



How to Choose Coworking Office Space

Find the Right Location
& Terms For Your Budget



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Overview

If your employees are the pulse of your organization, then your office space is its beating heart. It provides a rhythm, a home for innovative thought and teamwork that propels your business forward. That makes your choice in office space a critical one – not to add any pressure or anything.

The issue, of course, is finding that ideal, flexible space for your team, the backdrop for your organization's next – and greatest – act. Between the location, price, number of seats, rules, amenities and more, there's a lot to consider and, as you know all too well, not enough time in the day to consider them.

But that's exactly why we've created this new guide, to help you choose the right flexible space for your organization. With these straightforward, unbiased insights leading the way, you can find coworking space in the right location, at a price point that fits your budget, and that is agile enough to bend to your changing needs.

We're going to cover every step of the search process, discussing key factors like:

Identifying your needs

- Size
- Budget/term factors
- Types of spaces
- Design
- Amenities
- Security & infrastructure
- Location

Conducting your search

Contacting and touring a space

Agreement negotiations

Whether you chart your own course, hire a broker, or prefer a specialist coworking advisor to handle everything for you, we assure you the ideal coworking space for your organization is out there. So let's go find it.



Identify Your Needs



The first step in finding new coworking space for your enterprise is identifying your needs. Anything short of a detailed, comprehensive look at those needs decreases the chances of finding flex space that suits your team and goals. Upsuite suggests taking a systematic approach to this critical first step.

First Things First: Gather Your Key Leaders

Just like any big decision or initiative in your organization, different perspectives help drive a well-informed process. Gather your key team leaders or managers for their input. They'll know their people best, what they need from your new space, and can help you assemble a list of criteria to use during the search process.

While you want to keep that group as lean as possible, make sure it includes both the decision-makers as well those with unique and valuable insights. For instance, your IT manager can tell you how much physical server space you'll need. Some of the other criteria to identify in this initial step, all of which we'll delve deeper into in a bit, include:

- » **Number of seats** – Think about the number of seats you'll need to comfortably house your employees, both today and a bit down the road. Make sure the space has enough room to sustain your growth over the short-term.
- » **Location** – Take into account factors beyond just geography. Look for the proximity to train stations, neighborhood features, or anything else your team values.
- » **Move-in date** – Establishing a move-in date provides a definitive endpoint, allowing you to create a timeline that you can use to track your progress for new flex space.
- » **Ideal layout** – Is a single large, open room best for your team? Or maybe multiple smaller offices would suit you. One of the most significant benefits of using flexible space is the many different configurations it can assume.

Remember, this stage of the process only forms your initial search parameters. While a groupthink exercise, as described, will help you address the many important factors and variables, the decisions ultimately fall on you, the leader, and perhaps a minimal number of critical decision-makers. Like any initiative, too many voices will rob the process of focus and efficiency.

Figure Out Your Financials

Now that you and your key leaders have established some base criteria to use, it's time to address the financial side of the equation, specifically, your budget and desired term.

Budget – Aside from your ongoing membership fees, make sure to factor in your service retainer, moving costs, and any other initial cash outlays. While your new flex space will hopefully become a springboard to success, you don't want to leave your organization cash-poor in the interim.

Term – Your term length will directly affect your membership fees and, thus, your budget. Since you're looking at flexible space, there are likely factors involved that make the standard coworking term – from month-to-month up to three years – attractive to you, perhaps rapid growth or a potential sale of the company. Whatever the case, keep a few things in mind as you determine your preferred agreement term.

- » The shorter the term, the higher your monthly expenses. Therefore, find a balance between flexibility and cash flow. A month-to-month will cost the most but also afford you maximum agility. Alternatively, a two- or three-year term isn't as flexible but easier on your budget.
- » Factor in your projected short-term employee growth or contraction. If you sign a three-year agreement for space that fits your ten employees today, but plan to double your workforce within a year, you'll quickly outgrow that space.
- » On average, organizations in North America only utilize **about 40%** of their physical office space. Therefore, the majority of companies overestimate the amount of space they'll need for their operations.

Keep in mind that coworking space usually has a higher cost per square foot than a traditional lease but also includes several benefits that would otherwise come out of your pocket. Furniture, utilities, internet, security, and other ancillary expenses are part of your membership fees in a coworking space. In other words, a direct comparison of coworking costs versus a traditional lease could be misleading at first glance.



