

# HOW BIG IS THE IMPACT OF COVID-19 ON THE COWORKING AND BUSINESS CENTER INDUSTRY AFTER NEARLY TWO MONTHS?

Many industries are facing challenging times and some strict regulations were immediately imposed by the government. Although there were no direct measures for the Coworking and Business Centers, changes in other industries are creating an impact on our sector as well. Or not?

After nearly seven weeks of uncertainty, the government was finally able to provide us with a cautious prospect for a post-COVID-19 era. Although employees are still recommended to work from home, companies and workspaces are allowed to reopen whilst keeping the virus in mind. Some coworking locations and business centers never closed down, but had to prove themselves to be a safe and hygienic workplace. And now, they all must be able to guarantee their employees/coworkers/vistors a place that complies with government measures. Social distancing must be guaranteed at all times and disinfection must be a keyword in every workplace.

Bar d'Office (Belgian coworking network) and BWA (Belgian Workspace Association) measured the impact of COVID-19 on our sector, mainly in Belgium, after nearly two months.

This survey was shared with all Bar d'Office coworking locations in Belgium and all members of BWA. It was conducted between April 17 and April 23. Please keep in mind that the survey was drawn up before the government announced the exit strategy on April 24<sup>th</sup> and represents a second indication. The first findings can be found here: <https://bardoffice.eu/blog/2020/04/07/survey-covid-19/>.

Let us have a look at the main results and findings.

## THE RESPONDENTS

The respondents who have filled out our second survey differ in size of location. Most respondents indicate to have a location that is over 1.000m<sup>2</sup> or between 250 and 500m<sup>2</sup>. 70% of the respondents also indicate to have one (1) branch as the other 30% indicates to have up to 10 branches.

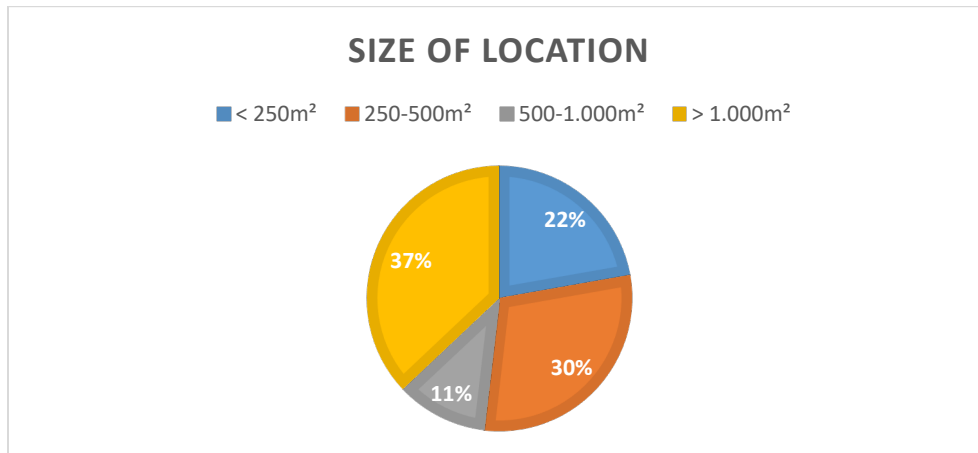


Figure A - How many branches do you have? (in numbers) (Q5)

## THE GENERAL IMPACT

The government has not imposed a mandatory closure for our sector, yet 37% of the respondents have decided to shut their doors during the lockdown for several reasons. Those who remained open, suffered some financial losses as well. 48% of all respondents will be or already has applied for the government measures regarding companies with a turnover loss of 60%.

