

# New forms of employment Coworking, Germany

Case study 49: Werkheim

The founder of the coworking facility, Werkheim, recognised the huge potential of coworking shortly after its emergence in Germany. He has adapted the concept to fit actual, and regional, market needs and diversified its services to contribute to shaping Hamburg's creative scene.

#### Introduction

The coworking scene in Germany is a rather new, fast-moving and metropolitan phenomenon. Most coworking spaces are located in the bigger cities such as Berlin and Hamburg (Eichorst, 2012); cities well known for their media, creative, culture and art scene. Generally, coworking spaces have developed considerably since this form of cooperation among self-employed workers first appeared at the end of the last decade. For Germany, the estimated number of coworking facilities reached around 285 in 2014 with the Berlin-based <u>betahaus</u> and <u>Werkheim</u> in Hamburg as the leading ones (deskmag, 2014b).

A coworking space can be described as an openly accessible, collaborative facility allowing self-employed people, freelancers and all other workers who are able to decide where and with whom they want to work, to rent an individual workstation in a shared office environment (*Spiegel Online*, 2009). The basic idea behind coworking spaces originates in the functioning and logic of 'open source'; the universal access to a product's design. Hence, not only are computer software and ideas shared and within a community, but so are workspaces (Biermann et al, 2012; HMWVL, 2012).

In Germany, the rising number of coworking spots is clearly linked to the increasing number of so-called 'new' self-employed (freelancers) (Merkel and Oppen, 2013; KfW Research, 2011; Biermann et al, 2012). This new form of self-employment shows certain differences from conventional start-ups and business foundations. The 'new' self-employed mainly operate on their own without employees (self-employed or solo entrepreneurs), share comparably high educational backgrounds, are young and often work in the creative industries.<sup>1</sup>

Although creative industries show a rather heterogeneous picture in terms of the various subsectors or industrial markets grouped under this term, the number of business start-ups is striking. According to the KfW business foundation monitor (*Gründungsmonitor*) (KfW, 2011), 13% of all newly founded

<sup>&</sup>lt;sup>1</sup> Internationally, creative industries are defined as activities which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property. According to the UK department of culture, media and sport, 12 core industries or subsectors can be described as creative: advertising, architecture, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, television and radio (Rossello and Wright, 2010). Also the German government has largely adapted this definition of creative industries, which is mainly based on 11 core sectors (Bundesministerium für Wirtschaft und Technologie, 2012).

businesses in Germany are in the creative industries, accounting for a total of 120,000 in 2010. Here, the share of self-employed workers reaches 30% compared with the general self-employment rate of only 11%, over all German industrial sectors. The KfW survey also concludes that three out of four new start-ups in the creative industries are solo entrepreneurs without business partners or employees. This rate is significantly higher than the average rate of two-thirds in other industries. Another interesting feature is that business start-ups in the creative industries are predominantly located in metropolitan areas such as Berlin, Hamburg and Bremen (KfW, 2011). This may be explained by the attractiveness of each city with regard to business, cultural offerings and quality of life as well as the great potential generated from clustering, serving as an important and necessary basis for networking and multiplier effects among creative workers. In this regard, it seems logical that coworking spaces are mainly located in Germany's biggest cities, since their main client groups are self-employed people predominantly working in the creative industries. A growing number of people with no fixed office structures have been looking for facilities that better correspond to their new needs.

