Co-living and co-working space for the Indian millennial – a quiver or a hunt for novel strategies!

Premasish Roy, Deepa Nair and Rikhi Yadav
Department of Management Studies, Bharati Vidyapeeth (Deemed to be University), Navi Mumbai, India

Abstract

Purpose – The purposes of this paper are to examine the factors persuasive in building competitive advantage strategies for the co-living and co-working service operators and study the sustainability of the business model for co-living and co-working space.

Design/methodology/approach – In this research, a structured literature review of journals, articles, reports, conference proceedings, websites published in recent times and e-newspapers has been conducted. The first step of the research included identifying the relevant literature. For this step, multiple keywords were used in searching for literature on Google.com, Google Scholar, Proquest, Taylor & Francis, Emerald, Elsevier. Upon literature identification, the procured reports were divided into the following three parts: co-living reports, co-working report and others. More than 250 content reports were analyzed, and finally, 105 relevant literature reports from various sources were recorded for further analysis. Focus group discussion and semi-structured interviews were also conducted.

Findings – This study concluded after analyzing the literature, focus group discussion and semi-structured interviews that co-working and co-living space would be sustainable business if proper competitive strategies were leveraged, in accordance with the increase in demand over time. This study also serves as a wakeup call for the operators in the co-living and co-working sphere to work on their competitive advantages and differentiate themselves to tap business opportunities. The sustainability of the model by identifying the factors was also emphasized in this study. Further studies of co-living and co-working models should be conducted in the Indian context to analyze the multifarious potential that this new trend of shared accommodation can open up.

Research limitations/implications – This study is based on content analysis, focus group discussion and semi-structured interview analysis. More content and literature were found to be evidenced mostly in Western literature. This is a limitation to the study. This study also had a limitation in including bigger sample of focus groups discussion and interviews; however, the analysis effectively set out a landscape of co-living and co-working space in India.

Originality/value – It is an original research work based on an existing concept and services. As co-living and co-working service operators are cropping up in major cities, enticing the target potential with a platter of services primarily linked with many of the beneficial factors, the researchers in this work attempt to examine the factors persuasive in building the competitive advantage strategies for the co-living and co-working space and the sustainability of these two business models. A ripe market with multifarious possibilities waiting to be tapped with the right plan of action is the need of the hour.

Keywords Co-living, Co-working, Millenial, Competitive advantage, Sustainability

1. Introduction

Among the plethora of human needs, the most basic needs are shelter and belongingness. Co-living and co-working are the new buzz words that have existed through history, making the concepts much acceptable and agreeable to millennials and the majority today.
Millennials, born between 1980 and 2000, are one of the largest generations in history. They have grown up in a time of rapid change, and their priorities and expectations are very different from those of the previous generations (Goldman Sachs Global Investment Research, 2023).

“Home” and “workplace” are becoming less discrete concepts. People are coming up with innovative ways to live and work closer together due to a number of factors, such as rising real estate prices, which are affecting how affordable and livable cities are becoming globally, people’s increasingly mobile lifestyles and an increasing number of research studies connecting loneliness to major health problems (Frearson and Cleaver, 2021).

Co-living is a residential option in which a few people co-habit, sharing underutilized common resources and facilities (McDannell, 2018). Typically, any shared living space where “two or more people, who are not related, live together” can be considered as co-living. The concept of co-living has evolved over time, and to understand the transition from ancient living to modern co-living, we have to know the different ways people have lived together in different eras. In ancient times, humans were hunters and food gatherers, and they depended on each other for food, protection and taking care of the children (Plesner, 2021). Tribes used to share resources equally (Pier, 2022). Villages in the medieval age followed a similar pattern in human settlement to that of the ancient man (Muralikumar, 2019). In India too, the concept of co-living and co-working existed through the ancient Gurukuls which catered to housing young students to attain certain accomplishments by staying together in the ‘Guru’s’ house for years (Chandwani, 2019). Later towards 600 B.C. with the emergence of Buddhism and Jainism in India, we see the emergence of monasteries and viharas, where the concept of community living is practiced (Gautam, 2016). In Europe, the beginning of the industrial era was marked with people shifting to cities for better opportunities and boarding houses for accommodation (Co-living Inc. 2023). The 19th and 20th centuries saw a rise in boarding houses in the cities which were used by immigrants (Yoh, 2018). Flat-sharing also increased during the world wars. The different types of co-living, co-housing included central kitchens, buildings, kibbutz, hacker houses. The hippie movement also contributed to the present-day co-living culture (Co-living Inc. 2023).

Co-working spaces set up a new kind of shared offices, where independent workers enjoy a self-directed, collaborative and flexible work style that is based on mutual trust and the sharing of common core objectives and values (Foertsch, 2011). Co-working, or sharing a rented place to work together, is a notion that has been around for a while and is the foundation of co-living (Azzimonti et al., 2015). Co-working is based on the idea of barcamps, which are get-togethers for individuals working in the information technology (IT) industry with the goal of fostering greater personal connections, exchanging ideas and experiences and having fun in a pleasant environment (Mauldwin and McDannell, 2020).

