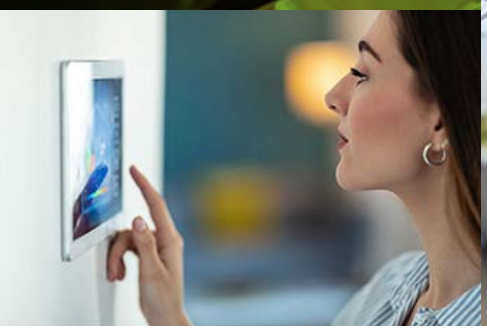
THE EUROPEAN COLIVING BEST PRACTICE GUIDE



Urban Land Institute

JLL

Photography credits:

Front cover (clockwise from top-left), LifeX, Shutterstock/Josep Suria, POHA House, LifeX, Shutterstock/Halfpoint, NOLI; p6, Shutterstock/stockfour; p26, Shutterstock/Jacob Lund; p41, Shutterstock/4PM production; p55, Shutterstock/Julietphotography; p59, Shutterstock/Kris Kuzniar; p62, Shutterstock/Monkey Business Images; p68, Shutterstock/Ground Picture; p92, Shutterstock/Clare Louise Jackson; p93, Shutterstock/jksz.photography

ABOUT ULI

The Urban Land Institute is a global, member-driven organisation comprising more than 46,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics.

Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries. ULI has been active in Europe since the early 1990s and today we have almost 5,000 members and 15 national councils.

The extraordinary impact that ULI makes on land use decision making is based on its members sharing expertise on a variety of factors affecting the built environment, including urbanisation, demographic and population changes, new economic drivers, technology advancements, and environmental concerns. Drawing on the work of its members, the Institute recognises and shares best practices in urban design and development for the benefit of communities around the globe.

ABOUT JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of $19.4 billion, operations in over 80 countries and a global workforce of more than 102,000 as of June 30, 2022. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.

ACKNOWLEDGEMENTS

ULI Europe would like to thank the following companies for sponsoring this research.

The preparation of this report was supported by the following steering group members, researchers, and ULI Europe staff.

Steering group

Josje Hoekveld, AM bv

Wietse Verheul, Amvest

Ed Sharland, Assael Architecture

Russell Pedley, Assael Architecture

Tim Chapman-Cavanagh, Assael Architecture

Anke Wolter, BPD Ontwikkeling

Tak Lam, BPD Woningfonds

James Felstead, Child Graddon Lewis Ltd

Florian Obermaier, Commerz Real

Claire Flurin Bellec, Curiosity is Keys (by Keys REIM)

Alexander Lackner, neworld

Paul Strähle, neworld

Guido Bianco, Habyt

Lasse Haarstark, Habyt

Lea Hermanns, POHA House

Yianni Tsitouras, POHA House

Andreas Polter, The Base

Florian Färber, The Base

Authors

Dana Salbak, JLL

Tom Colthorpe, JLL

Dominika Mocova, JLL

ULI project staff

Lisette van Doorn, CEO Europe

Sophie Chick, Vice President, Research & Advisory Services, Europe

Joey Udrea, Manager, Research & Advisory Services, Europe

Tevan Lee, Associate, Research and Advisory Services, Europe

James A. Mulligan, Senior Editor

For more information, please visit europe.uli.org, follow us on Twitter or follow our LinkedIn page.

CONTENTS

Nordhavn, UMEUS, Copenhagen, Denmark

EXECUTIVE SUMMARY

The ULI and JLL *European Coliving Best Practice Guide* has been formulated to provide greater insight into the rapidly evolving coliving sector across Europe—and to provide an expert view on market-leading examples of best practice in the sector.

As more and more cities struggle to provide appropriate, affordable housing for a rapidly growing urban population, coliving offers a powerful opportunity for tailored community-centric living catered to smaller and single households, often new to the city and looking to build up a network. The existing housing stock in many cities is often not tailored to these groups and generally does little to address the social challenges that they face related to loneliness and an absence of a strong network. On an all-cost basis (including rent, bills, subscriptions, etc), coliving is often competitive with other forms of living, especially when considering the lack of upfront required investments for furnishing and deposits.

These shared living arrangements can also contribute to the wider environmental, social, and governance (ESG) agenda, as there are considerable efficiency gains to be achieved via resource and amenity-sharing models. The reuse and repurposing of disused buildings and existing assets can push these environmental achievements further.

It is important to acknowledge some of the challenges the sector faces, partly related to its longstanding history with the informal coliving structures, which have not always

provided the best solutions for residents, and the initial purpose-built coliving projects, that in practice were largely focused on small private spaces while lacking shared spaces and amenities. This has created a perception that has understandably not always been positive. For the success of this sector, it is critical that the industry learns from its past mistakes to repair the negative perceptions of past coliving developments by exchanging best practices as this guide sets out to do.

The guide is intended to be a resource for all stakeholders across the real estate industry and beyond—in the private, public, and not-for-profit sectors—who are interested in the growing coliving sector. It gives a background to the sector, raises awareness of a multitude of positive outcomes coliving can offer, discusses the barriers the sector faces and presents emerging best practices from across Europe to guide key decision makers as the sector evolves. The ULI and JLL *European Coliving Best Practice Guide* is a unique document within the industry and has drawn together insights and opinions from a range of industry experts from Europe and across the globe.

In some cases, concrete and metric-driven recommendations that are appropriate across broad and varied markets are not always possible due to the youth of the sector. The guide does, however, encapsulate the variety and diversity of what the sector does and identifies examples of emerging market leaders from across Europe.

This is not to say that a one-size-fits-all approach is where the sector needs to be going. Its strength is in its flexibility and multiplicity as it continues to find its feet as a real estate asset class. Many individuals and organisations we spoke to mention the value of a diverse coliving offer—for different target groups, at different scales, at different price points and in different locations. Local and tailored solutions to Europe's housing issues should be at the forefront of stakeholder thinking in the sector.

The ULI and JLL *European Coliving Best Practice Guide* can be navigated either in its entirety, or through the focus on particular chapters—each focusing on specific aspects of the sector's life cycle. This **Executive Summary** provides a brief synopsis of the body of the guide and summarises the key points from Chapters 2–10. Chapter 1 summarises the key recommendations from each chapter.

Chapters 2–5: Introduction, Opportunities and Barriers, and Target Groups

Coliving can be considered as a new form of communal housing, where individual residents rent (on flexible lease terms) private rooms or studios within a wider unit or building, which also offers shared spaces and a level of serviced living. There are, however, numerous different forms or models of coliving, which make the sector hard to explicitly define and encapsulate in a single classification.

The coliving landscape in Europe is diverse across markets and heterogenous across product types, coliving niches and sector crossovers. From a market perspective, the UK offers emerging maturity in Europe (see Section 3.4). The country has the largest stock (operational and pipeline)—and interest from institutional investors and market-leading operators places the UK at the forefront of the wider European (and indeed global) coliving sector. This is particularly true when it comes to policy engagement (see Chapter 7 and Appendix). That said, coliving is burgeoning in continental Europe as well, particularly in France, the Netherlands, Germany and Spain, where new schemes are increasingly sought, and the expansion plans of sector leaders are focused.

Despite the COVID-19 pandemic, the sector has emerged in a position of strength, with the opportunity to grow, evolve and (re)define itself, both in terms of what coliving is and what it can provide for residents, communities and cities alike. Within an industry-wide agenda focusing on ESG and decarbonising the built environment, coliving occupies a unique position by virtue of a number of characteristics, particularly on sustainable living and generating social impact.

There are several underlying demographic and economic trends support its growth, including urbanisation, decreasing household sizes and structures, the rise of the sharing economy and the prevalence of technology in everyday life. Affordability is also a central theme to support the coliving opportunity, as is the idea of combatting urban loneliness. There are several barriers to entry that are preventing developers, investors, and operators from entering the sector. These include a lack of stock, negative planning interventions and a lack of relevant operational skills.

The current understanding (and evidence) of coliving resident profiles suggest they are predominantly inhabited by young professionals and have a large international base. Coliving can, however, be an adaptable product that can cater to the demands of a range of different groups, (see Chapter 5), given the overlapping but often distinct demand profiles, motivations and priorities—especially in relation to price points, amenity priorities and location preferences.

Chapter 6: A Blueprint for Embedding ESG into Coliving

Coliving can offer a solution to a range of socioeconomic challenges such as growing populations, the over crowding of cities, increasing housing unaffordability and the rise of loneliness. Housing affordability is an increasing concern

across Europe. Developers of, and investors in, coliving projects that offer a balanced solution that meet the diverse needs of the population can not only tackle the shortage of affordable housing, but also improve diversity and inclusion in the sector, by catering to individuals with different backgrounds and perspectives.

When considering the environmental impact of coliving, the operational efficiencies and carbon and the embodied carbon need to be discussed. Decisions on redevelopment should always consider embodied carbon of existing assets and see renovation as an opportunity cost in the case of a complete rebuild. Where there is a need to develop new properties, the design and development process should meet ambitious sustainability standards. Coliving spaces need to provide good air quality and thermal comfort, clean water and access to natural / ambient light, among other features. To operate sustainable coliving developments, technology has a key role to play when tracking energy and data.

Chapter 7: Best Practice in Policy and Planning

Coliving has proven somewhat of a challenge to a planning and policy environment that is largely based on more traditional interpretations of use classes, lease structures and zoning requirements. Its position within the policy spectrum is often unclear and there are different ways it has been interpreted across countries and between cities.

There are, however, some emerging policies which are starting to define and shape the boundaries that purpose-built coliving communities must exist within. These particularly come from the UK, unsurprisingly given the more advanced stage of development of the sector in the country. There is general agreement that coliving does not necessarily need its own use class, but better guidance on how new developments can proceed is needed. The sector offers some flexibility of final physical form and operational standards, which needs to be reflected in malleable but defined policy guidance.

This guide presents a range of elements that should be included within policy guidance including room sizes, scale and nature of amenity provision, design guidance (including ESG metrics), permitted lease terms, location and connectivity requirements.

Chapter 8: Best Practice in Design and Development

When designing and developing best-in-class coliving schemes, two fundamental requirements emerge: an understanding of the target audience and their lifestyle preferences, and greater collaboration in the earliest stages of the project between designers, developers and operators to translate and articulate these needs and demands. The findings prove essential as they impact various characteristics such as choice of location, scale of the development, ratios of common to private space and amenity provision (discussed in Chapter 9).

In terms of location, closeness to public transit and proximity to employment hubs both emerge as key considerations. Mixed-use assets which offer residents a chance to engage with external consumers of the space (e.g., through coworking facilities) and the wider neighbourhood (e.g., through engagement events such as pop-ups) are seen as a big growth opportunity for the sector to fulfil its goal of fostering collaboration and the exchange of knowledge, combating loneliness and positively impacting communities. For this, spaces developed within coliving need to remain flexible and multi-functional. While doing so however, private spaces need to be designed to ensure privacy and comfort are maintained.

Chapter 9: Best Practice in Operations and Technology

The effectiveness and quality of property management processes are essential to the success of a scheme. These processes govern various aspects of operations such as the management of the operator-landlord relationship (including lease structures), optimisation of operations through tech-enabled facility management and ensuring resident-facing operations and services are run smoothly and effectively.

While master leases are currently the standard model for owner and operator agreements in the sector, management agreements are usually preferred by the operators—so upside can be shared and downside risks minimised—while leasing buildings can allow smaller coliving operators to scale more quickly.

Post-pandemic, greater emphasis is now placed on how spaces are managed and used, and to what extent residents are satisfied with the day-to-day operations and amenities / services provided. The level of operational intensity this dictates lends itself well to adopting and deploying technologies. These, in turn, offer efficiencies in the day-to-day management of the facility and tenant engagement, particularly when it comes to what amenities and services are more popular and useful.

Chapter 10: Best Practice in Finance and Investment

Coliving's nascency presents challenges around financing of projects, investment in the sector and how capital engages with the real estate and operational elements of the assets. The chapter looks at how capital backing operators has traditionally only been within the remit of venture capital funds, but increasingly operators are being targeted by institutional capital—particularly those looking to deploy significant equity into buying and managing coliving real estate. Working hand in hand with operators brings numerous benefits to real estate expansion strategies and reflects the growth of more mature living assets classes, such as student housing and multifamily.

The increasing transparency around investment metrics in the sector is also giving investors and lenders more confidence in coliving as an investible asset class. Lastly, we present key investment considerations to help further market understanding. The breadth and variety of coliving models and scales are likely to mean each scheme will have different income, cost and valuation profiles.

Noli Katajanokka, Noli Studios, Helsinki, Finland

"Coliving is a physical and service-led residential typology that reflects the changing realities of urban living across Europe and has the potential to grow significantly in the coming years. While it is receiving a lot of attention from numerous market participants and policymakers, the sector needs to get things right to promote high quality and best-in-class schemes and outcomes."

1

KEY RECOMMENDATIONS

1.1 General market

1. **The industry should articulate both general and specific definitions for the coliving sector, accepting local interpretations and product variety.** This can help with the wider acknowledgment of the sector, the drivers for coliving, the role it plays in creating living solutions for today and into the future, and its ability to deliver social impact given its community-centric character. The definitions should be wide enough to encapsulate different types of coliving assets, including focuses on different resident groups.
2. **Industry participants should continue championing the sector and educate policymakers and the public on the sector's potential.** The coliving sector is still new and often either misunderstood or not understood at all. Those involved in the sector should keep promoting best practice within the sector and educate policy makers and the wider public about the benefits it can bring to cities and communities.
3. **Industry players need to adopt an 'evidence-based approach' to coliving, where the benefits of the sector are measured and communicated widely.** Data around efficiencies created, social impact, resident satisfaction and engagement, among others, should be measured and reported in order to prove the sector is meeting its defined goals.
4. **The industry should take a long-term perspective from the earliest days of planning for a new project, with all stakeholders represented.** This should include those in both public and private sectors, such as policy makers, investor(s), operator, future residents, and the wider neighbourhood. A coliving project will more likely be successful by taking into account wide perspectives and balancing competing needs. This includes meeting the requirements of planning authorities, designing and building high-quality coliving spaces, and efficiently managing assets.

Münster Hansaviertel, POHA House, Münster, Germany

1.2 Sustainability and ESG

5. **Policies and regulations should advocate for ESG practices in coliving.** Regulations that support the repurposing of redundant spaces to reduce embodied carbon emissions should be encouraged. Similarly, more pressure should be put on developers to report and provide more transparency on ESG metrics and progress.
6. **Planners, developers and investors should consider a scheme's affordability levels, providing a housing solution for a range of income levels.** Coliving has the ability to demonstrate its social value by ensuring schemes cater to individuals across the income spectrum. These should align with local policies and offer a mix of units at different price points.
7. **Reducing** (and ultimately eliminating) **both the embodied and operational carbon in coliving assets is imperative to meet sustainability targets.** In minimising carbon emissions from coliving developments, industry players should consider the repurposing and retrofitting of existing developments (to reduce embodied carbon), while embedding sustainability elements in the design of new build.
8. **To ensure coliving facilities are energy efficient, technology has a key role to play in monitoring the energy performance of coliving facilities and encouraging residents to achieve savings in operational carbon emissions.** Technology can provide greater transparency in monitoring various aspects within a development such as heating and cooling systems, space usage and water consumption. These can then be communicated to residents so they are aware of their consumption patterns and can manage their energy spending.
9. **Design features that enhance the wellbeing of residents should be incorporated to create sustainable value to the community.** Coliving should be designed in line with wellness-led design principles and standards that positively influence the physical and mental health of residents and contribute to overall community satisfaction and welfare.
10. **To establish social impact on a wider scale, coliving operators should create engagement opportunities with the neighbourhood.** Coliving buildings should try to give back to their local communities and ensure engagement between residents and the wider neighbourhood by allowing public access to communal areas (e.g., coworking space), providing discounts for residents at nearby businesses (e.g., F&B offers), or strategically creating opportunities for local businesses to operate within the coliving facility (e.g., a local coffee roastery operating the in-house café).

1.3 Planning and Policy

11. **Based on national or regional frameworks, local authorities should set out planning guidance for coliving developers.** This should include preferred locations for coliving, physical features and requirements (e.g., room sizes and levels of amenity space), operational benchmarks and affordable housing contributions.
12. **Developers should consciously engage with planners, local residents and businesses during the pre-application process.** For new-build schemes it is important to create buy-in from the existing community and the planning authority through meaningful engagement and actively taking on board applicable suggestions.
13. **During consultation periods, planning officials should look to visit the growing number of best-in-class coliving schemes locally.** This is particularly pertinent as single operators develop greater scale and can showcase their buildings in other locations. This can help bring to life the coliving concept and dispel negative perceptions of the sector.
14. **Available lease terms should promote flexibility for the resident.** Existing tenancy regulations are sometimes too rigid for potential 'colivers', and the demand for flexible living arrangements should be further included within lease options. This can include medium-length residential leases, specifically targeted at furnished flats (including coliving).
15. **Developers should include the longer-term operator and investor perspective when planning and designing for a new project and ensure that these actors are engaged throughout the planning process.** As a new, varied and operationally heavy sector, long-term owners and operators of coliving projects should be involved in early discussion on the design and development of the physical building, as this can also allow planners to visualise and interrogate how the scheme will work in reality. Checks and balances can be put in place to ensure proposals are followed through with.

1.4 Design and Development

16. **Developers should define and understand their target residents when planning, developing and designing coliving schemes.** To meet customer expectations and continue to evolve their product, more insight is needed into target resident needs and their expected future behaviour. This will impact decisions made such as a coliving development's location, amenity provision and social space requirements.

17. **Coliving schemes need to exist in well-connected locations, offering access to public transport and alternative modes of transport.** Developers creating coliving schemes should assess connectivity levels around the facility, to ensure residents have access to public transport. Alternatively, other means of transport such as bikes, scooters and ride sharing options, should be considered to facilitate transportation.

18. **While designing for social interaction is key, private studios should be thoughtfully and efficiently designed for comfort.** Residents will balance private space within their studio with access to common areas and services. Studios should be appropriately sized for the length/nature of occupation and number of inhabitants, and include essential items for daily use, such as storage and kitchenettes.

1.5 Operations and Technology

19. **Coliving buildings should have dedicated community managers that facilitate events and activities.** Coliving communities function best when the community elements are well activated, meaning community managers are essential staff members. The role includes organising formal events, empowering residents to come up with and execute on their own ideas for using spaces and taking on board feedback for how to improve the day-to-day running of the scheme.

20. **Technology platforms should be used to engage with residents, measure satisfaction and ensure that coliving facilities are managed and operated more efficiently and sustainably.** It is best practice to include a 'one-stop shop' residents app which allows for interaction with property management. A range of solutions is also available for operators and landlords of coliving facilities to invest in, which can cut carbon emissions, reduce waste and assist in effective space management.

1.6 Finance and Investment

21. **Market players should increase the transparency of coliving's financial metrics and operational performance, where possible, and encourage the sharing of insights.** The sector is new and still somewhat in price discovery mode, where investors are still understanding where to value coliving compared to other adjacent sectors. Greater visibility of investment risk-return data and operational metrics would be valuable to support further growth of the sector and add investor interest.

22. **Investors in the sector should work with one or multiple coliving operators to develop the appropriate management concepts and build suitable assets.** There is significant equity investment targeting the sector, but with limited opportunities and few established operators, finding the right property manager can be difficult. Coliving assets will be better designed and operated if an operator is part of the conversation from the start.

23. **A variety of investment strategies should be promoted to the sector to accelerate its growth.** This relates to developing and investing in the assets themselves, as well as investment into operating companies. With the sector at a nascent stage, it should try to create momentum and share learnings as expertise grows.

GLOSSARY

BTR/Build to Rent: BTR is an industry term for purposefully-built multifamily properties – wholly owned by a single entity and rented out to households. It generally refers to new properties only, and is therefore popular in markets where the majority of multifamily investment is in ground-up assets (such as the UK). It is a distinct asset class within the wider private rented sector (PRS) (see below), which often largely constitutes individual landlords owning single (or a small number of) dwellings.

Cohousing: Cohousing is defined as semi-communal housing, consisting of a cluster of private homes (either rented or owner-occupied) and a shared community space, such as a large hall or recreational spaces. Households are independent on a day-to-day basis and have private lives, but neighbours collaboratively plan and manage community activities and the shared space(s). The group structure could be a homeowner association or housing cooperative, which promotes community interactions.

EBITDA: This acronym refers to Earnings Before Interest, Tax, Depreciation and Amortisation. It is a widely used measure of core corporate profitability in day-to-day operations, as reported in a company's financial statements. In the coliving case largely for those running schemes. Where operators have rental payments due to landlords, an alternative measure of operational profitability is EBITDAR: EBITDA before rental payments.

Embodied carbon: The carbon emissions attributed to extraction, manufacturing and transporting construction materials, as well as the construction itself.

F&B: An acronym for food and beverage, this can be broadly defined as the process of preparing, presenting and serving food and beverages to the customers. In reality, it means a café, bar or restaurant.

HMO: HMO stands for House in Multiple Occupation, which was originally a technical term from the UK planning policy, but the term has since been more widely adopted as a way of describing a group of individuals from different households living together and sharing common facilities (kitchen, living room, bathroom/s). It typically refers to groups of single or couple renters living together in a larger house. HMO is roughly an equivalent to a WG (Wohngemeinschaft) in Germany, though this is a less formal or regulated typology.

Hostel/Boarding House: These are short to mid-term residential properties, which offer basic private rooms or shared (dormitory) sleeping arrangements. Hostels typically target budget travellers and short-stay visitors, while boarding houses are longer-stay options, often similar to student housing (e.g., in Germany).

Passive design: Design that works with the local climate to maintain a comfortable internal temperature.

Micro-living: Micro-living is a catch-all term for smaller private dwellings, which are typically self-contained but may also include access to communal facilities and spaces. Individual units will be roughly 20–40 square metres in size, and they can be rented or owner-occupied. The studio model of coliving can be considered a sub-category of micro-living, where smaller studios are combined with extensive amenity spaces.[1]

Opco/propco: These terms are generally used when describing the splitting of the operational company (opco) and property-owning company (propco) by legal means. This business arrangement results in a subsidiary or property company (the propco) holding or owning all of the assets and real estate that the main operating company (the opco) uses to generate revenues. While usually used in reference to two related firms, it is also used in this Guide in reference to two different companies—the real estate owner and the operator employed to run the asset(s).

PBSA: An acronym standing for purpose-built student accommodation. These are buildings of varying size which are exclusively (or almost exclusively) offered to student renters (and sometimes vocational trainees). The buildings are owned and operated by different actors: the university or higher education institution itself, the public sector (local government), the private sector, or the third sector (student unions, social housing associations etc.).

PRS/Private Rented Sector: This term refers to all households who are renting from private landlords (individuals and companies) at market-rate levels (including tenancies which are regulated along with the wider market). By contrast, socially rented properties are usually rented from specific social housing organisations and below market rates—there are different levels across Europe. Usually income or other criteria are used to determine eligibility.

Repurposing: Finding a new purpose to an existing asset.

Retrofitting: Restoring an old asset to meet modern needs.

Senior Living: In its simplest sense, this relates to age-specific independent living for active seniors, where residents have self-contained apartments (usually 1–3 bedrooms). The schemes are usually in mid-sized complexes, with purposefully designed apartments for 55+/65+ residents, and may have communal areas, facilities, and an active property management team. Homes can be available to rent (common in continental Europe) or buy (common in the UK) and will often include a service fee for housekeeping and health services.

Serviced Apartment: Serviced apartments are short-to-medium stay residential options which comprise self-contained units (of different sizes), usually in a wider complex with a concierge and other services (e.g., room cleaning and laundry). Serviced apartments can be rented on flexible lease terms, but usually lack any common areas.

Use classes: These are categories that local planning officials use to determine the end use of a parcel of land or building. They generally follow a similar structure across Europe, though there are, of course, national variations. The below tables show the structure for the UK and Germany.

