

**CURIOSITY
IS KEYS**



SHARING + REAL ESTATE (INVESTMENT)

Understanding if and why
we should invest in sharing.

Typically associated with digital platforms such as Airbnb, there has been increased investment in shared spaces or 'co-spaces' such as co-working and co-living, in the real estate industry. However, as the boundaries between work, live and leisure continue to blur, this will open up opportunities for businesses to invest in more alternative forms of offices and homes, and in mixed-use developments featuring of a range of shared or co-spaces - from wellbeing centres to urban gardens. We believe that by viewing property investments as operational assets, investors can access a growing market opportunity that offers the potential for greater long-term reward. However, an emphasis on the operational side will mean that asset owners need to be quick on their feet: they must partner with companies that are flexible, responsive and prepared to adapt to meet changing market demand. Indeed, end-users are now focused on richness of experience. And they are attracted to places because it is where 'things happen'. This means that both operators and asset owners must consider how to tailor their product and services to meet the needs of their niche audience.

Who is using these spaces? In the recent MBO Partners State of Independence Research Brief, 4.8 million independent workers currently de-

scribe themselves as digital nomads, and many more, 17 million, aspire to someday become nomadic. Additionally, there is increasing appetite for sharing amongst a less mobile group, such as student and baby boomers, who describe themselves as in 'transition'.

By taking the end-user experience as the starting point for reflecting on how and why people share spaces, this report provides insight and guidance into the spatial and operational implications of sharing.

So, what does the future hold for sharing? This report shows that end-users are looking for affordable spaces that not only provide a sense of a community but also cater for wellbeing.

Most end-users are attracted to spaces that make them feel good, both physically and mentally. They prefer mixed-use spaces that mix living, eating and working, or a combination of live, work, eat and play. Thus, they require that we build and reshape assets to design experiences. This type of development implies agile and modular construction, reconfigurable buildings and responsive operations. It also demands a close relationship and collaboration between all stakeholders of the real estate value chain, from investor to operator.

"I think that in the future there is probably going to be even more space for sharing for different kinds of things"

What we've heard from users



"Most of these things are already shared but I think sharing is going to be even more pervasive. So, of course, there's housing where I think there'll be different types of shared housing facilities. So, not just a premium offering, but maybe also slightly less premium offerings and basically more of a tiered approach so that everyone can find something that suits them. Transportation will be shared. Leisure entertainment activities will also be shared because you only use equipment every once in a while."

UNDERSTANDING THE IMPORTANCE OF SHARING

In 2019, Curiosity is Keys partnered with Human City to better understand the importance of sharing in the real estate industry. Curiosity is Keys is Keys AM's research & development arm, acting as an in-house accelerator for real estate innovation and customer success. Keys AM is a pioneering asset management firm. *It differentiates itself within the industry by challenging the status quo of real estate assets and business models, and finds alternatives that unlock value beyond traditional real estate.* As part of this work, Keys AM seeks to gain a deeper understanding of the impact of the sharing economy on real estate in the office, residential and retail sectors.

Curiosity is Keys believes that real estate is an asset class unlike any other, as real estate has a permanent impact on our lives, and the way we design our built environments forever shapes our personal and professional lifestyles. That is why, we are constantly finding ways to measure the influence of societal evolutions to become more communal, modular, digital and sustainable.

Our three-fold approach based on free exploration, research, and prototyping allows us to identify the future trends in order to revive vacant lots with dynamic mixed-use neighborhoods; to find the assets that bring the most

value in terms of location, design and use; and to understand the needs of renters in terms of the amenities and services that are the most in demand.

What is the sharing economy?

The sharing economy is an innovative mode of consumption, manufacturing and trade. It brings together initiatives like loan, rental, gift, barter, or sale of goods and services between individuals, carpooling, and the exchange of equipment between neighbours.

In real estate, the sharing economy allows for the space to be used in different ways. For individuals, it is a way they can generate income from assets they own or rent such as a spare bedroom. For businesses, it is strategy for optimising space usage in new developments and putting underutilised assets to better use in existing ones.

Why the sharing economy?

The sharing economy is not just about supporting and encouraging a more efficient use of space. It is also about meeting the needs of end-users, many of whom prefer access over ownership. In the age of rapid urbanisation and increased rental costs in densifying cities, sharing is a

PWC believes sharing revenues could reach \$335 billion by 2025, up from \$15 billion in 2013

way to achieve spatial efficiency and the lower economic and environmental costs of living in cities. For many end-users, it is the only way that they can live in the city centre and also near work and amenities.

Whilst shared assets are increasingly attractive to investors and developers, most end-users state that shared spaces are not affordable for most people.

There is still work to be done to lower the cost of living in urban environments to ensure everyone has the opportunity to live and work in global cities. There needs to be a concerted effort by companies, governments, investors, media, and - not least - sharing economy participants themselves to work together to bring about systemic change.

In order to do so, there needs to be a greater understanding of the stakeholder relationships that make the sharing economy a success in cities:

- + What does the sharing economy mean for cities?
- + Who are the actors of the sharing economy?
- + What are the drivers of sharing?
- + What is being shared in cities?
- + What are the issues and challenges in the sharing economy?

