

## GREATER LOS ANGELES

# A RAPID RISE: MEASURING THE GROWTH OF COWORKING

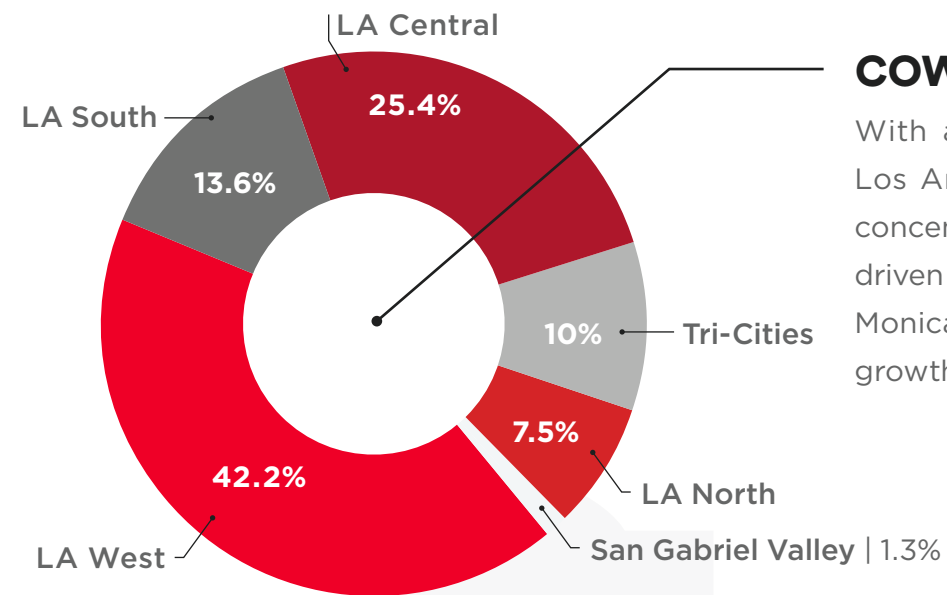
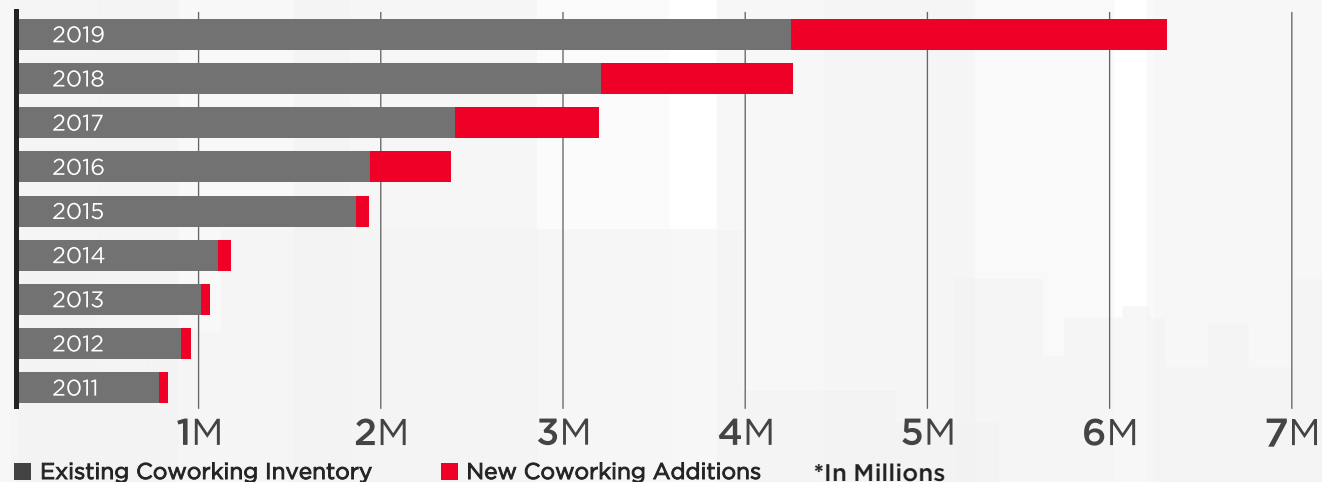
As the global coworking phenomenon continues to expand and impact the landscape of commercial real estate, flexible space offerings are growing and evolving to help meet occupiers needs. In recent years, the sector has seen significant growth across almost all major U.S. markets and tech cities, with an array of coworking firms ranging from international to boutique providers laying footprints. While the largest industry giants are driving the influx of new coworking space through leases and more recently management agreements, the model is additionally now being utilized and embraced by other players, including landlords, a diverse mix of tenants from startups to enterprise users, and even traditional real estate firms for their workplace solutions. With such concepts bolstering the sector's expansive growth nationwide, here is a closer look at coworking in the Greater Los Angeles market.