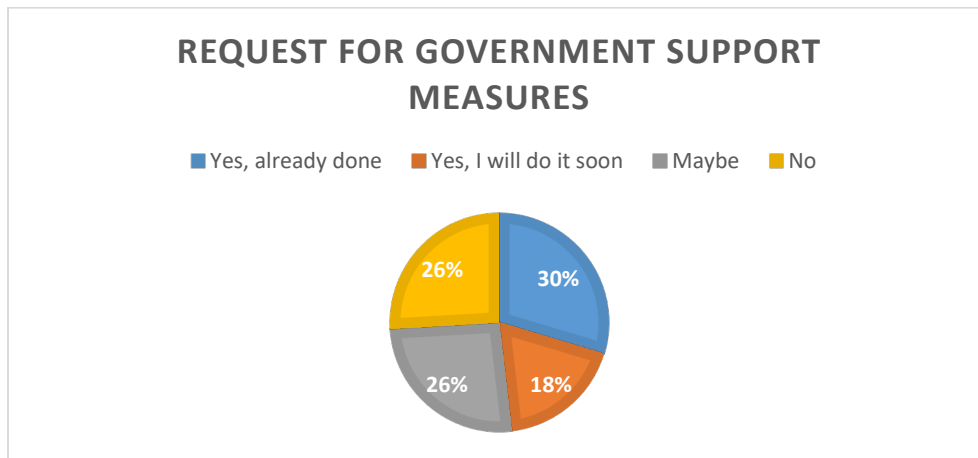


Figure B - Are you applying for the government measures regarding companies with a turnover loss of 60% during the lock down? (Q11)

Most locations have taken specific opening measures to guarantee a safe working environment. Some locations decided to stay completely open whilst others decided to close some specific parts of their locations, such as the coworking zone, meeting rooms or private offices.

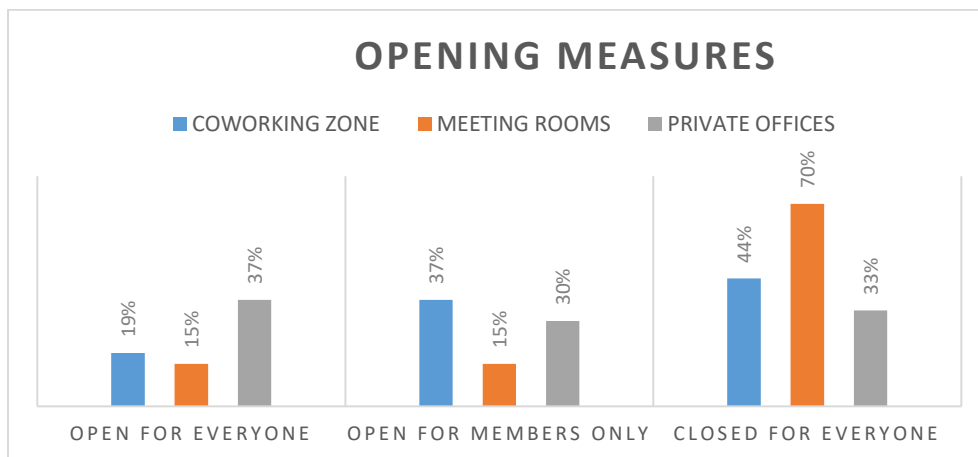


Figure C - Indicate the opening measures you have (Q7)

For further questions and remarks:

Every location was able to follow the imposed measures by the government (as the closed ones did as well before they decided to remain closed). The following measures were questioned:

- Social distancing (1.5m) (78%)
- Hand sanitizers (74%)
- Paper tissues (63%)
- More frequent disinfection of workplaces (59%)
- Documents with government updates (44%)
- Maximum capacity (26%)
- Documents on what to do when you suspect to have COVID-19 (22%)
- (Disposable) gloves (19%)
- Markings, ribbons or physical barriers to outline zones (15%)
- (Disposable) mouth masks (15%)
- None (11%)
- Other (11%)