The first co-working space was in Berlin in 1995. A group called C-Base was formed. It was for people who were passionate about computers and provided them technical facilities. Such places were called Hacker-spaces. Bernard Dekoven was the first to use the word co-working (DeKoven, 1995) and his interpretation was different from today’s meaning of co-working. He described it as working together as equals (Noga, 2023). In Schraunbenfabrik, Vienna, the first co-working space opened in 2002 and in 2005 in San Francisco. The word co-working was first seen in Google database in 2007. In 2015, The New York Times wrote a story about a new idea “Co-Working on Vacation - A Desk in Paradise” (Mohn, 2015). The Common co-living was launched in New York in 2015. Co-working and co-living idea gained ground by 2016. In the UK “The Collective” opened in 2016 (Co-living Inc. 2023). Residential co-living was offered by WeWork in New York City by the name WeLive.
A project called Co-Dwell highlights the co-living and co-working concept as a way for newcomers and Dutch residents of Rotterdam, a multicultural city, to live together socially. To get the target group off to a good start, the two actors would provide them with reasonably priced communal housing and opportunities for collective employment (Shahoud, 2022).

There is a surge in online platforms that provide access to co-living accommodations. In countries like China, UK and the USA, it is a popular choice of living and working (Colive, 2019). Rising cost and long travel hours make co-living the cheaper and easier choice, as these spaces are located close to commercial zones. There are many players in the market of co-living and co-working in India and across the globe.

2. Literature review

2.1 Co-living

Although co-living is not a new concept, the packaging, presentation and branding of this concept through different innovative strategies is new (Moore, 2018). Co-living and co-working spaces are making waves now (Puranik, 2019). Co-living, or shared living, segment is a present-day concept mushrooming in metropolitan cities where like-minded people live in the same house with a common kitchen, lounge, work area, etc. with private bedrooms and sometimes private bathrooms (Sachitanand, 2019). Perdrix (2019) elaborates on the difference between co-living and co-housing. In co-housing, the residents stay in different apartments and share some activity areas, but in co-living, three or more biologically unrelated people freely share a common primary residence. Co-living interiors have thus acquired meaning in the context of defining friendships and relations (Camocini and Dominoni, 2022). Property builders are gradually aiming at shared living spaces to augment rental income (Khan, 2019). Co-living startups are plotting a new territory by leasing entire properties and converting them into co-habitat spaces, naturally targeting the 18–30 age group (Puranik, 2019). During pandemic and post-pandemic, co-living is gradually becoming a professional solution steeped in hospitality solutions (Singh and Woke, 2020). A number of hospitality businesses are currently growing in this market. They provide hygienic food, clean and comfortable accommodations, transparent policies and pricing, on-demand services via apps and a collegiate vibe with performances, group activities and foosball—the quintessential symbol of happy, carefree spaces (Sachitanand, 2019).

Sharing of living spaces has become rampant because of scarcity of resources, high urban cost of living, migration of millennials to densely populated cities in search of jobs and travelers who seek temporary residences (Moore, 2018). Mellner et al (2021) observed that global urbanization is on the rise, which is causing a housing crisis, population densification and an increase in the number of isolated people. This means that ecological, social and well-being concerns are among the obstacles to sustainable growth. Ella and Mel (2020) stress upon the different aspects of micro living and find solution to the lack of proper housing facilities in cities, through the practice of co-living spaces. The instability of the job market for the young millennial can be addressed in big cities through co-living spaces (Chatterton, 2016). An ideological background through the anti-capitalist and pro-socialist modes of residences were already in existence (Chatterton, 2016). Isolation and loneliness are not the only problem that the older generations are experiencing; with the advent of technology and the perception of connectedness, Rozewski (2019) opines in his book that co-living does offer solutions to the young as well.

A study conducted in the heavily populated Medan city of Indonesia advocate co-living as a solution to the accommodation crisis (Nasution et al., 2022). A study conducted in the Coimbatore city of India tries to understand the awareness and perceptions of consumers toward co-living has emphasized the great prospects that have yet to be explored in the co-living space (Joshua et al., 2021). Ekaterina (2021) discovered that digital nomads who...
stayed in co-working and co-living spaces highly value community sense, pleasant work environment, convenience and ability to consult and learn from others.

Analyzing and understanding available sources, 14 beneficial factors of a co-living accommodation as mentioned in Table 1 have been identified.

