

# Global Coliving

## Report

2020

Coliving, in the times of COVID 19



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# INTRODUCTION

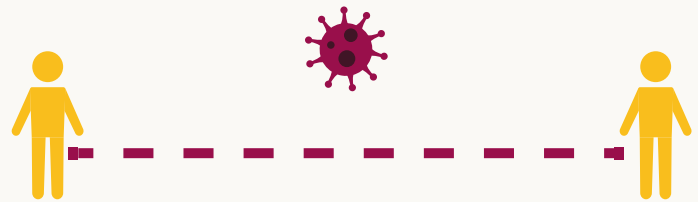
# Introduction

Shared housing is a well established phenomenon in many parts of the world, but what happens to our world when things that are shared – from bikes to offices to housing facilities – all become a threat to people’s well being?

2020 has the entire world facing some grappling questions. Coliving companies aim to serve their tenants by wrapping a piece of real estate with a layer of value added services. Access to shared facilities, community building events and meaningful social interactions are all part of what makes coliving an appealing product to the young.

It’s easy to understand why this might be a challenge today, given the 6-foot distance protocol widely adopted to fight the ongoing pandemic. Every touchpoint and simple design of space needs to be reconsidered to address the tenant’s need for safety, sanitation and mental health.

As expected, coliving operators went into panic-mode as lockdowns across the globe restricted the movement of people to a great extent. With work from home becoming the default mode of working for society, many migrated to less populous places, or even back to their home towns, leaving the coliving industry in turmoil.



In this edition of the Global Coliving Report we are addressing how the landscape of coliving is changing owing to these global conditions and expectations. Being a technology partner for coliving facilities and rental operators spread over four continents, we have an inside advantage.

## What does Global Coliving Report 2020 entail?

In this report, we have attempted to address the following:

- A data driven approach to quantifying the impact of Covid-19 on the global coliving industry
- A measure of how the coliving industry was affected in various regions
- The change in market sentiment and the approach taken by operators around the globe after the market slowdown in 2020
- Important updates and highlights of the coliving industry as a whole



# What does coliving mean in 2020?

Coliving in 2020 is a lot more than a ready-to-move-in housing space. It is a movement which encompasses multiple stakeholders across the eco-system.



## Tenants

The primary stakeholder of this eco-system is the tenant. Tenants expect personal space more than ever before now. TheHouseMonk had observed in a survey conducted last year, that tenants are open to bigger and more vibrant common spaces, even if that means compromising on personally used spaces. This expectation is perhaps the biggest to have changed.



## Landlords

Landlords are understanding that their investment in the coliving sector is not passive but dynamic. To enable the growth of the industry, they need to be involved and accommodate the changes that are demanded by the industry. Operators are demanding flexibility from landlords to enable them to de-risk themselves (to an extent), and landlords have started listening



## Operators

Operators are dealing with multiple issues: On one hand, there are landlords who need to be convinced to adopt a new business model, while on the other, they need to deal with new tenant expectations which include a reworking of how day to day facilities and operations are run - all the way from cleaning to redesigning common areas.



## Tech Partners & Providers

Tenants are always attracted to technologically advanced facilities, and now they require these more than ever. Simple facilities like online payments and ticketing are no longer adequate - Doors and doorways need to be automated, deliveries need to be made contactless. Technology providers and partners now have to respond to customer requirements, and be ready to accommodate customer expectations that are yet to come to them.



# INSIGHTS

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A top level view of the impact of Covid-19 on the coliving industry

# No. of Tenants in Coliving Facilities

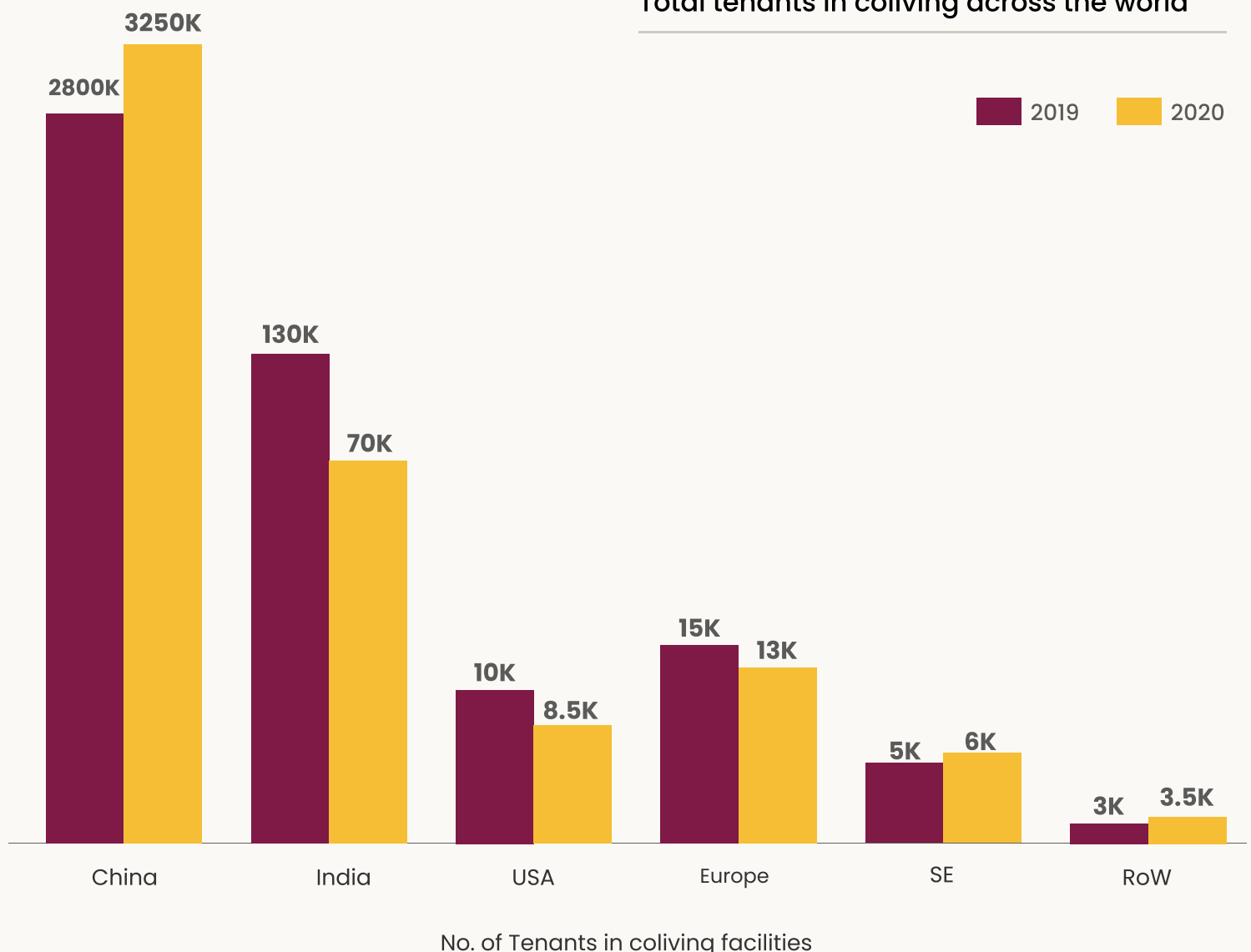
As anyone in our industry would project, this year has been rough and the overall number of tenants in coliving facilities has gone down across geographies. However, we can observe that China has emerged to be defying this trend, with numbers growing significantly despite the impact of the pandemic on the country

India, USA and Europe – The 3 regions which have seen rapid growth over the past few years – all saw drops in the number of tenants living in coliving facilities. The primary reason can be attributed to the impact of the ongoing pandemic in these regions.