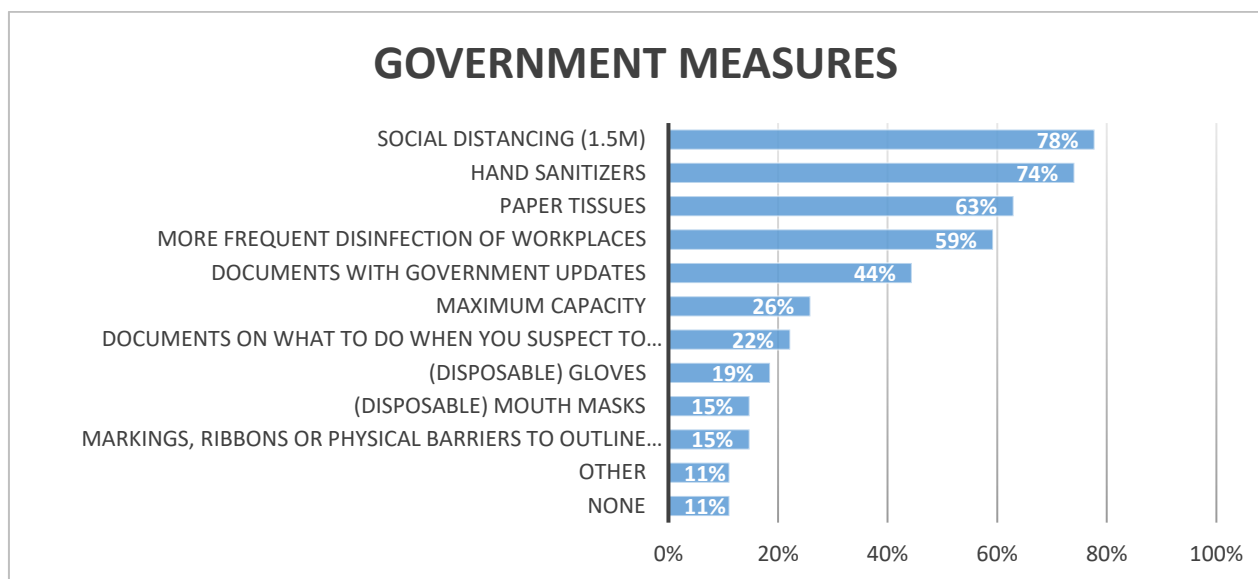


Figure D - Which actions are you currently taking to guarantee the measures imposed by the government? (if you have closed down, please indicate the actions you have taken before closing) (Q10)

For further questions and remarks:

Even though some locations decided to stay open, their daily operations have changed. Only 30% of the locations is still manning their reception physically. Whilst an equal number of locations decided to manage their reception digitally. 67% of the locations is still offering postal services for their community. But a remarkable 30% is offering no services at all. Which could lead up to the question whether subscribers must be provided with a financial compensation as well. Some locations provide other options such as digital talks with their community (19%), protection shields or e-learnings (4%).

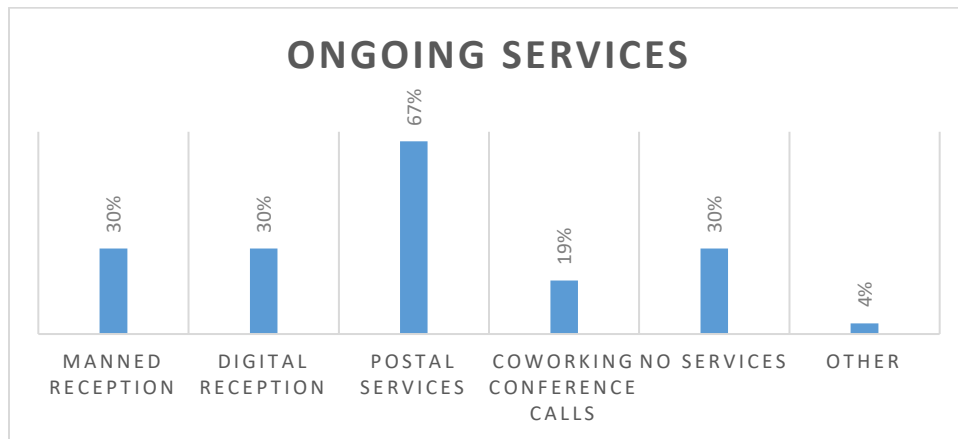


Figure E - Which services do you still provide for your customers, even if you are fully closed? (Q8)

The figures show a clear impact of COVID-19 on our daily operations. We have questioned our participants about their following activities: Coworking, Meetings, Events, Private offices and Consultancy. As expected, there is no positive impact at all on any of the daily operations. In general, almost all meetings and events have been cancelled. Coworking is also suffering and although Private offices and Consultancy seem relatively stable, there is also an average 42% impact to be measured.

