

Here's Why Co-Living Could Be the Next Big Hospitality Trend

— Deanna Ting

The concept of “co-living” has been described in many ways: Dorms for adults. The modern equivalent of the commune/kibbutz/boarding house. A solution for the urban housing crisis. A remedy for lonely Millennials seeking out true connections in this all-too digitally connected universe. A new live/work alternative for remote workers and global nomads.

At its most basic description, co-living is about community and developing connections among those who occupy that particular co-living space. Common elements include shared kitchens, living areas, and social programming. Essentially, it's group living, and it's being expressed in a multitude of variations, from purely residential constructs to much more nomadic ones. Ranging from ultra-luxury to basic budget, today's co-living spaces are, in many ways, blurring the lines between residential and transient, social and private, hotel and home share.

But however you choose to describe co-living, one thing is certain: It's becoming a bigger trend, or a movement. And it's likely only a matter of time before it starts to emerge in the hospitality sector. In some cases, the early signs are already here.

Here's a closer look at some emerging co-living startups and businesses and how this trend might impact the future of hospitality.

Wallet-Friendly Co-Living

At first glance, Los Angeles-based [PodShare](#) may not appear to be all that different from a hostel or pod hotel. Individual “pods,” or custom-built bunk-style bed spaces with TVs, outlets, and a light, line the walls, and there's hardly any privacy — and that's all by design.

“You can't sleep with a closed door,” says founder and CEO Elvina Beck. “We don't have that option and we don't want that option. The only doors are on the toilets and showers.”

Why? Because doors would inhibit the creation of a diverse, social community, and that's something that isn't necessarily given as much emphasis in some of the other co-living spaces

that may cater to a more homogenous group of individuals with shared or similar interests and backgrounds.

Beck said MTV's *The Real World* was an inspiration to her when developing the concept for PodShare. Beck says she "loved how everyone lived under one roof. Being different colors and shapes and sizes under one roof creates acceptance. You become more accepting of others."

Beck founded PodShare in 2012 as a response to Los Angeles' affordable housing crisis, and as a way for "digital nomads" to have a place to stay and/or work throughout the city via a "social network with physical addresses." Guests are "pedestrians" and the mantra of "access not ownership" reigns supreme. Currently, PodShare has two locations in Los Angeles, with a third on the way.

Memberships come in two forms: a 12-hour pass and a 24-hour pass and Beck said they were designed for both local L.A. residents and "travelers, transitioners, and temps" alike. She added that 87% of her guests are solo travelers and that PodShare appeals to them because it's a "money saver" and a "social experience."

Since opening, more than 5,000 pedestrians have walked through PodShare's doors, and 17 even have tattoos of the PodShare logo. The nightly rate for a pod starts at \$40 and it includes access to a co-working space. The average length of stay is three nights, but some guests have stayed for months.

If PodShare sounds a bit like a hostel-style model, you might not be mistaken. The principle of diversity and building a sense of community upon which Beck built PodShare, is shared by hostels, too.

"The hostel community is all about sharing, interaction, and understanding of cultures and breaking down of cultural differences between people who are staying there and the local community," said Aaron Chaffee, vice president of hostel development for [Hostelling International USA](#). "We want to take steps toward a more tolerant world through awareness of different places and cultures."

Beck and her COO, Kera Package, are quick to point out the differences between a traditional hostel and PodShare, however. Package said, "The ecosystem is totally different." Whereas traditional hostels cater to "cheap young travel," PodShare "is for digital nomads" in the age range of 25 to 35 years old. As Beck described, "Bunks are for kids. Pods are for adults."

What about comparisons between PodShare and Airbnb? Beck says consistency is a big

differentiator. "You can stay at two Airbnbs on the same block and have totally different experiences," she said. "That could be adventurous for some and it could be a learning curve for others. [PodShare] feels like a home but it's a kind of turnkey operation, a real business."

Blurring the Lines Between Work/Life Balance

Many of today's new co-living arrangements, PodShare included, have deep-rooted ties to the concept of co-working, and providing people with opportunities to work remotely from virtually anywhere around the world.

