experiences with coworking. Of these, half identified as self-employed or freelancer. Most worked more than 20% of their working time at home with the largest proportion (40%) spending almost all of their working time at home (80% and above). In addition to taking part in coworking sessions of informal networks, n=32 had also visited and worked in regular CWSs, thus enabling comparative analysis of preferences and experiences. Compared to the study by Weijs-Perrée et al. (2019), participants in our samples are slightly older (the majority being over 35), and more women than men participated in the coworking sessions we observed and also took part in the questionnaire survey. In both parts of the study, a noticeable proportion lived with children (one-third of the questionnaire survey participants).

Results and Discussion

Practices and preferences

In the coworking sessions that we observed in person, people who attended, described a fusion of informal social contact with networking, collaboration and skill sharing opportunities as key motivators for coworking. Although the way in which coworking was expressed varies between groups, smaller groups tended to more readily adopt quiet working, whilst for larger groups this varied. One other consistency seen between the groups is the emphasis on instrumental versus more social interactions depending on the nature of the venue. Coworking events that took place in cafés (see Table 1) were much more social than coworking that took place in non-café premises such as CWSs which were more instrumentally oriented (business-oriented, skill sharing). This has implications

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for emerging 'amenity-focused' models of provision noted above. However, occasionally coworkers would ask for help and knowledge regarding work-related issues, and instrumentally-driven interactions would occur even in highly social group environments. In several cases coworking groups had a central number of members who also met outside of coworking events, and these groups all maintained social interactions during their coworking events, highlighting a three-way interaction between the locality of the group, the group's social community and the kinds of interactions taking place during coworking.

Findings from the questionnaire survey (Table 2) confirm that the highest rated aspects of coworking sessions are around the community and social outcomes, with networking, collaboration and information gathering aspects also rated highly. What is particularly notable is that for those who also engaged in coworking in regular CWSs outside of the informal group setting, six outcome factors are rated more highly with regard to the informal sessions (none vice versa). Differences in favour of the informal group sessions are apparent in relation to expanding local business networks, finding new collaborators / partners and receiving information. This suggests that in addition to the efficacy of coworking in general, there are distinct advantages in these areas for self-organised coworking networks. This in turn implies that coworking providers should in the future consider how these outcomes are facilitated by informal coworking models, and consider emulating these effects within their own provision.

Insert Table 2: Benefits of coworking sessions and CWSs

Working at home is an important context of coworking observed in both parts of our study. Because homeworking was an important work feature in the quantitative element of our study, help with overcoming feelings of loneliness is rated very highly in informal coworking (Table 2). To provide more qualitative insight, the homeworking experience strongly shapes the twofold motivation of one participant. This is, on the one hand, social activation and the chance to escape isolation. Going 'out and talking', on the other, is used as a more organic approach to business growth. He does not market formally, so word-of-mouth is a powerful tool. Therefore, to 'have some mixture' of people attending the coworking network sessions, has been a powerful motivator. Other respondents also described the positive experience they had through coworking groups regarding the ability to establish networks through other coworkers, even if those individuals are not immediately needed for business strategies. Overtly trying to sell products to other coworkers, however, was considered by some as highly offensive and was discouraged as a result in one group.

The motivation to escape social isolation was significant for most groups, both as to why members attend and why organisers seek to establish coworking. Lauren, self-employed with a home-based business, had not previously been part of the local Jelly group until she happened to visit the coworking session. She was interested due to the issues faced by working from home simultaneously with her husband. Her issue with homeworking was less about social isolation and more about poor productivity. Another respondent commented on several benefits he sees in coworking in his local Jelly group, highlighting how the social aspect of working and 'being seen to work' really impacted his productivity in a positive way.

Interactions in Crystal Palace illustrated a mid-point between the social and instrumental; these coworkers were observed working on their own projects throughout, albeit with sporadic talking or

introductions occurring. Another Crystal Palace coworker remarked that she focused on work tasks that would otherwise be put off, again implying increased productivity. These can all be interpreted as aspects of the invaluable 'bridge' to WFH which CRE providers could emulate.

Although as noted above, members of some groups did meet socially, Bristol Coworking Session is unique in that alongside monthly coworking sessions, the network meets additionally every week for social gatherings, with coworking meetups beforehand. However, this seemed to leak into the regular coworking sessions, as many saw coworking as an opportunity to work outside of their homes whilst enjoying the conversation and company of the local self-employed community. This ultimately meant that the formal networking and instrumental aspect of coworking was less prevalent in favour of non-work-related conversations.