### 2.2 Co-working space

The concept of co-working emerges from the concept of co-living (Gandini, 2015), especially for workers who freelance and do not have geographical rootedness. Independent workers

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Co-living space</th>
<th>Conventional rented accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shared living rent ranges between Rs. 6,000 to Rs. 20,000 a month</td>
<td>Individual living, the rent range is Rs 18,000–25,000 a month</td>
</tr>
<tr>
<td>2</td>
<td>Flexible and reasonable deposits</td>
<td>Exorbitant deposits</td>
</tr>
<tr>
<td>3</td>
<td>Flexible contracts</td>
<td>Not-so-flexible contracts</td>
</tr>
<tr>
<td>4</td>
<td>Fully furnished (included in the rent)</td>
<td>Not furnished; even if it is furnished, rents are usually quite high</td>
</tr>
<tr>
<td>5</td>
<td>Serviced apartment (included in the rent)</td>
<td>No such services; even if it is available, the charges are not only high but are not included in the rent</td>
</tr>
<tr>
<td>6</td>
<td>Dedicated housekeepers</td>
<td>No such services; even if it is available, the charges are not only high but are not included in the rent</td>
</tr>
<tr>
<td>7</td>
<td>Proximity to the workplace or the educational institution at a quite reasonable rent</td>
<td>Difficult to get such accommodation in proximity to the industrial or educational hub. Even if it is available the rent are quite exorbitant</td>
</tr>
<tr>
<td>8</td>
<td>Allows people to live in a buzzing environment that always has some activity or interaction available at an arm’s length</td>
<td>May not be always possible</td>
</tr>
<tr>
<td>9</td>
<td>Recreational facilities ranging from table tennis and foosball tables, projectors on rooftops that screen matches, movies and even <em>Game of Thrones</em> marathons</td>
<td>Such facilities are usually not available</td>
</tr>
<tr>
<td>10</td>
<td>Providing avenues of personal and professional growth. With activities such as scheduled group classes (these can range from cooking to dancing, yoga classes and personal preferences)</td>
<td>Mostly not available</td>
</tr>
<tr>
<td>11</td>
<td>There is no cash element to be paid, one need not to deal with the owners directly and all updates are on email or WhatsApp messages</td>
<td>May not have the professional approach</td>
</tr>
<tr>
<td>12</td>
<td>No unreasonable restrictions</td>
<td>Usually restrictions are based on religion, food habit and other whims and fancies of the property owners</td>
</tr>
<tr>
<td>13</td>
<td>Scope of having friendship with many people. Opportunities for hanging out after work/study hours. Thus it enhances not only one’s quality of life and mental health but also helps in developing the ecosystem of camaraderie of fellowship</td>
<td>May not be always possible</td>
</tr>
<tr>
<td>14</td>
<td>Not only managed by professional but also provide a solution to a large range of challenges</td>
<td>Landlords and property owners are usually never bothered to take care of their tenants</td>
</tr>
</tbody>
</table>

**Table 1.**

Beneficial factors of co-living space over conventional rented accommodation

**Source:** Author’s content and focus group discussion analysis
benefit from a flexible, self-directed and collaborative work style based on mutual trust and a common set of fundamental ideas and objectives in a new kind of shared office environment created by co-working spaces (Foertsch, 2011). Co-living and co-working spaces can build sustainable real estate practices and thus resilient cities (Paola et al., 2022). Co-living and co-working spaces have the advantage of the short-term or long-term rental options (Moore, 2018). According to the Global Co-working Survey, the worldwide number of co-working spaces has grown from 75 in 2007 (Deskmag, 2017) to 15,500 in 2017 (Deskmag, 2018b). By the end of 2017, around 1.2 million people worked in co-working spaces worldwide, and the number is expected to grow to about 1.7 million by the end of 2018 (Deskmag, 2018a). Co-working operators are mostly coaxing the potential clients on mostly the 10 beneficial factors mentioned in Table 2

2.3 Co-living and co-working in the context of sustainability
Co-living and sustainability are important from the environmental, social and economic perspectives (Hafström, 2021). Sustainability requires humankind to live by optimally using the resources and facilities. In that context, co-living is an appropriate means toward sustainability (Listedta and Sjoman, 2022). Co-living is a sustainable housing model, as it leads to reduced consumption and carbon emissions (Hafstrom, 2021). Co-living positively affects the learning curve (Backman, 2019) and develops a sense of awareness within the co-livers. Green (2017) presents the co-living concept from the design perspective, whereby artifacts, furniture etc. with respect to sustainability are a major focus area. Backman, Green all look at co-living through the sustainability prism; however, no theoretical model has been developed in these studies. Sundelin (2019a) focuses on sustainability aspects of co-living communities with emphasis on social bonding and cohesion within the co-living space as well as community. She identifies three important aspects of social sustainability through these co-living spaces, namely, empowerment, equity and social cohesion. Architectural designs that facilitate co-working and co-living have to be designed keeping the social interaction component in mind (Garrett et al., 2014).