South East Asia saw a marginal increase with 20% more tenants living in coliving facilities in 2020 than 2019.

## 3,351,000

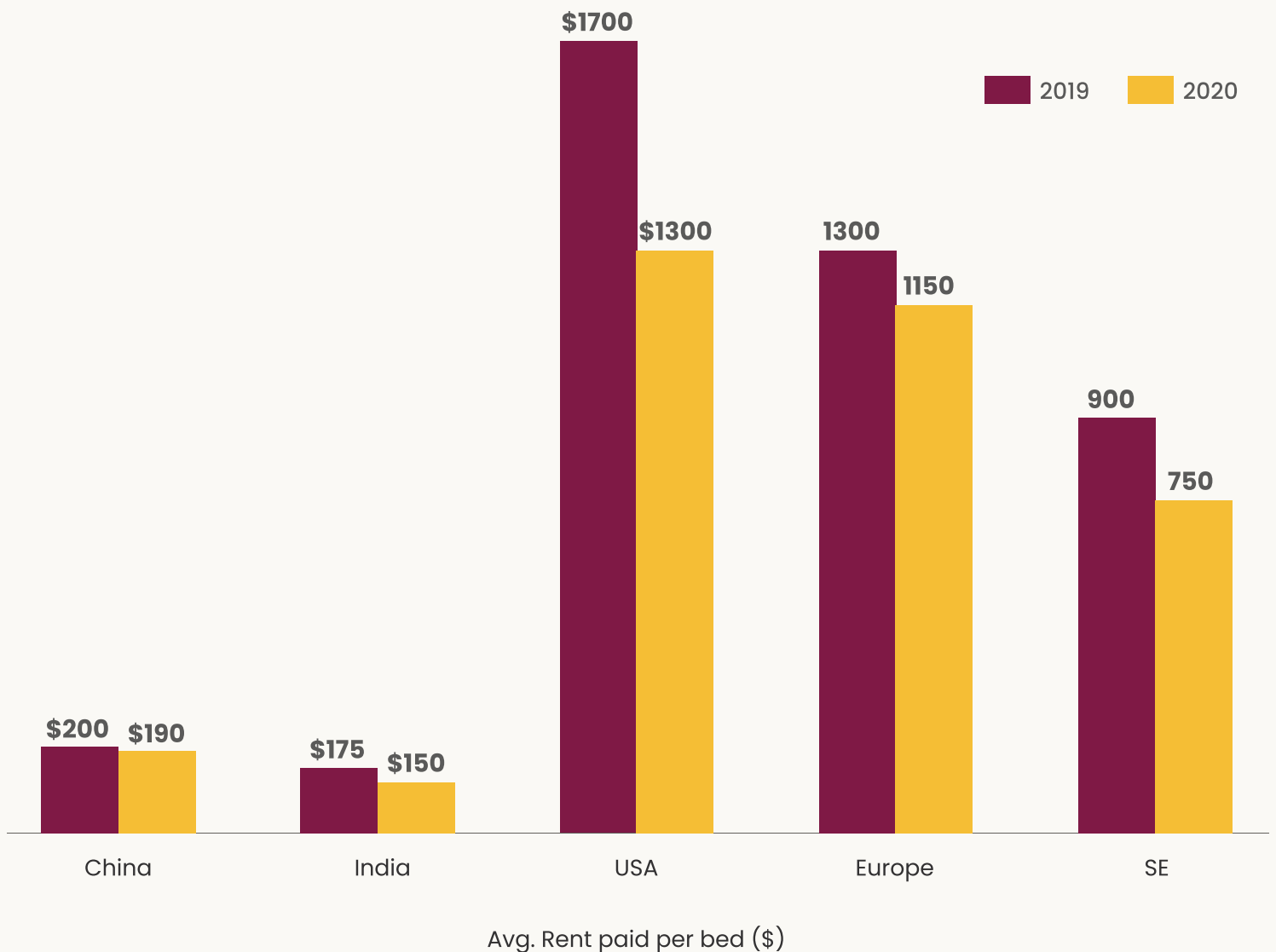
Total tenants in coliving across the world



# Average Rent Paid (\$) per bed

The industry expected to see increased rental income from coliving spaces across the world, as operators have opened facilities at great locations, with much better services than before.

This has not been the case and the average rent paid by a tenant for a coliving space has gone down in all major geographies, with USA and India being the major casualties.