[Sabbatical](#), which is opening its first location in Puerto Rico in August and plans to expand to Mexico City and Montenegro in 2017, is focused on appealing to remote workers by forming partnerships with companies that will encourage their employees who want to be able to work remotely from time to time and, well, take a sabbatical. "We want to be the provider of spaces that companies can trust to send their employees to," said Daniel Mason, co-founder and CEO.

For its [pre-launch](#), Sabbatical worked with a variety of startups to send those companies' employees to San Juan to experience Sabbatical for themselves. Mason said the company is currently working with other companies' chief marketing officers, CEOs, and culture officers to develop more partnerships.

"We want to be welcoming to the majority of people," Mason said. "Not just people who are always working remotely but also people have a certain sense of wanderlust but also hold down a normal 9 to 6 job; we want to be an accessible bridge to those two worlds."

Minimum stays at Sabbatical are seven days, and the community programming will be centered around networking, professional education, and, of course, exploration. All rooms and bathrooms are private and the co-working spaces and fiber-optic Wi-Fi are a main focus. For non-members, a week stay costs \$950; for members, it's \$500, and membership applications are available online.

Co-Working & Co-Living Become One

On the other end of the spectrum is New York City-based [Common](#), which isn't designed for tourists or travelers or occasional remote workers, and where minimum stays are 90 days.

"We do that to benefit the community," said founder and CEO Brad Hargreaves, who previously co-founded General Assembly, a global education company. "If there are a lot of people there short-term, it feels like a hotel and people are less willing to share space and less

willing to chat with each other on Slack [a messaging service] as well as in person. When you arrive, there's a real sense of community so you immediately feel plugged into a group of fellow New Yorkers. We want people living there to look at it as a home."

Pricing for Common starts at \$1,340 a month and Hargreaves said the company received more than 5,000 applications for only 100 or so available, fully furnished spots in its three Brooklyn locations. Membership includes weekly cleaning services, high-speed Wi-Fi, shared kitchen and bathroom staples, utilities, co-working spaces, and free on-site laundry.

Upstate, in Syracuse, New York, [Commonspace](#) is following a somewhat similar residential model to Common, but two of its 21 rooms are being specifically set aside for nightly \$100 rentals on Airbnb for travelers, especially business travelers who may be in town for a project.

Founder Troy Evans said that while most of the units will be for month-to-month leases, six-month, or year-long leases, the two Airbnb units will be an experiment. "We want to study this and see what people really want because there are a lot of people who travel who want to travel in a way that's more ingrained in the local environment. Will our members like the fact that there are new ideas and new people being brought in constantly? That's something we're gonna try to learn from."

Unlike traditional accommodations for corporate travelers like extended stay hotels or serviced apartments, Evans said Commonspace isn't as formal, and it's not just a place to stay. "People want more social, curated experiences. With Commonspace, you get more community engagement."

On the second floor of Commonspace is Syracuse CoWorks, a coworking space that Evans co-founded. Monthly memberships for Commonspace start at \$800 a month, and the units, all of which have their own private bathrooms, are located in the heart of downtown Syracuse in a refurbished building.

Like Commonspace, [WeLive](#), the new co-living concept from the founders of WeWork, the popular co-working startup valued at an estimated \$16 billion, is also seeing whether it wants to have a mix of both long-term residents and more transient travelers.

Co-founder Miguel McKelvey said, "We're working on it, and trying to figure out the right mix ... we're excited about the possibility of bringing in new people to the community and seeing what they have to offer. If you have the same 10 people around the dinner table every night, it may expire in terms of how interesting that is. If there's a new person, getting that new perspective is a cool addition to the equation."

WeLive's Manhattan location occupies 20 floors of WeWork's Wall Street location, and the D.C.-area location in Arlington, Virginia, is also connected to a current WeWork location. WeLive residents communicate with each other using the WeLive app, and all units are private. Monthly rates for the Manhattan location begin at \$1,700 per person, and for the D.C. location, it's \$1,200 a person.