What Type of Coworking or Flexible Space Makes Sense?

Building on that initial criteria you developed with your key leaders, you can now take a more granular look at the many different types of coworking/flexible space available. At this point, you probably already know if your organization needs its own space or simply a solution with flexible terms.

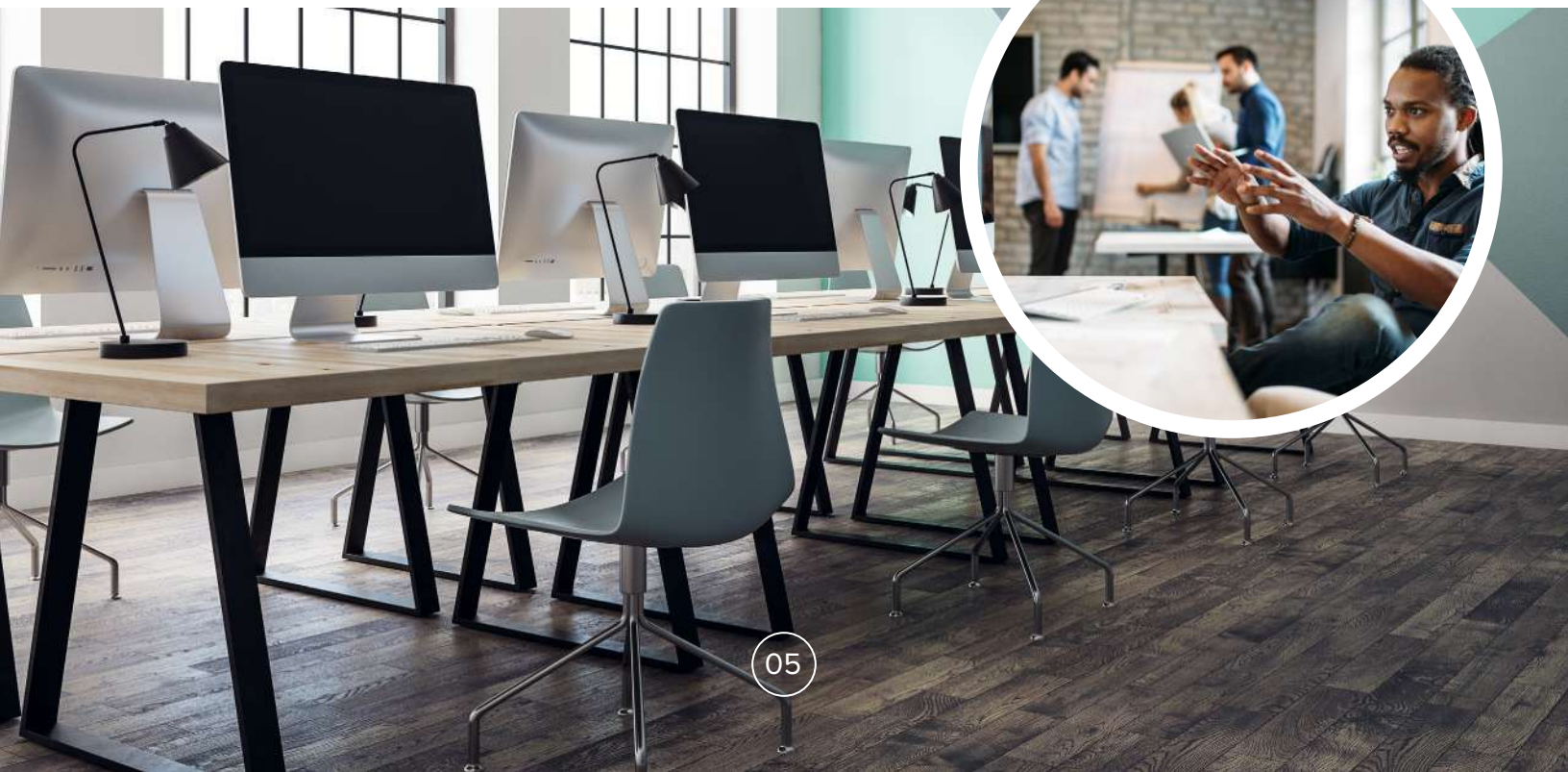
There are **five basic types of space** to choose from, each with distinct benefits:

1. Shared space with another company
2. Dedicated desks in a coworking space
3. Private office in a coworking space
4. Office suites in a coworking space
5. Custom buildout by a coworking provider

Each of these fosters a different culture, work environment, and sense of community, so the nature of your organization, your team, and other factors play a pivotal role in choosing a space type. For example, a law firm will require private offices, whereas as a tech startup might prefer a shared space to enhance collaboration and innovation.

