



CO-WORKING SPACES: EVOLVING CULTURE AND TRENDS IN THE WAKE OF COVID-19 IN MALAYSIA

Are the days of the centralised office numbered?

The new normal of workplaces today is more than just our homes and offices. In Malaysia and across multiple regions, the demand for flexible work practices emerged, with interest in coworking spaces and solutions booming in 2016. A 2020 global coworking study conducted by CoworkingResources projected that the number of coworking spaces available worldwide would reach over 40,000 by 2024, compared to the almost 20,000 in 2020.

It was not until the pandemic occurred that many businesses collapsed. Most shuttered completely or temporarily as the nation went into lockdown, resulting in the dampening of the emerging market. Many of the companies that stopped operating for a tricky period of time were left behind in the dust, not having the chance to grow or expand their horizons.

Those who managed to continue their operations had to adapt to the regulatory changes and social

restrictions. Some operators chose to delay opening new spaces while others were offering discounts to secure tenants and members.

Overall, despite an initial decline in 2020 compared to the year prior, the global coworking industry is still estimated to be on an upward course, set to surpass US\$13.03 billion by 2025, with a compounded growth rate of 12%.

While many have settled into working from home, others have opted for coworking spaces as the ideal option, spurring the growth for such operators.

COWORKING BEHIND THE MASK OF CORONAVIRUS

When people visualise coworking spaces, the notion of a casual high-density community from various organisations has been dispelled. Social distancing has become the key consideration for those utilising the facility – people are required to sit

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away from one another, socialising frivolously is frowned upon, and people remain behind their masks, working over their devices or taking Zoom calls.

However, the draw behind the coworking movement lies in its flexibility.

For individuals with a more flexible schedule, coworking spaces help cultivate a better work-life balance as employees are better able to separate and juggle work and home.

Additionally, more organisations are deciding to take the opportunity to



Images courtesy of WORQ



evaluate their office space options, with some foreseeing scaling down their offices as they roll out work from home and hybrid practices.

Before the Covid-19 pandemic hit, some companies were already incorporating coworking spaces into their workplace strategy. By utilising such areas efficiently and effectively to spark teamwork and collaboration, employees can better produce results for business growth as they get immersed in the hybrid culture.

Even as we see large enterprises terminating their office leases favouring flexible work locations, it is important to note that it is the office concept that is changing and evolving – likely in part due to increased flexibility and agility.

WHAT IS IN STORE FOR THE UPCOMING YEAR?

Small to large corporations are always on the lookout for coworking spaces. As Malaysia (and the rest of the world) is starting to open up again, membership rates have picked up as tenants are keen to get back into the swing of things.

Coworking and event spaces have become conventional, offering a viable solution for those unable to work from home. A coworking space provides them with the perfect alternative to

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signing a traditional office lease for increasing freelancers and remote workers.

In efforts to de-densify and decentralise their office spaces and real estate portfolio, companies are also exploring corporate coworking solutions as they adopt hybrid work models.

In order to stand out, coworking operators are honing in on their key differentiators to bring in and serve as many tenants as possible. For example, as technology continues to evolve, solutions and their integration into the coworking experience become a unique selling point that draws members looking to incorporate automation to boost experiences and productivity. At WORQ, we differentiate ourselves as a community-centric coworking space focusing on community building, not just among members, but also including



the wider community.

Assuming the industry continues to remain on track to reach 40,000 spaces available globally, the desire to differentiate from competitors will lead to more purpose-filled options, catering to particular groups of individuals. This could materialise in specialised communities being formed, such as female-only spaces and hacker spaces.

All in all, while addressing social distancing rules and adhering to extra health and safety, the coworking movement is here to stay for the foreseeable future, even post-pandemic. Employers, managers and employees have gotten exposed to the benefits of remote working. They are unlikely to go back to how things used to be pre-pandemic, as coworking spaces are regarded highly for encouraging a more collaborative environment and improved workflow. **SJ**