Luxury co-working spaces on the rise

Stepping into The Work Project’s co-working spaces, the experience is more akin to checking into a high-end hotel rather than clocking into a bustling open-space office. Gone are the bean bags and game rooms, trappings meant to attract young entrepreneurs. Instead, members are given access to luxurious office spaces with an art gallery and vertical garden.

Established in 2016, The Work Project is the fourth largest co-working operator in Singapore, with five luxury premium spaces in the island, and one location in Hong Kong. In Capital Tower alone, the operator oversees 50,000 sqft of space across three different levels, featuring 800 work stations and an in-house premium catering service. Roughly 20% of this expansive area is dedicated to training workshop and conference facilities, popular amongst corporates that want to hold training sessions and regional gatherings, according to The Work Project founder and CEO Junny Lee.

Design, performance and service

“We can typically find in the market is co-working spaces with some nice furniture, and it pretty much just ends there,” said Lee. “But I think luxury is so much more than just a couple of small design aspects.”

The Work Project considers luxury on three fronts, according to the founder, which justifies the premium price for more established entrepreneurs and corporates. First is in the space’s design, which did not scrimp on materials — be it from luxury fabrics used in top hotels and sourced from different parts of the world, to top-of-the-line furniture from makers such as Ralph Lauren.

The second aspect of luxury which the operator focuses on is in the space’s performance. “It’s what often happens with co-working spaces, you find nice design details but when it actually comes to the workspace itself, the performance is not so good,” said Lee.

“Performance is really important because we want our member companies to do the most productive work and to be as successful as they can possibly be,” he added, citing the operator’s use of workstation desks and tables from esteemed Italian and Swiss brands.

MARK at The Work Project Capital Tower was designed in collaboration with Hassell Studio. The operator’s third pillar for luxury is in service and hospitality, ensuring that it complements the space’s impressive visual design and workspace performance. “Just providing reception and cleaning services for us is not really meeting the entire needs of our customers. We go beyond that,” said Lee. The Work Project’s members also gain access to hosting spaces such as Omotesando Coffee, the Mark C suite lounge.

Rapid expansion and demand

With The Work Project aiming to progressively expand to Tokyo, Sydney and Melbourne in addition to the 100,000sqft of space it launched in the past month, luxury co-working operators are only set to continue expanding throughout the rest of Asia. “We believe that flexible workspace is now fully established as an occupier sector, serving an important market niche. We see particular growth potential at the premium end of the flexible workspace market, especially for those operators focusing on provision of amenities and hospitality-related services,” property consultancy firm Colliers International said in a report.

Premium hospitality-led co-working space operator, The Great Room, is banking on this opportunity as it confirmed its fourth Singapore location spanning 15,000 sqft in Raffles Hotel.

“Although we are a young company, we have been very encouraged by the strong pipeline of demand for our premium co-working spaces,” said Jaelle Ang, co-founder and CEO of The Great Room, which launched in 2016 and now has five locations in Singapore, Hong Kong and Bangkok in Thailand. “When we started, we identified this segment of businesses who need enterprise-level infrastructure with the soul and energy of a startup; it was thought of as a niche segment. But unsurprisingly, many businesses want it all. For the key Asian financial centres like Singapore and Hong Kong, the premium segment we are in is the largest opportunity, fastest growing and has the highest margins within flexible working.”

Membership at The Great Room’s existing Singapore locations start at $2,500 a month, 20% higher than the current price of WeWork’s desks, which is currently one of the largest players in the co-working market. The Great Room at Raffles is expected to be more pricey as it targets ‘grown-ups’, or...
Located at Golden-Agri Plaza along Pasir Panjang Road, ENGIE Factory Asia-Pacific’s regional headquarters offers a working space for startups, entrepreneurs and like-minded people to work on ground-breaking ideas and products with the support of experts and executives at ENGIE. ENGIE Factory Asia-Pacific is ENGIE’s strategic venture arm committed to working with startups to develop an increasingly decarbonised, decentralised, digitalised world. The 3,500-sqft space joined several of ENGIE’s operational business units, including ENGIE Services, ENGIE property services, ENGIE Lab and ENGIE Axima.

Key features

“It’s a workplace that centres around people and technology,” ENGIE Factory Asia-Pacific’s managing director Quentin Vaquette told Singapore Business Review. “When walking up the glass door, a facial recognition system welcomes you in the blink of an eye. Once inside, you will enter into our social area, where everyone makes their own barista coffee, listen to music, and eat fresh fruit. Our 5-metre-high windows provide a healthy amount of light in, against a backdrop of greenery outside and coloured walls inside.

Beyond the social area, the space features long tables that allow teams to form and change every day depending on their needs. Mobile whiteboards, fixed whiteboards and writable walls also make it possible to discuss ideas easily, whilst TVs and video-conferencing capabilities in the office meeting rooms enable teams to work remotely. “We worked with a great team of designers to help us execute our vision, and at the core of our vision are people. The space is designed to bring together everyone in a way that fosters discussion, exchange around the whiteboard and introductions around a coffee machine. Our own Factory team thought about detail carefully to ensure that it helps achieve our objectives. I personally believe that you can’t outsource that.” ENGIE Factory Asia-Pacific’s activities span across the region, giving startups the opportunity to collaborate with ENGIE teams in Southeast Asia and Australia.

Great Room is the seventh largest Singapore operator with an estimated portfolio size of 76,000sqft. Ang predicts the demand that the demand for flexible working space as a percentage of commercial office space to grow about 10 fold in the next 10 years - from the current 2-3% to 30% by 2030. They plan to tap on this opportunity by exploring next locations in tandem with the firm’s increasing memberships. “In Singapore, we are in talks for further expansion as our current three locations are already at run-rate occupancy. Many of our enterprise members have multi-city memberships with us and our goal is to have sites in the key Asian cities,” Ang said.

Booming demand

In Singapore, IWG, which manages the Spaces and Regus brands, remains the largest flexible workspace operator with 23.5% market share and an estimated portfolio size of 65,000sqft. New York-based WeWork, which earlier acquired Spacemob in August 2017 to boost its regional presence, trails behind the London-listed giant along with JustGroup who each hold around 12% and a portfolio over 330,000sqft. Meanwhile, The Great Room reports that they already have early commitments and would expect to hit 50% occupancy when they open in mid-2019.

Here’s a peek at ENGIE Factory APAC’s 3,500-sqft headquarters in Pasir Panjang

The entrance to the office is powered by facial recognition technology. It also features a social area, where people can make their own barista coffee, listen to music, and eat fresh fruit.