



Global Coliving Report
2019

**Living,
Together**



01
Introduction

43
The Money
behind Coliving

05
High Level
Insights

47
Interesting
Opportunities

10
Market Scan

51
Challenges

40
Enablers

54
What to expect
in 2020?



Index



Introduction

Coliving as a concept isn't new per se. We have seen manifestations of the same either through 'flat-sharing' concepts which have been popular with singles through the world, or informal 'paying guest' accommodation option seen in many developing countries. What we are seeing is formalization of this unorganized industry. We estimate the presence of nearly 400 coliving operators across the world today, which is up from about 150 operators in 2016. That's a dramatic increase! What's also heartening to see is the emergence of coliving at a global level - and not merely restricted to certain geographies.

In this report, we have made sure to do 3 things -

- Do justice to all geographies where coliving is blooming. Many existing reports are siloed to certain countries alone
- Not just talk about the big operators, but also feature some of the more interesting, albeit smaller companies who deserve some recognition
- Cover Coliving's ripple effect which goes beyond just the operators. There's an entire ecosystem of companies which are coming up to support this movement

Over the course of TheHouseMonks evolution, we have donned the hat of a coliving operator, a consultant to coliving companies and have eventually turned into a technology provider for the industry. Having served more than 40 operators across 12 countries in 4 continents already, we believe we have a very unique perspective on what's happening in this industry. We see it as our responsibility to collate, compile and publish a great report which captures the essence of this industry.

This report includes insights on the growth of the industry, a sector scan of the players in different geographies, a dedicated section about enablers of the coliving industry, challenges faced by the industry which is hindering it's growth, and so much more! It is extremely exciting to witness the birth of an industry, similar to what happened to the automobile industry in 1920s and the PC industry in the 1980s.

We are witnessing the birth of what is likely to go onto become a \$100B industry within the next few years.

We look forward to hearing your feedback on the same, and suggestions on how we can improve this for our next edition in 2020.



What is Coliving?

Coliving is the cohabitation of people with access to private or shared rooms for living, with access to shared amenities like kitchen, living rooms, etc. leading to a community lead living.

A operator, typically, gets into a contract with property owners (or developers) and converts their dwelling into a coliving facility. This transformation includes design of the space based on the principles of human interaction, construction or renovation as the case maybe, addition of appropriate furniture, etc. Once the space is ready, the operator manages the complete lifecycle of the facility including marketing and tenant identification, rent collection, property maintenance and management, organizing community events, addressing any complaints and concerns of both the property owner and tenants.

The operator is the hero of the coliving eco-system. Other key stakeholders include:

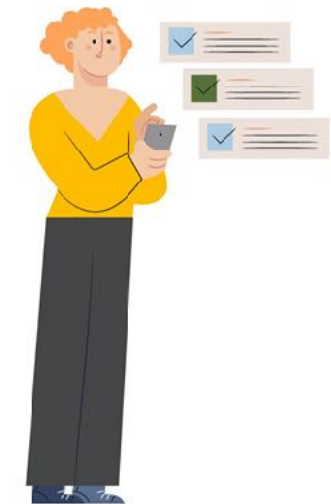
- Landlords
- Tenants
- Consultants
- Technology providers

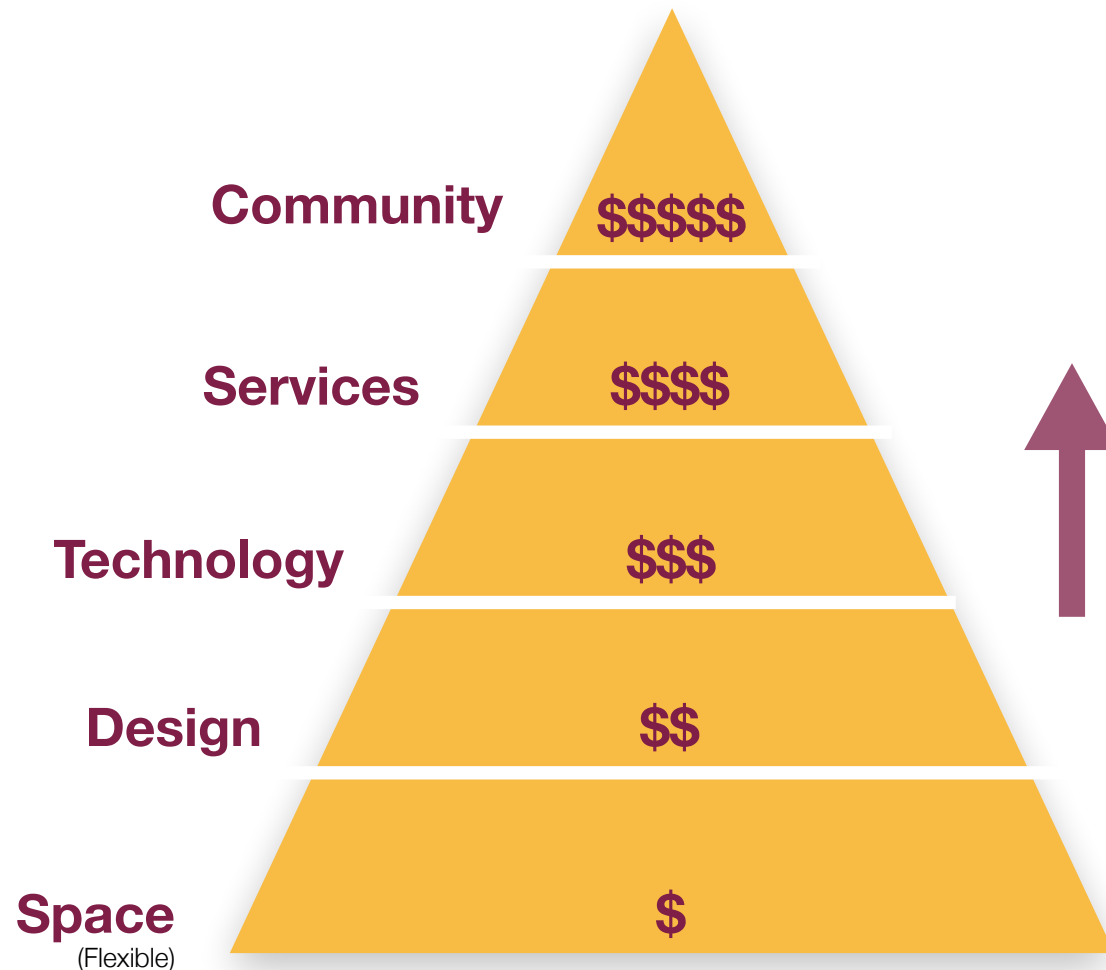


**Advantages for tenants:
Ready to move in space,
access to community of
like minded individuals,
quality accommodation**

2 Important aspects of Coliving

**Advantages for landlord:
Higher yields of
8-10% in many
countries**





Coliving Operators add value to tenants through multiple offerings

What counts as coliving and what doesn't?

While preparing this report, we asked ourselves many important questions, which the entire industry should be asking as well. We have formed our own point of view, but we would love to hear from the industry as well on your thoughts on these.

- Is it coliving only if it's long term rentals or can we include short term rentals as well? We are seeing many operators who allow tenants to book on a daily or a weekly basis. For this document, **we have chosen to ignore operators who focus on short term accommodation as their primary business.**
- Is it coliving **if the operator provides only the space, but doesn't add any services or community to their offerings?** In places like India, 'Paying Guests' is a very common type of accommodation wherein operators provide space and minimal services targeted at lower price points to customers. The level of service is low and they don't take any effort to foster a community. **We have chosen to ignore such operators.**
- **Can we count operators who have raised capital but aren't operational?** Many players, especially the ones who are adoption a purpose built facilities approach, have raised capital to fuel their launch, but haven't yet started operations. **We have included such operators and their data in the report.**
- How small is too small to be counted as a coliving operator? Many operators have very small scale of operations (< 50 tenants). For the purpose of this report, **we have counted only operators with 50 tenants in their active portfolio.**
- Can we count student housing under coliving? For this report **we have not included student housing operators.**



“With the help of technology, tenant experience flows become seamless. Technology can be a solution for many (social) problems such as fighting off loneliness and encourage creativity and productivity while living and working side by side. Seamless access control to facilities is one of the prerequisites for giving a great tenant experience.”



Christian Schmitz

Head of Business
Development,
SALTO



“Coliving as an industry is still at its very early development stage and currently appeals to the target audience that is most willing to live in community: the millennials. As coliving matures, it will change the public perception around the benefits of communal living, and end up attracting a more diverse audience. What we will see will be the rise of more inclusive coliving spaces, including those focussed on multigenerational and family living”



Gui Perdrix

Founder,
Coliving Dairies

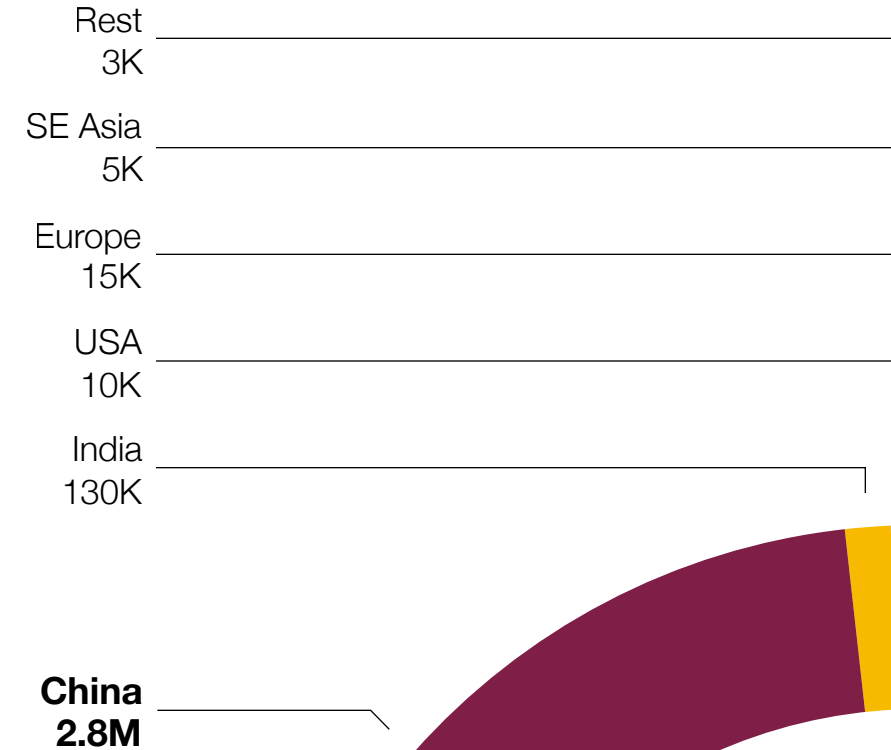


High Level Insights

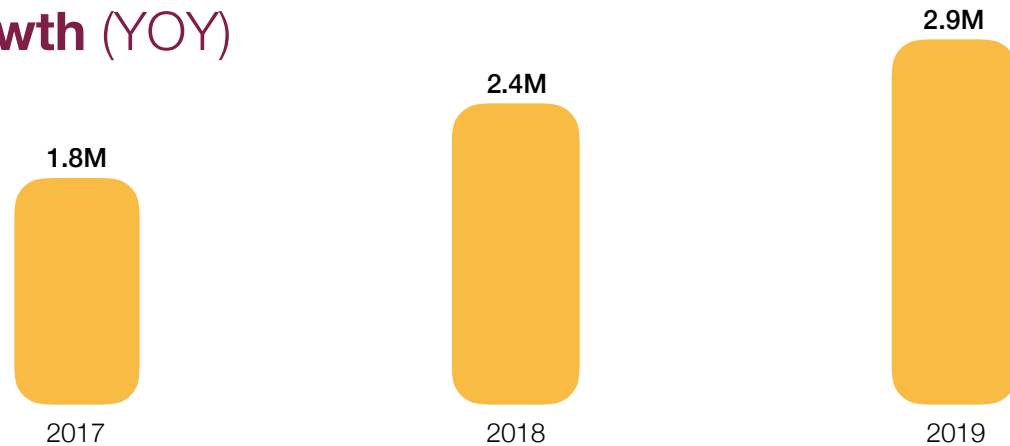


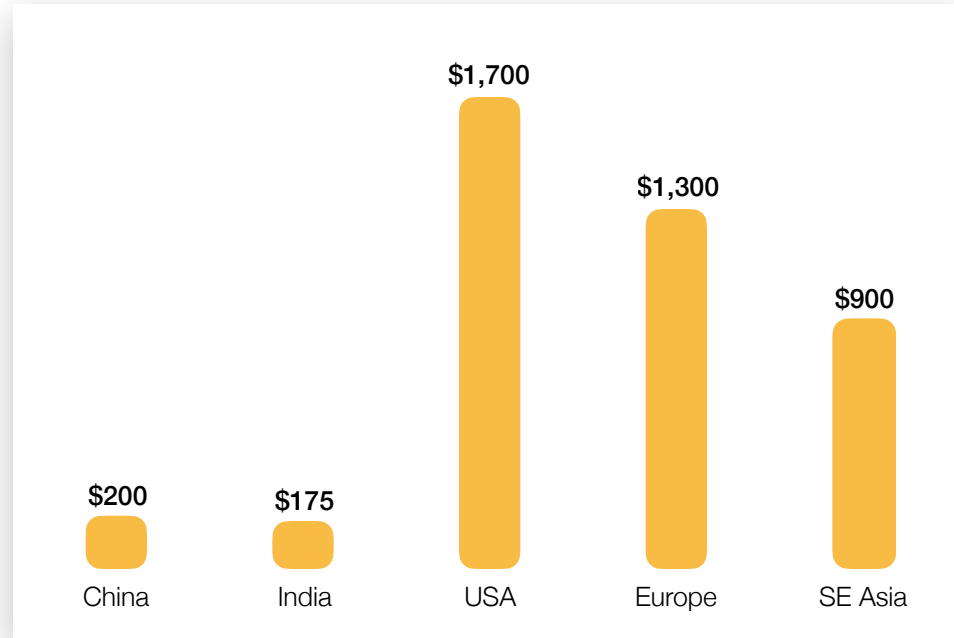
No. of Tenants in coliving

Chinese coliving, very similar to Chinese e-commerce, is bigger than the rest of the world combined. India, which is still bigger than all other markets (except China) combined, comes in at a distant 2nd spot. The rest of the world is playing catch up to these 2 Asian front runners.