This report makes the case for actors and decision-makers to work together to establish ways to make better use of scarce resources and bring down the cost of living and working cities. By nature of its focus on the sharing economy, the report will also touch on topics such as: technology in cities - what's next; social sustainability and impact; and consuming and producing in cities via shared assets.

Investing in the sharing economy; What are the opportunities for investors?

Investing in the sharing economy is not just an act of charity. There are real opportunities for financial return for businesses.

Since 2010, investors have dumped more than 23 billion euros in venture capital funding into startups operating with a share-based model.

The considerable revenue and investment growth of the sharing economy start-ups as well as the increase in individuals participating in the sharing economy show strong indications of growth and viability for continued investment.

In real estate, by viewing property investments as operational assets, investors can access a growing market

opportunity that offers the potential for greater long-term reward. There has already been significant investment in the coworking sector as a result of the disaggregation of the traditional corporate office and a growth in appetite for flexible spaces.

Similarly, institutional investors investing in urban living asset classes, such as coliving, managed by a single operator, get a fairly stable, long-term income stream. The world's first institutional large-scale co-living fund has just been launched by DTZ Investors (DTZI), a specialist European real estate fund manager, and The Collective, a global co-living platform, with the aim of raising total equity commitments of up to £650 million.

The lessons learned from renovating smaller residential buildings has allowed property businesses specialising in co-living to scale up and build larger units from scratch, gaining the investor confidence necessary to try something new in a relatively conservative industry. In time, the same will be said of other emerging assets relying on the sharing economy.



Airbnb, the peer-to-peer accommodating website has 2 million listings worldwide, up from 1 million on offer at the end of 2015, itself a threefold increase over the previous year.

Lyft grew by over 700% last year

Transferwise, the London based money transfer service started in 2011, is valued at \$1 billion.

The influence of peer to peer models like it is already evident in pricing for historically lucrative consumer foreign exchange markets.

SOURCE: 2016, SCHRODERS THE SHARING ECONOMY

Approach

Keys AM regard the sharing economy as a key strategic opportunity, and a means of unlocking value for its clients as well as end-users living and working in global cities. In order to invest in and grow the sharing economy, it requires deep insight and understanding of the markets and drivers that underpin the sharing economy in northern and central Europe.

As a result, we have engaged with end-users and operators of shared spaces. We have summarised their interests (see appendices) and provided guidance on how Keys AM might work with them as well as stakeholders such as residents and local authorities. We noted there was insufficient evidence on the impact of the sharing economy on retail. We have therefore focused on providing guidance and advice on the impact of sharing in the office and residential sectors.

This report summarises our findings from the discovery and exploration phases of our research as well as from the feedback and review stages:

Who's sharing & why ?

How to meet the functional and emotional requirements of end-users, and work with partners and stakeholders to create shared assets.

It's all about place & experience

How to design spaces that deliver on the needs and expectations of end-users and operators already working in this arena - from choosing location to rethinking construction. How to understand and interpret the needs and interests of end-users, and use these to inform the design and operation of the asset. And how to steer the design of existing and new products and services so that they meet the needs of end-users.

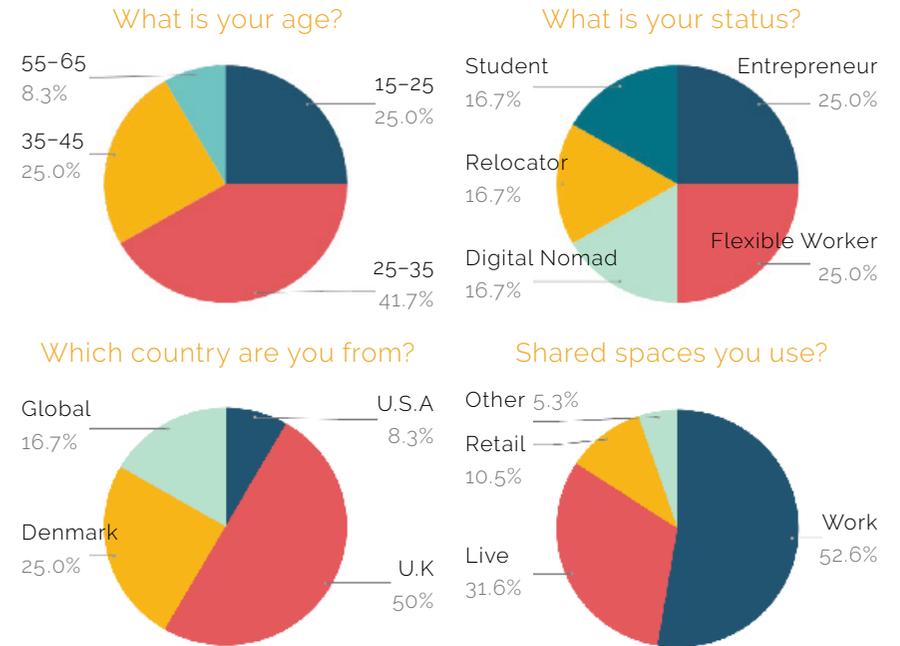
Building a strategy

How to understand the roles of stakeholders based on what they contribute and how they benefit from the sharing economy. How to develop concepts into actions and thus harness investment opportunities.

