

Case Profiles

The following profiles of U.S. coworking facilities demonstrate the concept's flexibility and range of applications, which vary depending upon the target users.

- **Workbar** in Boston and Cambridge, Mass., is making the leap from being a boutique coworking center to becoming a multisite brand as well as diversifying into “distributed workspace” locations within the excess space of corporations through its Outerspaces program.
- **NextSpace** in San Francisco is part of a chain of coworking centers that recently expanded from California to Chicago, the first of several planned to locations nationwide.
- **Impact Hub** is a worldwide network of social entrepreneurship-centered coworking spaces, with centers in San Francisco, Boston, and 40 other locations.
- **Serendipity Labs** in Rye, N.Y., is a hospitality-driven, corporate-oriented center that doubles as a franchise pilot site and demonstration lab for licensing coworking billing, scheduling, security and membership database management operational systems to others.
- **State Street Bank** in Boston is a coworking-style workplace and an example of the mainstreaming of the coworking concept within corporations.



State Street Bank

Boston

State Street Bank's new build-to-suit building will feature coworking-style interdepartmental sharing of common space, multifunctional spaces, less individual space and more collective space. The facility is going beyond existing concepts like hot-desking (unassigned seating without reservations) and hoteling (reservation-based unassigned seating) to incorporate additional aspects of coworking into its workplace, and is now in the process of consolidating several leased sites into the new, coworking-style building.

The Basics

Type:

Corporate adaptation of coworking concepts

Twist:

Corporate real estate reimaged based upon the coworking model:

- Shared meeting rooms, storage, supplies (among departments)
- Flexible, more open seating
- Multipurpose communal space (cafeteria, lobby)

Market:

Mid- to back-office departments (likely accounting and legal)

Formation:

- Corporate overhead reduction initiative
- Rationale for build-to-suit based upon an adapted coworking model:
 - Reduce cost per seat by 35 percent, from \$8,500 to \$5,500
 - Reduce square footage per seat by 36 percent, from 170 to 108 square feet
 - Increase seat occupancy from 65 to 90 percent
 - Decrease annual cost per employee by 53 percent, from \$13,000 to \$6,100, saving \$2.6 million per year

Business Structure:

Public company

Financing:

Project was granted \$11.5 million in tax benefits from the city of Boston

Membership:

Not applicable

Fee Structure:

Not applicable

**Timeline:**

- Lease signed during the second quarter of 2012
- Occupancy February 2014 (projected)

The Facility**Location:**

Channel Center, A Street, South Boston Seaport District, five blocks from the Broadway subway (MBTA) station.

Site Criteria:

- Consolidation of four downtown leased sites into a single, more efficient building located near bank headquarters and other leased space
- Floor plan test fits were performed on four existing buildings and one build-to-suit. The build-to-suit floor plan was shown to be 22 to 35 percent more efficient, on a cost per seat basis, than existing building options.

Features:

- An 11-story, 500,000-square-foot build-to-suit urban office building
- 4,630 seats
- 250 parking spaces in an adjacent shared garage

Ground Level:

- Engaging the public/shared resources
- Retail space
- Human resources
- Centralized file storage
- Conference rooms

Second Level:

- Wireless community/collaboration
- Multifunctional cafeteria/classroom/meeting space
- Flex spaces

Levels Three through Eleven:

- Workspace (offices, carrels, benches)
- Conference/meeting rooms
- Supply rooms
- Business service centers

Amenities:

- Proximity to affordable parking
- Centralized cafe/pantry on each floor
- Wellness facilities

Support Services:

Centralized business services by floor rather than by department (printing, copying, mail, meeting space, file storage)

Design Elements:

- LEED certified
- Multifunctional space
- More “we” space, less “me” space, with fewer private offices
- Shift away from offices:
 - 5 percent interior offices (7.5 by 10 feet)
 - 10 percent perimeter, unassigned, bench desks; lack of privacy offset by light and views (5 by 2 feet)
 - 85 percent assigned, L-shaped, carrel workstations (6 by 6 feet)
- All furniture and partitions are no more than 42 inches high
- Desks adjust to sitting and standing heights
- Sound attenuation via introduced white noise
- All phones equipped with headsets

Operations:

- No desk waste containers, all centralized shredding, recycling and disposal
- Limited storage at desks, some central files by group, most stored centrally on ground floor, plus Iron Mountain scan-on-demand storage

Lease Terms:

- \$38/square foot gross rent
- \$65/square foot tenant improvement allowance

Addressing Challenges

As State Street Bank's office workforce becomes increasingly mobile, the bank's objective for this facility is to promote a "work from anywhere" culture, moving from 90 percent to 135 percent occupancy by including desk hoteling. This would result in a 50 percent increase in the number of employees accommodated in this workplace as well as a 50 percent reduction in the square footage per employee. It also would reduce occupancy costs per employee by 33 percent.