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Beneficial factors of co-working space</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Being surrounded by others allow coworkers to compare themselves, their progress, and productivity with others (Blagoev et al., 2019)</td>
</tr>
<tr>
<td>2</td>
<td>People can focus and avoid being distracted. And hence can increase productivity (Blagoev et al., 2019)</td>
</tr>
<tr>
<td>3</td>
<td>Provide essential platforms for networking, knowledge exchange, and even identification (Capdevila, 2013; Parrino, 2013)</td>
</tr>
<tr>
<td>4</td>
<td>Quite cheaper in terms of enjoying the facilities and services</td>
</tr>
<tr>
<td>5</td>
<td>Basic lab to tests the prototypes</td>
</tr>
<tr>
<td>6</td>
<td>Opportunity to avail mentoring support</td>
</tr>
<tr>
<td>7</td>
<td>Can get rid of sense of social isolation associated with independent work and employment outside traditional, formal organizations (Gerdenitsch et al., 2016; Petriglieri et al., 2018)</td>
</tr>
<tr>
<td>8</td>
<td>The sense of social belongingness they provide to their diverse members (Garrett et al., 2014; Jakonen et al., 2017)</td>
</tr>
<tr>
<td>9</td>
<td>Co-working spaces can function as ‘surrogates’ for traditional, employing organizations (e.g. Petriglieri et al., 2018)</td>
</tr>
<tr>
<td>10</td>
<td>A non-hierarchical togetherness (Blagoev et al., 2019)</td>
</tr>
</tbody>
</table>

Source: Author’s content and focus group discussion analysis
Kojio (2020) has proposed a way of living in cities like Kyoto where there is a shortage of living and workspaces. In such cities, co-existence of co-living and co-working spaces of diverse communities become an effective solution. The infrastructure in these cities need to be sensitive to the requirements of all ages and should foster innovation, which needs to be planned for both co-working and co-living facilities. Co-living is one of the ways to reduce greenhouse gas emission in the UK. The need for exploring alternate housing solutions has to take up seriously (Clark, 2021). A study done in Ankara, Turkey, again emphasized on the economic advantages of co-lived residences (Ataman and Dino, 2019).

Sustainable Development Goals (SDGs), sometimes referred to as the Global Goals, were enacted by the United Nations in 2015. The 17 SDGs recognize that development must balance social, economic and environmental sustainability and that actions in one area will have an impact on the results in others. Available rich literature have shown that the co-living and co-working spaces play a significant role to accomplish SDGs. There are findings which are evidenced mostly in Western literature.

Table 3 provides a brief overview of the catalytic role that co-living and co-working spaces are playing in achieving SDGs.

2.4 Research gap and objectives
It has been observed through existing literature and exhaustive media reports that there is a huge scope for co-living and co-working spaces in India and gradually even the foreign investors are also joining hands with these companies to capture the potential market. As the companies are popping up in major cities, enticing the target potential with a platter of services primarily linked with many of the beneficial factors, the researchers ponder whether these co-living and co-working business models are just a flicker of the time or would these survive in the long run in India. Knowing what kind of business model a company is using becomes much pertinent over here (Thomas and Hunger, 2012). Some companies are engaging in offering both co-working and co-living space together, while some operators are offering either of the services. These companies’ business models resemble closer to entrepreneurial business model (Thomas and Hunger, 2012). Sachitanand (2019) reports that the co-living and co-working business is neither a real estate nor technology company; rather it is a consumer lifestyle company. While, there are some companies that are engaged in extending a platform of online market for selling the services of all these co-working and co-living service operators. This kind of business model resembles the Switchboard model (Thomas and Hunger, 2012).

And, furthermore, how these businesses would strategize to remain competitive is the second question to deliberate. Consequently, here, in this work, additionally an attempt has been made to explore the factors on which the service operators of co-living and co-working space may build their competitive advantages. This has not been adequately addressed in the literature. There is hardly any research being explored in the Indian context. It is therefore imperative to examine this untrodden area. This study has two-pronged objectives: first, to examine the factors persuasive in building the competitive advantage strategies for the co-living and co-working service operators, and second, to study the sustainability of the business model for co-living and co-working space.

3. Research method
In this research, a structured literature review of journals, articles, reports, conference proceedings, websites published in recent times, e-newspapers are conducted. The first step of the research includes identifying the relevant literature. For this step, multiple keywords were used in searching for literature in Google.com, Google Scholar, Proquest, Taylor & Francis,
Emerald, Elsevier. Some of the keywords used are co-working, co-living, contribution of co-working, contribution of co-living, best co-living and co-working space in India, top co-working space in the world. Once literature identification is complete, the next step is to split the literature into three parts, namely, co-living reports, Co-working reports and others. As a third