Growth (YOY)



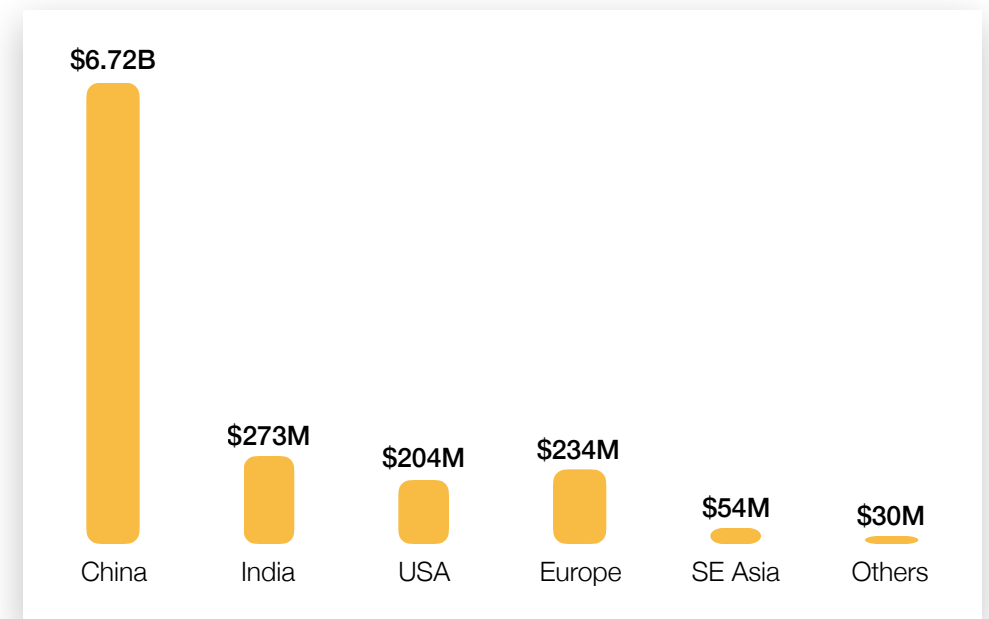


While room sharing is a common practice in China and India, tenants in the western world prefer their own space and room. This factor, combined with the economic disparity between various economies, has resulted in avg. rent paid by a coliving tenant being very varied across different

Avg. rent Paid by each tenant per month

Market Size

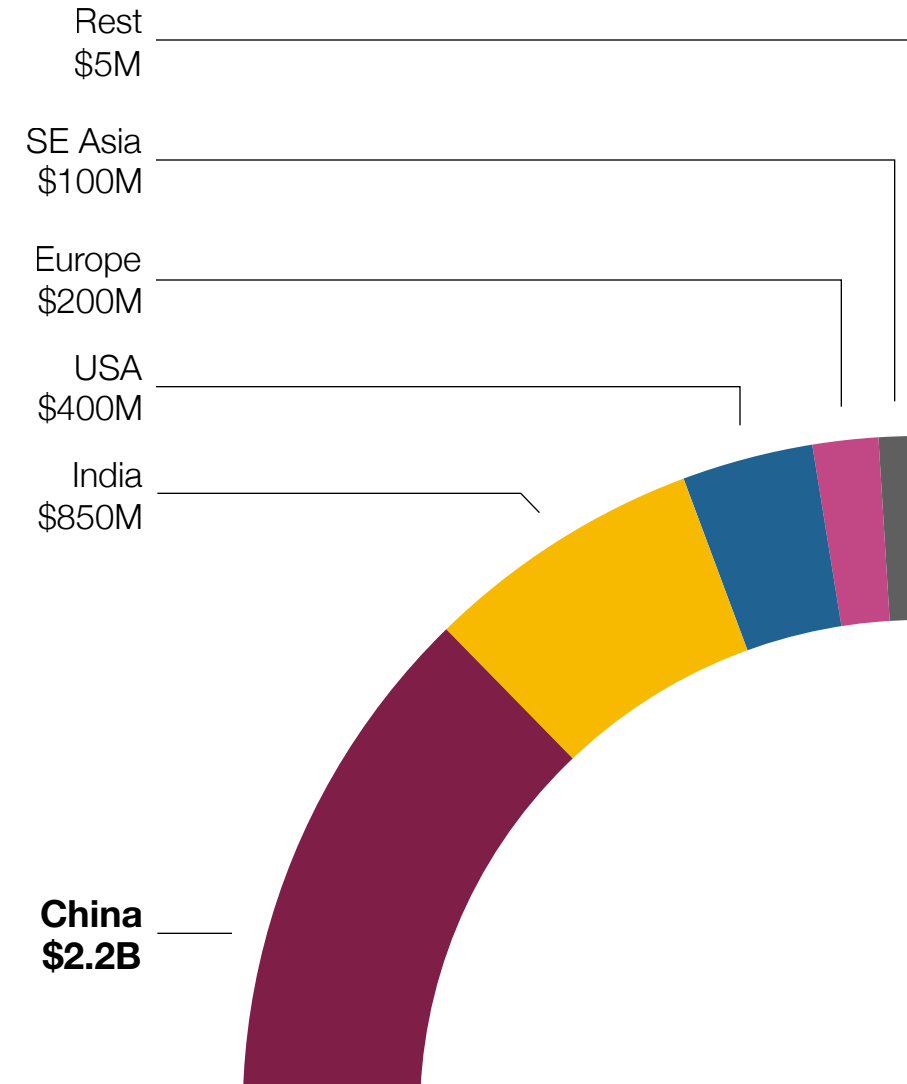
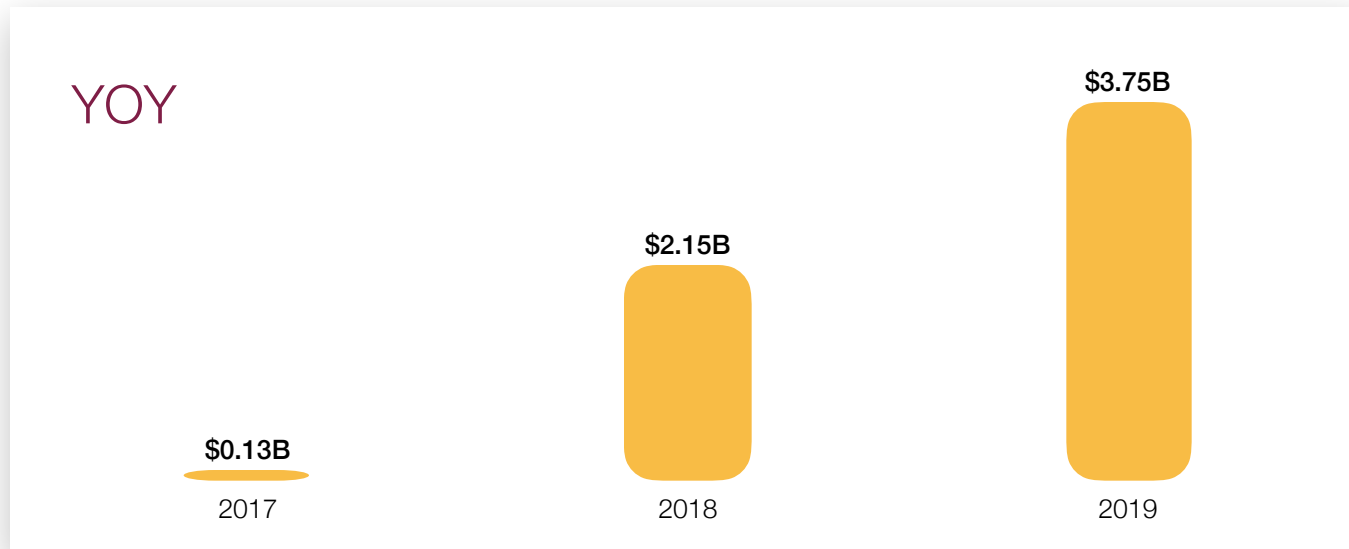
While China dominates this chart as well, the market share is smaller compared to the number of colivers in the region. Even though India has 10x tenants compared to Europe or USA, the market sizes are comparable in these regions.





Funding

There has been a 75% increase in funding for coliving from 2018 to 2019. The top regions to gain huge fundings were China (with Ziroom, Danke & Harbour raising more than 2 billion funding), and India (with Nestaway, Zolo, Oyo, Hamstede, and others raising money).

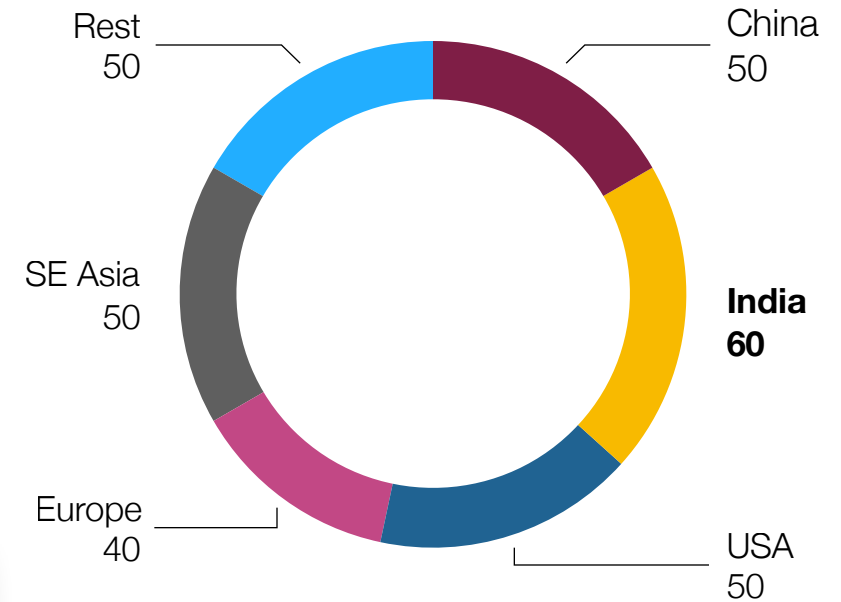
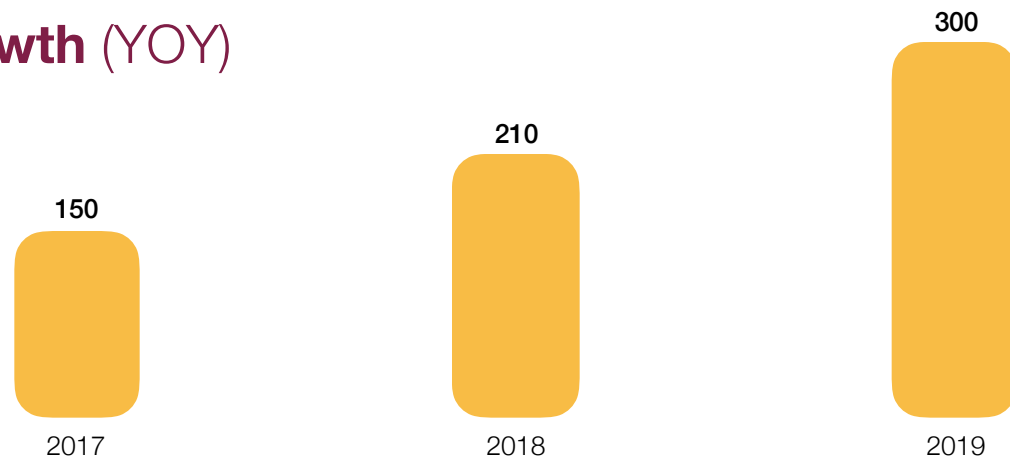




Operators

In every region, few big players own close to 60-70% of the coliving market. Having said that, an increase in the number of operators gives an indication that there is more headroom for expansion, especially in countries where penetration is low.

Growth (YOY)





Market Scan

China

Like with many other new business opportunities, China has moved first and fast in the coliving segment. With close to 2 Million people already staying in professionally managed properties (majority of them in coliving setups), Chinese coliving companies have truly pioneered this industry.

Increasing urbanization, explosive growth of the technology sector and increased spending power of the middle class have all played positively towards the growth of coliving in China. It would be interesting to see if this industry can continue growing at this breakaway speed as this is an operationally challenging business to scale.

Note - Getting data about Chinese companies is notoriously difficult. We have compiled these data points based on our first hand interactions with operators, industry think tanks, other reports and other sources. The numbers might be updated as we get more data about the market.



Number of
Coliving
Operators

50



Close to 2 Million people in China are already staying in professionally managed properties (majority of them in coliving setups)



Developers, property brokerages, Hotel Management firms, PE backed start-ups and other various players have jumped onto china's rapidly growing coliving sector, as the government of China continues to push the idea of renting the homes instead of buying, to ease the rampant tendency of recent years of buying simply for profit, as property prices have soared.

Market Leaders

Ziroom

Xiangyu

Market Challengers

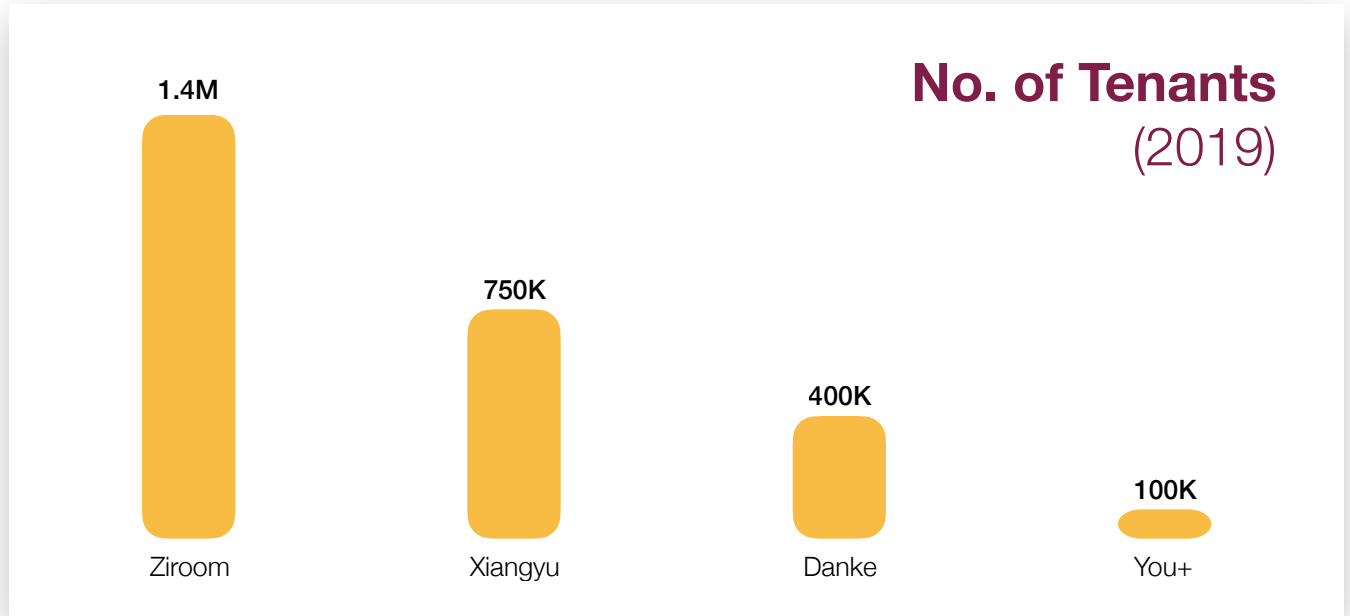
You+, Danke, Inboyu, QK365, UOKO, MoFang, Harbour and others



Year of Founding 2011	Total Funding \$1.1B	No. of Tenants 1.4M
--	---------------------------------------	--------------------------------------

Ziroom Market Leader

In 2011, Ziroom (which means Carefree) was established in Beijing. It is different from the traditional intermediary leasing model. It is an O2O company that provides professional housing asset management services. Since its establishment six years ago, the number of freely managed houses has exceeded 600,000, the number of service owners has exceeded 300,000, and the number of free-standing customers has exceeded 1.4 million. It has been stationed in 9 cities across the country: Beijing, Shanghai, Shenzhen, Hangzhou, Nanjing, Wuhan, Guangzhou, Tianjin, and Chengdu are the leaders of China's long-term rental apartments.