On the one hand, coworking spaces offer all the amenities of an open-plan office such as internet access, printer, conference room and postal service for up to 200 workers on a daily, weekly or permanent basis. On the other hand – and this seems to be the decisive aspect – coworking spaces are new communities giving their users the opportunity to work independently, without being isolated, in an open and cooperative setting among peers with a similar background, common interests and, possibly, a similar professional situation allowing them to network, cooperate and exchange ideas. While all coworking spaces offer and consider social areas such as a coffee shop or lounge as an important component of their concept, some organise regular platforms for exchange, coaching spaces or joint events to foster cooperation and networking. In these new communities cooperation among self-employed workers is common, but not (vet) institutionalised. While business incubators and business start-up centres have supported and accelerated the start-up phase of new businesses in Germany for a long time, coworking spaces are rather recent institutions. Generally, it is difficult to distinguish clearly between these two, as there are no official definitions for the terms and they are sometimes used interchangeably. The only two differences, although not always applicable, are the centre's funding and legal form and its core user group. Business incubators (Gründerzentren) are often establishments of public authorities, largely funded by them and part of an official economic policy programme. Coworking spaces are, in most cases, independent private companies. While business incubators primarily provide premises for start-ups or young firms, coworking spaces also address well established self-employed people and freelancers as their users.

Given all this, the Werkheim coworking space in Hamburg-Altona is a good example of a privately run facility offering regular events, but it is also particularly interesting with regard to its development since it was established in 2010.

This case study is based on interviews with:

- the managing director of Werkheim;
- a freelance journalist and coordinator of Sustainable Media as a user of the Werkheim coworking space;
- project coordinator for real estate with the <u>Hamburg Kreativ Gesellschaft</u>.

#### **General characteristics of Werkheim**

At the time of this research (spring 2014), Werkheim was Hamburg's largest coworking space, offering workstations to 160 people in the centre of Hamburg-Altona (betahaus 2.0, which was the larger such space, and had been closed, reopened at the end of June 2014, with 200 spaces). Werkheim's business activities can be divided into three main areas: offering desks for walk-in clients on a flexible basis; renting out work spaces and closed office units on a more permanent basis, and providing facilities and technical equipment for conferences and events. It was founded and opened at the end of May 2010 by the managing director and his two business partners, from the Hamburg-based advertising agency deepblue

networks AG. The private limited liability company Werkheim ('GmbH') is owned by the managing director and his two partners.

During normal business hours, a team of three people coordinates and manages all activities at Werkheim including the coffee shop at the entrance. The managing director is supported by a self-employed photographer and a light and sound technician. Depending on the scope of an event or business activity, a team of eight, consisting of a bartender, students and staff with a background in event management, all working as freelancers, can be assembled to do the necessary work and help clients.

Werkheim offers office spaces to freelancers, students, artists and all those who like to work in an open and collaborative environment (Werkheim, 2014). Although the coworking space is not affiliated or designated to any specific professional group or sector, it mainly houses people from the creative industries.

Among its co-workers, Werkheim has two main user groups: 'flexdesk' users in the so-called 'open space', who rent a desk for a short period, and 'fixdesk' users, who rent their own office space for a longer period with a mailbox service, and their own key providing independent access, locker and three hours' use of a conference room per month. On average, Werkheim has 15 to 20 walk-in co-workers per day, who can again be divided into two main groups depending on their user pattern. While one half come to the coworking space for about 15 working days a month, the other half rent a desk sporadically, perhaps two or three times a month. Walk-ins constitute about half of the total capacity of around 40 flexdesks available at Werkheim without having to use conference room spaces, which count towards the 160 workplaces. Users in the so-called 'open space' are predominantly male and, on average, in their early thirties. Werkheim also has 14 separate office units which may be used by two to six people for a minimum rental period of two months, and eight conference rooms which can be booked hourly. Half of the long-term users have been at Werkheim since the beginning, whereas the other half, on average, rent an office for six to seven months. Usually tenants of the separate office units sign an open-ended contract. They include business start-ups, small e-commerce companies and a small subsidiary of a fashion label with usually no more than three employees. Unlike walk-in co-workers, the average long-term user at Werkheim is a little older and in his late thirties, but also male.

The freelance journalist and coordinator of Sustainable Media interviewed for this case study has a degree in journalism and has been offering web solutions, communication concepts and journalistic services for several publishing houses and magazines such as *Spiegel online* and *Lufthansa* Magazin since the mid-1990s (Sustainable Media, 2014). As a solo entrepreneur he regularly works with other journalists, web designers, programmers and communication experts, depending on the project at hand. Since June 2012 he has been renting a fixed office unit in Werkheim which he shares with another journalist.

