

What is a Co-Working Space?

Co-Working spaces offer nonprofits and small business owners a low-cost, flexible option for commercial lease space.

Co-Working spaces offer a variety of packages including access to a workspace in an open office setting, limited hours in a private office, or even dedicated spaces.

Many space offer other amenities including access to private conference rooms, copiers, receptionist services, and a professional address.

In 2017 an estimated 1,180,000 people worked in co-working spaces. (Deskmag).



Community Building with Attorney Resources

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Thinking About a Co-Working Office Space?

There are many advantages and disadvantages to sharing an office that you should consider



The Advantages

1. Networking

A unique feature of co-working space is the networking opportunity each office community offers. Each houses numerous small businesses and nonprofits with each entity representing a potential new customer or opportunity to collaborate.

2. Costs and Packaging

One of the most compelling benefits for co-working space is the low cost. Prices are often staggered. The lowest monthly fees are for use of a space in an open concept room and the highest fees are for full time dedicated space, with varying levels of usage time and privacy in between.

3. Low Start-Up Fees

Small businesses and nonprofits often begin with little to no funds for operational expenses. Co-working spaces allow for businesses to have a working space on a limited budget. This allows businesses to direct more funds to expenses that generate more income.

4. Shorter Lease

Unlike traditional commercial space, co-working offices generally do not require long-term lease commitments. This reduces legal and financial exposure that could arise from a lease default. Month-to-month commitments also allow more flexibility if the business expands.

5. Office Equipment

Most co-working spaces supply office equipment and furniture, including copiers, printers, fax machines, video conferencing equipment, computers, and desks. Access to this equipment makes small businesses and nonprofits more efficient on a smaller budget.

The Disadvantages

1. Confidentiality

Most businesses obtain sensitive information that must be protected, such as a customer's credit card numbers or social security numbers. Some industries may obtain highly sensitive or privileged information that may fall under stricter requirements. Examples of this may include attorney-client privilege or patient information protected by HIPPA. Businesses should consider what information customers or clients will provide to them and what laws may govern its protection. Businesses receiving confidential information should consider whether information can be securely stored, if conversations may be overheard, or if the building's internet fulfills the necessary security requirements to protect against security breaches.

2. Distractions

Starting a business or nonprofit requires a lot of work and dedication. Traditional offices assist in removing distractions that may be present in a home-based business while co-working spaces may create more distractions.

3. Storing Supplies

Most businesses have some need for storage, whether it be products, documents, or general office supplies. Co-working spaces often do not have dedicated storage space for each business.

4. Competitor Proximity

Co-working spaces are a hub for small businesses, which means your competition may be working in the same building. This also may bring up intellectual property concerns, particularly in offices that cater to a specific industry.

5. Limited Conference Space

Many businesses will occasionally require the use of a private conference room. The structure of co-working spaces makes business owners dependent on the availability of the shared conference room, limiting a business's flexibility in scheduling meetings or accommodating individuals when the meeting runs longer than planned.

Additional Considerations

Insurance

Businesses should consider whether a co-working space offers premise liability and renters insurance or if each business is required to purchase insurance. Premise liability insurance insures against injuries occurring on the property. Renters insurance insures the business's property.