Investors

Series A - Jan 2018 - \$570 M - **Sequoia Capital China, Tencent Holdings, Warburg Pincus**
 Series B - July 2019 - \$500 M - **General Atlantic**

Ziroom sources its units from property owners, renovates these apartments through standardized template styles, and then rents out the properties at a premium while providing other add-on services. With access to Lianjia's rental platform and its customer and property listing data, Ziroom was set up for success and has grown at a staggering rate.



Year of
Founding
2012

No. of
Tenants
750k

Xiangyu Market Leader

Xiangyu — a subsidiary of 5i5j, one of China's largest house sales and rental platforms — trails behind Zillow. Xiangyu typically source units from property owners. It then renovates the properties and rent them out at a premium, which some experts call a "forced upgrade" for tenants. As of now, I Love My Group's domestic business covers 17 large and medium-sized cities in China including Beijing, Shanghai, Hangzhou, Nanjing, Tianjin, Suzhou, Taiyuan, Wuxi, Zhengzhou, Chengdu, Wuhan, Changsha, Nanchang, Qingdao, Changzhou, Nanning, Kunming.

In 2015, Xiangyu took the lead in launching "credit renting, rent installment" service in the industry according to customer needs. So far, it has provided credit renting services to more than 200,000 tenants across the country, saving tenants a deposit of nearly 1 billion yuan.

Investors

Khosla Ventures, Coatue Management Founders Fund



Source: <https://000560.5i5j.com/company/enterprise>

Xiangyu currently owns 27% of the market share. Xiangyu typically sources units from property owners. It then renovates the properties and rents them out at a premium. Sometimes, Xiangyu charges often double the price that it pays to flat owners for their properties.



Year of
Founding
2012

Total
Funding
\$179M

No. of
Tenants
100k

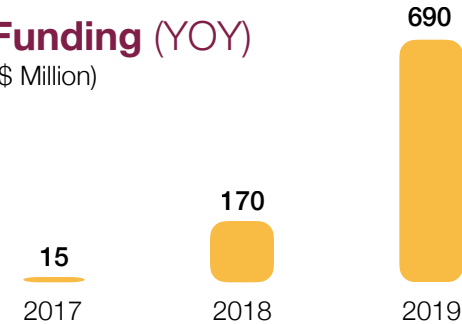
You+

You+ which opened in 2012 quickly expanded operations to establish a nationwide network of residences housing more than 100,000 tenants across 100 plus properties. For as little as about \$500 a month, You+ residents gain access to a private room with a bathroom, co-working space that functions as an office, and entertainment facilities including a bar, disco and game room. As you+ sees it, China's communal history combined with his generation's embrace of social and economic change, is driving the rapid growth of the sharing economy — a concept with an unsettled definition but characterized by PricewaterhouseCoopers as a way to make money by renting out underused assets such as a parked car or temporarily vacant apartment.

You+ lets young Chinese live in an environment that's more social than the average apartment complex.



Funding (YOY)
(\$ Million)



Investors

Ant Financial,
Tiger Global Management,
CMC Capital Group,
Primavera Capital Group,
Joy Capital

Danke

Founded in Jan 2015, Danke is managing over 320K apartment units in Beijing, Shanghai, Shenzhen, Hangzhou, etc. Danke means eggshell and works on a idea of slicing up a flat designed for a family of three to four — the more common type of urban housing in China — into smaller units, young professionals can afford to live in nicer neighborhoods as Danke takes care of hassles like housekeeping and maintenance. To date, the startup has set foot in 10 major Chinese cities. Recently the cofounder said that the company would continue to respond to government calls to stabilize rent levels and promote healthy development of the rental market.

Year of
Founding
2015

Total
Funding
\$875M

No. of
Tenants
400k



India

Looking back, it's hardly surprising that coliving has grown to such a huge scale in India. Finding a house has always been a herculean task for young professionals (both men and women) as many property owners refuse to rent out their property to them. The market had 'Paying Guests' which were often run unprofessionally by many small time operators who provided accommodation to singles in the country.

When coliving companies popped up in 2015, the concept took off like wildfire. A growing millennial population entering the workforce for the first time, with well paying jobs, we're all looking for quality accommodation. Coliving companies catered perfectly to this big demand by creating quality living spaces for the young and have built great businesses in the meanwhile.

Today, Many property investors and landlords have warmed up to the concept primarily due to increased rental yield from their assets. Coliving yields in India are hovering around 6-8% which is significantly higher than family rentals which is about 2.5-4%.



Number of
Coliving
Operators

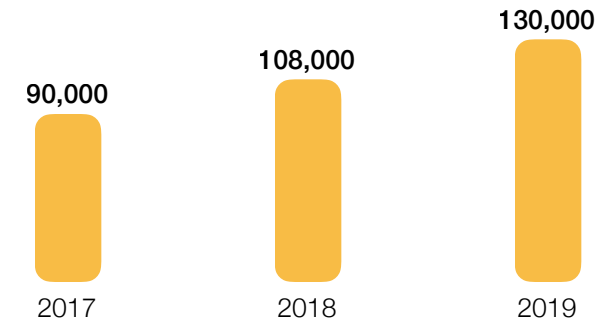
60



Coliving yields in India are hovering around 6-8% which is significantly higher than family rentals.



No. of Tenants (YOY)



Market Leaders

Nestaway
Zolo Stays

Market Challengers

FF21, Grexter, Coho, Colive, Birdhouse, Living Quarter, Isthara, Placio, Oyo Life, Simply Guest, Square Plums, Furnome, Stanza Living, Stay Abode, The Hub, YourOwnRoom and others



Year of Founding 2015	Total Funding \$115M	No. of Tenants 50k
--	---------------------------------------	-------------------------------------

Nestaway Market Leader

Nestaway is a Bangalore-based home rental network attempting to provide better rental solutions via design and technology. They help their customers to find, book, and move-in to a rental home of choice across Indian cities - all from within an application. Moreover, they help them move-in, ask for services from tap leakage to door lock broken, rental payment, and finally move-out - again all within an app.

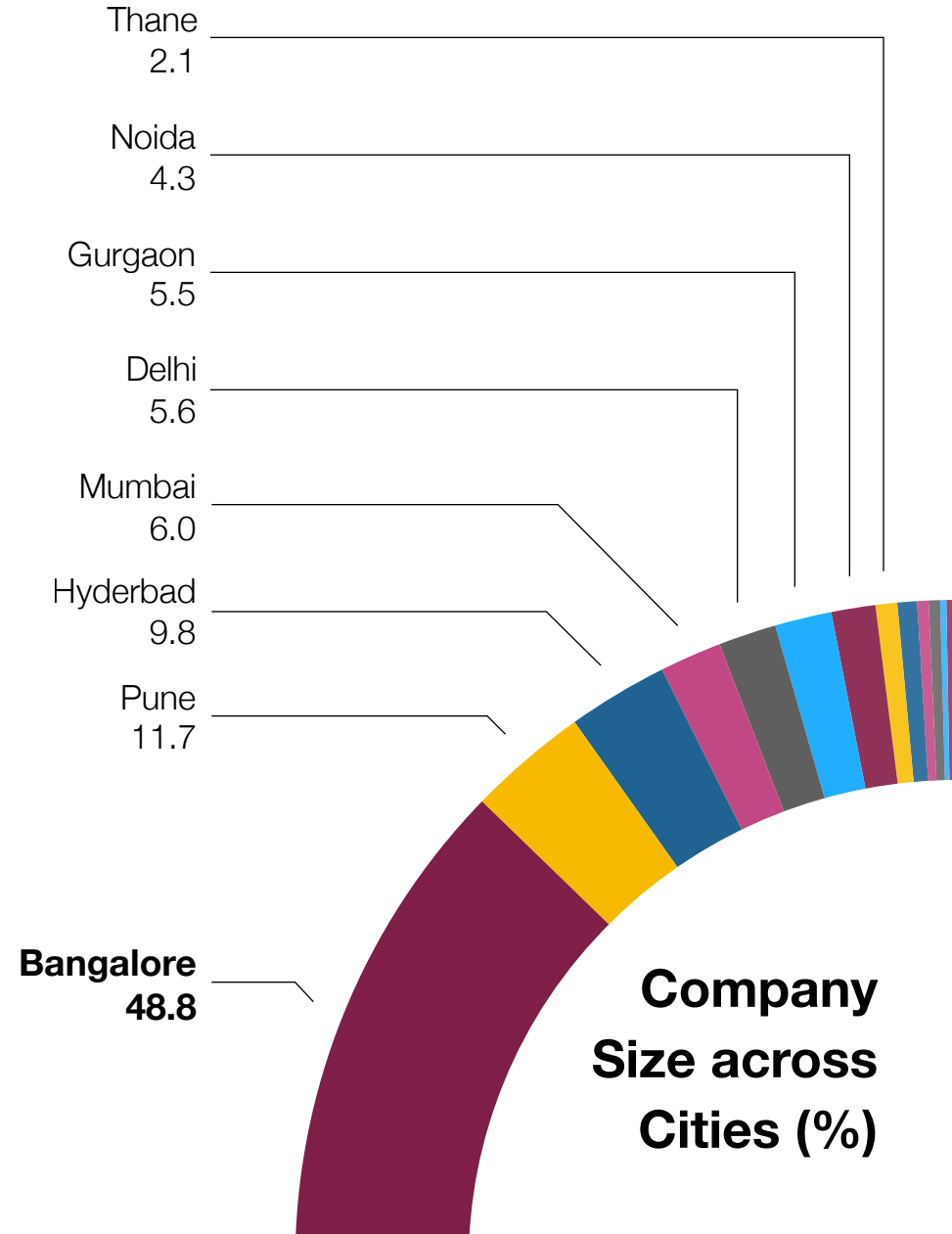
Investors

Tiger Global, Goldman Sachs, Ratan Tata, Chiratee Ventures, DST Global, Epiq Capital advisors



Amarendra Sahu
Co-Founder & CEO

“Coliving in India, unlike the west where service expectations are standardized, will be a balance between experience and price based on city to city dynamics and paying capacity. Over the next few years, we will see more and more players operating at various spectrums of the market and pricing and in our view - players who understand the nuances of consumer pricing will be the leaders of the space.”





Zolo Stays Market Leader

Zolo Stays offers both private and shared rooms for rent. It adds to the inventory by partnering with property developers and owners on a revenue-sharing model and leased model. Currently Zolo is in 10 cities of India. Community engagement is going to be one of the prime focus of the company. The team then split its business model into two. One is a revenue-sharing model where the company acts as a service provider and manages the properties and the complete experience for a commission. The second is a lease model, where Zolo leases buildings from property owners and builders for three to nine months for anywhere between Rs.700 and Rs.15000.

Investors

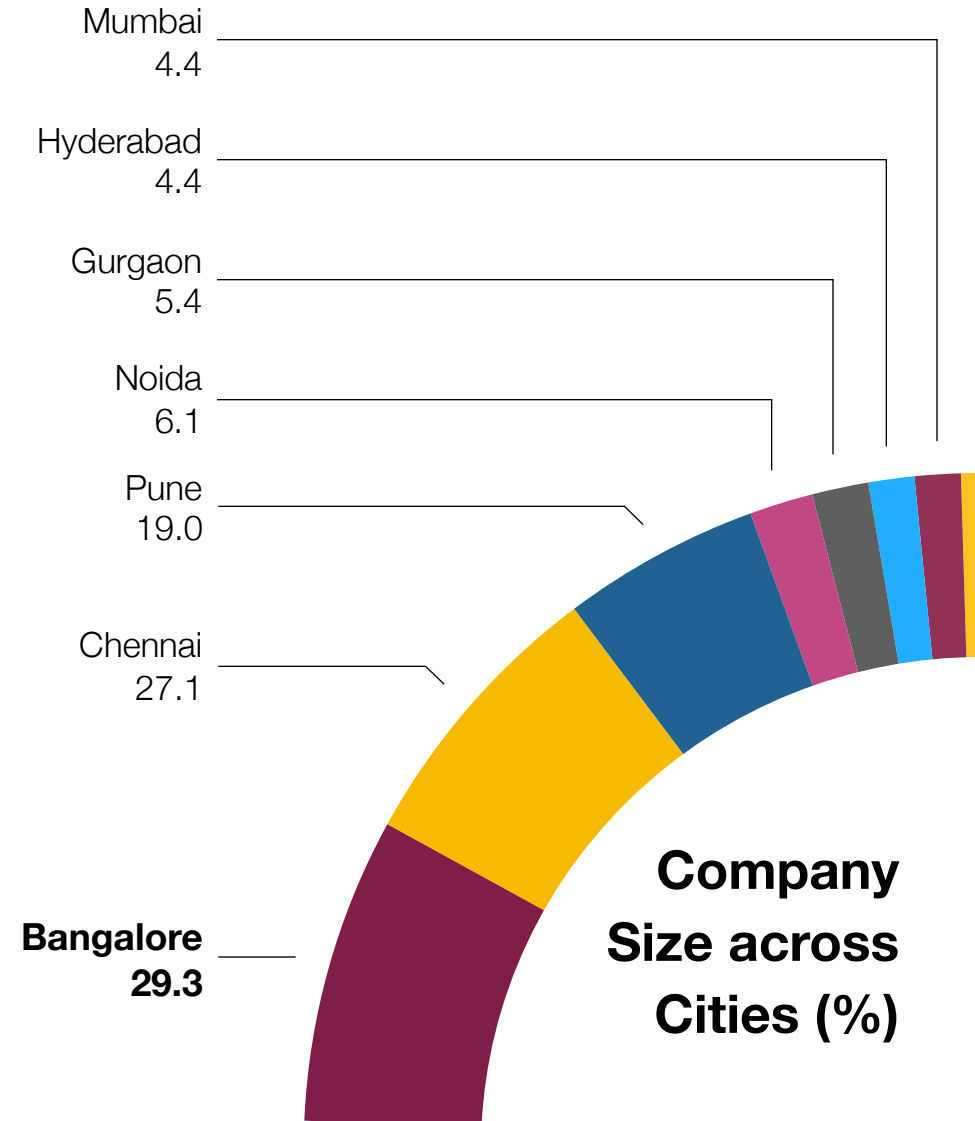
Nexus Venture Partners, Innoven Capital, IDFC Private Equity, Mirae Asset Global Investments

Currently, 70% of its revenues come from the leasing model and the rest of the revenue is from a revenue-sharing model.