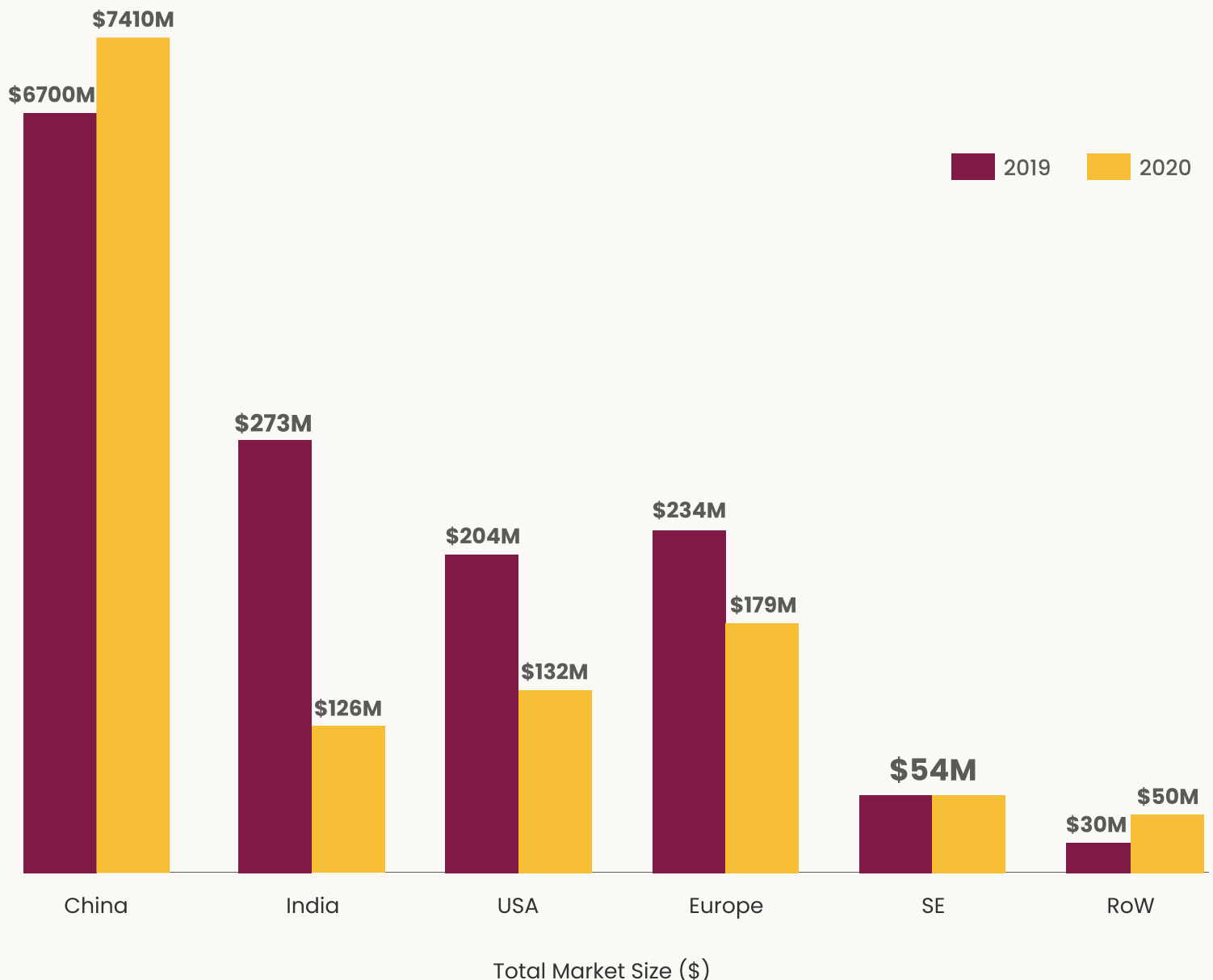
# Total Market Size (\$)

Major geographies have witnessed the market size and valuation go down as the demand for shared housing suffered for a good part of the year. The worst impacted, once again, is South East Asia which was once projected to be growing the fastest.

At the same time, it is interesting to note that the market size of coliving in the rest of the world has risen, which once again suggests that the sector is reaching more places, albeit a little slower than we would have liked.

## \$7,952,000,000

Global market size of coliving industry



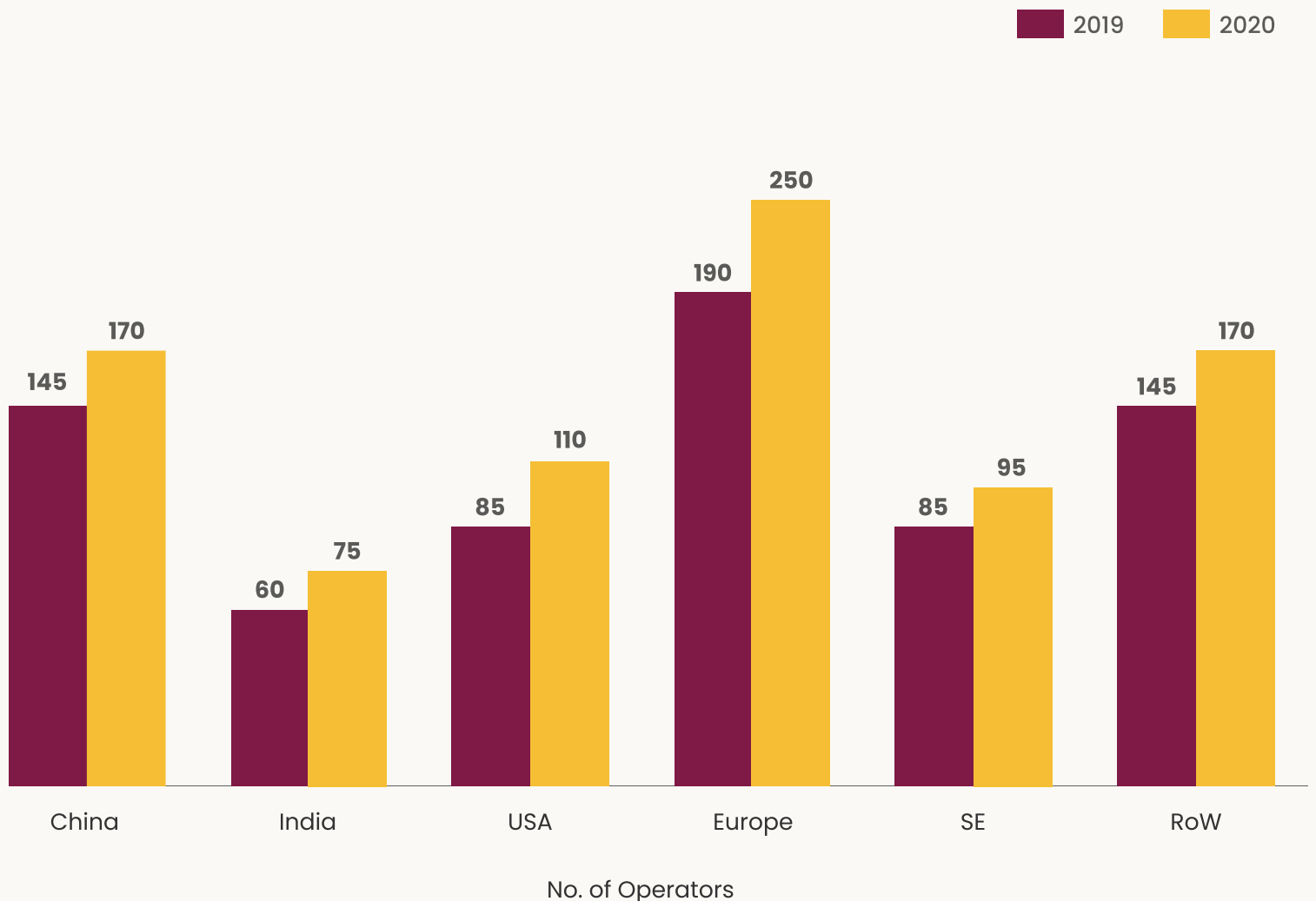
# No. of Operators

The number of operators in all geographies has gone up, and it is commendable that entrepreneurs and their hardworking teams were able to sustain

business in these terribly tough times. Some major players have also been forced to shut down operations, which we will touch upon in later sections.

