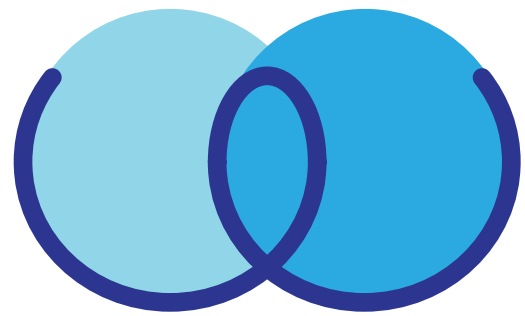


Coworking Europe 2010

Survey



coworking europe 2010

let's work together

Introduction

”If we are around interesting people, interesting things usually happen.”

Chris Messina | co-founder of Citizen Space - San Francisco

According to a definition available on Wikipedia, Coworking is the social gathering of a group of people who, while still working independently, share the same values and are interested in the synergy coming out of a shared working environment.

Coworking is in tune with the spirit of our time. Nowadays, anyone with a laptop, an Internet connection and 100 Euros can start his/her own activity. It has never been easier to interconnect with other entrepreneurs and skilled people, no matter what their background or their location.

So it is no coincidence that coworking spaces are emerging all around the globe, redefining the way people used to consider a working environment.

Coworking spaces such as The Hub in London, or Citizen Space in San Francisco have opened in all major cities. In Europe, more than 150 coworking spaces have opened in cities such as Amsterdam, Paris, Brussels, Berlin, Milan, Warsaw, Lisbon, Dublin, Budapest, Riga and many more.

This survey and the Coworking Europe 2010 conference are a first step to map this trend and understand its potential impact in Europe.

As our survey of coworking spaces showed, coworking is a bottom-up sustained movement that is accelerating. The concept has already taken off in a number of countries. The number of coworking entrepreneurs, freelancers or even teleworkers is increasing along with the steady growth of coworking capacities. Furthermore, the interactions between coworking spaces would create a useful international network of entrepreneurs and skilled professionals around Europe and beyond.

Even some traditional office centres or incubators are now considering coworking as a new approach to running their facilities.

Nevertheless, as our survey confirms, coworking is not only about sharing a physical space. Coworking, most and foremost, is about establishing a community of likeminded people in order to build dynamic networks. People are there to speak with each other, share knowledge, network and sometimes even co-create new projects.

Along with other initiatives, we believe coworking could inject a new entrepreneurial, innovative and sustainable energy into the European economy.

Coworking spaces in Europe – a snapshot



The labour market trends show a continuing shift toward freelance and out-of-office contracted employment. Nevertheless, the European data demonstrate a rather strong reluctance of Europeans to start their own business. According to the Eurobarometer 316 only 13% of those who are currently working in the event of being laid off would consider starting their own business.

Moreover, regardless of the EU efforts to boost the entrepreneurship spirit in Europe with the launch of the Action Plan on Entrepreneurship (2004), still just under a tenth (8%) of the Europeans are self-employed (Special Eurobarometer on European Employment and Social Policy [Spring 2009]). Not only the entrepreneurial mindset and risk-taking approaches

are less common in Europe, but also the conditions for SMEs and start-up companies are much less favourable in the EU as they are in the US.

Finally, conditions for start-up companies vary widely across Europe. Nevertheless, in the UK between 2001 and 2009, the number of home-based businesses (self-employed and mainly working from home) rose by 22% (2.3 million people in 2009)¹.

Coworking spaces seem to be an innovative way of fostering entrepreneurship and changing the way we work. Their fast take-up shows an existing market and social niche. The Data Coworking Europe Survey carried out in November 2010² strives to give a snapshot of this rapidly growing and dynamically changing phenomenon.

¹ <http://www.workhubs.com/>

² The online survey (surveymonkey) link was sent to 120 coworking spaces in Europe and resulted in 40% return rate (47 responses).

RAPIDLY GROWING

Most of the coworking spaces were created in the last two years, less than one fifth of those surveyed was created before 2008.

Coworking is spreading out in all Europe. For instance, see the map below to locate the coworking spaces that answered to the survey.