Year of Founding
2015

Total Funding
\$42M

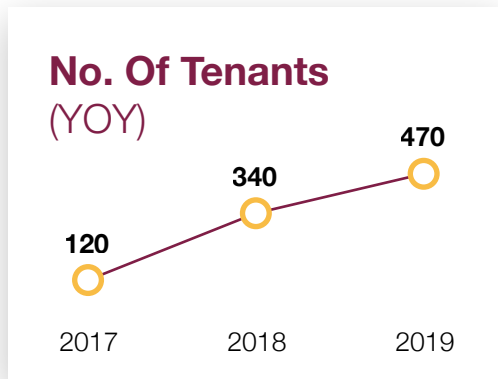
No. Of Tenants
22k





FF21

Owned by Sherwood Longstay Pvt Ltd (SLPL), which is backed by promoters with over two decades of real estate experience in Bangalore, FF21 has effectively created a model where it brings its expertise and experience from the hospitality and realty industry to deliver experiential community living spaces for the young and the aspirational.



Year of Founding
2017

No. of Tenants
455

“With the increased interest in the coliving, the government should be proactive to accord an industry status to this industry and define a policy framework that will help regulate the industry, open access to capital and required infrastructure and remove grey areas around taxation.”



Rahul Baliga
Director

“Celebrating Festivals are a big hit, as this is the time when people miss their families the most. A lot of our tenants host parties like Diwali, Ganesh Chaturthi and Durga Puja themselves where everyone is invited to catch a glimpse of how these festivals are celebrated back at their homes.”



Radha Deodhar
Community Head

Year of Founding
2016

Total Funding
\$1.5M

No. of Tenants
3000

Grexter

Grexter is a coliving startup founded in 2016, currently operational at 14 locations in Bangalore. The company aggregates block owners, and manages the deposits and generate a legal contract between the homeowner and the home seekers.

Grexter collects rent on behalf of the owners through their platform, and delivers home maintenance services to the person who rents the house. Grexter has acquired i2stay, a budget accommodation service provider to expand its operations to another two cities.





USA

Normally at the forefront of innovation and new age businesses, The USA has been a slow mover on the coliving trend. Many operators are changing this trend by moving aggressively on this opportunity, but they haven't yet had a large scale impact.

A positive trend to be noted is that the number of operators across the country has been increasing steadily, and is expected to increase even further. It also needs to be noted that a few coliving players from Europe are setting up facilities in the US (Both The Collective and Quarters now have active facilities), which is creating good awareness in the market.

The US has very large real estate focused funds and many PropTech VCs. Given that coliving is starting to prove itself in many other geographies, we can expect good traction in the next few years.



The number of operators across the US has been increasing steadily, and is expected to increase even further

Number of Coliving Operators
50



“Shared living has been prevalent in the US for a few years now - it is being structured better through coliving companies. In general, Americans really like having their own space - This includes space at home. So it's really part of the culture for people to want their own home, rather than sharing with others. That's more inline with the dominant culture in the US. That might be one of the reasons for slower adoption of coliving in the US compared to other regions.”



Nate Smoyer
Creator & Host,
TechNest



No. of Tenants (YOY) (Estimated)



Market Leaders
Bungalow
Hubhaus

Market Challengers
Common, Ollie, Outsite, OpenDoor, Starcity, HomeShare, Roam, WeLive, X Social Communities and others



Year of Founding 2016	Total Funding \$96M	No. of Tenants 2800
--	--------------------------------------	--------------------------------------

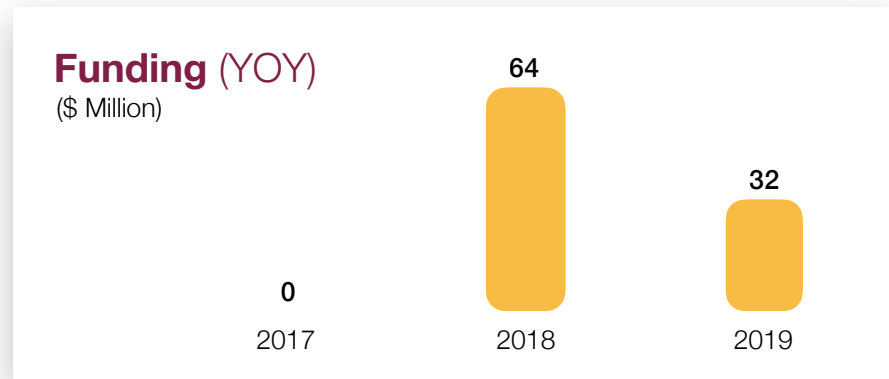
Bungalow has been experimenting with a new business model where it wants to align it more closely to that of Airbnb than a Wework lease. In this model, bungalow will still handle the roommate matching and community, like running the social calendar, furnishing the common areas, but will take the cut from the rent paid to the homeowner, which is similar to the airbnb service fee structure charged to the homeowner to list the rentals.

Bungalow Market Leader

Bungalow was cofounded in 2016 and has headquarters in San Francisco in California. Bungalow is a residential real estate platform that provides renters with a more convenient, flexible, and communal living solution. It utilizes existing housing supply by signing long-term leases with homeowners, and offers multi-bedroom homes in some of the most desirable neighborhoods in cities throughout the United States. Bungalow offers private bedrooms with handpicked housemates in beautifully furnished homes across seven major cities. Each home comes furnished and includes wifi, utilities, housekeeping, and monthly community events for members.

Investors

Khosla Ventures, Coatue Management Founders Fund



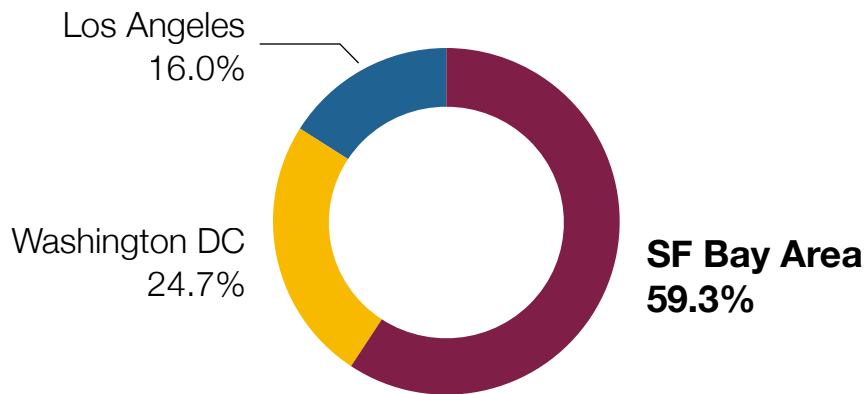
Bungalow follows a model where at the end bungalow makes money from the difference between the resident's rent and what it has to pay the homeowner.



Year of Founding 2016	Total Funding \$13M	No. of Tenants 1400
--	--------------------------------------	--------------------------------------

HubHaus Market Leader

HubHaus is a real estate agency that provides coliving housing solutions for working professionals. The company was founded in 2016 and is headquartered in Los Altos, California. The company rents out large houses, typically with five to 10 bedrooms, and then subleases out the individual bedrooms to renters starting with a six-month lease. People can apply to rent the rooms online and the company personally screens and matches prospective roommates together to start a housing community.



“The best coliving inventory on the market (4+ bedrooms) is exceptionally difficult to set up and manage. In addition to the logistical challenges (handling repairs, moving in furniture, etc.) and the challenges/knowledge to foster community in an existing space, finding a group of 4+ people to move in together at the same time is a massive coordination problem. This can be solved at scale through technology to streamline and automate operations. In my opinion, coliving brands who can remove the risk & hassle from coliving are key to expanding the inventory of coliving spaces in the US.”



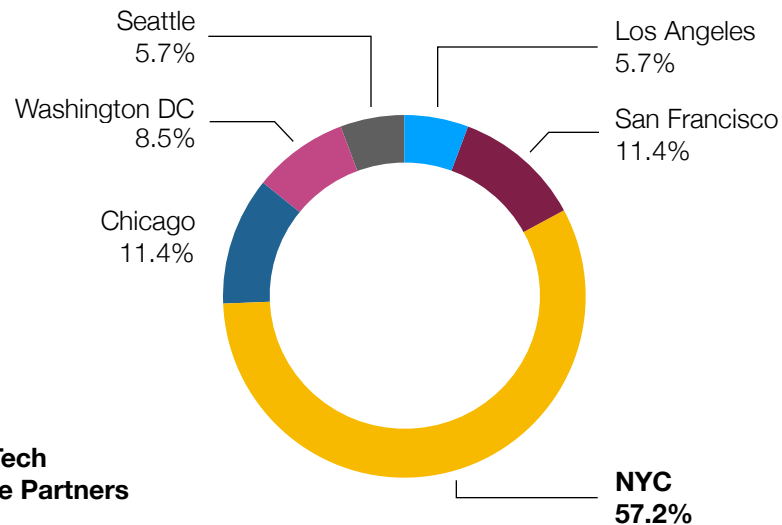
Shruti Merchant
 Founder & CEO



Year of Founding 2015	Total Funding \$63M	No. of Tenants 1100
--	--------------------------------------	--------------------------------------

Common

Common launched in October 2015 with its first property in Crown Heights, Brooklyn and is headquartered in New York. Common Living is a community-driven residential company that brings community, convenience, and flexibility to housing. The company operates collaboratively and value self-starter-ship to ensure the work is done well.



Investors
 8VC
 Maveron
 Grand Central Tech
 Norwest Venture Partners



Ollie, Cofounded in 2012 is a micro-housing and coliving platform, providing residents with hotel-style services, community events and abundant amenities. The company has designed its apartments to maximize limited space with high-concept design furniture and offers all of its tenants free Wi-Fi, premium television and fancy soaps in the bathrooms. Linen and maid service are included as well, making the company's properties seem more like extended-stay hotels than rentals or shares



"\$15M Series A funding round was raised in 2018 led by Aviva and the Texas Employees Retirement System together with 2 other investors"

Year of Founding 2012	Total Funding \$15M	Company Size 479
--	--------------------------------------	-----------------------------------



Europe

One of the first coliving spaces in Europe was launched by The Collective in 2013 in Old Wharf. The 500+ room facility was truly unique and captured the attention of renters across London, and quite a bit of media attention.

Over the past few years, the growth of coliving across Europe has been one of cautious optimism. It is far slower than the breakaway growth as seen in Asia, but the scale overall is strong enough for enthusiasts to take the market seriously.

While increased social isolation amongst millennials has helped created organic demand for coliving spaces in Europe, there has been challenges to it's growth as convincing landlords to refit their properties and rent out for coliving purposes has proven to be very difficult.

Increased social isolation amongst millennials has helped created organic demand for coliving spaces in Europe

Number of
Coliving
Operators

40





“The rise of coliving across Europe is being largely driven by construction firms who are increasingly choosing to build-to-rent instead of build-to-sell. YIT, Finland’s largest construction firm, is a prime example of this transformation in the development business model - they have 2,500 B2R units coming on-stream in the next 9 months. Couple this new model with high demand for housing from over-populated urban areas, and coliving is the natural result.”



Eddie Holmes
Co-Founder,
Unissu



As far as the operators are concerned, the traditional house rental yields have gone down as compared to previous returns. Coliving as a real estate asset class is promising high rental yields, which in turn shows huge expansions in the coming years. To anyone moving to a new city, coliving becomes a goto place to get started.

Market Leaders
Quarters
Life X
The Collective

Market Challengers
Happy Pigeons, Zoku, Venn, Gravity,
Homefully, Station F, Coconat,
Colonies, Selina and others

QUARTERS

Year of
Founding
2017

No. of
Tenants
2800

Quarters



**Market
Leader**

In the U.S., Medici expects to team up with developers as equity partners and purchase buildings outright. With locations in New York, Chicago, and Berlin, QUARTERS is a global coliving brand that offers a new and unique living experience for young professionals. The QUARTERS lifestyle is built on convenience and flexibility and is driven by the understanding that the value of home is created by shared experiences. The coliving company handles design and operation and W5 is responsible for investment and development.

Investors

**Norwest Venture Partners, 8VC, Maveron,
Grand Central Tech**

Major metropolises around the world are facing significant housing issues and coliving can be part of the solution, especially for those who are struggling to afford rent and remain in the city.





Life X  **Market Leader**

LifeX aims to meet the need of everyday people, helping them with a place to live that does not have to break the bank. They also offer assistance with essential things such as a work permit, residency permit, and setting up taxes. LifeX takes care of everything, including cleaning the coliving space.

LifeX aims to serve exactly this demographic of “expat” young professionals. The company is doing so by partnering with the employers: fast-growing startups like N26, Pleo, and Delivery Hero, who are trying to attract foreign talent and have a vested interest in making relocation as convenient as possible. LifeX apartments are currently available in Copenhagen, Berlin, London, Paris, Munich, and Vienna, with more than 300 members from over 50 countries.