<table>
<thead>
<tr>
<th>Sustainable development goals (SDGs) UNDP</th>
<th>Co-living and Co-working space activities contributing for the accomplishment of these SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Equality (Goal-5)/ Reduced inequalities (Goal No. 10)</td>
<td>Co-living in India is a unique solution to the issue of landlords who are intolerant of bachelor tenants. Even in the most liberal cities, like Delhi and Mumbai, some landlords only rent to non-Muslims, and others only let vegetarians live in their apartments. However, very few will cheerfully rent to a bachelor. In India, discrimination against young bachelors is pervasive, according to Uday Lakkar, co-founder of CoHo, a different firm that is heavily investing in co-living. There are news reports about landlords turning away singles and moral policing every other day. Co-living startups have facilitated their search for a home (Forbes, 2023).</td>
</tr>
<tr>
<td>Clean Water (Goal —6)/ Affordable and Clean Energy (Goal No. 07)/Climate Action (Goal No.13)</td>
<td>There are co-living and co-working spaces which are offering eco-friendly living and working spaces, viz., reuse and recycle, rain water harvesting, digital transactions, solar-powered spaces (Atnest 2023). A modern “process of owning responsibility” of green governance where self-management of daily activities and decision-making is paramount (Hagbert et al., 2019).</td>
</tr>
<tr>
<td>Decent work and economic growth (Goal No. 08)/ Industry, Innovation and Infrastructure (Goal No. 09)</td>
<td>Shared offices with flexible leases are a cutting-edge product that, when combined with co-working models that allow for shared consumption of business services, are upending conventional labour and management models, boosting productivity, encouraging innovation and collaboration, spawning new businesses, and altering how companies enter new regional markets (Lendel et al., 2019)</td>
</tr>
<tr>
<td>Sustainable cities and communities (Goal No. 11)</td>
<td>Like co-working with beds and showers, co-living is a new kind of startup community where entrepreneurs share living and working space all in one building (Meiling, 2017). Some of the main value propositions most co-living and co-working operators are offering (Atnest, 2023) include: Community, Convenience, Affordability. Therefore, discreetly the co-working and co-living spaces are helping in achieving this SDG.</td>
</tr>
<tr>
<td>Responsible Consumption and Production (Goal No. 12)</td>
<td>Co-living and co-working have an impact on sustainability in urban settings by promoting reduced consumption through sharing and gaining access to social capital, reducing carbon emissions from densification, and fostering a sense of social belonging (Atnest, 2023). Sharing of space and resources within a community can help reduce consumption and waste. Operators of co-living and co-working spaces appear to address the facets of social value, including environmental effect (Atnest, 2023). The expression “saving by sharing” used by architect Vestbro and Horelli (2012) alludes to the sustainability advantages of shared living and describes it as being more effective than the typical home at sharing.</td>
</tr>
</tbody>
</table>

Source: Author’s content and focus group discussion analysis
step, technical reports from reputed organizations, such as Federation of Indian Chambers of Commerce and Industry (FICCI), Jones Lang La Salle, Invesco and Mordor Intelligence, were used to identify the keywords for co-living, co-working, sustainability of these business, strategies adopted by such companies, business models, competitors’ analysis report, reason and scope of co-living and co-working, growth rate of co-living and co-working, branding strategies. More than 280 contents were analyzed, out of which around 125 relevant literatures from various sources were recorded for further analysis. This research found quite a few compelling pieces of evidence to realize not only the sustainability of the companies but also how companies should engage themselves to grab the larger market share.

The key major players in India considered for co-living in this study are the ones established between 2015 and 2017, namely, Zolo Stays, CoHo, OyoLife, NestAway, CoLive, Stanza Living and Covie. After analyzing around 10 co-living operators for study purposes, four major players with market penetration in more than 10 cities of India were selected for analysis. Zolo Stays, NestAway, OyoLife, Stanza Living are the key operators in metro cities and many Tier-I and Tier-II cities like Noida, Delhi, Gurugram, Mumbai, Coimbatore, Bengaluru, Kota, Pune, Hyderabad and Chennai.

The key operators in India considered from the co-working sector for this study were Investopad, Smartworks, DevX, WeWork, Awfis, 91 Springboards, Innov8, Regus, Workafella and Coworks. Locations, amenities provided and other aspects like target market, etc. were all mapped carefully. They were selected, as they were operating in metro cities and Tier-I and II cities of India. They had spaces across India, like in Bangalore, Mumbai, Delhi, Chennai and Hyderabad. Others like Regus also operated in many cities like Ahmedabad, Kolkata, Coimbatore, Chandigarh, Gurgaon, Hyderabad, Jaipur, Noida and many more.

This study investigates the factors persuasive in building the competitive advantage strategies and sustainability of co-living and co-working spaces in the Indian metros where this trend is gradually replacing the traditional accommodation systems. To study this, apart from content analysis approach, focus group sessions and personal interviews were used. Two focus group sessions were conducted with the inmates of a co-living place at Kharghar City of Navi Mumbai, India. The participants for the focus group comprised students, business owners and working professional. There were 15 participants in the first session and 14 participants in the second discussion. Both discussions were planned for a duration of 45 minutes. The first focus group was mostly experience sharing by the inmates of their stay in the co-living space and the sustainability of the model. The second focus group was about the amenities and facilities that they wished to have in a co-living space and what factors would prompt them to select a particular co-living place.

Similarly, a focus group discussion was conducted with 15 professionals who had taken the co-working facility in Navi Mumbai and Mumbai. The theme of the discussion was mostly centered on value for money in terms of availing shared facilities and services.

4. Data analysis and discussion

After meticulous content analysis, focus group discussion analysis and semi-structured interview analysis, both the objectives of this research have been deliberated with its findings. The first objective of the study is to examine the factors persuasive in building the competitive advantage strategies for the co-living and co-working service operators.

4.1 Co-living space and competitive advantage

Some interesting observations were made by the participants in the two focus group discussions that were held to understand co-living space:
I come from Uttar Pradesh and am studying in a nearby college. As a young woman in a new city, safety and security was very important. Also the location proximity to my college played a major role in the selection.