Utilities and bills: Throughout the guide, reference is made to utilities, bills and other costs associated with living somewhere. While rental systems and norms vary across Europe, the general model is base rent paid to the landlord, while the tenant covers other costs (mostly directly to the supplier), such as utilities (water, energy, Wi-Fi) and other bills (local taxes, etc.). Sometimes these are wrapped into a catch all 'service fee' paid to the landlord. Within coliving, rents are usually all inclusive, covering base rent, utilities, bills and other costs.

Levels of coliving: Throughout the guide, reference is made to coliving existing at three distinct levels or scales, though the extent to which these are balanced within an individual scheme varies:

- **Resident level:** This relates to the individual interactions residents have with the coliving building and management staff. It can include aspects such as leasing, move in/outs and complaint procedures.
- **Community level:** For the coliving block, the management imperative hones in on the use of the shared spaces and the creation of community, for example through group activities.
- **Neighbourhood level:** This reflects more outward looking operational strategies, such as working with local groups, or including third-party businesses within the coliving block (e.g., coworking, restaurants and cafes).

UK[2]

Use class code	Description
B – Businesses that supply people	B2: General industrial B8: Storage and distribution
C – Locations where people sleep	C1 – Hotels and hostels C2 – Residential institutions (e.g., nursing home) C2A – Secure residential institutions C3 – Homes C4 – HMOs (Houses in Multiple Occupation)
E – Commercial, Business and Service	Various commercial use classes (e.g., shops, retail, offices and GP practices)
F – Learning and non-residential institutions	F1 - Schools, galleries, museums and more F2 - Local community uses
Sui generis	Everything that does not fit into the above categories is classified as 'sui generis'

Germany[3]

Use class code	Description and sub types
W – Living space	WS: Small settlement areas WR: Purely residential areas WA: General residential areas WB: Special residential areas
M – Mixed construction area	MD: Village areas MI: Mixed areas MK: Core areas
G – Commercial building area	GE: Commercial areas GI: Industrial areas
S – Special construction area	SO: Special areas

2

INTRODUCTION

The emergence of coliving as a new housing subsector has been rapid in recent years, in Europe and globally.

The ULI and JLL *European Coliving Best Practice Guide* is intended to be a resource for all stakeholders in the private, public and not-for-profit sectors who are interested in coliving as a real estate sector and a new way of living. It also aims to raise awareness of the benefits and opportunities coliving offers.

There is already significant interest from investors and developers who are looking to fund and build new coliving assets, as well as increased engagement from policy makers who are understanding and guiding the relatively novel concept in cities across the world. There is also a much wider group of interested parties who stand to gain from this emerging sector, including local businesses and ultimately the future residents of coliving buildings.

This guide provides an objective overview of coliving best practices that are emerging in different countries—from planning, design and development through to operations and investment. It also dispels some common misconceptions that surround the sector.

2.1 Format of the guide

The guide is structured into two main parts. First, it looks at the emergence of the coliving sector, the structural drivers behind it, opportunities and challenges and the range of demographic groups who operators target. The second part of the guide explores emerging best practices through various 'life cycle' stages of a coliving project and splits them into the following sections:

- Sustainability and ESG
- Policy and Planning
- Design and Development
- Operations and Technology
- Finance and Investment

The ULI and JLL *European Coliving Best Practice Guide* concludes with a summary of key recommendations for different stages of the sector to promote the growth of coliving in Europe, considering the interests of all stakeholders. We hope the guide adds a significant weight to the sector, provides a positive contribution to its growth, and helps identify the best way to create new coliving communities across Europe.

Münster Hansaviertel, POHA House, Münster, Germany

Noli Katajanokka, Noli Studios, Helsinki, Finland

2.2 Research methodology

In producing this guide and its recommendations, we have employed a range of research techniques and consulted with a number of interested stakeholders:

- Desk research on the coliving sector and market-leading coliving companies and/or developments, which has identified standout coliving examples and unique aspects of market-leading companies.
- A survey sent out to ULI members and other real estate professionals based in Europe, completed by 172 respondents, which addresses various key facets of the sector, including on scheme design, location preferences and barriers to entry.
- 20 in depth interviews with stakeholders across the value chain, from architects to policy makers, and from developers to real estate investors. These included focused questions on areas of expertise.
- Two roundtables with a spectrum of coliving and real estate experts to discuss trends, test emerging findings and provoke discussion and consensus on certain topics.
- A series of steering committee meetings were held to initially outline the scope of the guide and identify best practice examples, then a second meeting was held to refine conclusions and recommendations.

The following core countries that are referred to throughout the report were selected based on the maturity of their coliving sector and its potential growth: Denmark, France, Germany, Ireland, the Netherlands, Spain and the United Kingdom. Sections that primarily focus on one country do so to reflect that they are ahead of the curve in that part of the coliving process. Occasionally, other countries and cities outside of this core group are referenced in order to reflect the evolving nature of the sector and include valuable examples from emerging coliving markets. Furthermore, countries and cities in graphs and charts may vary slightly, based on data availability and quality.

3

THE COLIVING SECTOR

3.1 What is coliving?

Coliving is a form of communal/shared living where residents get a private (furnished/unfurnished) studio or room in a home/building while enjoying shared amenities and common areas with other residents, under strong operations management practices, and flexible lease terms.

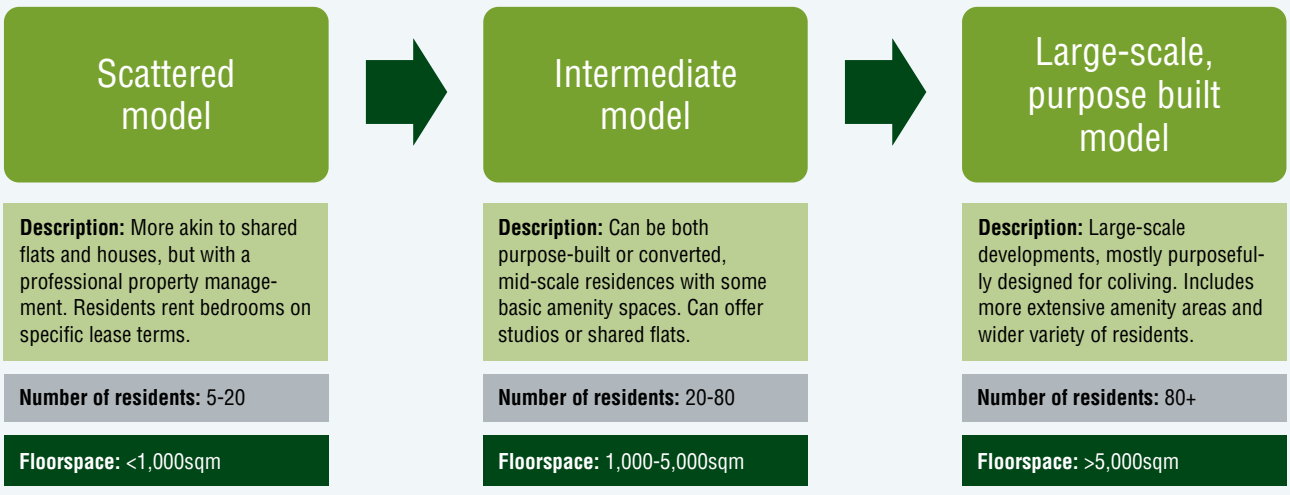
For the purposes of this guide, the above definition was used as the starting point for the research. It was formulated and agreed with the steering group members from the onset of the project and forms the basis of the analysis throughout the guide. Coliving can be considered as a relatively new form of communal housing, stimulated by changing consumer demands and housing market pressures. Residents are usually individuals, though can sometimes be couples or other household structures, and they rent private rooms or studios within a wider standalone unit or residential building. The scale of asset can vary significantly. A standout component is the offer of shared spaces and a level of serviced living, while leases are generally shorter and on more flexible terms compared to standard residential tenancies.

Coliving promises a new, innovative way to live that meets resident needs by combining these efficient and smaller private spaces with common areas and a highly amenitised living offering. Coliving is not solely about the physical form of real estate, but it is also a highly operational and branded service provision, which promotes social interactions, combats loneliness, and creates vibrant coliving communities.

There are, however, numerous different forms or models of coliving, which make the sector hard to explicitly define and encapsulate in a single classification. For those building and operating coliving assets, there are a number of choices that have to be made relating to design, operational style and other factors.

In its more informal sense, coliving can include a shared apartment, where unrelated individuals occupy a room and share a kitchen and living area. These types of living arrangements are common in most of Europe and have

Figure 1: Coliving model spectrum



Source: The ULI and JLL European Coliving Best Practice Guide.
Number of residents and floorspace are a guide based on current market evidence – there may be overlap with typologies (eg. an intermediate model may have 100 residents)

been for generations. They are particularly popular with students and younger individuals before family formation. New real estate operators, often start-ups and backed by venture capital (VC) investments, are seeking to formalise and professionalise this granular coliving model—by scaling up, and creating attractive shared flats, offering services and flexible lease terms, and improving the rental offer.

At the other end of the spectrum, larger-scale purpose-built coliving developments have emerged in recent years, built and funded specifically for the purpose of creating coliving communities. These developments typically comprise a 'studio model' of coliving, where residents have a compact studio flat and access to extensive amenity space. Amenities typically include kitchens, living areas, gym facilities and outdoor space, but the extent and type varies by scheme. By contrast, few of the larger developments opt for a 'cluster flat model', where four to eight-bedroom flats are rented out by the room and residents share in-flat common areas and some external shared space. A well-known example is the Flatmates coliving building in Paris, which comprises 100 six-bed flats.

Coliving is establishing itself at the confluence of many other, more established, real estate sectors (see Glossary for definitions). It is a residential (or multifamily) model offering homes for its residents, includes highly serviced living and amenity space similar to modern hotels, and can bring together those at a similar life-stage, like student housing. It builds on the concept of micro-living by adding shared amenity spaces onto smaller individual units, gives flexible lease terms similar to serviced apartments, and can also incorporate wider uses—such as coworking space, leisure elements or food and beverage (F&B).

To exemplify this, a number of wider living and hospitality sector operators have expanded their reach into coliving in the last two to three years. Student developer and operator Scape in the UK has recently expanded into the coliving sector with a number of planning applications and one operational scheme. In Germany, Lindenberg Hotels recently launched its debut coliving concept in Frankfurt, targeting extended stay travellers. By contrast, a number of residential specialists have looked to outsource coliving property management to a small but growing pool of coliving experts. Companies such as Habyt in Germany

Denmark: Shared living arrangements are common in Denmark, with cohousing, co-operative and intergenerational living well established— around 10 percent of new housing properties fall under the banner of communal housing.[4] Coliving and student housing are closely aligned within the country's 'youth housing' category, which is targeted at students, trainees and young professionals.

France: The French coliving market is one of the fastest developing, with well-established operators largely running small and mid-scale assets. Developers are working closely with operators to up-scale the coliving sector. There is significant crossover with the more professionalised student housing sector.

Germany: Micro-living is an established asset class (with an estimated 340,000 units nationally[5]), and many operators focus both on the student housing and coliving markets. Amenity spaces, similar to multifamily, are typically a smaller proportion of a scheme, while individual studios are on the larger side. Local property management companies can be well established, but there are few national players.

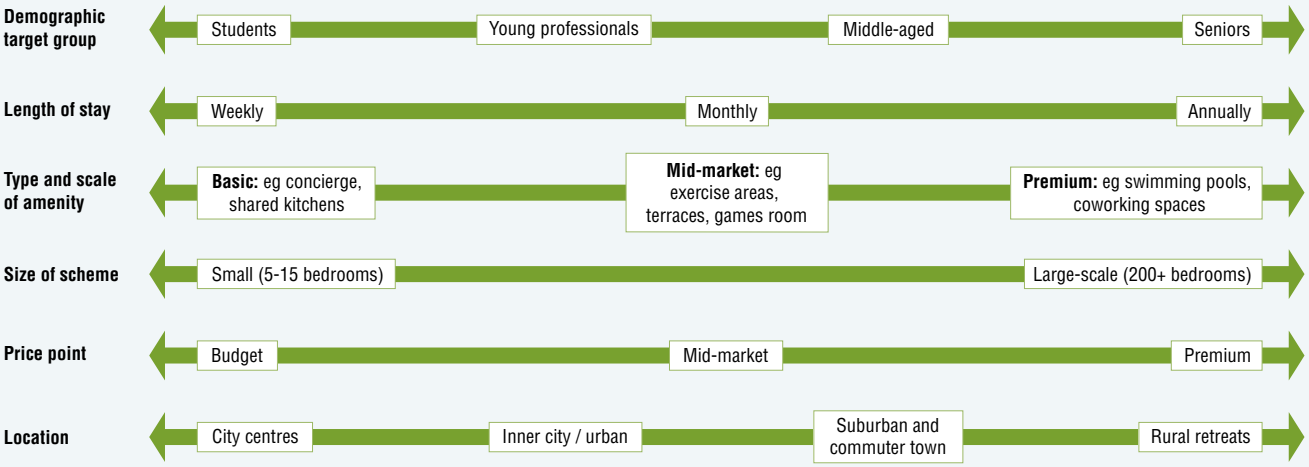
Ireland: After a promising early stage of sectoral evolution, the coliving market in Ireland has been hampered by a nationwide ban on applications for new build schemes, which came into force in December 2020 after a backlash against perceived low-quality schemes entering the planning system. This refers to all schemes that require permits, including the renovations and repurposing of assets to coliving. Despite this, a number of assets are still projected to be built in the coming years.

Netherlands: Dutch coliving has a variety of models, including larger-scale micro-living that combines closely with student housing, as well as 'Friends' apartments— normal size apartments rented by the room to like-minded residents. These are typically developed and operated by student housing and experienced residential developers.

Spain: Much of Spain's current coliving stock is in small to mid-scale converted blocks, operated by smaller operators on leases. New projects coming through the development pipeline will add significant scale to the market with purpose-built communities, with expanded operational capability.

UK: Coliving in the UK typically focuses on larger-scale purpose-built assets, with compact studios and extensive amenity space. Both student housing and residential developers are looking to build new stock, and new operators continue to emerge.

Figure 2: Defining the coliving product



Source: The ULI and JLL European Coliving Best Practice Guide

and Sharies in France are working with local residential developers and investors to identify coliving opportunities. With an intrinsically operator-led model, coliving needs a variety and quality of operators to manage the properties on a day-to-day basis as the sector grows. And the boundaries creating well-defined product types are increasingly blurred.

Coliving can, however, look and function differently in countries across Europe. Local players have quickly begun to define the sector in their local markets, while the few international brands are seeking to project their unique styles onto multinational portfolios. Distinguishing features include coliving branding, physical layouts (e.g., room sizes and amenity provision) and operational focuses.

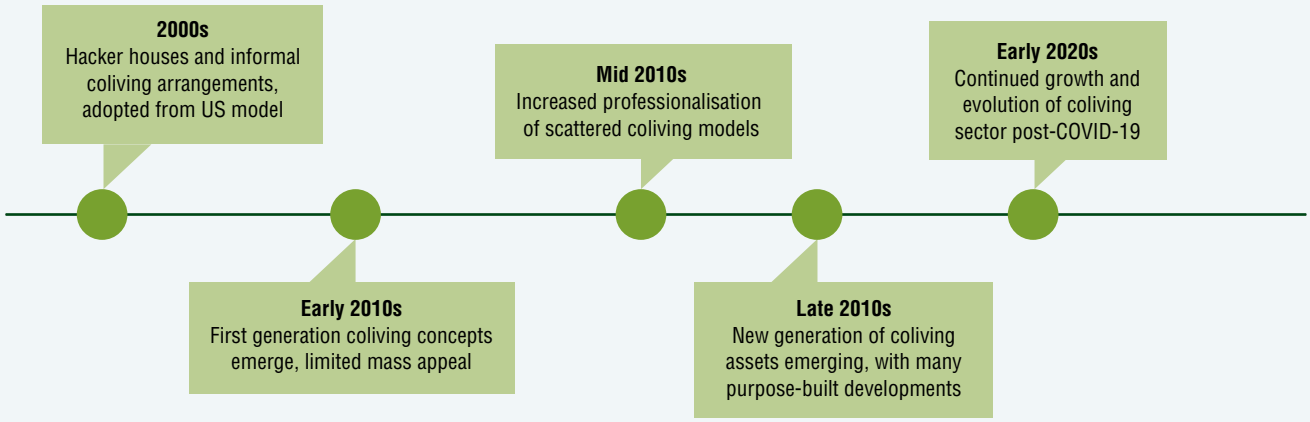
Figure 2 breaks down different ways of dissecting the coliving market, according to different scaled metrics. Broadly speaking, each and every coliving building can be identified as existing at a point along each spectrum, which can be a useful tool to compare schemes and different coliving models and structures.

3.2 The evolution of coliving

As a sector, coliving has developed significantly over the last decade and more. Some of the early coliving models offered medium-stay work retreats in rural locations, promising to bring together digital nomads and entrepreneurs to learn from each other. In this sense, coworking elements are deeply ingrained within the idea of coliving, something which has filtered into purpose-built, urban perceptions of coliving.

The concept has quickly caught on within mainstream real estate and has been pushed as a way of meeting new housing demands in cities across the world. In some countries, it is proposed as an affordable housing solution for 'Generation Rent', while also reflecting changing societal habits and living preferences in the 21st century. Despite it typically being associated with younger professionals, coliving presents an interesting housing model for a variety of different demographic groups, from students through to active seniors—as is explored later in this guide.

Figure 3: A short history of coliving – Global and European overview



Source: The ULI and JLL European Coliving Best Practice Guide

The professionalisation of the coliving sector has been rapid, with operators focused specifically on coliving now playing a much more important role. Some of these started eight to 10 years ago by leasing and sub-letting shared flats to individuals, to optimise returns for individual landlords, and have now developed into more professionalised outfits who can sign master leases for large-scale developments backed by institutional capital. To date, coliving assets have been run through a split opco / propco model (see Glossary for further explanation), whereby asset owner and coliving operator are separate legal entities, mostly without the same parent company. See Chapter 10 for a more detailed description of this and Table 8 in Section 10.1.1. for benefits and drawbacks of investing in either side.

3.3 Coliving as a real estate investment class

Coliving fits within the suite of real estate known as the living sectors—this includes student housing, multifamily, single family rentals and later living (senior housing and care homes). Through the last 10–12 years, investor interest in gaining exposure to this sector has intensified, to the extent that it now accounts for over 25 percent of direct real estate investment annually across Europe, up from under 10 percent a decade ago.

Interest in the living sector is driven by secular fundamentals from the demand side, including urbanisation trends, supply-demand mismatches and changing lifestyle preferences—though of course with local and sectoral nuance. For an investor, sectoral diversification and stability of income have been two of the main driving factors behind increased capital allocations to living. Coliving is still a small investment market, with only a handful of completed deals so far. Since 2020, roughly €1.2 billion has been invested in coliving assets in Europe, mostly new builds, representing half a percent of the living sector, which totalled €250 billion, as shown in Figure 4.

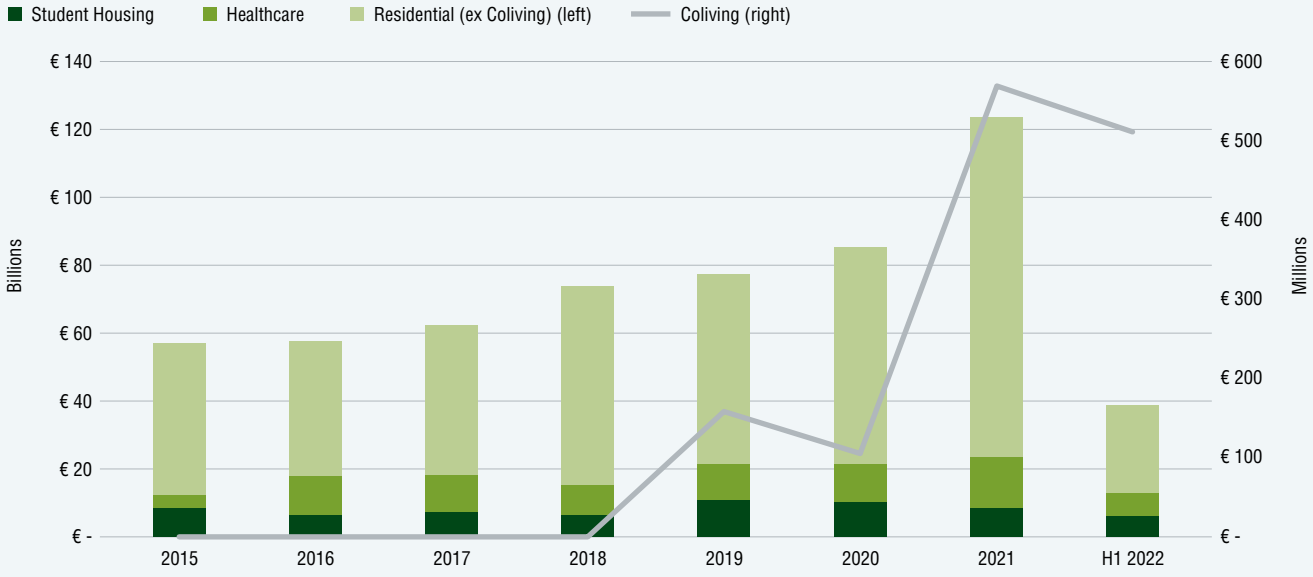
However, the sector is poised for significant growth as confidence returns to the sector post-pandemic, and a growing swell of development and investment activity is testament to this. In the latest three surveys undertaken by PwC and ULI for the European edition of the annual *Emerging Trends in Real Estate* report, coliving was ranked third most attractive in the 2020 edition (respondents were surveyed in 2019, pre-pandemic), with a score of 4.31 for investment and 4.23 for development (both out of five). While average prospect scores fell in the next edition during the height of COVID-19, they have rebounded towards nearly four out of five for the survey conducted at the end of 2021.

3.4 Coliving supply and pipeline

JLL's European coliving database tracks schemes of 20 beds or more and counts 24,500 operational units as of the second quarter of 2022, with a further 70,500 in the pipeline (planned and under construction) across 17 different countries. At least 5,500 coliving beds have started operating since the onset of the COVID-19 pandemic in 2020.

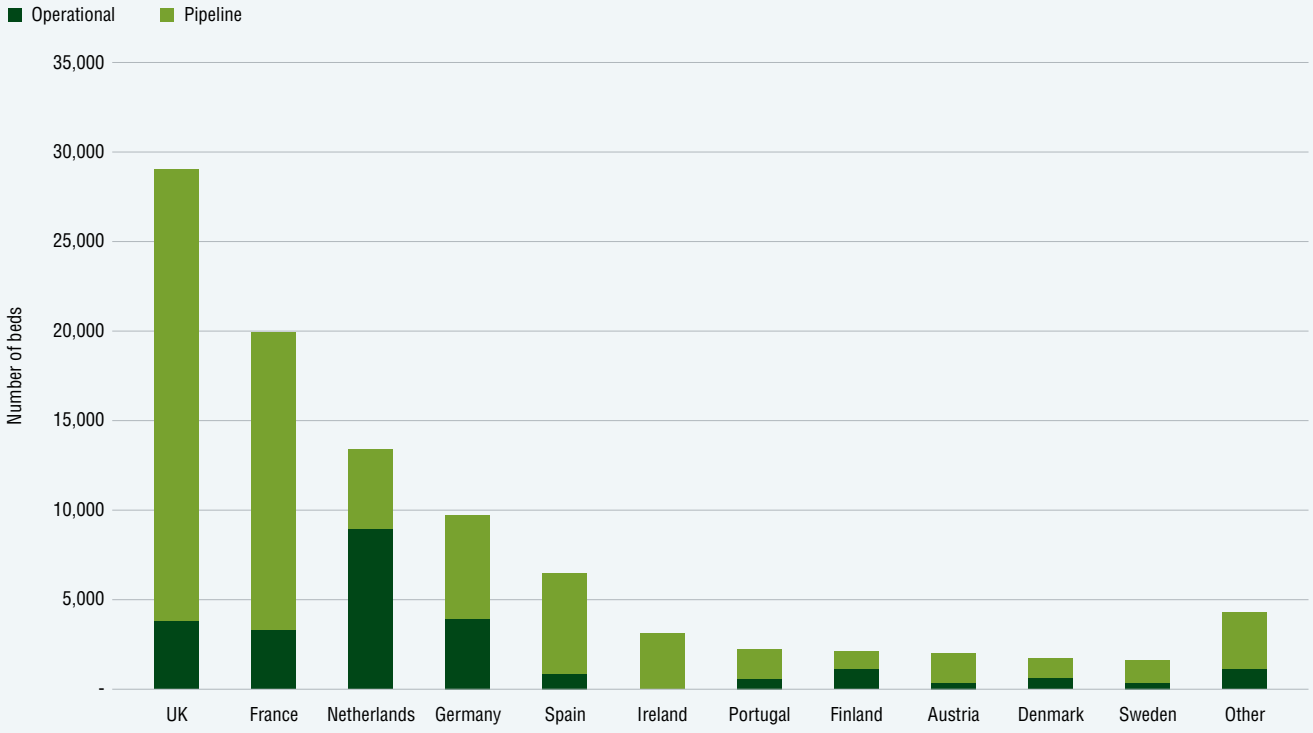
The UK, France and the Netherlands are the largest national markets, making up two-thirds of the operational and pipeline beds, though the growth of smaller markets has been notable in recent years, with significant pipelines indicating strong near-term growth from a low base.