Some of the more well-established coworking markets even feature niche workspaces that cater to specific industries, including:

- » Manufacturing
- » Media and entertainment
- » Social impact
- » Emerging technologies
- » Healthcare and mental health
- » Financial services and technology
- » Travel services and technology
- » Food and beverage



While such niche workspaces may or may not be available in your preferred market, spend some time thinking about how each of the types of spaces will impact your team. Something like a coworking space's "vibe", for lack of a better term, could significantly affect your organization's culture.

Design

Design elements are too often an afterthought for organizations. When choosing your next coworking space, we recommend investing some thought into your preferred design since it can be critical to your office environment and operations. A visually appealing space with a friendly atmosphere can positively affect productivity, innovation, and help attract talent to your company.

Also, think about the nature of your business when choosing design elements. A large, well-lit, and edgy open space might be a perfect fit for a young marketing agency, but a financial services firm with on-site client appointments might prefer dedicated offices with a more conservative feel. Naturally, design goes hand-in-hand with the type of flex space you choose.

Amenities

Like design elements, amenities are non-essentials that can have a significant impact on your team and operations. Things like locally brewed coffee, beer on tap, and fitness rooms can undoubtedly put a smile on an employee's face and improve job satisfaction & recruiting. However, it's the more functional amenities that often deliver more long-term value to your operations.

While we're all for conveniences and comforts that enhance culture and appeal to talent, you're still running a business, so things like furniture, printing facilities, and soundproof phone booths have a direct impact on your operations, allowing your team to run at higher, more efficient levels. Look for a mix of amenities that provide both utility and comfort, helping to drive your top-line performance while also boosting employee satisfaction.



Security & Infrastructure

Some industries require greater security measures than others, so you need to determine what suits your organization. In rare instances, certain enterprises might even require managed security services. Among the more common security needs, however, features like frosted glass and soundproofing are available in many coworking spaces.

On the infrastructure side, tech companies often want private networks to insulate their data from other companies. Whether or not you need such a feature, always make sure to look for adequate wifi, phone jacks, conference rooms, and monitors for presentations. Something as simple as video conferencing from a designated conference room, while rudimentary at this point, is an essential infrastructure component that many organizations forget to check before signing an agreement.



Location

Last but obviously not least, you already had a general discussion with your key leaders regarding location, helping you identify elements that are important to your team. Now it's time to put a finer point on that discussion with additional research on specific factors.

- » **Commute** – **Studies show** that long commutes have a direct correlation with higher turnover, absenteeism, and lower job satisfaction. Spend some time looking at your team's commutes to a possible office location, making sure to take the specific market into account. For example, if you're looking for coworking space in Los Angeles, proximity to freeways will be essential. Any location near the Loop in Chicago, however, makes convenient 'L' train stations a must.
- » **Neighborhood appeal** – Gauge the neighborhood appeal of an office location against the character and personality of your organization. If you're a tech startup, there's a good chance you'll have a relatively young workforce, making restaurants, bars, and other nightlife important to your employees.
- » **Recruiting** – Every organization, no matter the industry, needs access to local talent. The unique combination of factors for every location under consideration – commute times, local housing, neighborhood amenities, & vibe – will impact your ability to attract and retain talent. Keep all of these factors in mind when narrowing your possible locations.

Important Team Factors



Commute



Neighborhood
appeal



Recruiting



Conducting Your Search

So now you have a good idea of what you're looking for and it's just a matter of finding it. There's no right or wrong way to conduct your search for coworking space; it just really depends on how self-driven you want your search to be.