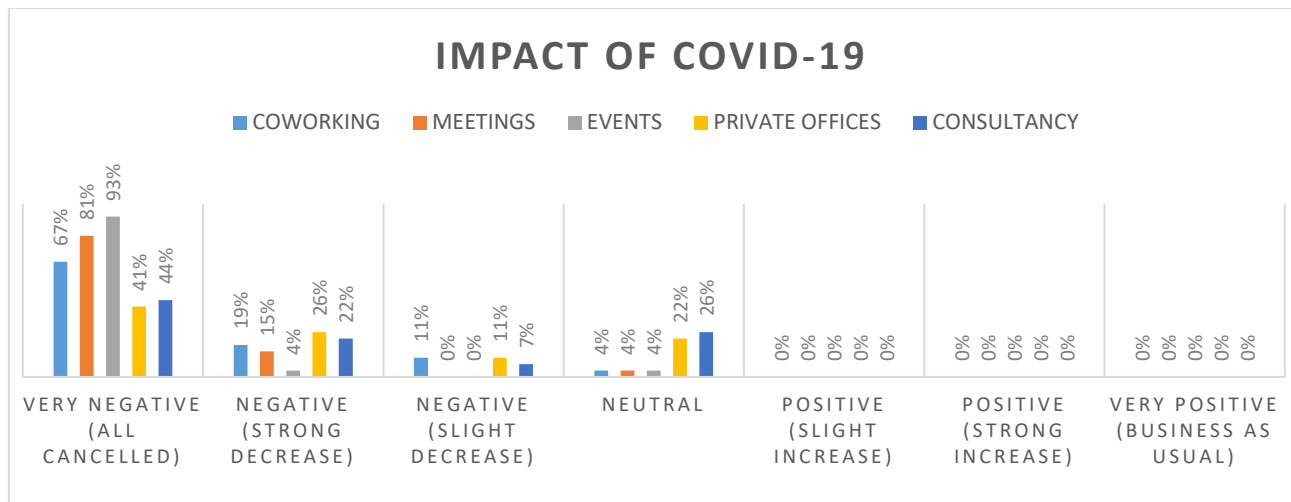


Figure F - Indicate the current impact of COVID-19 on your activities. (Q9)

For further questions and remarks:

## WHAT ABOUT THE EMPLOYEES?

COVID-19 also has an impact on our employees/community managers. With a total of 163 employees (the sum of all employees of all participants, without taking the coworking owners into account), we measured the size of this impact. At least 44% of the respondents have had to put one (1) or more employees on temporary unemployment which makes a total of 72 employees. Fortunately only 4% of the respondents had to fire a total of 6 employees. On the plus side, 75% of the respondents were able to provide an in-between solution for their employees by creating an adjusted timetable/work schedule in combination with temporary unemployment.

## THE IMPACT ON COWORKING ZONES

The impact on coworking is measurable in the type of questions locations receive from their customers: 85% of the participants have already received questions from their community regarding some sort of financial compensations.

Should we offer our customers a financial compensation or not? 85% of all respondents have already handed out a proactive compensation to their subscribers. We have asked our participants which ones they have already offered and to which compensations they would be open to. Those who have handed out some compensations, were not imposed to do so by any organization. They have proactively taken the decision to do so.

The compensations that were being questioned are:

- Suspension of subscription during lockdown
- Reduction of subscription during lockdown
- No invoicing at all during lockdown
- Payment plan
- One free month
- Loyalty reward after lockdown
- None
- Other