Figure 4: Investment into Living sectors, Europe (2015–H1 2022)



Source: JLL Research, 2022. Investment includes direct real estate transactions, development purchases, and M&A deals.

Figure 5: Coliving beds by country and status



Source: JLL Research. Q2 2022. Notes: Includes schemes of 20+ beds onlv

The sector has shown a clear evolution in recent years according to different criteria:

- **Growing geographic diversification:** To date, coliving is concentrated in capital and major cities. Around 60 percent of operational coliving beds are in Europe's capital cities, but a majority (55 percent) of the pipeline is forecast to be outside of them, though ultimately still mostly in smaller cities and major regional towns (rather than rural or suburban areas). With increasing proof of concept, the sector is expanding into secondary locations with favourable fundamentals.
- **Larger scale assets are increasingly favoured:** The average size of existing coliving assets is 155 beds, but this rises to 225 beds for schemes in the pipeline. Developers and investors look at larger buildings to provide efficiencies in design and operations. Europe's two largest planned schemes are in the UK: 2,224 beds in Manchester and 1,260 beds in Sheffield.
- **Creating purpose-built communities:** 22 percent of existing coliving beds are within renovated or converted buildings and this falls to under 10 percent of the known pipeline. Having greater control over design elements from first principles is attractive for coliving owners and operators, but repurposing defunct assets also has a role to play.

It is worth noting that there is a large, fragmented supply of smaller coliving offerings of flats and shared buildings of under 20 beds which will be discounted from these numbers. As previously mentioned, many of the top emerging operators have significant experience with this scattered model and are now starting to transfer into larger scale coliving buildings. As an example, French operator Colonies runs over 20 smaller coliving buildings with under 20 beds each but has a secured a pipeline of multiple mid and large-scale (75+ beds) assets which will add over 1,300 beds to its portfolio.

Agorahaverne, Copenhagen, Denmark

4

OPPORTUNITIES AND BARRIERS

The coliving sector is quickly being regarded by the real estate industry as an innovative housing solution—one that is both well suited for the 21st century and has the potential to create new forms of homes for segments of Europe's population.

The sector is supported by several underlying demographic and economic trends, discussed within this chapter. The industry is capitalising on demand-driven expectations of the level of service and convenience residents are increasingly expecting from their rental home. The term 'Housing as a Service' has recently come into more widespread use and reflects coliving's focus on a more serviced living offering that taps into new forms of housing demand.

There still however, remain several barriers to entry for organisations looking to become involved in the sector, with obstacles spanning both the public and private spheres. Current policy concerning coliving is regarded as a major challenge for the sector, both in terms of negative assumptions of the overall concept and the lack of specific coliving guidance. Other barriers include lack of current stock and specialist operators, financial viability and customer misconceptions.

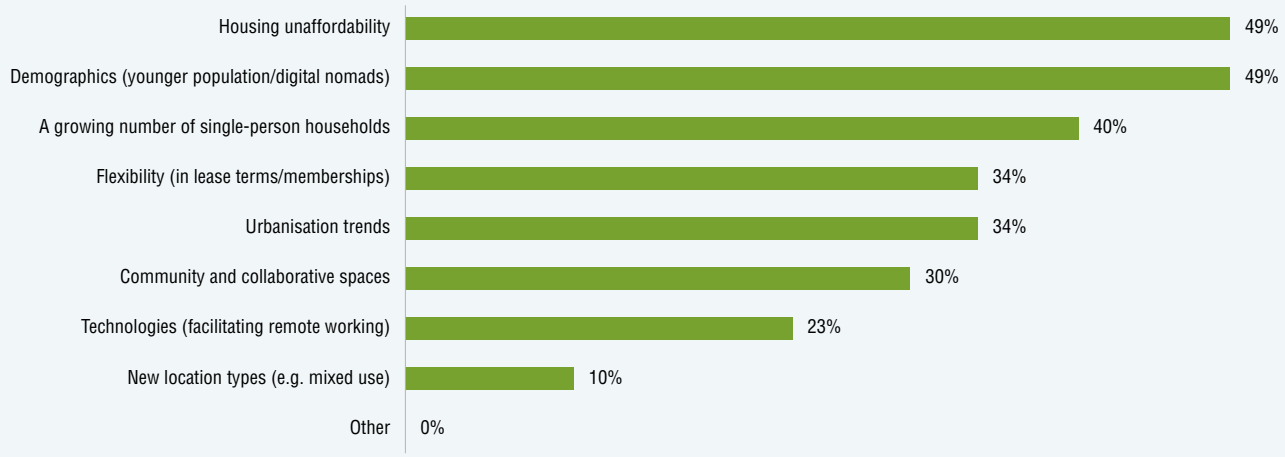
4.1 Housing market trends

There are several trends that impact the demand for housing and specific housing subsectors, which can in turn promote the coliving opportunity. According to survey respondents, housing unaffordability, demographics (a large, young, and increasingly mobile population), a growing number of single-person households, demand for flexibility and urbanisation are the top five growth drivers for the coliving sector, see Figure 6.

4.1.1 Urbanisation and demographics

In Europe, urbanisation rates have increased from 67 percent to 77 percent in the last 50 years, reflecting the increasing dominance of urban living[6]. This trajectory is set to continue, with 83 percent of Europe's population forecast to live in urban areas by 2050[7]. As some countries' population growth begins to taper and hit negative territory

Figure 6: Survey response: What are the three most significant growth drivers for the coliving sector?



Source: ULI Europe Coliving Survey 2022. Respondents could select up to three growth drivers; %s are the proportion of all respondents selecting the relevant growth driver for the coliving sector. Number of respondents = 176, totalling 471 responses.

in the coming years, cities are forecast to continue growing—driven by natural change, but mostly because of domestic and international migration patterns. Coliving offers an innovative solution to alleviate the strain on housing demand—as a form of affordable and sustainable housing for certain demographic groups. It is also an efficient housing solution in terms of land use through densification and structured living arrangements.

Across Europe, household sizes have decreased for a number of reasons including a fall in fertility rates, ageing and a rise in the number of divorces. Other cultural and country-specific reasons are also in play, such as more extensive social networks and better infrastructure. This has led to households with fewer children and more couple-only and single person households[8]. The average EU household size in 2010 was 2.38 people and this is expected to decrease to 2.22 people by 2030[9].

This trend is even more prevalent at the city level, with many key European destinations having more than half of their population living alone, including Amsterdam (54 percent), Paris (52 percent) and Munich (50 percent). A recent report highlighted the number of single-person households as a driving factor for demand in major German cities for smaller apartments and compact living arrangements, especially new builds.[10]

4.1.2 Consumer preferences and the sharing economy

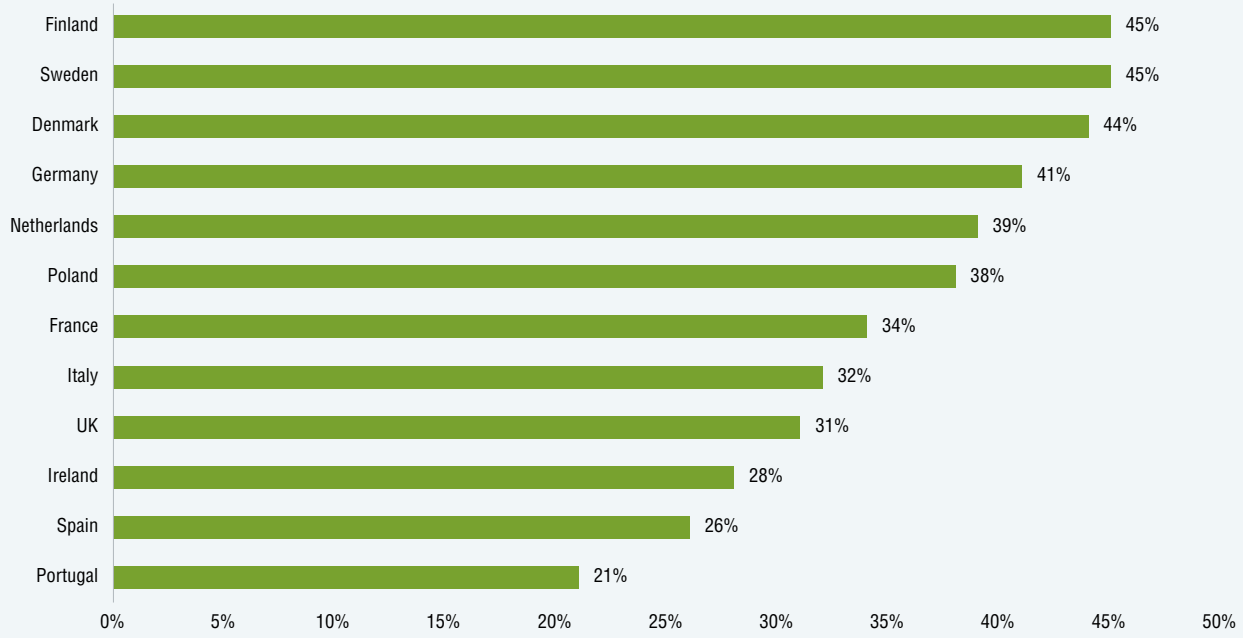
The sharing economy (a socio-economic system built around the sharing of assets and services to facilitate collaboration) has grown on the back of radical changes in consumer habits and has already disrupted sectors such as transportation, tourism, hospitality, professional services and finance[11].

The development of the sharing economy can facilitate more sustainable practices in resource use and help the built environment reduce its environmental impact—a focus that is urgently required in the context of climate change[12]. These practices can be extended to housing, as the emphasis on shared resources lends itself well to alternative living solutions such as coliving.

4.1.3 Private renters, by choice and necessity

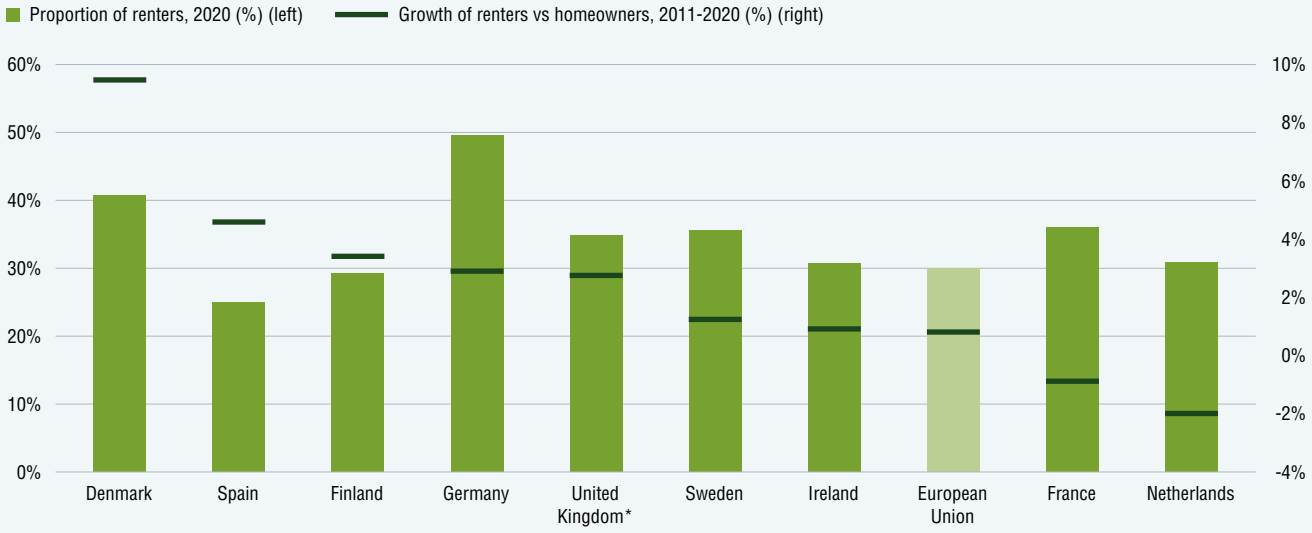
Recently, European cities have seen an increase in the proportion of renters versus homeowners, mainly driven by housing unaffordability. In Europe, the proportion of renters versus homeowners grew on average by 0.8 percent between 2011 and 2020. The majority of core coliving markets saw stronger than average growth of renters. Despite France and the Netherlands experiencing negative growth of proportion of renters over the past 10 years, their proportion of renters remains above the EU average (see Figure 8). Results from the ULI Europe Coliving Survey reflect this sentiment, with 49 percent of respondents saying that 'housing unaffordability' is one of the top three significant growth drivers of the coliving sector.

Figure 7: Single-person households across Europe (% of all households) (2020)



Source: The ULI and JLL European Coliving Best Practice Guide based on Oxford Economics, Eurostat, MBI.

Figure 8: Proportion of renters and their growth, selected countries (2011-2020)



Source: The ULI and JLL European Coliving Best Practice Guide based on Eurostat.
*Notes: *UK proportion and growth of renters is based on data from 2011 and 2018 due to no available data in 2019 or 2020.*

House prices have risen faster than both average wages and GDP growth in recent years, making finding affordable housing increasingly difficult, with particularly acute issues in major cities. Increasing unaffordability for would-be buyers is shown in Figure 9. Rising house prices can be explained largely due to a chronic undersupply of houses, contrasted with significant household growth.

This increase has made homeownership increasingly unattainable for many people, many of whom are looking for their first step on the housing ladder. This group, that have been priced out of the home ownership market, have been dubbed 'Generation Rent', who will be more likely to rent, and rent for longer into adulthood[13]. This increase of renting across Europe highlights the imperative need for quality housing, suitable for a range of different demographic groups, where the provision of coliving schemes provides a unique opportunity.

Some cities have both high house price to income and rental affordability ratios such as Paris and London. Other cities have affordable house prices contrasting very high rental unaffordability such as Dublin, which has been driven by historically high homeownership rates coupled with low new dwelling construction. Some cities have higher house price to income ratios but have a much better rental affordability such as Stockholm, where rental regulations have kept rents relatively low.

Figure 9: Change in house price to income ratio, 2015-2021, selected cities

Source: JLL Research based on local sources. Multiples represent the change in house price to income ratio over the 6-year period. For example, the house prices in Copenhagen have risen 57% over the period, while income have only rise 18% (1.57/1.18 = 1.33x). Accordingly, the larger the number, the more significant the pace at which prices have outgrown incomes. This graph shows changes in affordability, not absolute affordability (see next chart). All data is in local currency to avoid the effects of exchange rate fluctuations over time.

Figure 10: House price and rental affordability, major European cities (2021)

Source: JLL Research based on local sources. Definitions: House price to Income represents the ratio of the whole purchase prices of an average unit in the city (excluding transaction costs) compared to the average individual disposable income. Rent to income refers to the average proportion of monthly income spent on renting an average apartment in the city (excluding bills and other costs). Note: Stockholm rental figure is for primary tenancies only, whereas sub-leases are around twice as expensive and very common for the city's renters.

Of course, renting is not always about cost or the inability to buy a home. Some households rent by choice, driven by concerns over flexibility for short-term living solutions, or societal norms. For many demographics, particularly newcomers to a city and younger individuals, renting offers an easier solution to their housing needs.

The coliving sector can address certain segments within the wider housing market and, for some groups, provide a relatively affordable product, through building more homes suited for a specific target group, or offering certain proportions of projects at more affordable rates. Each demographic group will have different affordability requirements; it would be beneficial for the industry to recognise these different needs in order to provide better tailored products, whether they be aimed a singular demographic cohort or want to target a range of groups. The growth of the sector will also help rebalance supply/demand dynamics and help increase efficiency towards resource allocation.

4.2 Barriers to the success of coliving

There are several factors preventing developers, investors and operators from entering the sector. Figure 11 shows what survey respondents thought were the top three barriers to success of the sector.

4.2.1 Lack of suitable, purpose-built product and operators

Currently, there is very little purpose-built coliving stock due to the nascent nature of the sector. In the survey, 38 percent of respondents said that 'lack of suitable product' was the most common barrier to entry to the sector.

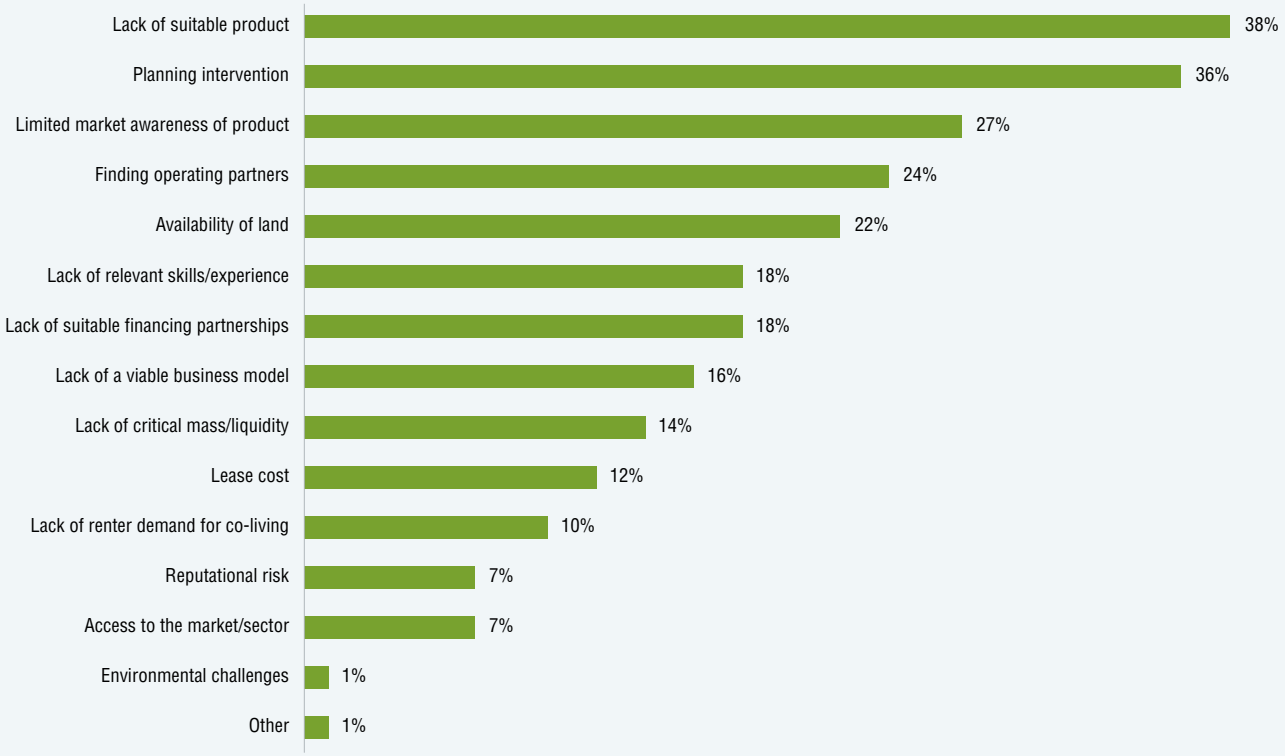
Recent investment trends support this, with 91 percent of all coliving deals from 2020 to present being forward funding investments, thus confirming the lack of current operational coliving stock. This collection of coliving investment deals includes both new build developments and land deals but also includes renovations to existing buildings. Further to this, of all coliving investment only 5 percent of deals have been renovations, highlighting that most coliving investment has been in creating new constructed stock.

The depth and variety of coliving operational expertise is still limited across Europe, presenting challenges to scaling the sector (see Section 4.2.1). Financing operator growth is a challenge, and many are currently backed by venture capital investors. Rather than outsourcing, some real estate owners are setting up their own operator businesses from scratch, which creates challenges with knowledge build up in a fast-moving sector, as well as the time take to establish a profitable operational platform. Not all real estate owners are keen to do this, however. Section 10.1 discusses the levels of investment available.

4.2.2 Perception by policy makers

The perception from policy makers is also regarded as one of the main barriers to the potential success of coliving. The sector is still niche in the wider public consciousness, and negative media headlines relating to specific schemes have done little to help the sector with its brand image.

Figure 11: Survey response: What are the three most significant barriers to the success of the coliving sector?



Source: ULI Europe Coliving Survey 2022. Respondents could select up to three barriers; %s are the proportion of all respondents selecting the relevant barrier to the success of the coliving sector. Number of respondents = 176, totalling 442 responses.

This was often also confirmed in one-to-one interviews and roundtable discussions with industry experts. Negative views from policymakers are generally around the quality and size of private spaces, as well as the lack—or poor configuration—of amenity space to compensate for this. These concerns can be considered legitimate, with some early proposed plans not reflective of high quality coliving schemes; though negative preconceptions are taking time to be reversed. This has particularly been the case in countries with high minimum spaces standards for single-occupancy units (see Table 2 in section 7.1.1).

Currently, there is little coliving specific planning policy except for a handful of examples, which will be discussed in greater detail in Chapter 7.

Current policy or the lack thereof, reflects at best the ambivalent, or at worst, negative view of coliving from planning and policy makers. Developers regularly mentioned the difficulties in obtaining planning permission for coliving schemes due to these preconceptions; the main belief being that coliving apartments were sub-quality units, due to their smaller than average size which aimed to skirt around minimum space standards. Other respondents also noted that on some occasions the lack of specific coliving policy was actually beneficial as it allowed greater flexibility. However, they also said it was often still difficult to overcome misconceptions of the product by local planning authorities.

These negative views have already impacted city level policy responses to coliving developments (mostly limited to the UK and Ireland). For example, a coliving scheme in Manchester was rejected in 2020 with the council stating that the 1,679-unit scheme would 'not build a

> "As a concept it is a strong idea. But in the current market conditions, with too strong a position for owners/investors and too weak a position for renters, it leads to a race to the bottom: apartments that are too small, too expensive, without enough protection for clients."
>
> **LOCAL AUTHORITY PLANNER**

coherent community with a long-term interest in the city centre's success and would also 'promote transience and disengagement'[14]. More recently, in March 2022, Liverpool City Council stated that all coliving developments must adhere to local residential policies, including minimum space requirements[15]. In the most extreme example, Ireland banned the proposal of all new coliving developments in November 2020.

Changing public perception remains vitally important to allow the sector to grow, as the regulatory framework found across Europe does not always lend itself for smooth navigation for both developers and investors. Many interviewees reported they were in active conversations with both planners and local governments to move forward with the coliving opportunity. Several participants also noted that framing coliving as part of a wider community scheme, that engaged both local residents and businesses, was often a positive and effective way to help reframe public thinking.

4.2.3 Perception by private investment

There also remain some negative perceptions stemming from those in private real estate about the coliving product. For example, in the survey 27 percent of respondents reported that 'limited market awareness of product' was one of the main barriers to success for the sector. Whilst the public misconceptions are generally more focused on quality standards, the overarching private view relates rather to the financial viability of the opportunity. Due to the relatively small institutional investment into the European market, there are few examples of longer-term successful operators and schemes. The lack of liquidity in the coliving market is also a barrier to success, as risk-averse investors and developers cannot (yet) see a secure exit route.