### GREATER LOS ANGELES COWORKING FOOTPRINT

Reaching 6.2 million square feet (sf), the Los Angeles coworking & flexible office market is the second largest in the nation. Representing nearly 15.8% of leasing activity year-to-date (YTD), coworking has become the second most active industry in the market, exceeding the media & entertainment sector. **Coworking providers occupy nearly 3.1% of the overall Greater Los Angeles office inventory.**

### GREATER LA COWORKING INVENTORY GROWTH

While the concept of coworking and flexible office has been prevalent in Los Angeles for over two decades, these providers have recently served as a potent source of occupancy growth. Over the past two years (2018 & 2019), the sector saw a surge in activity, with 2019 YTD recording peak levels of 2.1 million sf of new locations. WeWork, Spaces and Industrious have been the largest contributors to growth, while newer entrants such as Knotel and CommonGrounds have made significant strides over the past year.

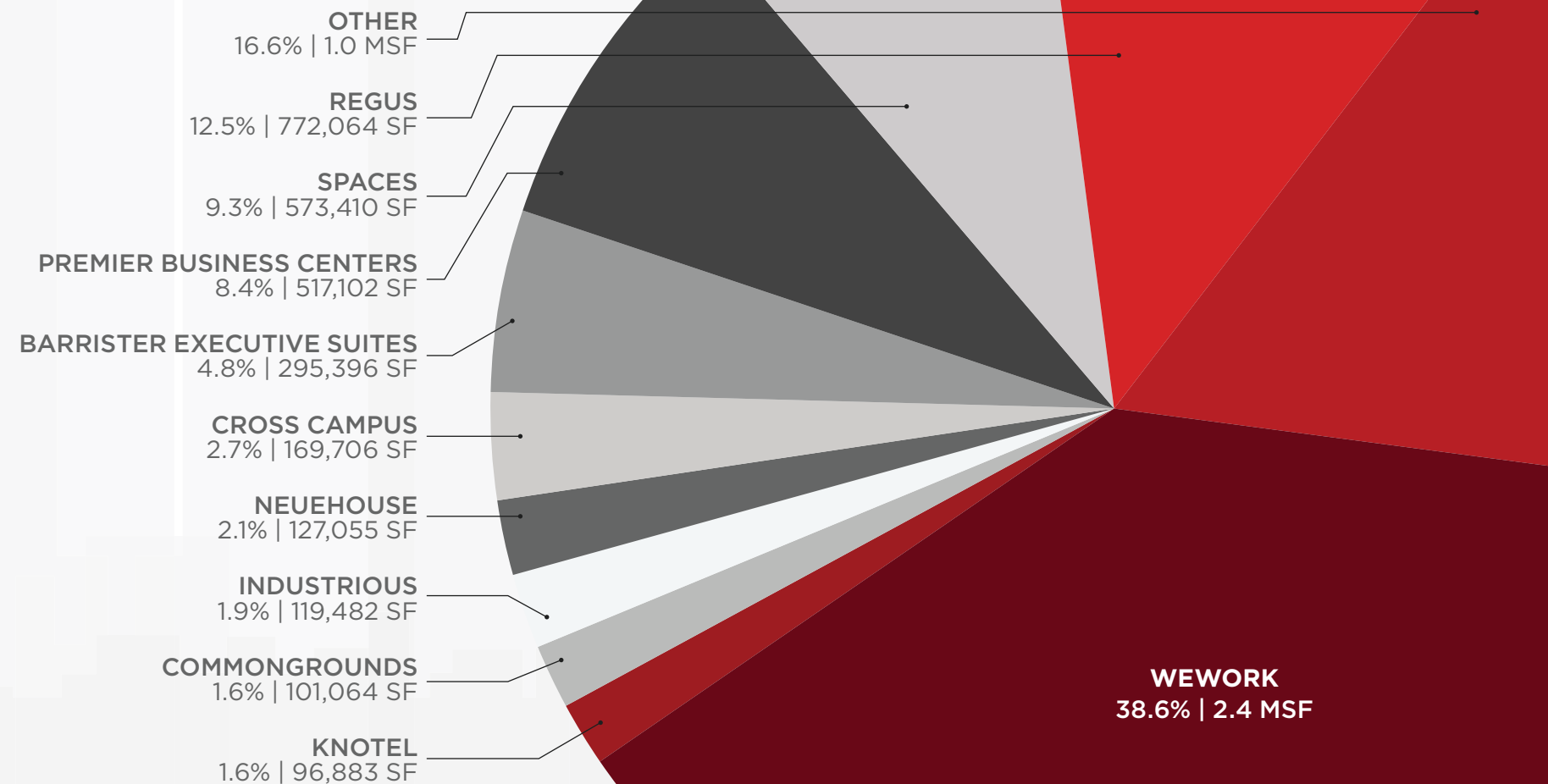


### COWORKING BY MAJOR MARKET

With a presence in nearly every submarket in Greater Los Angeles, the LA West market maintains the highest concentration of coworking space at 2.6 million sf. Primarily driven increased locations in the tech and media-heavy Santa Monica and Culver City submarkets, LA West has seen 71% growth in coworking inventory YOY.

## LARGEST COWORKING PROVIDERS BY MARKET SHARE & PORTFOLIO SIZE

### LA COWORKING INVENTORY 6,192,677 SF



# LOS ANGELES COWORKING AT A GLANCE

## ► GREATER LOS ANGELES OVERALL

6.2 MSF (up 55% year-over-year)

**Santa Monica, DTLA, El Segundo**

**& Beach Cities** had the most significant growth over the year.

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