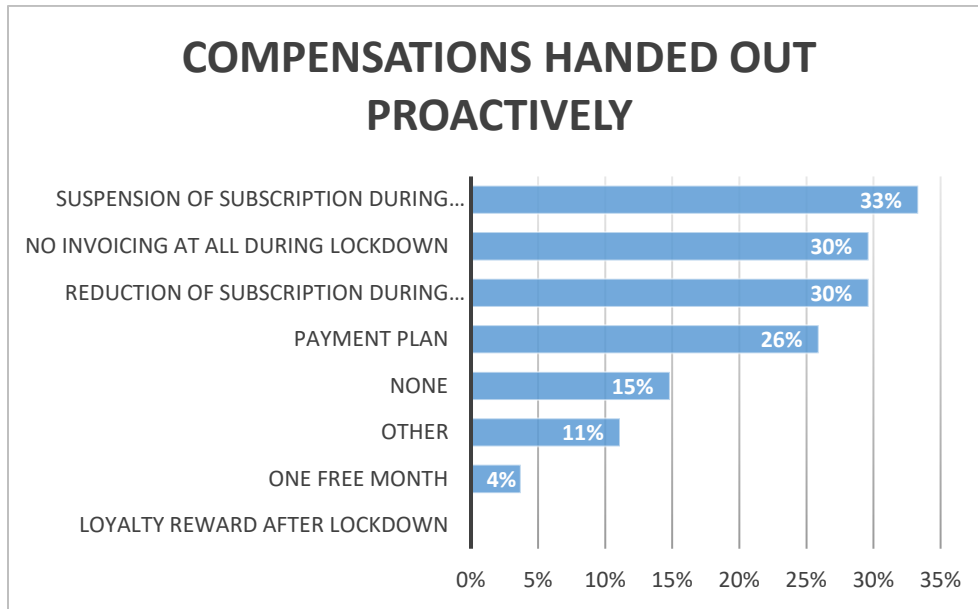


Figure G - Which compensations have you handed out proactively? (Q13)

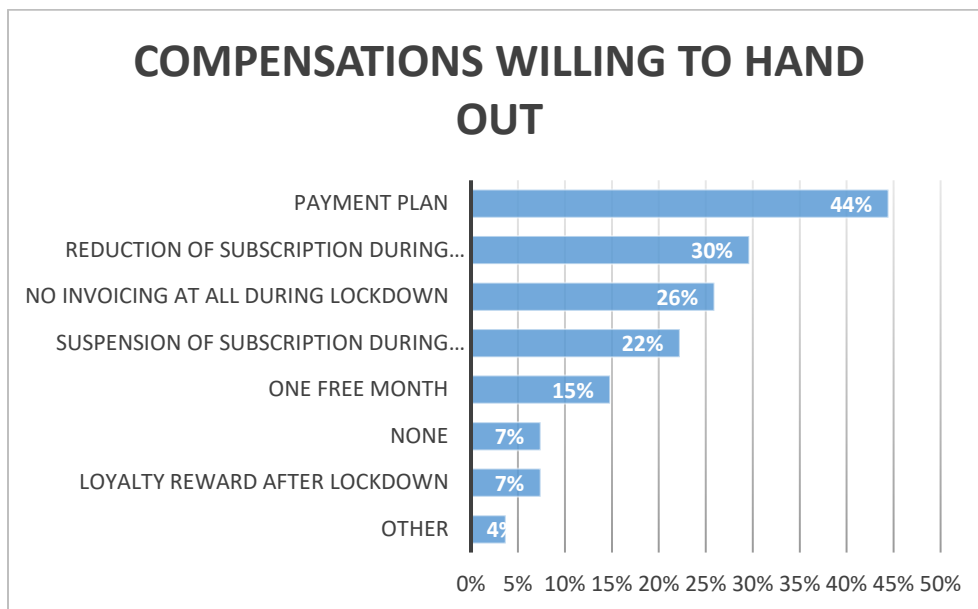


Figure H - Which compensations would you be open to hand out? (Q14)

For further questions and remarks:

Bar d'Office: [www.bardoffice.com](http://www.bardoffice.com) | [info@bardoffice.com](mailto:info@bardoffice.com) | +32 3 303 90 73

## WHAT WILL THE FUTURE BRING?

It is impossible to predict the future as there is too much uncertainty about the pandemic. But the impact of COVID-19 will be felt for at least many more months. It is also uncertain whether the government will impose more restrictions or measures and whether these will increase or decrease in time.

Fortunately, 48% of the respondents is convinced the COVID-19 crisis will only result in a permanent loss of less than 10% of their current customers. Only 4% of the participants expect to lose over 51% of their customers permanently after the pandemic.