The hassle free nature of residence where I do not have the house owner prying into my personal life and giving me advices as to how to conduct my personal life gives me a sense of relief.

Not having to pay an entire year’s rent for housing alternatives as deposits is an advantage. Huge deposits are beyond my pocket, at the same time I want services and facilities to lead a decent life that I am used to at home [...].

The best part about the co-living space is that high speed internet is available for all my gaming and leisure time activities like watching a movie on the over the top (OTT) or completing my office work.

An in house gym with a consultant gym instructor makes this co-living place a very comfortable place to stay. I can avail the gym facilities in the morning hours and then change and go to office.

Most of them shared their experiences of the value for money aspect, being able to live in a decent environment without the hassles of daily chores or financial pressure.

4.1.1 Thematic inferences

4.1.1.1 Location. Since the respondents were majorly working professionals and students, it became imperative that the co-living accommodations should be near their work locations or near areas where commuting facilities were easily available. Mumbai offices are mostly in locations like Bandra Kurla Complex, hence commuting from distant locations becomes stressful and is time-consuming. Hence companies need to acquire properties that are near work or college locations or near places where transportation is easily available.

4.1.1.2 Physical facilities (amenities). In the course of the discussion, some 26 amenities were mentioned primarily by the respondents. Major requirement for all was high-speed internet. Other facilities that they were looking for were: well-equipped gym; resident doctor; medical tie-up with hospitals in case of emergency; insurance facilities in case of personal belonging damage (fire/earthquake/flooding/terrorist attack); co-working spaces; 24/7 security and maintenance; in-house food facilities and room service; tie-ups with local restaurants with delivery facilities; transportation facilities; green spaces; parking areas; more than one lift; lift operators to man the lift; power backup generators; centralized ACs; disabled-friendly (ramps); closed-circuit surveillance cameras on each floor; jacuzzi, salon and spa; mini theatre; vending machine; indoor play rooms; party rooms; and parcel management systems.

Most of the respondents wanted to pay for amenities in the ala-carte fashion because customer needs are different, and with customization becoming the need of the hour, this is a very important competitive advantage for any co-living company. When the customer chooses the facilities that he needs, he feels psychologically empowered as he is the decision-maker. Also the company’s image is enhanced, as it is perceived to be equitable and fair in its response to customer needs.

4.1.1.3 Social experiences. Co-living spaces have developed as an answer to the social needs of humans to interact and feel valued in the community to which they belong. But the study showed that community aspects of co-living spaces was not of primary importance to the inmates. Focus group sessions and interviews revealed that, as the respondents were working professionals and students, after the humdrum of a hard day’s work where their social needs were met, they preferred quiet and peaceful ambience to rest and rejuvenate.
themselves. Some young professionals called it the “me time”. Relaxing for them was watching a movie on OTT platforms or playing online games.

Hence for using community experiences as a competitive advantage point for differentiating themselves in the market, companies have to come up with novel strategies to meet the needs of the consumers.

The co-living segment in India is currently in the growth stage of the product life cycle, with the established players facing a lot of competition from the new market entrants and thus have to devise strategies to maintain their leadership positions in the market. Most of the major players like Zolo Stays, Oyo Life and NestAway have been established between the years 2015 and 2018. The segment targeted are the working professionals and students. In order to create a specific brand image, specific brand associations need to be created. Brand associations create memory links with specific attributes and benefits about the product and services. Along with the core brand associations, secondary brand associations too should be leveraged to create strong positioning for the various co-living and co-working companies.

The emotional connect with the consumer needs to be built by these enterprises. None of the websites of the selected companies in the study give any major value proposition that is different from that offered by the others. A few websites example that of Stanza Living made some weak attempts at trying to build the emotional connect through the following lines: “Your clothes and bag will not be fighting for space on the same chair. At Stanza Living, there’s ample room for all your possessions. Even a framed photo of your family, for the rare occasions you miss home. Nope, we don’t try to pass off a few plastic chairs and a TV as a common area. We’ve replaced them with sofas, bean bags and large-screen TVs. And we’ve also added gaming zones, fitness centres and chill out corners as a bonus.”

Thus, clear branding strategies through proper brand image and brand identity need to be developed by these companies so that amongst the clutter of co-living options, the consumer can clearly choose.

4.2 Co-working space and competitive advantage
Some interesting observations were made by the participants in the focus group discussions that were held to understand co-working space:

As the owner of a startup company I wanted an office where I could avail many facilities together at one place. The Co-working space allows me to have the advantage of conference rooms, huddle rooms, centralized AC’s, office maintenance and other facilities at a cost which otherwise would have been out my budget.

As a graphic designer I need an office space where the ambience is professional and at the same time aesthetically pleasing, this co-working space affords me that and hence I opted for this.

I’ve always desired a co-living facility that offers community, quality co-working space, and lodging in addition to other amenities.