## 160

New operators in the coliving industry in 2020





# MARKET SCAN

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A look at the impact of 2020  
on coliving businesses in  
various parts of the world

# China



 **85%**

Estimated Occupancy Rates

 **10-15%**

Drop in Rental Rates from 2019



## While companies started the year on a great foot, year end saw tenants losing faith in operators and facilities losing business

China has exactly the kind of market that benefits from having coliving spaces that can accommodate the needs of the working professionals, while being light on the pocket in densely populated regions. As 2020 set in, China was still going strong as the exact potency of COVID-19 was unknown. Moreover, China was set on keeping track of its economy regardless of what happened.

Millions of dollars were being raised in IPOs by coliving market leaders in early 2020. However, the situation turned around by the end of the year. Smaller players suffering losses were acquired and consolidated by bigger players who had much more runway. Danke acquired at least seven smaller firms during this time.

On the other end of this bargain were tenants, who lost much of their confidence in coliving operators as they were forced to pay rent despite evictions or having left the houses. It has been reported that even when many operators got rent waivers from landlords, they did not extend the same to the tenants who had to continue paying rent in full.



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

# India



 **40%**

Estimated Occupancy Rates

 **20-25%**

Drop in Rental Rates from 2019

## It is taking longer than expected for the coliving market in India to revive, with IT companies employing extended work from home strategies enabling tenants to live and work from their home towns.

Multiple operators within the Indian coliving market were on track to raise large capital by the end of 2019, but final fundraising rounds fell flat, throwing a spanner in their works.

When it became evident that lockdowns would be imposed in India, many city dwellers moved back to their home towns. Given the social acceptance of children living with their parents well into their 20s in India, most of these people are yet to return to cities where coliving is popular. At the lowest point, occupancy in coliving spaces fell to 10-15% in many cases.

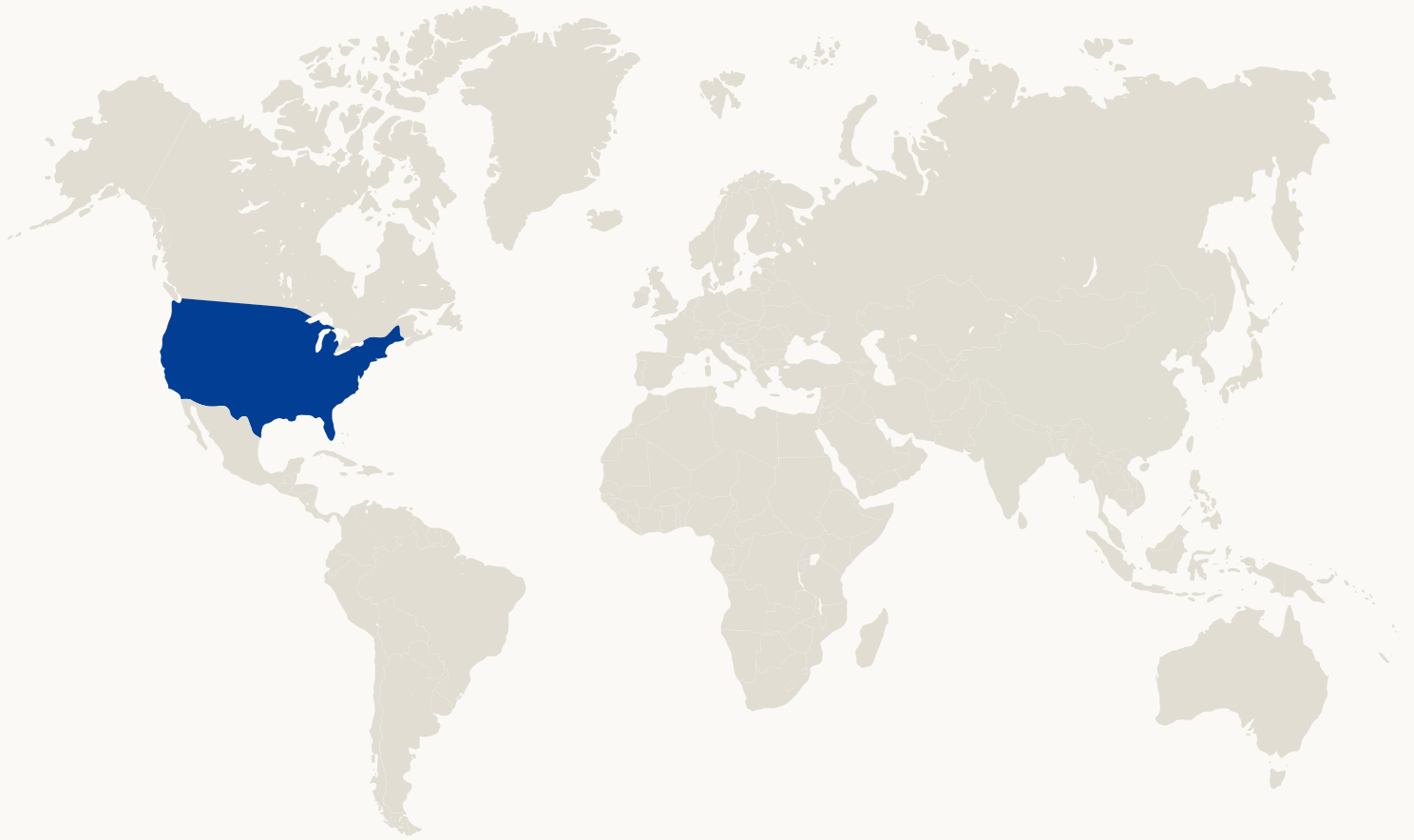
Startups and IT companies, which power many the economy most many cities where coliving is popular, have implemented prolonged work from home measures and are not forcing their employees to move back to cities. Most operators are in a state of wait-and-watch mode at the moment.

Many real estate developers and hotel chains that were considering entering the coliving industry have put their plans on hold for now.





# USA



 **50%**

Estimated Occupancy Rates

 **20-25%**

Drop in Rental Rates from 2019



## America is in the middle of a great reshuffle with people moving from crowded and expensive cities to scenic and affordable towns.

With tenants relocating to affordable cities (or affordable neighbourhoods of existing cities), there is a definite uncertainty about the future of existing coliving businesses. Coliving operators in San Francisco, Los Angeles and New York, which were the hubs for the coliving movement in the US, are all reporting reduced occupancy rates and significant drops in rental prices.