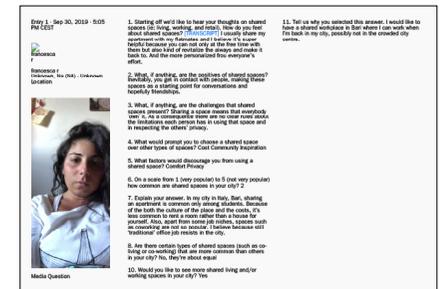
These findings and tools will enable Keys AM to invest in stable products, businesses, and operating models so that it can achieve long-term return.

USER RESEARCH

User Diversity



Online User Interviews and Transcript



Changing work practices

The head office is no longer a one-stop-shop for workspace – with the downsides of long commutes, low occupancy and productivity and high rents.

Rather, businesses are adopting a more distributed model where the head office sits alongside other workspaces including serviced office space. This reduces costs for businesses, reduces the commute for employees while boosting occupancy and productivity and attracting talent. As a result, by the end of the next decade, 30% of all office space in London is forecast to be flexible workspace.

At the same time, as we transition towards a workforce whose income streams are more volatile and less predictable, and a majority of the workforce does not earn a living through a full-time job, this could increase the demand for flexible workspace. It will also alter the appetite for homeownership and increase the demand for flexible rental accommodation.

Evolving hospitality and leisure

Hotels have traditionally earned their biggest margins when rooms were scarce and customers are forced to pay higher rates. However, this is changing because Airbnb has revolutionizing the lodging market by keeping hotel rates in check and making additional rooms available in the hottest travel spots during peak periods.

Competition between traditional hotels and Airbnb is intensifying. The impact of the sharing economy is not related so much to the volume of the offers on the platform but rather on the pricing and price-to-value proposition as perceived by guests. Airbnb succeed by bringing the human element back into travel, not from just staying like a local but by providing a space for people to stay together.

As a result of the Airbnb effect, there is a notable increase in demand for short-term, flexible accommodation with a local flavour. This opens up a space for investors, developers and operators to capture a new niche in the market by providing short-term shared living spaces that combine the comfort of Airbnb with the convenience of a hotel

Investing in multifamily property

Investors looking at residential property are increasingly looking at alternative real estate such as multi-family housing. Multifamily investment reached 40 billion in 2018 across eight major European markets, the highest figure ever recorded for the sector and 26.6% higher than 2017. In half of the markets, namely Denmark, Sweden, The Netherlands and Spain, the volume of multifamily investment was higher than offices, making it the preferred property investment segment for the first time on record (Savills).

Multi-family rentals are typically easier to finance, compound returns more quickly, and tend to benefit from economies. Savills expects this trend to continue and we see the share of the multifamily sector rising up to 20% of the total investment activity in most markets in the medium term. This will be supported by the general shift of investors towards income producing assets and sectors whose fundamentals are driven by structural change rather than cyclical factors.

SOURCE: 2019, SAVILLS, MULTIFAMILY AND COLIVING

By the end of the next decade, 30% of all office space in London is forecast to be flexible workspace

WHY DO PEOPLE SHARE SPACES?

"There's still no clear definition on what coliving is, but for me coliving is a mix of residential and hospitality, an enhanced version of PRS (private rental schemes) where you are part of a community and have access to lots of facilities and services. We shouldn't label a student, a young professional, or a hotel guest or an older person. They are all our guests. They are all welcome in our communities".

CHARLIE MCGREGOR, CEO AND FOUNDER OF THE STUDENT HOTEL,

In the nascent literature on the sharing economy, there is an increasing interest in the motivations driving participation. It is important to understand the macro and micro drivers behind the growth of urban living, working and learning in the context of the sharing economy.

Our research revealed that one of the primary attractions for consumers who use shared spaces is access to affordable space, proximity to the city centre, and high-quality amenities. It is for this reason that the sharing economy is often known as the access economy (Bardhi and Eckhardt 2012).

People are attracted to shared spaces for the following reasons:

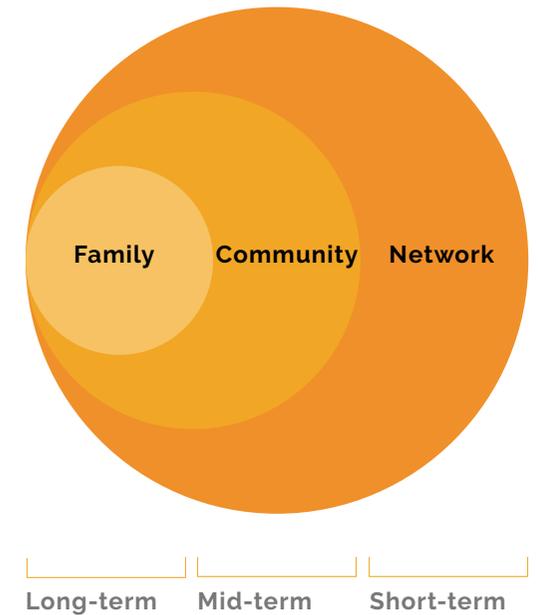
- **The flexible lifestyle:** One of the things consumers appreciate when using or working in the sharing economy is the flexibility. In the sharing economy one does not have to own what is being used – making travel, change, and schedules more customisable than ever. For example, with the rise of the sharing economy, the possibility of working as a digital nomad from any spot in the world is made much easier.

