

U-District Co-Working Space

Presented by Spokane Workers Cooperative



Agenda



Market Analysis



Recommended Space



Management Plan



Partnership Structure



Startup Costs



Financial Projections



Objectives



Inform



Recommend



Estimate



Research Methods

**Experience
at Fellow
Co-Working**

**Database
Articles**

**Review of
other
Coworking
spaces**



Market Analysis



Trends- Global

Global Co-working Industry Projections

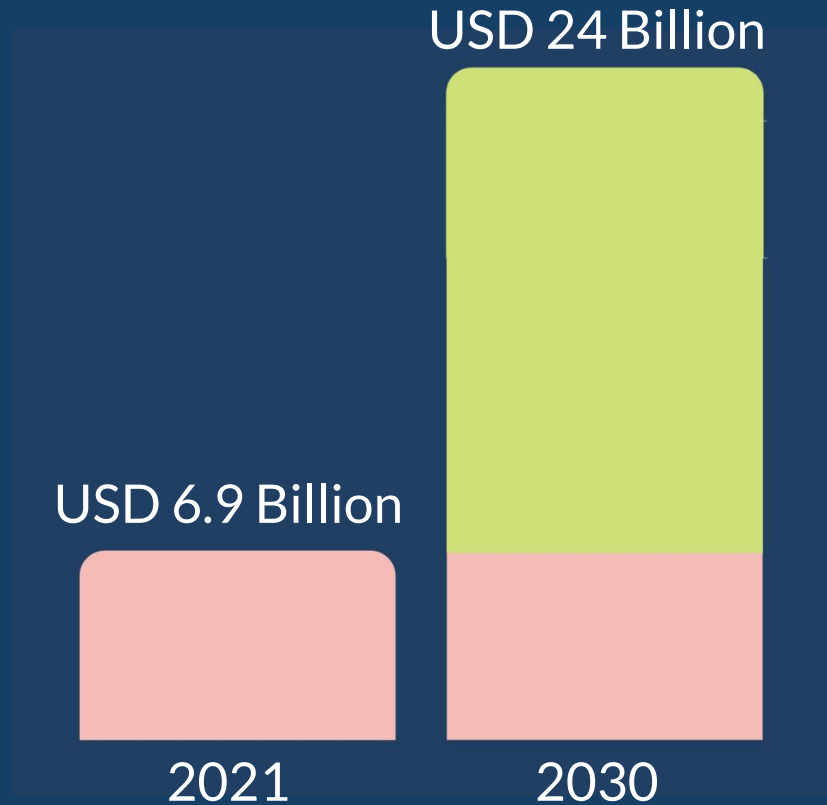
\$11.52 billion
(2023)

11.8%
CAGR
(2023-2024)



Trends- National

Market forecast to grow at a CAGR of 14.9% 2021-2030



Trends- National

Extravagant Amenities for Freelancers and Entrepreneurs



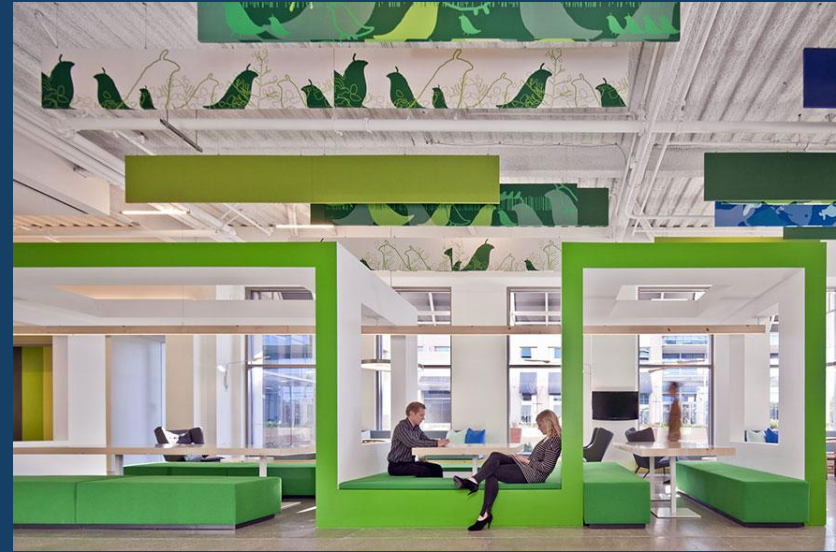
Wellness



Community



Flexibility



Trends- Post COVID Shift

Increasing Popularity in Midsize Cities



Safety



Remote Work



Lower Cost



Trends- Midsize Cities

What is driving Midsize city co-working demand?