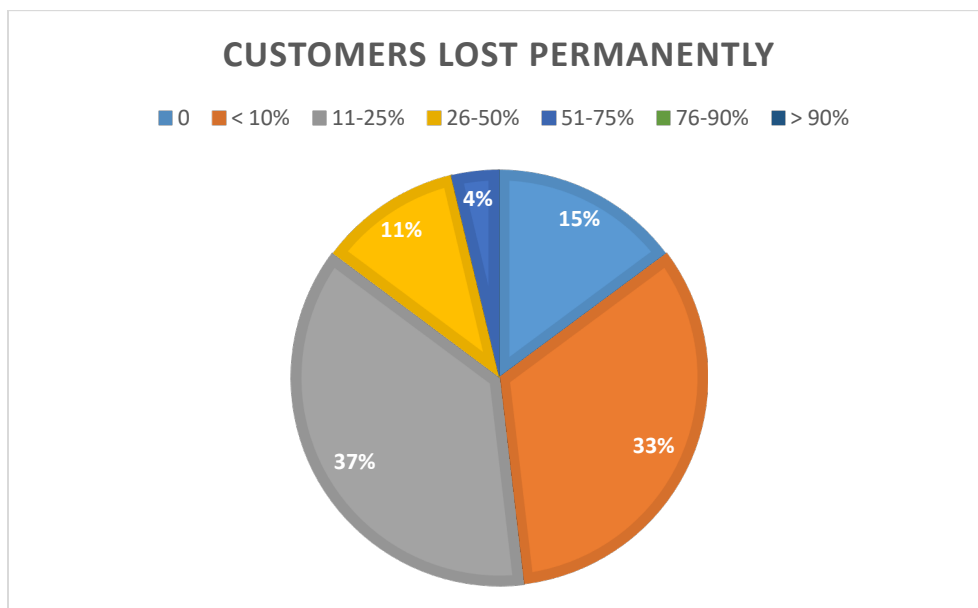


Figure 1 - How many customers do you estimate to have lost permanently? (Q19)



The opinions are divided as to how many months the participants think they need to achieve the same turnover as before the pandemic. Fortunately, only one (1) participant estimates it to be over a year. Most participants (48%) believe to need seven (7) months to one (1) year to be fully operable again, followed by three (3) to six (6) months (26%).



Figure J: How many months do you think you will need to achieve the same average turnover as before the outbreak? (Q20)

For further questions and remarks:

Bar d'Office: [www.bardoffice.com](http://www.bardoffice.com) | [info@bardoffice.com](mailto:info@bardoffice.com) | +32 3 303 90 73

The time needed to achieve the same turnover causes more uncertainty about the future as 15% of the participants indicate they cannot take any additional measures after the pandemic to reactivate their business. Simply because they do not have the financial resources in order to do so. The other measures that were rated, to reactivate businesses, are:

- Increased marketing efforts: 74%
- Increased sales efforts: 48%
- Increase our services: 41%
- I cannot take any additional measures: 15%
- Unclear for now: 4%
- None, we don't need it: 4%