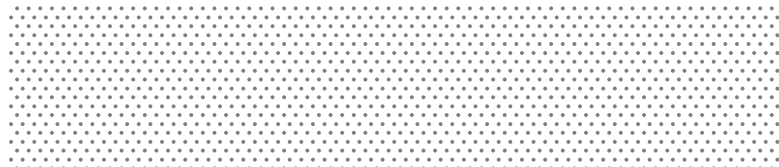
Online Search

Thanks to Google, mobile devices, and a seemingly infinite online environment, you're certainly not lacking for ways to search for your next coworking space. But the vastness of the environment also creates the biggest hurdle in a self-driven online search – where do you start and who can you trust for accurate information?

Upsuite estimates that up to two-thirds of organizations begin their search for flex space on Google, so you're definitely not alone if that's your preference. When you search for coworking space in your market, you're going to see the ubiquitous Google Maps with several hits, some blog posts discussing flex space, and different websites offering local coworking space inventory. If you've used this guide to identify your needs from new space, then your list of criteria is probably pretty long, making a purely online search an extremely time consuming and tedious effort.

Like any online search, whether it's for new shoes, office supplies, or coworking space, there are a few things to always keep in mind:

- » Paid search ads are different than organic search results, so understand why Google is providing you with any given link
- » An appealing website doesn't always correlate with appealing inventory
- » Actual coworking space **inventory can and will differ** from what you see online



Commercial Real Estate Brokers

CRE brokers specialize in what you're looking for – office space. Not only can they show you coworking space that meets your criteria, but they can also look for traditional leases and subleases. In other words, they have access to a much broader mix beyond flex space. The better CRE brokers will understand your business, your criteria, and be an unbiased & free asset for you.

The downside to CRE brokers stems from the very same benefits they provide.

- » They typically aren't experts specifically on flex or coworking space
- » Most brokers have never even completed a deal for flex space.
- » You represent a small fee for them so you might not see a lot of time and attention.



Specialist Coworking Advisors

There are some significant advantages to working with a coworking advisor like [Upsuite](#) when looking for new flex space for your organization and team, including:

- » Like brokers, Upsuite coworking advisors are free to use
- » Unlike brokers, coworking advisors are experts in flex space since that's all they deal with
- » They're personally familiar with most, if not all, of the space within your market
- » Since Upsuite has the largest selection of coworking space inventory available online, you don't have to worry about misleading, inaccurate, or incomplete inventory descriptions
- » Some coworking advisors, like Upsuite, have partnerships with space operators, giving you access to **exclusive discounts that average between 10% - 15% of stated rates.**

The biggest drawback in dealing with a coworking advisor is their specialization. If you're interested in traditional leases and subleases, then you're probably better off working with a CRE broker.





Narrowing the Field

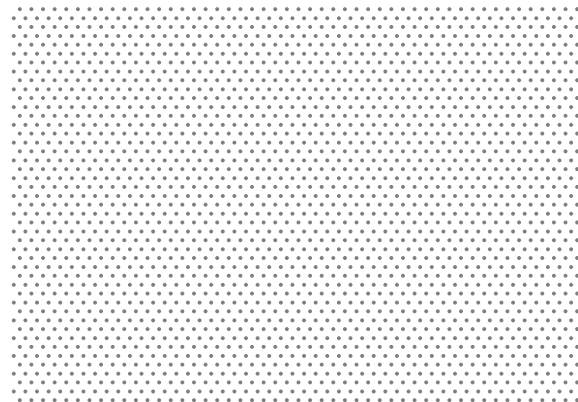
No matter how you search for coworking space, you'll ultimately have to narrow your options to target a handful of possible locations. If you're working with a CRE broker or coworking advisor, this is a simple process where they whittle the list down to a small number of options that check the most boxes for you.

However, if you're strictly relying on your own online research, we recommend getting as much information as possible from coworking inventory sites, putting the best options on a map, and narrowing the choices by your preferred location.

Using [Upsuite's website](#) and [Shortlist Tool](#) as an example, you can take a systematic approach to identify spaces that fit your needs best.

- » Filter available space by amenities, number of seats, and the majority of your search criteria
- » Place the results on a map to gauge their proximity to your preferred location
- » Use a side-by-side comparison of different spaces, ex. pricing, location, dates, amenities, etc

Also, it's important to note that Upsuite's website is a bit different than others, where we provide actual pictures, information, and availability dates on specific coworking spaces rather than just estimates or general data points.