As a group that reached beyond just self-employed individuals, the Brighton Creative Café was much more convivial and socially-oriented than other groups, reinforced by the coworking sessions being held on the weekend. That said, as in other examples productivity was also highlighted via 'accountability', enabling members to talk about their projects and avoid procrastination resulting from lone working.

On the other side of the instrumental-social spectrum, both LnD and Freelance Friday showed greater signs of instrumental interactions, including networking, collaboration and mutual support, whilst taking place in larger, more 'buzzy' environments of CWSs in London. LnD's focus for their coworking sessions was working on independent projects but alongside others. One employed member in this group even mentioned that travelling to the event was worth it as it inspired her to perhaps become self-employed in the future. The organisers emphasised their hope that members will be able to talk about their work and get quick and relevant feedback from fellow coworkers. Similarly, coworkers at Freelance Friday all worked around a large communal table, which garnered similar praise for enabling quick, responsive feedback from a wide array of individuals also in the start-up phase of their business. One difference appears to be that instead of encouraging communities to organise their own events, Freelance Friday has key individuals who organise and host coworking sessions. For both LnD and Freelance Friday, more conversation was taking place over quiet working, due to the larger, more populated venues, but much of this communication was instrumentally-focused. Members were frequently discussing collaborations on projects, sharing advice and knowledge, with some breaking away from the group for one-to-one chats or meetings.

Regarding community, some groups were established via a local 'Jelly' community, which is a coworking initiative encouraging local communities of self-employed to organise coworking meet-ups within their own local communities via social media and local networking. All Jelly-based coworking networks were highly local. Jelly-based groups also met at one venue on repeat, whereas some non-Jelly groups met at alternating locations each event. Most groups were established by members of the self-employed community, often with the incentive to escape the social isolation of homeworking. However, both more rural coworking groups in Wimborne and Somerford were encouraged and organised through the local authority's economic development plan in the area. As a result, not only were these events more geographically focused around local residences (due to a high popularity of home-based self-employed in the more rural area), but these coworking sessions also had additional support and events such as professional speakers and community centre fund-raisers. These benefits led many attendees to perceive coworking events as more of a social or professional engagement activity than one for quiet working, contra other coworking groups in our study.

Geographical proximity and knowledge proximity

Asked in the questionnaire survey for the criteria that are important in choosing a coworking session organised by an informal network or CWS (Table 3), responses confirm some existing findings but also reveal new insights. Instead of asking about accessibility, we asked for different aspects of location and included car parking on the basis that respondents in the interviews mentioned this as important. Being close to business cluster and networks or to urban leisure amenities as well as car parking availability, however, was rated generally low compared to other aspects. Instead, proximity to home was revealed as relatively important, similarly important to meeting people in specific professions which is highlighted in previous studies (Brown, 2017). Proximity to home is likely to be a constant factor in future provision which has hitherto been neglected in coworking research.

Insert Table 3. When choosing a coworking session or CWS, how important are the following aspects?

In terms of geographical proximity and reach, there are two general clusters in our qualitative study (see Table 1). The first group is represented by LnD, Freelance Friday and Brighton Coworking Afternoon whose attendees mostly live or travel further than approximately 3-5 miles to the coworking sessions. In contrast, a second group is especially formed by the local jelly groups whose attendees lived within roughly 3 miles of the location of the event. There were several identifiable trends across these two clusters. Firstly, groups that lived relatively close to the event tended to be more social during coworking, whereas people that travel further tended to be more instrumental (i.e. focusing on work-related tasks) during coworking. Secondly, local groups also met more often (usually weekly) whereas more instrumentally-focused coworking groups only met monthly. Thirdly, all but one of the groups that met in cafés were locally-oriented (within the 3-mile threshold) whilst both instrumental groups were the only groups to meet in CWSs.

Regarding digital interactions (which can be conceived as non-geographical proximity as per Boschma, 2005), alongside the use of Facebook and Meetup for community discussion and event announcements, Bristol Coworkers also has an active Slack[2] community. Compared to Facebook, Twitter and Meetup, Slack facilitates a greater sense of member-to-member and member-to-organiser interaction, but also more opportunities for members to interact in addition to just the planning and attending of events, which is otherwise lacking among the social media profiles of other coworking groups. Like many of the groups examined above, Bristol Coworking exhibits several interactions regarding the sharing of experience and knowledge of local recommendations for skills and expertise. Overall there is a sense that digital tools such as Slack can augment the physical experience, but do not, as yet, constitute a fundamental aspect of the coworking offer. Of the ten groups we investigated in in-person sessions, five were using social media as a means of communicating and exchanging information and ideas. The other five groups, also had social media accounts but used these simply for arranging coworking events.