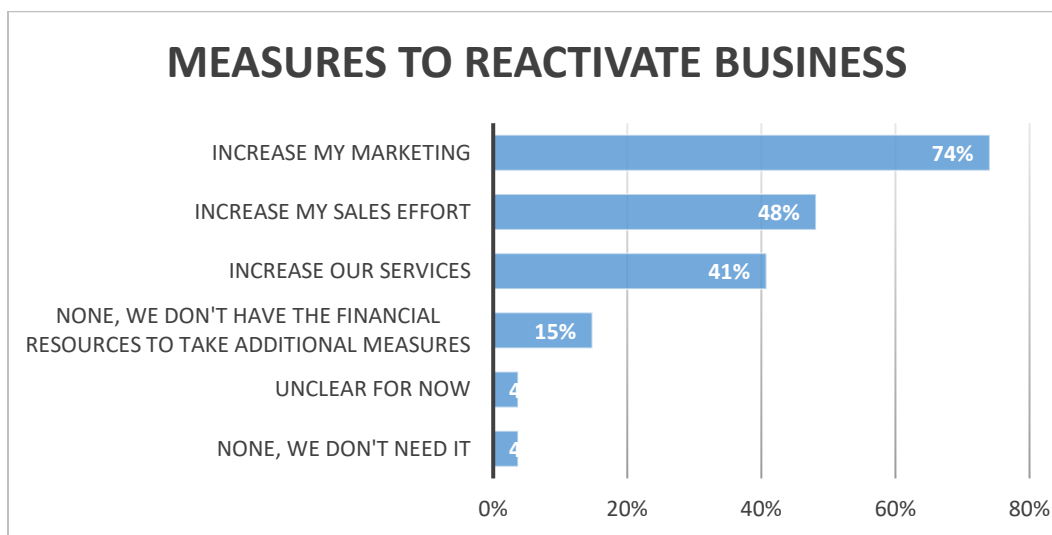


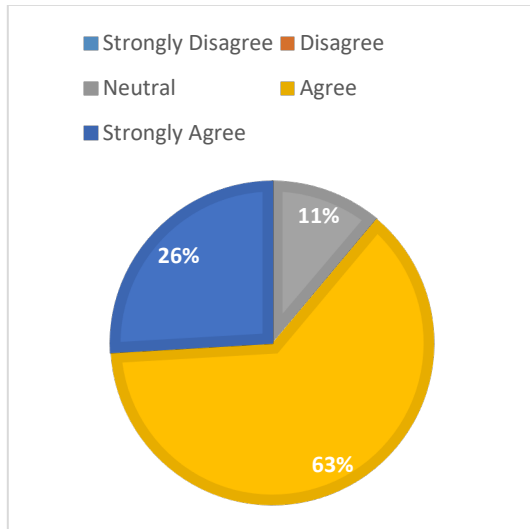
Figure K: Which measures will you be taking to reactivate your business? (Q21)

For further questions and remarks:

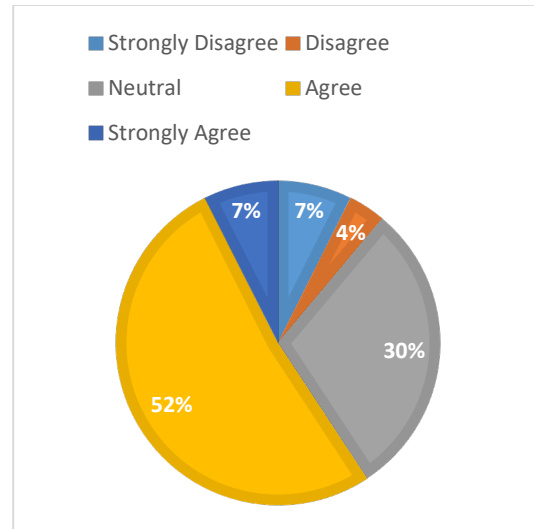
Bar d'Office: [www.bardoffice.com](http://www.bardoffice.com) | [info@bardoffice.com](mailto:info@bardoffice.com) | +32 3 303 90 73

We have also asked our participants for their opinion regarding a few statements.

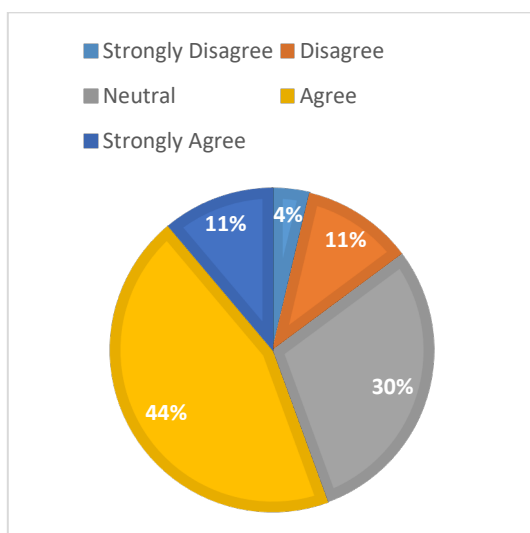
**1. Telework will become more popular**