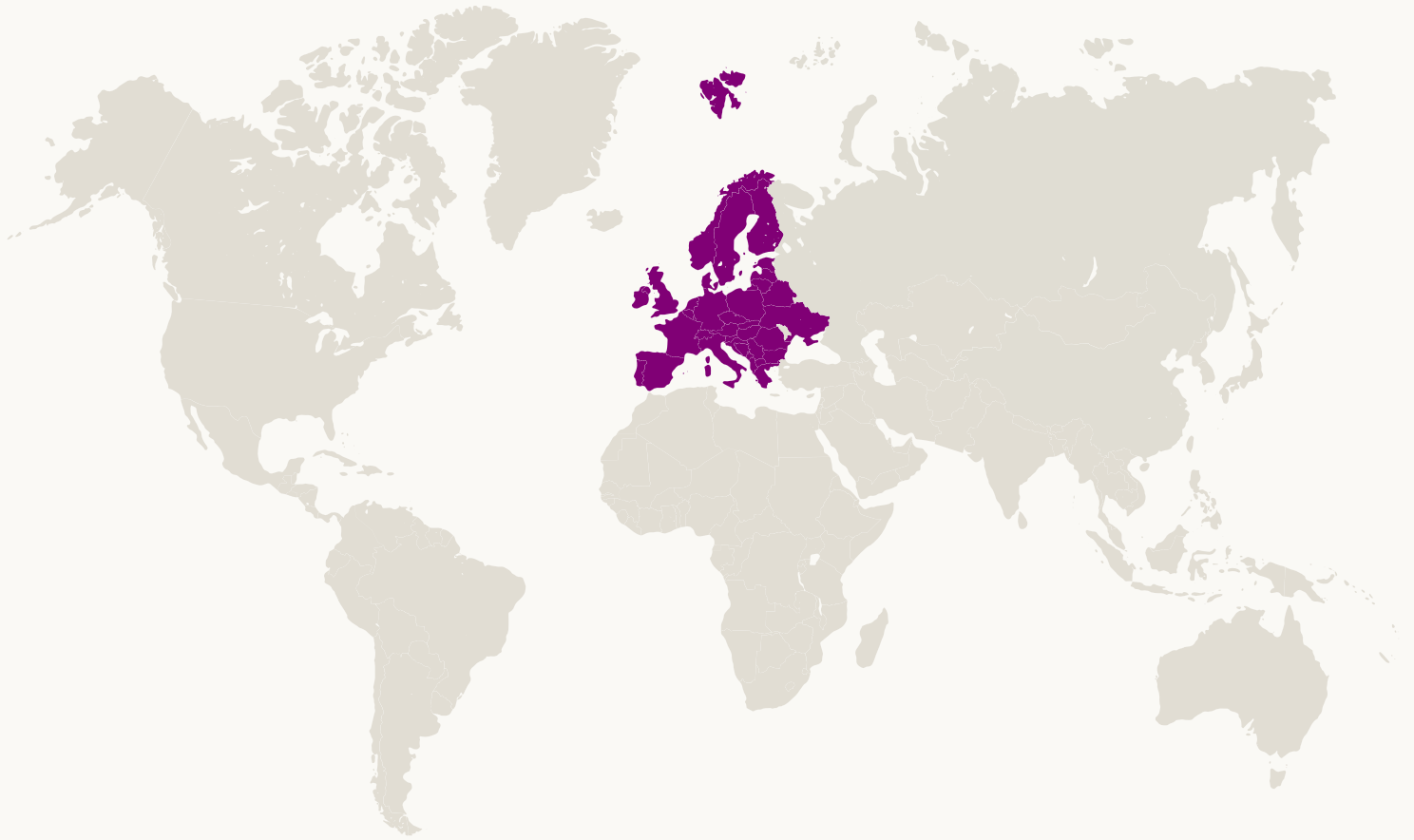
It is not all doom-and-gloom for coliving businesses though. There seems to be a big opportunity for more cost effective coliving facilities in less populated areas, where the digital-nomad culture can flourish with a few operators focussing on this opportunity.

Some of the bigger coliving operators in the US were able to sustain their businesses, with a few even raising new capital and expanding business. Examples would include Common and StarCity.

Yet, companies like Hubhaus shut down as tenants left and the business ran out of funds for maintenance and upkeep.



# Europe



 **75%**

Estimated Occupancy Rates

 **10-15%**

Drop in Rental Rates from 2019

## Making the most of the workation culture, coliving facilities are leveraging the sentiment to work, while doing the things they enjoy the most

Since Europe turned out to be an early epi-centre of the virus, much of it had to go into a complete lockdown. The result was obviously not that great for businesses, especially around the months of April and May.

However, the recovery process in Europe has been encouraging. Many operators are reporting to be back to the same occupancy levels they had pre-COVID-19.

Travel based coliving operators are doing well, notably in Portugal, as many from the UK and other badly affected centres are choosing to find an abode here while their cities are going into lockdown.

It is safe to assume that this has a lot to do with how operators have been able to retain the trust of tenants by meeting their expectations in a timely manner, regulating operations thoroughly to minimise spread to the best of their abilities, and overall improving the facilities they provide to make everyone feel safe at all times.



# South East Asia



 **80%**

Estimated Occupancy Rates

 **10%**

Drop in Rental Rates from 2019



## SE Asia successfully fought off the initial threat in 2020, now is very close to Business-As-Usual

South East Asia was proactive in dealing with COVID-19 – It set precautions in place and the Governments treated the matter with the urgency it needed. The result was that the economy was least affected in this region.

However, this is in no way to say that the region completely avoided the impact of the pandemic. Many travel based coliving spaces in Indonesia and Thailand, that depend on the movement of foreign travellers into their country, were affected severely by the pandemic.

Initially, even Singapore was reporting lowered occupancy levels due to people moving out of the city/country, but these rates have recovered since.

Vietnam, Malaysia, Thailand and Indonesia also saw some new players enter the coliving market, and it would be interesting to see their progress over the next few years.





# INDUSTRY NEWS

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The good, the bad, and  
everything in between

# IPOs

## Danke & Qingke open the year with IPOs, face a flop by year-end

Chinese coliving leader Danke raised \$130 Million in their IPO, competitor Qingke went public in the New York stock exchange as well; these companies are reporting 90% and 75% loss in share price this year

[Read More - Danke](#)

[Read More - Qingke](#)



# Major Funding News

## 1. Common raises \$50M in funding

Series D funding for American giant Common enables the company to expand its residential management division

[Read More](#)

 Common \$50M ▲

## 2. Zolo raises \$56M

Investments from Investcorp, Nexus Venture Partners, Mirae Asset and Trifecta Capital in the Series C round bring the total funding raised by this Indian market leader to \$90 million

[Read More](#)

 \$56M ▲

## 3. \$47 million funding for Bungalow in January 2020

Following its Series A last year, California based startup closed Series B with \$47 million from A-Rod Corp

[Read More](#)

 BUNGALOW \$47M ▲

## 4. French Start-up Colonies Raises \$34 Million in early 2020

In addition to coliving, Colonies is set on managing new buildings and projects being initiated by LBO France


[Read More](#)

 colonies \$34M ▲

## 5. Danish startup focused on community raises \$7.4M in funding

LifeX is aiming to bring Scandanavian-style design to its coliving spaces across Europe with this seed investment while addressing climate issues, emotional health, loneliness, and more