Increased
Savings

Shorter
commute

'Space as a
Service'



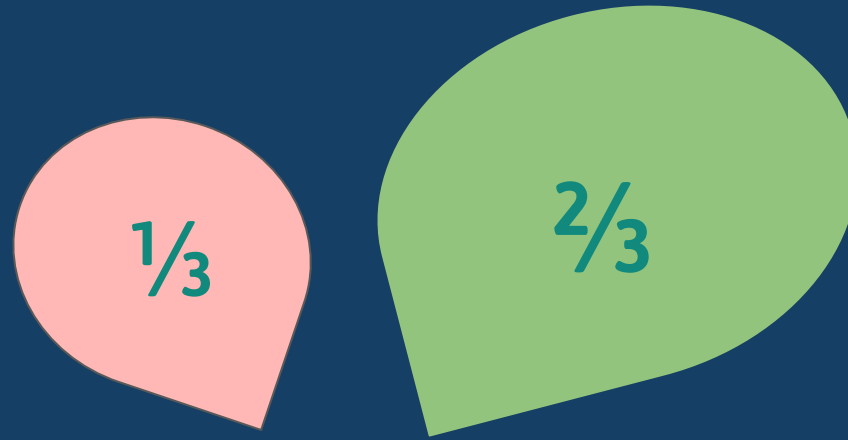
Trends- The Members

Who works in the midsize city co-working space?



Trends- The Members

Who rents in the co-working space in midsize cities?



Rent a
designated
desk space

Rely on
drop-in or
hot desks



Best Practices

Encouraging the Remote Worker to Leave their Home

Community

Basics

Flexibility



Additional Consideration: Makerspaces

Pre COVID
\$8.41 billion
By 2020

Non-Profit
Makerspaces
On The Rise

Compete
Or Team Up?



PUBLIC EVENT SPACES				3,680	FURNISHINGS	NOTES
Conference Rooms/Large Event Space - Combined	2	1000	2,000	\$20,000.0	Book/Schedule/Lease to Outside Groups	
Catering Kitchen	1	80	80	\$3,000.0		
Lounge/Juice Bar/Coffee Shop/Tea Room	1	1200	1,200			Overflow event space? Whitworth a partner? Meal
Storage	1	400	400			
PUBLIC MAKER SPACES				3,800		
Construction Shop	3	450	1,350	\$5,000.0	Possible Library Partnership	Leased Monthly?
Fine Arts (textile, painting, etc)	3	350	1,050	\$2,000.0	Possible Library Partnership	Leased Monthly?
Printshop/Digital Making	1	600	600	\$8,000.0	Possible Library Partnership	Hourly/Daily?
Computer Lab	1	800	800	\$10,000.0	Possible Library Partnership	
UD COWORKING OFFICE SPACE				6,220		
Private Offices	6	150	900	\$10,000.0	UD Offices	
Private Office Suites	4	430	1,720		Up to 8 person team	
Open Office (Hot and Permanent)	1	3000	3,000	\$30,000.0	45.45454	
Storage	1	600	600			
UD COWORKING MEETING SPACES				2,080	15,780	189360
Open Community Tables	2	300	600	\$4,000.0	First come/first serve	
Collaboration Rooms - Combined Small Conference (2)	4	150	600	\$9,000.0	Book/Schedule	
Sound Isolation Phone Rooms	6	30	180	\$12,000.0	Book/Schedule	
Zoom Room	1	400	400	\$9,000.0	Book/Schedule	
Booths	6	50	300	\$6,000.0	First come/first serve	
WHITWORTH MEETING SPACES				4,700		
Conference/Classrooms - Large	4	850	3,400			
Classrooms - Small	2	650	1,300			
WHITWORTH OFFICES				1,300		
Private Offices	6	150	900			
Storage	1	400	400			
SHARED SUPPORT SPACES				2,700		
Kitchen/Breakroom	1	600	600	\$10,000.0		
Game Area (Ping Pong, Chess)	1	800	800	\$2,000.0		
Meditation/Yoga	1	300	300	\$2,000.0	Managed by YMCA? Other?	
Weight Room	1	600	600	\$10,000.0	University partnerships? EWU, WSU, Whitworth, Cl	
Bike Storage	1	400	400			
RESTROOMS				1,700		
Non-Gender		900	900	\$12,000.0		
Locker Room/Showers	2	400	800	\$3,000.0		
SECURITY				300		
		NET AREA	26,480			
CIRCULATION				5,296		
BUILDING SYSTEMS				3,972		
		GROSS AREA	35,748	\$167,000.0		
EXTERIOR SPACES						
Outdoor Terrace			1,500			
		SHARED SPACE	21,448			
		UD SPACE	8,300			
		WHITWORTH SPACE	6,000			