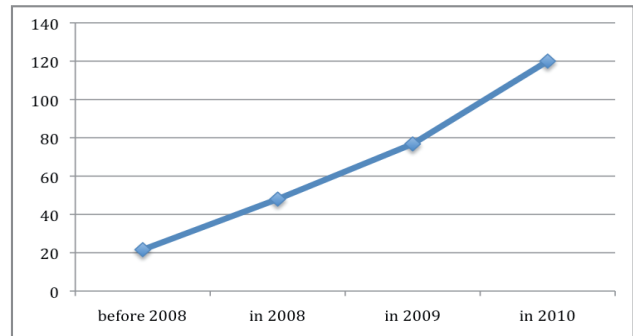


Figure 1
Number of coworking spaces in Europe - extrapolation from the survey sample



SMALL AND SWARMING

More than half of the coworking spaces surveyed are small, up to 19 seats spaces. Less than one fourth has 20 to 49 seats. One fifth has the capacity to fit 50 to 100 members and only 6% are really large facilities with more than 100 seats available.

Interestingly, the coworking capacity almost exactly matches with the membership data, though some differences occur in the biggest spaces where members more often share the same desk/seat space in different time slots. Overall, those results prove that the interest in the membership is high and may indicate that the existing spaces are not that hard to fill (though the sample may be somewhat skewed by the responses of more successful ones).

Finally, the majority of the coworking spaces do not focus on a specific market sector be it design, web, art, IT, finance, sustainable development or finance (70%), gathering a large variety of coworkers. Coworking fosters multidisciplinary and collaboration across sectors.

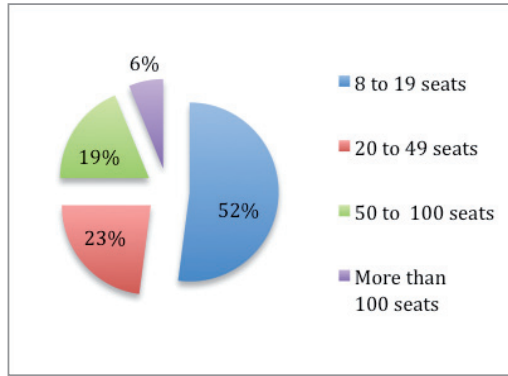


Figure 2
Coworking spaces' capacity

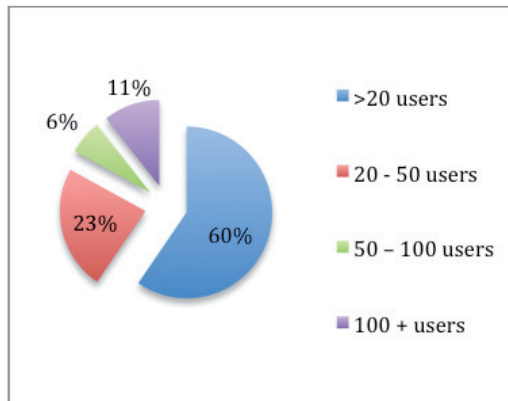


Figure 3
Membership data

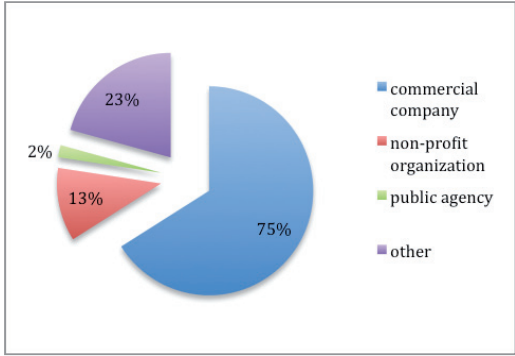


Figure 4
Type of the legal entity

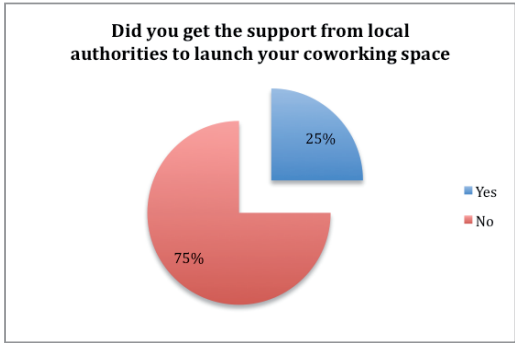


Figure 5
Support from local authorities

PRIVATELY-OWNED

The vast majority of the coworking spaces surveyed are commercial companies (75%) and less than one fifth are non-profit organisations which reinforces the assumption of profitability even if in the long run of these services. The public bodies constitute only 2% of the sample, whereas one fourth of the spaces have a different legal entity (social enterprise or else).

