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THE EVOLUTION OF CO-WORKING: GLOBAL INPUT, LOCAL RESULTS



WRITTEN BY

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The commercial office sector has seen a global shift toward communal, integrated working spaces. The era of Always Connected, Instant Access has created an environment that has demolished the boundaries of the modern workplace. But what exactly is co-working and, where does Africa stand with this revolution?

“The evolution of the workspace is clearly evident” says Jill Munger, Chief Executive Officer of Time & Space, design consultants, interior designers and space planners based in Johannesburg, South Africa. “With the cost of space going up continuously and the demands on office locations to be more accessible to staff due to traffic congestion, we are seeing a big move towards flexi-time and remote working structures”.

Co-working has concrete roots in the America's and Europe, and with places like San Francisco and Lisbon adopting the co-working revolution with eager and open arms, the impact, economically, is seen all around the globe. With experts like Norwegian entrepreneur and Meltwater CEO Jorn Lyseggen becoming a key catalyst for the massive wave of start-up incubation and acceleration activities in Africa, entrepreneurialism has begun to develop an opportunistic, multi-disciplinary culture across the African continent and give



much-needed sustenance for individuals and SME's.

GLOBAL INPUT, LOCAL RESULTS

The arrival of Tech giants such as Facebook and Google in countries like South Africa, Kenya, Nigeria, Egypt, and Morocco has brought both local and international attention and investment into these and other African countries; however, there is still the challenge of integrating with the rest of the continents' entrepreneurial ecosystem to give access to corporate business opportunities, expert mentorship, team talent, and further local and international capital. Facebook launched the NG_Hub in partnership with local innovation hubs in Nigeria to "bring together the Nigerian tech community, including developers and start-ups to enable them to collaborate, learn and exchange ideas".

An article published on Medium.com in October 2017 listed the increased adoption of technology (the mobile economy), Africa's youthful population and the current unemployment situation on the continent, a major driver behind the recent growth of Africa's tech hubs and co-working spaces.

The co-working scene is not only giving new life to citizens, but also to run down parts of cities. This investment is clear when looking at the global co-working scene, where the hubs based in the America's and in Europe occupy repurposed heritage or iconic buildings (such as the +150-year-old Brooklyn Navy Yard) and give new life to abandoned and neglected parts of cities. Involvement by government and city departments, seen by the City of Barcelona's partnership with Barcelona Tech City, also motivates the case for co-working.

Argentina's co-working revolution started in 2007 and 2008 where (now President) Mauricio Macri started a movement to improve the city's poorer south side. He sought to bring a technology and design revolution to the areas of the city that had previously been isolated, and industrial areas. The infrastructure improvements such as public transport and security are catalysts for this movement and cities are becoming vibrant and productive and buzzing with opportunity and development.

CO-WORKING IN SUB-SAHARAN AFRICA

Mia Da Camara of Perch, a co-working space in Rosebank, Johannesburg, says they draw their inspiration from global

“ IT IS ESTIMATED AFRICA'S POPULATION WILL HAVE REACHED 2.4 BILLION BY 2050

co-working giants. “The co-working scene in South Africa alone is very diverse, with Cape Town having many co-working offerings available and therefore Perch, being in Johannesburg, draws a lot of inspiration from global co-working giants like WeWork but we also look to many operators in Cape Town to see what the current trends in the local market are as well.” Although they are solely based in South Africa, their interest in the African co-working industry does not stop there. “If we had to look into countries around the African continent, we would start in Nairobi, Kenya as well as Lagos, Nigeria since their start up and tech ecosystems are amongst the more advanced in Africa.”

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Although, to reach a global level, a global outlook needs to happen, Mia reiterates that there is plenty of inspiration on the African continent for us to find. “There are over 200 spaces throughout Africa, each with as many different models as there are spaces so there is plenty of inspiration on our own continent. What we really would like to see is spaces in sub-Saharan African countries working together to grow the larger community and educate those that might still not know of co-working spaces and their benefits.”

Aside from the co-working sector being in infancy stage in some sub-Saharan African countries, according to the GSMA, there

were 400 active incubators, accelerators and co-working spaces in 93 cities and across 42 African countries by March 2018. “We are very optimistic about the growth of this sector and we would like to see co-working to be mainstream and an option for big traditional companies to use alternatives like co-working spaces for remote workers and consultant type employees in order to reduce overheads. Because rentals and services in most African countries are getting more expensive, it is the best solution to cater to growing office demands”, Mia adds.

Wangari Muchiri, an Associate at JLL, gives us some rental context to the market leaders, specifically to Kenya. “The market leaders are South Africa, Kenya and Nigeria. Kenya is quite advanced in the co-working space as longer leases (typically 6 years) enforced by law make it difficult to be flexible for new entrants into the market. In markets like Ethiopia, co-working is slowly becoming more popular, however very few providers exist and those that do are more business incubation hubs (e.g. Blue Moon) than pure serviced offices.”