Physical space and environment

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[2] "Slack" is an acronym standing for "Searchable Log of All Conversation and Knowledge"

In the questionnaire survey, when choosing a coworking venue, factors related to social aspects of the space are revealed as highly important (Table 3) – above and beyond the group-related social aspects, and in particular the locational factors, with the notable exception of distance to home (commute). What also stands out is the position of cost/affordability at the top of the list. Case numbers in the survey are too small to further investigate clusters of preferences. However, importantly for our design, there is no statistical difference in how criteria were rated for CWSs and the self-organised coworking sessions.

The studied groups varied substantially in their 'localness' and space-orientation. Unlike all other groups that were founded by individuals wanting to establish shared working in their local community or their community of practice, both Wimborne and Somerford were established by the local council and placing them within the local home-based community was a priority when organising these Jelly meetups. Conversely LnD is a nationwide group that meets at various places across the country, with the observed session in a CWS in London. LnD is often invited into commercial spaces for social media activity. This meant that attendance was naturally less local, and few individuals visited multiple events. Similar to LnD, Freelance Friday was a wider group, but has events internationally. There are no consistent members or hosts between these international events, and visits to the UK are novel and infrequent. Regardless, the observed session took place in a CWS, and the two hosts appeared to be highly connected to the space, setting the tone for the relationship with the venue and the surrounding network.

During the early stages of coworking events taking place, there was often tension between the venue and the coworking group. On the other hand, many groups found some venues which would encourage and invite them to use their space in exchange for social media exposure. Some group organisers encouraged coworkers to purchase food/drinks from the venue to keep a good relationship between the venue and the coworking group. Seven of the ten groups met in the same venue consecutively. We find that change in location is associated with creativity and more instrumental-interactions. For example, Bristol Jelly and Brighton Coworking Afternoon both alternated between two nearby café venues – a deliberate policy of the groups to inject a spatial variety into their coworking. LnD hosted events across the country which resulted in some long travel distances for some attendees (although members met at a London CWS for several months consecutively during the field study).

In the interviews and the observations (both face-to-face and online), the term amenity appears extensively. Typically it refers to local services, networking groups and shops. For example, Brighton Coworking Afternoon's host prefers being in Brighton for 'amenities and places to meet'. This likely simply refers to access to important tools or environments for creative work, such as events, services, compared to other places. Access to amenities within the surrounding area to the venue was also important in other groups, although the exact nature of these varied depending on make-up of the groups. In the questionnaire survey, however, respondents rated the importance of the internal amenity offer more highly than amenities in the area (Table 3).

Overall, the data points toward the importance of a mutual and supportive relationship and an understanding between the coworking event and the venue. For some, this was simply between the venue and the coworkers, but LnD highlighted a more business and social media exposure-oriented relationship with their venues. For example, the venue for the observed session had invited the group back several months in a row as a result of their social media exposure. Again, this suggests that in a more competitive 'ecosystem' of flexible workspace provision (as per Cushman and Wakefield, 2022), this type of more subtle relationship marketing could be important in influencing user choices.

Conclusions and implications for CRE operation and investment

In this paper we employed a mixed methods design using unique qualitative and quantitative survey data of people who participate in coworking events (some of which took place in CWSs but the majority did not) in order to better understand coworking preferences and motivations. Prior research typically involved regular users of commercial CWSs only, who are thus likely to constitute a skewed sample of 'satisfied customers' of existing provision. Instead, we generated new insight into how coworking providers might adapt their future offer, not least in response to the significant increase in demand that is likely to come from a permanent shift towards remote working following the Covid-19 crisis. This has both operational and investment implications, which we hope can assist the CRE community in better fulfilling the needs of its collaborative space and CWS users.

Yang and Bisson (2019) suggested a coworking typology based on users' employment status. However, in our study that included the diversity of employment of those who practice coworking in different locations and facilities, it is the local/home proximity aspect that comes out strongly in the results. Some users do travel over longer distances to coworking events and value the variety of experience of shared working in different locations. However, most participants in our study are local and seek a localised community. We then find a strong emphasis among the local coworkers on labour productivity in the sense of effective work routines, with word-of-mouth playing an important role in attraction which constitutes for the participants a more natural/organic form of business development rather than one based on a harder marketing-led approach. This emphasis on the local is in keeping with the reduced willingness to commute noted earlier (Cushman and Wakefield, 2022), with informal coworking taking up this gap in provision. It has also been observed that flex space has not yet 'migrated to the suburbs' (ibid.) so this potentially represents an investment opportunity for the CRE industry to meet untapped demand, and indeed for public provision as in Wales (Welsh Government, 2022; Reuschke et al, 2021a).