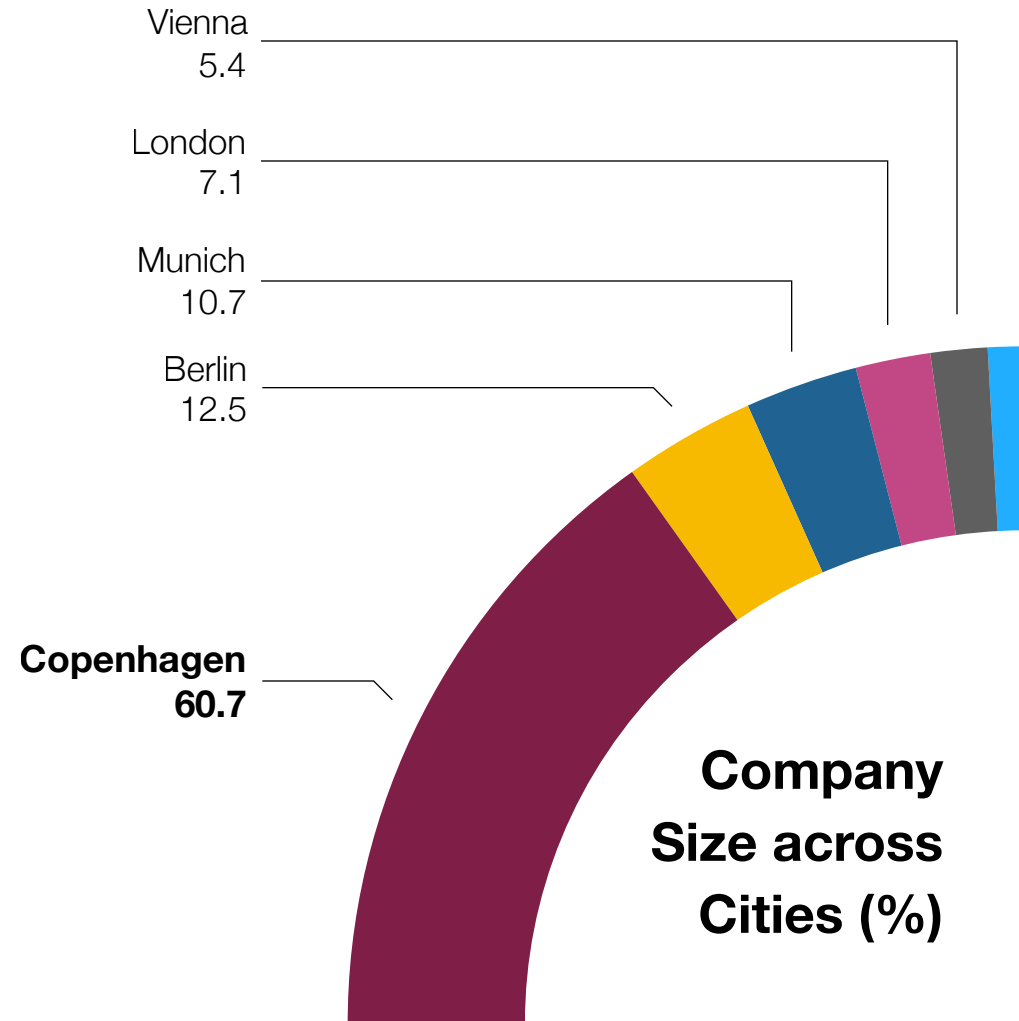
Investors
Cherry Ventures

Residents only have to make one monthly payment, and everything is taken care of.

Year of Founding
2017

Total Funding
\$7.5M

No. Of Tenants
340



Company Size across Cities (%)



Year of Founding
2010

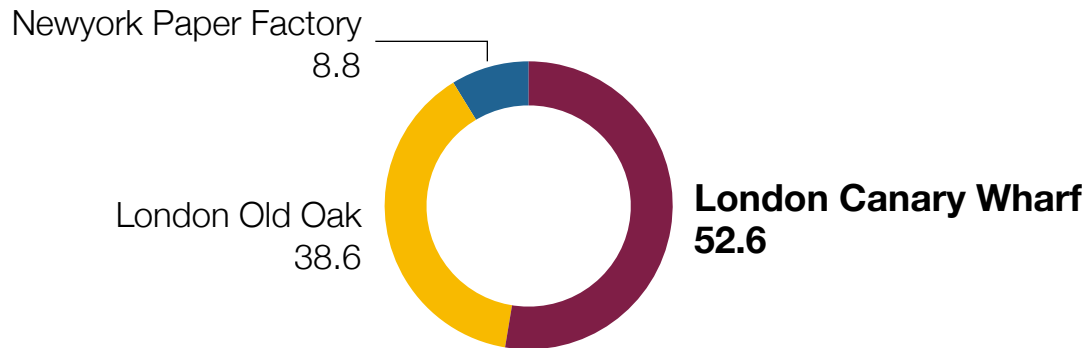
No. of Tenants
1425



Market Leader

The Collective

Founded in 2010 The Collective is the second largest coliving brand in Europe. The concept was developed by Reza Merchant whilst studying at the London School of Economics, who saw the struggle to find affordable and good quality accommodation in London and recognized that people increasingly want flexibility and homes that suit their lifestyle. The companies said they have partnered to launch the COLIV fund to buy or forward-fund, between six and ten coliving assets, with a target gross asset value of £1 billion over the ten-year life of the fund.



Whenever a community event is organized, all the locals are invited for the gathering along with the coliving residents. By doing this the firm is actually building and abiding by the concept of community living.

Cofounded in 2016, Happy pigeons is currently operational at two locations in Berlin. The company vision is to Connect people, make them live an enlightened life under respectful and community orientated values. Along with fully furnished Private bedroom, the facility provides weekly cleaning, Community Events, Bikes and a co-working space as well.

Happy Pigeons

Year of Founding
2016

No. of Tenants
50



HappyPigeons



SE Asia

Given coliving's meteoric rise in China and India, it is expected that the trend would follow across SE Asia as the culture is very similar.

Our research points to the presence of about 50 coliving operators across SE Asia, and most of them have been growing their portfolio aggressively. Singapore has been leading the way in terms of funding, but operators in Indonesia and Thailand are also on the fund raising path.

Many hospitality companies in the region are also entering the coliving segment with small hostels allowing tenants to book the space for long term use, as well as coliving companies allowing residents to book the space for 1-3 days as well, leading to an interesting hybrid asset class.

Singapore has been leading the way in terms of funding for coliving ventures.

Number of
Coliving
Operators

50





“A few of the interesting trends we are seeing in the industry are a pull from the market in more exotic locations like Iceland, Fiji and the Caribbean. We are also increasing demand for families who can live in coliving setups. Operators who can address these gaps can unlock great value.”



Daniel Beck
 Founder & CEO,
 coliving.com

Market Leaders

- Hmlet**
- Cove**
- Lyf by Ascott**

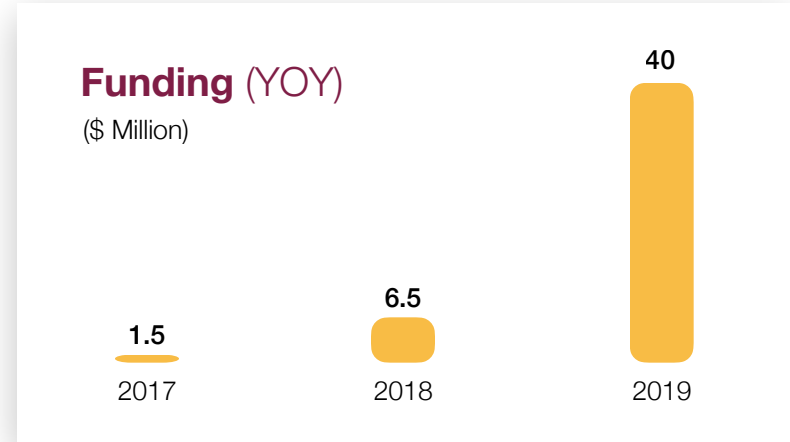
Market Challengers

- Mytown, Outpost, Rouf, Heihomes, Xacco, Easycity, Login, 85soho, Commontown, Gebi living, Adobha, The Flats, Flokq and others**

As per a study done by Statista, mostly people in Asia Pacific are the most willing to share their own assets, and receive shared assets from others. As we have seen the sharing economy is catching up in other industries as well. Service based living is on the rise, as more and more expats are moving to these regions.



Year of Founding 2016	Total Funding \$48M	No. of Tenants 1500
--	--------------------------------------	--------------------------------------



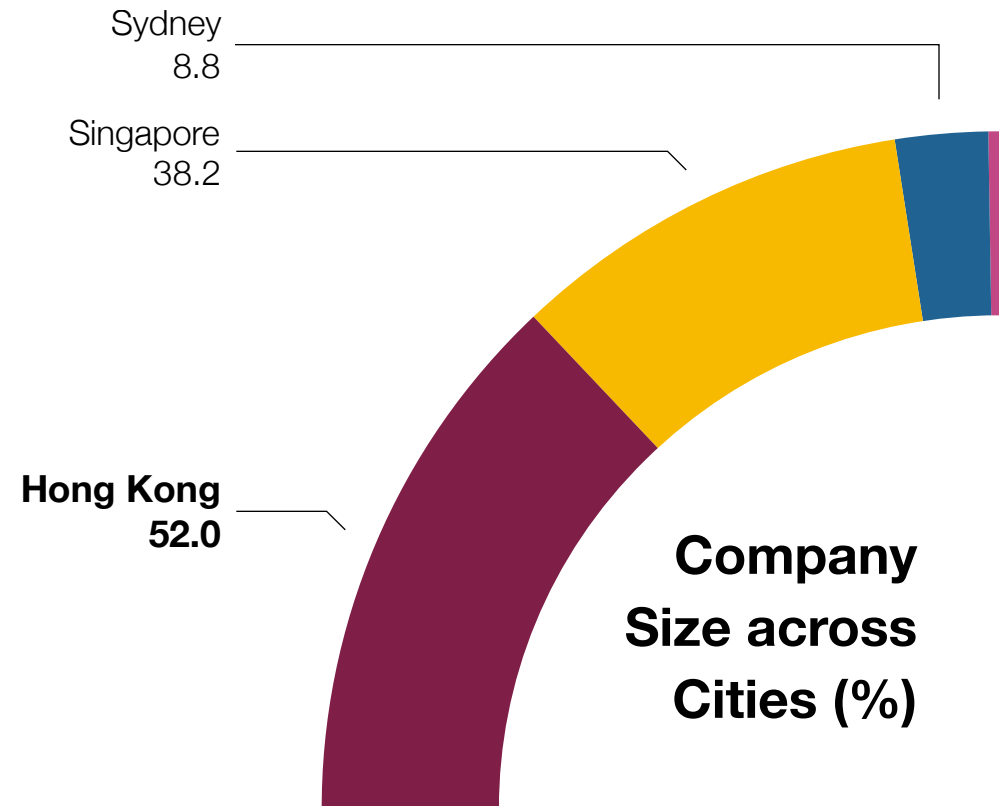
Hmlet Market Leader

Founded in 2016 by Yoan Kamalski and Zenos Schmickrath, Hmlet provides its members with a living experience paired with a curated community of like-minded individuals. It offers more flexible lease options, fully furnished spaces, and on-demand services that the company believes can transform properties into dynamic environments. Hmlet operates in more than 93 locations across Singapore, Hong Kong, Sydney and Tokyo.

Investors

Aurum Investments, Sequoia Capital India, Burda Principal Investments

The company has acquired Caper Coliving in Australia and 'We Are Urban' in Hong Kong to fuel its expansion in these regions.





Year of Founding
2018

Total Funding
\$2M

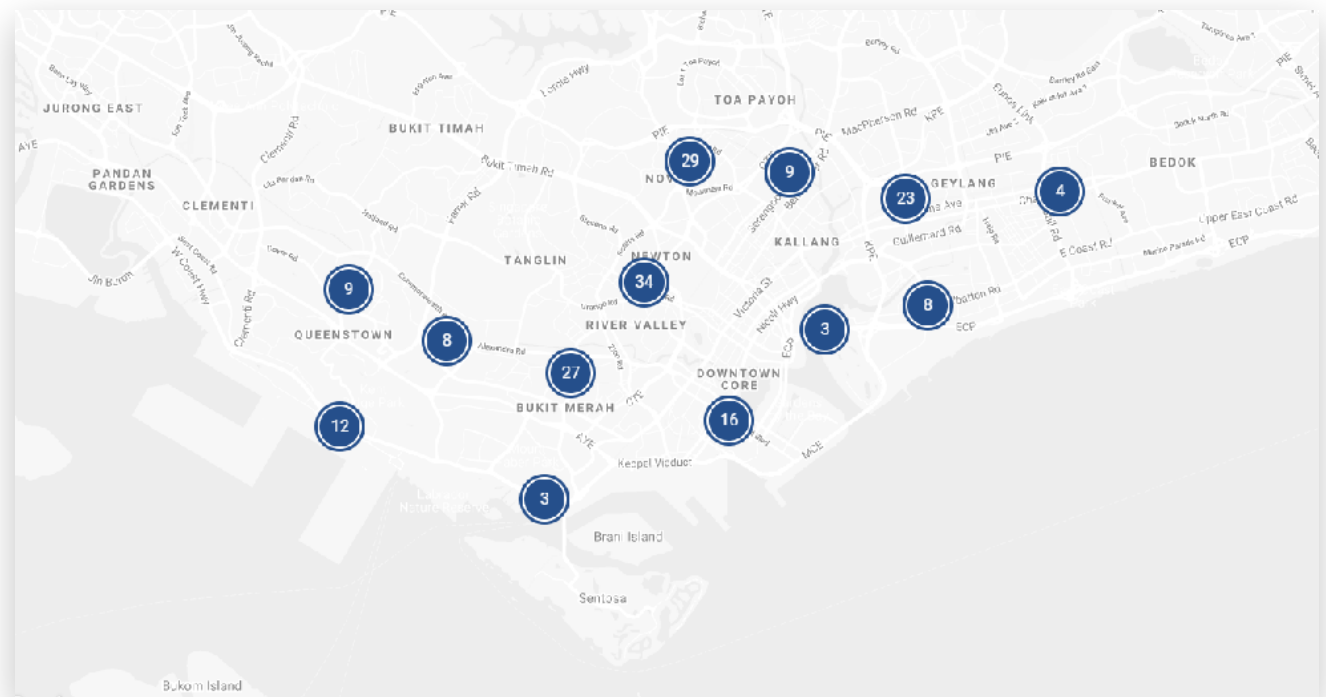
No. of Tenants
200

Cove Market Leader

COVE was founded in 2018 by Sophie Jokelson, Luca Bregoli and Guillaume Castagne through startup generator Antler. The platform leverages technology and design to rent out affordable rooms for tenants. Properties come fully-furnished with WiFi, weekly cleaning and all taxes and utilities for a monthly price. Contract terms are flexible with three months' minimum stay. There is no agent fee. It also uses an AI tool to help match flatmates based on their living habits, values and interests, and invest in smart home technology to enhance the living experience.