Following our interview with McKelvey, WeLive added short-term stays for its newest Wall Street location. Nightly rates range from \$235 to \$495 per night.

The beauty of WeLive, says McKelvey, is that it facilitates "real-life connections." "You don't have to go on social media, you don't have to plan all of your interactions. Things happen spontaneously, and they evolve from there."

Co-Living Goes Lifestyle

There are also a number of co-living companies approaching the concept through the lens of luxury, or promoting it as more of a lifestyle by placing emphasis on design.

A case in point is [Roam](#), which markets itself as "a new way of living" where you "sign one lease [and] live around the world." At the moment, Roam has three locations — Bali, Miami, and Madrid — with plans to eventually open in Buenos Aires, and London, and they are former boutique hotels that have been converted into communal living spaces.

Roam CEO and founder Bruno Haid said that Roam is primarily for digital nomads of all ages and backgrounds who want to work remotely in interesting destinations around the world, and there's a lot of scrutiny and attention paid to the design of each location. At each Roam property, the company partners with local developers and their producers for its design aesthetic and furniture, for example.

Haid also pointed out, for example, that in a co-living space like Roam, you can actually have an infrastructure that's "much better than the average one- or two-bedroom in America" and it forces people to shift their ideas about ownership, quality, and in some sense, status.

"It's a step up," he said. "Do I want my own kitchen, or a much better commercial-grade kitchen I can share with someone else? Do I need to express my own identity through my own kitchen, or have a better kitchen?"

A Beehive Ecosystem

That careful attention to design details is also expressed at [Zoku Amsterdam](#), a home-office

hybrid that just opened at the end of May. Throughout Zoku's development process, co-founders Hans Meyer and Marc Jongerius did extensive market research to try to find out exactly what their target demographic — people who work internationally on a regular basis — would want.

What they found, Meyer said, was that people wanted what the Dutch call *gezelligheid*. It's that feeling of being in a comforting atmosphere, or what Meyer described as "coziness, texture, and tactility." "We feel that has very much enhanced the product dramatically," he said. Looking at Zoku's living spaces, including its shared living room and kitchen areas, you can better understand what Meyer is saying.

Zoku is marketing itself as the "#EndOfTheHotelRoom" and while Meyer and Jongerius acknowledge that what they've created with Zoku stretches traditional concepts of hotels, serviced apartments, and extended stay hotels, they say Zoku is a "new category" unto itself. "It's a hybrid of a home and office with hotel service," said Jongerius.

In comparison to other co-living arrangements that are more residential, Meyer said, "Zoku can be more compared to a beehive where people continue to fly in and out. It's a collision of people and ideas, and it will be far more dynamic in Zoku. What we're trying to create here is an entire ecosystem — a WeWork is next door, for example — where international companies and individuals can come together and share."

The Luxe Treatment

Can luxury and co-living co-exist? They do, to an extent, at [Hollywood Proper Residences](#) in Los Angeles. The 200-residence tower is located in the heart of Columbia Square, home to a "creative media campus" that's home base for companies like Neue House, Viacom, and Fender Musical Instruments. Nearby, says Brian De Lowe, co-founder of Proper Hospitality and a partner at The Kor Group, you'll also find the offices for BuzzFeed and Netflix, to name a few.

Hollywood Proper Residences' suites are available both furnished and unfurnished, and all were designed by Kelly Wearstler, and all residents, both long-term and short-term, have access to the Proper App where they can communicate with an on-site concierge/community manager who plans cultural programming. Other amenities include a rooftop pool with cabanas, a bar, an ongoing calendar of entertainment and events, yoga classes, a fitness center, and more. Nightly rates start at \$395 and monthly rates start at \$3,500 for unfurnished units and \$7,000 for furnished ones.

De Lowe said that Hollywood Proper Residences reflects "a macrotrend toward people

wanting more comfortable, flexible, easy living environments where you can immediately plug into the community." What's resulted is a combination of a residential building, an extended stay, a boutique hotel, and a membership club (think Soho House).