The sharing economy means that for the first time, people do not have to be an owner to enjoy an asset. This is beneficial to both real estate businesses and the end-user. It enables real estate businesses to tailor the space and services to the needs of the end-user. It enables the end-user to rent a space at a relatively decent

price. In some cases, the end-user's interest in flexibility and convenience has led to the popularity of pay-per-use or subscription models.

- **The companionship of other people** Our research participants reported that they wanted to stay in places where it was easy to meet people. They wanted to spend time with others and work towards a shared goal. The social dimension to sharing space is the most important consideration for end-users. Mostly, this is to combat a feeling of social isolation and loneliness.

- **The opportunity to exchange knowledge:** Of course, what defines the sharing economy is the opportunity to share knowledge and skills as well as spaces. People who participate



in the sharing economy want to learn from their peers. They work in shared spaces to be inspired to boost business and personal growth, and benefit from what they call 'knowledge spillovers'.

There are intrinsic challenges to sharing space. Our research participants complained that shared spaces are still too expensive to use on a permanent basis. They do not yet provide people with an affordable way of living and working in cities.

The environmental aspect of sharing space is not yet a key driver for end-users. However, they do consider recycling and reusing to be a key benefit.

	Flexible workers	Global travellers	Students and youth	Baby boomers
Driven by	Changing work practices	Requirements for urban living	Growing numbers	Less lonely living together
Why do people share?	<ol style="list-style-type: none"> 1. Full-time employed seeking flexible workplace 2. Increasing numbers of self-employed also in need of flexible workspace 	<ol style="list-style-type: none"> 1. More demand for shared travel accommodation 2. Increased demand for temporary accommodation with a local flavour 	<ol style="list-style-type: none"> 1. Number of international students are increasing 2. Higher numbers of students leaving university carrying substantial debt 	<ol style="list-style-type: none"> 1. Older people often experience social isolation and loneliness 2. Some lost their homes and have no savings
What does this mean?	This could increase the demand for flexible workspace. It will also alter the appetite for homeownership and increase the demand for flexible rental accommodation.	This opens up a space for investors, developers and operators to provide short-term shared living spaces that combine the comfort of Airbnb with the convenience of a hotel.	Student housing is a growing area of investment, with the potential for operators to retain customers after graduation as they start work or visit new locations. There is a growing demand for long-term affordable accommodation.	The emergence of this new group will dictate the housing stock on offer in the coming years. They are looking for something new – and they have a preference for housing stock not currently available.

Precedents

Mamaworks is a coworking space with workstations and ultra high-tech and modular meeting rooms. It offers showers to relax, a gym to decompress where yoga classes will be organised, a deco shop to invent a space for oneself and even a soundproof music room, equipped with a drums and an electric guitar.

Zoku is a home-office hybrid aimed at professionals for both short and long-term stays. Its mission is to mix like-minded individuals under one roof – aligning international residents with internationally minded locals. Zoku's co-working members blend in with residents in Zoku's Social Spaces.

The Student Hotel is using a new model for delivering housing solutions for students globally. Not affiliated with any specific universities, students from various learning institutions and fields of study can make connections in an environment that fosters co-habitation and a greater sense of community.

Older Women's Co-Housing is a group of women over fifty who have created their own community in a new, purpose-built block of flats in North London. Representatives from the group were involved in the design of the co-housing scheme right from the outset to ensure their needs and preferences were properly considered.



France's international student population is anticipated to rise from 12% to 30% of all students by 2020

PRIMARY TARGET AUDIENCES

People who currently share spaces fall into two broad categories: (i) **highly mobile professionals**, making the most of the sharing economy, living and working more flexibly thanks to technology and (ii) **people in transition**, moving between cities, or recently separated, divorced, widowed, in long-term need of private rented accommodation.

“When you are in a shared space you feel part of a bigger community”

HIGHLY MOBILE PROFESSIONAL



Entrepreneurs



Flexible Workers



Digital Nomads

PEOPLE IN TRANSITION



Students



Baby Boomers



Tourists



Relocators

ENVIRONMENTALLY AWARE



Environmentalist



Minimalist

The number of **Baby Boomers** in need of alternative accommodation is also on the rise. The emergence of this new group will dictate the housing stock on offer in the coming years.

Older people who are newly widowed often experience social isolation and loneliness. As a general rule, women live longer than men and experience widowhood. Sharing a home with other baby boomers and senior women has become a popular choice for widows, divorcees, or those who never got around to getting married. For some, sharing a home is more of a necessity than a choice. Those who lost their homes in the crash of 2008 and have no retirement savings are attracted

The sharing economy is changing what people consume, and the way that people consume. They are now consuming an experience. End-users are now attracted to places because it is where 'things happen'. There is huge value in content; and in the end-user experience.

According to our research, end-users are looking for affordable spaces that not only provide a sense of a community but also cater for wellbeing.

Most end-users are attracted to spaces that make them feel good, both physically and mentally. They prefer mixed-use spaces that mix living, eating and working, or a combination of live, work, eat and play.

For this reason, there has been an emphasis on design flexibility in relation to shared assets. Future buildings will be designed so that they can easily be converted for sharing purposes.

• **Rethinking construction:** Future buildings will also be designed for customisation and flexibility. Already, architects and engineers are developing office concepts with areas of removable floor-slabs to enable inter-connecting floors, or identifying materials that can be used to absorb the increased noise levels of shared spaces. There are many technological

enablers that will play a significant role in resolving the challenges facing the industry. Modularisation helps to realise the potential of prefabrication, which will increase construction efficiency.

