

South Africa dominates co-working expansion even as WeWork faces bankruptcy

Globally, there are currently more than 35,000 co-working spaces, and this figure is projected to increase to 41,000 by the close of 2024, reflecting a growth rate of approximately 21%. Notably, in South Africa, this growth rate has more than doubled, soaring to an impressive 44%.



Source: Supplied.

This demonstrates the robust demand for serviced and flexible workspaces that support evolving trends in hybrid and remote work, affirming their enduring presence in our daily lives.

Where the serviced office was traditionally for freelancers and smaller companies, larger companies are now seeing the advantages of bespoke dedicated workspaces that are attuned to their own brand and culture, while at the same time being fully serviced and part of a network of spaces and a wider community.

This year alone, Workshop17 has recorded unprecedented growth and has expanded five of their South African locations and opened a second and third location in Mauritius. In real terms they added 5,700 square metres of serviced workspace in South Africa, and 2500 square metres in Mauritius.

This brings their total offering to 30,000 square metres, in 10 locations. Their plan is to double their footprint in the next three years, starting with two new locations, which will open in the first half of 2024.

In an industry where only one in three service providers usually report profitability, Workshop17's occupancy rate is 90%, with more than 5,000 members and 745 different companies, providing unique networking opportunities within the business ecosystem.

Paul Keursten, chief executive officer of Workshop17 attributes its upwards trajectory to being proactive to client requirements.

Member-driven growth

"Our members are essentially part of our growth plan. With their feedback on product services and ideas, they're an integral part of our expansion. We're creating locations fundamentally designed by our members' needs and wants, adjusting them along the way to fit their preferences and ensure their businesses can scale rapidly and run smoothly.

"In response, we're building larger and newer Workshop17 communities in hubs where the demand is high, offering a broader client base a bigger choice of alternative work locations."

"Expanding our footprint into new nodes in Africa, while growing our current locations and communities has long been the Workshop17 vision," continues Keursten, "When Mark Seftel and I started back in 2012, we saw the need for a new kind of workplace.

"One that is built on the principles of service and hospitality. One that is beautiful, where people really want to go to and work from. In 2012, this was an idealistic idea, for a niche market. After Covid, it has become one for everyone."



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"We see a fast-growing demand of larger companies coming to us, to be their workspace solutions provider. The combination of bespoke fully serviced offices is designed by us with the benefits that Workshop17's network of locations offers for remote teams and individuals working closer to where they live or where clients are.

"As a result, where we would previously look for new locations and fully fit them out before clients would come, we now have clients coming to us asking to open in certain locations and to create bespoke solutions for them. Finding good space in the right locations has become the critical path for our growth." finishes Keursten.



Source: Supplied.

Additionally, it is crucially important that landlords can place their trust in the workspace operator in their buildings. For this, the operator needs to show a track record which proves occupancy levels and revenue targets can be achieved, as well as showing a net return above straight rental. In a sector where operators struggle to be profitable, a landlord will want to partner with a company that has proven to be profitable and thus offers sustainability.

Workshop17 has always taken a considered and organic growth path, carefully listening to and working with their members, and structuring balanced deals with landlords as well as with our members. Always with an eye to longevity instead of quick wins. This resulted in profitability with continued high occupancy and a contract renewal rate of 85%.

This comes as a result of being in the right locations and offering a high quality fit out in combination with high levels of service and tools like enhanced member benefits, partnerships with purpose, art galleries and shared knowledge platforms. These provide peace of mind for long-term occupancy and inject revenue into the property market by repurposing previously abandoned spaces.

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