[Read More](#)

 lifeX \$6M ▲

# Mergers & Acquisitions

## NestAway's Hello World Acquires StayAbode

The India Market leader acquired StayAbode under its coliving subsidiary Hello World; open to investing upto \$10 million to expand capacity by 2.5X

[Read More](#)



# Industry Developments

1. **DTZ deployed £70 Million capital** from it's Co-Liv fund for co-living scheme in Earlsfield while also securing £32 Million for it's project in Harrow Road

[Read More](#)



2. **Weave coliving from Hong Kong joined hands with 32RE and committed to investing S\$120 million** for a joint venture as it enters the Singaporean market. The company is looking to enter other markets in the Asia-Pacific region in the coming year

[Read More](#)



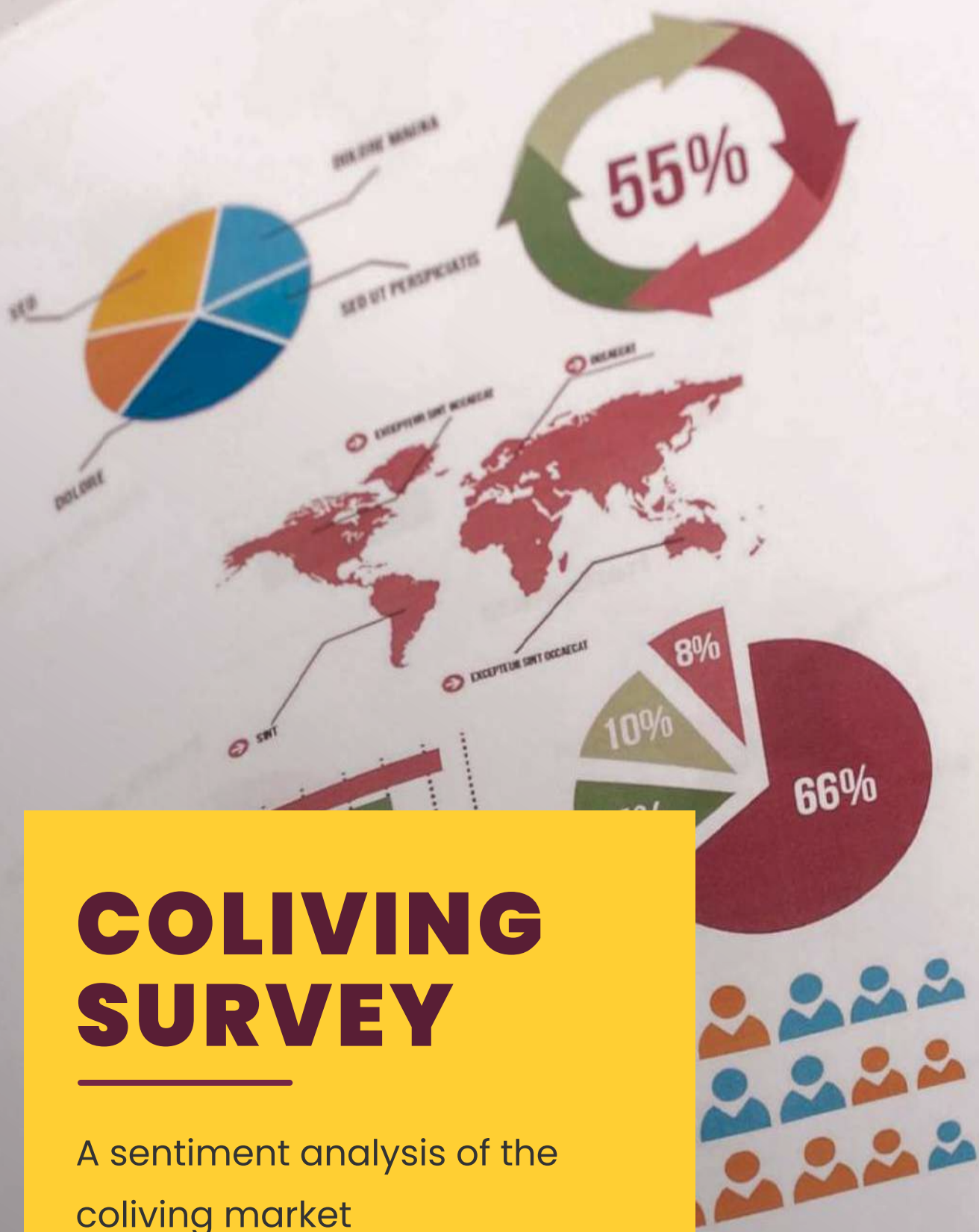
# Shutdowns

Amidst challenges in raising capital, as well as occupancy challenges posed by Covid-19, **HubHaus, the San Francisco based coliving startup shut down** this year in September

[Read More](#)







# COLIVING SURVEY

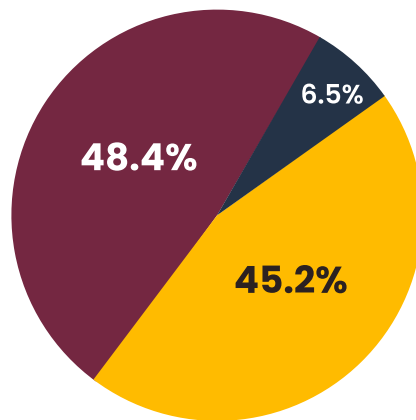
A sentiment analysis of the coliving market

In an effort to gauge the sentiment of coliving operators across the globe, TheHouseMonk reached out to over 100 coliving operators and surveyed their sentiments about the industry and its future. We have compiled some of the key insights from this survey and presented them in this section.

The coliving market survey is a sentiment analysis of some of the biggest coliving operators from around the world. By learning how the key players are approaching the time to come, they have helped us understand where the market is headed in the coming year.

## 1 What is your macro outlook on the coliving industry?

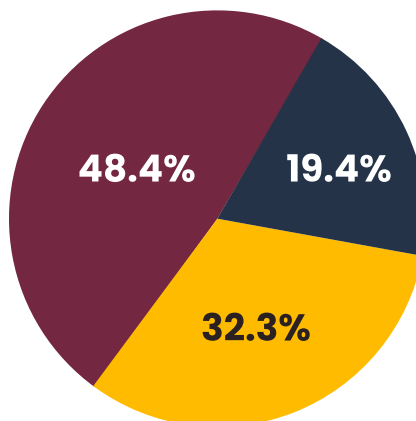
With close 50% off the operators staying as bullish on the industry as they were prior to COVID-19, it is clear that the industry is led by those who are looking at thriving instead of surviving.