#### **Design and implementation process**

The Werkheim building became available at the beginning of 2010. It had been home to the internet branch of the advertising agency Scholz and Friends, namely deepblue network AG, and, after the agency's sale to a British company, the man who is now Werkheim's managing director was contacted by the two founders of deepblue networks AG for advice on uses for the building.

The three had worked together for several years, when the managing director was marketing director of a multinational company. The managing director said he was approached because of his many years of experience in marketing and hotel management. He said he was also fascinated and inspired by an article in the German magazine *Spiegel* describing the first coworking space in Germany, the betahaus in Berlin. After spending a day using a coworking space in Berlin and after visiting others in London and Paris, he prepared a business plan for setting up a coworking space in Hamburg. The business plan was revised and finally approved by the supervisory board of deepblue networks AG at the beginning of March 2010. The private limited company Werkheim is officially a spin-off of the public limited company deepblue networks AG, and is owned by the managing director and his two partners in equal shares.

The managing director stated that the decision to open a coworking space was made at a time when an increasing number of agencies and firms were starting to work more permanently with regular freelancers (so-called 'feste Freie'). As a consequence, the freelancers were in need of smaller office spaces to meet their new and changing business needs, particularly providing for more flexibility in terms of rental contracts.

The three owners agreed to adapt the general style, working culture and open, spacious and loft-like architecture common to other coworking spaces in European capitals to Werkheim. For them it was important to maintain high standards and a professional appearance to persuade clients that Werkheim was a place suitable for various business activities and different client groups.

The founders agreed to make all decisions jointly among themselves and to operate without any external financial support, sponsoring or subventions. They place a high value on remaining independent and flexible, even though a significant competitor in the coworking scene in Hamburg and Cologne, betahaus, experienced serious financial problems leading to its insolvency in mid-2013 (although, as mentioned, it has since reopened its Hamburg branch.)

Initially Werkheim focused on offering 'flexdesks' in the open space on a large scale with 'digital nomads' as their core group of clients, and considered other freelancers only as a backup plan, but they realised during their first months in business that the utilisation rate was too low. They then decided that their primary concept had to be modified, and diversified their services. There were three main reasons for this.

- 'Digital nomads' (IT freelancers) did not turn out to be the main customer group. Instead, other freelancers and business start-ups are the core users of Werkheim.
- The completely open-plan office structure with no doors, as seen in other European cities, did not correspond to the needs and working culture of co-workers in Hamburg. There was a demand for more privacy and consequently more separate units. At the time of the case study (May/June 2014) Werkheim had 14 closed office units, all occupied by permanent tenants.
- There was an increasing demand for conference rooms and equipment. Whereas there was only one conference room in 2010 and conferences were not considered a significant component of the initial business plan, they now contribute 40% to 50% to Werkheim's turnover. At the time of the case study (there were eight conference rooms in the coworking space.

The freelance journalist has been a permanent tenant at Werkheim since June 2012. Prior to Werkheim, he shared an office with a small consulting firm in Hamburg for several years. As a committed freelancer, he has worked independently ever since but deliberately chose a working environment in which social interaction with others was common. While searching for a new office space earlier in 2012, he had three selection criteria.

- His new office had to provide the necessary infrastructure of a fully equipped and modern facility with a business address and preferably a fast internet connection.
- It had to be easily accessible and conveniently located.
- Communication and a shared creative sense with others had to be possible.

Coincidentally, he was informed about an available separate office unit in the coworking space by another journalist, a former colleague. After weighing other options, such as an office in a business incubator centre for mainly creative workers, he decided to sign a lease and to share a fixed office unit at Werkheim together with the other journalist, who was already renting there and well known to him.