Contacting & Touring a Space

At this point, you've narrowed the choices to a select few coworking spaces. If you're searching on your own, you'll want to contact each of the operators to confirm things like pricing, amenities, availability, security, and their requirements. Of course, you'll want to schedule a tour of each space as well. Granted, this can be a time-consuming process, but it's critical to finding space that suits all of your needs and fits within your budget.

Alternatively, a CRE broker can do much of that legwork, sometimes all of it, on your behalf. An experienced coworking advisor, however, can provide an even more personalized experience based on their intimate knowledge of the coworking space market.

Benefits of Using a Coworking Advisor

- » Already extremely familiar with nearly every space to quickly address questions or issues
- » Leverage relationships with operators for personalized proposals for every client
- » Detailed & accurate information on amenities, floor plans, etc
- » Not limited to a specific space or address, so you get a broad, thorough view of the market
- » Constant professionalism that employees of a space can sometimes lack



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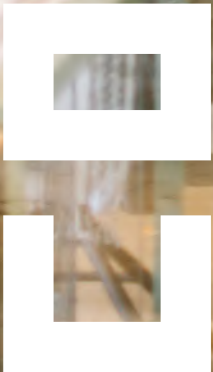
Considerations When Touring Spaces

Once you, a broker, or coworking advisor has scheduled tours, keep a few important things in mind as you visit each space under consideration.

- ☑ Don't underestimate the power & accuracy of your gut instinct, especially initial reactions
- ☑ Referencing the list of criteria you developed as well as the stated space features, verify that every point does indeed exist at the space
- ☑ Pay close attention to all security features to ensure they meet your organization's needs
- ☑ Verify that you're touring the actual space under consideration
- ☑ Have the price points for the different space types in-hand as you tour an address
- ☑ Try to group your tours into a single day to keep comparisons between different spaces fresh and relevant
- ☑ Look for hidden costs that can erode your margins, from obvious points like paying for conference room time, to small ones like free coffee
- ☑ Keep the tour to a small group of decision-makers from your organization since too many opinions can needlessly complicate the process
- ☑ Test the wifi!

Ultimately, a tour is an opportunity for both due diligence and to get an idea of what it's like to work in the space. Take the time to speak to other companies using the space, hang out in the common room, or walk around the neighborhood a bit. Afterward, read reviews on the space, look for any issues that perhaps weren't revealed by the tour, and make an educated decision if the space suits your team, vision, culture, and operations.

If a specific space doesn't hit those marks, then you should move on and keep looking.



Negotiating



The final step of the process, negotiating, is one where working with an experienced professional, particularly a coworking advisor, can provide distinct benefits. If we were to distill our own experience negotiating for coworking space into a single thought, it would be this – with such high turnover rates due to the fluidity of the coworking marketplace, a coworking space is rarely full, despite what many operators say.

Therefore, any sales tactics revolving around limited inventory, full capacities, and waitlists are usually just that – sales tactics. The truth is, there's almost always room to negotiate. If a salesperson says that a specific space is under heavy demand and will soon be off the market, there's an excellent chance that something very similar will either soon be available or already is. When it's time to negotiate, a few other thoughts can tip the scales in your favor.

- » The longer the term, the steeper the discounts.
- » A salesperson will always show you the most active areas of a space to create the illusion of scarcity.
- » Ask for discounts. Typically speaking, discounts range between 10% - 15% of the stated rate, but we've seen them as much as 60% below sticker price
- » Working with a coworking advisor, like those **at Upsuite**, gives you access to insights that simply aren't available through a self-driven online search
- » Operators are now more willing to customize a space, especially for larger teams
- » Further, many operators will customize branding and the physical layout of a space with longer terms, often without any out-of-pocket expenses
- » **Always get proposals from multiple spaces**, negotiating between those different operators for leverage
- » Although membership agreements are far shorter and less complex than traditional lease documents, make sure your key people are comfortable with the language, understand what's involved, and, if necessary, have your legal team review the paperwork to make a fully-informed decision

The coworking market is dynamic, **rapidly growing** as organizations continue to flock to solutions that provide them with greater flexibility. Use this guide as a tool to help you traverse the coworking landscape, and remember that **Upsuite** is always here to lend you our experience and expertise along the way.

While it's certainly possible to find a great coworking space on your own using this guide to lead the way, Upsuite's team of expert advisors can help ensure you get the flex space you want and at a price point that fits your budget. There's no substitute for experience.



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