Juliet's Recommended Space



21,448 sq. ft. of shared space

8,300 sq. ft. of UD space

6,000 sq. ft. for Whitworth



Management Plan




Staff Required

Overview

Community Manager



Cleaning/Physical Needs



Onboard + Oversee
Members/ Memberships



Stock of Supplies




Community Events
+ Marketing Meetings

Building Manager



Manage Billable/Payable



Building Troubleshooting



Business/Legal Documentation



Sounding Board for all spaces



Partnership Structure



Ownership Options

Independent

**Multi-Stakeholder
Cooperative**



Leasing of Space Options

Overview

Pros

Cons

Normal Lease

- Predictable revenue for UD
- Predictable expenses for Co-working biz

- Limited upside for UD if business is successful
- Large upfront fixed cost for Co-working biz while trying to build membership and breakeven

Revenue Share

- UD can make money if membership is large
- Co-working biz does not have large fixed expense at startup
- UD and Co-working biz are mutually incentivised to grow and maintain membership

- UD does not have a predictable revenue from the space
- Co-working business does not have a predictable lease expense

Condo

- UD recoups some of the building construction cost after Co-working business moves in
- Co-working business has a long-term home for operations

- UD does not have a recurring revenue stream
- Co-working business must successfully get financing for purchase



Governance & Management

**Daily
operations
managed by
Co-working
Staff Team**

**Joint Governance
Through A
Leadership Team
W/Representatives
From Co-working
Business + UD**



Startup Costs



Initial Startup Costs

Est. \$200k
Coworking
space
Furniture,
Fixtures and
Equipment

Est. \$20k
Coworking startup
costs



Financial Projections



Revenue Assumptions

Office Space

Private Offices + Suites

- 4 private offices renting at \$1,200/mo.
- 6 private office suites renting at \$3,440/mo.

Memberships

Private Desks, Community Desks + Drop Ins

- 40 private desks renting at \$375/mo.
- 40-Several Hundred community desks in shared spaces renting at \$150/mo.
- Approx. 20 drop ins per mo. at \$25 per person per day

Maker Spaces

Specialized Project Spaces

- 6 makerspaces renting at \$1,000 per space per month
 - Or another configuration of the 3000 sqft allocated for this purpose

Events

Shared Spaces Can Be Booked For Events

- Any number of events can be booked per month that average at about \$500/event
 - About 4 events per month



Financial Assumptions

Conservative Profit + Loss Estimates

	Sales	Net Income
Year 1	<ul style="list-style-type: none">\$242,000 (40% of theoretical capacity)	<ul style="list-style-type: none">Net Income: \$49,500 - Revenue Share of \$72,662
Year 2	<ul style="list-style-type: none">\$315,000 (52.5% of theoretical capacity)	<ul style="list-style-type: none">\$90,753 - Revenue Share of \$94,461
Year 3	<ul style="list-style-type: none">\$394,000 (66% of theoretical capacity)	<ul style="list-style-type: none">\$135,500 - Revenue Share of \$118,076
Year 4	<ul style="list-style-type: none">\$492,000 (82% of theoretical capacity)	<ul style="list-style-type: none">\$204,000 - Revenue Share of \$148,000
Year 5	<ul style="list-style-type: none">\$591,000 (98.5% of theoretical capacity)	<ul style="list-style-type: none">\$268,000 - Revenue Share of \$177,000



Financial Assumptions

30% of Monthly Revenue Share from Coworking Business

Can be negotiated over time to be fair to both U-District and Co-Working business

Goal: Once at comfortable full capacity, U-district makes more than market rent on the space

Grow beyond the theoretical capacity by selling events + community memberships



Thank You!

Questions?