The freelance journalist knows most of the other co-workers and describes them as 'familiar faces' who often come back. In his view, the majority of co-workers at Werkheim are male and also working as committed freelancers who consciously choose not to work in direct employment. Some of them are either between jobs and bridging a phase of professional reorientation or starting their own business after leaving a permanent job.

# Working method, processes and procedures

Werkheim provides working spaces for 160 people, who can either work in the so-called 'open space' on a flexible short-term basis or in one of the 14 separate business units on a longer-term basis. There are typically 15–20 walk-ins on a given day and the business units are always at full occupancy since they are long-term. Conference room spaces are included in the 160 count, but these are full only during conferences or events. The separate office units are available for a minimum rental period of two months starting at a rate of €450 net per month. Long-term tenants sign a rental contract and receive a monthly bill, which includes their consumption at the coffee shop. A day pass as a walk-in client for a desk in the open space unit is available for €17, a 10-day pass for €125 and a monthly pass that includes a locker for €199. All passes can be purchased at the reception desk and may be paid for by credit card or cash. A fixed desk, locker and a personal key for '24-7' access is available for €290. The monthly users may also use a conference room for three hours as part of their package. Another service offered by the coworking space and frequently used by self-employed people is the postal service. A significant share of freelancers use Werkheim as their business address.

Werkheim's rates, compared with those of other business centres in the city or the usual conditions of rental contracts for commercial properties, are reasonable and provide a high level of flexibility, particularly in regard to the short notice period stipulated in the rental contracts between Werkheim and long-term tenants, of only four weeks. Usually, unlimited commercial lease agreements in Germany have a notice period of six months, but in most cases, commercial properties are bound to a fixed rental period of five to 10 years.

Since its opening, Werkheim has diversified its services and now operates in three major business segments:

- events
- separate office units
- walk-in co-workers.

This order also represents their importance with regards to earnings. In particular, events generate about 40%–50% of revenue; renting out office units on a permanent basis about 35%–40%; and the open space for flexible co-workers, as well as the coffee shop, generate the remaining share. Werkheim runs two buildings: Werkheim 1 ('Werk 1'), the main building with the open space and office units, with eight conference rooms. Werkheim 2 ('Werk 2') is specifically designed for conferences for up to 40 participants, workshops and coaching activities. Conference equipment and further professional assistance during events is part of Werkheim's services. There are certain guidelines users have to adhere to, such as: walk-in co-workers may only stay from 9.00 to 18.00 and have to observe a clean desk policy when leaving Werkheim; smoking is allowed only in designated areas, and dogs are welcome. According to the managing director, further guidelines have not been needed, as behaviour has so far been based on mutual respect and understanding and there is a generally harmonious environment.

The freelance journalist notes that the extensive use of headsets among the community means that there is only a moderate level of noise in the open space area. Most of the co-workers communicate via Skype and leave the open space area if they have a call on their mobile phone. According to the managing director, the co-workers automatically adhere to rules and have so far solved problems independently among themselves. He has been involved in only two conflicts during the past four years. In one case, a tenant took the '24–7' access and availability of the coworking space literally and slept in his office. In the other case, a client made increasing demands for services and the use of facilities which could no longer be met by the Werkheim team. In both cases, the users left the coworking space after being asked to do so by the management.

During normal business days, the managing director and two colleagues work at the reception desk and in the coffee shop. Depending on the scale of an event, such as an evening event or conference, Werkheim has a team of eight freelancers providing assistance and various services. The managing director states that he is regularly approached by co-workers on everything from private matters to work-related issues.

Often co-workers ask for professional assistance, or for specific recommendations on the services of an IT specialist, graphic designer or journalist. He agrees that he has brought people together for various forms of cooperation, but does not necessarily consider this as his core task. The local newspaper *Hamburger Abendblatt* has labelled him as the 'hostel warden' of Werkheim (*Herbergsvater*) (*Hamburger Abendblatt*, 2010), although he prefers to see himself as a host. Social interaction, communication and opportunities for networking, as well as a friendly atmosphere among the co-workers, are important features for the community at Werkheim. The main 'everyday' communication platform is the coffee shop at the entrance. From time to time he invites the co-workers for a drink and gives them the opportunity to get to know each other. Instead of actively fostering cooperation among the users, he says he lays the foundation for open and friendly communication and concludes that Werkheim serves as a virtual market space in which those involved automatically approach each other.