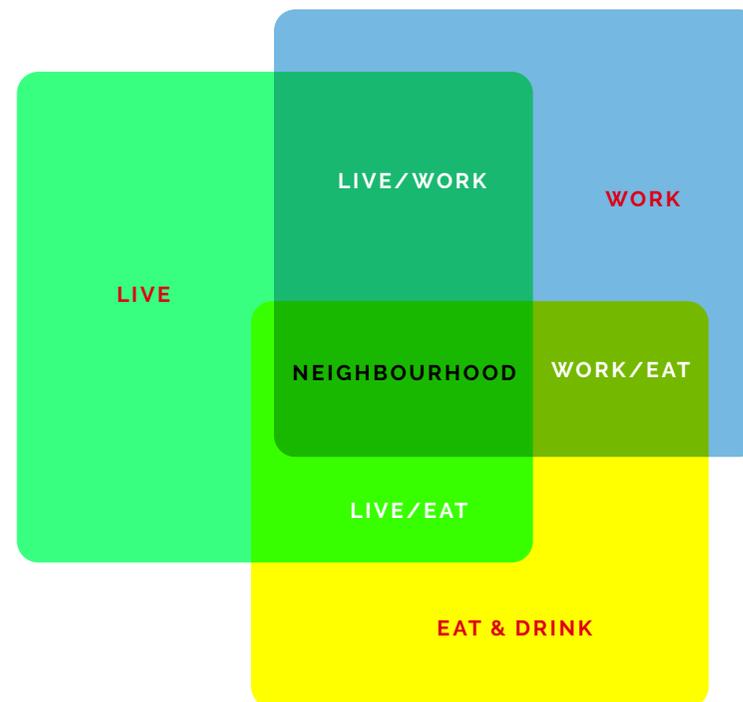
• **Reconfigurable buildings:** Unlike buildings of today, future buildings will accommodate short term and long term tenancies from different industries all under one roof. Whilst the buildings of the future will be conceived as adaptable, dynamic kit-of-parts that can be easily re-configured to suit the needs of tenants, turning existing and heritage listed assets into coworking/ co-living friendly buildings with these features will pose a challenge.

• **Responsive operation:** Future buildings will track footfall, levels of occupancy and usage in real time and store data to enable occupiers to make strategic decisions. Based on a short-term leasing model, operators will use this data to deliver good experiences for their residents to ensure ongoing tenancy and advocacy to attract new audiences.

A focus on user satisfaction has led to much of the success of co-spaces by bolstering a beta-mode responsiveness to customer feedback to continually enhance and improve the end-user experience.



Future buildings will be designed for customisation and flexibility



Most research participants were attracted to a combination of work, living and eating or leisure space. Ideally, these would be co-located and run by the same operator to provide the end-user with a seamless experience.

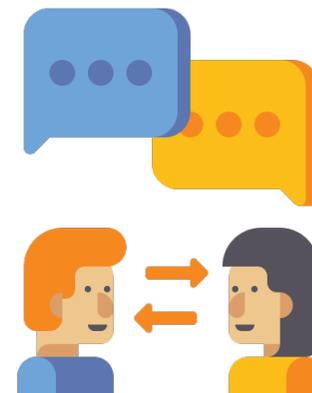
Hybrid spaces offering work, living and eating are often referred to as 'neighbourhoods'. Berlin has been cited as one of the favourite cities for

new mixed-use developments and propositions for innovation districts due to its student population.

With regards to Berlin, already a polycentric city, 'neighbourhood' developments can reduce stress on infrastructure and can also assist with spurring on new development of all types in these developing areas helping to improve local economies.

EXPERIENCE PRINCIPLES

EXPERIENCE PRINCIPLE	EXPERIENCE AMBITION	PLACE PROPOSITION
Community	The most successful shared spaces are those that cultivate community. The sharing economy is about creating a sharing atmosphere; it's about being together.	Our research participants found it difficult to spend time with local people. It is important to provide an accessible space, open to the public, in order to root tenants in the local area.
Wellbeing	Much has been written about real estate and wellbeing, particularly in densifying cities where spaces are small. The most successful shared spaces are those that prioritise people's mental health and wellbeing.	Our research participants said it was important for them to have access to green spaces for wellbeing. It will be necessary to consider biophilic principles and maximise daylight and natural ventilation.
Affordability	The most successful spaces are those that meet people's need for affordable space. In the sharing economy, it is possible to increase flexibility and leverage relationships to reduce cost.	Whilst some operators have considered ways to lower the cost of construction, our research participants said they would be interested in discounts for loyalty to your brand.