Furthermore, only 25% of the surveyed coworking spaces said they have received the support from local public authorities to launch their project, while most of the coworking spaces were launched through a bottom-up initiative.



SELF-SUSTAINING

Almost half of the coworking spaces base their business model on subscription fees, another half combines it with event organization or other services. There was no coworking space surveyed that mentioned government subsidies as its revenue. This is another argument for a strong market value of these initiatives.

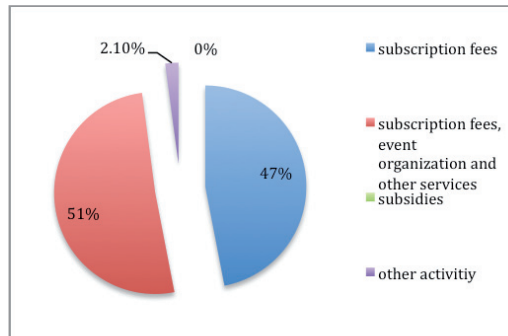


Figure 6

Coworking spaces' business models

WITH DIVERSE BUT COMPLEMENTARY MEMBERS

Most of the coworking spaces host a good mix of starting entrepreneurs, freelance workers and teleworkers (83%). Only 13% focus on freelance and even less (4%) on starting entrepreneurs.

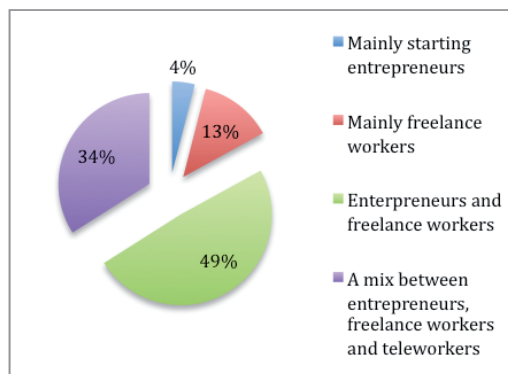


Figure 7

CW spaces members – type of professional activity

Another survey on coworking spaces in Berlin, carried out by a Berlin university student, Lukas de Pellegrin, showed that what the members look for and most appreciate in the coworking space is the opportunity to interact with other self-employed people. What is more, according to the same source, the amalgam of different profiles seems to be one of the most important added-value³. The results of the above-mentioned Berlin coworking spaces survey showed also that women accounted for almost half of the sample (40%) and the majority of coworkers are between 30 and 40 years old, which corresponds with the profile of an average European entrepreneur.

³ <http://www.deskmag.com/en/survey-coworking-spaces-144>

FOSTERING SERENDIPITOUS INNOVATION

For the majority of the survey respondents (66%), being in coworking space stimulates the creativity of the members to a great extent. Only one third was less enthusiastic and estimated that the creativity of the members is stimulated only every now and then. Moreover, the vast majority of the coworking spaces surveyed confirmed that the space generated at least one project started by coworkers who met in the coworking space (87%).

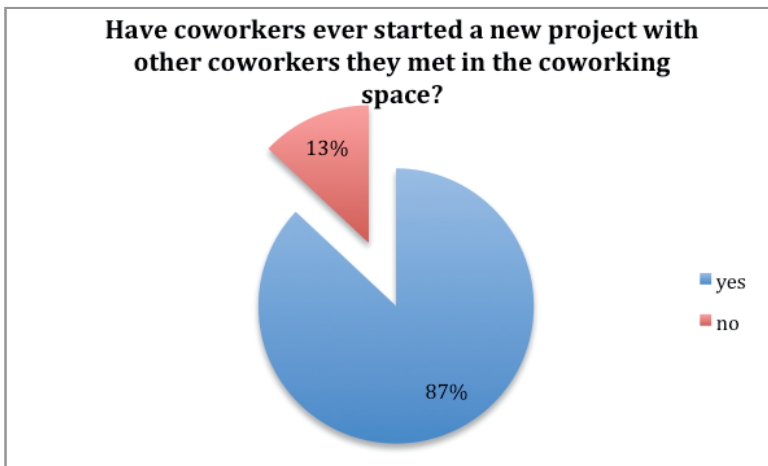


Figure 8
Developing new projects



European dimension and impact

The rapidly growing network of coworking spaces seems to provide a bottom-up answer to many of Europe's social and economic challenges, as identified in the most recent strategy documents (Eu2020 Strategy, Digital Agenda and Innovation Union) :

NURTURING ENTREPRENEURIAL MINDSET

The coworking spaces effectively attract and encourage individuals, unemployed, laid-off or inactive citizens who want to embark on a new professional career in a collaborative environment with low costs of start-up (users can choose from a variety of part-time schemes) and virtually no costs of setback, while providing services and peer support.