Investors

Investigate, Picus Capital, Venturra Capital, Yuj Ventures



COVE locations across key areas of Singapore shown in the map above. Source: <https://www.coveliving.co/listings>



Year of Founding
2016

No. of Tenants
3000

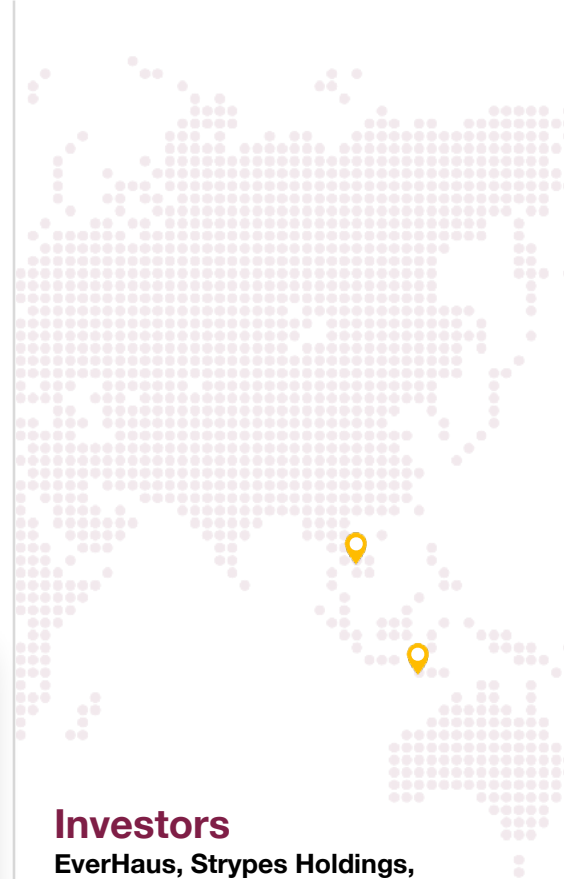
Mytown

Philippines Urban Living Solutions (PULS) Inc., the builder of Mytown dormitories, which is 61.2% owned by SM Investments Corp. To date, PULS Inc. has 16 dormitories in metro manila that cater to the BGC and Makati market, serving more than 10,000 young professionals with a total number of 3,000 beds overall. Tenants can opt to stay in a private studio, a twin sharing room, a quadruple sharing room with two or three bunk beds.

Mytown announced renter's insurance to its tenants against theft, injury, and liability, including coverage of expenses of temporary accommodation in case of an unexpected calamity.

OUTPOST

.Established in 2016, Outpost is a hospitality brand delivering coworking, coliving, community and travel services for location independent professionals and the companies that employ them. Recently the Indonesia-based hospitality brand focused on developing the remote work lifestyle, raised US\$1.3m in seed funding. The company opened its flagship coworking and coliving space in Ubud, Bali and has since expanded into Phnom Penh, Cambodia and Canggu, Bali.



Outpost

Investors

EverHaus, Strypes Holdings, Clarenberg Ventures

Year of Founding
2016

Total Funding
\$1.3M

No. of Tenants
50



Rest of the World

Middle East, Australia and New Zealand are some of the most interesting markets where coliving is emerging. Although still in its infancy, operators in these markets are popping up to serve the demand in the market for coliving. Apart from local operators, we are also seeing big players from other markets entering these geographies. Hmlet has opened centers in Melbourne and Sydney, while Quarters is making a foray into Dubai.

It would also be interesting to see if coliving grows in Latin America. Given the popularity of coliving in India and South East Asia, and the similarity of population demographics and economic factors suggest that coliving should take off in this region fairly soon.



Number of Coliving Operators

50



“Australia & New Zealand coliving is off to a slower start when compared with much larger markets but there is a strong grassroots movement that is starting to get some momentum. One of the challenges is the lack of an established build to rent sector and more restrictive access to venture capital. ANZ is a very traditional real estate market and is slower moving when compared with other international markets.”



Lachlan Sloan

Founder,
Communita



One of the most important aspects we need to look forward to is which new geographies will gain prominence for coliving over the next few years. This is an important opportunity for both investors as well as operators.



Year of Founding
2019

No. of Tenants
75

Toronto

Hong Kong

Soulrooms

Soulrooms is one of the first coliving firms launched in Toronto, Canada. Soulrooms is currently operational in three locations of Toronto. Soulrooms offers three types of accommodations Ensuite, Mid-size and Cozy. The units come fully furnished and are equipped with high speed internet, cable and utilities. The tenants are typically students from the University of Toronto or professionals working in the financial district.

Total Funding
\$181M

No. of Tenants
225



US private equity firm Warburg Pincus backed Weave coliving was launched in 2017. Currently operating in two locations of Hong Kong, Weave coliving plans to scale to 10000 beds in next five years. Weave Co-Living is a collaborative living company that creates residential communities in major cities across the Asia Pacific region. The company is a new way of hassle-free, value-for-money accommodation for urban young professionals. Their mission is to provide comfortable, convenient, and well-priced homes.

Weave



Year of Founding
2016

No. of Tenants
50

Oka Coliving

Oka Coliving, a Brazilian coliving company expanding quickly in the last 2 years, from 5 rooms to more than 50 at the moment. We are driven by community and innovation, and we believe we can transform the traditional urban housing experience with the coliving mindset and agility. Our purpose as a company has deep connection with the native Brazilian culture, a culture which taught us how to live in harmony, respecting other people and nature, but also how to live in peace and balance with other people and families of the same Oka community.

At Oka, the coliving experience includes all the expenses for the stay, such as: water, electricity, gas, condominium, internet, tv, taxes and weekly cleaning services. In order to bring the community vibe few extra things done Special dinners, yoga classes, movie nights, bike sharing, personal growth sessions and many more.

Porto Alegre



Sydney

Year of Founding
2018

No. of Tenants
60



UKO is a coliving operator based out of Sydney started its operations in October 2018. Developed by serial property entrepreneurs Rhys Williams and Alex Thorpe, the coliving buildings are designed to empower renters and give them flexibility while simultaneously developing a sense of community. Currently UKO has two locations, Stanmore and Paddington. The company is developing a UKO Family product at a site in Glebe, which would create a community for single parents and couples with young children, with childcare on site. At UKO prices start from \$525 a week, depending on the room type and the extra features it comes with, such as a balcony or courtyard. The minimum rental period is one week.





Enablers

Coliving across the globe is on a track to become one of the fastest growing sectors. The growing interest for coliving spaces in major cities of the world has been instrumental in many investors sitting up and taking notice of this emerging sector to diversify their portfolio. The coliving concept is gaining widespread acceptance and has brought to the fore some new businesses which are forming around the coliving spectrum. We are calling them the "Enablers" of the coliving industry.



“As coliving is reaching its momentum, it is more important than ever that operators and other stakeholders invest in community building, strong branding and sustainable practices to create human-centric and conscious living environments for the cities of tomorrow. Coliving is about community living, and it is up to us, creators and front-runners of the movement to make sure we deliver future-proof and experience driven housing solutions to positively impact the success of shared living.”



Bart Sasim
Founder & CEO,
SPX Agency

Consultants

SPX Agency, Gui Perdrix

From conceptualization, to project identification and transformation, to marketing and tenant identification, and management of the tenancy life cycle, operators have to manage a huge value chain to make their business a success. We are seeing the birth of a consultancy industry around the coliving sector wherein individuals and organizations are stepping in with financial consultancy, brand positioning and marketing services, project feasibility analysis and many more valuable services.

Tech Providers

TheHouseMonk, Kndrd, SALTO systems

Coliving companies have extreme challenges with respect to streamlining operations, which in many cases leads to poor customer experience and lower margins on the business. Technology can help these companies by introducing products which can be the first interface with customers. Companies like TheHouseMonk provide tenant management solutions, while players like SALTO Systems help coliving companies in door access control to rooms and common facilities.

Non-Profits

Co-Liv, RHAI

While operators compete with each other on a daily basis to win customers, they also need to work together to ensure the industry as a whole can grow. It is only through cooperation that common goals can be achieved. Having recognized this, CO-LIV was set up in 2016 as a body with operators, enablers, investors and developers as members all working towards the common goal of ensuring that coliving sector can thrive in the years to come. Another such example is RHAI, or Rental Housing Association of India, which was set up in 2018 as an industry body to ensure coliving operators work hand in hand with the Government of India to build the sector.



“Coliving developers have the power to shape how we live, how we interact and the impact we have on the world around us. As coliving scales, so too does its impact. Environmentally sustainable, energy-efficient and human-centered buildings both make good business sense, and also fulfill the desires of the increasingly values-driven customers of today.”



Penny Clary
Head of Research &
Sustainability,
Conscious Coliving

Community Builders

Conscious Coliving

While designing the space and finding tenants is one part of the eco-system, coliving companies need to keep organizing events and activities to ensure their tenants are constantly engaged. After all, tenants have chosen coliving for a community filled experience. Many companies help operators in organizing event, evangelizing a cause and engaging tenants in multiple ways. They are essentially providing community development as a service, which is very key to the eco-system

Interiors & Architecture

Space and Pepper, SuperLoft

Most residential spaces are designed on privacy. Coliving fundamentally is a social and community focused. While most residential spaces are built for a middle aged audience, colivings are generally targeting millennials and younger demographics of the population. Many interiors designers and architects are now coming up to help coliving operators design their space with vibrancy and on principles of human interaction.

“Take the time to truly understand your target clientele before finalizing your coliving concept. Be sure to test your assumptions in qualitative interviews to sharpen the profile of your users and their needs and wishes. Aim to translate these insights into every facet of your coliving concept - from user experience, to interior, to community. Following this human-centric process will help building targeted coliving concepts that resonate stronger with your clientele.”



**Franziska Heuschkel
& Hana Ahriz**
Founders,
Space & Pepper



The Money Behind Coliving

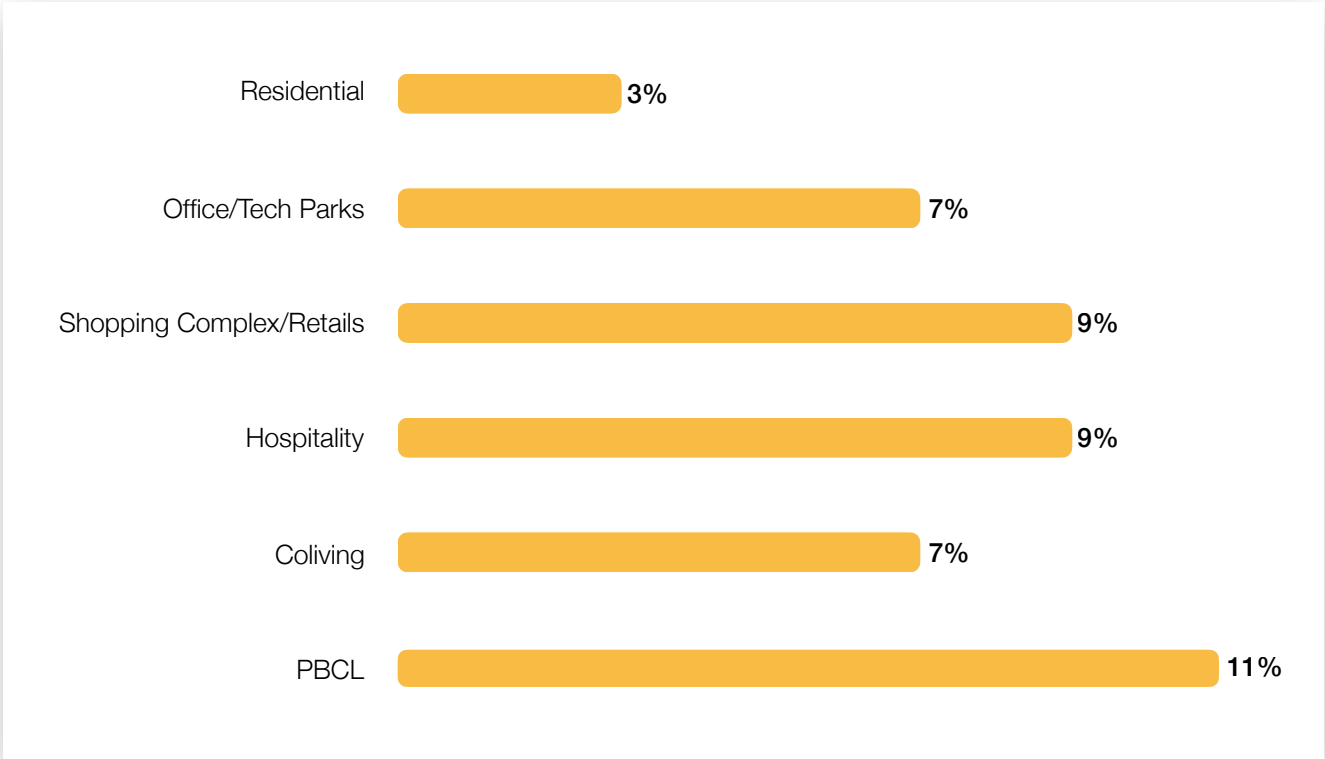
Perhaps one of the biggest drivers of coliving is the fact that financially, it makes sense for property investors and landlords to build out coliving assets. The yields are higher than traditional residential assets, in many cases higher than even commercial yields in that neighborhood. In this section, we will look how the money is working behind the scenes in the coliving industry, what it means for landlords and a quick look at venture investors who are backing operators.



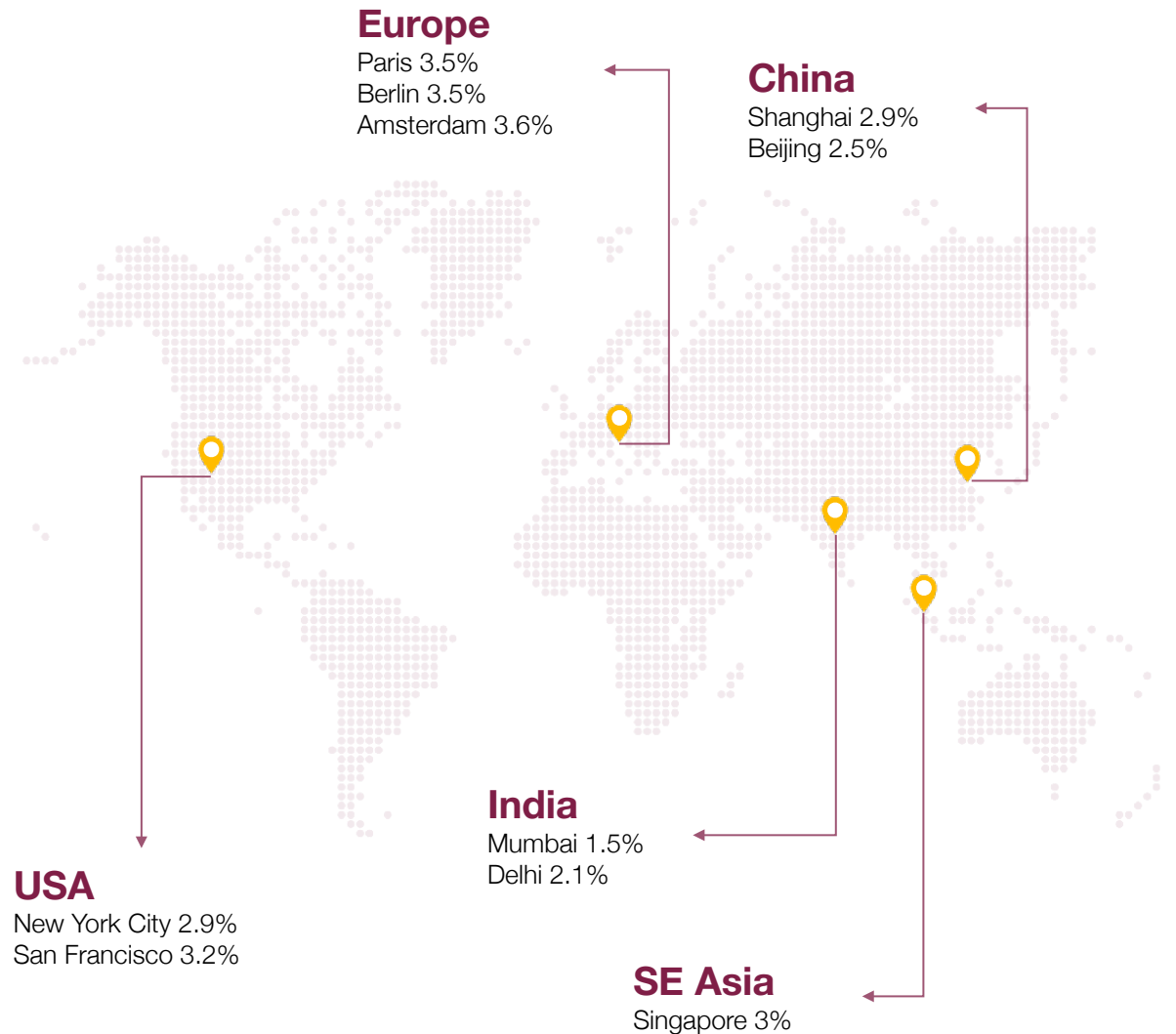
Returns

It goes without saying that each type of real estate investment has its potential benefits and pitfalls, including unique quirks in cash flow cycles, lending traditions, and standards of what is considered appropriate or normal.