- Still as bullish as I was before Covid-19
- Have lost some confidence, but still bullish on long term prospects
- Bearish on the short term prospects and unsure about the long term prospects

## 2 Did you expand your portfolio during 2020?

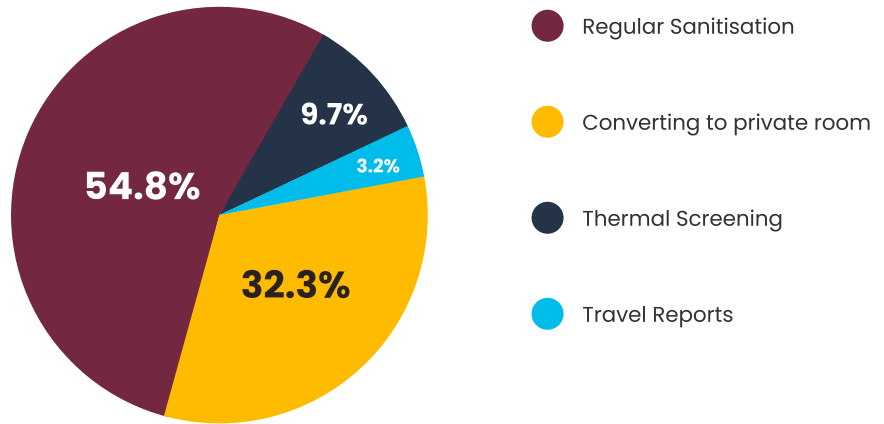
About half of the operators have continued to expand their portfolio during the pandemic, which means that while the growth of the industry has slowed down this year, we can expect revival to be that much faster in 2021.



- Continued expanding our portfolio
- Stopped Expanding our portfolio
- Reduced our portfolio size and have given back some properties to landlords

### 3 What safety measures were most appreciated by tenants?

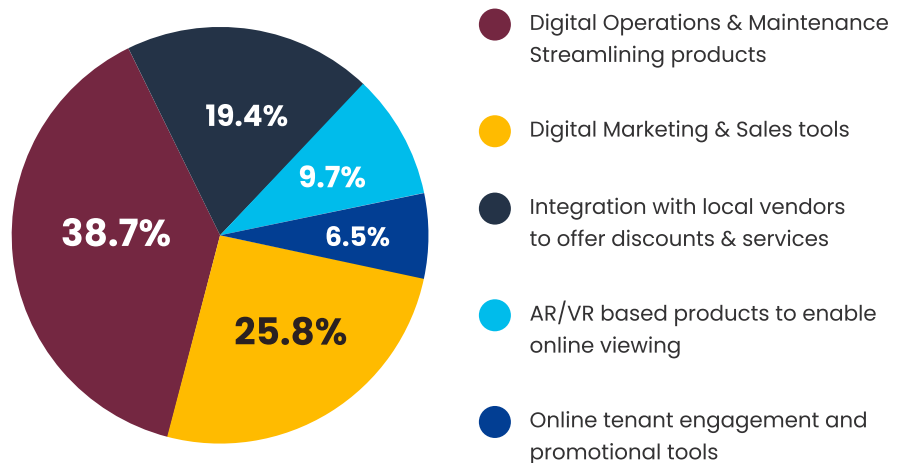
While there were multiple efforts which operators took to ensure the safety of the tenants and hygiene of the premises, regular sanitation of the facilities was most appreciated by tenants.



### 4 What technologies most helped you navigate the pandemic?

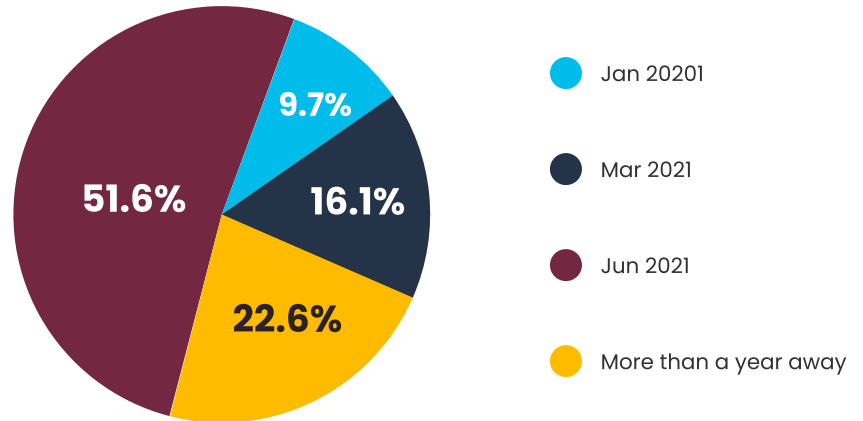
Digital operations, cloud computing, and streamlining operations are the backbone of this customer forward industry, as stated by close to 40% of operators.

Further, it seems that online community building, however thunderous it has been in 2020, is not as impactful as we all would have liked.



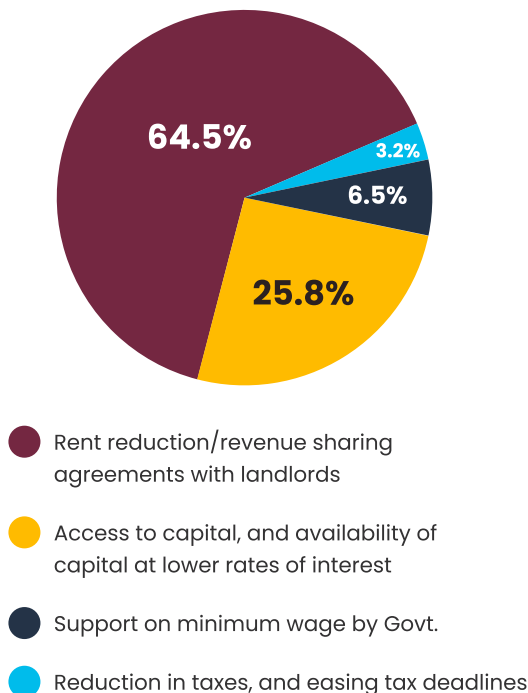
## 5 When do you expect the industry to be back to normal (pre-Covid levels)?

More than half of the operators believe that normalcy in business can only be expected by mid 2021, with another one-fifth believing that it will take the entirety of 2021 to recover from the full impact of the pandemic.



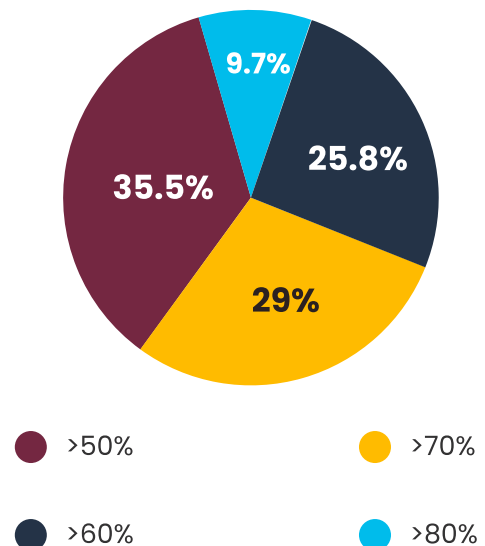
## 6 What structural changes in the industry can most ease your growth over the next few years?