The recent collapse of the UK's former largest coliving operator 'The Collective' is likely to have increased doubts potential investors may have. The company's fall into administration was due in large part to its high leverage within a complex financial structure, a minimal number of income-producing assets (two) compared to high operational costs, as well as COVID-19 having an adverse impact on occupancy. It failed to attract a buyer during a sales process in summer 2021 and had to restructure its debt—but this should not be seen as a true reflection of the investment opportunity coliving presents, but rather as growing pains for the sector and the perils of corporate mismanagement.

Despite this, the sector is rapidly growing with both private and institutional capital entering into the coliving opportunity, which should act as assurance to new entrants. An outline of best practice in financing and investing in coliving projects can be found in Chapter 10.

The other aspect of negative private perception lies in the lack of explanation of the role and benefits of coliving. Through the growth of the sector, more players will come to realise how coliving can help achieve a range of ESG credentials. The pandemic has highlighted the importance of social-led initiatives to help build stronger communities and address issues such as loneliness. Coliving is uniquely placed to help alleviate these issues due to the people-focused nature of the product.

4.2.4 Lack of comparability with other real estate sectors

Another major barrier to the sector is the perceived lack of comparability between coliving and other living sectors. This issue largely relates to the operationally intensive nature of coliving and the issues this can pose for investors, developers and operators. This includes the extent to which residents engage with services and community engagement agendas. By extension, this may discourage some from entering the sector.

However, there are some similarities coliving shares with these sectors, which should give confidence to new entrants. For example, the student housing sector is very

developed in the UK, whereas the multifamily market is more pronounced in Germany and the Nordics. This should act as assurance that there are industry experts who are able to transfer their knowledge to a distinctive and dynamic but comparable product. Table 1 compares coliving to other residential and hospitality sub-sectors across a range of characteristics, confirming the cross-over between these.

Many interviewees have also said that coliving is often viewed by prospective tenants as a premium product due to the higher costs associated with the high amenity provision. However, often these tenants are not aware that rents are all-inclusive, which would probably equate to (or even be cheaper than) a traditional rental apartment including the price of all local taxes, utility bills, and any external amenities they may choose to partake in (e.g., gym membership).

Table 1: Coliving characteristics, compared to other real estate types

	Coliving	BTR / Multifamily	PRS	Student Accommodation	Hotels	Serviced Apartments	Hostel / boarding house	Senior Living
All-inclusive rent/fee	Yes	Sometimes	No	Sometimes	Yes	Yes	Sometimes	Sometimes
Flexible rental terms	Yes	No	No	Rarely	Yes	Yes	Yes	No
Furnished	Yes	Yes	Sometimes	Yes	Yes	Yes	Yes	Often
Extensive amenity	Yes	Sometimes	No	Sometimes	Rarely	Rarely	Rarely	Sometimes
Limited demographic	No	No	No	Yes	No	No	Rarely	Yes
Individual leases	Yes	No	Sometimes	Yes	Yes	Yes	Yes	Rarely
Community manager	Yes	Sometimes	No	Sometimes	No	No	No	Sometimes
Resident-led services	Yes	Rarely	No	Rarely	No	No	No	Sometimes
Purpose built	Often	Yes	No	Yes	Yes	Sometimes	Yes	Yes
(Central) urban	Often	Often	Sometimes	Rarely	Sometimes	Often	Sometimes	Rarely
Institutional owner	Yes	Yes	No	Sometimes	Sometimes	Sometimes	No	Sometimes
Leasing seasonality	No	No	No	Yes	Yes	Yes	Yes	No
Defined use class	No	Yes	Yes	Yes	Yes	Sometimes	Sometimes	Often

Source: The ULI and JLL European Coliving Best Practice Guide

Yes · Often · Sometimes · Rarely · No

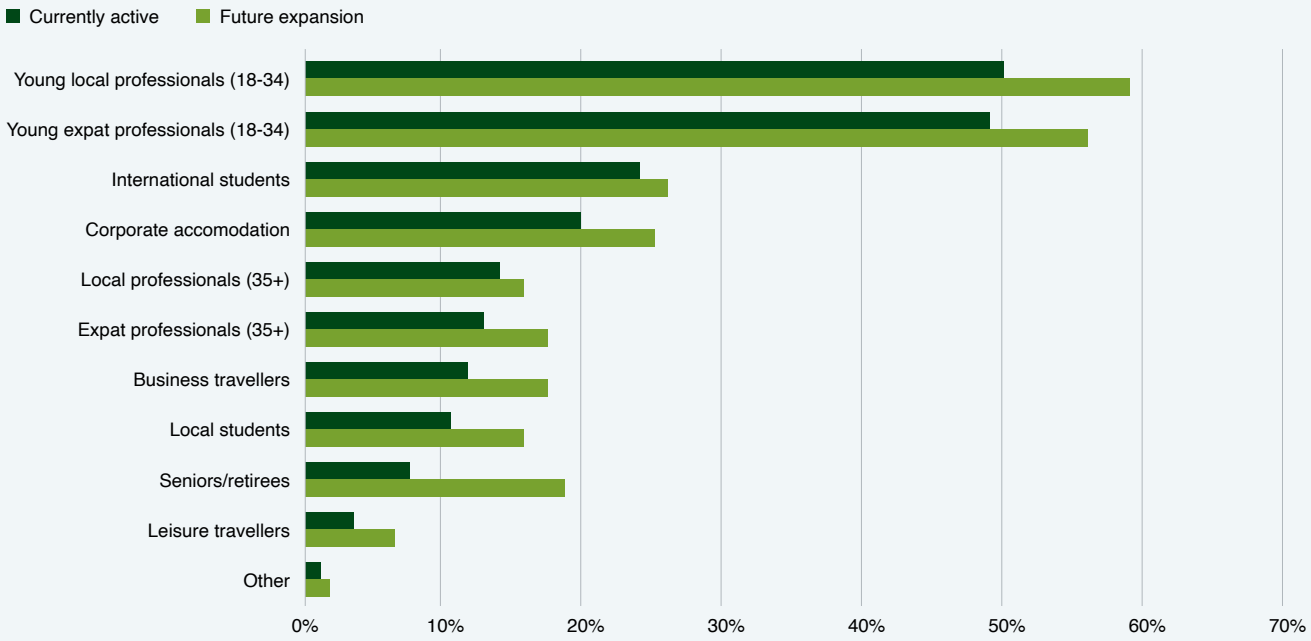
5

TARGET GROUPS AND RESIDENT DEMOGRAPHICS

With household sizes declining and life expectancy increasing (among other trends such as rising divorce rates), a unique characteristic of coliving is its widespread appeal to a range of potential resident groups across different stages of their lives, ranging from students or young professionals to seniors and retirees.

At different stages across a lifespan, there can be a critical mass of demand which makes coliving an attractive housing opportunity – including for students, younger adults and seniors. Coliving participants in our survey, who came from an operational or development background, were asked which three main groups their schemes were targeted at (the dark green bars in Figure 12), while the same question was asked to those looking to expand into the sector, whether as new market entrants or simply looking to diversify their audience group. For both cohorts, there remains a large focus on young local and expat professionals. However, it is also evident from the responses that some developers and operators are

Figure 12: Survey response: Current and future main target groups for coliving



Source: ULI Europe Coliving Survey 2022. Respondents could select up to three target groups; %s are the proportion of all respondents selecting the relevant group. Current target groups question: 176 respondents, totalling 393 responses; each respondent selected 2.2 target groups on average. Future target groups questions: 172 respondents, totalling 455 responses, each respondent selected 2.6 target groups on average.

> "I think the current market could be classed as 'single professionals' and it's not age bound at all, as it's just for someone with a requirement."
>
> REAL ESTATE ADVISOR

looking to expand their target audience to other cohorts, namely seniors/retirees. While only 8 percent of current operators target this sub-group, 19 percent of future expansion respondents believed seniors would be a good demographic group for coliving developments.

5.1. Current coliving residents

As a living subsector with significant growth potential across a range of different groups, the demographics makeup of coliving schemes will increasingly vary. There are very few operators who have released a 'resident demographic' profile of their existing projects. Amongst the few that have, Gravis Capital Collective (GCP) released key details about the current resident makeup across their 'The Collective' Canary Wharf and Old Oak developments, before their planned IPO offering in February 2022[16]. Urban Campus also released Coliving Impact reports in 2019[17] and 2022[18], which relate to their first coliving residences Urban Campus Mellado and Urban Campus Malasaña, in Madrid. Amvest, a Dutch-based residential investor/developer has also provided a breakdown of the resident profiles of their two main coliving schemes, De Startmotor and 2Peer (shown in Box 3).

These resident demographic reports are in line with the current understandings of coliving developments which are predominantly inhabited by young professionals and have a large international base. There may be country/city-specific differences impacting the makeup of individual coliving schemes (e.g., local dominant industries, EU membership, language barriers etc.), however, it seems there are strong commonalities for first-generation coliving developments.

Box 1. GCP–The Collective (Canary Wharf & Old Oak)–London, UK

- Target market: Millennials under 35
- Average age: Aged 29–31
- Median income: £30,000–£40,000 (€34,975 – €46,633)
- Nationality: UK = 39%, Europe (ex. UK) = 33%, Asia = 19%
- Main Employment sectors: IT & Tech, Accounting/Banking/Finance, Law, Healthcare, Media/Internet

Box 2. Urban Campus Mellado–Madrid, Spain

- Average age: 31. 17% under 27, 79% from 27–40.
- Nationality: Members from 27 countries
- Employment:
  - 58% employed by a company
  - 42% entrepreneurs/freelance

Box 3. Amvest–De Startmotor (Rotterdam) and 2Peer (Amsterdam)

De Startmotor ('co-housing', Rotterdam Zuid)

- Target group: Young professionals from smaller towns and villages around Rotterdam, in first/second job, those looking for affordable living option.
- Age: 18–27 (maximum age for signing a contract)
- Average income: €2,200 per month (€27,000 annually)
- Nationality split: Netherlands = 90%, International = 10%

2Peer ('coliving', Amsterdam)

- Target group: Expats, new arrivals to the city, groups of friends, single households
- Age: 24–34
- Minimum income: €2,800 per month (for one bed)
- Nationality split: Netherlands = 80%, International = 20%

> "The residence we built seven years ago has 600 beds and was initially aimed at students… [but] as anyone could lodge there, we have only 40–50 percent of students and the rest is just about anybody, for any lease term and duration. It has allowed us to merge between student housing and coliving and we've had 98 percent occupancy for a number of years."
>
> **COLIVING DEVELOPER AND OPERATOR, CONTINENTAL EUROPE**

In several one-on-one interviews and roundtable discussions, there were a number of operators who also expressed surprise at the demographic range of residents once operational. Many admitted that the initial marketing of their development was for young local and expat professionals, but increasingly saw many different types of residents including couples and older professionals. Many stated the importance of flexibility during operation to allow for fluidity in different demographic groups to help capitalise on local demand/supply dynamics.

5.2 Future target groups

This leads to the discussion around some of the other possible resident groups of coliving, which include (business) travellers, domestic and international students, seniors, low-income workers as well as a mix of different generations in *so called* 'intergenerational schemes'.

Having a range of different target groups is beneficial in creating a diverse community, both within the development and for the local community; this is particularly important from a governance and ESG angle, as it helps foster diverse and inclusive communities and can promote coliving within more mixed-use developments. For this reason, future coliving developments need to ensure they remain flexible and adaptable to accommodate for the differences between their current demographic audience and the expected future one(s).

Some coliving operators also believe in having specific coliving schemes/brands for certain demographic groups under the same parent company. One example is ColivINN, a Spanish-based coliving developer and operator, which has eight distinct brands for defined 'thematic communities', including: rural communities, digital nomads, students, young professionals, gamers and tourists. The strategy emphasises the different needs of groups, with bespoke arrangements for community spaces creating the distinctiveness for each brand. The multiple brands work in this context because the needs of each community are distinct and the operator is targeting a unique and personalised experience for residents—but the scattered approach will not work for all of those looking to operate coliving for multiple groups, as the demand profile may be limited.

Noli Katajanokka, Noli Studios, Helsinki, Finland

CASE STUDY:
NREP'S COLIVING BRANDS

NREP is a large Nordic-based pan European real estate investor, which has a significant exposure to Living and Hospitality assets. Across this, it has distinct operational coliving brands, as articulated below. It shows the importance of brand, knowing your customer and defining a product which meets the particular demand.

Noli Studios

- Noli Studios is a living concept for urban home-seekers and travellers looking for more. Noli Studios combines the comforts of home and the amenities of a hotel. This would be considered the most mainstream of coliving options presented by NREP.
- Lease lengths are flexible and start from a nightly rate to monthly rates – the longer you stay, the lower the monthly rate.
- Studios are sized from around 18 square metres to 40 square metres All studios are equipped with a kitchen and depending on the customer's needs, can be rented fully- or lightly furnished. In addition, there are plenty of shared spaces crafted for lounging, working and dining together as well as monthly events and activities.
- Noli Studios is currently available in Finland, with three assets (780 studios) operational and a further 6500 studios in pipeline in Finland, Denmark and Poland.

UMEUS

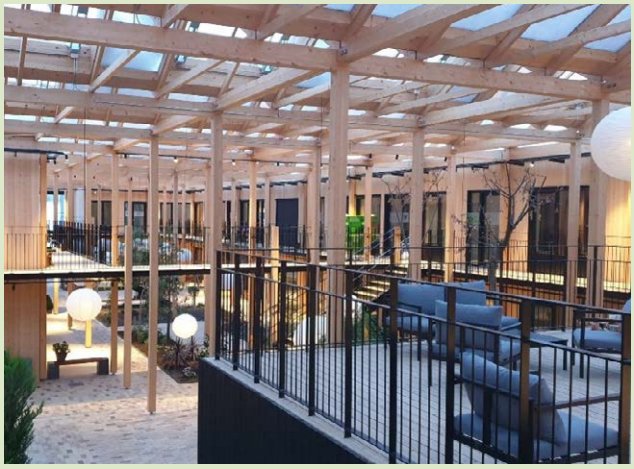
- UMEUS is presented as next-generation student coliving concept for Nordic markets. UMEUS is designed to support a positive and professional student experience and to help students grow. The brand name is based on a contraction of "You, Me & Us"
- Based on data and research on student preferences, UMEUS is developed together with the Danish architecture firm Henning Larsen and other specialist partners.
- The buildings (many are currently under development) come with custom designed and fully furnished rooms, with communal areas including gyms, study zones, lounge areas, a public café and laundry facilities. There is also staff on site, who are always ready to assist the students with their everyday problems.
- The brand has two operational assets in Copenhagen and two in Trondheim, with two more scheduled to open in 2024.

Plushusene

- Plushusene offers a community-based living concept in sustainably designed row houses and apartments within greener areas, close to public transportation and cities. There are three schemes at different development stages in Denmark.
- Various unit types are offered across the community, and every site has a large, shared 'common-house' as well as outdoor facilities, green areas and playgrounds.
- The development of new Plushusene sites often involves close collaboration with local municipalities and planners.
- Each scheme includes a host dedicated to empowering residents to choose community activities, such as exercise classes or film nights. It encourages intergenerational mixing and a social community.

Agorahaverne

- The Agorahaverne concept targets active seniors but encourages elements of coliving through community management.
- Each location is unique, but the concept centres around the same idea and includes a large, daylight filled, glass covered, shared atrium, the 'agora'. This shared space (1,000 square metres plus) connects all residents living in the schemes.
- The concept focuses on social and environmental sustainability, with DGNB Gold certifications for all buildings, solar panels and rainwater collection mechanisms, affordable rental levels and the promotion of social interactions in the agora.



Agorahaverne, Copenhagen, Denmark

5.3 Resident demographic profiles

Split into broad categories, this section explores the dynamics of different potential coliving groups and their specific design and operations requirements. This guide breaks down the groups into core and additional profiles. Core groups are the mainstream and accepted residents coliving targets, based on existing evidence and market perceptions. Additional profiles are the areas with perhaps smaller potential, requiring more specific layout or service needs and locations.

These groups show similarities and differences in drivers behind coliving, their scheme preferences and hence how developers and operators should adapt. Figure 13 charts these key groups in terms of their age and the potential length of stay in a scheme. Figure 14 charts the range in cost (from affordable to premium products) and the level of service provision in each scheme. These infographics are based on hypothetical characteristics and subjective interpretations of each target group (not quantitative data) and highlight the dynamic nature of these residential groups and how they cross over with each other.

Core Groups	Additional Profiles
• Graduates and young professionals • Mid-career professionals • Business and leisure travellers • Students	• Low-income workers • Active seniors • Intergenerational concepts

Figure 13: Target resident groups—Age vs length of stay

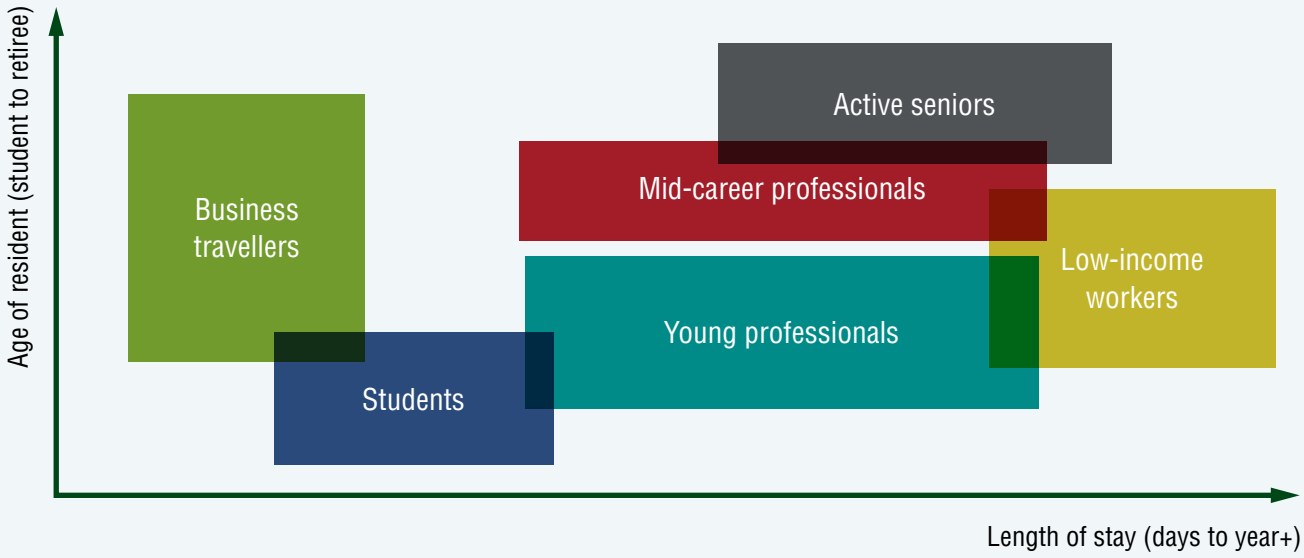
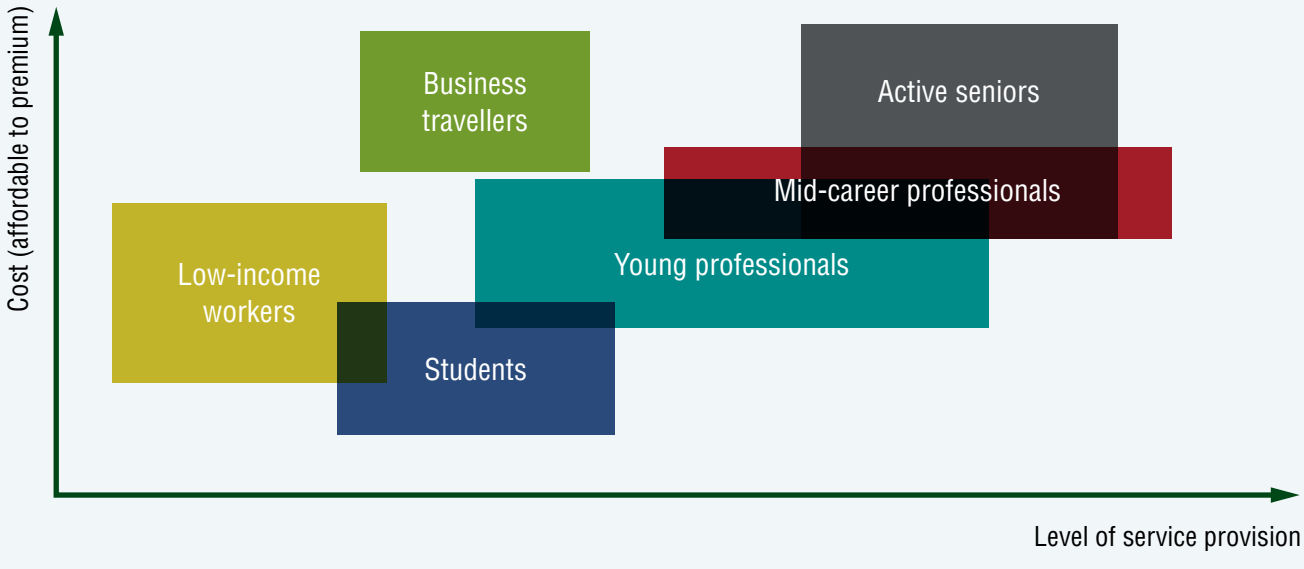


Figure 14: Target resident groups—Cost vs level of service provision



Source: The ULI and JLL European Coliving Best Practice Guide

5.4 Target groups: preferences and needs

The following section defines the coliving requirements alongside the group dynamics, competing accommodation types and the attraction of the cohort towards coliving. Some specific operator examples are provided of those who wholly, or partly, target the group.

Graduates and young professionals

Consideration	Outcome
Price Point / affordability	Affordable to upper-mid range
Length of Stay / flexibility	Three months to one year stay and highly flexible
Amenities and services	Range of amenities including gym, shared kitchens/ lounges and co-working
Staff / expertise	Community manager/ on-site facilities manager
Macro / micro location	CBD and inner city
Room sizes / layouts	Smaller studios with kitchenettes
Notable example(s)	Habyt, Germany Change=, Netherlands HVNS, Germany Kley Urban Village, France The Stay Club, UK

- **Dynamics:** 17.7 percent of Europe's population is aged 20–34 rising to 19.6 percent in its major cities. There will be a small decline up to 2035 nationally (-4 percent) and a modest rise in major cities (+2 percent). Young professionals are highly mobile (both domestically and internationally) and increasingly well educated.
- **Common accommodation:** This age group has lower accrued savings, particularly in the early ages, making It difficult to place a deposit for a mortgage. And while they may have higher than average rentership rates, affordable quality product is limited, and they will need to secure the tenant deposit and further funding for furniture. Also, cultural norms can mean many stay at home and live with their parents. There is a desire to live in urban areas for economic prospects and social upsides.
- **Coliving attraction:** Affordability of product and lifestyle coliving offers are a key motivator. Many graduates will have experienced serviced, professionalised rental living through university.

Mid-career professionals

Consideration	Outcome
Price Point / affordability	Mid to luxury range
Length of Stay / flexibility	Three months to one year stay and highly flexible
Amenities and services	Amenities of convenience and community building, including workspaces and social areas
Staff / expertise	Community manager/ on-site facilities manager
Macro / micro location	CBD and commutable locations
Room sizes / layouts	Medium studios and self-contained apartments
Notable example(s)	UNITY, Finland Flatmates, France ColivINN, Spain

- **Dynamics:** 27.5 percent of Europe's population is aged 35–54 rising to 28.4 percent in its major cities. More established in their careers, but delayed family formation and rising divorce rates creates a rising number of single-person households. Also, this group is likely to travel and relocate temporarily for work, making coliving a great way to engage with others, and also reduce the cost of renting and furnishing a flat for a short period of time.
- **Common accommodation:** Middle-aged citizens can be both renters or homeowners, sometimes residing in less urban and more suburban areas—though this varies by city.
- **Coliving attraction:** Lifestyle reasons (as opposed to affordability challenges) are typically dictating living choices, such as moving to (new) cities. With on average higher incomes, they can pay for more premium services, but will prefer larger private spaces.

