

OFFICE SECTOR**Co-Working in Boston**

Greater Boston

March 2018

Making a Life While Making a Living**Surge in Co-working space investments**

Cambridge Innovation Center (CIC) closed on a \$58M round of funding from European real estate developer HB Reavis just last week. Founded in 1999 as a start-up incubator, CIC has long been viewed as the grandfather of local co-working space. Despite its name, CIC now has facilities in Boston (135,000 SF at 50 Milk Street) as well as Miami and St. Louis.

Last August, WeWork, raised \$3B of Series G funding in a deal lead by Japan's SoftBank – putting its pre-money valuation at \$19.95 billion. In Boston, WeWork now leases 800,000 SF– and continues to grow. At least in Boston, WeWork has begun marketing large blocks of space on the sublease market – they're even showing up in Costar. And we view these blocks as legitimate, competitive options for our clients.

A few weeks ago, Brooklyn-based Industrious raised \$80M of Series C funding – with the intention of doubling its number of sites to 60. Industrious is new to the Boston market – having leased 22,000 SF at 22 Boston Wharf Road in the Seaport at the end of 2017. Industrious is now the third largest co-working company in the US – behind WeWork and Regus.

Big Companies in Flexible Spaces

The co-working concept may have been hatched as an incubator for start-ups, but co-working spaces now attract large firms.

WeWork's 31 St. James location has housed both Amazon and Liberty Mutual – the latter rotates about 50 employees through the space every three months.

When General Electric first arrived in Boston in early 2016, Current, its energy-related arm, took space at WeWork's 745 Atlantic Avenue location – just across from South Station.

And Massachusetts-based WorkBar was home to Facebook when it moved to the area a few years ago – before relocating to more permanent space.

4**AVERAGE NUMBER OF CO-
WORKING SPACES
ACCESSIBLE FROM ANY GIVEN
GREEN LINE STOP IN BOSTON****100%****ANNUAL GROWTH OF CO-
WORKING FOOTPRINTS SINCE 2013****8%****OF NEW DOWNTOWN LEASING
ACTIVITY WAS EXECUTED BY
CO-WORKING COMPANIES****15 YEARS****AVERAGE LENGTH OF LEASE
SIGNED BY CO-WORKING
COMPANIES**

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Greater Boston: Largest Co-Working Players

COWORKING TREND
1M SF (AND GROWING)

wework

 COALITION

·WORKBAR·
NETWORK LOCATION

cic


GREENTOWN LABS


INDUSTRIOUS

B BUSINESS
DISTRICT

 Oficio

THE
YARD

 SPACES.

LearnLaunch

 Mass Innovation Labs

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