Almost 65% operators feel that revenue sharing models with landlords would be much more viable for business, suggesting we could see these become more popular next year onwards.



## 7 What is the minimum occupancy rate which is required to sustain a coliving business?

It is clear that 50% is a bare minimum for operators to run their coliving business. This suggests that for improved operations and better facilities, occupancy levels are needed to be much higher, ideally 70% and above.





A woman with glasses and a red sweater is looking at a shelf of yellow binders in an office. She is reaching out to touch one of the binders. The binders are arranged on a white shelf, and the background is slightly blurred, showing more shelves and binders.

# COLIVING DIRECTORY

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A list of all coliving companies  
across geographies

# Coliving is no longer an industry: it is a movement.

The coliving movement is spreading far and wide as more and more geographies adopt the new way of living. This adaptation is testament to the fact that coliving is not only cost-efficient and convenient, but also caters to the innate needs of humans for connection and community.

With great contemporary ideas of specialised community living for varying needs, the number of coliving operators and facilities around the world is growing. In an attempt to unify the movement of those working passionately to build communities for colivers, we have created the Coliving Directory - a list of all the coliving companies around the world.

The image below is a glimpse of the coliving directory. To see the entire list, click the link below.

[Check out the Coliving Directory](#)

<p><b>Domi Coliving</b></p> <p>WEBSITE <a href="https://domicoliving.com/">https://domicoliving.com/</a></p> <p>REGION England</p>	<p><b>CoHome</b></p> <p>WEBSITE <a href="http://www.cohome.space/">http://www.cohome.space/</a></p> <p>REGION England</p>	<p><b>Vertex Living</b></p> <p>WEBSITE <a href="http://vertexliving.co.uk/">http://vertexliving.co.uk/</a></p> <p>REGION England</p>	<p><b>Mason &amp; Fifth Coliving</b></p> <p>WEBSITE <a href="https://mason-fifth.com/">https://mason-fifth.com/</a></p> <p>REGION England</p>
<p><b>Bedrock Coliving</b></p> <p>WEBSITE <a href="https://www.bedrockcoliving.com/">https://www.bedrockcoliving.com/</a></p> <p>REGION England</p>	<p><b>Snug Shared Living</b></p> <p>WEBSITE <a href="https://www.snugsharedliving.co.u...">https://www.snugsharedliving.co.u...</a></p> <p>REGION England</p>	<p><b>Hub @ Hemel</b></p> <p>WEBSITE <a href="https://www.hubathemel.com/abo...">https://www.hubathemel.com/abo...</a></p> <p>REGION England</p>	<p><b>Clique Living</b></p> <p>WEBSITE <a href="https://www.cliqueliving.co/#">https://www.cliqueliving.co/#</a></p> <p>REGION England</p>
<p><b>UKO Coliving</b></p> <p>WEBSITE <a href="https://uko.com.au/">https://uko.com.au/</a></p> <p>REGION australia</p>	<p><b>Flokq Coliving Jakarta</b></p> <p>WEBSITE <a href="https://www.flokq.com/">https://www.flokq.com/</a></p> <p>REGION Indonesia</p>	<p><b>Propods</b></p> <p>WEBSITE <a href="https://propods.co.uk/">https://propods.co.uk/</a></p> <p>REGION England</p>	<p><b>Pollen Coliving</b></p> <p>WEBSITE <a href="https://www.pollen.london/">https://www.pollen.london/</a></p> <p>REGION England</p>
<p><b>Oppidan Life</b></p> <p>WEBSITE <a href="https://www.oppidan-life.com/">https://www.oppidan-life.com/</a></p> <p>REGION England</p>	<p><b>The Collective</b></p> <p>WEBSITE <a href="https://www.thecollective.com/ab...">https://www.thecollective.com/ab...</a></p> <p>REGION England</p>	<p><b>The Stay Club</b></p> <p>WEBSITE <a href="https://www.thestayclub.com/">https://www.thestayclub.com/</a></p> <p>REGION England</p>	<p><b>B-Hive Living</b></p> <p>WEBSITE <a href="https://b-hiveliving.com/">https://b-hiveliving.com/</a></p> <p>REGION England</p>





**A NOTE  
FROM OUR  
FOUNDERS**

In coliving – 2020 will go down as the year which separated the determined from the dreamers. In some parts of the world, the pandemic put significant roadblocks to developing a successful coliving business. In others, it delivered a sucker punch to the face. What is heartening to see is that despite these setbacks, a whopping 80% of entrepreneurs are still bullish about the industry (read the Coliving Sentiment Survey in the section above)!

There are some important activities we saw this year, which we feel everyone should be aware of –

**1. Back to focussing on the tenants:** In an era of rapid business development, many operators forgot whom they were building this ecosystem for – the tenants! The industry was gradually shifting its attention to solving supply side issues, and started losing focus on enriching the lives of the tenants. 2020 has ensured that operators put their attention back on the tenants.

**2. Putting technology at the center of the ecosystem:** From screening entrants into their facility, to digital showings of the rooms, to online tenant engagement – operators really adopted technology this year! It was previously assumed that real estate based businesses will never completely embrace technology or software; 2020 proved to everyone that the right products always find the right audience.

**3. Revenue sharing agreements:** It had become the norm for coliving operators to execute master leases with landlords and sign subleases with the tenants, thereby taking the rental risk upon themselves. While this was a good entry strategy to win the confidence of landlords, it was never a sustainable approach at scale. COVID-19 has ensured that operators have moved onto revenue share or management contracts with landlords, even if it is a temporary arrangement to see out the pandemic. We hope operators and landlords would largely stick to this business model post the pandemic as well.

**4. Some important IPOs:** 2 major coliving brands from China (Danke and Qingke) went public this year (prior to the pandemic). While their IPOs were modestly successful, their shares have performed poorly this year. This would likely have consequences for larger operators who are hoping to raise capital from PE funds and other investors.

With coliving, we are collectively introducing a new type of rental housing to the world at large, and it is not an easy task. The 5 years leading up to 2020 were nothing short of an incredible bull-run for the coliving industry. Landlords, investors and tenants were all strongly in favor of this new business, and the growth numbers supported their belief.

2020 has definitely been a set back for coliving – there is no point in saying otherwise. Occupancies have been low, rental rates have been dropped, new projects have been delayed and investor interest has reduced. But it's never about how hard you fall, but how fast you get back up.

With signs of herd immunity in certain parts of the world, and a vaccine on the horizon, there is reason to believe that the worst is truly behind us. Hang tight. If you survive 2020, you can thrive in 2021.

**By Ajay Kumar and Balaji Varadharajan,  
Founders of TheHouseMonk**





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