“Shared spaces provide opportunities for networking. They provide a different experience because they facilitate meaningful interactions”

PRECEDENTS



Absalon



The Barley Field



Cityhub



The Collective



Crew Collective



Colonies



Comet



Common



Cuckooz Nest



Cutlery Works



Deskeo



Ground Control



Hobo Hotel



Jo & Joe



Kin



Kör



Knotel



Life X



Mama Works



Mama Shelter



Mercado da Ribeira



Mokrin House



NeueHouse



One Roof, Two Generations



Second Home



Sharies



Soho House



Station F



Tribe



Zoku

PRECEDENTS

	<i>from</i>	Entrepreneurs & Creatives	Flexible Workers & Digital Nomads	Flexible Workers & Business Travellers	Students & Young Professionals	Residents of all ages	Tourists
Absalon	Denmark	X	X	X			X
The Barley Field	Spain				X		
City Hub	Netherlands				X	X	X
The Collective	United Kingdom	X			X	X	
Colonies	France				X		
Comet	France	X		X			
Common	USA	X			X	X	
CoSi Network	France					X	
Cuckooz Nest	United Kingdom	X	X	X			
Jo & Joe	France				X		X
Kin	USA	X				X	
Kör	United Kingdom						
Knotel	USA	X	X	X			
Life X	Denmark	X	X	X		X	
Mama Works	France	X	X	X			
Mokrin House	Serbia	X	X			X	
Sharies	France				X	X	
Soho House	United Kingdom	X					
Tribe	Australia	X		X		X	X
Zoku	Netherlands	X	X	X		X	

HOW USERS SEE THE FUTURE OF SHARED SPACES

ENTREPRENEURS & CREATIVES

"I like the idea of a small private club. Perhaps it could be tailored towards a specific group of people".



Second Home creates extraordinary workspaces and cultural venues, designed to support creativity and entrepreneurship.

FLEXIBLE WORKERS & DIGITAL NOMADS

"I want a hybrid between a coworking space and a cafe".



Crew Café offers open wifi, plugs under all tables, comfortable chairs and great coffee. It not only redefines what a café can be but also a workspace.

FLEXIBLE WORKERS & BUSINESS TRAVELLERS

"I'd like to bring other elements into the shared space, like a farmer's market".



Marina del Rey provides access to the Los Angeles coastline – from on-the-water activities and seaside dining to affordable, waterfront accommodations.

STUDENTS & TOURISTS

"I really like the idea of a community space that you can regularly use, like a community house."



Absalon is a community space. People share a communal dinner, party all night with old and new friends or bring their grandparents in for a game of chess.



Soho House is a private members' club for people in the creative industries. It has restaurants, cinemas, workspaces, spas and bedrooms.

