Coworking Space
Market Feasibility Study

Josh Metz and Gina Archuleta
Fort Ord Reuse Authority

Brad Barbeau, PhD
California State University, Monterey Bay
Overview

- FORA
- C SUM B IIED
- Coworking
- Methods
- Findings
- Recommendations
Historic Fort Ord

- Home of Lightfighters (infantry)
- Largest west coast Army base (28k acres).
- Major impacts on local communities and regional economy
Fort Ord Reuse Authority (FORA)

- **Regional Agency** created in 1994 to oversee economic recovery from military to civilian conversion

- **Authority:** Adopt base wide regional plan, review jurisdiction programs for consistency, finance mitigations/infrastructure, property transfer

- **Obligations:** Building removal, munitions clean-up, roadway construction, fire equipment purchase, habitat restoration, storm drainage system upgrades

**What is FORA?**

- 25 Board Members
  - 8 Local Cities
  - 3 State/Federal Elected Reps
  - 9 Local Public Agencies
The 1997 Fort Ord Base Reuse Plan (BRP) directs FORA’s statutory mission.

“The vision...is that a community will grow up on the former base, having a special character and identity...it will provide a diversity of experience and opportunity, with a development approach that is sustainable and appropriate.” – 1997 BRP

Established 3 E’s:
- Environment
- Education
- Economy
What is IIED?

- **Collaboration between CSUMB and MCBC**
- **Vision:** To lead in business and social entrepreneurship, research, and regional economic development
- **Mission:** To create and support a vibrant entrepreneurial Tri-county region

IIED Collaborates regionally, privately, and globally to connect the local economy to the global marketplace.
What is Coworking?

• Office environments offering shared workspace through open and private office work areas
• Often include community atmosphere

• Workers are individuals and businesses
• Independent professionals, freelancers, and/or remote workers
Market Dynamics

- Rapidly growing market segment
- Drivers:
  - Technology
  - Changing work patterns
  - Affordability

250 to 3000+ coworking spaces nationally
2010 to 2015
Methods

- **Primary**
  - Interviews
  - Survey
- **Secondary**
  - Regional analyses
  - Market Databases
  - Case Studies

2. Are you self-employed?
   - Yes
   - No

3. If you are self-employed, do you own your own business?
   - Yes
   - No
   - N/A

4. Are you in the early stages of a new business?
   - Yes
   - No

5. What size is your work team?
   - I work individually.
   - Team 2-3 people
   - Team 4-6 people
   - Team 7-10 people
   - Team 10 or more people

6. Have you ever worked in a coworking space?
   - Yes
   - No
Results: Interviews

- 7 coworking space manager interviews

Key Findings:
- Increasing Demand
- Increasing Competition
- Community curation is key growth/retention factor
If you are self-employed, do you own your own business?

- Yes: 37% (32) answering the question
- No: 50% (43) answering the question
- N/A: 13% (11) answering the question

Answered: 86 Skipped: 8

What is your professional field? Please check all that apply.

- Professional, Scientific, or Technical Services: 29.2% (28)
- Consulting: 29.2% (28)
- Education (Coaching, Training, Teaching): 18.8% (18)
- Information (Software engineer, Web developer): 14.6% (14)
- Professional Association, Business Agency, Non-Profit Organization: 14.6% (14)

Answered question 96
Skipped question 3
Results: Survey Cont.

How likely are you to join (or rejoin) a coworking space?

- Extremely likely: 20% (19)
- Very likely: 18% (17)
- Somewhat likely: 19% (19)
- Not so likely: 11% (11)
- Not at all likely: 33% (32)

How long would you be willing to commute to a coworking space?

- 10-20 minutes: 67% (58)
- 20-30 minutes: 24% (21)
- 30-40 minutes: 5% (4)
- 40-50 minutes: 3% (3)
- 50-60 minutes: 1% (1)
## Ecosystem Analysis

<table>
<thead>
<tr>
<th>County</th>
<th>Accelerators</th>
<th>Incubators</th>
<th>Coworking Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monterey</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>1</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Santa Barbara</td>
<td>4</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>San Benito</td>
<td>0</td>
<td>0</td>
<td>1 in progress</td>
</tr>
<tr>
<td>County</td>
<td>Total Employment (All Industries)</td>
<td>Total Employment (NAICS 51, 54, 55)</td>
<td>Self-Employment (NAICS 51, 54)</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------------------</td>
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<tr>
<td>Monterey</td>
<td>199,071</td>
<td>8,874</td>
<td>1,449</td>
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<td>Santa Cruz</td>
<td>114,045</td>
<td>8,103</td>
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<td>San Benito</td>
<td>17,714</td>
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<tr>
<td>San Luis Obispo</td>
<td>125,038</td>
<td>9,379</td>
<td>1,580</td>
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<tr>
<td>Santa Barbara</td>
<td>209,316</td>
<td>20,329</td>
<td>2,502</td>
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</tbody>
</table>
• 9 coworking spaces
• CA local + national / global providers
• Key Findings:
  • Expanding locations
  • Affordability & flexibility attractive
  • Near Universities
  • Community curation is important

Results: Case Studies
NextSpace

• Started in 2008, Santa Cruz
• Community leaders envisioned empty offices forging into a blend of workspace and community
• Since expanded to 7 California locations and 1 out-of-state
• NextSpace offers shared workspace through tiered memberships
SLO Hothouse

• Collaboration between Cal Poly, San Luis Obispo Community, and the Cal Poly Center for Innovation and Entrepreneurship.
• Offers acceleration, incubation, and coworking services.

“seeks to attract and support the most vibrant talent and promising innovators and entrepreneurs in an effort to build a unique and passionate startup culture.”
• Global Network Member
  • 80+ locations (& growing)
  • 11,000+ members
  • 50 Countries
• Provides in-house entrepreneurs / mentors
• Helps build sustainable and scalable businesses
• Values driven business attracting likeminded entrepreneurs
Key Characteristics

- Community Curation!
- Community Management
- Operations Software
- Size
  - 50% ~5,000 sf
  - at least 30+ members
- Marketing
- Design
- Mix of Services
Recommendations

• Data suggest current and near-term demand for coworking

• Early actors could take advantage of this opportunity

• Multiple viable locations in Monterey County

• Focus on Monterey, Seaside and/or Marina
Questions?

Josh Metz
Economic Development Manager
josh@fora.org
@OrdForward
(831) 883-3672