Our questionnaire results further stress the importance placed on social factors and in-space amenities. Users who have experienced both informal coworking groups and commercial CWSs, rate the informal experience as significantly more beneficial. This is a significant finding suggesting that this is where providers and future investors should focus their offer, to emulate these experiences. We should, however, not forget that we find cost and affordability top the list when it comes to factors involved in choosing a coworking session or CWS, implying informed decisions around priorities will need to be made - not least in the light of the well-documented struggles of 'high-end' providers. The WeWork model was based on back-loaded rental agreements and negotiated concessions from landlords, in order to offer 'freebies' and enticements to prospective users. Given increased competition, affordability and locality as key user preferences, the sustainability of such models will need careful consideration.

Our results find that digital tools play a supporting rather than fundamental role in coworking. They enable informal meetups outside of CWSs of groups of people, locally and extra-locally. Employed by existing groups, they can foster community particularly through providing frequent exchanges. Waters-Lynch and Duff (2021) have noted that physical-digital 'hybrid ecologies' are present within coworking, but also conclude that analogous to the adoption of digital enterprise tools like Yammer, Slack, or Microsoft Teams that we see in regular work organisations, these are only means to an end. However, in the longer term, the digital 'version' of coworking must seek to offer a previously unavailable 'bundle' of activities, rather than merely serving as a pale imitation of its physical counterpart. The question remains as to how an emerging digital 4th space will impact (and be impacted by) coworking practices; for example, will we see a divergence between the needs of coworkers with 'regular' jobs (and thus routines and hierarchies) versus freelancers and

entrepreneurs? Perhaps the former will seek physical coworking spaces as a form of escape from their home organization's own digital spaces, while the latter group will be more enthusiastic adopters of digital tools that facilitate social and community-aspects of coworking.

It would be useful for future research to explore in more detail the relationship between affordability and other priority factors as there will be inevitable trade-offs (i.e. the cheapest space may compromise some of the other desired aspects). In other words, affordability is likely a necessary but not sufficient success factor. For example, social atmosphere and creative atmosphere were highly rated – but what exactly facilitates these? And does this necessarily involve significant financial investment either in terms of initial capital or revenue funding to maintain and support? Conversely, if these outcomes derive more from the attitudes and behaviours of the user community, then significant investment will not necessarily produce a convivial atmosphere in the absence of these behaviours. This in turn raises the issue of selectivity of membership. Finally, other highly-rated factors will clearly require some investment such as kitchens, dining areas and good quality office amenities more generally.

An ecosystem with enhanced in-house flex space plus increased off-site CWS use raises other questions, not least financial such as who will cover the cost of more localised CWS usage? If employees are expected to pay, this will restrict demand; conversely employers might look to provide these options either directly or as additional employee benefits, or to negotiate models of transferable usage for localised coworking. A third option could be subsidised provision of local CWS from city or regional governments (as per Reuschke et al, 2021a) as part of broader economic, transport and wellbeing policy. As we observe that real estate supply is becoming more complex, with competing user demands and preferences - it is reasonable to assume that the supply side will take a significant time to adjust to abruptly changing demand, particularly in times of persisting economic uncertainty. Investors are likely to hedge their bets with a portfolio that includes shorter term and more flexible options.

Office space presently under construction is being marketed as amenity-rich, with wellbeing and community as high priorities (FT March 2021; JLL, 2022). It will take time to observe how the built reality matches the rhetoric, and how users actually experience these facilities. Moreover, at present employment growth is high and unemployment low; these drivers of demand are unlikely to be permanent feature of the market. Despite some shrinkage in overall provision, Grade A demand remains high, particularly in central areas (Financial Times, January 2022). Historically, these locations had greater teardown and replacement rates – and thus higher quality provision on average. However, increasing concerns regarding the sustainability of these practices, coupled with rapid post-pandemic rises in construction and materials costs mitigates against such regular replacement, and in favour of refurb and repurpose. In parallel, none-core locations with an over-supply of less prestigious but functional space and with rising user demand for cost effective coworking represent an opportunity for new models of investment. In a modified version of Yang and Bisson's (2019) CRE strategy, these offices could be repurposed as CWSs or public remote work hubs (Reuschke et al, 2021a). Financial arrangements could also involve leaseholders coming to management agreements with CWS or indeed ad hoc session organisers regarding the distribution of user fees to cover costs. The shift for landlords from lease to management agreement structures has associated implications on investment valuation; the potential downside of this model might be a lack of incentive to invest in facilities and/or restrictions on modifying the configuration of the space. The obvious advantage could be relatively low fees. Conversely, as has been noted already by some industry sources, running a 'full-service' flex offering may require capabilities closer to the hospitality or leisure industry (JLL, 2022).