Business and leisure travellers

Consideration	Outcome
Price Point / affordability	Affordable to upper-mid range
Length of Stay / flexibility	One night to three months, but flexible
Amenities and services	Convenient amenities, such as co-working and café
Staff / expertise	Front desk staff/ facilities manager
Macro / micro location	Near employment hubs and tourist attractions
Room sizes / layouts	Smaller studios and self-contained apartments
Notable example(s)	The Social Club (formerly known as The Student Hotel), Multiple countries JOYN, Germany Smartments Business, Germany and Austria

- **Dynamics:** There is an ongoing resurgence in the pre-COVID-19 growth of business and leisure tourism (international and domestic),following the loosening of restrictions in 2021/2022.
- **Common accommodation:** Visitors usually stay in hotels or corporate accommodation but are increasingly choosing serviced apartments and holiday lets (informal and formal).
- **Coliving attraction:** Visitors are looking for short or extended stay options, sometimes with amenity spaces and community aspects. This group often needs relatively central and prime locations.

Students

Consideration	Outcome
Price Point / affordability	Affordable to premium
Length of Stay / flexibility	By semester or academic year
Amenities and services	Leisure spaces such as games rooms, working spaces, exercise rooms/gyms
Staff / expertise	Community manager/ on-site facilities manager/ trained mental health advisor
Macro / micro location	Near universities and colleges
Room sizes / layouts	Smaller studios with kitchenettes
Notable example(s)	UMEUS, Denmark Our Domain, Netherlands WOODIE, Germany The Social Club, Europe

- **Dynamics:** There is growing student enrolment in most countries, particularly with rising inbound international flows—which can account for up to 29 percent of students (Austria), but as low as 6 percent in Italy.
- **Common accommodation:** Students have a variety of options, including at home. The majority live in the private rented sector, or in student accommodation (public or private). PBSA provision rates vary from 3 percent in Italy to 32 percent in the UK.
- **Coliving attraction:** Coliving can be similar to modern PBSA, offering affordable rents, good locations and communities with like-minded residents. For cities with an undersupply of PBSA, coliving offers an attractive alternative, while older students might prefer the coliving lifestyle.

Low-income workers

Consideration	Outcome
Price Point / affordability	Affordable
Length of Stay / flexibility	One week to one year
Amenities and services	Daily-life spaces, such as kitchens and lounges
Staff / expertise	Community manager/ on-site facilities manager
Macro / micro location	Near employment sites (e.g.,hospitals) and commutable locations
Room sizes / layouts	Studios and self-contained apartments
Notable example(s)	Edelwonen, Netherlands Gravity, UK

- **Dynamics:** This group includes workers across a variety of sectors, including health, transport and retail, who are typically on below average wages.
- **Common accommodation:** Individuals are likely to be renters, and sometimes will be in social rental properties. Workers and contractors on fixed-term contracts may stay in budget hotels.
- **Coliving attraction:** This group would be attracted to an affordable product with good access to their place of employment—and flexible lease terms.

Active seniors

Consideration	Outcome
Price Point / affordability	Mid to luxury range
Length of Stay / flexibility	More than one year
Amenities and services	Amenities of convenience and community building
Staff / expertise	Community manager/ nurse/ healthcare staff
Macro / micro location	Cities and urban peripheries
Room sizes / layouts	Studios and self-contained apartments
Notable example(s)	Agorahaverne, Denmark Lively, Germany Les Penates, France

- **Dynamics:** Population ageing is a megatrend affecting Europe. The proportion of Europe's population aged 55–79 is over 28 percent and will rise to 31 percent in the middle of the next decade. There is a high wealth and income potential for premium schemes.
- **Common accommodation:** Seniors largely live in their own homes, but some countries have established age-appropriate senior housing options. Provision rates rarely extend beyond about 5–6 percent nationally, however.
- **Coliving attraction:** Serviced living plays a central role in senior living communities and can be considered a form of coliving. The group would be attracted to community aspects, high-quality buildings and potential services. Many active seniors are attracted to vibrant urban environments.

Intergenerational schemes

Consideration	Outcome
Price Point / affordability	Affordable to luxury range (considering the diverse range of target group)
Length of Stay / flexibility	More than one year
Amenities and services	Amenities of convenience and community building
Staff / expertise	Community manager and events organiser
Macro / micro location	Suburban and commutable locations
Room sizes / layouts	Larger self-contained apartments and houses
Notable example(s)	Plushusene, Denmark Generations Block, Finland

- **Dynamics:** Driven by relative dynamics of different age groups, including young professionals, families and seniors.
- **Common accommodation:** There are very few examples of multi-generational living schemes in Europe, but many mixed-age and mixed-tenure communities do exist, within the private and social rented sector as well as owner occupied homes.
- **Coliving attraction:** This group is attracted to sense of community, amenity spaces and shared services.

In reality, the resident make-up of coliving schemes will not be discrete and there will be overlapping groups. As well as defining target groups, building in flexibility to adapt to changing demand patterns is an important way to future-proof coliving assets.

Sunday Mills, FOLK Coliving, London, UK

6

A BLUEPRINT FOR EMBEDDING ESG INTO COLIVING

Coliving has emerged as a concept based on the idea of sharing spaces and resources. This benefits individuals and the environment by helping address key social issues such as affordability and loneliness, and also enables the efficient use of resources such as land and utilities.

Urban density, access to public and active transport and mixed-use neigbourhoods and buildings are key factors contributing to the sustainability of a neighbourhood and its urban liveability. These factors enable more intensive and efficient use of space, and as such are more likely to reduce the carbon emissions of the urban dweller.

In addition, coliving schemes can drive social value by proactively contributing to the socioeconomic welfare of neighbourhoods to which they belong. Coliving buildings are typically more outward facing than conventional residential projects, with publicly accessible ground floor retail/cafes/restaurants and greater levels of community engagement by the residents and management teams. Appropriate policy levers can allow the sector to bring value into town centres, neglected high streets or large-scale master-planned development zones. Schemes can bring footfall to the area and help support local businesses.

To this extent, industry players are urged to agree on the fundamentals that make ESG in coliving a success. This includes:

- Development and design elements that support environmental targets, and ensure the physical, mental, and social wellbeing of residents and the local neighbourhood
- An engaged and committed operator who responds to the tenants' needs and proactively creates social value for the local neighbourhood.

Reporting of ESG progress and initiatives is a way that coliving developers and operators can ensure longevity in sustainability and give assurances to planners, as well as provide greater transparency for the investor community, and gain easier access to (green) financing. The real estate industry has an opportunity to develop industry-

Best Practice Recommendations

- Policies and regulations should advocate for ESG practices in coliving.
- Planners, developers and investors should consider a scheme's affordability, providing a housing solution for a range of income levels.
- Reducing (and ultimately eliminating) both the embodied and operational carbon in coliving assets is imperative to meet sustainability targets.
- To ensure coliving facilities are energy efficient, technology has a key role to play in monitoring the energy performance of coliving facilities and encouraging residents to achieve savings in operational carbon emissions.
- Design features that enhance the wellbeing of residents should be incorporated to create sustainable value to the community.
- To establish social impact on a wider scale, coliving operators should create engagement opportunities with the neighbourhood.

> "Coliving is something different within cities [and] can facilitate early growth within regeneration cycles – it is very visible and very public."
>
> **COLIVING DEVELOPER**

Plushusene, Horsens, Denmark

specific metrics based on mandatory reporting guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD). These guidelines provide guidance on how organizations can identify, assess, and manage climate-related risks and opportunities stemming from their operations[19]. Similarly, across Europe, the Sustainable Finance Disclosure Regulation (SFDR), imposes mandatory ESG disclosure obligations for financial market participants. These were introduced to improve transparency and prevent greenwashing around sustainability claims[20].

For example, The Social Club (formerly known as The Student Hotel) a hybrid hospitality model that offers coliving, student accommodation, hotel rooms, co-working and events across cities in Europe, communicates its impact through regular corporate reporting. One of their latest impact reports showcases the level of impact they have had on elements including social support, waste management, volunteer activities, donations and trees planted. The company has recently secured €145 million in social and environmental impact financing from UniCredit for their new Rome and Florence projects. The loan includes terms for the achievement of a BREEAM 'Very Good' rating for both locations and adherence to the EU Taxonomy for sustainable activities as criteria for the green guarantee by SACE (the Italian Export Credit Agency). The Social Club and UniCredit have agreed to include impact financing terms through a discount on the interest rate, which The Social Club has committed to reinvest by providing students from disadvantaged socio-economic backgrounds scholarships in the form of rent reductions.

6.1 Policies on environmental sustainability

Within wider real estate, guidelines on the re-use of defunct spaces and the repurposing of existing assets, which can save embodied carbon emissions, should be prioritised and promoted. Regulations for converting other use classes into residential are sometimes less stringent on interior design, but thoughtfully considered policies can encourage the repurposing of non-residential assets as coliving buildings. The Portuguese government, as a result of the pandemic and the fall in tourism, has allowed hotels to (at least temporarily) change towards a longer stay model and include elements of coworking, without losing their tourism licence[21]. In France, the 2018 ELAN law increased the floorspace 'buildability bonus' from 10 percent to 30 percent for reconstruction, renovation and rehabilitation operations in order to encourage the transformation of offices into housing.[22]

There are also relatively well-established guidelines on developing sustainable buildings across most asset types. There is an active role being played by local, national, and supra-national government. Both the EU and the UK have legally binding net zero carbon targets by 2050, with several progressive cities setting even earlier targets. The EU's Energy Performance of Buildings Directive (EPBD) offers a holistic approach towards more energy efficient buildings, which is impacting the residential sector—and has translated into building codes and policies for new buildings since its initial introduction in 2002 and subsequent amends. The latest round of proposed additions, from December 2021, include several more ambitious targets, including that new buildings will have to be zero-emission across their full life cycle by 2030 and national renovation plans should be revised to include a roadmap to achieve a zero-emission (not just nearly-zero-energy) building stock by 2050.

Municipality-level decision makers can encourage sustainability in building practice across different levels. At an informative level, they can offer education, advisory

services or technical assistance. They can also use policy levers, for example through rating systems. In a more proactive capacity, they can offer flexibility within local planning provisions, such as density premiums, fast track consents and use regulation to encourage change, for example in district plans.

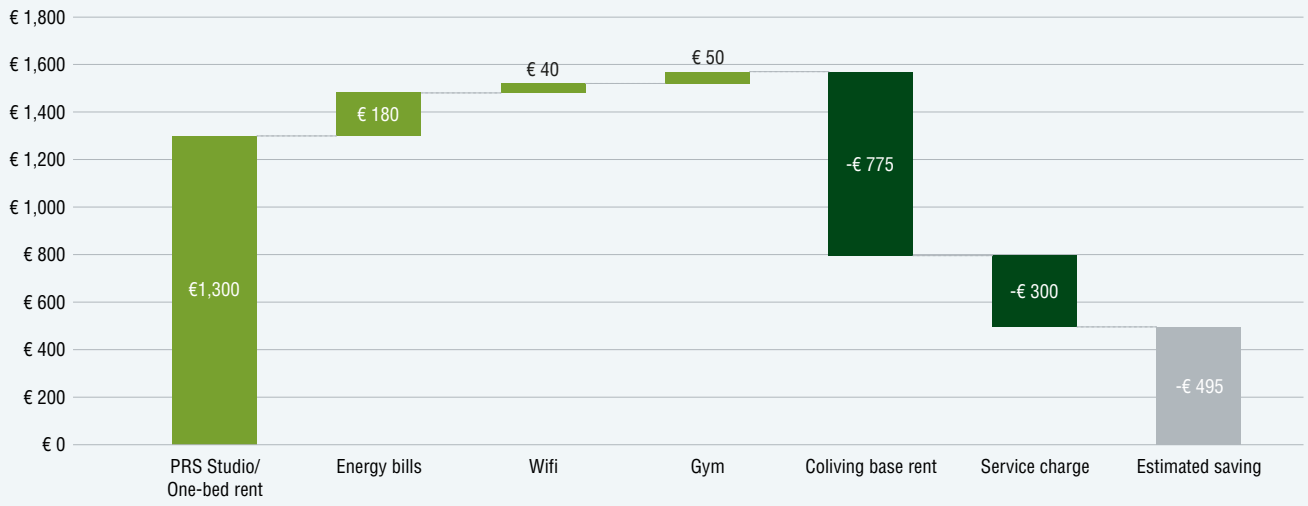
Coliving buildings, whether new build or renovations, ultimately have to adhere to local building codes. This will relate to elements of materials used, on-site processes and in-use certifications or measures. There is also the opportunity for coliving developers to design schemes in advance of obligatory regulations. The following four examples are promoting sustainability beyond existing requirements:

- The Hive is a 90-bed coliving scheme in Sheffield (UK) designed by Cartwright Pickard, which intends to be a net zero asset, in both construction and use. It includes locally sourced materials that absorb carbon and a high proportion of recycled content (such as bricks collected from the demolition process used as flooring in the courtyard). Timber is the predominant material in the construction and solar panels are fitted to the roof to provide energy to the building. The scheme was granted planning approval in October 2021.
- The upcoming scheme to be operated by UNITY in Aarhus (Denmark) will have all its common areas fully powered by energy captured by solar panels on the building. The 650-bed scheme is due for completion in 2023.
- In Paris (France), a 312-bed student housing and coliving scheme is being developed by Demathieu Bard Immobilier and run by Sharies. The structure of the building will be made from wood and it will benefit from optimal energy performance thanks to a passive design.
- In London (UK), The Palm House (owned by DTZ Investors, operated by Folk and developed by Halcyon) is a 100 percent renewable energy-powered building that utilises new systems and technologies to manage energy, air and water and achieved a BREEAM Excellent accreditation on opening in March 2022.

6.2 Affordability and social housing provision

Housing affordability is an increasing concern of city and national governments across Europe. Coliving can provide more appropriate and attainable housing options and therefore release the existing housing stock for those in need for example, social housing, and as such contributing to providing solutions for the housing crisis that many cities face. While planning officials' perceptions of coliving may not always reflect the on-the-ground reality, developers of, and investors in, projects (whether repurposed or new build), should consider the articulation of the scheme's affordability as well as the provision of social, or sub-market, rental units. Offering balanced solutions that meet diverse needs not only tackles the shortage of affordable housing, but also improves diversity and inclusion in the sector, by catering to individuals with different backgrounds and perspectives. Hence, a holistic view on affordability needs to be adopted and presented by industry players to provide a clearer picture of costs and change perceptions. This means the inclusion of bills, subscriptions, deposits, furniture purchases and other additional costs in the rent, to showcase that coliving schemes can be cost-efficient to some target groups who

Figure 15: Comparing coliving and PRS costs in Diemen (The Netherlands)



Source: JLL Research, 2022. Note: the coliving scheme under consideration is Our Domain Amsterdam Diemen; which has variable rental rates, but for the analysis, the assumed base rent of €775 per month (for a standard/superior studio) and service fee of €300. PRS Studio rent is based on the average studio rent in Amsterdam.

Sunday Mills, FOLK Coliving, London, UK

do not have the upfront savings for deposits on a mortgage or rent.

The answer to whether coliving is an affordable housing product (as measured by rental affordability ratios for average earners in a city) is disputed. Some operators have made the case that their all-inclusive rents within a coliving building are cheaper than an equivalent local studio / room in a shared apartment—and so can offer cost-effective accommodation for middle-income individuals. JLL Research shows that in 60 percent of Western European cities, existing coliving (all-inclusive) rents are cheaper when compared to a base rent for the studio/one-bed flat wider private rented sector. In addition, coliving is marginally more expensive (up to 10%) in a further 15 percent of cities, which is likely eroded once bills are accounted for.[23] Moreover, the all-inclusive coliving rents offer more transparency on the real cost of the rental unit. In contrast to privately rented units, where utility charges are often paid directly to service and energy providers and can be opaque, all-inclusive coliving rents provide more cost transparency. Figure 15 exemplifies this for a scheme in the Dutch municipality of Diemen, just outside of Amsterdam.

Coliving schemes typically further include lower deposit requirements compared to the wider rental market, and their furnished nature is in contrast to a majority of rental units across continental Europe. Both these factors create a more affordable and flexible product for the resident.

Manchester City Council's guidance[24] states that in general terms *"there is evidence that the relative accessibility of the housing market in Manchester … is playing an increasingly important role in attracting new residents to the city"* and that *"we do not believe that coliving is required, or appropriate, to address affordability pressures in Manchester [and that] coliving should be considered against very different drivers"*. This suggests policy makers have to make judgements on whether coliving is more about providing affordable short to mid-term accommodation options or is being driven by lifestyle factors. In some cities, there will be room for both, but policy guidance should set out the rationale and the type(s) of coliving it expects developers to deliver (if any).

In addition to this consideration, most countries or cities have requirements for new developments to provide a proportion of homes at an affordable (sub-market) price, or to be socially rented. The social rented sector has been declining in northern and western Europe over the last few decades, but recent policy developments have been positive, including more progressive allocation policies in residential new build schemes.

This is a difficult position for many coliving developments to be in. The sector does not generally purport to be a housing solution for long-term low-income residents but can be seen as a beneficial element of overall housing delivery. Planning officials are understandably keen to promote the delivery of sub-market rate housing as

affordability challenges for low-income households intensify across many cities and the supply of social housing declines. An example of a fully socially rented coliving scheme is Amvest's Startmotor project in Rotterdam, which offers 581 socially rented homes and was completed in 2020. Because of local Dutch regulation, the units (which measure 23–40 square metres) fall below the 'liberalisation threshold' and so rents are set in accordance with the national Rental Prices for Housing Decree scoring system and annual increases are regulated. As well as remaining affordable, the operational management of the building promotes social interaction through participation in group activities, and the scheme's design creates environmental sustainability through small but impactful measures such as energy efficient lighting within the development.

The social value (including social housing provision) of developments can be negotiated in line with local policies and offer a mix of units at different price points, as is commonplace in build-to-rent schemes. For example, a 270-bed coliving scheme in Battersea, South London (funded by DTZ Investors, operated by Folk and developed by Halcyon) agreed to 31 percent Affordable Housing provision on-site, with a slightly higher proportion (35 percent) in a similar scheme in nearby Earlsfield (315 beds total). The rooms will be available at discount market rent for people with starting salaries of £22,000 (€25,500), 40 percent below the city's median wage for a full-time worker. The scheme will also be exclusively marketed towards those living and working in Wandsworth, and key workers at local hospitals.

There is also the opportunity to demonstrate social value in other ways, such as through community engagement and working with local partners. In The Cohesion's 'Little Manhattan' scheme in Rotterdam (Netherlands), residents are encouraged to participate in the wider community life through local charity events. Stena Fastigheter's new 'Vega' development in Stockholm (Sweden), which includes nearly 150 coliving units in a larger mixed-used development, also includes appropriate neighbourhood and community facilities, such as a school, sports hall, library and leisure park.

Where associated payments are due (often in lieu of on-site social housing provision in the UK), these should be negotiated with the local planners so as to promote both a high-quality coliving scheme, but also ensure wider benefits to the local area. Planners and government can dictate the local preferences of this. For example, within emerging policy guidance for London, the prevailing narrative concerns off-site payment of social housing contributions.

CASE STUDY:
TOMODOMO, SWITZERLAND

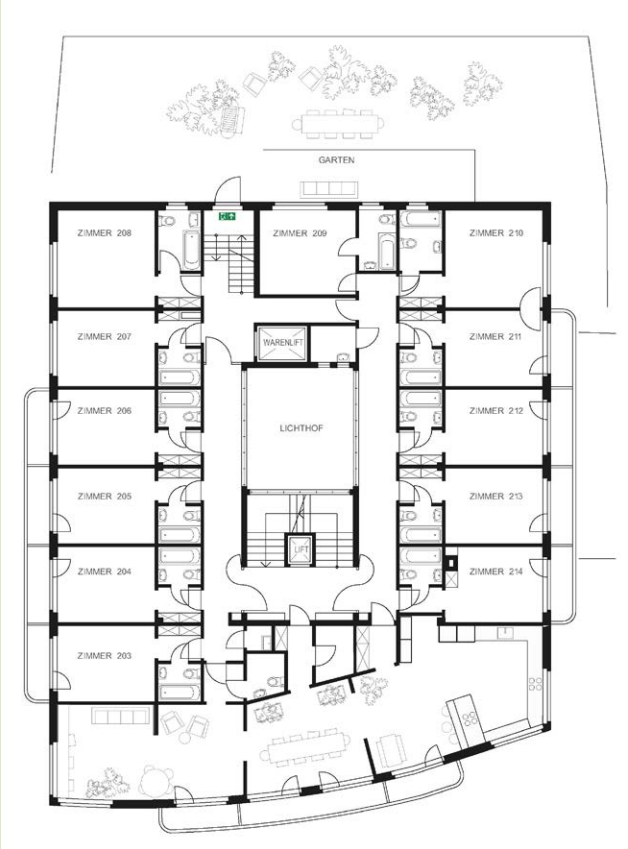
TomoDomo is an operator of five coliving properties in Switzerland. Two of these projects are located in the city centre of Zurich, and two others are in Kloten, a well-connected area only a 15-minute train ride from Central Zurich. Between them, these four properties have a total of 191 coliving rooms. The last development is expected to handover in October 2022 in Central Basel (24 rooms). The choice of location is intentional, as TomoDomo believes 'the smaller the city, the more central the coliving site should be'.

All four developments present an interesting case study as they are all hotel conversions. In an interview with the Founder and CEO (Johannes Peter), he explained the reasons behind targeting hotel properties for conversions:

"Given the strength of the housing market in Switzerland, I immediately realised that a residential conversion, the way I experienced coliving in San Francisco for example where I first came across the concept, was not the most cost-efficient."

Based on that and given the outbreak of COVID-19 and its immediate impact on the hotel industry, TomoDomo began its partnership with mid-scale hotel owners. This collaboration was attractive to both market players. On the one hand, the cost of operating a coliving facility is lower than that of a hotel, and tenancy contracts are longer-term. On the other hand, mid-size hotels of 40–80 rooms can be easily converted, given floor efficiencies and the opportunity to create clusters (e.g., each floor of 14-15 rooms can have its kitchen and living space, allowing for more intimate connections to develop among residents). In addition, hotels are already built with common areas such as a lobby or garden, which can be more readily and easily converted into coworking spaces, cinema rooms, and social spaces, as TomoDomo did. Another guiding principle behind choosing to repurpose existing buildings was the ability to preserve the existing embodied carbon, rather than contribute to emissions further.

From a policy and planning perspective, the conversion process was relatively simple and swift (a one-month timeframe), as the developments remained classified 'for hotel use' but only changed from short-stay to long-stay. The proceeding stage was refurbishing rooms and common areas, which only took one month. Despite the old age of some of the developments (e.g., Domo Central Zurich was built in 1935), these needed no particular retrofitting or upgrading. Heating and cooling systems were well centralised within the developments, and many already had photovoltaic systems (PV) such as solar panels installed on the roofs. Instead, the focus was on reusing salvaged materials and hotel equipment, re-selling unwanted furniture and procuring second-hand furniture to reduce the development's environmental footprint and benefit communities.



Floor plan from Domo Central, showcasing a large kitchen and garden area

Floor plan depicting a cluster at Domo Vuelo, Kloten

6.3 Sustainable development

While developing new, low carbon buildings is an important way to drive our cities towards a sustainable future, architects, designers, and developers also have to examine the embodied carbon locked up in existing buildings. As Carl Elefante (former President of the American Institute of Architects) said: "The greenest building is the one that already exists". Through repurposing and retrofitting existing buildings, adapting existing spaces is central to the discussion around decarbonising the built environment.

6.3.1 Repurposing and retrofitting existing assets

While improving operational efficiencies has been the most common approach to sustainability in the real estate industry, a building's operational emissions are only part of the overall real estate industry's carbon emissions.

CASE STUDY: THE FIZZ, NETHERLANDS

The Fizz Utrecht, a 'student coliving' project based in Utrecht, Netherlands, is operated and owned by real estate developer, investor and operator International Campus. It is an example of integrating sustainability elements within the initial project design, which earned it an award for its innovation in building and architecture at the 2021 Coliving Awards.