The managing director also organises so-called 'Werktalks' held every one to three months. The basic idea behind 'Werktalks' is to have an external speaker on one specific topic, such as the latest trends in social media, search engines or starting up in business, and to discuss, share and exchange experiences in a relaxed atmosphere for an hour or so. 'Werktalks' are designed for all users of the coworking space and other interested parties, and mainly address creative workers. Other than this, Werkheim does not offer any specific training, consultancy or information services.

The coworking space is generally open to all clients from all business sectors. In fact, the past four years have proved that it is mainly freelancers from the creative industries who have chosen Werkheim as their working space. Whereas there is no formal selection procedure of new co-workers for the 'open space', the managing director said that every new addition to the long-term users has to match and fit the group. By means of an interview, he evaluates what a new applicant has to offer in regard to profession, project, personality or communication, and largely relies on his instinct. Since walk-in co-workers return to Werkheim on a regular basis only if they feel comfortable with the entire environment, no intervention from the management side is necessary.

The high fluctuation rate among users is seen as a natural feature of the business, especially with the short notice period. (The rental contract stipulates this notice period for both Werkheim and the tenant.) However, half of the long-term users have been there right from the beginning, representing a stable and loyal group of clients.

Until now Werkheim has never advertised its services; attracting new clients by word of mouth. There is a waiting list for the separate office units.

As mentioned above, the initial business plan was subject to changes in order better to meet the demands of Werkheim's clients, and hence maintain its competitiveness. One significant change was related to the growing scope for events, workshops and conferences. The managing director mentioned that large companies, such as the Otto group and Airbus now regularly choose Werkheim as a venue for various meetings, workshops, evening or recruiting events. He attributed the good booking rate to Werkheim's 'unique selling position'. It offers particularly flexible conditions such as hourly bookings of conference rooms, clearly distinguishing it from other larger conference venues in Hamburg.

According to the managing director, one of Werkheim's great advantages is its rule that it should be possible for two people to change and set up the entire office in only 30 minutes, even for a large event. Desks, chairs and partition walls can be easily moved.

As for social protection of the co-workers, freelancers have the same level of protection as that applying to those working in any other location.

#### **External support**

Werkheim was founded and is owned by the managing director and his two business partners of deepblue networks AG, who have explicitly decided to remain independent and to operate without external sponsorship, funding or other support.

### Outcomes

Werkheim was opened in mid-2010, shortly after coworking appeared in Germany for the first time. It was built on a business concept very new to the city of Hamburg.

For the freelance journalist, one great advantage of Werkheim is the professional office infrastructure including all amenities that he needs to carry out his work, such as a reception desk, coffee shop, conference room and a very reliable and fast internet connection. Like other long-term users, he has his own key enabling '24-7' access to his office and can switch the building's alarm system on and off. He receives a monthly bill for his personal consumption at the coffee shop. At Werkheim, he does not have to dedicate any time to the maintenance of copiers, printers or other equipment and can focus entirely on his work. He feels his productivity level is much higher than if he was working elsewhere. Also, he emphasises that the very fast internet connection is a significant benefit and facilitates his daily work (web programming and design) enormously. He has consciously chosen a fixed office unit at Werkheim as an alternative to a home office in order to establish and strengthen his personal work-life balance and to separate work-related issues from his private life. Other positive features are the location of his office, which is within walking distance of his home, and the entire atmosphere at the coworking space. He states that the general atmosphere at Werkheim is friendly, with a lot of social interaction and professional cooperation among its users. The journalist praises the helpful attitude of most co-workers and refers to various examples where quick information was sought and immediately found within Werkheim. The direct access to specific knowledge and information is another personal benefit for him. Although he has, so far, not cooperated with others on any particular project, he benefits from the readily available communication, informal exchange of information and advice, and the common understanding of professional challenges in this social network.