THE NEXT 5 YEARS

Jill is positive that co-working will be embraced, however, she remains aware of the fact that aspects such as brand visibility

are negatively affected in some cases. “I think people will embrace it. But I do believe that there will always be a need for companies to have their own base with their own identity and a place for their people to meet and collaborate. It will be interesting to see what emerges in the field of workspaces.”

Wangari also has a positive outlook for the next five years. “I see more African brands expanding across the continent to take some of the market share multinational companies (like Regus) have. Co-working spaces will also be more segmented into niche fields like the arts, finance, science and tech where the co-working space is only used by companies from a specific industry. Co-working spaces will also be located in non-traditional spaces such as restaurants and old heritage buildings.”

CHALLENGES IN THE ADOPTION OF REMOTE AND COLLABORATIVE WORKING

The co-working sector has commercial offices all over the world shrinking due to the need for less fixed space. But this is not as easy as re-arranging some furniture. Changes from a traditional workplace structure





to a collaborative, co-working approach requires intensive planning, forethought and management. Considerations such as change management, storage solutions and much more need to be included from the get-go. Areas should also be multi-functional. "Office areas are becoming a mix of hot desks and mixed-use spaces, such as lounges and meeting areas that are multifunctional and double up as work areas." Jill adds.

The biggest challenge to the co-working trend in the African context for Mia and Perch is making co-working a profitable business since there are many business models out there and finding the one that will make this business a success is a challenge in itself. "Space owners in the African continent may be drawn to the low barrier to entry in this industry but finding reliable suppliers, staff and filling the space are critical factors to making the space successful."

Another challenge, in Mia's opinion, is the way we currently work. "We don't have a culture of working in open plan offices, collaborating and sharing information and spaces. There is some education to be done around changing the way we work but that will slowly evolve since co-working, especially on the African continent, is new and not really understood by the vast majority of people."

HOW IS CO-WORKING GOING TO HELP?

Co-working is starting to be viewed as a way to not only improve a country's economy, but the quality of life as a whole as well. Jill, says that there are two types of environments. "The co-working space that is open to the general public" and the "co-working space that is company specific," the latter of which is seen in one of their most recent projects where Perch designed and fitted a new co-working environment within the offices of marketing and advertising company Penquin.

Co-working is best suited to anyone whose major work is based on a laptop, which these days ranges from tech start-ups and freelancers to almost anyone doing business today. The Perch community, for example, ranges from architects and interiors companies to recycling and FinTech start-ups. "As long as people are flexible, able to accommodate others around you and keep an open mind about the different types of people you encounter daily, anyone can use co-working spaces". Flexibility is also a major draw card for independent contractors and freelancers, who Mia says is a large portion of their members.

THE POSITIVES OF CO-WORKING INCLUDE:

- *Reducing a company's footprint,*
- *Reduced travel time (if on flexi-time or able to work remotely),*
- *Paying only for what you use and when you use it,*
- *Allowing teams and individuals to work in ways that better suit their function and tasks,*
- *Collaborating in stimulating environments and learn from others to improve your work and processes, and*
- *Reduced costs and better access to services such as accounting, internet, and even coffee.*

Wangari says that Kenya has seen an increased quality of life for many of its' citizens who can now run businesses with other like-minded SME's and make a living for themselves. "With a high unemployment rate, many new graduates turn to entrepreneurship to make a living, and now this is more accessible as they do not need to fit out expensive offices to do so." In Kenya specifically, Wangari says the co-working sector is unique and Afro-centric, and listed Regus, Nairobi Garage and ESBC as the three main brand leaders to keep an

eye on. "They are leaders in that they manage to stay on top by expanding their footprint to cover more of Nairobi and by catering well to their niche of clientele".

WHAT DO WE HAVE TO LEARN?

So, what does sub-Saharan Africa have to learn aside from what we already know about the global leaders? Wangari says that more innovative locations and better quality of office and co-working space is required. Mia says that location is always important "since you need to make co-working spaces accessible to everyone through the facilities you offer, the location you are in, professional staff and access to transport.

There are a number of factors that make Perch and our offering easy to use and inviting to all levels of business and entrepreneurs. We strive to be

a friendly and inviting space to work, an environment where people feel comfortable and a network and community offers members direct access to other businesses."

Economies such as the ones in the various sub-Saharan African countries will benefit in many ways with the introduction and further development of the co-working sector. Wangari says that Nigeria (limited quality office space) and Kenya (limited mid quality/price office space due to long leases) are large markets with opportunity and Ethiopia has almost uncharted territory with a limited number of co-working spaces available and great demand from international companies.

Mia says that if Africa wants to be competitive with the rest of the world, they need to look at new ways to reduce the costs of running their operations and be more connected with one another – two things that co-working spaces do very well. "We are seeing a resurgence of



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SO, WHAT DOES SUB-SAHARAN AFRICA HAVE TO LEARN ASIDE FROM WHAT WE ALREADY KNOW ABOUT THE GLOBAL LEADERS? .



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A large, modern glass skyscraper at night, illuminated from within. The Discovery logo and the word "Discovery" are visible on the upper part of the building's facade. The building has a curved, tiered design.

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