STIMULATING INNOVATION AND CREATIVITY

Coworking spaces create a highly stimulating environment for exchanging knowledge and fostering innovation by providing collaborative, unconventional physical spaces and facilitating business partners encounters. By gathering innovative entrepreneurs together in one space, they capitalise on Europe's creative potential and help to deliver good ideas to market. To give just one example, The Werks in Hove (England), have had over 20 coworking space members who together won and later worked together on a one £90,000 contract⁴.

RENEWING URBAN LANDSCAPES

Coworking spaces are an opportunity to renew previously desolated industrial spaces by transforming them into lively and energetic working environments, rather than in purely residential areas.

The Hub Brussels premises, a modern and energetic coworking space, are located in a former chocolate factory 'La Chocolaterie Antoine' in Ixelles.

DEVELOPING NEW WORKING MODELS AND ENCOURAGING TELEWORK

Coworking spaces encourage changes in the working models as well as permit even large companies to create alternative workplaces to escape from routine of corporate work and free employees from traditional office coercions. For example, at IBM 46,000 out of its 115,000 workers in the US work at "alternative workplaces"⁵.

LIFE LONG LEARNING IN THE LEARNING SOCIETY

Coworking spaces bring people, knowledge and skills together providing opportunities for formal and informal training. They help self-employed people and small entrepreneurs get access to tailored training modules, e.g. the Hub Brussels organises workshops and trainings on a weekly basis, including formal training and self-help groups.

FLEXICURITY IN ACTION

The coworking spaces help women entrepreneurs to set up or come back to work offering flexible office hours with part-time subscription fees and in some locations children-friendly facilities. The share of self-employed women still lags

⁴ <http://www.workhubs.com/case-studies>

⁵ http://rossdawsonblog.com/weblog/archives/2010/07/the_rise_of_the.html

behind man as women due to discontinuity of their career or time constraints caused by the combination of household and work responsibilities. For all freelancers and new entrepreneurs coworking spaces enable to keep the work-family and private life balance by getting with work out of the private space. Cubes and Crayons coworking space in California provides full-time childcare and office space as one service⁶.

ACTIVE AGEING – WORKING AFTER THE RETIREMENT AGE

More and more often newly retirees are looking for a new or the continuation of their professional activity. Nevertheless, this time they opt for flexible hours and no strenuousness related to the traditional office environment. Coworking spaces enable them to remain intellectually active and stimulated while the retirees offer to coworkers their experience and a handful of time. Even if, the average member of the Hub network is 30-40 years old, there are also several members who already reached their retirement age.

FOSTERING SOCIAL INNOVATION

Coworking spaces are designed and managed to incubate, inspire stimulate, facilitate and upscale social innovation by nurturing bottom-up innovative initiatives emerged as solutions to local problems

In summary, coworking spaces are not just shared office spaces nor hippy communes: they provide new, bottom-up, collaborative, scalable solutions to Europe's long standing problems. They help Europeans to make their dream come true. They are the "open innovation" equivalent of Silicon Valleys garages.

⁶ <http://www.cubesandcrayons.com/>

⁷ <http://socialinnovation.ca/>

⁸ <http://wiki.coworking.info/w/page/16583744/CoworkingVisa>

that can eventually become the solution to many societal challenges pooling efforts for breakthroughs. Social entrepreneurs learn best from each other, and in relation to their actual work. Shared workspace is an effective way to build that social capital. How important it is, shows an example of coworking spaces like The Centre for Social Innovation in Toronto aimed at catalyzing social innovation in its premises and around the globe⁷.

HARNESSING CLOUD COMPUTING

Coworking spaces exist first and foremost thanks to the rise of the cloud workspace that does not enables collaboration anywhere, anytime, and make state-of-the-art software available even to self-employed people and small entrepreneurs.

ENTICING EUROPEAN AND INTERNATIONAL COLLABORATION

Coworking spaces members constitute a colorful patchwork of nationalities that embodies the European spirit of Erasmus peregrinations. What is more, the networks of coworking spaces enable European and international collaboration spreading the benefits of innovation across the Union. For example, recently launched Coworking Visa program allows members of different coworking locations access to participating locations around the world⁷.

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