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Table 1: The self-organised coworking networks researched

Coworking network	Location	Frequency and length of coworking sessions	Coworking venue
Brighton Coworking Afternoon	Brighton, city, South West England	Irregular, often weekly, 3-5 hours	Two Cafés
Brighton Creative Café	Brighton, city, South West England	Weekly on Saturdays, 4 hours	Café
Bristol Coworking Session	Bristol, city, South East England	Weekly, 5 hours	Two cafés
Crystal Palace Jelly	South London	Monthly, 6 hours	Café
Freelance Friday	East London	Monthly, 6 hours	Coworking Space
Hoffice	Hertfordshire, county North of London, suburban residential location	Monthly, 5 hours	Home
LnD Cowork; HR, Learning and Development community	London (various locations)	Monthly, 6 hours	Coworking Spaces
Somerford Jelly (organised by Local Council)	Bournemouth, town in rural South East England, in residential area	Weekly, 3 hours	Community Centre
Wimborne Jelly (organised by Local Council)	Bournemouth, town in rural South East England, town centre	Weekly, 4 hours	Café in community centre
Winchester Jelly	Town in South East England	Monthly, 5 hours	Meeting Space in Leisure Centre

Table 2: Benefits of coworking sessions and CWSs

Criterion	Mean values (Scale 1-5)	
	Informal group[1] (n=50)	CWS[2] (n=32)
Gives sociable environment	**4.42**	4.13
Makes me feel part of a local community	4.28	3.94
Made friends/contact with local people	**4.18**	3.66
Makes me feel part of a freelancer community	**4.14**	3.85
Helped with motivation/productivity	4.10	4.06
Gives creative environment	4.08	3.88
Helped with feeling lonely	4.02	3.84
I've expanded local business network	**3.76**	2.97
Helped to work collaboratively	3.70	3.38
Received information relevant for sector	**3.43**	2.84
Received emotional support	3.42	3.09
I've found new collaborators/new partners	**3.29**	2.88
I've expanded business network beyond local	3.18	2.81
Helped with business plan/growth	3.14	2.72
Got feedback on work	3.08	2.69
Received quick solutions to specific problems	3.06	3.03
I've found new clients/projects	2.86	2.84
I've found new jobs	2.47	2.34
I've found funding opportunities	2.31	2.25

Notes: Values in bold are significantly higher as compared to the CWS, based on t-test and p<0.05.
[1]Face-to-face self-organised group sessions
[2]Coworking Spaces
Source: Own survey of people in coworking networks in 2019 in England

Table 3. When choosing a coworking session or CWS, how important are the following aspects?

Criterion	Mean values (Scale 1-5)	
	Groups (n=52)	CWS (n=27
Cost/affordability	4.10	4.48
A space with social atmosphere	4.00	4.04
A space with creative atmosphere	3.90	4.00
A space with food/drink/kitchen	3.59	3.85
A space for group working	3.50	3.70
A space with office amenities	3.33	3.93
Close to home	3.24	3.26
Meeting people in similar professions	3.21	2.93
Meeting people from different professions	3.14	3.19
A space for private work/phone calls	3.13	3.63
Meeting entrepreneurs/start-ups	2.73	2.96
New job opportunities	2.38	2.56
Events & Speakers	2.35	2.30
In an attractive neighbourhood	2.19	2.44
Availability of car parking	1.98	1.70
Close to shopping/leisure activities	1.80	2.00
New funding opportunities	1.75	1.85
Close to a business/industry cluster	1.69	2.11
Close to children's nursery/school	1.55	1.41

Note: Values above the dotted line are above the overall average rating for Groups (2.86)

- Hard factors / amenities
- Social / interactions
- Business development
- Location factors

Source: Own survey of people in coworking networks in 2019 in England