In his business, he regularly cooperates on projects with other affiliated journalists or web designers who are not necessarily based in Hamburg. For one partner who comes to Hamburg for meetings on a weekly basis, his office in the coworking space is an advantage. His partner can easily make use of a desk in the open space on his visits.

The freelance journalist has already been successfully operating his business for over 20 years and refers to himself as a committed and dedicated self-employed worker. With perhaps very few exceptions in editorial offices, work and projects like his are generally carried out by freelancers. Although there are challenges such as a lack of job security, benefits and pension plans, he has never seriously considered an alternative position in dependent employment. His personal professional development may be different from that of other co-workers, who regularly experience various problems common to the self-employed. Other co-workers at Werkheim are either committed freelancers like himself, bridging a phase of professional reorientation or starting their own businesses. As in most cases of self-employment, co-workers face a certain risk level which is, at the same time, a given component of their employment situation, especially during their business start-up phase.

Another tenant of a separate office unit is a small pharmaceutical business start-up. The company regularly cooperates with a network of sales and distribution staff all over Germany who are not usually present in Hamburg. Their small head office is located at Werkheim and requires working space for only two employees. The start-up is run by a woman who praises the working climate and general atmosphere of the coworking space and has consciously chosen this instead of her previous office in Hamburg-Harburg. She states that her old office was too quiet, did not match her personal working environment preferences and made her feel isolated. At Werkheim, she works on her own but in company and within a community of co-workers. Another positive aspect is the great flexibility provided by Werkheim in regard to rental contracts and the immediate availability of working spaces. If her business start-up expands she can easily rent additional office space or desks for new employees (*Hamburger Abendblatt*, 2010).

# Strengths and weaknesses

Hamburg has a number of coworking spaces with betahaus 2.0 and Werkheim as the leading ones. The insolvency of betahaus in 2013 has proven that the market for coworking is highly competitive and that the demand for coworking spaces in Hamburg is certainly different from Berlin or other European cities. Whereas the managing director initially considered 'digital nomads' as the core user group, which might be the case in coworking spaces elsewhere, he quickly realised that other freelancers and start-ups were instead regular and reliable clients. His strategic decisions to diversify the coworking centre's service portfolio and also to focus on the rental of separate office units as well as events and conferences were significant and right. Werkheim was able successfully to meet the particularities of Hamburg.

According to the managing director, it is questionable whether coworking spaces largely dependent on walk-in and 'flexdesk' users can be a successful in Hamburg. Werkheim's approach of combining several business segments and reacting quickly to their clients' needs has so far led to stability and growth.

For him, Werkheim is a modern and creative business centre where people can meet and interact in a business environment characterised by considerable communication. He further states that, with the open and loft-like architecture, he wants to foster communication and create a friendly atmosphere among the co-workers. He also sees the great flexibility, multi-functionality and competitive and reasonable rates of Werkheim as its leading advantages strengthening its market position. In regard to transferring the concept to other regions or potential founders of coworking spaces, he emphasises how important it is not to underestimate the considerable expectations and demands of freelancers in terms of the quality and professionalism of the services offered. Coworking spaces nowadays compete not only with each other but also with internationally established business centre chains that have included coworking in their business approach (Regus, 2014; Excellent Business Center, 2014). In his opinion, these high or even rising expectations and the increasing competition are crucial factors which have, in the past, been underestimated by others.

For the freelance journalist, his office at Werkheim has met his expectations and so far offered many advantages. He appreciates the friendly, communicative and generally helpful atmosphere among the co-workers and the helpfulness and conveniences provided by the management. One determining aspect while searching for a new office was to find a working environment in which a certain level of communication was possible, such as in the coffee shop of Werkheim. Another positive aspect is the easy availability of working spaces.