Shaped like a cube, the development consists of two staggered 16-floor towers featuring two cut- out incisions made from timber, that bring air into the brick façade. Timber naturally absorbs CO2 and prevents energy from escaping, making it one of the most environmentally friendly building materials. It is also biodegradable. Similarly, brick is highly durable, making its replacement unnecessary, and can be salvaged on demolition for reuse in other projects.

The project is also fitted with LED lighting, solar panels and is connected to a solar panel field in Nieuwegein (Utrecht), thus reducing CO2 even further and removing the reliance on fossil fuel and gas. Large windows and open spaces ensure natural light and fresh air circulates through the building, while a high-efficiency HRV ventilation system ensures the indoor climate remains balanced, free of excess moisture and contaminants.

In addition to its own community areas, the Fizz Utrecht also houses Oproer (local award winning brewer and coffee bar) with its terraces where its residents mingle with the neighbours adding to the community feel of the project as well as providing jobs for the students.

According to the World Green Building Council (WGBC), buildings account for 39 percent of global greenhouse gas (GHG) emissions: 28 percent from building operations and 11 percent embodied[25]. Over a building's lifetime, embodied carbon may, in some cases, account for as much as half of its carbon footprint. This is in large part due to carbon-intensive material manufacturing processes and large quantities of fossil fuels used before construction even begins.

By taking advantage of a building's infrastructure and redeveloping existing assets, projects can avoid spending on raw materials and significantly decrease embodied carbon. In the context of coliving, repurposing from hotels, student accommodation, or multifamily assets could offer a successful pathway towards lowering overall carbon emissions. Decisions on redevelopment should always consider embodied carbon of existing assets and see renovation as an opportunity cost in the case of a complete rebuild.

In our interviews with industry experts, Habyt presented their approach to this question. They operate coliving properties across Europe and work closely with developers and landlords on new build projects and repurposing existing assets, converting them into smaller coliving schemes. They have found exciting opportunities, particularly in the hotel and service apartment sector, as they have close enough efficient floor plans. Each room with a private entry, bathroom and kitchenette acts as a studio, while the traditional lobby on the ground floor can be converted into a shared communal space.

Repurposing redundant spaces is an efficient way for them to gain a significant presence in a city and poses an exciting challenge. To quote Habyt: *"It is of interest for us to work with existing buildings and develop innovative solutions to older buildings that were perhaps written off. Our vision is to bring those back to life and create a story by reviving the building, which then reflects positively on the entire neighbourhood."* Moreover, a large majority of respondents to the survey agree that converting redundant commercial spaces can be a viable option for coliving.

A net 68 percent of survey respondents believe conversions of defunct commercial space can be a viable option for coliving schemes.

When looking to repurpose a space, particularly older assets, it is also best practice to upgrade and retrofit key features within the development to reduce the operational emissions. Standard upgrades can help developments become more efficient[26]. These include:

- **Heating:** Employing low carbon heating sources such as heat pumps or solar thermal to provide renewable hot water.
- **Cooling:** Utilising smart building materials such as climate-adaptive smart glass, which changes opacity to regulate the level of light and heat. Also selecting low-carbon materials such as clay brick, to create a thermal mass in a building, can help absorbing the sun's heat and keeping the indoors cool.
- **Water:** Installing efficient water devices such as low-flow water faucets, insulated tanks and automatic water thermostats.
- **Ventilation:** Draught proofing developments by insulating the external and internal walls of a development with air-tight insulating material.
- **Lighting:** Installing low-energy lighting fixtures and climate adaptive smart glass.

6.3.2 Sustainable architecture and development

Where there is a need to develop new properties, the design and development process should meet ambitious sustainability standards. The measures and technologies outlined under the section on retrofitting should be rooted, to a more advanced degree, in the initial design stage of a development.

CASE STUDY:
POHA HOUSE X MORINGA, HAMBURG, GERMANY

POHA ('**P**ursuit **O**f **HA**ppiness') House is an operator of coliving and coworking developments (branded as 'Cospaces') located in Germany. In 2021, they announced plans to open their coliving concept in the ecological construction project developed by Landmarken AG, Moringa at Baakenhafen, Hamburg (scheduled for completion in 2024).

The overall development consists of three buildings offering around 15,000 square metres of rental space. Most of the space will be reserved for residential purposes, with 30 percent publicly subsidised, thus promoting inclusivity of various social classes. POHA House is expected to take over 4,600 square metres of space which is the equivalent of one building, providing a mix of rooms ranging from studios catering to young professionals early on in their career, to shared apartments accommodating three-to-five people, promoting engagement and connectivity among residents. POHA House will also provide and operate 570 square metres of coworking space accessible by all residents of the Moringa, and open to the wider neighbourhood.

The development stands out as it will be the first high-rise in Germany built in line with the Cradle-2-Cradle principle (C2C), or the principle of circular economy. The modular design of the timber façade allows for easy dismantling and the reuse of the structure at the end of the building's lifecycle, eliminating waste. Moreover, the façades are lined with greenery and grouped around an inner courtyard. This allows for the surrounding air to cool, purify and generate oxygen, helping to improve the air quality within the project or building. The roof is fitted with 200 square metres of photovoltaic panels which convert thermal energy into electricity. The roof gardens and inner courtyard are fitted with systems to retain rainwater for use in irrigation and other non-potable functions. This focus on circularity and urban mining (reclaiming raw materials) will effectively turn Moringa into a rich material bank.

Moringa, POHA House, Hamburg, Germany

CASE STUDY:
SUNDAY MILLS, LONDON, UK

Sunday Mills is a coliving development under construction in Earlsfield, Wandsworth, South London, designed by architecture firm Assael Architecture for Halcyon Development Partners and DTZ Investors, to be operated by FOLK Co-Living. It stands out as an example of how biophilic design can be embedded in a development's external architecture and interior design, to promote resident and neighbourhood wellbeing.

Borrowing from the industrial nature of its surroundings and the River Wandle, which once powered tobacco, paper, and textile mills, Sunday Mills blends into its setting. Its exterior is set with red brick, metal frames, escape staircases, crittal-style windows (black metal grid-framed windows), and exposed structures. The landscaping references the site's industrial past, whilst incorporating biodiverse planting along the riverbank enhancing the riverside location. Through this, the development establishes its material connection to nature whilst giving it a clear identity and sense of place synonymous with the River Wandle as a working river. The scheme includes a new footbridge and facilitates the extension of a key pedestrian route 'The Wandle Trail'.

The interior design (by Assael Interiors) follows the concept 'wabi-sabi', a traditional Japanese world view centred on the acceptance of transience and imperfection, in this case the earthy and industrial River Wandle. This manifests itself in the paired back material palette which utilises natural finishes such as exposed concrete ceilings, internal brickwork, and Macramé room dividers.

Architectural cues are used to stimulate interaction. A feature staircase and rooflights link both buildings and all amenity spaces, so these are visible to residents and visitors. The scheme features a wide variety of room types including duplex style rooms located within the pitched roof. Natural light at the end of all corridors and into stair cores or lift lobbies create places to pause and interact, whilst the roof terrace features vegetable growing areas and adaptable spaces that can be transformed according to residents' evolving needs.

A café and coworking space are located at the ground floor so they are accessible to both residents and the external neighbourhood, thus promoting wider engagement. These are visually connected with nature, surrounded by riverside views, to promote physical and mental wellbeing.

Sunday Mills, FOLK Coliving, London, UK

Once established, developers then need to embed sustainability practices throughout the construction cycle, which include:

- **Choosing a sustainable site:** The scope for this ranges from redeveloping brownfield sites where possible and permittable, to ensuring the site connects to local utilities and amenities (e.g., water sources and public transport) and the wider community, supports the neighbourhood and promotes a healthy lifestyle. This also includes conducting a climate risk assessment to understand the impact of the project on local biodiversity.
- **Sourcing renewable materials:** This ranges from partnering with certified sub-contractors to sourcing sustainable building materials, and recycling and repurposing older products.
- **Adopting Modern Methods of Construction (MMC) and other technologies:** This covers a broad range of activity, spanning from pre-manufacturing such as the 3D printing of structural elements and off-site construction, to innovation in on-site processes to reduce on-site labour requirements. Technologies such as digital twins, providing an accurate virtual model of the building through which architects and designers can gain an understanding of the building's impact on its environment, choose sustainable materials, and analyse and predict operations, to ensure conservation and optimization.
- **Managing construction waste effectively:** This can be achieved by improving procurement practices to reduce ordered material, salvaging, reusing any excess material from previous demolitions and recycling materials such as wood, plasterboard, metal and glass.

6.4 Building layout

While embedding sustainable practices in the repurposing and developing of assets addresses the environmental impact of coliving, the design and layout can positively impact residents' physical and mental wellbeing, addressing the social element within ESG. This can be done through incorporating elements of biophilic design.

In its simplest form, biophilic design is creating architecture and spaces that are an extension of nature. Building materials, colours, light and air quality, for example, are all rooted in nature and positively impact attitudes and wellbeing. The following list presents some key examples of how biophilic design can be incorporated into coliving spaces to ensure mental and physical wellbeing[27]:

- **Visual connectivity with nature:** Place furniture close to windows for access to natural elements such as light and greenery. Alternatively, scatter plants and green walls in various spaces to purify the internal air and increase productivity and creativity.

Figure 16: The levels and spaces of coliving

Source: The ULI and JLL European Coliving Best Practice Guide

- **Non-visual connectivity with nature:** Stimulate residents by playing music in shared spaces and incorporating water features for cooling the space.
- **Thermal / Airflow variability:** Ensure windows can be opened manually, and workspaces or dining areas have outdoor balconies to encourage the flow of natural air.
- **Dynamic and diffused light:** Source daylight from multiple angles (e.g., ceilings and walls) and install ambient lightings on walls and ceilings, particularly in spaces that are meant to evoke calm.
- **Forms and patterns:** Incorporate organic shapes and natural colours (e.g., furniture) and spirals (e.g., staircases) to make spaces interesting, thus sparking curiosity and creativity.
- **Material connection to nature:** Utilise specific types of materials such as clay, stone and fabrics that reflect the local surroundings, to evoke connectivity and warmth.
- **Complexity and order:** Design with repetitive and symmetrical shapes or wallpaper to give subtle information and cues, thus guiding residents.
- **Prospect:** Use partitions, elevated planes, open floor plans and transparent materials to give a sense of openness and evoke intrigue (the case study on Noiascape, presented in Section 6.6, showcases how glazed windows are used as separators to entice incidental encounters).

6.5 Social and community engagement

Given it's outward nature, coliving has a role to play in increasing connectivity between people within the community of residents, and with the wider external ecosystem and local neighbourhood in which they are located. These features become even more relevant in light of the discussions around promoting social and community wellness, encouraging diversity and inclusion, combating loneliness, and supporting human connection.

Designing coliving developments in ways that encourage and ensure this level of connectivity across the various levels and spaces, as shown in Figure 16, should be adopted as best practice. Layering design features with the right amenities and services, and building meaningful partnerships with third parties, also fosters a strong sense of connectivity and engagement among residents and with the local neighbourhood. Considerations around private spaces and how to ensure comfort and privacy are discussed later in Chapter 8.

6.5.1 Coliving community

Research published in the *BioMed Central (BMC) Journal* shows that coliving has a beneficial impact on mental health, with studies suggesting living with others can help anxiety and improve mental wellbeing[28]. The ability to socialise emerged as the biggest benefit of coliving, according to a 2018 study which surveyed 14,000 people from 147 countries. The survey also showed that coliving is not only confined to the younger generation. Older respondents also identified the concept as a good means of staying close to others and maintaining social bonds.

35 percent of survey respondents saw "social impact or community engagement" as one of the defining features shaping the future of the sector.

The design of spaces has a role to play in promoting this. While developing coliving schemes, particularly large-scale developments, it is crucial to establish smaller and more accessible social spaces and communal areas to encourage interaction between residents. This can be achieved and maximised by layering various amenities and services across the development. This reflects the 'hub and spoke' model of amenity provision mentioned by roundtable attendees and interviewees. Rather than a single large kitchen area, for example, smaller kitchenettes can be embedded across several floors, allowing a smaller group of residents to meet and engage. Similarly, communal spaces can be placed on shared pathways to allow for impromptu catch ups.

Operators also have a role in creating unique experiences and ensuring resident engagement through providing relevant amenities and facilitating community events (a further discussion on amenities and community building can be found in Chapter 9, section 9.3: Amenities, Community, and Operations). There is an expectation that events should not be *too* frequent, but fostering a good balance is an essential role for the operator. There is the further question around who should be organising individual events and defining the schedule. The best-in-class approach seems to be a balance—community managers and coliving operators have a role to create main events (such as cooking classes, drinks events and movie nights), but residents should also be empowered to organise their own events, based on interests of perceived demand within the community. For the operator, it is necessary to be malleable and adapt to a changing resident profile, or a lack of popularity of some events.

6.6 Operating sustainable coliving developments

The advancements and innovations in proptech over the past few years have demonstrated that technology has a key enabling role to play when tracking energy performance and data. Integrated technologies in digitally connected buildings are able to feedback live and granular data on building energy performance, emissions, and system functioning (e.g., heating and ventilation systems).

Combining the hardware with analytical software enables users to identify areas for improvement and optimise

> "Removing barriers to engagement between residents and the neighbourhood is important to the success of coliving's social agenda. This can be achieved through placing shared amenities on the ground floor for ease of access by the wider neighbourhood, or partnering with neighbourhood restaurants, dry cleaners and gyms to provide local business discount codes for residents."
>
> **COLIVING OPERATOR**

efficiencies. Smart home systems such as heating and cooling systems allow operators and residents to control temperatures directly. Light and heat sensors can connect to software that automatically adjusts the light and ventilation depending on the space use. Similarly, monitors can be deployed to track and regulate water consumption. These technologies also potentially promote sustainable behaviour and a sense of responsibility among residents. Sensors might inform tenants when they have left the light on in their room. Monitoring systems can generate impact reports to communicate tenants' energy use and provide examples of how savings can be achieved.

On a larger scale, technologies can harvest rainwater for reuse in gardening, thus limiting water waste (as outlined in the earlier case study on POHA House Moringa). Wastewater from kitchen sinks and showers can also be redirected into gardens through large soakaways.

Monitoring health-related metrics such as air quality allows operators to adopt strategies that boost wellbeing. Other tech tools and integrations that provide support for physical and mental wellbeing include fitness and mindfulness apps, push notifications providing healthy eating tips and community dashboards with planned health and wellbeing events for residents.

Plushusene, Horsens, Denmark

CASE STUDY:
NOIASCAPE, LONDON, UK

Noiascape are designers, developers, and operators of coliving spaces across London. Their current portfolio consists of five coliving spaces made up of 5–15 rooms each and cater for singles and couples in their late 20s to mid-30s. As leading industry players in the space, they stand out in their philosophy of combining design, development, and operational expertise under one roof, to 'avoid the fragmentation of the process as it leads to poor product'. Through this approach, they are able to control their vision for the spaces they create.

Understanding the target audience

At Noiascape, the team prioritises the connection and closeness to tenants to understand their requirements and how they use the space available to them, which then feeds into the design process. For example, in 2016, they launched a research project where they examined the daily behaviours of existing members to understand where they spent their time the most. They did this for the purpose of analysing how much private space is needed and whether this could be restructured and reconfigured to adapt to daily modern rituals. To quote a key finding:

"Our research showed that on average, individuals were spending 17–20 percent of their time in private space (excluding sleep). This helped us reconsider how much capital we were spending on private spaces versus common and social areas and led us to redistribute the spaces accordingly."

These findings from completed projects have acted as prototypes that create live data on the spatial organisations that support the typology. These prototypes are now informing larger scale buildings.

Encouraging social interaction and engagement

These data points also supported the decision making around communal spaces, services, and amenities available to tenants. Providing shared workspaces was one obvious conclusion, but the findings also led to the creation of 'multi-programmed' spaces throughout their developments, known as Noia Social. The opportunity of these spaces is to create a new type of local public hub, supporting young talent and creating connections between new people that arrive and live with Noiascape and the existing local neighbourhood. This continuous mixing of people can create new identities for areas, reflecting the specific culture of the area. This should be supported by planners as it replaces several functions that are critical to develop a strong local social identity.

The flexible social space at High Street House (Shepherd's Bush, West London), for example, was designed to facilitate interaction between the community and wider neighbourhood, through the organisation and hosting of activities including talks, exhibitions and retail pop-ups, to support the emerging talent and culture within the local area. The idea behind this space was to 'make up for the erosion of public space such as libraries and community centres, which cities have seen over the past 10 years'. This also brings on added value in the form of ancillary income as spaces are activated beyond a typical nine-to-five day. The social space is also open to residents of the other four Noiascape properties, creating a network among tenants.

"Our focus on the customer has not just fed into the physical product, but also the time and effort spent on the operational management of the space. Creating content and activating the shared space takes time, but it actually brings tenfold customers every day because it promotes connectivity."

Other ways they allow for interaction is by focusing on creating and facilitating incidental (as opposed to planned) exchanges among residents as they move through the space. They do this by linking spaces efficiently and maximising the interface between two things (co-joining spaces rather than isolating them). A standout example of this is the staircase at High Street House. It was designed with a library built into the handrail so as people move up and down, they can stop, pick up a book and chat as

Noiascape

High Street House, Noiascape, London, UK

they pass each other. The foot of the staircase leads to the communal kitchen, which is in turn situated close to the laundry room. Through this design they seamlessly connect the spaces and allow people to interact.

"The way we facilitate that is by thinking, 'how can the design organisation connect people's eyes, make people aware of others in a subtle way?' It's about the way rooms are organised, the flow of people in and out of the building, and then materials used such as glazed windows so tenants can view what's happening around and simply wave at individuals."

Adapting private spaces to meet tenant needs

Private spaces at each development are uniquely designed and equipped with modern and functional furniture designed by Noiascape Studio. At High Street House for example, beds were designed to support individuals' needs for comfort as they conduct their work, entertainment and communication, whether on screen or physically. In that sense the bed became a space in itself where tenants could place their intimate objects, photos and books, and use it as storage space.

Sustainability and technology

From an ESG and technology perspective, small but impactful measures were introduced throughout the development to promote energy efficiency and social responsibility and giving tenants the power to control their consumption. For example, studios and apartments are fitted with electric underfloor heating controlled by an app, to enable residents to (de)/activate this through their smart phones.

"Part of our approach to sustainability is to inform residents of the impact of small changes. If one person boils a kettle of water, it costs 12.5p and typically 50% of the water is wasted. If that kettle is shared by six people, it distributes the energy consumption amongst a wider group and provides the opportunity for a chat – our job is to start that conversation. This is the focus of the Noiascape project, how can we use economies of scale in space, capital, and energy to deliver more experience, content, culture, and efficiency. Integrated organisations can embed this approach from the start and deliver real change."

To encourage social contribution, Noiascape introduced the concept of a social timebank, whereby residents and members contractually offered two hours of their time each month to contribute to groups in their local community. While this has been put on hold since COVID-19, the team is now looking to revive this initiative.

As for the use of technology, the team at Noiascape believe it is about improving the customer experience but should not come at the expense of human connection. That is why, for example, studio doors are fixed with Salto systems (keyless and mobile door access controls), while the enquiry, leasing and tenant check-in process is non-automated. The use of technology also informs how the design of studios may respond to changes in use pattern. For example, live data from sensors has shown that 85% of residents work in a flexible way and use the Noiascape work lounge. To quote their analysis of this:

"If our tenants use this space throughout the year, based on a 2 hour commute a day they will save 11 working weeks by not commuting. This data can start to inform the uses we integrate and to provide a deeper evidence base to allow planners to understand the benefits of the typology."

High Street House, Noiascape, London, UK

7

BEST PRACTICE IN POLICY AND PLANNING

This chapter looks at existing residential and commercial planning systems and how coliving fits within (and can be limited by) these frameworks. It then identifies specific areas of guidance that a successful coliving policy should look to include.

7.1 Policy playing catch up

Coliving has evolved in a planning and policy environment that is largely based on more traditional ways of interpreting existing use classes, lease structures and zoning or spatial requirements. Its position within the policy spectrum is often unclear, at least for now, and further engagement between policymakers and industry players is needed to shape perceptions around the sector, including location, target audience, room sizes and layouts, amenity spaces and price points.

7.1.1 Existing planning systems

Existing frameworks are generally inadequate to address the new model of accommodation that coliving provides: flexible leases, smaller rooms, majority single-occupancy buildings and appropriate amenity spaces. Across Europe, planning policies usually differentiate between residential and commercial zoned areas, each with their own regulations and norms around internal attributes (e.g., room sizes) and external characteristics (e.g., locations). The framework for new developments and ultimate arbiter of whether a building can be built lies at different levels across countries.

Spatial planning and policy systems are, generally speaking, hierarchical across Europe, with three or four different levels. Mostly, local plans have to be subordinate to large-scale policies, while in many cases national or regional plans can take precedence when making decisions on particular developments. Overall, municipal planning authorities have the most direct power when it comes to granting or refusing planning permission for new projects. With respect to coliving, current experience suggests national policies rarely provide the framework, which leads to local-level interpretations and policy initiatives (usually in the form of guidance documents) to create the benchmarks and minimum standards for the sector. (See the Appendix for more details about select countries in Europe.)

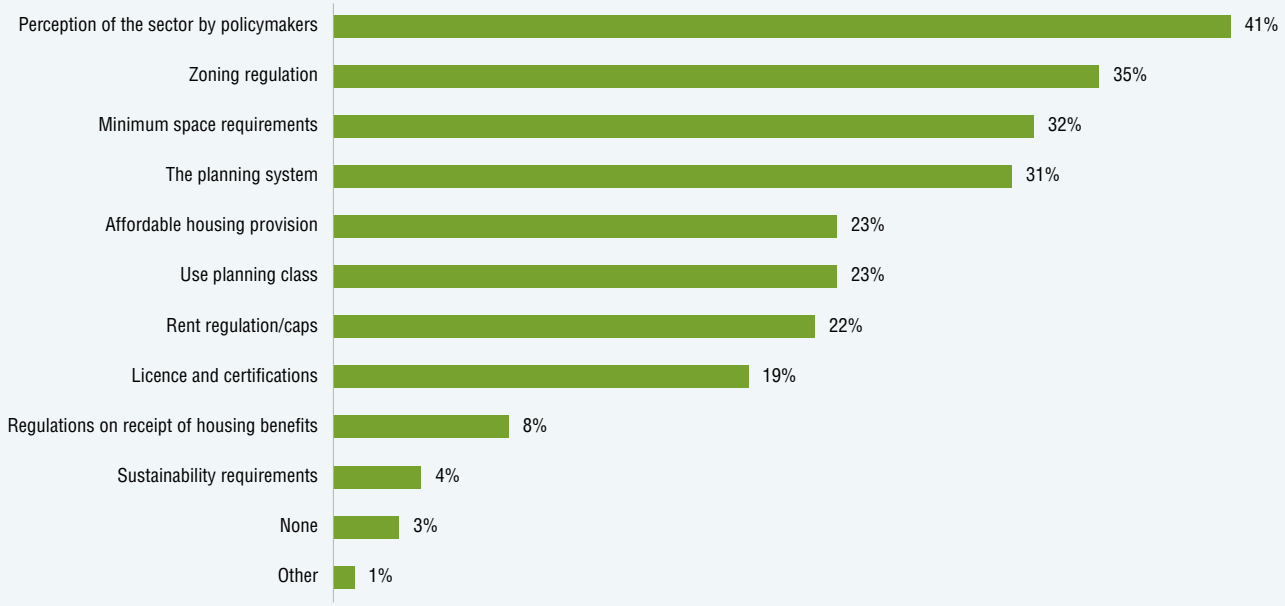
Best Practice Recommendations

- Based on national or regional frameworks, local authorities should set out planning guidance for coliving developers.
- Developers should consciously engage with planners, local residents and businesses during the pre-application process.
- During consultation periods, planning officials should look to visit the growing number of best-in-class coliving schemes locally.
- Available lease terms should promote flexibility for the resident.
- Developers should include the longer-term operator and investor perspective when planning and designing for a new project and ensure that these actors are engaged throughout the planning process.