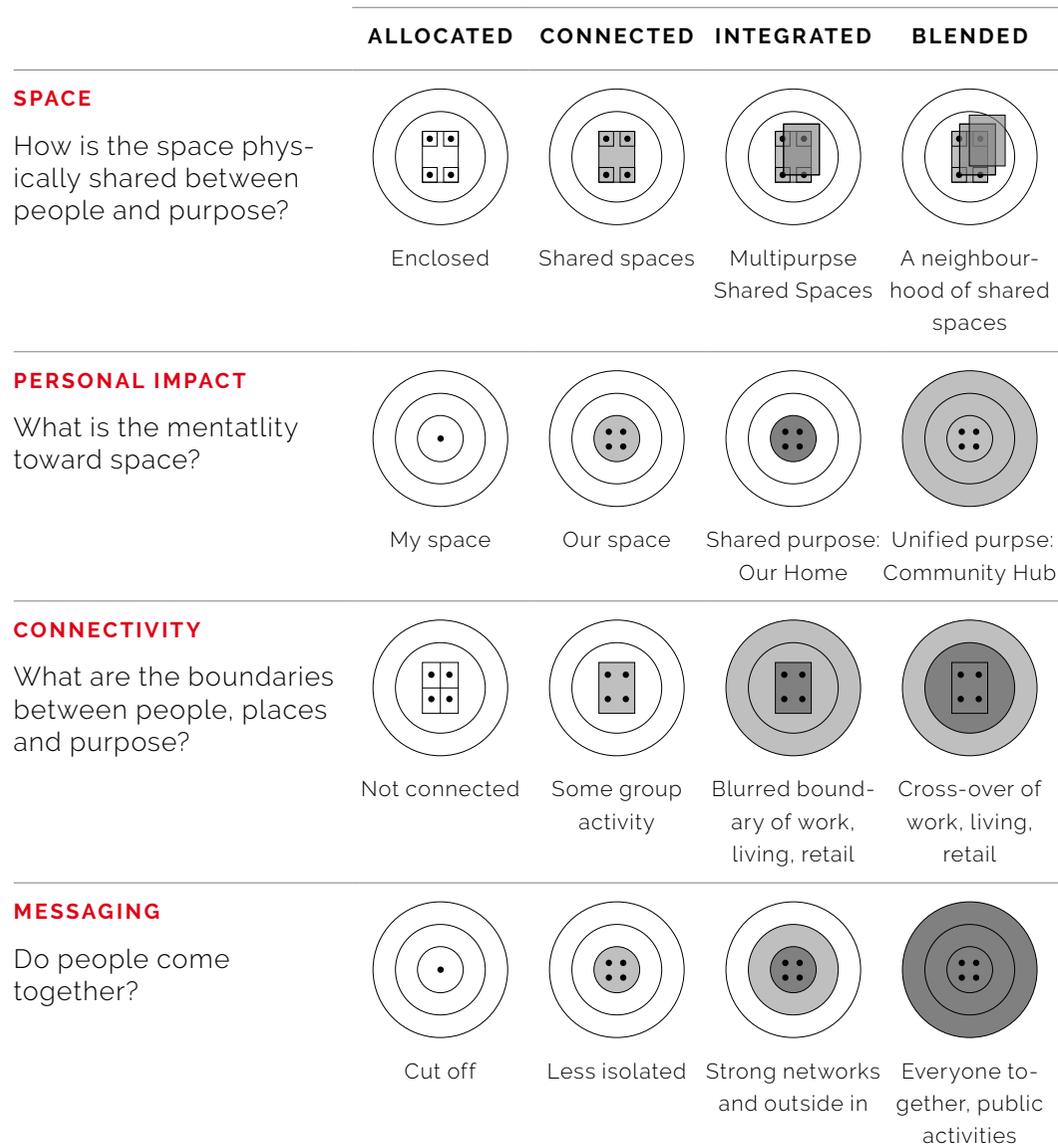


Hobo is so much more than Stockholm's newest design hotel. There are two floors of bar and restaurant, a café, a stage and of course, SPACEby, and pop-up area.



The Barley Field: Residents turned a site into a meeting place for a wide-ranging series of events including inflatable pools, open-air cinema and neighbourhood breakfasts.

WHAT CAN SHARING MEAN SPATIALLY?



PRELIMINARY CONCEPT DEFINITION

	REAL ESTATE CONCEPT			
	An affordable living space with shared community house and garden	A space that integrates local business people and international travellers around work	A combined living and working space with a focus on business innovation	A community-led open air venue and community café for music and the performing arts
Primary Audience	Students	Digital nomads	Entrepreneurs	Relocators
Secondary Audience	Relocators	Flexible workers	Flexible workers	Tourists
Overarching Theme	Social	Economic	Economic	Social
Community	X	X	X	X
Socialising	X		X	X
Learning		X	X	
Convenience		X		
Affordability	X			X
	Community care	Social capital	Business acceleration	Public amenity

EXPERIENCE RECOMMENDATIONS

Design Recommendations

- + **Open your building up** to the external life in the city by providing a ground floor bar for locals, etc
- + **Reduce construction costs** through prefabrication and digitization
- + **Reduce carbon footprint** by including sustainable energy systems for buildings
- + **Consider biophilic principles**, and maximize the amount of natural light and ventilation for wellbeing

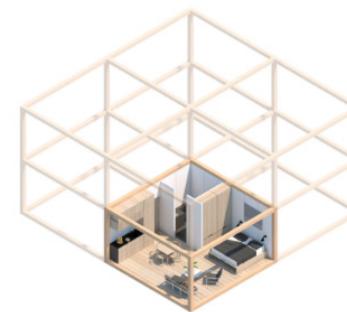
Operation Recommendations

- + **Establish ways to lower the capital and operational costs** by strengthen relationships with local actors
- + **Engage with local businesses to generate member discounts** as part of marketing differentiation and membership plans
- + **Introduce volume pricing**, package pricing and tiered pricing to increase affordability
- + **Consider rent controlled rates** for built-to-rent housing to meet affordability needs
- + **Provide a full-time community manager** to encourage interaction between tenants and locals
- + **Provide opportunities for tenant participation** and feedback - even consider bottom-up approaches to property management
- + **Measure the social impact of the space** and service on tenants to improve customer satisfaction

Management Recommendations

- + **Improve performance with smart buildings** and digital performance management
- + **Consider end-to-end property management platform** to collect occupancy data to enhance performance
- + **Partner with technology players** e.g. Airbnb in the short-term rental scene to increase occupancy and maximise convenience for the end-user

“In the future, there will be different types of shared housing for people. A range of prices so that everyone can find something that suits them”



[Case Study: Urban Village Project](#)

There needs to be 360° transparency, between end-user, operator, investor and other parties.

1. Consumers	2. Residents	3. Local Authorities	4. Investors	5. Developers	6. Owners	7. Operators	8. Management
<i>Why do they matter?</i>							
<p>End-user participation on sharing economy platforms is crucial for the success of the products, services, and companies on those platforms. Similar to the Internet search engine, Google, people use shared spaces to access the repository of human knowledge.</p>	<p>The sharing economy should be about involving citizens in decision-making relating to their cities, towns, and local services. Residents are important stakeholders.</p>	<p>Sharing must become part of the policy conversation in cities. Why? Shared spaces facilitate the sharing of goods, energy, and other resources, which can reduce waste, traffic, and energy needs, increase public transit use, decrease car ownership, and limit the need for residential and public parking.</p>	<p>Investors have the opportunity to increase the delivery and diversity of asset types. For example, more investors are looking to expand exposure to the alternative residential - which includes student housing, co-living, and multifamily.</p>	<p>Property developers realise the potential for co-living to become a significant model in the housing market. Although they are not necessarily familiar with the operational side of managing co-living spaces, they are investing in projects that include co-living concepts in their new developments.</p>	<p>Sharing economy allows landlords to drive more income from the same space. For example, pop-up stores can revitalise and bring extra revenue to shopping centres, but they can also appear in offices, or hotels and disappear when there is a better use for the space.</p>	<p>Large hospitality companies are creating hybrid hotel/hostel/co-living brands with communal living elements in their spaces. Some operators even create separate brands geared towards flexible and location independent lifestyles.</p>	<p>The demand for property management is high. WeWork has collected data on the investment market, leasing market, and how their members use their offices. Now the company is ready to invest in real estate.</p>

In order to implement these insights and recommendations, it is necessary to have a plan of action. This action plan offers a snapshot at our methodology on how to develop a new concept, from your value proposition, site location, to your partnerships and operations strategies.

