



# Coworking Profit and Loss

Custom customized  
coworking space  
projection

**Creative Density  
Coworking Consulting**

# Your Results

## 01

### Details of Your Space

## Details on Your Space

**Size of the space (sf)** 6,800 **Membership Plan Types** Offices, Hot Desks, Permanent Desks

## 02

### Cost and Expenses

Revenue Projections

Office and Membership Break down

Furniture Costs

Alternative Model Outcomes

Other Expenses to Consider

**Annualized Rent per Sq. Ft.** \$25 **Efficient building layout** Yes

**1 to 2 person office rent** \$600 **Loan Amount** \$0, 0 months

**3 to 4 person office rent** \$1,200 **Office Cleaning** Weekly

**Amenities Level** High **Labor** Mix Part-Time and Full Time

**Marketing Level** Average

## 03

### Understanding Different Coworking Models

## 04

### Next Steps

# Costs and Expenses Estimated

In this section we break down your estimated cost and monthly resource allocation based on best practices and trends in the US. We provide this break down so you can make adjustments to make better estimate for your space.

## Major Monthly Costs Total: \$52,915

Rent	Labor	Marketing	Amenities	Utilities	Loan	Other
\$14,167	\$3,326	\$458	\$1,020	\$640	\$0	\$1,138

## Potential Monthly Revenue

Maximum Potential Revenue:	\$42,550
Est. Max Potential Profit:	\$21,790

## Realistic Monthly Revenue

After 1 year:	\$32,695
Profit or Loss after 1 year:	\$11,935

## Your Office and Membership Type Breakdown

You selected to have tiered hot desking membership and permanent desks. We have provided a break down of how your membership could look like based on common allocation of office space in US coworking spaces.

### Mix of Offices, Permanent Desks, & Coworking Plans for 12,000 sq. ft.

Coworking Plans	Potential # of members	Offices	Number of Offices
Hot Desking	30 (15 desks)	One to Two Person	9
Permanent Desks	17	3 Person	9
		4 Person	5
		6 Person	2

# Costs and Expenses Estimated

## Furniture Costs Breakdown

The furniture estimates are based on the office break down provided above and on real world costs. These estimates DO NOT include any construction build out but only estimates for office chairs, tables, filing cabinets, decorations, art pieces, rugs, kitchen supplies, office and conference room supplies, printers, and a budget for other amenities.

Lower End (Ikea, etc)

\$25,870

Mid-Range (Hon)

\$52,896

High-end (Steelcase)

\$213,393

## Alternative Options....

### If You Selected All Hot Desking & Permanent Desks

#### Potential Monthly Revenue

Potential Revenue: \$37,754

Est. Max Profit: \$16,995

#### Realistic Monthly Revenue

Revenue After 1 year: \$ 11,418

Profit or Loss after 1 year: \$ (9,340)

## **Other expenses to consider for this calculation**

### Build Out Expenses

- This is a major expense and you should properly research your tenant improvement budget.

### Startup Marketing Expenses

- Website
- Video
- Photos
- Branding

### Initial Monthly Losses

- You will not likely be cash flow positive for several months.
- If you are going to open between November and January, then you should expect it to be a slower start.

### Staffing

- There are a lot of ways you can do staffing. In our calculation we budget for one full time person per 12,000 sq. ft.

### Software

- You can run your space without coworking management software through a collection of tools. However, it is easier to have a packaged software for your space. This can run from \$50 to \$500+.

# Different Coworking Models

## Pluses and Negatives to Different Coworking Models

### Offices, Hot Desks, and Permanent Desks

The combination of all plans is the most common model in today's environment. As coworking becomes the new normal for workspaces more small business with multiple employees and remote teams are joining coworking spaces. These teams prefer private spaces but want to be involved in the action of the community.

This model is more expensive to build out in initial investment and it does make the community less collaborative. However, the offices are easier to sell and provide more stable revenue when the space opens. As lease rates have increased, offices are increasing in number as the percentage of total space.

The combination of offices, hot desks, and permanent desk does have the benefit of including the most diverse set of individuals in a coworking space. Many coworking spaces with this model will have plans starting at less than \$100 and with offices charging more than \$2500. This allows for new freelancers to individual remote workers and small teams all working together.

The addition of walls does mean you have to more proactive in creating a community. If you fail at creating a community then your main draw to your space will be your space, which is a fragile competitive advantage.

### Hot Desking and Permanent Desks

This model is most coworking spaces got started before 2012 and is the foundation of the coworking movement. With an open design it cultivates a strong sense of community and collaboration. Hot desking and permanent desk models also

This open floor plan allows the space to be very adaptable to change to the needs of the community or business.

This open floor plan is also the most space efficient and you can have the most number of members and potential profit. It is also the cheapest model to get started. However, this model is the most difficult to get to break-even in today's environment. Offices are now normal for most coworking spaces because they are easier to sell and provide more stable revenue from a single member.

## Next Steps

### **Next Steps:**

#### **\$500 - A Customized Monthly Profit and Loss Calculation for the First Year**

In this package we will have a one on one conversation to create a more detailed custom profit and loss calculator based on over nine years of coworking experience. You will also have greater flexibility for different office sizes, more detailed price points, and the ability to adjust every figure in our calculation.

With this more detailed information we will provide you an estimated monthly revenue projections for the first year. This will help you estimate your total 'cash on hand' requirements before having positive cash flow.

You will receive a further detailed report that includes alternative scenarios that will guide you in your decision making.'

#### **\$3,500 to \$10,000 - Feasibility Study and Site Visit**

A feasibility is what we are most know for. This project goes beyond just the space but examines your competitive environment, the demographics of the area, recommendations on the type of coworking you should offer, floor plan options, and a recommendations on branding and positioning. We recommend a site visit.

#### **Powered By Creative Density - We manage your space**

This is a new program we are launching for spaces less than 12,000 sq. ft. It is a new partnership where we open up a Creative Density inside your space. It's a management contract where you are allowed to use our branding, we help design the space, train the staff, and execute on operations. We are partners where will are always available for consultation and hold monthly meetings with your staff and the rest of the team so the space amazing for you and your community.