Coliving is allowing the property owners here to enjoy increased yields ~ 6-7% on a residential asset, whilst giving a great option for tenants.



On economic front, the yield rate for pure residential usage is 2%-3%; for retrofit coliving space it is between 5% to 6%; while for Purpose Built Development (for 200 beds), the yield rate is 8% - 9% and for large Purpose Built Development (800 beds +) it is upwards of 10%.



Landlords

Most homeowners may look at the value of property but forget to assess the returns in the form of rental yield along with all the hassle of handling a real estate. To begin with most of the metro cities have rental yields ranging from 1.5-4%. When someone buys a property, incurs cost over the value of the property. Most home buyers forget to factor the additional cost.

Landlords will earn an increased rental returns of up to 6-7% from coliving model with good interiors and services, but can also be maximized up to 10-11% in a purpose built model.

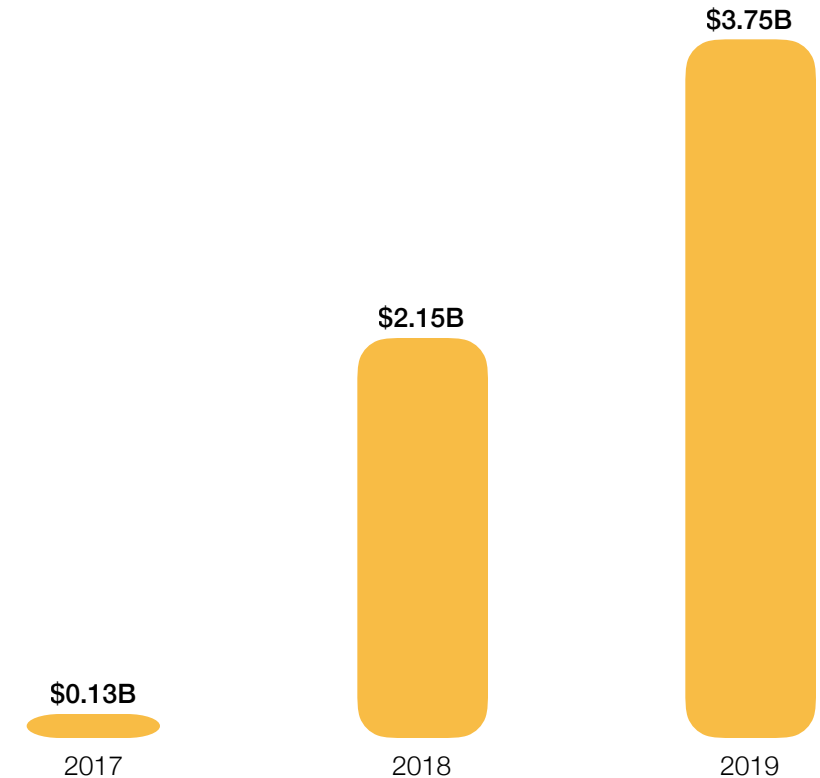


PE Funds

Global funding in the coliving space has increased by 210% from 2017 to 2018, and by 110% from 2018 to 2019, totaling more than \$3.75 billion. Some of the big equity funds who have invested big bucks in coliving sectors are:

- Warburg Pincus
- Sequoia Capital
- Accel Partners
- SoftBank
- Matrix Partners
- Tiger Global
- HDFC
- Nexus
- Goldman Sachs
- DTZ investors

Total secured funding for coliving development, Global



Source: JLL Research * based on sample set of Coliving assets across various markets



Interesting Opportunities



“Over the recent years, many operators focused on increasing the bed or room count per gross floor area. However, the success of AirBnB shows an ever-increasing demand for an apartment-style accommodation - a trend that was largely neglected by traditional operators. On top of this, coliving shows us that hospitality aspects like flexibility and convenience are increasingly valued by consumers in the residential market, therefore becoming a growing market opportunity for hotel operators. This changing consumer behavior allowed for innovative concepts such as Zoku to capture this new market share. Going forward, it is the concept that manages to combine yielding of traditional hotel demand, and profitable short- & long-stay (or coliving) demand will be winning the hunt for the best real estate.”



Christoph Hager
Head of European
Expansion,
Zoku



Hotel Chains

That's right, hotel chains are now entering the coliving space.

- Private equity firm Warburg Pincus in a joint venture with Lemon Tree Hotels Ltd has set up a fund of \$500 million to develop full-service accommodation for students and young working professionals under the brand name of Hamstede
- Oyo Hotels has entered the coliving industry under the banner “Oyo Living”
- Accor Hotels, a Paris based hospitality company has entered the coliving space with a brand new name “Jo&Joe”

Hotel owners and investors can improve rental yields by up to 12.1% if they convert an existing property into a coliving scheme



Senior Living

Coliving isn't just for young and unmarried millennials aged anywhere between 20-30 years. Senior cohousing is a relatively new but growing housing trend for the Older generation as well.

Senior cohousing communities can also be a more cost-effective option for older Americans who need to stretch their retirement savings as far as possible. According to the Bureau of Labor Statistics, Americans aged 65 and older spend an average of 35% of their income on housing each year.



Americans aged 65 and older spend an average of 35% of their income on housing each year.



For example take a high rise building of 30 floors, which were distributed in the following order:

- Floors 1 to 5 are entirely for commercial use such as supermarkets, vegetable stores, recreation stores, medical centers, etc.
- Floors 6 to 15 are used by offices.
- Floors 16 to 28 are used for residential purposes.
- The top two floors can be used for recreational activities such a rooftop bar where people come and meet each other, Clubhouse accessible to anyone who wants to use by paying a nominal fee.

So a person living in the 23rd floor will have to just walk down to the 10th floor for work, saving a lot of time in commuting.

Mixed Use Living

In the sense of mixed-use zoning or mixed-use planning, it is a type of urban development, urban planning and/or a zoning type that blends residential, commercial, cultural, institutional, or entertainment uses into one space, where those functions are to some degree physically and functionally integrated, and that provides pedestrian connections.

Instead of leaving our homes empty for 12 hours a day and then leaving our offices empty for the other 12 hours, we need to retool how spaces are used, around the clock.



Challenges

Like all growing industries, coliving faces multiple challenges that are hampering its growth. While there are many regional challenges that are specifically affecting operators in a given geography, there are many obstacles which we are noticing across the globe. They include Government intervention, public perception, people challenges and many more. This section aims to demystify some of these challenges.



Govt. Rules & Regulations

- **Zoning**

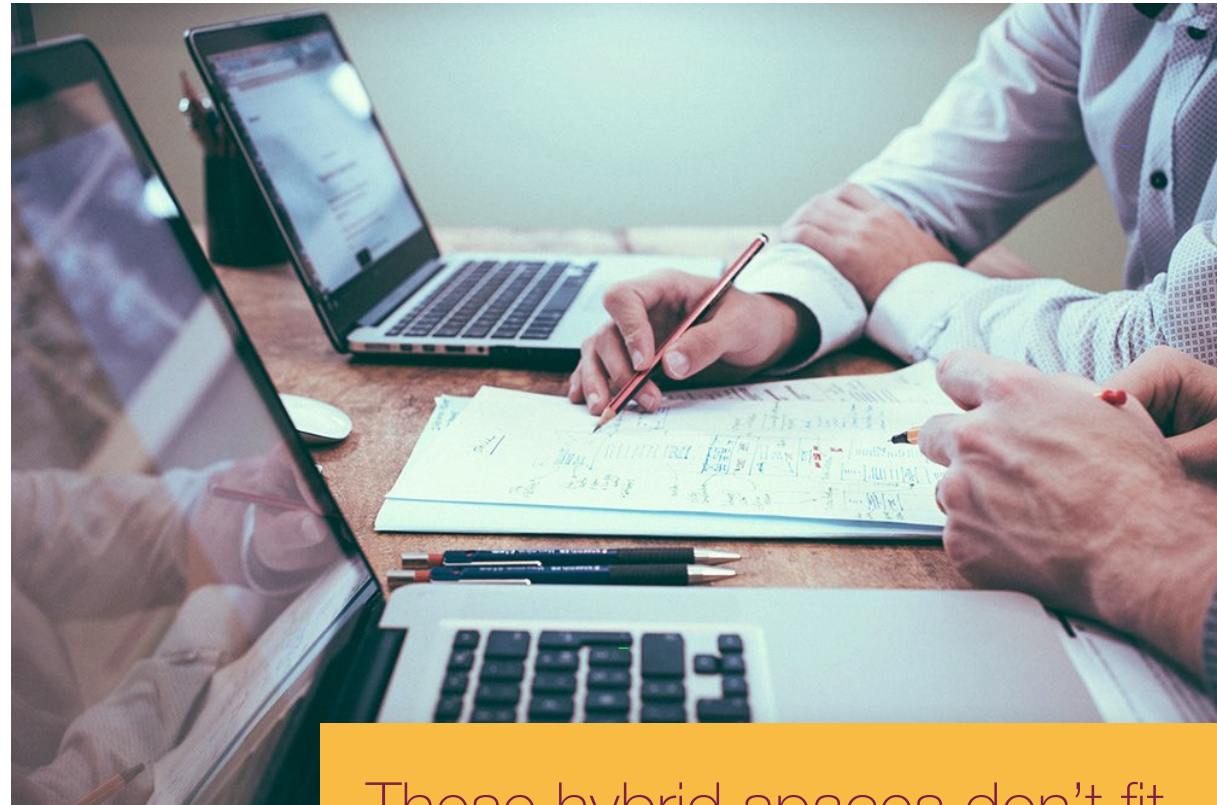
Developing coliving spaces is complicated, as the model is often a mix between residential (private studios), commercial (paid services and spaces such as co-working hot desks and events rooms available to purchase from people outside of the coliving space). These hybrid spaces don't fit into traditional zoning regulations and it makes it hard for coliving initiatives to approve their spaces for construction and/or operations.

- **Tax Norms**

The design of coliving arrangements can affect the tax treatment. Since it's a new asset class, norms are not clear as to which class the coliving facility will under. Due to this ambiguity on the tax category, sometimes one might end up paying increased tax costs.

- **Rent Control**

Rent control is a government program that places a limit on the amount that a landlord can demand for leasing a home or for renewing a lease. So in places where rent control act has been established, the landlord might not be able to earn the same yield as others.



These hybrid spaces don't fit into traditional zoning regulations and tax categories



The ambiguity arises when someone wants to take a loan to setup a coliving facility, where the investor might end up paying high interest rates.

Yet to be an asset class

While the concept is rapidly being institutionalized by organized players, this does not mean that there is no scope for individual players. By converting a normal apartment of sufficient size into a coliving space, a property owner can capitalize on this vibrant and growing trend in rental housing. The Issue arises when someone wants to take a loan to setup a coliving facility. The interest rates on the loan for a commercial property or a residential property are different, which creates confusion. The investor might end up paying high interest rates due to this ambiguity.

Perception of Coliving in Society

Currently, this new accommodation option is most popular with young and unmarried millennials aged anywhere between 20-30 years. For example, a Lot of Anti Gentrification movements have been organized in Europe against the concept and developments of upcoming coliving facility by the locals. In India, sometimes It is not easy to get permission in a housing society to run a coliving setup or convince a landlord for the same.

Lack of Industry Experienced Talent

Operating a co-living setup requires a certain degree of knowledge about the specific requirements, operations and community living etc of this new niche residential segment. "Given that the industry is new, there is a dearth of talent. Operators have been hiring staff from the hospitality segment but there is a need to develop talent for the coliving industry."