In many situations, across Europe, renovations or change of use projects are subject to slightly less stringent regulations. As a result, some of the first waves of mid to large-scale coliving assets are repurposed family homes, office blocks and hotels. The value of renovating dilapidated residential stock, or repurposing buildings from other sectors, is discussed in later sections—in particular how it relates to ESG in construction, design considerations for optimal floor plans and operational management.

There are a number of existing rules that, in their current form, can be considered an impediment to the development of coliving and the creation of best-in-class coliving

Figure 17: Survey response: What are the three most significant regulatory barriers when developing coliving schemes (in the market you primarily operate in)?



Source: ULI Europe Coliving Survey 2022. Respondents could select up to three regulatory barriers; %s are the proportion of all respondents selecting the relevant regulatory barrier. Number of respondents = 176, totalling 423 responses.

spaces. These include the following, which are deemed as important considerations within the wider residential sector in guiding what can or cannot be built:

1. **Room size requirements:** within residential uses, many European countries have minimum floorspace standards—detailing the smallest possible size a self-contained studio, usually for single occupancy, can be. Policy can also determine—and have the final say over—potential unit mixes within the residential development. These are barriers in the sense that coliving buildings may provide private living spaces smaller than space standards permit in many countries. Furthermore, the exclusive focus on studio apartments supplemented by common areas may not meet planning requirements for a broader range of unit sizes.
2. **Length of stay:** residential-zoned projects usually have a minimum tenure period, while commercial-zoned ones will have a maximum. Some current coliving schemes exist outside of residential rental regulations since they relate to temporary furnished contracts, which are designed to be more flexible and short term.
3. **Amenity provision:** there are generally no guidelines to the type, amount and layout of shared spaces within residential schemes. Even within commercial developments (e.g., hotels) or alternative uses (e.g., student housing), planners do not always have (sufficient) rules to follow when it comes to providing shared spaces and community activities.

Figure 17 shows some of the main policy barriers to the proliferation of the sector, as identified by all survey respondents. It is clear that for many market participants involved in coliving, the regulatory landscape is limiting the sector's growth. Indeed, there is a variety of different touchpoints the survey respondents identified, from education to rent regulations. Developing more appropriate guidance for the new asset type will be key to creating coliving assets and communities that best meet the needs of residents, neighbourhoods and cities.

7.1.2 Emerging policies

Some local planning authorities have, in the recent past, attempted to define the sector and provide new rules and requirements for coliving assets. This is particularly the case for countries where minimum studio space standards are significantly above what coliving developers and operators feel is optimal for the asset class—notably Spain and the UK. Where studios of somewhere between 15 and 25 square metres can be built within existing planning regulations, there is less of an incentive for policy makers to intervene, at least from a space standards angle. These are some prominent examples which have become bellwethers for the sector and are discussed in greater detail in the Appendix:

- **Cataluña, Spain**: A new housing regime which mixes residential and commercial elements and allows sub-space standard units to be directly compensated by amenity areas.
- **London, UK:** Introduced a supplementary planning document (SPD), which outlines expected standards

for the coliving sector, including room sizes and amenities provided. Further details on London's SPD can be found in the case study box later in this section.

- **Manchester, UK:** Proposed guidance from 2020, which focused on only allowing coliving developments in specific areas of the city, where the need was proven.
- **Leeds, UK:** Early 2021 consultation on planning guidance, but the council has more recently settled on a negative position.
- **Birmingham, UK:** Adopted new guidance from April 2022, which sets out layout specifications—25 square metre bedrooms, 4.5 square metre amenity per bed, 10 square metre outdoor space per resident, three to 12 month tenancies.
- **Ireland:** Ireland's national government banned further planning submissions of coliving projects from December 2020, not long after introducing original guidance in 2018 which was supportive of the sector.

Policy clearly has an important role in defining the shape of the sector moving forward. For all actors in the sector, working alongside policymakers will be critical to create a regulatory framework that allows the sector to flourish and ensure the interests of all stakeholders are considered. But if planners get guidance or new requirements wrong, they could risk negatively influencing the coliving opportunity—or even completely stopping it in its tracks. Indeed, planning interventions were identified by 37 percent of survey respondents as one of the most significant barriers to the success of the sector.

7.2 A coliving use class, or not?

As previously discussed, coliving largely does not have a defined zoning or use class, at least for now. Existing and proposed developments have had to work within the framework of existing regulations. These include residential and/or commercial zoning of projects, as well as more specific use classes within these.

There are arguments for and against creating a coliving specific use class. On the one hand, developing appropriate policy guidance to define expectations of the sector can eliminate malpractice and poor-quality schemes. But if regulations are too restrictive, it may prevent a real diversity of coliving offer, stifle innovation and lead to an overall poorer quality product—especially if there are unintended consequences that fall through from the policy.

A net 45 percent of survey respondents believe coliving should have its own planning use class.

While the net score is still positive, it received one of the lowest scores in the questions on regulation. 17 percent

Table 2: Minimum space standards, conventional residential units[29]

Market	Minimum Space Standard	Notes
Denmark	25 sqm	Depends on housing type, 25sqm is specific for youth housing, larger for conventional residential
Finland	20 sqm	For single occupancy studio apartment (16sqm for student housing)
France	14 sqm	Per inhabitant, minimum volumes of 33 cubic metres for studio apartment. Minimum bedroom size within a wider unit type is 9sqm.
Germany	(20 sqm)	Technically no minimum standard, but regulations on bedrooms and living areas equate to around 20sqm
Ireland	40sqm	Minimum floorspace for studio apartment
Italy	25 sqm	For single occupancy studio apartment
Netherlands	18 sqm	For new builds only, per inhabitant
Poland	25 sqm	For single occupancy studio apartment
Portugal	35 sqm	For single occupancy studio apartment
Spain	20 sqm	For single occupancy studio apartment, can vary at the state level
Sweden	n/a	No minimum space but 'designed according to number of people intended'
UK	37 sqm	For a single occupancy studio apartment

Source: The ULI and JLL European Coliving Best Practice Guide, elaboration on Appolloni and D'Alessandro (2021)[30] and others[31]

Table 3: Typical lease lengths and rent regulations for residential rental dwellings

Market	Standard lease	Rental regulations	Notes
Denmark	Open ended	Index linked	Generally, open-ended contracts unless justified by the landlord. Youth housing contracts 1 –2 years. Complex set of regulations, but usually linked to indexation value.
Finland	Mixed	Freely set	Mixed leases—can be indefinite or fixed term. Rent is freely set, with increases usually linked to inflation measures.
France	3+ years	Indexed to local market	Minimum period for an unfurnished tenancy is three years, or six years if the landlord is a property company. Standard one-year leases for furnished rentals. Rental regulations exist in Paris and some other cities, where maximum rents are linked to property location and characteristics.
Germany	Open-ended	Limited	No minimum duration unless specified. Typically agreed not to terminate in first two years. Local regulations determine extent of price rises allowed.
Ireland	1+ year	Index linked	Rent Pressure Zones (RPZs) in most urban areas limit rental increases to 2 percent of CPI, whichever is lower (from Dec-21), and at most once per year.
Italy	4+ years	Freely set	Four-year leases can be renewed for another four years. Temporary leases up to 18 months. No rental regulations, but sometimes linked to cost of living.
Netherlands	Open-ended	Mixed	No minimum duration on leases but can be pre-determined. Complex points system determines whether unit is free market or regulated (where an index is produced each year on permissible rent increase).
Poland	Open-ended	Limited	No minimum lease duration. Rental increase of 3 percent or higher has to be justified.
Portugal	1+ year	Index linked	Minimum one year tenancy, though not applicable for temporary contracts. Rental increases can be pre-agreed or updated annually in accordance with a national index.
Spain	5+ years	Index linked	Minimum duration is five years, or seven years if the landlord is a legal entity. Rental regulations vary by state, but usually only limited to inflation measure.
Sweden	Open-ended	Negotiated	If a fixed term is not agreed upon, the lease term is deemed to continue until further notice. Rents are technically freely agreed (or negotiated between landlord and tenant groups), but largely will be set according to the apartment's utility value (based on quality etc.) and are not index linked.
UK	6+ months	Freely set	Technically no minimum duration, but leases are usually one to two years. Limited rental regulation in England, but some in Wales and Scotland.

Source: The ULI and JLL European Coliving Best Practice Guide, elaboration on DLA Piper and others. Note: rental regulations generally relate to private market rents rather than social rents.

CASE STUDY: GREATER LONDON AUTHORITY'S SUPPLEMENT PLANNING DOCUMENT FOR LARGE-SCALE PURPOSE-BUILT SHARED LIVING (LSPBSL)

The Greater London Authority (GLA), run by the Mayor of London, originally introduced a mention of coliving in the current edition of The London Plan, which was formally adopted at the start of 2021. The document is the Spatial Development Strategy for Greater London and sets out a framework for how London will develop over the next 20–25 years. The Plan should inform decisions on planning applications across the capital.

During the drafting process, London was one of the first European cities to mention coliving specifically within a planning guidance document. Policy H16 introduced the idea of '*large-scale purpose-built shared living'* (LSPBSL) as existing within the 'sui generis' use class.

At the start of 2022, the GLA launched for consultation more detailed guidance on LSPBSL[32]. The initial consultation period closed in March 2022 with a final version expected in early 2023. The key takeaways from the guidance are as follows:

- Defines LSPBSL as distinct from other use classes (e.g., hotels, households of multiple occupation (HMO)) and confirms the 'sui generis' use class (see Glossary).
- Requires developments to be in "an area well-connected to local services and employment by walking, cycling and public transport".
- Includes design standards focused on integrating LSPBSL schemes into the local neighbourhoods, for example encouraging any public use of spaces that can be used by locals, and public realm is prioritised.
- Provides a detailed breakdown of the types and expected area of communal amenities. Types of shared space are classified as required (e.g., kitchens, dining space, living rooms and external communal space) or optional (e.g., entertainment spaces and workspaces). Further details are provided for all the required amenity types, including floorspaces/number per resident where appropriate.
- In total, five square metres of communal space need to be provided per resident.
- Details how management plans should work and be agreed on. This includes a lower limit of 90-day leases for all residents.
- Outlines the size and requirements of private (studio) units. These should be between 18–27 square metres and include certain features (e.g., double bed, wardrobe, desk space, kitchenette and en-suite bathroom).

The guidance was met with a mixed response from the industry. There have been some positive views on the structuring of the requirements, although many market players believe some parts of it are too restrictive and the guidance may actually lower the quality and variety of coliving schemes coming through. A consortium of market participants (including major developers, architects, operators and investors in the sectors) provided an important response letter to the GLA, summarising a number of key concerns they had over the SPD guidance, including their belief that:

- The guidance would lead to a convergence of lowest standards in terms of private and shared spaces, with 18 square metre bedrooms and five square metres of amenity space per bed.
- The sector would be responding to a narrower range of needs and affordability bands, contrary to the requirement to assist in the delivery of mixed and balanced communities.
- Higher operational expenditure (opex) and building costs would threaten the viability of schemes, meaning some costs would likely be passed onto residents in the form of higher rents.

GLA headquarters, London, UK

Table 4: Coliving policy summary, main examples

	London	Cataluña	Dublin/ Ireland
Status	Consultation	Introduced	Revoked
Use class / zoning	Within 'sui generis' use class[33]	On residential or commercially zoned land	New sub-sector of Build-to-Rent (BTR)
Floorspace per unit	18–27 sqm	24 sqm	12–18 sqm
Amenity space	5 sqm per resident + 1sqm external space	At least 6 sqm per unit, rising to 12sqm	4 sqm+ per room
Social housing require-ments	Varied possibility, including in-kind contributions	n/a	Not to be included
Break-up and block manage-ment	Management plan for single operator	Break-up not allowed	Must be managed by single entity

Source: The ULI and JLL European Coliving Best Practice Guide. Status as of August 2022.

strongly or slightly disagreed that having its own use class was the right approach. Where existing regulations are flexible enough to incorporate coliving, the general view of the interviewees and roundtable participants was that guidance and engagement from policy makers is necessary to define the expectations of the sector and help create high-quality coliving assets.

7.3 Elements of a successful coliving policy

Coliving policy represents a unique opportunity to align interests of both policy makers and business operators. While the fact that policy and regulations are still in a nascent stage can be perceived as an obstacle to growth of the sector, it can also be understood as an immense opportunity to co-create solutions to simultaneously tackle societal problems, such as lack of affordability and low housing supply, and to create an interesting business opportunity for the private sector.

With numerous competing interests and early players in the market keen to have their views heard, coliving policies will have to balance a range of factors. The sector offers some flexibility of final physical form, and therefore guidance should reflect this and not be too prescriptive.

There are different elements where policy can make a positive impact on the coliving sector, as outlined in the following points. There are also further regulations that will govern the sector but these are not distinct from mainstream residential developments.

7.3.1 Room size guidance

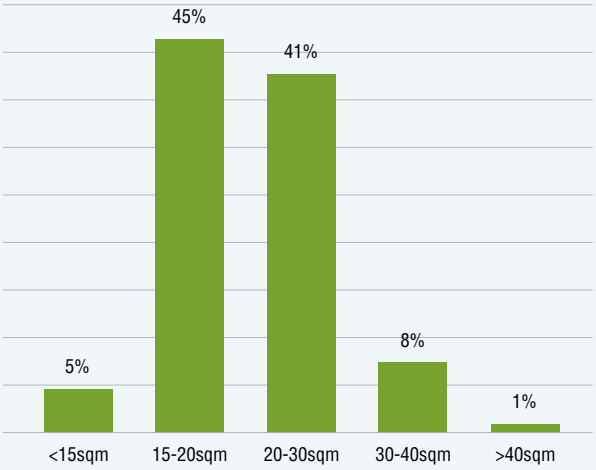
There should be clear guidance around the expectations of sizes of studio apartments, where this model prevails. There should be an appreciation that a mix of studio styles and sizes usually works best and an encouragement of diversity of room offers, to attract diverse residents, as each target group will have different expectations from their private spaces (further discussion on this can be found in Chapter 8, section 8.1.3). From a design and viability perspective, studios within the 15–30 square metre range should be the most prominent for coliving projects—with a focus on the middle of this range. There are, however, some situations where a proportion (or the entirety) of the coliving building might have smaller, or larger, units. To note, this guidance is offered for single-occupancy studios within coliving buildings for mid to long-stay.

Table 5: Case study of schemes with different use classes

Scheme name	Location	Size and status	Use class / planning
Round Hill, Valdebedas	Madrid, Spain	230 beds, under construction	Commercial use class—more oriented to shorter-stay business residents
Folk Co-living, Battersea	London, UK	270 studios, opening October 2022	Mixed— 189 shared-living rooms (Sui Generis) and an 81-room hotel (Class C1) *See Glossary*
Kley, Asnières-sur-Seine	Paris, France	300 studios, opening 2023	Residential use class, targeting blended coliving and student accommodation
JOYN Zurich	Zurich, Switzerland	407 rooms, open	Commercial use class, but mix of short (104 hotel) and extended stay (343 coliving / serviced apartments)

Source: The ULI and JLL European Coliving Best Practice Guide

Figure 18: Survey response: What is the most efficient studio size in a coliving development?



Source: ULI Europe Coliving Survey 2022. Number of respondents = 74.

Policy makers are usually uncomfortable when studios are below 20 square metres, and this has created a negative perception for some of the early movers in the market.

As discussed in more detail in Chapter 8, sensible and efficient design of studios can enable a good level of personal space, even if these are below prescribed space standards. This guide is not proposing a one-size-fits-all approach to room sizes an acknowledges that different coliving styles will have different requirements. For example, shorter-stay models (more akin to hotels) might look to be a little more efficient with private floorspace, while studios for double occupancy would need to be a bit larger, and rooms within a cluster model could be smaller.

Policymakers are, of course, keen to prevent sub-standard living conditions and there is a general perception within the sector that studios below around 15 square metres are inappropriate for long-term occupation. The key difference, of course, between coliving and mainstream rented residential is the extent of, and purposeful access to, shared amenity spaces—which ultimately compensate for these smaller private spaces. As such, the volume of amenity is intrinsically linked to how much personal space coliving residents could, and should, have.

7.3.2 Amenity provision

The type and amount of amenity space within a coliving facility will vary between schemes and is contingent on numerous factors. These include the total number of bed spaces in the asset, the size of private spaces, the target demographic, the location within the city and amenities in the surrounding neighbourhood—to mention just a few.

Policies can be written which require certain types of amenities that are deemed essential to the functioning of the coliving space. These would typically, though not always, include a lounge space, kitchen zones and outdoor areas. Good practice in policy guidance allows developers and operators to define what features they think work best within the scheme, so that it maintains a unique offer and meets the needs of the residents. However, best practice in policy should be adaptable and reflective of the local neighbourhood in which a scheme is being built. For example, a private or public exercise/gym space could be considered unnecessary if there was a local gym on the same street.

It is also important to define the expected floorspace of different shared uses. The amount of amenity space can be measured in a per-square metre/per-bed value, or as a proportion of the overall asset. Emerging planning policies are determining appropriate levels, using the per-square metre/per-bed or resident metric, with guidelines ranging from 1–12 square metres. A best practice for planning policy should be that the level of amenity space provided per bed should depend on the size of the scheme. Smaller blocks would require more space per bed (e.g., more than five square metres) to give the operator an appropriate scale for providing common areas, whereas in large blocks, this can be streamlined into more efficient floorspace usage (and avoids over-provision and effects on viability). This is one of the major recommendations by the large consortium response to the GLA's SPD, which has a rigid requirement of five square metres per internal area in addition to outdoor space. One US coliving operator mentioned in a roundtable discussion that their targets were 1.5–2.5 square metres per bed, and even at that level, some shared spaces were under-used.

The amount of amenity should also have some correlation with the size of coliving studios. Larger studios which incorporate more of the resident's daily functions (e.g., larger kitchenettes and workspace) should necessitate slightly smaller amenity spaces. Cataluña's policy on this reflects the scaling argument, but ultimately does not account for the efficiency of providing shared services and common areas.

The accessibility of shared spaces—for both residents, and where appropriate, the public—can be determined by planning guidance. The sector is still considering different models (see Section 3.1), but a general rule should be that amenity space should be built into the fabric of the coliving building to promote its use, provide ease of access and encourage mixing and meeting between users.

7.3.3 Design guidance

Prescribing elements of look, feel, and flow within a building can be difficult, but also should be addressed. Design can ultimately be applied to the private rooms,

Sunday Mills, FOLK Coliving, London, UK

shared spaces, and configuration of the coliving asset as a whole. More of this is discussed in Chapter 8, but the prioritisation of shared spaces at different levels and scales within the building is important. Policy guidance can encourage the use of different kinds of shared space throughout the asset and can reflect the intended resident needs.

For the larger-scale, purpose-built type of coliving asset, much of the focus has been on the studio model. Policy makers should not discount other ways of providing single-person households with coliving options, in particular cluster flats. They are likely to cause less concern around unit size, but there may be guidance needed on size of private rooms, en-suite ratios and what shared elements are within the apartment (semi-private) versus shared with the whole asset (public). There may also be additional elements that are open to the wider neighbourhood, either at all times or only on certain occasions.

7.3.4 Lease lengths and terms

Policy makers have an important role in determining lease lengths and appropriate terms, such as rent escalation in regulated markets. The design of lease lengths is usually interlinked with the zoning/use class the asset has—commercial use classes (e.g., hotels) are shorter stay, while residential use classes have stricter market standards in terms of long stay.

With their flexible lease terms, coliving buildings typically (or ideally) would have both a sticky and transient resident contingent. From a planning perspective, this might be difficult to adjust towards but should not prevent local officials putting together locally appropriate guidance for schemes.

In markets where standard residential leases are long-term or indefinite, policy makers should look to develop new forms of temporary lease—especially if they are hard to manage. For example, in France, the new *bail mobilité* (mobility lease) was part of a housing reform package introduced in 2018. It is a contract signed between a landlord and temporary tenant (e.g., student or young professional) in furnished accommodation, ranging from one to 10 months. This contrasts with standardised three-year leases that are more commonplace in the wider French rental market. In many continental European markets, temporary leases of up to a couple of years for furnished apartments are growing in popularity in the wider private rental market.

In many European cities, residential rents are subject to regulations, relating to the setting of rent (often based on a local market index) and the indexation of rents within and between contracts (see Table 3). Alternative forms of lease structures can sit outside these rules, which can be advantageous for coliving operators, as resident charges can then be more reactive to market conditions. However, coliving targeted at longer-term stays should not seek to be exempt from local regulations, while short-stay options, more similar to hotels and serviced living concepts, might want to be less constrained (as more temporary lease contracts often are across Europe).

Where rent regulations exist, coliving operators can react more quickly to fluctuations in demand by adjusting discounts, rather than reducing headline rents. In its German portfolio, Habyt keeps headline rents the same, but offers discounts and incentives when demand is lower—so a subsequent uplift in rental levels does not have to be from this lower base.

7.3.5 Identifying local needs

One concern highlighted in the survey and during interviews with policymakers is that coliving is not always seen as the best, or most applicable, type of residential development in a city, or a micro-location. As such, a strong evidence base should accompany any coliving planning application of the demand for coliving, highlighting also the added value of new amenities for the scheme's tenants and its wider neighbourhood, as these should ideally complement and not compete with the offering within the coliving space, as well as a justification for the scale of the scheme, among alternative accommodation options.

Birmingham, UK

For example, in Birmingham's city plan, Policy TP30 states various factors need to be accounted for when justifying any new residential development, including coliving schemes. These factors include:

- Strategic Housing Market Assessment (or any subsequent revision)—an assessment of future housing requirements in an area, which informs the local plan and housing targets
- Detailed Local Housing Market Assessments (where applicable)—a similar assessment on a more micro scale
- Current and future demographic profiles in the micro-location and city more broadly—focusing on those who could be attracted to the coliving scheme.
- Locality and ability of the site to accommodate a mix of housing
- Market signals and local housing market trends (including alternative rental options)

Those submitting planning applications have often included demand studies but have come up against barriers in the policy process where officials do not wholly believe the statistics. There are a number of indicators that can suggest demand for this form of accommodation, and numerous data companies that coliving developers, investors and operators can work with to paint a picture of the overall demand for coliving in a city.

There are also marked differences between proving local captive demand for a 200-bed scheme compared to a 10-bed small-scale coliving block. The Danish business LifeX owns, refurbishes and operates small 'family-style' coliving buildings across Europe and sees a range of resident types living in their buildings, which is not dissimilar to the wider private rented market.

7.3.6 Management plans

Leasing velocity is one reason which can make management of coliving more operationally intense than traditional rental apartments. At a general level, higher management costs and service levels are to be expected, based on the hospitality-led concept of coliving.

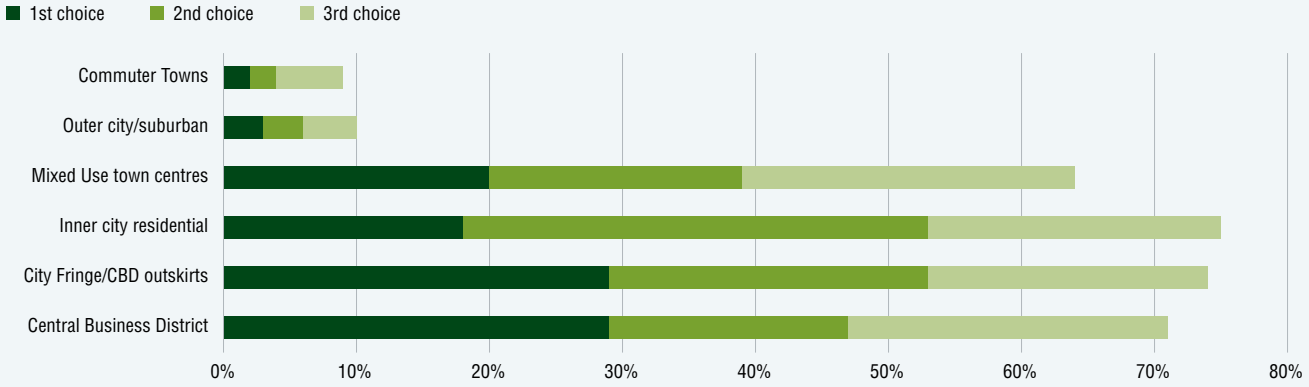
Management plans, which are already common requirements in some countries for large-scale new-build rental projects, should be an essential part of coliving plans moving forward. For example, Ireland's planning authorities require operational management plans for BTR projects, including fire evacuation protocols, health and safety assessments, security and waste management.