"Our audience wants community, but they don't want to compromise on other elements like beautiful design, expansive space, and the type of luxury pampering you would find in a more five-star kind of place," he said.

Can Co-Living Work?

Most of the aforementioned co-living spaces are very new and have opened within the past few months or within the past few weeks, with the exception of PodShare, which turns four this year. There are some doubts as to whether this type of residential/temporary housing/accommodation is really sustainable, and for good reason.

Not all co-living experiments have been able to succeed, financially. Silicon Valley's [Campus Coliving](#), which was founded by Tom Currier, a former Peter Thiel fellow (yes, that Peter Thiel, the cofounder of PayPal and sworn enemy of Gawker) in 2013.

Campus closed in 2015 because, as Currier wrote, "Despite continued attempts to alter the company's current business model and explore alternative ones, we were unable to make Campus into an economically viable business."

Time will tell if these businesses will be able to thrive, but perhaps, one way for them to become "economically viable businesses" is to look toward traditional hospitality.

Can This Model Work for Hospitality?

Yes, and in some instances, you already see it happening, to varying degrees.

[ROOST Apartment Hotel](#), which has two locations in Philadelphia, borrows a number of elements from co-living to create a greater sense of community for its guests, many of whom are relocating to Philadelphia or staying in the city for an extended work project.

"We asked ourselves, 'What can we do to mitigate that sense of isolation and through our facilities and our team, establish this sense of place?,'" explained ROOST Co-Founder Randall Cook. "We want the residence lounge to be a place where guests can gather regularly and we want them to be able to interact with the team to feel connected to the city at large." Additionally, ROOST has an app for guests, as well as programming related to coffee and music.

On June 2, [Extended Stay America](#) announced it would be rolling out a new look and layout for its properties that would include more communal spaces, like shared laundry spaces, and lounge areas. “It’s that general feeling of being alone together,” said Tom Seddon, chief marketing officer for Extended Stay America. “If I want to be social, I can, and if I just want to hang out then I can, too. It’s that idea of having a bit more communal space, but being smart about it.”

And, by extension, Seddon identified some shared characteristics between the digital nomads drawn to co-living/co-working spaces, and the guests who come to Extended Stay America. “You’re staying with us as part of doing something else with your life.”

Hotels, too, for many years now, have tried to make their public spaces more like hubs for social activity. That explains the preponderance of cocktail and wine happy hours that you’ll find at brands like Kimpton and Renaissance, for example, or the coffeehouse-styled lobbies of Le Meridien or the Living Room at the Ace Hotel. The Living Stage at Hotel RL acts as a showcase for local musicians and performers.

Common’s Hargreaves, however, thinks hotels need to do more to create a real sense of community than just having a Starbucks in the lobby or an evening happy hour. “One of our philosophies is that you create a great environment not just by putting in amenities but by programming the space,” he said.

Given the popularity of platforms like Airbnb where, in some cases, travelers will share a home with a local host whom they’ve never met before, there seems to be a growing acceptance among people to share spaces with others, even strangers, for at least a shorter period of time.

Looking ahead, it’s not hard to imagine elements of co-living blending together with more traditional hospitality offerings.

Zoku Amsterdam’s Meyer said, “When we speak to owners of hotels and buildings, they are increasingly open to this conversion of their excellent hotel to a Zoku or something more toward the co-living trend.”

PodShare’s Beck envisions a future where hotels incorporate PodShare-like accommodations into their existing properties, similarly to how they might incorporate a Starbucks into their hotel lobby. “Would they consider putting a PodShare on their ground levels?,” she asked. “I think the PodShare model can exist in hotels.” Not only that, but she said that while the average hotel rate is about \$111 for 330 square feet, a hotelier can make \$100 for 50 square

feet with a pod.

Whether co-living can co-exist with traditional hotels, it's starting to make an impact.

"Co-living used to be a solution to a problem or just thought of as a phenomenon, but we think it could be a better option for people in all stages in their lives," said Roam's Haid. "Culturally, we're changing. It's as much about the architecture as it is a way of changing how we think about housing, and where we want to live."