4.2.1 Thematic inferences
4.2.1.1 Physical facilities (amenities). Most of the advantages were in the domain of facilities that a co-working space provided: conference rooms; pantry; air-Conditioner; internet; gym; maintenance and cleaning; ready-to-move office; huddle rooms; common reception; restaurant tie-ups; parking space; common recreation area; party rooms; security, closed-circuit surveillance cameras; tie-ups with local restaurants; more than one lift; parcel management systems; office utilities like printer, scanners, furniture. The co-working space
was a means to have a good decent address with facilities for the entrepreneurs and startup businesses as per the participants of the focus group sessions.

4.2.1.2 Social experiences. The community aspect of the co-working space where collaboration and participation was possible was not of prime importance. Semi-structured interviews with 15 co-working occupants, revealed that each business had its own set of collaborators and partners, and were generally not in the same co-working space. Hence joining a community or the social aspects was not that important for these professionals. They had their social life and community experiences outside their co-working space. This is contrary to the literature on co-working which emphasizes on the community aspects of co-working spaces.

4.2.1.3. Economic aspect In India since the co-working space is still in the nascent stage, co-working spaces as an incubation and innovation hub for entrepreneurs is still in the introduction stage of the product life cycle (FICCI, 2019). The cost efficacy and the value for money is the main attraction that Indian entrepreneurs, freelancers and others seek in a co-working space.

4.2.1.4 Collaboration. WeWork India, the flexible workspace provider had collaborated with StrongHer ventures to promote “Arise”, a program premeditated to unravel opportunities for India’s Women Entrepreneurs. WeWork and StrongHer Ventures had the uniqueness as the first woman-focused venture capitalist in India and globally. Arise fetched together the benefits of StrongHer Venture’s comprehensive investment expertise and investor network, along with WeWork Lab’s global acceleration platform (Mordor Intelligence, 2022). Thus, WeWork has attempted to differentiate themselves in the market. Similarly, 91Springboard, India’s pioneering co-working community, joined hands with Google for Startups (GfS) to takeoff the “startup Sprint” – a virtual program that offered an opportunity to various startups and entrepreneurs across India to scale up and inflate their business online by helping them learn contemporary digital business tools. The goal of this initiative was to help startups adapt to a transformed world, where the digital economy had grown leaps and bounds.

Among the 10 co-working spaces used in the studies, it was inferred again that there was not much differentiation in any of the companies. Most of them were located in the metro cities and a few others in Tier-1 cities. The facilities provided were mostly printer and office supplies, conference room, sports arena, courier service, work cafe, cleaning staff, etc. Many operators are attempting to bring out sustainable differentiation, but they are not so conspicuous to become the competitive advantage and a positioning point for the company. Based on the literature review, focus group discussion and interviews, a framework has been developed where certain factors can be persuaded to build the competitive advantages (Figure 1).

4.3 Sustainability of the business

And the second objective of the research is to study the sustainability of the co-living and co-working space in India.
4.3.1 Sustainability of the Co-living space. The focus group discussion revealed that all participants considered co-living space to be a model that was to grow by leaps and bounds, especially in the coming years. As revealed by a student respondent in an unstructured interview:

Student community have limited financial resources, hence a co-living space because of its affordability quotient and facilities that a paying guest or a college hostel cannot provide, will always remain an attractive option for us,

I do not know how long I am to be in this city and this particular job, hence renting a house, paying a year’s advance, looking for furniture are all very cumbersome and with gig work on the rise these kind of accommodations are going to be on high demand.

As stated by an owner of a co-living space:

We are far ahead of the competition because we have elevated the previously unorganized market to a premium.

A few studies conducted in India, like that of Rizwana (2020) on co-living spaces in the Indian city of Bangalore, opine that enhanced educational and work opportunities in the metro cities have led to the adoption of this cost-effective method of accommodation. In their study they have looked at sustainability from two perspectives – the physical and social aspects. The physical elements being: space layouts, common amenities, reduced cost of living and facility aesthetics. The social elements being friendship, community network, socialization and sense of satisfaction. Furthermore, Economic Times reports (2019) that there’s a significant demand for new co-living places, with occupancy rates above 80%; compared to the prior ten years, the interstate migration rate doubled to 4.5% between 2001 and 2011; and India’s workforce is projected to grow from 473 million in 2018 to 600 million by 2022.

4.3.2 Sustainability of the Co-working space. Many reports by various established and reputed organizations conclude that the co-working industry is all set to have a stable rate of growing about 21.3% from 2021 onwards (Deccan chronicle, 2022). This colossal rise in demand is due to the plentiful benefits of this sustainable alternative to conventional offices. In 2017, the co-working spaces were reported to be around 1.5 million square feet. By 2020, the numbers jumped up to as high as 10 million square feet:

- **Cost Reduction**-co-working offers a 12-72 % cost reduction compared to traditional office space, based on locations around the country (Mordor Intelligence, 2022).
- **Utilities/modern amenities/maintenance**: Other than saving on cost reduction, utilities, internet and tech support and maintenance are all typically included in co-working memberships (Mordor Intelligence, 2022).
- **Mushrooming growth of co-working and co-living space**: Indian co-working office spaces Market is expected to grow at a compound annual growth rate of more than 7% during the forecast period (Mordor Intelligence, 2022).
- **Rapid growth of Small & Mid-Size Enterprises (SME), micro, small and medium enterprises and startups**: Small and medium enterprises have been growing rapidly, with over 63 million SMEs in the country currently rising at an average rate of 10% (Mordor Intelligence, 2022). Co-working will certainly be the way to work and will serve as a breeding ground for millennial business owners and entrepreneurs. Co-working spaces will be the future of office experience, and disruptive technologies
like artificial intelligence (AI) and metaverse will be indispensable for workplaces (Kaul, 2022)

- **Big companies looking for co-working space**: Deloitte and Freshworks have subscribed big co-working spaces that cover 3,000 seats in small cities like Coimbatore, Pune, and Meerut, as the resource costs are less compared to metros (Mazumdar, 2022). At WeWork, a leading co-working space, 60% members’ portfolio are Colliers India, Khaitan & Co, Tata Sky Broadband and 3M, and the remaining 40% comprise startups, freelancers and SME members (Mazumdar, 2022).

- **Location agnostic**: Reverse migration and work near home is gradually gaining traction for which many bigger companies are preferring to hire co-working space in Tier-II and Tier-III cities and smaller cities. WeWork India is a chain of co-working spaces that has 800 locations across the world, including 36 in India (Mazumdar, 2022).

- **Hybrid working models**: Post pandemic, a steady rise in hybrid working models leading to flexible workspaces have gained higher preference over conventional models (Mazumdar, 2022).

The co-living and co-working model’s sustainability aspect in India is unquestionable. Already hybrid models where co-living and co-working spaces co-exist are taking shape in the IT hubs of India. Hence across varied young market segments like student, working professionals, entrepreneurs, consultants, freelancers, startups, SMEs and corporate, the opportunity exists for both the co-working and co-living models. Two sets of needs evolve in our study which the operators in this sector need to look into and which make it sustainable. One set of needs pertains to the physical need for secure space with amenities at affordable costs and the second set of needs pertains to the social emotional need of socialization, network building and community formation. With the growing migrant population in the metros and other major cities, the model is highly sustainable.

Another sustainability aspect that needs to be emphasized is that it creates sustainable housing models by reducing the carbon footprints. Hence in overpopulated metro cities of India where the resources are under strain, this becomes an option that provides answers to many of the infrastructural problems.

### 5. Conclusion

“Gaining by Sharing” paradigm of community engagement (Kimberley, 2021) forms the basis of co-living and co-working paradigm. For a country like India with large-scale migrations of jobseekers, entrepreneurs, freelancers and students to metros and Tier-I cities, co-living and co-working spaces are the answer to affordable and decent residential abodes. India also attracts thousands of tourists every year, who are on “workation” (vacation and work together) (Workation India, 2023). Workations—distance working while on vacation—have grown to be a significant global trend. Up until 2019, the bulk of the so-called “digital nomads” who combine work and travel were freelancers, IT professionals and aspiring entrepreneurs. However, the COVID-19 pandemic has demonstrated that many other people can benefit from unconventional work settings as well. Also medical tourism is on the rise with the reasonably priced treatment options available in the various Indian cities.

Co-living trend is catching on in major cities, as the housing market moves from the proprietorship model toward a service one (Khan, 2019). The introduction of the Model
Tenancy Act (MTA June 2021) in India has further given a boost to this sector. It will further safeguard all the stakeholders’ rights and institutionalize and stabilize the sector. Proper marketing communications need to be devised so that the target group is aware of the value proposition. The new age millennial is an “innovator” and an “early adopter” (Rogers, 2003), hence technology should be leveraged to come up with more innovative strategies.

In the age of social media, the mainstay of marketing communications for these companies is “word of mouth”. Hence, the experiential aspect for the customer from the first contact with the company till the time of exit after usage becomes very important. Social media influencers and reference groups can play a vital role in amplifying the positioning strategy of the company. Augmented marketing, relationship marketing, evangelical marketing, scarcity marketing, diversity marketing, event marketing, etc. are all added methods that these companies can device to sustain in the market.

This study concludes, after analyzing the literature, focus group discussion and semi-structured interview analysis that co-working and co-living space would be sustainable business if proper competitive strategies are leveraged, in accordance with the increase in demand over the time. This study has a limitation in including bigger sample of focus groups discussion and interviews. However, the analysis effectively sets out a landscape of co-living and co-working space in India. This study also serves as a wakeup call for the operators in the co-living and co-working sphere to work on their competitive advantages and differentiate themselves to tap business opportunities. The study finds that factors like value for money, customization, experiential, community aspects are significant to build competitive advantages for co-living and co-working space. Further studies of co-living and co-working models should be conducted in the Indian context to analyze the multifarious potential that this new trend of shared accommodation can open up.

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Co-living and co-working space


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Further reading


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Co-living and co-working space
Figure A1.
Growth of co-working and co-living space

Source: Mordor intelligence (2022)

Corresponding author
Premasish Roy can be contacted at: writetoproy@gmail.com