**What to expect
in 2020?**

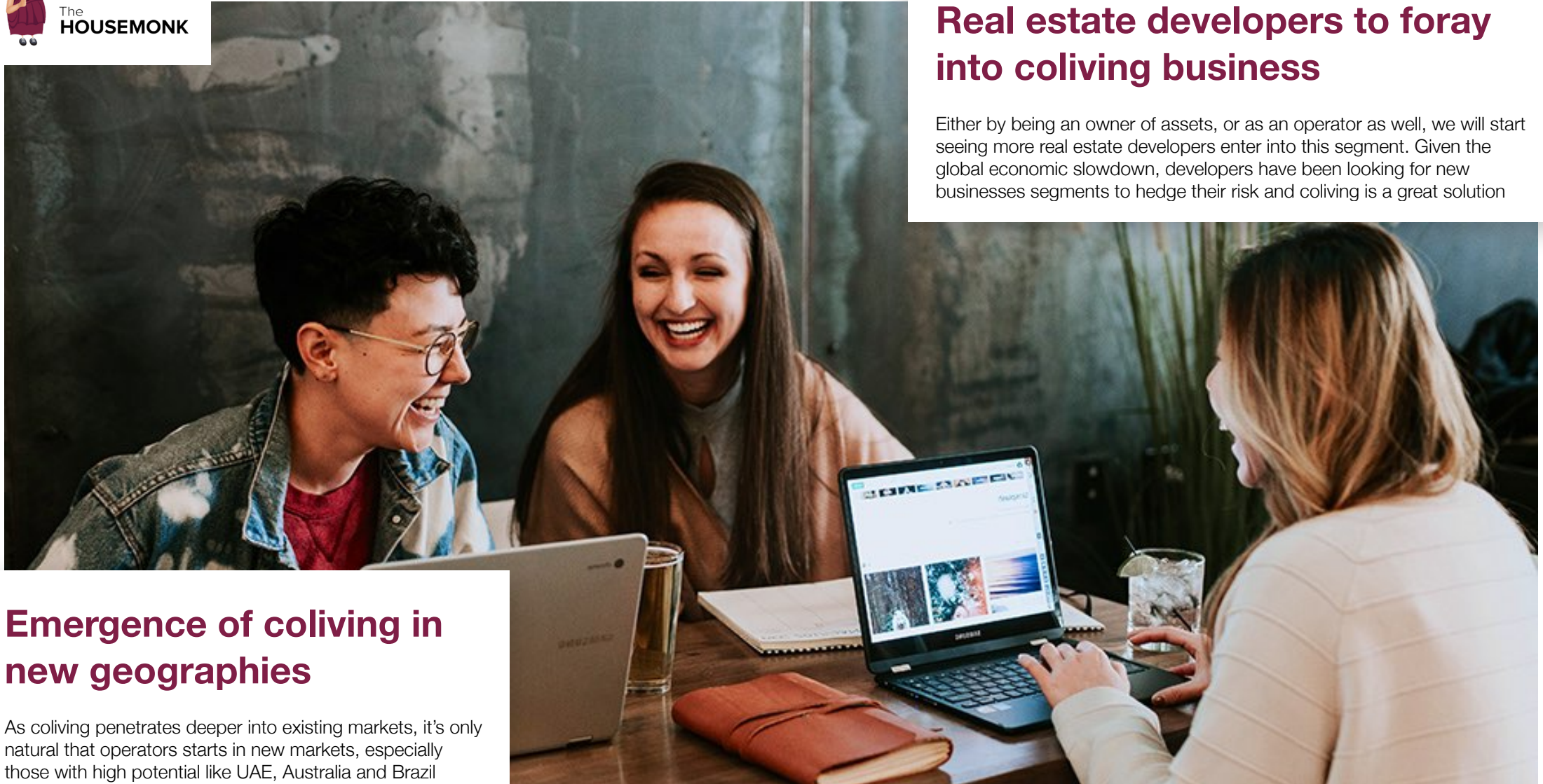


Real estate developers to foray into coliving business

Either by being an owner of assets, or as an operator as well, we will start seeing more real estate developers enter into this segment. Given the global economic slowdown, developers have been looking for new businesses segments to hedge their risk and coliving is a great solution

Emergence of coliving in new geographies

As coliving penetrates deeper into existing markets, it's only natural that operators start in new markets, especially those with high potential like UAE, Australia and Brazil



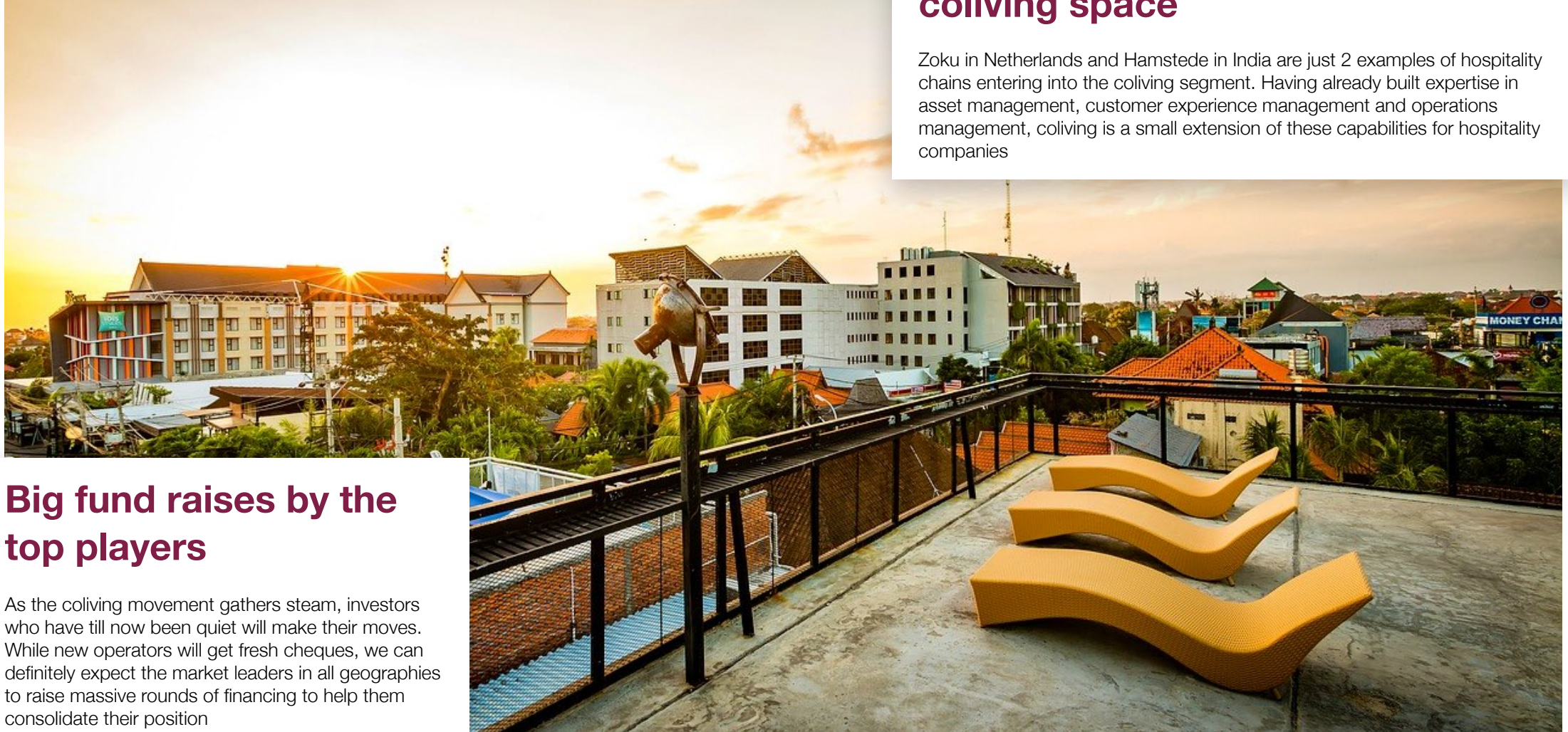


Entry of hospitality players into the coliving space

Zoku in Netherlands and Hamstede in India are just 2 examples of hospitality chains entering into the coliving segment. Having already built expertise in asset management, customer experience management and operations management, coliving is a small extension of these capabilities for hospitality companies

Big fund raises by the top players

As the coliving movement gathers steam, investors who have till now been quiet will make their moves. While new operators will get fresh cheques, we can definitely expect the market leaders in all geographies to raise massive rounds of financing to help them consolidate their position



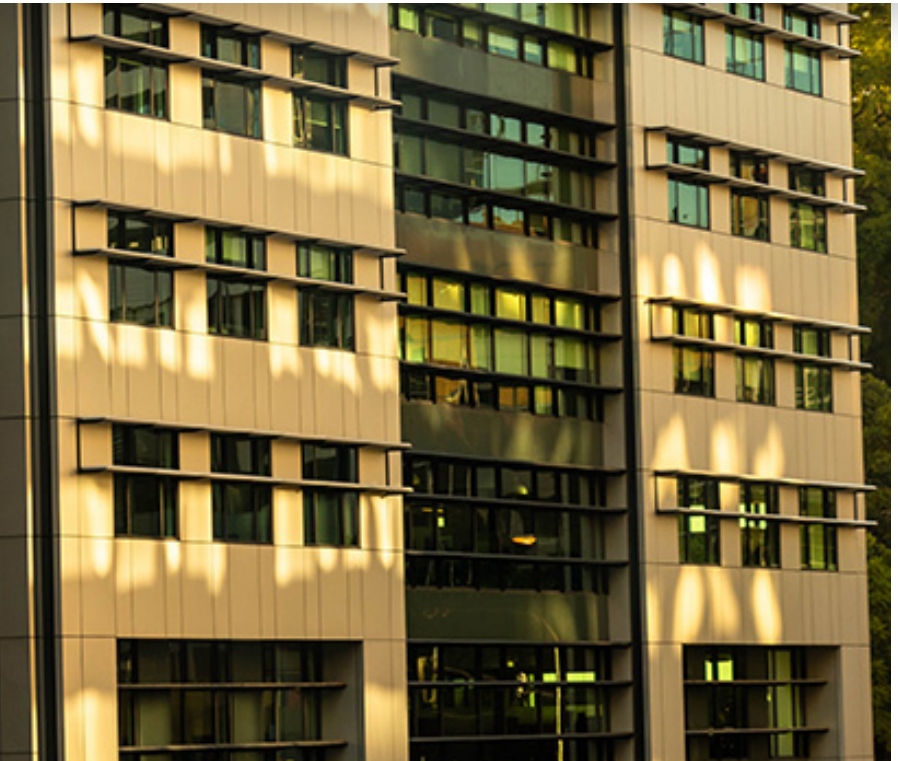


Consolidation within the competitive markets

More the merrier' may not always hold good with young businesses, especially in markets like India and China where the market leaders have built their businesses to a significant scale compared to the smaller players. We can expect to see consolidation through mergers and acquisitions in these geographies

Entry of large PMS systems into coliving software

Technology plays a pivotal role in coliving in giving a great customer experience and streamlining operations. While bigger property management software companies seem to have ignored this sub-vertical, we should be on the look-out for them to make software systems to accommodate this need





References

<https://www.jll.co.in/en/trends-and-insights/investor/why-investors-are-signing-up-for-coliving>

<https://www.jll.com.sg/content/dam/jll-com/documents/pdf/research/apac/singapore/co-living-final.pdf>

<https://www.jll.com.sg/content/dam/jll-com/documents/pdf/research/apac/ap/co-living-in-asia-pacific.pdf>

<https://www.forbes.com/sites/forbesrealestatecouncil/2019/10/28/wellness-co-living-the-three-trends-driving-the-rise-of-our-industry/#301188ee46bd>

<https://www.jll.com.au/content/dam/jll-com/documents/pdf/research/apac/ap/co-living-in-asia-pacific.pdf>

<https://www.ozy.com/acumen/co-living-hasnt-taken-off-stateside-but-asia-is-embracing-it/96802/>

<https://www.joneslanglasalle.com.cn/en/trends-and-insights/cities/how-co-living-is-filling-a-need-in-asia>

<https://www.jll.com.au/en/trends-and-insights/research/co-living-in-costly-cities-asia-pacific>

<http://d1c25a6gwz7q5e.cloudfront.net/reports/2018-05-22-Ziroom-E-house-English.pdf>

<https://www.caixinglobal.com/2018-05-25/co-living-space-operator-looking-for-1-million-more-rooms-101256798.html>

<https://www.businessinsider.in/china-coliving-increased-rents-and-indian-startups-like-nestaway-coho-and-lemon-tree-hotels-hamstede-should-beware-of-it/articleshow/68668281.cms>

<https://www.ft.com/content/ce80021e-f036-11e5-9f20-c3a047354386>

<https://qz.com/india/1536224/indias-co-living-sector-gets-a-tech-makeover-for-millennials/>

<https://www.cbre.co.in/en/about/media-centre/cbre-sapfi-herald-of-a-new-chapter-student-accommodation-in-india>

<https://www.cbre.co.in/en/about/media-centre/cbre-credai-real-estate-in-2030>

<https://www.thehindu.com/business/co-living-can-grow-into-a-93-bn-market-in-india-report/article26231293.ece>

<https://redseer.com/newsletters/co-living-market-updates/>

https://www.business-standard.com/article/companies/co-living-space-in-india-worth-12-bn-on-back-of-10-mn-millennials-report-119041500589_1.html

<https://www.unissu.com/proptech-resources/china-gets-cosy-with-coliving>

<https://dispatcheseurope.com/live-where-you-work-co-living-co-working-an-attractive-alternative-as-europe-housing-costs-rise/>

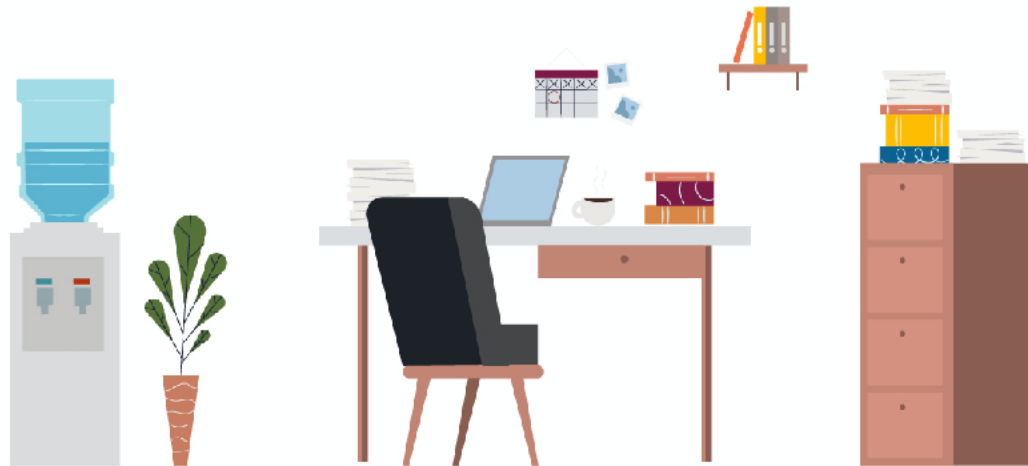
Graphics designed by pikisuperstar / Freepik

Photographs by ben-duxac, yash-bhardwaj, helena-lobes, sonnie-hiles, john-moeses, abhishek-fodikar, shridhar-gupta, helloquence, madison-kaminski, brooke-cagle, zach-reiner, lukass-sherwin, sunset, trent-szmochnik, fabien-bazanegue, road-trip-with-raj, hanny-naibaho, hugo-sousa, robin-benzrihem, zhu-hongzhi, chilam-siu, holger, agustin-diaz, ryoji-iwata and others on Unsplash.



The **HOUSEMONK**

www.thehousemonk.com
hello@thehousemonk.com



Authors



Ajay Kumar

Co-Founder
& CEO



Chetan Hatti

Program Manager,
Global Sales

Corporate Office

Monk Tech Labs Pte Ltd
160, Robinson Road, Singapore - 068914

India Center of Excellence

A710, Carlton Towers, Old Airport Road, Bangalore - 560008
+91 74061 12211