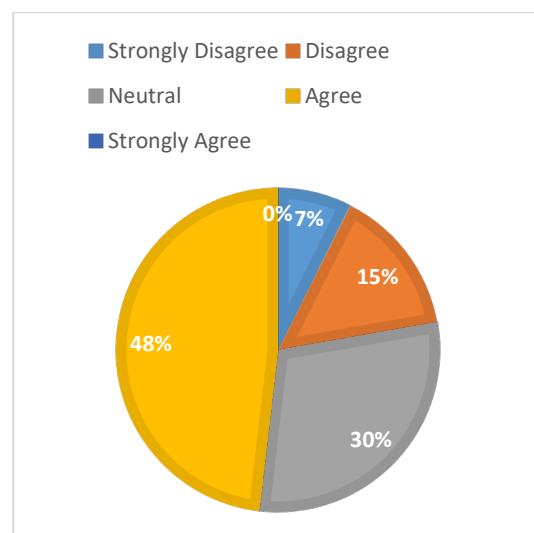
**2. Telework will become more popular AND this has great potential for our sector**



**3. Telework will become more popular BUT potential customers will prefer working from home**

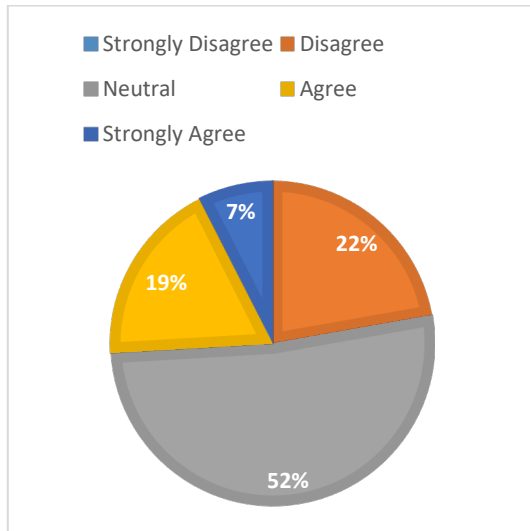


**4. Telework will become more popular AND employers will prefer their employees to work from a coworking locations or business center instead of home**

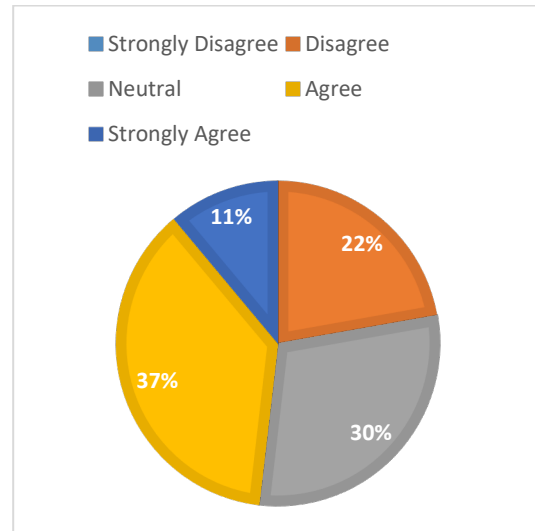


For further questions and remarks:

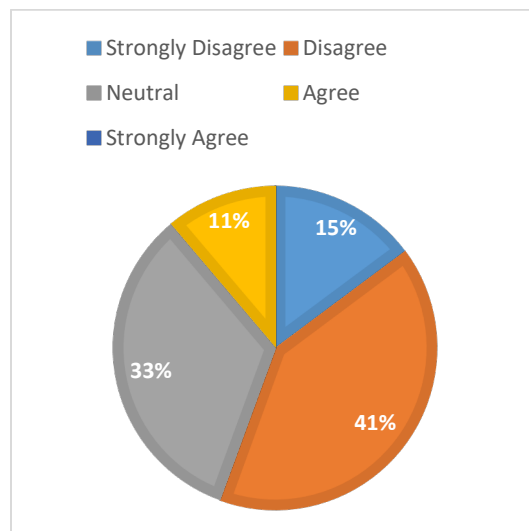
**5. Companies will not clear their budgets to stimulate working from a coworking location or business center**



**6. Public locations, such as coworking locations and business centers, will be avoided in the first few months**



**7. Business will go as usual in our sector**



For further questions and remarks: