

The Vancouver HIVE

(working name - Vancouver Sustainability Hub)

Research and Feasibility Findings – June 2010

A Vancouver based model for co-location and creation of a sustainability focused flexible and collaborative workspace

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Executive Summary

This feasibility study is focused on combining the vision and input of a strong group of Vancouver based sustainability professionals with a thorough examination of similar and comparative models of co-working centres to extract best practices and key learnings. The outcomes are a feasibility analysis and business model demonstrating viability together with a set of recommendations which align key success factors with local needs to set a framework for the creation of a Vancouver co-working hub under the name of The Vancouver Hive.

Many examples of co-working centres were studied in an effort to extract both the factors which distinguish one centre from another and give it a distinct character, as well as the factors which lead to the most financially and culturally successful centres. These examples have come from Vancouver, elsewhere in Canada, the US and the UK. Some are currently operating successfully, others have been discontinued, and some examples are feasibility research outcomes for centres yet to be established.

From this comparative review, a number of key elements of design and operation were distilled. These include aspects of ownership, financing, management and decision making, operational structure, animation, infrastructure requirements and pricing models. The relevance of each of these elements has been discussed in depth, and the comparative analysis of co-working examples is summarized according to these same elements. Significant success factors and major stumbling blocks have been identified and incorporated into the recommended framework, along with the preferences and requirements of the Vancouver Hive group participants.

The recommended framework includes an initial launch in a site which is under long term lease, with the sub-leasing and space management to be operated through a newly formed non-profit organization. This NPO would hold the head lease with the landlord and be responsible for revenue generation/collection to meet external lease payment obligations. Consistent management of the space would be ensured through paid staff on site.

The offerings for tenants in the space will be a wide range of workspace options from private office to dedicated desks, plus a variety of options for a specified number of hours per week at a desk within an open office environment. There will be available meeting and boardroom space for use/rent by participants (as well as to external parties) and planned common areas for dialogue, eating and relaxation. Careful space design will create flexible options for opening up a larger area for events to be held. There will be the opportunity to create workshop space and multimedia studio spaces to be available for use/rent by artists, designers, architects,

engineers, and other creators of physical products. There will be a strong emphasis on animation activities to ensure an atmosphere of collaboration, creativity and continuous learning and sharing of ideas.

The business model developed around this framework demonstrates financial feasibility with reasonable assumptions based on current interest amongst participants, market supported lease rates and other comparative co-working models. The proposed pricing levels are as follows:

Pricing	Rates used for Business Model
Space Rental Pricing	
Office space under lease	\$20/sq ft
Flexible Office Space	\$700/mo
Dedicated Desk Space	\$400/mo
Shared Desk Space (2 defined users)	\$275/mo
Hot Desk Options	
5 hours/month	\$75/mo
20 hours/month	\$125/mo
60 hours/month	\$250/mo
Unlimited/month	\$300/mo
Boardroom (8 - 20 people)/hour	\$50/hour
Meeting Rooms (2 - 8 people)/hour	\$25/hour
Event Space	\$250/event

Several micro regions were identified within Vancouver which offer a reasonable combination of affordable rents, safety of premises, accessibility to public transport and proximity to the city centre and within these identified regions, several sites were selected as available for lease and assessed for current asking lease rates. The size of these sample properties is in the range of 8000 – 10,500 sq ft, so any of them are potentially satisfactory with some recalibrating of the overall division of space within the Hive.

Further examination and detailed planning would be required for any of these properties, however we have presented the range of options here on a preliminary basis as evidence of the strong likelihood of being able to find a suitable building with space enough for the proposed HIVE at a lease rate that would fit within the rates proposed in the enclosed business model.

Introduction

There is a growing trend around the world of professionals looking for a different type of work environment. One which supports the flexibility and independence of a mobile work force and consulting based practice with the opportunity to collaborate, share ideas and leverage the creative thoughts of others, often referred to as co-working. A parallel trend, known as co-location, is a more pragmatic space sharing model of individuals and organizations co-habiting within a larger space to benefit from cost savings of shared services and alignment with like minded organizations. Overarching these trends is the opportunity for creative collaboration which is shown to add economic value to a city or country as part of what is newly termed the creative economy. Creative industries contribute significant amounts to the economy through export, employment, and sustainable economy not reliant on resource input.

In Vancouver, there are several examples of co-location and shared office space environments, however there is a growing need for additional shared space options. There are groups actively pursuing feasibility and market research on how to best launch a centre which will meet the unique needs of the local community. One such group came together in the fall of 2009 in a visioning session to articulate what it was that is needed and what it would take to bring people together to create a successful co-working centre. The working name used was the “Vancouver Sustainability Hub”, which has now been replaced with the permanent name of “The Vancouver HIVE”.

This group of sustainability professionals, consultants, creatives, companies, organizations and freelancers created the initial vision for a shared workspace with flexible options, cost effective access, open and common area for dialogue, space for creative arts and access to business meeting space and services to support their work. With the financial support of a Vancity grant for feasibility and business modeling, the group continued to refine their ideas in a second visioning session late in January 2010. Bringing together the inputs from these two visioning sessions, the results of 2 separate surveys of the group participants, and under the leadership of a Project Management Team, their ideas have been incorporated into an assessment of comparative co-location and co-working centres to create a business model which aligns with and supports their vision.

This report articulates the findings, comparative analysis, key success factors and a recommended framework for this participant group to move forward in establishing the envisioned co-working centre. To validate the business feasibility of the initiative, a business model has been developed and some preliminary investigation performed in the local real

estate market to test assumptions and set the stage for more detailed planning and implementation.

Research Methodology

The research methodology applied for purposes of this study was initially laid out during the visioning process of the Vancouver Hive Participants in the fall of 2009. There was the express desire to review and learn from existing examples of co-location and co-working centres, both in Canada and internationally. Of primary consideration was the environment which would be established in order to create a professional work environment and at the same time provide a positive medium for exchange of ideas, working collaboratively with sometimes unlikely partners and fostering the creative for all HIVE participants.

The key requirements laid out for this initial work on the Vancouver HIVE included the following:

- an analysis of existing primary research on community needs
- a comparison of other co-location models
- testing of different pricing and membership models
- the creation of a business model to evidence financial feasibility
- development of criteria for location site assessment
- researching the Vancouver real estate market for possible matches
- summarizing the findings and making recommendations for establishing a “made in Vancouver” HIVE

The initial stage of the work involved gathering data and results from other co-location centres, as well as community research which had been done where a centre has not yet been formed. These examples and learnings were compared to the direct feedback from HIVE participants to see where there were points of commonality and where the differences lay. An initial survey of the Vancouver participants was conducted to lay the ground work and a copy of the survey questions is included as **Appendix – I**. As the research work progressed, additional co-location examples came to light and this part of the project was broadened to take advantage of the additional information which came to light. Out of this research work a number of common themes and several primary elements critical to a successful co-location centre were revealed.

A number of in-person interviews were held with individuals who are either currently involved in a working Hub, are in the process of establishing a Centre, or have been significantly involved

in the formation of a community around the principles of co-working. Others have had experience in the past participating or running a co-location centre and their insights into success factors and reasons for discontinuation of a Centre were invaluable. These interviews included participants, centre managers, investors, concept developers and community organizers from Canada, US and UK.

Synthesizing all of this input enabled the identification of critical success drivers and significant hurdles in establishing a co-working centre. A second survey of Vancouver participants was conducted with targeted questions on a possible operational model to validate its applicability and to further narrow the range of options. The format of this survey can be found in **Appendix– II**. As a result of these inputs a business model was created which incorporates unique revenue and expense elements and contemplates sufficient resources to enable the kind of collaborative environment which participants are seeking.

Finally, the various community needs expressed by Vancouver HIVE participants were compiled to create a site identification process including a Site Criteria description which provides the ability to assess and rank amongst several options. These criteria were then applied through leveraging local real estate market expertise in a process of matching needs to available space. The creation of this report finalized this first phase of study and action towards the creation of a successful co-location centre in Vancouver.

Comparative Models Considered

As the research progressed, a number of additional examples of co-location initiatives were identified. Clearly the concept of individuals and organizations coming together in a shared space is a quickly growing concept. The examples studied as part of our research include a range of types of space usage, ownership formats, geographic locations and target participant audiences. Some of the examples studied were the results of community surveys and research where an actual centre has not yet been formed. The range of inputs includes centres which are highly defined with a strong component of orchestrated collaboration, while others are more of a common space parceled out to a group of tenants with limited interaction and sharing of resources.

In comparing and contrasting various characteristics of the different co-location examples, several overriding elements surfaced as being the primary components which drive the way the centre operates. Elements such as level and type of ownership, how the centre is managed,

flexibility of space rental options and animation of the space to enhance collaboration and innovation provided good criteria for a useful comparison. The research section which follows goes into detail around these various factors and how they influenced each example.

The specific centres which were studied are listed below, with further details and contact information included in **Appendix – III**:

1. The HUB Global, London, England + 18 Locations Worldwide
2. The Berkeley HUB – San Francisco
3. The HUB – Halifax
4. Centre for Social Innovation – Toronto
5. Victoria Sustainability Centre Project – Dockside
6. Genius – Vancouver based Non-profit Co-location feasibility research
7. Workspace – formerly operating in Vancouver
8. The Network Hub – Vancouver
9. Surveys of Vancouver Hive Participants
10. Wavefront - Vancouver

These examples provided a wide variety of different ownership and operating models. Many are operated out of premises which are owned in whole or in part by the operator/occupants of the building, others are owned by investors affiliated with the Centre, while still others are operating out of leased premises. The question of ownership is complex, one which, in some cases, was sufficient to stall the creation of the centre altogether. There are also significant differences in how the centre is managed, who takes care of the day to day operations and the level of directed collaboration which occurs at the centre.

Vancouver HIVE Community Needs

Through the various visioning sessions, focused workshop meetings and data collected through surveys and discussions with Vancouver HIVE group participants, the unique set of needs and requirements for a co-working location in Vancouver were developed. In this report we have gathered various responses and inputs and consolidated the information into a cohesive set of requirements which has informed the balance of the feasibility study. This set of requirements has been contrasted against thinking developed in other co-location initiatives to back test and validate the requirements, as well as to identify any gaps or areas which have not yet been articulated by the Vancouver HIVE participant group.

In gathering the set of requirements, there has been a balanced focus on both practical matters such as specific size of space needed, current rental rates and ability to pay rental rates in a co-location facility as well as the creative and synergistic elements of working alongside like-minded individuals and the need for effective animation and community building to create the type of Centre articulated in the initial visioning session.

An initial survey of registered Vancouver HIVE participants resulted in 30 responses which gives a clearer picture of the expectations of the organizing group as to some of the physical characteristics, preferred co-workers at the HIVE, and some detail about the type of organization and current space usage. There were strong response rates around physical elements including the need for conference rooms, lounge or casual space, kitchen, printing facilities and a reception desk. A wide range of additional physical characteristics were listed which ranged from storage, change rooms and workshop space to high ceilings, natural lighting and studio and play space.

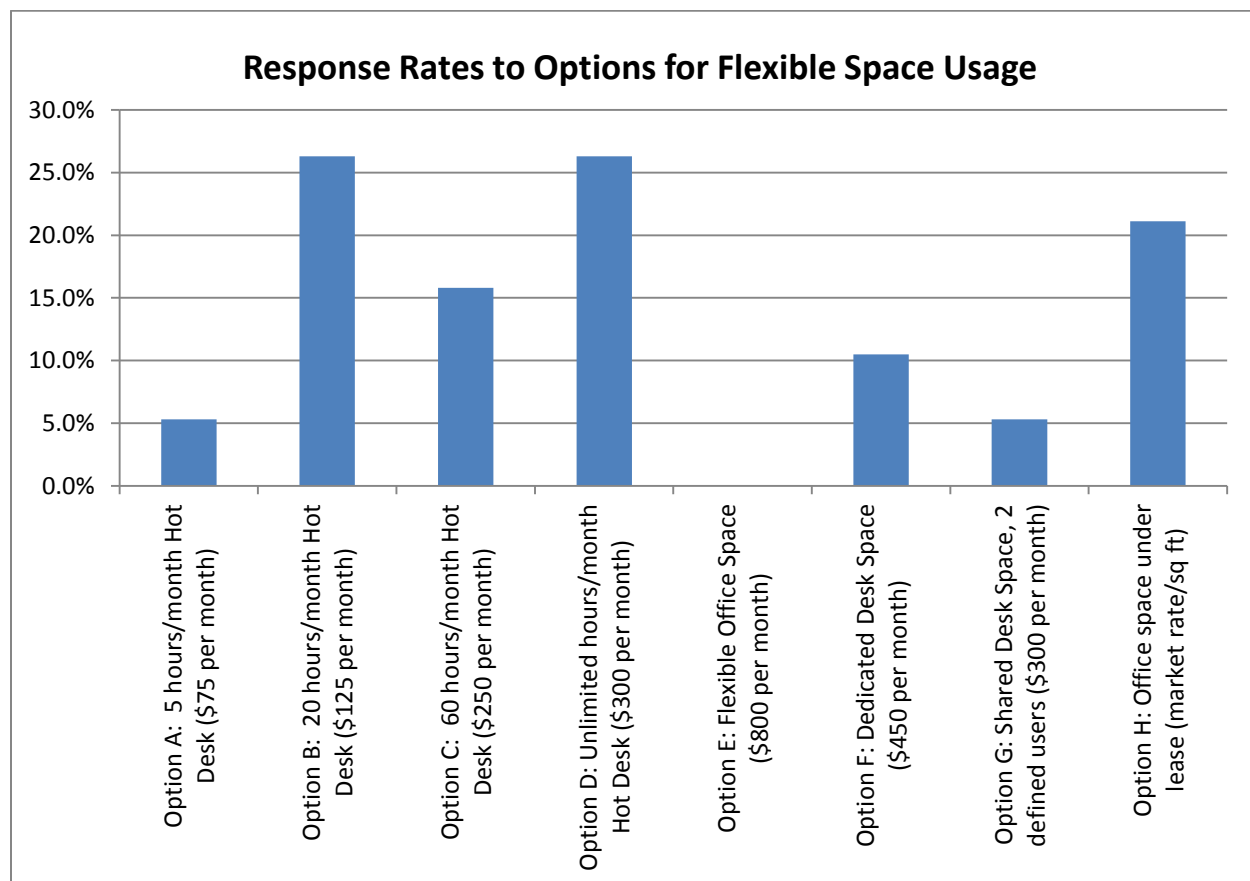
Preferred co-workers in the space consistently included consultants, social media, IT, some for-profit businesses, activists and design and artist professionals. To a lesser degree, practical service providers like accounting and legal professionals were mentioned. This initial survey also provided a better sense of the demographics of the participant group, demonstrating a high percentage of small and often one person organizations together with a smaller number of more sizeable organizations. Often the current worksite for participants has been a home office and it is clear the goal is to provide a cost effective work space for these individuals which allows for greater interaction with colleagues to spark enhanced creativity in their work.

The chart found in **Appendix – IV** creates a snapshot of results of the initial survey. Published results from two other co-working sites have been overlaid by way of comparison and it is clear

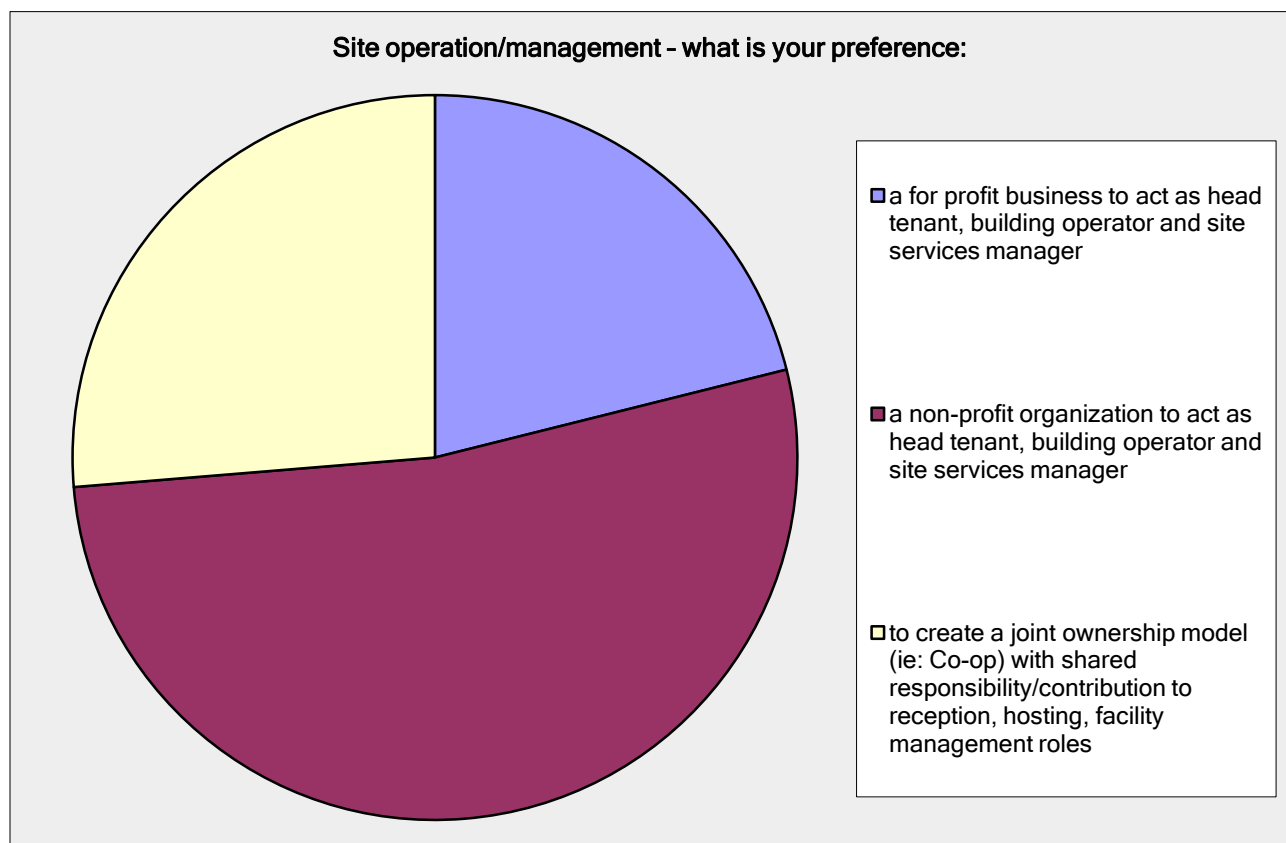
the goals of the Vancouver group are highly consistent with those of several existing and successful centres.

A second survey was conducted to elicit specific responses to a potential space rental pricing and organizational structure. Out of this input from Hive participants, a clearer picture of the goals for the group and the unique space characteristics of a Vancouver Hive came to life. Twenty respondents gave a clear indication that the needs are diverse in terms of the type of office space required. A full report of the outcomes from the second survey of participants is provided in **Appendix – V**.

The following chart graphically shows the balance of participants requiring minimal usage of desk space (starting at 5 hours/month), all the way through to those tenants who require dedicated, segregated premises from which to run their operations. One of the signs of a successful centre across the examples studied was a healthy mix of different types of tenants. The permanence and “sense of place” provided by long term tenants is nicely balanced with the energy and spontaneity of short term desk users creating a comfortable, yet dynamic setting.

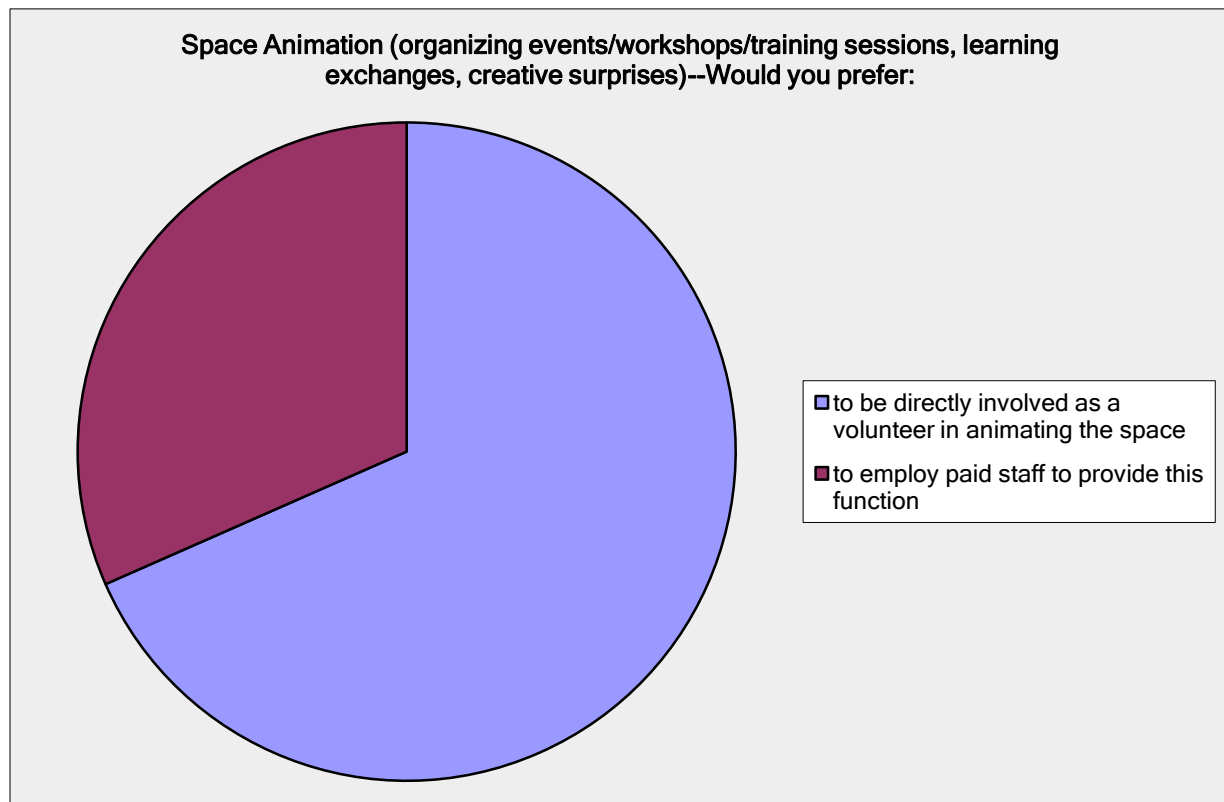


A second factor which was explored in the survey is the day-to-day management structure of the HIVE. While the implications of one structure over another may not be fully appreciated by all respondents, there was clearly a strong preference for the establishment of a non-profit organization to manage the affairs of the HIVE. This seemed to stem from the acknowledgement that in order for operational matters to be consistently taken care of, a dedicated organization was needed. The preference for this to be a non-profit is consistent with the intentions of the HIVE as a community held space. The following chart reflects the response rates for each of the three proposed management options.



An important extension of the need to manage ongoing operations within a co-working centre is the need to actively and deliberately engage in the animation of the space. A good description of the activity of animation is provided by the Centre for Social Innovation based in Toronto. “CSI recognizes that creating a hub that goes from shared workspace to community innovation requires dedicated animation. Community animation and programming are the ingredients that turn a shared workspace into a community space, inspiring and connecting

members while sparking new ideas and demonstrating the unique value of working together.” The feedback from the Vancouver participants consistently supported both the value of a dedicated staff person to maintain the momentum and consistency of community animation activities, but spoke loudly about their desire to be actively engaged as part of the animation of their centre.



As a result of the various outputs from the initial visioning session, from a follow-up visioning session where stations were hosted to explore specific aspects of the HIVE, from the participant surveys and from individual interviews and web logs, a clear picture is formed of what the goals of a Vancouver HIVE are and what would be the unique features defining it as a “made in Vancouver” co-working centre.

Stated goals included the following elements:

- professional work space
- flexibility of tenancy options to manage cost of office space

- availability of meeting and group space
- enhanced collaboration amongst participants
- opportunity for gallery and artistic display space
- availability of creative design workshop and studio space
- sharing of ideas sparking greater creativity
- building stronger personal and organizational networks
- a catalyst for sustainability initiatives
- gathering place for like minded organizations/individuals
- proximity to shared services
- cost effective provision of work space and services
- access to enhanced business development opportunities
- improved communication amongst sector players

There were a number of ideas put forth as ways in which a HIVE in Vancouver would be unique and would best serve the intentions of the forming group of participants. Unique characteristics of a Sustainability HIVE in Vancouver would include:

- a mix of NPO, freelance, for-profit, co-ops, social enterprise organizations
- a range of participants including some larger orgs, smaller (1–4 person) orgs, individuals
- a focus on sustainability organizations/initiatives
- deliberate inclusion of arts organizations
- a design which fits the needs of the Vancouver environment
- an emphasis on open/shared spaces
- engagement of external parties to use and share the space
- workspace with a “buzz”

Based on this understanding of the needs in Vancouver, research was conducted to learn more about what other co-location centres have to offer, how they are organized, the role of investors and how the element of property ownership shapes a centre.

Research Findings

Key Elements of Design/Operation

Our review of the wide diversity of co-location and co-working options resulted in the identification of a common set of elements or aspects of a centre. Consideration of each of these elements and how they are applied across a number of comparative examples provides a useful framework for the selection of the kind of co-working space, operation and decision making options. A detailed framework is included in **Appendix – VI** and we provide an overview of the characteristics and options for each element below.

Ownership

Ownership of real estate where a Centre is located is a central objective to many of the co-location centre. The ability to secure tenancy, manage rising lease costs, participate in equity value increases and to better control the overall environment are key drivers behind the question of real estate ownership. There is a wide range of possibilities from one investor (either financially motivated or philanthropic) to a broad investor base including financial investors, support from an aligned bond fund, Hub tenant and community investors and patient debt capital. The structure of the entity which carries ownership can vary from a corporation (shares held widely or by a small number of investors) to a co-operative to a non-profit organization. The choice as to which form of ownership is most beneficial or effective depends on the goals and level of participation of the investors.

Some alternatives to purchasing property outright include taking out one overall lease for the entire Centre on behalf of all tenants and Hub participants or taking on a franchise-like model which incorporates a proven business model and may or may not include property ownership as part of the arrangement. Using a proven model is one way to attract additional outside financial investment as the success factors are generally much stronger.

Financing

The manner in which a Centre is financed is very closely related to the ownership structure. It is a choice amongst the options of one source of financing, a small group, or

much more broadly based financing. Due to the fact that coordination of a large number of investors is usually complex, time consuming and costly, with significant documentation and external verification of values and record keeping, this would be most useful for a very large scale project, or as in the case of the UK HUB, creation of a fund which would support financing of many different HUBs throughout their global network. One of the advantages of a cooperative structure for Centre ownership is the ability to raise capital through membership shares as a method of creating a start-up pool of funds. We found that for the Centres which were successfully launched and were able to acquire ownership in the real estate, it usually took a very small group of investors, nimble enough to react quickly to market conditions and financially strong enough to raise borrowed capital for a brand new venture.

There are many different aspects to a co-location Centre which can attract financial support. Investment and borrowed capital for acquisition of the real estate is the most obvious one. However, there are costs for outfitting the space to accommodate the flexible workspace requirements, and these can be borne directly, or through a combination of tenant funding, landlord inducements (in the case of leased space), invested capital, capital grants (if a non-profit is running the Centre) and equipment leases. Some of the equipment needed (telephone systems, business machines, office furniture) can be rented, have a capital lease or operating lease, or be donated to the Centre. Careful consideration of the options and innovative creativity around leveraging all available financing opportunities will lead to the best overall solution for raising the funds necessary to establish a Centre.

Management/Decision Making Model

Options for the structure of managing the Centre range from a single individual (typically the owner of the site), to a separate entity which engages some participation from Centre tenants, to a fully cooperative model of governance. In situations where the goal is to support a unified vision for participative and cooperative management, there can be the willingness to put in the effort required to create a co-operative, complete with governance and membership structure. This generally takes considerable sustained effort over a period of time and would need to be firmly in place prior to raising capital or making commitments to lease or purchase of real estate.

A single organization or individual to manage a Centre has the benefit of quick decision making powers, the ability to incorporate different points of view and can be very focused

on the core vision of the Centre. Often this ability to quickly incorporate new opportunities, try new ventures and to stop unsuccessful aspects of the Centre is key to surviving the early years as the Centre builds its base of participants.

Operational Structure

Day-to-day operations of a Centre can be run either by the Centre participants themselves – either with assigned duties, or on a more ad hoc basis – or by paid staff whose sole objective is to attend to the daily needs of the overall operation. If the Centre is one where the tenants are mostly renters of space, the need for an onsite operations manager is less. The Centre could then be run sufficiently by one or more of the tenants or by external management.

When a much higher level of participant engagement and deliberate collaboration is desired, the need for focused Centre operations management is much higher. In this case, relying entirely on voluntary engagement of the participants can lead to inconsistent attention to operational issues and the wide variety of perspectives can hinder routine decision making. Staff employed with the primary function of ensuring consistent attention to operational issues will result in more consistent follow through and can provide a level of independent authority to uphold expectations for participant conduct.

Overall, a combination of consistent attention to operations by paid staff supported and enhanced by volunteer participation will likely lead to the best result. Routine functions will be sure to be taken care of, and larger, workshop and event type gatherings will benefit from additional creativity and shared work load.

Animation

Animation can best be described as the collection of meetings, capacity-building workshops, information sessions and community events which bring together individuals and organizations across sectors to explore issues and pursue solutions to systemic challenges facing our communities. Various organizations have very different levels of intentionality around how involved they are in bringing active collaboration to a centre.

For some Centres, the process of collaboration is left up to the participants to grow organically. While this can lead to some wonderful connections, particularly for those participants who are most outgoing and inclined to make new connections and seek the

unexpected, the full possibility of synergies of relationship does not generally happen. If the process of “animating” the space is seen as a simple extension of the operations and management functions for the Centre, there is significantly less creativity, frequency and richness of collaboration and cross-pollination amongst Centre participants.

It is clear from our study that resources must be applied, as in the dedication of staffing resources, to ensure that the process of animation does not become uneven or “spotty”. The response of the Vancouver HIVE community was for participants to engage directly, but to ensure there is a dedicated staff resource to ensure consistency and continuity of animation activity. An extension to the model of combining participation of tenants with paid animation staff would be to allow for rent or membership fee offsets for time invested in animation activities within the Centre.

Models of Animation

Much of our learning about animation of co-working space comes from the Centre for Social Innovation (CSI) in Toronto where they are in the process of documenting exactly what it means and what it takes to be effective in animating a collaborative work space. CSI articulates three dimensions of community animation: physical, social, and technical. These three components work in concert to achieve a balance of coordinated activity in the co-working space. Physical animation refers to the artefacts or interventions that appear in the physical space as a means to foster connectivity and spark collaboration and which may include:

- turning walls into chalkboards
- hanging photos of members with captions describing their missions
- installing comfy couches and harvest tables
- creating maps showing who sits where
- creating notice boards, job postings and events listings
- keeping a coffee and tea station

Social Animation refers to those activities that allow people to get to know each other on a personal level and include:

- annual summer picnics
- sailing trips
- holiday parties
- anniversary and birthday celebrations
- Salad Club
- salons

Technical animation refers to activities that happen in the online or virtual space:

- e-mail lists to share information
- a tenants-only website
- online tenant profiles
- online events listing
- online FAQ

Overall, the research and discussions made it clear if there is a desire to create real and consistent collaboration within a centre, it will not happen very effectively if left on its own. It requires dedicated attention and resources, but creates a significant contributing factor to a successful co-working space. The more that HIVE participants can be engaged in carrying out animation activities, the stronger will be the collective result.

Pricing and Membership Models

This segment of the feasibility study involved gathering market data from existing co-location facilities, creating a straw model which represents a combination of successful models and then testing this with the Vancouver HIVE participant community. While the range of possible options for different functional models and membership structures is very wide, the research demonstrated that existing co-location centres tended to utilize one of a much narrower handful of options. An assessment was done which included the perceived advantages and challenges associated with many of the possible options to identify a short list of likely solutions. These were tested in broad terms with the participant group to assist in further developing a potential business model.

Pricing mechanisms apply to a variety of aspects of a Centre. Most Centres had charges for the amount and usage time for core workspace. The level of privacy or having dedicated space commanded a premium. Included in the base monthly charge were things like kitchen access, wireless network, change rooms and reception. For use of meeting or boardroom space there was either a set amount included in the monthly fee, or it was simply on a pay-per-use basis. Other core business services are generally charged out on a per usage basis. Some Centres applied an additional fee for the shared amenities provided, including janitorial services, security system, shared equipment and interior repairs and maintenance.

With respect to the different membership models, in many of the comparative co-working structures which were assessed, the element of ownership of the underlying real estate was a key driving factor in determining the management and membership model

used. Typically there is a process or review committee for assessing new members to ensure a good fit with both the types of business enterprises in the centre and with suitability of work style. This process was not particularly restrictive, nor was it rigorously applied. The Centres we talked to indicated that they relied heavily on the principle of self-selection and that it has served them well so far.

The people to whom the open and engaging environment of a co-working space appeals generally make for a good fit with the model. In the case of CSI, three priorities guide their member selection process. They prioritize those people and projects that are most prone to collaboration and community engagement, who are exploring the blending of business and social missions, and who are pursuing systemic solutions to the challenges we face.

Facilities and Infrastructure

A further element of the feasibility work was to consolidate various inputs from the Vancouver HIVE participants in order to identify a comprehensive listing of what is going to be required in terms of real estate factors, the facilities needed and what infrastructure will need to be in place for the HIVE to effectively deliver on the type of place identified in the visioning sessions. Participant feedback was expanded through the inclusion of elements which form part of the other co-location centres studied and from various primary market research results.

The attached chart found in **Appendix - VII** provides an extensive listing of possible elements which could be included, with a distinction between those elements which appear to be essential and common to most centres, and other possible elements which were identified less often or by a few individuals in the data gathering process. Of note is the diversity of language used in defining different aspects of a centre. Coming at the descriptors from different perspectives such as the emotional association with activities in the space (space modalities), the conventional name for the space (space typologies) or how the space is made available (space management) provide interesting insights into non-conventional thinking about space usage. Yet other research identified underlying characteristics essential to either the viability or the vitality of the space.

By placing some sense of priority ranking against the required facility elements depending on how often they are identified or the fundamental purpose they serve, a useful site feasibility checklist was developed which can assist in assessing specific locations as they

are identified. It also makes the process of identifying any shortcomings straightforward and the balancing of desired facilities with available properties more systematic.

Comparison of Alternative Co-location Examples

Considerable effort was devoted to assessing ownership structures, financial models, management models and the structure of partnership arrangements in other successful co-location centres as well as for some groups who were intent on starting a Centre. As mentioned previously, the element of property ownership was a significant factor in the final management and decision making structure. The attached chart found in **Appendix – VIII** provides a snapshot of the range of different options and what is being used or contemplated in a number of existing and proposed co-location centres. The core elements fall into the following categories:

Ownership/Financing

These two elements are considered in combination due to the direct link of one to the other. In the examples reviewed for this study, the acquisition of real estate as part of the formation of a co-location centre was either the driving force in the creation of a centre, or conversely, it became a primary hurdle which stopped the project from moving forward. Of the 10 examples studied, there were no less than 6 different models for ownership of the Centre. This underscores the wide diversity of ownership models in practice and means there is no one obvious model to follow. Each Centre ownership model has developed according to its own needs and driving factors.

Generally, for Centres where the real estate is owned by members of the centre community, it is held primarily by one to three investors who have put up their own financial equity and have borne the financial risk of the Centre. The HUB San Francisco or the HUB in Halifax each has three primary investors. Often where there is this need for return on investment, the Centre model is driven from an investor perspective, with an overriding emphasis on financial success right from the start.

In the case of the Genius research project in Vancouver, joint ownership of the real estate by the non-profit Centre participants is a primary driver as a means to build equity and long term financial sustainability for the participating non-profits. To date, the challenge

of coordinating multiple investors with limited resources at the same time as timing the market on available properties and putting together a successful financing package have been barriers to successful formation of a co-location site.

While the prospect of leasing space may not immediately achieve all of the envisioned goals of a co-working Centre, it is a very common structure in the Centres which we reviewed. Four of the ten Centres use a head lease model and are able to achieve a consistent revenue and profit margin to ensure the financial viability of the Centre. In the case of the Centre for Social Innovation in Toronto, strong support from an aligned landlord who believed in the concept and its long term viability allowed the Centre to make it through the lean early years until they developed a sufficient revenue base to fully stand on their own. As our initial assessment of possible ownership lead to a series of related issues which have been stumbling blocks and, in some cases, cause for the initiative to come to a halt for other groups, the focus of our research resources was on the use and management of a space based on a lease arrangement which is anticipated to enable moving more quickly to a working model.

Partnership/Decision Structures

It was evident that there is a wide diversity of models in place for approaching the way co-location participants come together amongst the models studied. Tied closely to the ownership/financing question, when the motivation originates in the hands of one or a few investors, typically the decision/partnership structure is closely held and stays in the hands of the individuals with financial risk at stake. We see in these situations that the support and protection of a financial investment can take priority with respect to management and key decision making. Tenants in this situation are less engaged in key decisions around the Centre's future and more simply users of the space. Some of the tenants are looking for this kind of simple space use arrangement, but they are certainly less invested in the long term viability of the Centre and tend to come to the Centre or leave as their own workspace needs evolve.

It is interesting to note amongst the examples studied, the notion of a broad based partnership model is most prevalent amongst the community groups who came together, but have yet to successfully launch a co-working Centre. Of the Centres which are active and financially viable, there is a predominance of one or very limited partners responsible for key decision making. This supports the notion that a broad based, shared decision

structure may be more of an ideal than a practical solution to creating a successful co-working centre. Certainly, there would be much work required to establish the format, structure and procedures if a broad partnership model is desired.

Operations Management

In virtually all examples studied, there was an operations organization or individual in place to run the day-to-day affairs of the Centre. They are responsible for marketing the space, signing up new participants, maintaining the business equipment and networks, liaising with the landlord/owner and ensuring the smooth running of the Centre. Where there was the development of a shared responsibility for operations amongst the Centre participants, it was again in the community groups where ideals were developed but an actual Centre has yet to be launched. It is clear that for a Centre of any significant size, dedicated operations management individuals need to be identified.

Animation

Of the examples reviewed in our study, the strongest proponents of actively animating the co-working space were seen in the CSI model in Toronto and in the materials and interview with The Global HUB based in the UK. The HUB has as a fundamental aspect of participation the active seeking out of opportunities to engage with other participants. Stories abound of new business opportunities discovered or valuable connections made as a result of meetings at the HUB. In the words of the Centre for Social Innovation, “we have learned that some gentle animation can do wonders. In addition to the physical space and a diverse mix of people, it is the interventions and learning opportunities that help to foster connections and stimulate new thoughts and ways of doing. From formal capacity-building workshops to informal social mixers and message walls, we apply devices that foster individual and collective growth and create an environment that produces original action.”

Further, CSI states that “a culture of collaboration does not manifest without conscious effort. A shared space that seeks to go beyond simply a ‘co-location’ must invest in the programming, energy and ‘atmosphere design’ that only a Community Animator can provide. Community animation is serious business – it takes work to have fun!”

An additional aspect of fruitful animation and engagement of participants is the longevity of their relationship with the centre. CSI has maintained a strong base of long term

participants in their Centre in Toronto. Conversely, for Centres targeting incubation stage companies where there is functional support but little active bringing together of participants, there is a natural progression or “outgrowth” of what the Centre can provide and the tenants will soon move on to their own independent office space. The real magic of effective animation is rooted in the longevity of long term tenants and inspired by the creativity of fresh ideas and people.

Pricing Models

There is, somewhat surprisingly, relatively little variation in the approach to pricing the flexible basic access to work space across the various models. For organizations like Genius or the in the plan for the Victoria Sustainability Centre, the focus was on each participant having more conventional space usage, that being monthly rental according to the space used in the form of private, dedicated and segregated office space. The benefits in this arrangement are proximity to other organizations and the potential for shared services.

Another cluster of co-location centres, Workspace, Wavefront and the Network HUB tend to offer simplicity and flexibility of space, often to early stage tech companies, with a minimum of deliberate collaboration activities or events. The pricing has several different levels for different users, and supports are aligned with the common needs of emerging companies in a specific industry. A comparison chart of the basic pricing models across the models researched is contained in **Appendix – IX**.

The remaining models researched consistently offered a combination of types of space rental. Many had some component of traditional office space (dedicated, private access workspace) together with a range of flexible options for dedicated or shared desk space within an open work area. In these models, which includes the Global HUB (and its affiliates in San Francisco and Halifax), the Centre for Social Innovation in Toronto and the stated goals of the Vancouver Sustainability participants, there were several additional components or services available which form part of the pricing matrix. There were charges for meeting space (sometimes a base amount per month is included in the monthly fee), fee for use of business services (photocopying, printing, etc) and the notion of a monthly fee which covers other amenities available with the workspace. These amenities could include such elements as security system, janitorial services, shared equipment costs, interior repairs and maintenance, kitchen supplies, etc. The key distinction is the potential variability in the costs of these services and segregating the fee

from base monthly rent allows for greater flexibility to manage this aspect of the offering. The amenities fee is often included within the base monthly fee for the smaller monthly fee users and set out separately for the larger office space participants.

The notion of a “hot desk”, or a “hoteling” concept which allows many different users to access a pool of desks as their monthly requirements and daily timing differences dictate, is becoming more common and more accepted by users. It is a mechanism to offer the most affordable professional work space to many different users and at the same time creates a strong and profitable revenue stream for the Centre once the volume of users reaches a certain hurdle level. There are several variations to this model: desks can be shared amongst two or more designated users (creating a greater sense of attachment and permanence), rented on the basis of a number of days per week/month, assigned based on a number of hours of usage per month, or be accessible on an “unlimited” basis. Each model has its price point and the demand for other aspects like board rooms or meeting rooms, reception and mailbox services, audio visual equipment and the collaboration possible when people simply work in proximity will all form part of the users willingness to pay the associated fees.

Success Factors

As a result of our research, there are a number of factors which emerge as elements which are important to the success of a thriving co-location centre. In order to gauge overall success of the centre, it is important to consider all of the financial, social and economic benefits which accrue as a result of the formation of the centre.

The financial benefits of a co-location are most clearly seen in the affordability of the workspace for the participant users. In addition to being able to find a space with a small footprint, the availability of part time usage through systems of workspace sharing greatly reduces the cost of access. The presence of multiple users of business and other services also creates the possibility of sharing costs, reducing the need for dedicated investment in equipment and allows the users access to much better quality of equipment than they would have independently. Both convenience and costs savings are realized as a result of the proximity and availability of meeting space, boardroom access and the ability to tap into available event space. Further cost benefits come from reduced communication costs and better control over things like leasing costs when shared amongst multiple users and managed by dedicated staff with a focus on effective use of financial resources of the participants.

Another side to the economic benefit of co-location comes from the significant increase in contact with other like-minded business people. There is significantly increased opportunity for collaboration, sparking of ideas and creative thinking leading to better quality of work. The opportunity to bounce ideas off others is an important aspect of finding solutions and working through business challenges more effectively. A broader base of contacts leads to better opportunity identification for increased business development. Closer peer relationships will lead to increased business between the co-location participants and will increase the business profile of each of the participants. Working amongst peers can reduce travel costs while enhancing both the quality of work and the work experience itself. Participants may see opportunities to undertake combined marketing efforts when target markets overlap. And finally, as businesses grow, employment increases creating a positive boost in the economic cycle.

On the social side of the equation, increased interaction with other professionals enhances idea generation and personal satisfaction levels in one's work. Outcomes reported from several of the models researched were clear that work satisfaction, opportunity for collaboration and overall improvements to quality of life were a direct result of the co-working environment. The availability of business expertise and access to technical and soft resources are significant benefits to how work is conducted, and the reduction of frustration. Building of the professional community and expansion of both personal and professional networks is also a frequent outcome reported from co-working centres. There is an increased focus on core work and less on administration with access to better facilities, increasing overall satisfaction levels. The efficient use of space and reduction of travel of participants have positive environmental outcomes as well.

Key factors which drive the success of a centre and result in the benefits described above are found in many different aspects of a co-working centre. At the core of a positive working environment is a strong community with deliberate actions to **build community** prior to, during the formation of and ongoing in the life of a co-working centre. The sense of aligned purpose and "rowing in the same direction" creates a strong pull for participants to come, stay and contribute to the life of the centre. Whether the centre is owned or leased real estate, having an **aligned investor/landlord** is a common theme which is a key enabling factor, particularly in the early days of an emerging centre. Learning by participants in other co-working initiatives makes it clear that **separation of governance, tenancy and ownership** is key to avoiding uncertainty and difficulties in the process of creating a successful centre.

At the heart of effective operations is a **clear management organization** which has the direction and authority to handle the ongoing affairs of the centre and whose sole mission is to

manage and develop the shared space. In cases where several organizations are banding together to create a shared space, there needs to be creation of a separate committee of representatives whose responsibility is to manage the space. Resources must be allocated, and roles and responsibilities defined. Striving for consensus on the myriad of possibilities in running a centre is counterproductive.

Effective **animation** of the workspace is another factor which differentiates those centres based on a space rental model from those which focus on a collaborative and positive overall work environment. Deliberate attention to finding the connections between individuals and organizations, fostering an environment of connection and discovery and sparking curiosity and creativity are at the root of animation of a successful co-working space.

Finally, a couple of factors on the physical aspects of a centre make for a more viable operation. As is often the case in real estate, **location** is significant – both for access to networks and markets, but also for accessibility of participants. Proximity to transit, bike routes and aligned communities makes for an attractive offer to participants. Also, **scale does matter** and there are critical success hurdles, above which maintaining momentum and benefiting from economies of scale becomes much easier for long term sustainability.

Major Stumbling Blocks

Our research revealed several elements in the formation of a co-working centre which acted as hurdles or stumbling blocks along the way. In some instances, the hurdle proved large enough to stop the project from moving forward. Given the unusual nature of a co-working centre, bringing a group of like-minded individuals and companies together, seeking shared solutions and acting more as a cohesive team, there is the need to develop new working and planning models and to mesh these models into the more traditional real estate lease/purchase channels.

Early stage financial support is important while the centre gets off the ground. CSI was fortunate to have a supportive landlord who provided some lease rate relief in the early years and was forgiving if payments were not as consistent while the centre became established. Often for a well intentioned community group, lack of financial support early on in the planning stages means the momentum can be lost as the energy of a few stalwart volunteers eventually wanes. Another form of financial support is for a landlord to take on a tenant which as an unproven track record of positive cash flow. Often a grant has been provided for a group to

conduct feasibility work on the concept and on their specific market. Even with diligent feasibility work, however, a centre will not get off the ground if some of these additional hurdles are not overcome. The right level of financial support from the right places can mean the difference between a centre getting started or not.

Another challenge area, particularly for a larger group which comes together around establishing a co-location centre, is ***reaching consensus decision making within the group***. For the Victoria community group seeking to participate in the Victoria Sustainability Centre at Dockside there were a large number of community groups and interests which came together around the idea. Getting clarity on exactly how the centre would operate, who would provide financial support, and how they would work together with the developer proved a significant challenge. One of the learnings from members of this team who attended a conference in the US on co-location centres was the importance of separating governance, tenancy and ownership. Achieving a unified approach and a common voice is necessary to make commitments to outside parties and to create an effective decision making model. One of the common concerns expressed by real estate professionals was the need for a group to get organized and get realistic in what they can commit to.

Further on this point is the need to overcome any ***disconnect between the group occupying the centre and the investor/builder of the centre***. This is where there is a strong possibility of a breakdown where community awareness meets real estate market realities. Many of the successful examples were able to move ahead because one or two individuals or organizations took the lead, committed to the real estate transaction and then offered up availability on pre-set terms. Challenges can form when a community based group links up with a market developer (even those developers supportive of a unique community based opportunity) and elements such as a sense of entitlement or full development cost coverage cause discussions to break down. It is important to find ways to preserve the unifying threads which bind a co-working group and at the same time present a well organized, credible face to potential investors or landlords/vendors.

A further piece which can be the cause of delay or failure to start a centre is the ***financing*** aspect. A group committed around common work themes, focused on sustainability or a mission to change the world usually starts with a vision of collaboration and creativity with consideration of the financial elements of a centre coming later in the process. The financial risks and potential losses which can occur if a real estate lease or purchase transaction does not sustain itself over the long run are significant and are a cause for hesitation on the part of investors or financial supporters. Long term history, proven cash flow and tangible assets to

support financing are often not present for an emerging co-working group. Further, having multiple parties pool financial resources, particularly when not all in equal amounts, makes for either complicated documentation or discomfort of investors.

As a result of this, most of the successful co-working centres researched were financed or backstopped by a very small number of investors. These investors then retain significant management control over the centre to ensure the long term success of their investment. This is a proven model for financial success, but doesn't always permit the level of engagement of participants desired in managing the centre. The resulting effect is a unique tenancy model for main stream market real estate investors, but not necessarily a centre committed to an environment of collaboration, creativity and world changing thought leadership. The Global HUB group based in the UK is actively working on an investment fund which is specifically targeted to finance emerging HUBs around the world. They are attempting to leverage the success of a proven HUB model in improving investor confidence around the co-working model. At the end of the day, it is critical for groups to take a very ***realistic view of their own financial capacity*** to either purchase property or even to commit to a long term lease as a fundamental component of a successful centre.

The final hurdle we present is the need for ***connecting commitment to intention***. What is being referred to is the translation of excitement and vision into the practical and detailed pieces and activities required to get a co-working centre started. In the Genius feasibility study example, there was a strong level of indicated commitment to the idea of co-locating in common space. Interested parties were involved and supportive of the process of developing an ownership model, however, when it came time to "sign up" and provide commitment to a physical office move and financial support, many prospective participants were unable to move forward. The process of evolving from intention to follow through commitment and action must be well managed, with sufficient contingency planning to allow for unforeseen circumstances.

Recommendations on Organizational Structure

The first set of recommendations provided in this report relates to the way the group organizes itself to plan, start and manage the HIVE long term. This section will address the elements of management decision making, operational structure and animation of the centre. Taken into consideration is the feedback from the Vancouver HIVE participant group and the learnings from research of relevant examples.

Our recommendation is for the Hive participant group to form a new entity to perform the functions of both ownership/head lease commitment as well as be the key decision making entity for the centre. This will allow for participation of the tenants via the management entity, reduce any duplication or multi-layer complexities to the organization and link commitments between the real estate and ongoing operations. A non-profit organization is recommended as the preferred vehicle to ensure appropriate representation of participants, satisfactory governance and access to broader funding options, including capital grants.

Our recommendation for the operational structure is to engage at least one staff person whose responsibility will be for the day-to-day running of the centre. The staff person's focus will be the centre operations and ensuring appropriate attention to details, deadlines, budgets and ongoing programming. The staff person would report to the Board of the non-profit organization formed to oversee the centre. A strong response from the participant group for the Vancouver HIVE of commitment to be engaged and provide volunteer support for centre activities and animation means that there will be an availability of additional resources, these being coordinated by the staff person. Survey respondents were also clear that the benefits of a paid staff role would be consistency of attention and ensuring that "stuff gets done".

The success of animation in the centre will rely heavily on strong support from the participants both in strategizing effective formats and topics, as well as hosting events. The combination of a paid staff person together with the input and engagement of centre participants will ensure the events, workshops, talks and presentations are relevant and delivered on a cost effective basis. This will allow for the best combination of community, connectedness, shared services, well managed facilities, profile, and a happy workplace. In the words of CSI, "the most important thing to remember is that you are not just creating a physical space – you are creating a social, environmental, and psychological space too".

Business Model

Appendix – X shows the financial spreadsheet representing the business model for the proposed centre. The figures contained within have been developed from a combination of Vancouver participant feedback, comparison to financially successful examples of flexible space, responses to specific questions on surveys and incorporating all the base requirements and some of the desired requirements from the visioning sessions of the Vancouver participants. The model has been constructed on the basis of taking leasehold space and subletting to tenants on a varied and flexible basis. The goal of striking a reasonable balance

between work space, meeting space and open space has influenced pricing as well as division of space types. This balance is in line with other co-location spaces, particularly those offering flexible work space options as a significant portion of revenues.

Work space options include some dedicated, private offices, dedicated desk space within an open office environment and several flexible desk use options. Flexible desk options or hot desks vary from 5 hours per month up to unlimited access to a desk during the month. The monthly fee for these options includes access to the overall HIVE space and use of all facilities (some with pay-per-use pricing). Pricing levels have been back tested on the target population for acceptability and associated square footage compiled to determine the required footprint. Estimates have been made for space rental for meeting and event space to parties outside the core tenant group. The chart below demonstrates the approach to pricing used.

Pricing	Rates used for Business Model
Space Rental Pricing	
Office space under lease	20/sq ft
Flexible Office Space	700/mo
Dedicated Desk Space	400/mo
Shared Desk Space (2 defined users)	275/mo
Hot Desk Options	
5 hours/month	75/mo
20 hours/month	125/mo
60 hours/month	250/mo
Unlimited/month	300/mo
Boardroom (8 - 20 people)/hour	\$50/hour
Meeting Rooms (2 - 8 people)/hour	\$25/hour
Event Space	\$250/event

Expenses are based on actual rental rates in the target areas of Vancouver, and specific locations have been found which support these or lower primary lease rates (detailed descriptions and assessment included below). Costs for additional services are based on estimates, but are informed by actual costs for equivalent services in similar sized space with other organizations. The ability to generate revenues from amenity charges and things like AV equipment rentals presupposes the capacity to purchase or lease this type of equipment at the outset.

Based on the assumptions, revenue and expense amounts presented, the model demonstrates a positive Operating Surplus in all years from the very beginning. The model is such that there are limitations to the total amount of rental space available and the ability to continue to increase revenues in future years will be largely dependent on the availability of additional space for expansion. For purposes of this analysis we have assumed no expansion of the space. There is some opportunity with the flexible desk options to add additional users without increasing the overall space by reconfiguring other types of office space which do not generate as much revenue. The ability to commit to a significant primary lease arrangement will require commitment from sufficient permanent and hot desk users to support costs from the outset.

Capital costs for outfitting the space and acquiring needed furniture and equipment are laid out in the second page of **Appendix – X**. These figures will require considerable work to budget out in more detail with some specific quotes and supporting evidence to ensure greater accuracy. Availability of landlord inducements at this level and ballpark minimalist leasehold improvements have been confirmed with one of the potential landlords for a space of 9000 sq ft. These costs and sources of capital are place markers for a more detailed planning stage, however are considered within reasonable levels. We have also positioned a tenant investment in the form of a loan to support upfront costs. Financing costs and repayment over 7 years are built into the model at a return of 5% on the funds. With all factors included in the model, a positive yearly cash flow is in evidence, supporting the financial viability of the centre on this basis.

Site Assessment/Decision Model

For any real estate based project, location is clearly a significant (some would suggest the only) factor in long term success. CSI in Toronto has put forth that location is the single most important consideration for site selection. CSI follows this with the building itself as the second most important criteria in site selection. We have taken the feedback from the Vancouver participants and overlaid this with the costs to lease in different areas of the city. A number of critical factors percolated up through the analysis and feedback and were assembled into the site feasibility considerations chart found in **Appendix – XI**. The first segment contains the most critical elements for a centre, with the second segment providing a number of additional elements which have been expressed as important to the Vancouver participants. During the visioning sessions, blue sky thinking was applied, producing many innovative and creative possibilities for where the location should be, what the physical aspects could look like and how

it would feel to live a “day in the life” at the Vancouver HIVE. We have selected the most commonly suggested elements as a means to begin the process of ranking and selecting an appropriate site.

The actual decision process will be enabled by taking these criteria (and any others which come to light as important during the detailed planning phase) and assessing each possible site location against each criterion. Weightings should be applied in order to emphasize some of the key attributes such as lease rate which can be a “make or break” criterion on its own. The site which demonstrates the best offering on the highest number of relevant criteria would be the logical place to house the HIVE.

Several micro regions have been identified within Vancouver which offer a reasonable combination of affordable rents, safety of premises, accessibility to public transport and proximity to the city centre. These five areas are mapped out in **Appendix – XII** and include the area just to the East of Downtown Vancouver, Chinatown, Cambie/Main/Broadway north, Railway Ave., and Clark/Commercial/North of Hastings. These areas were identified during one of the focused workshops at the 2nd visioning session of the Vancouver participants. Each area offers some advantages and certain detracting factors however they create a good basis for comparison.

Area 1 – East of Downtown Vancouver

Bounded by Abbott St and Richards St, lying between Pender St and Water St, this area of Vancouver is located just east of the main downtown area and slightly lower rents reflect this. The area has a mix of historical and older run down properties together with a number of properties having recently undergone significant renovations. The new Woodward’s complex is located at the heart of this area and is having a positive effect on the attraction to locating here. Rents are at the top of the range considered for the financial model, but a Hive location which has a robust tenant base would likely manage quite well.

Area 2 – Chinatown

The historic Chinatown area on either side of Main St. between Pender St and the Dunsmuir viaduct has been recommended as a slightly more affordable alternative to the area closer to downtown above. It remains in close proximity to many sustainability organizations and its unique properties may offer a different kind of workspace for participants.

Area 3 – Mount Pleasant/New False Creek

Bordered by Cambie Street to the west, Main Street to the east, Broadway on the south and 1st Ave to the north, this area holds much promise and future growth potential. With the development of the Olympic athletes village right on False Creek, this neighbouring area has come under increased attention. Traditionally a light industrial area of Vancouver, many properties located here are being used for office, retail and cafe space. Public transport borders the area with the new Canada line of the skytrain having a new station at Cambie Street to the west.

Area 4 – Railway Ave/Waterfront Vancouver

This is an additional area under consideration which is deemed a more comfortable area for pedestrian traffic in the evening than the Downtown east side. Specific location availability is limited, however, and this seems a less likely option.

Area 5 – Clark/Commercial, Vancouver

In terms of lower rent space, this area presented as an additional option. It tends to be a mixed collection of building types, mostly warehouse and light industrial. Rents are reportedly lower, however we did not identify a specific location within this area. Early feedback from HIVE participants confirms the sense that it is too far removed from the city centre and public transport to be a viable option.

Some sample building locations have been identified to validate the lease rates and existence of available properties at this time. These are covered in more detail in the following section.

Sample Building Sites

In order to prove out the viability of the business model and to be certain of overall viability of the initiative, several sites were identified as available for lease and assessed for current asking lease rates. Site visitation was primarily an external view focusing on appropriateness of location and surroundings with information and lease rates gained through web sites or conversations with the listing leasing agent. Location 1 was visited on the interior as well with a more in depth conversation regarding leasehold costs, willingness of landlord to provide tenant inducement, plumbing for kitchen/cafe site and reasonableness of lease rates.

Details and photos of the specific properties reviewed are included as **Appendix – XIII**. Location 1 is situated on West Hastings in the 100 block West Hastings just across from the new

Woodward's complex. It affords the closest proximity to the city centre and comes at the highest rental rates of the sites reviewed. It is available for immediate lease up and is in a building which has just now undergone significant renovations. The lease rate of \$16/sq ft and triple net costs of \$8/sq ft is accommodated by the business model, however allows for less flexibility or vacancy than some other sites.

Location 2 is situated on Water Street in Gastown which is a desirable location and the rate of \$20/sq ft including additional rents is more attractive than for Location 1. This building has a smaller space available however and it is reportedly an unusual layout and therefore may be difficult to demise effectively for purposes of the Hive.

Locations 3 and 4 are situated in the Cambie/Main/Broadway area also known as New False Creek. The recent construction of the Olympic Village on False Creek in this area has created additional attention and this area carries much lower lease rates. Both buildings are offered at \$9.75/sq ft which makes for a more flexible financial case. The lower lease rate would allow for greater resources to be put into the building for leasehold improvements at the outset. The proximity to the new skytrain station on Cambie street is a further enhancement for consideration with these two sites.

Location 5 is situated in False Creek flats, just north of Great Northern Way. This location is outside of the 5 micro regions identified previously in this report, however is geographically in the same vicinity and demonstrates an additional option. The lease rate is slightly higher at \$12.50/sq ft than for Locations 3 and 4, and it is likely less accessible by public transit. It does have a large exterior space as part of the property should this additional feature become useful or important in the development of the activities at the Hive.

The size of these sample properties is in the range of 8000 – 10,500 sq ft, so any of them are potentially satisfactory with some recalibrating of the overall division of space within the HIVE. Further examination and detailed planning would be required for any of these properties however we have presented the range here on a preliminary basis as evidence of the strong likelihood of being able to find a suitable building with space enough for the proposed HIVE at a lease rate that would fit within the business model. Clearly, it will be a trade off between lease rate, location, accessibility, landlord accommodations and street exposure. All these factors and more will need to be incorporated into the building selection analysis during Phase II of the planning work.

Summary of Findings/Next Steps

Our closing comments on the findings and feasibility of launching a co-working space with a sustainability focus in Vancouver will recap the recommended approach as the most feasible possibility for the group of participants. Many examples were studied in an effort to extract both the factors which distinguish one centre from another and give it a distinct character, as well as the factors which lead to the most financially and culturally successful centres. Aligning these outcomes with the preferences and desires put forth by the planning group for a co-working space in Vancouver has resulted in the recommended framework.

Based on a thorough understanding of the key success factors of a strong and vibrant co-working space as well as knowing what the potential pitfalls are to a successful launch and long term operation, the following framework is designed with simplicity in mind. While it can be desirable to purchase a site and to realize the many benefits of real estate ownership over time, this framework is built in such a way as to permit the most direct path to getting a co-working centre up and running with the least delay. Proving out the concept and building momentum around the operations will enable further expansion at a later date and support the engagement of external investors to better facilitate a potential property purchase at that time. The planning team expressed an interest in the possibility of property ownership, however had as a primary objective the launching of a unique and collaborative space in Vancouver with real estate ownership a secondary objective.

The recommended framework will therefore include an initial launch in a site which is under long term lease, with the sub-leasing and space management to be operated through a newly formed non-profit organization. This NPO will hold the head lease with the landlord and be responsible for revenue generation/collection to meet external lease payment obligations. Consistent management of the space will be ensured through paid staff on site.

The offerings for tenants in the space will be a wide range of workspace options from private office to dedicated desks, plus a variety of options for a specified number of hours per week at a desk within an open office environment. There will be available meeting and boardroom space for use/rent by participants (as well as to external parties) and planned common areas for dialogue, eating and relaxation. Careful space design will create flexible options for opening up a larger area for events to be held. There will be the opportunity to create workshop space and multimedia studio spaces to be available for use/rent by artists, designers, architects, engineers, and other creators of physical products. There will be a strong emphasis on animation activities to ensure an atmosphere of collaboration, creativity and continuous learning and sharing of ideas.

The business model developed around this framework demonstrates financial feasibility with reasonable assumptions based on current interest amongst participants, market supported lease rates and other comparative co-working models. The launch will require sufficient commitment of tenants and financial resources to ensure success from the beginning.

Next steps from this stage would entail commencing the more detailed work on several aspects of the centre. Key elements include:

- formation of a non-profit organization
- establishment of governance structure and protocols
- communication and generating interest amongst the vision planning participants
- obtaining commitment of sufficient number of participants to meet minimum cash flow hurdles (including rent deposits to confirm interest)
- development of a more detailed budget for both space acquisition and for ongoing operations
- sourcing capital for leasehold improvements, lease deposit and furniture and fixtures for the centre
- site assessment and selection
- interior space planning and design
- negotiating appropriate lease terms
- hiring an initial staff person

The next phase of this initiative will move the project from a status of “is it possible” to a “work in progress” towards a very achievable goal. Confidence can be taken from the analysis and business modelling done in this report to remove scepticism and focus energies on the planning and execution work ahead.

Appendices

Appendix I – Survey of Vancouver HUB Participants #1

This quick survey will give us an idea as to what the foundation of the Vancouver Hub is looking like. Please fill it out so we can have a better Hub!

* - Mandatory Fields

* **Email Address** (please type in lower case)

* **First Name**

* **Last Name**

* **Title/Position**

* **Name of Organization**

Default should be Independent or Consultant

Work Street address

* **Work City**

* **Residence City**

Work Postal Code

* **Work Phone**

* **Type of Organization**

Change to Multiple Choice to categorize by our major groups e.g. Non-profit, Cultural, For Profit, etc. (select more than one but at least one)

* **Current Office Set-Up**

Change Options to include (Head Office, Satellite Office, Home Office, Shared Office)

Number of employees

Current Square footage

Current Lease rate /mo

Date Current Lease Expires OR Date of Earliest Possible Occupancy

Ranking of top 3-5 physical things to have at the Hub (list plus option to add others)

At a minimum, list should include: Natural Lighting, High Ceilings, Kitchen, Reception Desk, Conference Rooms, Meditation Rooms, Desks with Netbooks, Changing Rooms, Secure/Sharable Physical Filing, etc.

Preference of types of groups/individuals to have as co-workers

At a minimum, list should include: Cultural Groups, Enterprising Non-Profits, Charities, Activists, Social Media, IT, Legal, Accounting

Preferred ratio of Office:Open:Meeting

Using 100 total e.g. 25:50:25

Interest in the Vancouver Hub

Visioning Sessions

Initial Occupancy

Site Selection

Event Planning

Notice: The personal information collected on this form is directly related to the Vancouver Hub's ongoing management of its outreach programs, including Vision Sessions, Site Selection, Initial Occupancy, Event Planning, and Future Dialogues. This information will be used by the Vancouver Hub to maintain its electronic mailing lists and to conduct periodic research about participation in its outreach programs. The information will be used only for these purposes, and will not be shared with others. If you have any questions about its collection and use, please contact hubvancouver@gmail.com

You Decide the Details – Vancouver Sustainability HUB Participant Survey

1. **Your organization name (to avoid duplicate responses) and contact information (optional).**
2. **There are many possible ways to manage the tenant arrangements – here is one scenario, with sample rates. Please indicate which of the following space arrangement options would be most appropriate for your needs* (pick only one):**

Option A: 5 hours/month Hot Desk (\$75 per month)
Option B: 20 hours/month Hot Desk (\$125 per month)
Option C: 60 hours/month Hot Desk (\$250 per month)
Option D: Unlimited hours/month Hot Desk (\$300 per month)
Option E: Flexible Office Space (\$800 per month)
Option F: Dedicated Desk Space (\$450 per month)
Option G: Shared Desk Space, 2 defined users (\$300 per month)
Option H: Office space under lease (market rate/sq ft)
If you chose Option H, how much space do you require?

* Note - space rental includes use of work space, wireless internet, kitchen space and facilities, host/reception, change room/showers, access to common areas, reduced cost meeting space, janitorial services, building security, building maintenance, property taxes, contents & liability insurance, utilities, access to AV equipment, storage space

3. Site operation/management – what is your preference:

- a for profit business to act as head tenant, building operator and site services manager
- a non-profit organization to act as head tenant, building operator and site services manager
- to create a joint ownership model (ie: Co-op) with shared responsibility/contribution to reception, hosting, facility management roles

Comments:

4. Pricing mechanism – which do you prefer:

- all services to be included in one monthly rental rate
- a per use charges on additional services, meeting rooms, boardrooms, administrative services, etc.

Comments:

5. For indication purposes only, what financial resources (beyond monthly user fees) do you have to put towards purchase or renovation of the premises? Do you have a dollar amount in mind?

6. Space Animation (organizing events/workshops/training sessions, learning exchanges, creative surprises)--Would you prefer:

- to be directly involved as a volunteer in animating the space
- to employ paid staff to provide this function

Comments:

7. What types of events/workshops/gatherings are important to you to have in the space?

8. Any additional comments or feedback?

Appendix III – Detail of Comparative Co-location Centres

1. The Hub Global, London, England + 18 Locations Worldwide

The Hub Network International has more than 3000 members in 18 Hub locations on 5 continents. Over 1500 ethical businesses are supported and over 40 000 people have visited one of the Hubs.

2. The Berkeley HUB – San Francisco

The recently opened HUB Bay area, a joint-venture partner of the HUB Global Network, is planning to set up a HUB social venture fund of approximately \$3 million in size with the intent of supporting the development and growth of small social purpose start-up companies and enterprising non-profits.

<http://bayarea.the-hub.net/public>

3. The HUB – Halifax

The Hub Halifax is in its first year of operation. A meeting room, a board room, a kitchen, business equipment, a central location close to transit and a variety of workspace options create a dynamic environment for its dozens of members. The Hub Halifax hosts weekly and monthly events, such as the Friday Afternoon Hack! where software developers and designers spend time collaborating on side projects.

<http://thehubhalifax.ca>

4. Centre for Social Innovation – Toronto

The Centre for Social Innovation has become home to nearly 100 social mission groups in sectors ranging from arts and environment to social justice and education. The Centre has hosted over 10 000 visitors since opening in 2004. Its conscious use of space, community and innovation is driving a well observed and researched working theory of social innovation.

<http://socialinnovation.ca>

5. Victoria Sustainability Centre Project – Dockside

Most of the work on this project occurred several years ago when representatives of organizations based in the Greater Victoria area who were involved in environmental, global educational and housing initiatives had been exploring opportunities to co-locate their organizations and share resources and services to enhance their capacity and effectiveness. Coincidentally, Dockside Green Development Incorporated was developing the notion of a “sustainability centre” in which environmental and other like-minded organizations would co-locate and collectively demonstrate sustainability principles and practices to the broader community. Their work was the result of collaboration around feasibility of such a centre.

6. Genius – Vancouver based Non-profit Co-location feasibility research

This study, conducted primarily in 2008, was intended to initiate and manage a business planning process that would explore the feasibility, probable working models and document templates for a group of organizations purchasing or co-locating in shared office space. The group was surveyed by The Global Youth Education Network Society (Genius) and comprised 13 non-profit organizations of differing size, capacity and needs. The research gave a good sense of what is needed in Vancouver region and was an affirmation of the need for a co-location centre in general.

7. Workspace – formerly operating in Vancouver

This was a sole owner co-working space located and operated in the Gastown area of Vancouver (21 Water St.) for approximately two years. It housed a wide variety of organizations on a flexible space rental arrangement and was actively managed by staff of the business owner. It closed in Sept. 09 due to other business matters of the business owner.

8. The Network Hub – Vancouver

The Network Hub located in downtown Vancouver Canada offers various options to meet different working styles from coworking, private office, shared desk space, meeting room rental, and virtual office. Their goal is to provide a calm inspiring work space where entrepreneurs can connect, create and collaborate on new and exciting opportunities. The Network Hub is equipped with all the resources required to start and run a successful company. They offer mailbox rental service, phone answering services, faxing services in a variety of packages.

<http://www.thenetworkhub.ca/>

9. Surveys of Vancouver Hive Participants

Two primary surveys were conducted over the period of feasibility research to get at specifically what the needs of this community are and what a centre would need to look like in order to effectively satisfy the vision created for the centre. The survey questions and results of the research are detailed within this report.

10. Wavefront – Vancouver

Wavefront is a community-based commercialization centre providing emerging wireless companies with access to office space in the heart of downtown. Wavefront provides a unique professional environment for local companies as well as international companies looking to make Vancouver their jumping off point for entry into the North American wireless market. From shared desk space to private offices, Wavefront offers rental packages starting from \$350/month.

<http://www.wavefrontac.com/>

Appendix IV – Vancouver HIVE Survey Results #1

Vancouver Sustainability HUB - Survey #1 Response Summary

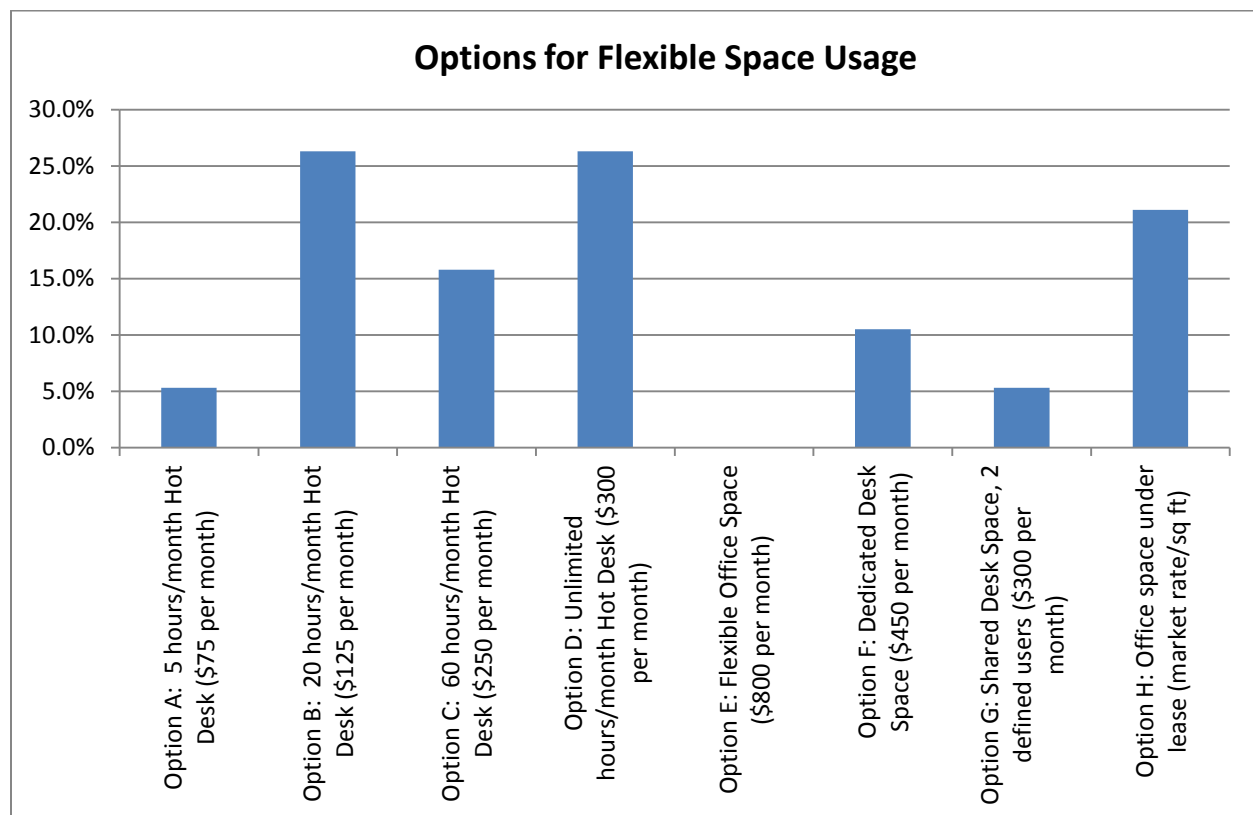
Genius Survey Findings

Berkeley HUB Findings

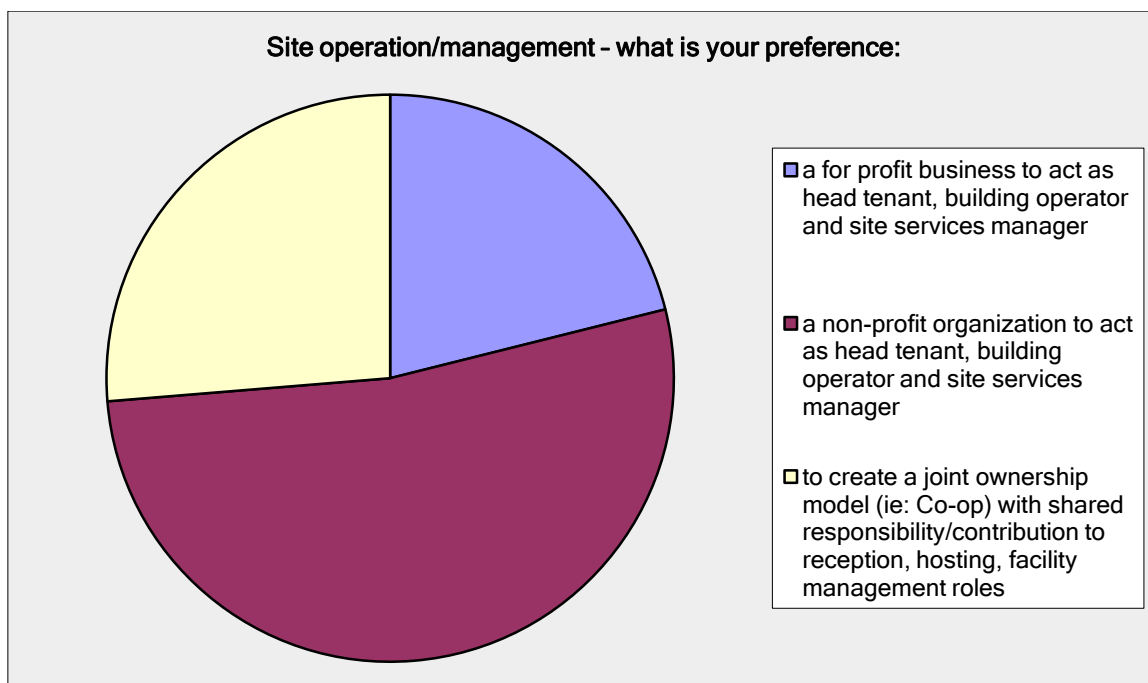
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Physical Characteristics			Preferred Co-Workers		Type of Organization		No. Of Employees		
Natural Lighting	26		ENPs	25	Private Enterprise	18	1	17	
Conference Rooms	22	10	Social Media	24	Non-Profit/Social Enterprise	7	2	6	
Lounge or Cafe space	21		Consultants	22	Independent	2	3 - 6	2	9
Kitchen	18	7	IT	18	Creative Consultant	1	6 -10	3	
Printing/Copy Facilities	14	7	Businesses	18	School	1	10+	0	2
Reception Desk	10		Cultural Groups	16					
Secure/Sharable Filing	9		Activists	13					
Change Rooms	6		Charities	12					
Desks with Netbooks	6		Accounting	9					
High Ceilings	6		Others						
Bike Lockers	5		Retail		Current Office Type				
Mobile Furniture	3		Designers		Home Office	17	<200	20	3
Meditation Rooms	2		Architects		Shared Office	3	250	3	0
Storage	13		Social enterprise		Head Office	3	300	2	1
Other			Cooperatives		Public Space (Library, Cafe)	3	600	2	1
desks			Social justice orgs		Satellite Office	2	1000+	2	6
internet			Artists/musicians		School	1			
shower			Social Entrepreneurs						
secure lockers					Current Rent Paid				
brainstorming wall					Avg rent of orgs/sq ft	\$13.95	Ind Size		Total
white boards					Avg rent of orgs/sq ft	\$16.80	<200		1000
easels							250		500
private space					Portion of Budget for Rent		300		600
land line phone					<5%	4	600		1200
workshop tables					5 - 10%	8	1000+		7500
dirty studio area					10 - 15%	1			
play space									
recycle area					Division of Space				
					Office	Open	Meeting		
Total Responses	148			157	41%	33%	26%	Total Sq ft	10,800
Berkeley HUB									
Natural Lighting			IT-Consultants						
Conference Rooms			Social Entrepreneurs						
Lounge or Cafe space			Funders		67.5%	12.5%	20.0%		
Open-plan Kitchen			Students						
Printing/Copy Facilities			Non-profit workers						
Mobile Desks with plug-in facilities			Other freelancers						
High Ceilings			Academics						
Storage lockers			Artists						
Internet			Activists						
Landline-phones			Mentors						
Brainstorming walls in conference rooms			Examples included:						
			Comm Fdn Employee						
			Google empl turned IT cons						
			free lancing events mgr						
Centre for Social Innovation									
Plenty of natural light					60%	40%			
Interesting aesthetic features; exposed brick/beam, high ceilings, etc.									
A sense of history and spirit to the building; perhaps a former incarnation that can be woven into the present plan									

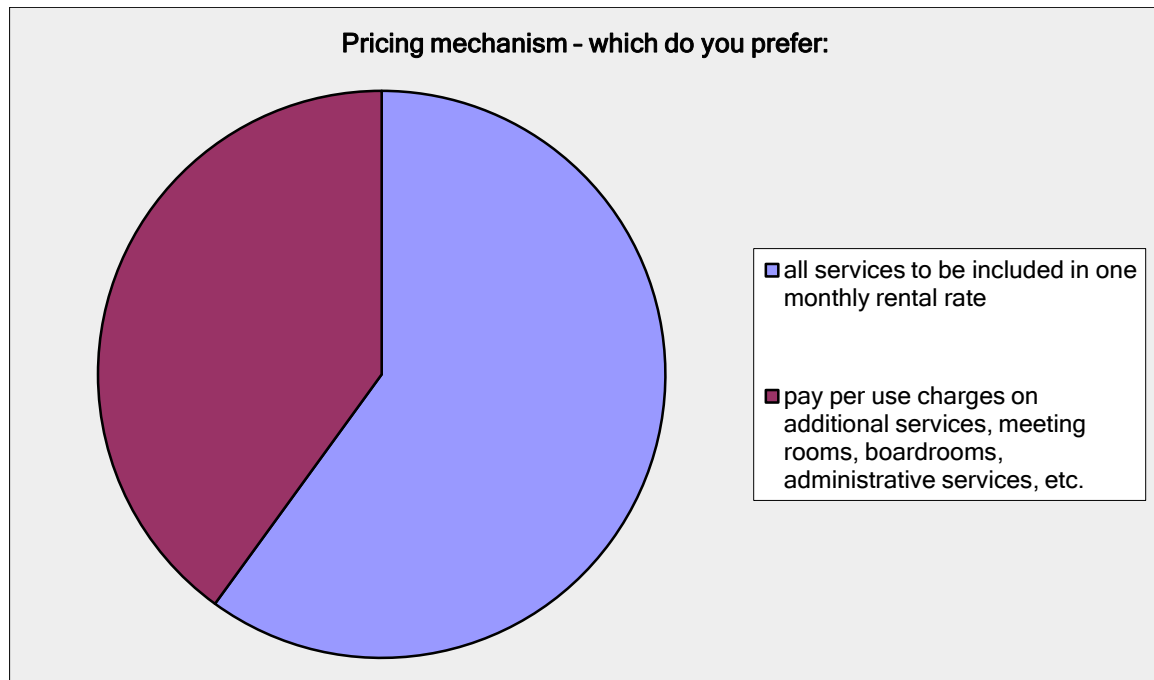
Question #2



Question #3



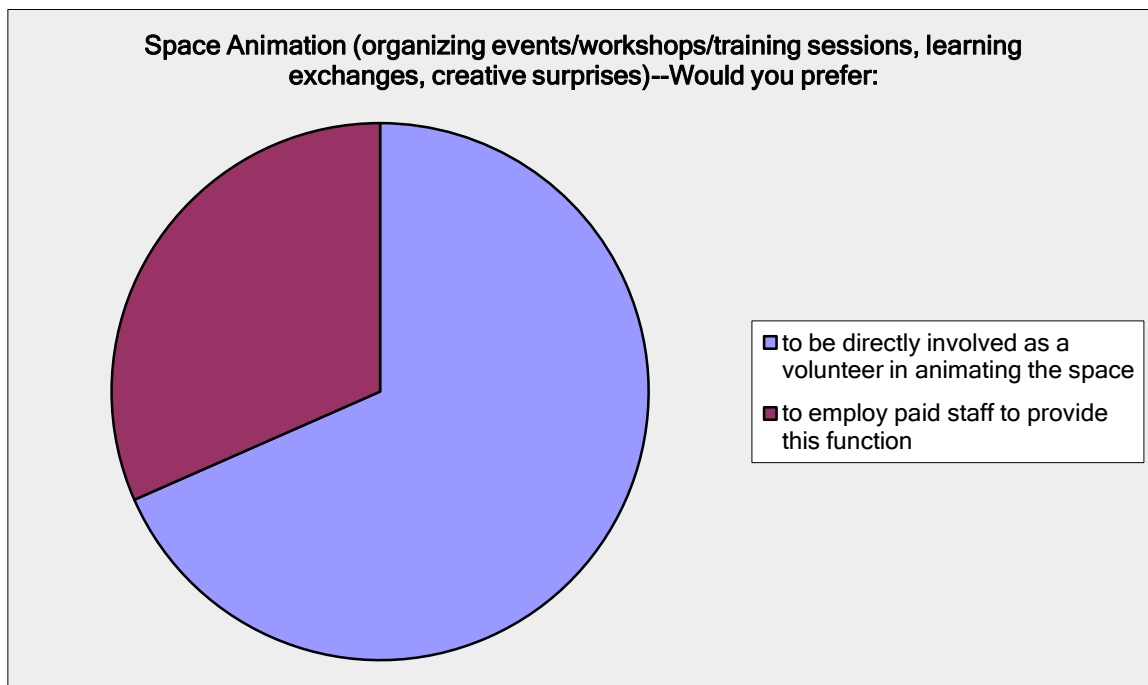
Question #4



Questions #5

For indication purposes only, what financial resources (beyond monthly user fees) do you have to put towards purchase or renovation of the premises? Do you have a dollar amount in mind?
Not at this time, sorry. I would prefer to pay a set fee each month, even if it is a bit higher, and a percentage would go to said purchases or renovations.
none right now but would donate time in painting and/or installation :)
No
Nothing at this time. We are a start-up business and defining our needs.
Am not interested in purchase or renovating! (?)
None right now.
We may have some capital available to invest in a space.
Not at this time, but could foresee the purchase of a co-op share/equity or other investment in the future.
\$25-\$50k cash, plus up to \$100k line of credit. We'd likely be able to put more money in if it was for a purchase where we could see a return on the investment. If just a reno, then less on the cash and probably less on the line of credit.
need more information - at present am reworking my on investments and an on boarding new clients until those cashflows begin, I am unable to commit but will to consider once I know about the direction of things at the HUB
Difficult to say because it would difficult to predict the financial return on the investment based on the information on hand.

Question #6



Question #7

What types of events/workshops/gatherings are important to you to have in the space?
Design Nerd Jams, hands on workshops, film screenings
Open Houses, collaboration seminars, coaching.
guest speakers, pot-luck lunches (communal style), brainstorming sessions
We host a variety of events and it would be great to have LUGs in a space that has windows in the future! For Cascadia events in Vancouver we usually need space to hold at min 40 people, but it is better if it holds 80.
I like the business model of the Lighthouse Building center, with workshops and weekly info lectures, etc.
informal discussions, peer-led groups (more grass roots style), "show & tell" about "sustainable issues", Guest speakers, DIY workshops,
Various! Open to music, yoga, tech/web, biz, lots
Making the links between issues Theories of Change FUN events New skill, models, best practices.
board meetings, volunteer evenings, workshops for young people
Board meetings, AGMs, board planning days.
Professional development workshops: social media, how to raise money for business, business planning, social enterprise development etc., creativity Networking events, speaker events including international speakers from the sustainability and social purpose business community, Movie nights
Presentations, workshops, event receptions for groups of 15-60 people.
Collaboration amongst hub participants for new social innovation projects. Information/learning sessions amongst participants of the hub (opportunities to learn from each other, brown bag petchakucha style lunch?).
idea sharing, funding opportunities, socials with no point whatsoever, yoga?

Educational workshops related to sustainability; educational workshops related to small business, leadership, communications, etc; arts events; "Design Nerd Jams"; parties; activist meetings; various Meetups; general public events; and many other kinds of events related to the culture of the occupants as well as the surrounding neighbours.

I would be willing to give 1. Strategic Thinking - Using vision to keep energy flow in you organization in the high impact zone with focus, ease and spaciousness. daily traction 2. Business Model Canvassing - finding clarity about strategic priorities and developing innovative business models using visual thinking. 3. Priority management - Strategies and tactics to bring focus, ease and clarity to your every day and really enjoy your life and play/work 4. Life Visioning - ensuring that your personal life and your social enterprise are in deep and authentic communication

Social entrepreneur events

training, interesting speaker series, dialogue sessions on emerging topics

Question #8

Any additional comments or feedback?

You guys are doing an amazing job! Keep it up!!! How would it work in terms of 'desk hours' and community events? Would those fall outside of the rented times? I'm sure you guys have discussed this..? I just haven't been to any of the meetings yet. ahem JACK!

any idea on timing?

You are doing great work. Please check in with Cascadia once we have our new BC Director for ways for us to collaborate.

We need to save the planet! And designers are the ones that can actually do something about it (& should).

Good luck!

Apologies if a staff person at CYH has already filled this out.

We need a space for grinding/bagging coffee which means we are required to have a sink for hand washing in the same space. We also have people who drop by to purchase cafe etico so access would need to be available. Cafe Etico would be interested in providing a coffee service to the space.

Would suggest more low-cost membership options to encourage higher participation numbers (5hr/month for \$25). It's good to involve those who aren't in need of shared work space too.

Lets get a hub going SOON!!!

I'm also just joining the Hub SOMA and I don't know why the prices for the Vancouver Hub are so much higher when real estate in San Francisco is about 30% higher than Vancouver. I'm just trying to understand why the difference? thx

I think its very important that there be an independent cafe/bar at the ground floor level and they be part of the enterprise as a tenant. Ideally there's also a roof deck and/or patio. A workshop for building things would be great too! :)

I am building out my company into a leadership and organization consulting network based on the Strategic Performance Consulting tools and methods that I have developed and harvested over the years. I am also considering to release my IP for use by Social Enterprises and am considering grafting the network to HUB to give it a global impact and resilience. If feasible I might then consider office space or a higher grade of membership. Would love to dialogue with someone there about this. I have not been able to make past meetings due to heavy client load while in Vancouver, business travel and because my young family is located on Salt Spring. Would love to chat with folks about this.

Would like the ability to book meeting space (boardroom etc.), and perhaps have access to rooms of different sizes (i.e. 2-4 people and 8-12 people) with the use of AV equipment, projectors & conference phones. I would be willing to pay for this either as part of monthly fees, or on a pay-per-use basis. It will be important for me that the space has a professional (yet still fun and creative) atmosphere, as I want to be able to meet clients and companies in the space.

Appendix VI – Critical Elements of Design

Element	Options	Benefits	Obstacles
Ownership vs. Lease	Single or limited investor owner	Clear, quick decision making. Risk managed by one investor	Decisions made in favour of investor, not tenants. Investment focus for operational model.
	Joint common ownership by multiple parties - investors and occupants	Shared ownership goals, broad participation in real estate equity.	Slow decision making process, complex agreement for ownership structure, divergent perspectives on investment return.
	Coop formed to hold the property - members from tenants and/or broad community	Community focus for asset, equity of decision making, can raise investment equity through membership shares.	Slow decision process, large investment in co-op structure, needs to serve a diversity of interests.
	NPO formed to hold the property	Community focus for asset, ability to raise grant funding, organization mission aligned with values of the Centre, org lasts in perpetuity, possible tax benefits.	Effort to establish NPO structure, Board of Directors decision process can be cumbersome, less access to conventional capital sources.
	Corporation formed to own the property with shares held by various stakeholders	Clarity of ownership allocation, ease of ownership transfer, access to external investors.	Imbalanced ownership and decision making control, raising equity funding amongst multiple parties is challenging.
	Special purpose entity to undertake head lease for whole property - coop, NPO, Corp	Lease requires less financing up front, one party to negotiate primary lease terms, can benefit from innovative sub-lease arrangements, stronger voice amongst other building tenants.	Lease is not as permanent as ownership, less control over building management, harder to Green up bldg components when you don't have ownership.
	Franchise an existing Hub Concept	Help with business model, branding, template, international network, financing more available for proven model.	Higher fees, do we want to run a franchise-like model?, closed-source technology, may not meet needs of unique community.

External Investor(s) Financing	Small group of financially motivated investors	Nimble, requires little organizing, respond well to financially strong business model.	Look to maximize investment returns, may have a change of heart, sell investment to third party, ultimate control of decisions regarding HUB
	Single aligned benevolent investor - interested in advancing mission of sustainability	Ease of raising capital, likelihood of long term relationship, more likely to support in challenging times.	All financial "eggs in one basket", dependent on investor's willingness for continued support, significant control in hands of one individual.
	Broad base of investors	No one dominant decision voice, can substitute investors over time, structure can remain in perpetuity.	Communication/information requirements cumbersome, complex documentation for investment structure, difficult to regain ownership if desired.

Appendix VI – Cont'd

Element	Options	Benefits	Obstacles
Management/ Decision making entity	Managed by owner/head lease entity	Managed in alignment with owner requirements, better chance of long term satisfaction of owner.	Centre will be run with objectives of owner paramount, limited opportunity for tenant input/involvement, rely on capabilities of owner for effective management.
	Separate entity from owner with broader representation from HUB participants	Voice of participants providing direction, managed from perspective of tenants, opportunity to guide long term direction.	More cumbersome mgmt structure, potential for lip service to acknowledging participant voice, possible for dissenting voice to stall mgmt process.
	Cooperative arrangement of HUB participants	Strong community voice, managed from perspective of users.	More cumbersome decision model, need to maintain support of owners, may not be effective use of resources for routine decision making.

Operational structure	Cooperative model where all occupants share duties of managing the centre	Highly participatory, operations integrated with use of the space, day-to-day activities aligned with overall objectives for the space.	Relies on voluntary engagement, potential for inconsistent attention to operational issues, varying perspectives of participants can hinder routine decision making.
	Staff employed to fully manage operations	Focused attention to ongoing operational issues, consistent follow through on initiatives, independent authority to uphold conduct expectations	Higher cost to maintain staff, finding effective and self-motivated staff, participants can become complacent and disengaged.
	Combination of paid and volunteer staff to ensure effective running of the Centre	Opportunity for tenant engagement in regular operations, cost effective solution to maintain focus on operational issues, ongoing engagement of tenants.	Cost of staff person(s), dissention between paid and volunteer workers, need for balanced overseeing of operations activities.

Animation	No active animation of the space	Traditional approach to space rental, tenancy is simple and easy to understand.	Difficult to foster collaboration, participants don't find value in using the space, more transient tenant population.
	Managing entity has responsibility - paid staff	Focused attention to opportunities for collaboration, deliberate environment for development of relationships.	Cost of staffing the role, potential disconnect between staff and tenants, staff not as engaged as participants.
	Cooperative model of tenant participation	High level of engagement of participants, people invested in the outcomes of collaboration, creativity high for new ways to foster connections.	Uneven commitment to animation activities, falls to a few individuals to carry the energy, work schedules getting in the way of animation activities.
	Tenant participation to offset individual rental fees	A means to reduce monthly fees for tenants, engages HUB participants, could be done in combination with paid staff.	Inconsistent involvement in animation by volunteers, may not encourage the best individuals for the role, higher transience amongst animators.

Element	Options	Benefits	Obstacles
Pricing & Membership Models	Monthly rent based on size of space used	Straightforward and considered equal, easy to calculate, clear delineation of what space is included in the rent.	Requires dedicated space for each tenant, inflexible, not as profitable pricing structure to cover costs of services and animation.
	Flat monthly rate for access to desk and facilities	Easy to understand, can be dedicated desk or shared, one all-in cost per month, easy to administer.	Rate might be high to reflect all services available, lighter users dissatisfied, could be a barrier to new tenants.
	Flexible rate by the hour or day for work space	Aligns costs very closely with usage, allows for greater variety of user types, makes the HUB more accessible to all.	Difficult to monitor usage levels, need to resource for peak periods which means some idle time for equipment, higher administration burden.
	All inclusive fee structure for space, amenities, services	Club Med approach to accessing services, easy to understand, spreads costs across broader user base.	Single fee is higher than other options, dissatisfaction with uneven usage levels, services & amenities tend to be inefficiently used.
	Pay per use structure for space, services, and amenities.	Ensures the most used service components are available, provides a competitive resource for participants, user pay approach increases satisfaction amongst different levels of use.	Difficult/costly to administer, requires minimum usage levels for each service to maintain viability, is a barrier to full range of services if not all used consistently, sense of "nickel and diming" users.
	Combination of the other structures	Allows for different service offerings to be made available, highest use elements can be incorporated into base costs, sensitivities of users can be honoured.	Constantly reconfiguring the pricing structure, need good cost evaluation mechanisms to ensure cost coverage, can be confusing to users.

Element	Options	Benefits	Obstacles
Facilities & Infrastructure	Private enclosed workspace	Honours the need for privacy for some users, allows for higher level of security, confidentiality of conversations is maintained, provides stability of tenancy.	Less flexible to manage space, lower financial margin, does not foster collaboration.
	Open work environment	Increases collaboration, maximizes use of facilities, offers low-cost work space for users, encourages impromptu conversations.	Noise factor for people working, interruptions of co-workers, less privacy for documents/conversations.
	Meeting rooms	An important component not available with home office or coffee shop environments, possible to rent to non-members for increased revenues.	Space can be underutilized, not profit generating to as great a degree, booking mechanism required.
	Open casual gathering space	Supports a relaxed atmosphere, place for impromptu meetings/conversations, convertible to gallery or event space.	Doesn't generate revenues so expensive to maintain, may be difficult to create from conventional office environment.
	Storage	Some secured storage essential for safety of personal equipment and documents, can be created out of less usable space, attractive feature to gain new participants.	Costs of space must be incorporated into base rents or charged separately, for mobile users may not be an advantage, requires substantial cabinetry or dividing walls.
	Kitchen/coffee bar	A key feature to encourage unplanned conversation, keeps participants from always heading offsite, can be a net revenue producer, opportunity for non-members to engage.	Needs retail level exposure, likely insufficient revenues from just the tenants, requires significant investment in interior improvements, different licensing/regulations than other aspects of the HUB.
	Access to transit/bikes	Important to encourage like minded tenants to the HUB, enhances long term sustainability, consistent with the theme of the Centre, reduces need for parking.	Eliminates many prime sites which are more removed, costs for lease are higher closer to main transport access, value will depend on percentage of participants who use alternative transport.
	Natural Lighting	Enhances work experience, critical to healthy work environment, bolsters morale, increases engagement in work.	Older buildings often more limited, expensive to create if not present in the original structure, requires careful planning to maximize light channels.
	Reception area	Makes a welcoming entry point, facilitates guest and tenant experience, allows for a level of security, increases ability to engage non-members.	Takes away from other productive space, requires someone to work the desk.
	Business copy centre	A key service to businesses, opportunity to enhance revenues, high convenience factor for tenants, allows for better quality business equipment with affordability, can be fairly easily monitored for usage.	Significant initial investment in equipment, requires constant servicing attention, billing pay per usage is administratively heavy, competition from external providers is strong.
	Art space	Adds to the feel of the space, promotes the work of tenants, makes a venue for sale of artwork, sparks creativity, encourages dialogue.	Requires sufficient open space, good lighting, poses a security risk.

Appendix VII – Key HIVE Characteristics

HIVE Characteristics

Space Needs	Preferred Physical Characteristics	Shared Services	Outcomes
Private office space	Natural Lighting	printing	social networking
enclosed office space	Conference Rooms	photocopy	ideas development
desk space	Lounge or Cafe space	fax	good facilities
Boardroom (8 - 20 people)	Kitchen	scanning	quality of space
Meeting Rooms (2 - 8 people)	Printing/Copy Facilities	digital camera	increase in happiness
common/lounge area(s)	Reception Desk	reception	community
Gathering Space (20- 60 people)		mail box area	social capital
Storage		wireless network	
kitchen		white boards	
shower/change rooms		video screen (s)	
bike storage		audio visual equipment	
personal lockers		IT	
access to transit		Building maintenance	
		Bookkeeping/Accounting	
		Data backup/storage	
		Telephone	
		Buying clubs	
		shared transit pass program	
		Pooled medical/dental benefits	
		Janitorial services	
		Security	
		phone answering service	

From The Hub UK Concept Design			From Genius research
Space Modalities	Space Typologies	Space Management	Centre Characteristics
play	studio	anchor space	shared space, services, amenities informed property management location consistent with intention mix of tenant organization entities patient investor progressive lender leadership from the sector innovative approaches to financing
work	shed	bookable space	
innovate	kitchen	flexible space	
eat	lounge	top up space	
gallery	bedroom	shared space	
home	lecture hall	temporary space	
study	bookshop	hosted space	
research	cafe		
conversation	park		
meditate	corridor		
rest	mail box		
share ideas	storage		
meet	change rooms		

Space Needs	Preferred Physical Characteristics	Shared Services
From Centre for Social Innovation		
Create unstructured social space; serendipity is more likely to happen around the kitchen table than the boardroom table.	Plenty of natural light	B/w and colour photocopying and printing
It is easier to build community horizontally than vertically! Look for spaces that keep people on the same floor rather than splitting them between floors.	Interesting aesthetic features; exposed brick/beam, high ceilings, etc.	Wired and wireless high-speed internet
Use comfortable and communal furniture: couches, cosy chairs, welcoming rugs and harvest tables.	A sense of history and spirit to the building; perhaps a former incarnation that can be woven into the present plan	VoIP telephony service
Tear down those walls! Glass reflects values of transparency and openness and fosters a sense of collaboration and dynamism; create large open spaces for open sightlines and mass connection.		Fax machines
Beauty, eh? We all love beautiful things! Make your space attractive – it makes people feel healthy and happy.		Mailboxes and mail sorting
Kitchens don't make money – but they do build community. Don't cheap out or box it in – this is where the magic happens.		Kitchen facilities
Build in an environmentally considerate way.		Meeting rooms
Foster mobility – put services and amenities in different parts of the space so that people move around – it's mobility that gets people to explore new spaces and people.		Coffee/tea
Go industrial – there will be hundreds of people using the space and it will show – get the most durable that you can afford.		Security
Put things on wheels and keep them light – you want to be able to move them easily.		Cleaning
Fabrics need to handle dirt – invest in ones that are heavy-duty.		Kitchen facilities
Overhead and task signage will help orient tenants and less-frequent users		Audio-visual equipment (flipcharts, TV/DVD, projector, laptop, screen, PA system)
Lockable space is essential for tenants – they need SOME closed storage for their essentials		
Cohesion matters – all these elements need to hang together in a design that works and feels harmonious.		

Appendix VIII – Comparison Chart of Alternative Co-location Structures

HUB Comparison

Example	Survey of Vanc HIVE participants	Genius Research Outcomes	Centre for Social Innovation (Toronto)	UK HUB	Halifax HUB	San Francisco HUB	Victoria Sustainability Centre (Dockside)	the Network Hub (Vanc)	Workspace	Wavefront co-location
Type of Ownership/Financing										
Single or limited investor owner										
Joint common Ownership by occupants										
Joint common ownership by multiple parties - investors and occupants										
Partnership of many entities to own property										
Coop formed to hold the property - members from tenants and/or broad community										
NPO formed to own the property										
Corporation formed to own the property with shares held by various stakeholders										
Special purpose entity to undertake head lease for property - coop, NPO, Corp										
Partnership/Decision Structures										
one individual										
limited parties/shareholders										
broad base of shareholders/tenants										
Non-profit society with members										
Co-operative with members										
hybrid of two or more structures										
Operations Management										
head tenant/mgmt organization										
tenants jointly responsible										
shared operations tasks										
rotating volunteer support										
Animation										
mgmt organization responsible										
shared amongst tenants										
rotating voluntary responsibility										
no animation activities in the space										

Appendix IX – Co-location Pricing Comparison

Comparative Pricing Examples											
	Centre for Social Innovation	Hub UK	HUB San Francisco	the Halifax Hub	the network hub	Wave front	Work space	Tyee in Vanc	BOB excess desk space	One-off office space	Rates used for Business Model
Space Rental Pricing											
Office space under lease	900 - 2400									\$20/ft	\$20/ft
Flexible Office Space						1500					700
Dedicated Desk Space	300		545		350	500	595	250			400
Shared Desk Space (2 defined users)					250	350			200	250	275
Hot Desk Options											
5 hours/month	75		25	40	25						75
10 hours/month				50							
20 hours/month	125	80	119	125	100						125
45 hours/month		240	195	208							
60 hours/month	200	340									250
100 hours/month	250		345								
Unlimited/month		960	445	349			495				300
Boardroom (8 - 20 people)/hour		100				25	60				\$50/hour
Meeting Rooms (2 - 8 people)/hour		60		20	20	25	35				\$25/hour
Event Space				225							\$250/event

Appendix X – Business Model – Financial Worksheets

Vancouver Hive	Income/expense		Opening	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues	Quantity	Rate											
Space rental *													
private office space	4200	16.00		\$67,200	\$67,200	\$67,200	\$67,200	\$67,200	\$70,560	\$70,560	\$70,560	\$70,560	\$70,560
dedicated desk use	4	400.00		\$19,200	\$20,544	\$21,982	\$23,521	\$25,167	\$26,929	\$28,814	\$30,831	\$32,989	\$35,298
shared desk use	2	275.00		\$6,600	\$7,062	\$7,556	\$8,085	\$8,651	\$9,257	\$9,905	\$10,598	\$11,340	\$12,134
Hot desk service													
5 hours/ month	2	75.00		\$1,800	\$1,926	\$2,061	\$2,205	\$2,359	\$2,525	\$2,701	\$2,890	\$3,093	\$3,309
20 hours/month	10	125.00		\$15,000	\$16,050	\$17,174	\$18,376	\$19,662	\$21,038	\$22,511	\$24,087	\$25,773	\$27,577
60 hours/month	6	250.00		\$18,000	\$19,260	\$20,608	\$22,051	\$23,594	\$25,246	\$27,013	\$28,904	\$30,927	\$33,092
unlimited hours/month	10	300.00		\$36,000	\$38,520	\$41,216	\$44,102	\$47,189	\$50,492	\$54,026	\$57,808	\$61,855	\$66,185
Meeting rooms													
Boardroom	25	50.00		\$15,000	\$15,750	\$16,538	\$17,364	\$18,233	\$19,144	\$20,101	\$21,107	\$22,162	\$23,270
Small meeting rooms	60	25.00		\$18,000	\$18,900	\$19,845	\$20,837	\$21,879	\$22,973	\$24,122	\$25,328	\$26,594	\$27,924
Event space rental	7	250.00		\$21,000	\$22,050	\$23,153	\$24,310	\$25,526	\$26,802	\$28,142	\$29,549	\$31,027	\$32,578
3rd party space rental	30	50.00		\$18,000	\$18,900	\$19,845	\$20,837	\$21,879	\$22,973	\$24,122	\$25,328	\$26,594	\$27,924
Coffee Bar Lease	200	16.00		\$38,400	\$38,400	\$38,400	\$38,400	\$38,400	\$40,320	\$40,320	\$40,320	\$40,320	\$40,320
Amenities Charges													
Office Users	6	120.00		\$8,640	\$8,813	\$8,989	\$9,169	\$9,352	\$9,539	\$9,730	\$9,925	\$10,123	\$10,326
Desk Users	6	60.00		\$4,320	\$4,406	\$4,495	\$4,584	\$4,676	\$4,770	\$4,865	\$4,962	\$5,062	\$5,163
Pay Per Use services	1	540.00		\$6,480	\$6,610	\$6,742	\$6,877	\$7,014	\$7,154	\$7,298	\$7,443	\$7,592	\$7,744
Total Revenues			\$0	\$293,640	\$304,391	\$315,803	\$327,918	\$340,782	\$359,722	\$374,230	\$389,640	\$406,011	\$423,403
Expenses													
Head Lease	10300	16.00		\$164,800	\$164,800	\$164,800	\$164,800	\$164,800	\$173,040	\$173,040	\$173,040	\$173,040	\$173,040
Additional Rent (triple net)	10300	8.00		\$82,400	\$86,520	\$90,846	\$95,388	\$100,158	\$105,166	\$110,424	\$115,945	\$121,742	\$127,829
Staffing Costs				\$45,000	\$54,000	\$64,800	\$77,760	\$85,536	\$94,090	\$103,499	\$113,848	\$125,233	\$137,757
Janitorial expense				\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914
IT support costs				\$2,000	\$2,100	\$2,205	\$2,315	\$2,431	\$2,553	\$2,680	\$2,814	\$2,955	\$3,103
Business/AV equip maint.				\$1,500	\$1,530	\$1,561	\$1,592	\$1,624	\$1,656	\$1,689	\$1,723	\$1,757	\$1,793
Security system				\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Repair & maintenance	incl add rent	0.02		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes	incl in add rent			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	incl in add rent			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance: liab & property	incl in add rent			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Triple Net recoveries	4200	8.00		-\$33,600	-\$35,280	-\$37,044	-\$38,896	-\$40,841	-\$42,883	-\$45,027	-\$47,279	-\$49,643	-\$52,125
Total Expenses				\$267,100	\$278,820	\$292,472	\$308,423	\$319,335	\$339,417	\$352,275	\$366,242	\$381,419	\$397,921
Net Operating Surplus/(Shortfall)				\$26,540	\$25,571	\$23,331	\$19,495	\$21,447	\$20,305	\$21,955	\$23,399	\$24,591	\$25,483

Appendix X – Cont'd

	Opening	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capital Costs											
Tenant Improvements											
office demising walls	\$40,000										
painting & finishing	\$25,000										
floor finishing	\$15,000										
Furnishings/equipment											
desks	\$6,000										
IT equipment	\$22,000										
kitchen equipment	\$4,000										
business machines	\$8,000										
telephone system	\$10,000										
Financing repayments		\$10,750	\$10,350	\$9,950	\$9,550	\$9,150	\$8,750	\$7,350	\$0	\$0	\$0
Total Costs	\$130,000	\$10,750	\$10,350	\$9,950	\$9,550	\$9,150	\$8,750	\$7,350	\$0	\$0	\$0
Sources of Capital											
Landlord inducements	\$50,000										
Capital Grants	\$25,000										
Tenant investments	\$55,000										
Total Sources	\$130,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Financing Costs	\$0	\$10,750	\$10,350	\$9,950	\$9,550	\$9,150	\$8,750	\$7,350	\$0	\$0	\$0
Project Cashflow	\$0	\$15,790	\$15,221	\$13,381	\$9,945	\$12,297	\$11,555	\$14,605	\$23,399	\$24,591	\$25,483

Appendix XI – Site Assessment Criteria

Site Feasibility Considerations		
Total Sq Ft		10,000
Lease Rate		\$14 - \$18/sq ft - tpl net
Additional Rent (triple net costs)		\$8 - \$10/sq ft
Term of lease		10 yr with 2 - 5 yr renewals
Landlord Inducements		\$50,000
Total Tenant Improvement costs		\$130,000
No. Of Floors		2
Expansion possibilities		Yes to 15,000 Sq ft
Appeal to outside users/clients		Mainstream appeal - not shabby or pretentious
Property Taxes		incl in additional rent fee
Utilities		incl in additional rent fee
Insurance Costs		incl in additional rent fee
tenant parking		yes - limited
client parking		yes - limited
bike parking/storage		yes
Interior Improvements		6 offices - various size 300 - 1500 sq ft
		open reception/gallery foyer
		coffee bar with limited seating
		shower/change rooms
		one Boardroom
		2 meeting rooms
		kitchen facilities
		smaller open areas throughout
		limited storage room capacity

Additional Site Considerations from Participant Feedback

location

Boundaries

Cambie

Clark Drive

16th Ave

Waterfront

close to bike/transit routes and skytrain

Safe - day and night

Mainstream appeal - not shabby or pretentious

some green space

car access

Priority locations

Chinatown/Gastown

New Falsecreek

Great Northern Way - Terminal

proximity to other non-profit/social purpose business offices

From CSI Experience

Accessibility by transit

Proximity to the downtown core

Proximity to surrounding personal and professional amenities (printers, restaurants, professional services)

Proximity to clients and colleagues

Proximity to/availability of green space

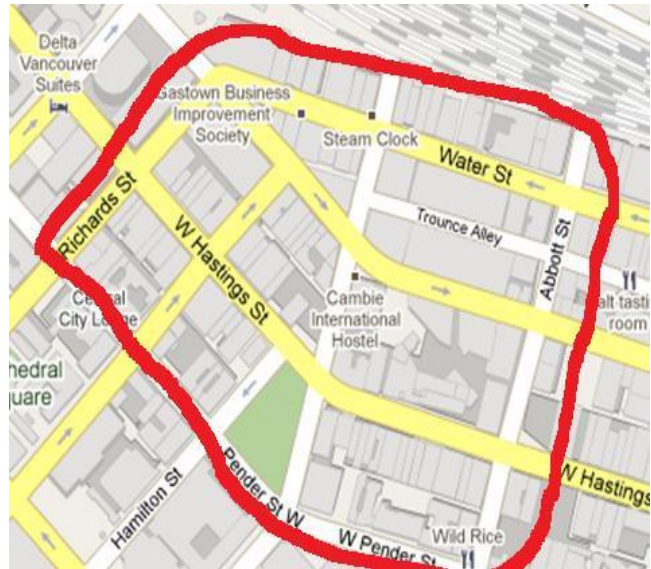
Availability of parking

Safety and security

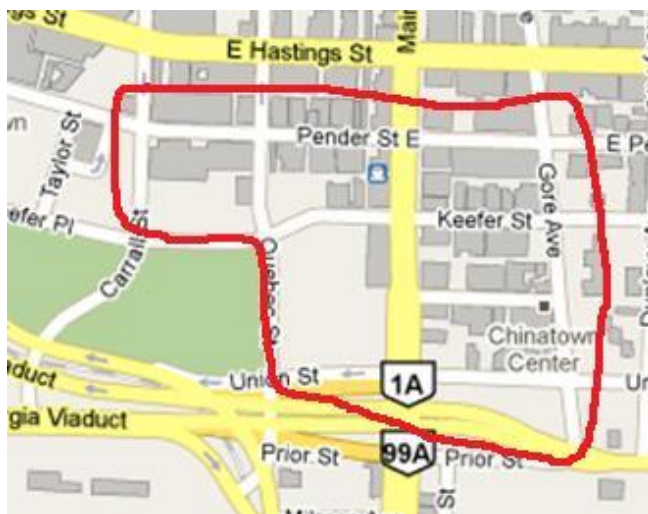
Appendix XII – Vancouver Site Options – Areas of Vancouver Under Consideration

Area 1 – East of Downtown Vancouver

Bounded by Abbott St and Richards St, lying between Pender St and Water St, this area of Vancouver is located just east of the main downtown area and slightly lower rents reflect this. The area has a mix of historical and older run down properties together with a number of properties having recently undergone significant renovations. The new Woodward's complex is located at the heart of this area and is having a positive effect on the attraction to locating here. Rents are at the top of the range considered for the financial model, but a Hive location which has a robust tenant base would likely manage quite well. The first property in the following appendix is located in this area.



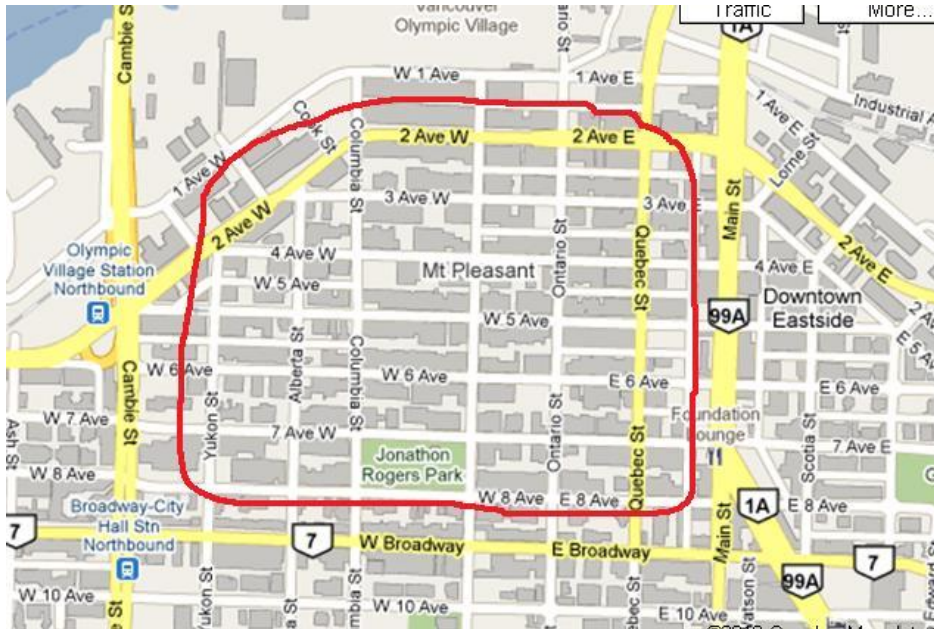
Area 2 – Chinatown



The historic Chinatown area on either side of Main St. between Pender St and the Dunsmuir viaduct has been recommended as a slightly more affordable alternative to the area closer to downtown above. No specific properties were identified however it remains under consideration as one option to be investigated more fully.

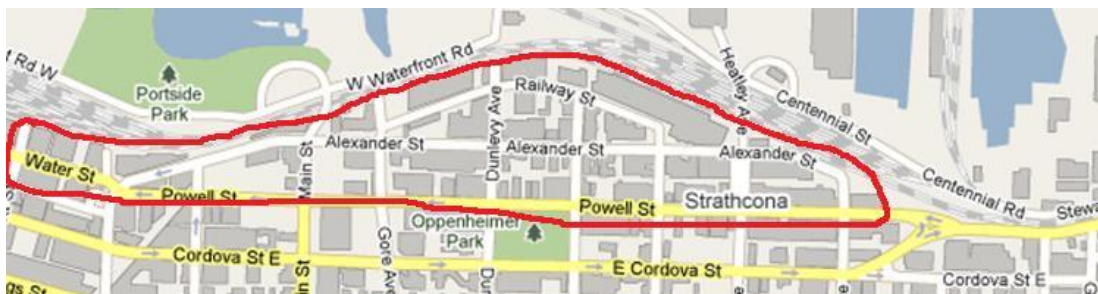
Appendix XII – Vancouver Site Options – Cont'd

Area 3 – Mount Pleasant/New False Creek



With the development of the Olympic athlete's village right on False Creek, this neighbouring area has come under increased attention. Traditionally a light industrial area of Vancouver, many properties are being used for office, retail and cafe space. The head office for Mountain Equipment Coop is located here as is the office of the Vancouver Cycling Coalition. Public transport borders the area with the new Canada line of the Skytrain having a new station at Cambie Street. Two of the sample properties are located within this area. Base rents tend to be lower, reflective of the industrial zoning, but we are confident that alternate use permitting would not be difficult.

Area 4 – Railway Ave/Waterfront Vancouver



This is an additional area under consideration which is deemed a more comfortable area for pedestrian traffic in the evening than the DTES. Specific location availability is limited, however, and this seems a less likely option.

Appendix XII – Vancouver Site Options – Cont’d

Area 5 – Clark/Commercial, Vancouver



In terms of lower rent space, this area presented as an additional option. It tends to be a mixed collection of building types, mostly warehouse and light industrial. Rents are reportedly lower, however we did not identify a specific location within this area. Early feedback from Hive participants confirms the sense that it is too far removed from the city centre and public transport to be a viable option. We present it with the report to provide additional context for the other areas and properties under consideration.

Appendix XIII – Vancouver Site Options – Specific Locations Sampled

Location 1

122 – 130 West Hastings St., Vancouver

2nd floor space

Newly renovated

9000 sq/ft

Asking \$16/sq ft plus additional rents of \$8 - \$10/sq ft



This is a unique property comprised of 3 adjoining buildings. The 2nd floor space available is access via a wide staircase off Hastings St. Located directly opposite the new Woodward building in close proximity to other sustainability organizations located at the Flack Block amongst others. The space can be demised into either 9000 sq ft or 12,000 sq ft with sufficient plumbing to allow for a small kitchen/cafe operation. Zoning is Assembly which easily accommodates the requirements of the proposed Hive.

Location 2



ADDRESS

PRINT PAGE

EMAIL PAGE

341 Water St.

[Click for Google map](#)

Vancouver, BC

BUILDING DESCRIPTION

The subject property is situated near one of the most prominent corners in Gastown, approximately one half block away from the famous steam clock. The area is intersected by transit routes, and is in close proximity to the SeaBus terminal, Waterfront Skytrain Station and the West Coast Express. Gastown, characterized by cobblestone streets, brick and timber heritage buildings and historical charm, is home to many shops, restaurants, coffee bars, services, public amenity areas as well as emerging design firms and leading architectural groups. The landmark Water Street Café and Starbucks are both located directly across from the subject property.

UNIT	SIZE*	RATE	DESCRIPTION	FLOORPLAN
200	4,000 SF	Contact LS	Prime Gastown Office Opportunity	
300	4,000 SF	Contact LS	Prime Gastown Office Opportunity	

*All measurements are approximate.

A total of 8000 sq ft is available and the listing realtor advises the lease rate to be \$20/sq ft including triple net costs. We were not able to visit the site, however it provides a comparative value for the Gastown area of Vancouver. The property is apparently unique in lay out and may not be a workable configuration. The flexibility of space arrangements contemplated for the Hive, however, would allow substantial adaptability for unique space arrangements.

Location 3

Property Info		View: Descriptions Images Suite Availability Additional Info
Status	Active	
Prop. Type	Industrial	
Address	15 East 4th Avenue Vancouver BC	
Rent	\$9.75	
Bldg Size		
Lot Frontage		
Lot Depth		
Min Divisible Space		
Max Contiguous Space		
Total SF Available		
Year Built		
Last Date Verified	12/3/2009	

Descriptions		BACK TO TOP ▲	
Property	Entire building at 15 E. 4th or combine with adjoining building at 11 E 4th.		
	11 E 4th.	15 E. 4th	or 15 E. 4th & 11 E. 4th
	Mezz Office	3,234 sq. ft.	7,794 sq. ft.
	Warehouse	7,332 sq. ft.	21,972 sq. ft.
	Total	10,566 sq. ft.	29,766 sq. ft.
Location	The building is located on the northeast corner of East 4th Avenue and Ontario Street two blocks west of Main Street in the desirable and convenient Cambie/Main industrial area of Vancouver.		

This property is located in the Cambie/Main area of Vancouver and represents a typical and fairly nondescript light industrial zoned property in this area. Access is good with public transport within 2 blocks at Main St. This property has the option of a much larger space which would allow for the expansion of the Hive down the road. Base rent of \$9.75/sq ft with estimated triple net costs of \$8/sq ft means the total cost of leasing is lower than that presented in the enclosed business model. This would allow for slower start up in tenancy for the Hive and would allow greater resources for leasehold improvements in the space at the outset.

Location 4

2015 Columbia Street
Vancouver



Lease

PROPERTY DETAILS

Detailed Description	Industrial
Intersection	Columbia St & W 4th Ave
Minimum Clear Height	14 ft
Maximum Clear Height	14 ft
Drive In Doors	1
Zoning	I-1

LISTING DETAILS

Asking Price	
Annual Taxes	\$5.45
Type	Direct
Total Space Available	9,516 sq.ft.
Industrial Portion	8,166 sq.ft.
Office Portion	1,350 sq.ft.
Asking Rate	\$9.75 Net
Availability	Immediate
Lease Term	Open

A second property in the Cambie/Main area of Vancouver. Base rent at the same as the East 5th property at \$9.75/sq ft, this location has some office and some open industrial interior space. A rear loading area with large drive in door may be an advantage depending on ultimate tenant makeup. This site is closer to the Cambie corridor and the Olympic Village Skytrain station. The area supports many small cafes and several retail establishments as well.

Location 5

520 Industrial Avenue, Vancouver



- Total Space Available: **9,725 SF**
- Rental Rate: **\$12.50 CAD/SF/Year**
- Property Type: Industrial
- Property Sub-type: Warehouse
- Building Size: 9,725 SF

Description

Building Area: 9,725 square feet

Lot Size: 23,735 square feet

Zoning: I-3

Lease Rate: Building: \$12.50 per sq.ft., triple net

Yard Area: \$2.25 per sq.ft., triple net

Operating Costs & Taxes: \$4.63 per sq.ft.

- Dock and grade level loading

- 16' clear ceiling heights

- Ideal for wholesale, distribution and light manufacturing

- Three phase power

- Ample parking and outside storage available

The subject property is well located in the False Creek Flats area of Vancouver. This convenient location provides easy access to the downtown core, Broadway Corridor, the Port of Vancouver and is blocks from the Main Street SkyTrain station. Specifically, the property is located one block south of Terminal Avenue and east of Main Street.

This final property is not located within one of the specified areas of Vancouver, however is situated within the general area and represents another possibility. Located just off Main St. north of Great Northern Way, the site is easily accessed and also demonstrates a more affordable lease rate at \$12.50/sq ft. Triple net costs at \$4.63 make the total lease charges well within the business model level. This location is a bit more out of the way and street level exposure is not as good as other locations.