Although he has so far not cooperated in any particular projects with other Werkheim co-workers, he has consulted them on several occasions.

## Commentary

Werkheim is a good example of a business that recognised the great potential of the concept of coworking shortly after its emergence in Germany, but also reacted quickly to actual and regional market needs and changed its focus accordingly. With its three major business segments (events, rental of office units and coworking for walk-in clients), Werkheim has diversified its services and successfully placed itself in a favourable market position differing from other competitors in Hamburg. The managing director sees the premises as a modern business centre for creative people who can work, meet and interact in an open and friendly atmosphere, rather than just a coworking space.

According to the managing director, there is great public interest in the creative sector of Hamburg. He states that, after Hamburg lost out to Berlin 10 years ago as the main creative city and location for advertising agencies in Germany, the local government of Hamburg attempted to strengthen and support the creative sector through several initiatives such as establishing the 'Hamburg Kreativ Gesellschaft', in order to nurture creative industries in Hamburg (Hamburg Kreativ Gesellschaft, 2014; Free and Hanseatic City of Hamburg, 2011). Here, particular emphasis is laid on providing premises for creative businesses, matching their requirements in regard to flexibility and low costs. Although Hamburg has a comparably high rate of commercial real estate vacancies, the managing director addresses one major problem that

start-ups and freelancers often face when searching for an office space: the high financial burden and the long-term leases. Both barriers are insurmountable for most start-ups, preventing them from starting a business and challenging the long-term future of creative industries in Hamburg. Here the entire idea, of coworking in general and the business concept of Werkheim in particular, is to try to meet their actual needs and to provide suitable solutions for creative workers.

Users of coworking spaces have mentioned a number of motives for choosing coworking as their personal working format. Social aspects such as an interest in meeting people from the creative scene and extending their social and professional networks (Merkel and Oppen, 2013; *Spiegel Online*, 2009) are important factors. Also, a desk at a coworking space serves as an alternative to a self-employed worker's home office and at the same time offers a solution to social isolation as well as a way to clearly distinguish between work and free time (HMWVL, 2012; Schreck, 2006; *Hamburger Abendblatt*, 2010). Many self-employed people find it hard to work effectively at home where they are easily distracted (*Spiegel Online*, 2009).

According to deskmag's international coworking survey, users also benefit professionally from the coworking space. It gives them a respectable address and a meeting space for clients and, also, they benefit from a spontaneous exchange of ideas and knowledge-sharing within the community (deskmag survey in Merkel and Oppen, 2013). Cooperation among self-employed workers, as such, is not institutionalised but common. Deskmag's survey notes that 52% of co-workers mention increased business as a result of greater cooperation with others in their coworking space.

Generally, work is becoming more and more project-based with regularly changing project teams and altering locations. The company, as such, no longer serves as the main identification and community building source for employees as it may have done previously (Biermann et al, 2012). For the selfemployed, the sense of belonging or identifying with clients is unlikely to occur since they work for several or frequently changing clients and on short-term assignments. Compared with dependent employees, the self-employed face different challenges in their individual working environments. They mainly operate on their own without regular exchange or collaboration with colleagues and project partners and have to manage workload, time and acquisition of new customers on their own (Merkel and Oppen, 2013). Given this, the role and possible impact of coworking spaces in regard to social interaction and community building among the self-employed is interesting. The self-employed can benefit from the social network of co-workers instead of working in isolation on their own. Also, it seems that, for many self-employed people from the creative industries, a similar professional situation, common interests and shared values, as well as a social network, determine a certain affiliation and community feeling. Oppen and Merkel (2013) conclude that the dynamic development of coworking spaces in Germany can be understood as a 'collective way to overcome and manage the unwanted effects of socially, timely and locally expanding work structures of the self-employed'. It will be interesting to see whether, and to that extent, coworking spaces will have an actual impact on the design of the future working world.

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