1.	Multidisciplinary Team	<p>Goal Having a comprehensive 360 view on the skills needed to develop and operate the shared space.</p> <p>Key questions Is my team diverse enough to ensure not only an optimal operational model, but also the right amount of differentiating culture and identity that will drive people to the space?</p> <p>Why is it important It might be obvious but having people from all walks of life around you will help in bridging the business strategy with your people-centric brand vision.</p> <p>Output A diverse and multidisciplinary team of collaborators.</p>
2.	Location	<p>Goal Getting clarity either around local community groups and interests, or on the benefits of a location relevant to your concept intuition.</p> <p>Key questions How, where, with whom will people live, work, use your concept in the future? How can you provide end-users with ultimate flexibility and choice? What is the right location for a shared asset to be successful?</p> <p>Output Location analysis, key ingredients and fit with local area. Community stakeholder list, list of local stakeholders and framework for engagement. Partnership programmes, outline of shared objectives and framework for collaboration</p>
3.	Understanding users	<p>Goal Understanding future users' needs and expectations in order to base the design of your space and offering on demand.</p> <p>Key questions Who are your users? How different are they from one another? What do they need most in a work space? In a home? In a store or recreative space or shared garden? How much flexibility do they need? What is their definition of the ideal office, home, store, etc.?</p> <p>Why is it important Because not taking users into account would constitute an important risk for the durability of your concept. Knowing what the demand is precisely will allow you to tailor your offering to people's need and therefore optimize occupancy and usage. This process can also enlighten property owners on the evolution of other spaces.</p> <p>Output Rigorous, targeted user interviews. Feedback analysis.</p>
4.	Value proposition	<p>Goal Getting clarity around target audience and proposition to capture a niche in the market and tailor its proposition to specific user needs.</p> <p>Key questions Who should you focus its attention on? What value are you delivering to them? How can you address their specific needs in order to be successful? Will you also attract a wider group of end-users?</p> <p>Output A one-sentence promise of value to be delivered, communicated, and acknowledged to the end user.</p>

5.	Partnership	<p>Goal Getting clarity in who you need to work with, and around common ambitions and key areas for value exchange with potential industry partners.</p> <p>Key questions How do you need to engage with stakeholders in order to shape and manage your concept? Can it build on and use the stakeholder value exchange model to deliver results?</p> <p>Output Potential Partners List, a preliminary list of local partners and how to work with them. Potential Partners Map, an understanding of the relationships and potential gaps. Potential Performance Targets, the impacts and goals associated with these partnerships</p>
6.	Operations	<p>Goal Getting clarity around what is required (people, process and technology) to deliver value to the end-user and how to measure end-user satisfaction and social impact.</p> <p>Key questions What is the current operational model, and what/who do we require to adapt? How can you manage an asset that leads to ongoing tenancy and advocacy to attract new audiences? How can you continually work to enhance and improve the end-user experience?</p> <p>Output People, Process, and Technology Strategy, identifies the level and capability of people, and defines the functional and technology requirements to deliver products and services to end-users. Measures and Improvement Plan, a framework for measuring end-user satisfaction and wider social impact. Request for Proposals, a call to potential operators to submit business proposals</p>
7.	Place	<p>Goal Defining what your concept should offer in terms of design and layout, programming and content.</p> <p>Key questions What does sharing look like in your space? What is shared, what is not? What quality level for shared spaces versus private spaces? How do you design for social interactions? How can you create places that drive people forward? How can you curate an experience that aligns with the end-user's prioritisation of health and wellbeing? How do you continue to involve the community with placemaking?</p> <p>Output Planning Review, Review the planning strategy for the acquired asset. Space Map, Identify areas to deliver further value to the end-user Social Value Offering, Inclusion of social value principles in the design brief</p>
8.	Valuation	<p>Goal Determining a rigorous valuation methodology for the new typology of space and operational model you have developed.</p> <p>Key questions What is the risk associated with the operational model? With the operating company? What is the expected operating income? How resilient is the need that I am addressing? What are the closest comparables? How are they valued?</p> <p>Why is it important Because real estate works is generally seen as a capitalization asset and therefore needs to be assessed. Besides, collaborating with others on the development of such a valuation philosophy can help educate the industry about new real estate concepts and therefore lower the risk of entry for first-movers.</p> <p>Output Valuation guideline.</p>

EXPLORING NEXT STEPS

By following these next steps, you will not only maintain momentum but also find it easier to leverage the insights in this report to identify investment opportunities and co-ordinate with partners:

1. Review our process and outputs.

Please provide feedback on what was surprising, relevant and useful to you so that Human City can continue to help you to anticipate shifts in the market and unlock value for your clients.

2. Consider further research.

This report has illuminated the need for further research in the specific areas outlined in the Action Plan. For example, one key area of research would be identifying a principle target market and service offering,

3. Research environmental drivers.

This report explains that behaviour might change in light of sharing and resource scarcity might become a key driver. What is the impact of environmental drivers on end-users' preference of location, operational model and design?

4. Establish social impact goals.

The social impact goals will inform Keys AM's ESG programme and will be used to inform indicators which will enable Keys AM to manage asset performance over time.