Planning teams can facilitate best in class management by encouraging the submissions of property management plans within the application process. This is particularly important in the next few years as coliving develops and policy makers become more comfortable with the product it is providing to the market.

Emerging policy guidelines on coliving are explicit when they mention the requirement for whole block management, as the below quotes from UK planning authorities exemplify:

- **London** (Draft SPD Guidance for London Plan Policy H18, Paragraph 5.1.1): "Any application should include an appropriately detailed and resourced management

Figure 19: Survey response: Which locations are most suited for a coliving development within a city? (% of respondents ranking the location in their top three)



Source: ULI Europe Coliving Survey 2022. Number of respondents = 172, totalling 415 responses.

plan demonstrating how management practices will meet policy requirements, how the operations will be managed and how spaces will be maintained to ensure that the development continues to function as a high quality … scheme."

- **Manchester** (Report for Resolution, Paragraph 4.4): "A long-term operational management platform will need to be provided for across each scheme in its entirety. This should include a single management and lettings entity, with a long-term commitment."
- **Birmingham** (Adopted SPD Policy Paragraph 4.32): "A management plan should be produced and submitted with the planning application showing how the whole development will be managed and maintained to ensure the continued quality of the accommodation, communal facilities and services, and that it will positively integrate into the surrounding communities."
- **Leeds** (Draft SPD Guidance Paragraph 11.6.1): "Purpose-built Co-Living proposals must be supported by a management plan which includes details of the following: - Management and cleaning regime; - Controlled access through a lobby or communal area; - How the scheme will be designed in such a way that facilitates social interaction and encourages engagement between residents."

As the sector evolves and develops, more experienced operators with larger platforms will emerge and work closely with planners to prove their concept provides confidence in the sector moving forward. The need for operators to be on board a project during the planning and design phase will further ensure greater quality of final structure and can give more confidence to planning officials that the coliving building will be well run and add value to the location.

7.3.7 Locations and connectivity

The micro-location of any potential coliving asset within a city is important. With high, and rising, land prices in central urban areas, viability for residential developments are increasingly being stressed. Coliving can offer a way of increasing density in certain micro-locations, either as a standalone asset or as part of a wider, mixed-use development.

Given the resident structure and their lifestyle preferences, large-scale coliving typically works best in denser, urban locations where prices are higher—or at least in micro-locations where public and active transport connections to the city centre are plentiful and quick (see Figure 19). Indeed, many of those we interviewed suggested that public transport connection was as important as actual location. Policy makers should also consider scheme development viability and the likely rental levels in relatively expensive or affordable areas.

Policy should, however, still encourage the development of coliving in a range of appropriate locations—where the strength of demand will be highest and where value can be added to the surrounding area. As Figure 19 demonstrates, survey respondents have a relatively favourable (and equal) view of coliving being appropriate for central city, inner city and town centre locations. Policy makers can facilitate this through local plans, guidance for coliving developments and ultimately by granting or refusing planning permissions to certain schemes that respectively do or do not meet location criteria. Factors such as being close to public transit and/or employment locations is important. Local planners often have an important role in the spatial development of the city or neighbourhood they preside over and coliving projects should be balanced with competing land uses to ensure vibrant and mixed-use communities prosper.

Noli Sornainen, Noli Studios, Helsinki, Finland

Both London and Birmingham's emerging policy guidance includes important clauses on connectivity and location:

- **London:** Local authority policies and/or site allocation *"should seek to ensure that … developments come forward in places that are well-connected to local services and employment by walking, cycling and public transport, and where they would contribute toward mixed and inclusive neighbourhoods."* Further, they state coliving schemes should *"be in an area well-connected to local services and employment by walking, cycling and public transport, with a PTAL [public transport accessibility level] of 4 or higher"*.
- **Birmingham:** As per wider planning policy, the council requires that proposals for specialist accommodation, which includes coliving, are *"accessible to local shops, services, public transport and facilities appropriate to meet the needs of its intended occupiers"*.

7.4 Consultation and engagement processes

There is a need for those looking to develop assets to engage with planning officials—from concepts and design to delivery and operations.

First, developers need to work closely with local planning officers. Given its nascent stage, many will not have a full idea of the value that coliving can bring—and there may be incorrect preconceptions on what the product is. These can include the smaller room sizes of 'first generation' coliving schemes, and the changing renter dynamic and cohort who will choose coliving as a lifestyle choice. Early stage, pre-application discussions are key to educating policy makers on the sector, what schemes will look like and the value they bring to communities and cities. Within local development (or spatial) plans, there might be specific focuses which the planning teams will prioritise—such as providing housing for young people, or regenerating brownfield sites. Understanding the perspective of the planner is the best way to ensure resource is best focused on the delivery of high quality coliving schemes which will receive the appropriate permits in due course.

The sector only has a small number of operational assets that might be considered best-in-class. Giving visibility to planners of these buildings and the learnings from the operation will be imperative to educate them on the benefits coliving can bring. Quantitative and qualitative tenant feedback on operational developments would

help increase visibility of benefits and quality of existing coliving schemes and dismantle planning officers' negative preconceptions of the product. Online platforms such as Homeviews.com already allow tenants to provide feedback for operational developments in form of star ratings and comments, with for example the Gravity's Camden Lock asset rated 4 stars. Feedback collated and published by operators would be an efficient tool to increase transparency and change perspectives of planners (find out more about surveys in Chapter 9). Moreover, as more stock ends move from a development phase and become operational, the quantum of similar products which will showcase the product and its variability will increase. At the point where operators have a number of schemes open, they can show officials around existing schemes and they could conduct empirical research to emphasise the functions and benefits of the coliving building. For example, Scape, traditionally a UK student housing operator, have found giving tours of their first coliving scheme in Guildford, Surrey to be a very successful strategy for articulating the quality and offer that coliving can provide to other local planners.

Understanding local needs should be a core part of the development process. Coliving buildings should not be insular, but rather embedded within the communities in which they are found. Numerous examples of best practice within the planning process have highlighted the requirement to discuss the project with local businesses, civil society leaders and other policy officials. For example, prior to Balance Out Living's planning submissions of their Battersea and Ealing schemes in London (UK), multiple channels of engagement were used. This included in person events, virtual surveys and speaking with the local community. They also have a section on their website called 'you said, we did' which demonstrates the feedback they have taken on board from this engagement. While offering drawings and visuals is usually market-standard, there are a multitude of other communication methods to educate and engage with policy makers, local businesses and residents on the reason for the development and the benefits it can bring.

7.5 Coliving as a policy focus

There is a real opportunity for planning policy to stimulate innovation within residential developments, rather than being too narrow with policy requirements which may be hindering new ways of meeting one of Europe's most pressing problems—housing availability and affordability. Most major cities are suffering from a distinct

historical undersupply of new homes for fast-growing populations—but the incorporation of coliving into the wider development mix can be a way of widening the types of homes offered.

Coliving is ultimately not recognised as the sole solution for the housing crisis in many cities across Europe, but with changing lifestyle and demand factors (as outlined in Chapter 4), there is a clear role it can play in meeting different forms of housing requirement which are not met by the current models of provision. Interestingly, there is somewhat contrasting opinions on whether coliving units should be seen as counting towards housing targets. London's policy guidance states that *"site allocations for [coliving] should not undermine the borough's ability to meet their housing need"*, implying coliving should not be seen as a substitute for other forms of residential accommodation.

A net 60 percent of survey respondents believe coliving uses should be promoted by policy makers.

Coliving can work alongside for sale residential or build-to-rent homes, offices, retail and tertiary use (e.g., education) to create vibrant places, strong communities and economically successful locations. Coliving has the potential to revitalise existing brownfield land and tackle issues of urban infill on constrained sites. When they work at their best, coliving buildings include elements of mixed use (e.g., ground floor retail, public restaurants or gyms) and immerse themselves within the neighbourhood, playing an active role in the community—as the following two examples demonstrate:

- **Noli Studios**, a Finnish coliving concept from investor NREP, includes a range of amenities accessible to both residents and members of the public, creating more mixed-used style assets. The brand looks to include public co-working spaces within the buildings, as well as gyms (spaces are leased by third party operators such as Ole. Fit and CrossFit Basement), restaurants and movie/games rooms.
- **The Babel Community** in Marseille (France), a renovated scheme of 80 beds in the city centre, has a coworking area which totals 170 workstations and five meeting rooms. The scheme also includes over 150 square metres of fitness space, which is accessible to both 'colivers' and 'coworkers' for a membership fee.

Policy incentives can also be developed to encourage innovation in the development process, such as using off-site, modular construction when creating the units. With largely homogenous unit types, this development technique is eminently applicable to coliving schemes and comes with some cost efficiencies, time savings and sustainability credentials which should be championed by the industry and policy makers.

Spatial planning officers can also encourage the positive repurposing of defunct or under-used assets. A formative example is a former office building in Asnières-sur-Seine in the western suburbs of Paris. The building was purchased by FREO Group in 2020 and subsequently converted into a mixed-use building with 95 coliving apartments (a mix of studios and clusters), a day-care facility for children, a co-working space and a gym. The shared spaces also include a large rooftop, a shared garden, a common laundry room, a hybrid room that can be used as a yoga room during the day and converted into a cinema room in the evening. In the locality, there is going to be the development of a business incubator next door, which is part of the Greater Paris regeneration scheme. This project aims at achieving the highest ESG standards, with a BREEAM certification for all different uses and the use of recycled materials within the redevelopment process. In October 2021, a 10-year lease was signed with international coliving operator DoveVivo.

Across Europe, the relative ease of rezoning and repurposing varies by market, though local officials are increasingly seeing the need to expediated processes and other non-financial incentives. In markets such as the UK and the Netherlands, conversion from one use to residential (or coliving) is relatively easy. The Dutch government even has a specific national planning team which can be used by prospective 'repurposers'. By contrast, there are difficulties within the planning systems of other markets, such as France and Germany, where zoning regulations are more rigid. There is a balance to be struck between making the repurposing process easier and maintaining the quality of the coliving scheme that emerges.

Policy must evolve as the sector evolves. Local plans and policy documents tend to have life spans longer than five years across European cities, but there should be encouragement towards planning officials that engagement needs to be more regular. For example, a new policy should be introduced and then evaluated after two to three years once a number of schemes have become operational. This can help assess the relative success (or failure) of the policy and any unintended consequences that emerged as a result of its implementation. There are no examples yet where this has happened, but this should not be discounted as a valuable way of getting policy right in the long term. Policy makers have generally been more accepting of purpose student housing and private rental schemes, and there are lessons that the sector can learn, largely around transparency, messaging and quality.

8

BEST PRACTICE IN DESIGN AND DEVELOPMENT

As the real estate industry reflects on how structures and buildings interact with their physical and social environment, the design and development of spaces need to account for modern-day preferences, individual and collective wellbeing and environmental sustainability. Coliving can deliver on these priorities by embedding critical principles in the design and development stages.

Today's consumers look to a more experiential community lifestyle that offers a place to live, work and play. Successful coliving assets need to adopt efficient and flexible design features that cater to a diverse target group, ensure privacy and comfort (seamlessly allowing for the conduct of all day-to-day activities), while still making the space feel inviting.

Providing adequate and appropriate shared spaces and amenities, and opportunities for planned and chance interactions, deliver more value-add to residents. Large-scale mixed-use developments designed to layer various uses and purposes are more likely to engage residents, allowing them to connect, collaborate, network and learn from their surroundings, thus satisfying the goal of coliving.

As discussed in Chapter 6, increased focus on wellbeing and sustainability is fuelling the success of facilities where physical space and personal care meet.

8.1 Developing and designing for diverse residents

One of the critical challenges that the real estate industry faces, particularly in light of changes ushered in by the COVID-19 pandemic, is the ability to evolve and meet expectations constantly. The key to overcoming this lies in the ability of industry players to form partnerships and collaborations focused on the bigger picture and broader ecosystem, while also recognising that residents' and occupants' needs are integral to planning, developing and designing spaces.

Best Practice Recommendations

- Developers should define and understand their target residents when planning, developing and designing coliving schemes.
- Coliving schemes need to exist in well-connected locations, offering access to public transport and alternative modes of transport.
- While designing for social interaction is key, private studios should be thoughtfully and efficiently designed for comfort.

To achieve that within coliving, a best practice approach would be to define and understand the target residents and anticipate their future needs and behaviours, as this has implications for the scheme's location, type of product and spatial considerations. Similarly, the design and development process would benefit from a thorough cultural audit of existing neighbourhoods, groups, and facilities to help define potential residents, local needs for outward facing opportunities, and to inform public engagement and help with evidence-based need assessments, feeding into amenity provision and operations.

8.1.1 Location

In our survey of ULI Europe members, responses to the question regarding the location most conducive to the success of coliving ranged along the spectrum from central urban locations to suburban areas, albeit slightly skewed towards the former.

In reality, it is challenging to assume 'one-size-fits-all', and the target group, as defined and discussed in Chapter 5, will play a key role in location selection. Seniors may wish to move closer to the city to benefit from convenient amenities, healthcare and a sense of community, particularly to combat loneliness. Meanwhile, young professionals may likely wish to be in central urban

districts to benefit from the clustering of talent, innovation and dynamic economic activity.

Other key locations, and examples of well-located schemes, are as follows:

- **Near a university:** i-Live Darmstadt (Germany) is a 368 unit, 9,000 square metre coliving and student housing development funded by Commerz Real's 'Institutional Smart Living Fund', which completed in 2021. The complex is located to the west of the city centre, opposite Darmstadt's University of Applied Sciences. TU Darmstadt and other institutions are a 10-minute cycle ride away in the city centre.
- **Near vibrant neighbourhoods:** Vonder UpRiver is the company's first development in Poland, located in the capital Warsaw. The scheme is situated in Powiśle, a fast-developing area close to the Vistula River and neighbouring Solec. This is a popular neighbourhood for young people who are attracted by social activities, such as restaurants, clubs and bars.
- **Central and well-connected location:** Lux Tower is a new 199-unit coliving scheme operated by The Cohesion in Eindhoven (the Netherlands), finished in 2021. It is located within the ring-road, in the fast-developing Strijp-S neighbourhood (previously home to a Philips' business park). The area is now home to many creative companies and start-ups, as well as recreational facilities attractive to younger residents. It is a four-minute metro ride from the central station and has good connections to the city's main universities and colleges.
- **Within an employment hub:** The Collective Canary Wharf is London's largest operational coliving scheme, counting 705 studio rooms. The scheme is located on the Isle of Dogs, a short walk from the Canary Wharf business hub in east London.

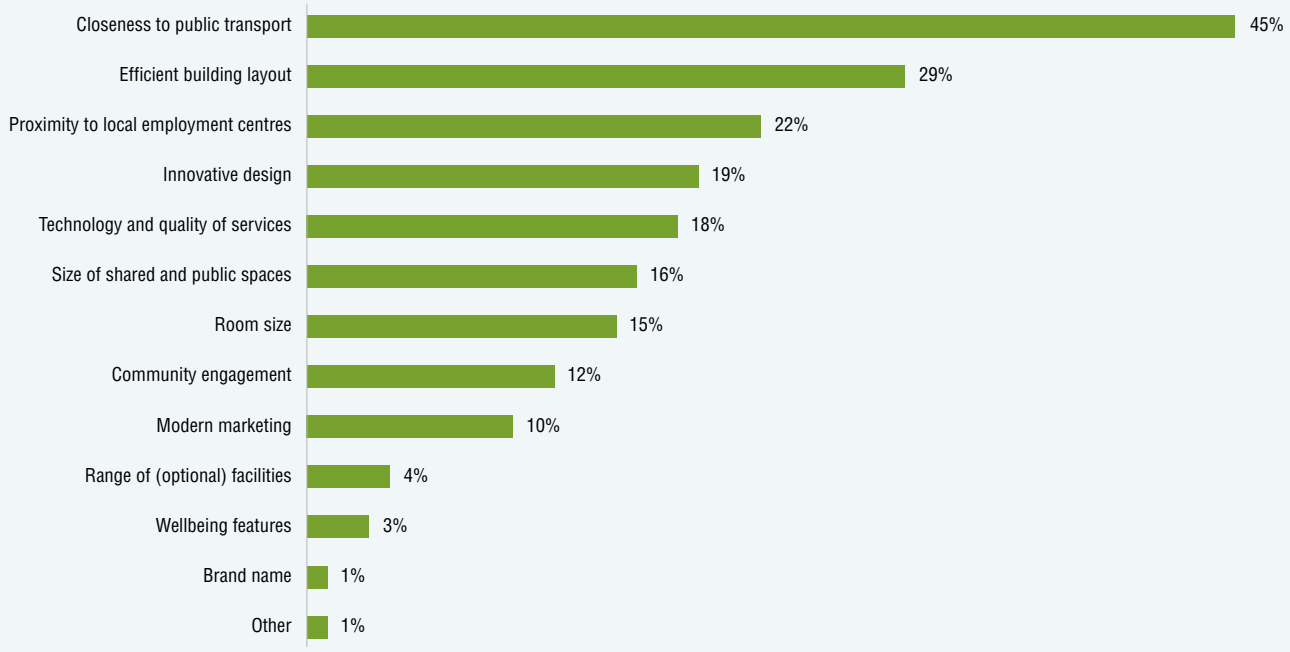
While there may be some variances as to where coliving schemes work best, certain conveniences that address aspects of a development support in crafting a successful customer experience. Responses from our survey highlight some of the most significant considerations when developing and designing successful coliving schemes, particularly ones that relate to location (see Figure 20).

Good transport links

When identifying suitable coliving locations, developers should consider the connectiveness of the development via established public transport routes (e.g., metro and buses). In our survey of ULI members, 45 percent of respondents recognise proximity to public transport as one of the most significant considerations when developing coliving schemes.

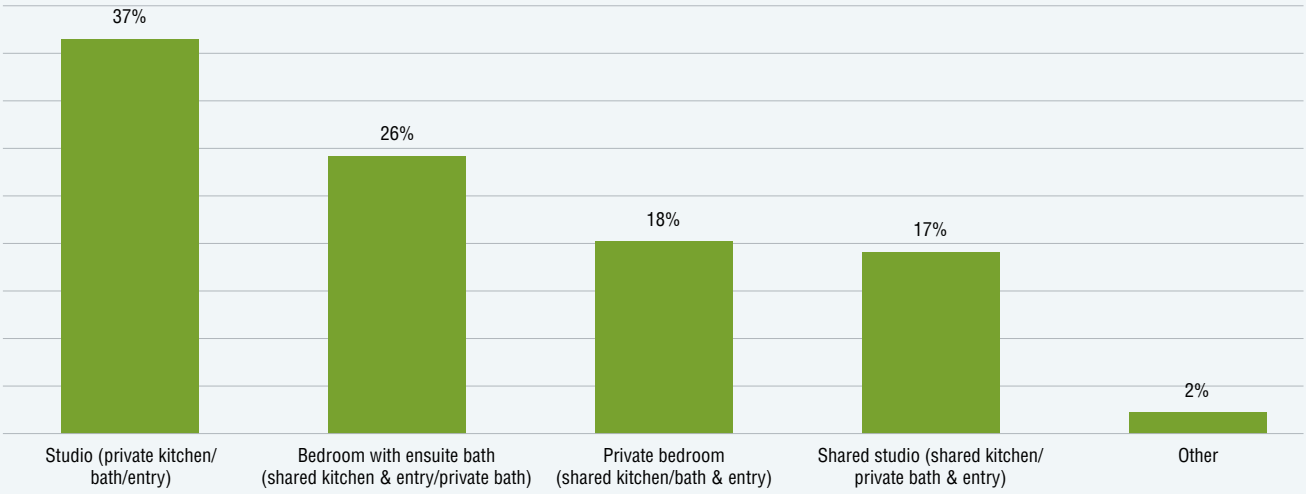
Policymakers are increasingly acting to curb individual car transport in cities to reduce carbon emissions, while health professionals are warning against the impact of long hours in traffic on quality of life and wellbeing. Meanwhile, as

Figure 20: Survey response: What are the three most significant considerations when developing coliving?



Source: ULI Europe Coliving Survey 2022. Respondents could select up to three considerations; %s are the proportion of all respondents selecting the relevant consideration. Number of respondents = 172, totalling 336 responses.

Figure 21: Survey response: What is the most efficient unit type in a coliving development?



Source: ULI Europe Coliving Survey 2022. Number of respondents = 112.

with other industries (e.g., streaming services), consumer demand is shifting from ownership to usership. These shifts can be attributed to changing lifestyles and the nature of work, making good linkages to public transport an essential feature for the success of schemes, whether in central urban areas or suburban locations.

Where access to public transport is restricted, developers, operators, and third-partner mobility providers should come together to offer a range of alternative modes of transport, such as micro-mobility (e.g., bikes and scooters). From the perspective of urban and city planners, encompassing micro-mobility as part of the city's network of public transport has positive implications for the quality of life of residents, and can further support the reduction in carbon emissions.

Proximity to business hubs

Proximity to local employment centres also emerged as a key consideration in terms of location, with 22 percent of respondents indicating it was vital for coliving developments to be around employment hubs. The increased adoption of flexible-working measures, ushered in by the COVID-19 pandemic, highlighted the importance of maintaining a healthy work-life balance. Similarly, cutting back on commute times to and from the office proved more productive and efficient and less stressful and isolating, improving overall individual mental and physical health.

8.1.2 Connecting with the wider neighbourhood

A point of discussion that has come up repeatedly in our interviews with industry experts is the importance of opening the physical space to the external neighbourhood, bringing people from outside to experience the space within the building. Similarly, providing opportunities for residents to interact with the neighbourhood is a crucial factor for them to feel a greater attachment to their communities, and encourage the revitalisation and economic development of the neighbourhood.

A net 77 percent of survey respondents believe coliving can revitalise urban neighbourhoods.

One way this can be achieved is by creating multi-use spaces within the coliving development. Flexible and adaptable spaces can bring a diverse range of people together and can also ensure that buildings are sustainable and reusable in the future. For example, member or resident-only co-working spaces by day can be transformed into event venues at night (e.g., events such as art exhibitions, themed talks, or fitness classes) that are accessible by the wider neighbourhood. Similarly, an in-house café or restaurant can be run by a third-party operator. This way, coliving goes beyond just providing for the individual resident, but also reaps social and economic benefits, making it more attractive to policy planners.

As one interviewee put it:

Giving complete or partial access to specific shared spaces to the wider public can be a significant way of proving social value and promoting diversity and inclusion, by designing activities that cater to individuals from diverse backgrounds, as well as involving and enhancing the local community. For example, in one of their new coliving schemes, Dutch developer AM created a women's-only gym for the local population—which has a high proportion of Muslim families—as part of their wider community outreach programme. Balance Out Living, among others in the UK, have promised access to local youth groups and other organisations once their developments are complete.

8.1.3 Type of product

One way to achieve diversity in product offering, is by delivering coliving within mixed-use developments that blend multiple uses (residential/ commercial) and shared amenities. As coliving looks to improve its offering and effectively fulfil its goal of bringing people together, a best practice approach would be to exist within mixed-use developments and masterplans that provide multiple uses and caters to residents from different backgrounds. This was reflected in the results of our survey question around what micro-location would be the most successful for a coliving product, with many responses skewed towards integrated mixed-use developments instead of standalone assets.

Urban density and mixed-use buildings are also key contributing factors in determining the sustainability of a neighbourhood and its urban liveability. There is plenty of evidence that compact cities with higher densities encourage the use of public and active transport, increase access to employment opportunities, facilitate efficiencies of infrastructure and land use, conserve valuable land resources and are likely to reduce the carbon emissions of the urban dweller.

8.1.4 Spatial considerations

The more dynamic discussion, when it comes to designing for a diverse audience, is around spatial standards, of both room layouts and the relationship between private and shared space. As with location, the target demographic profile and their life stage based on age, family status, income levels and lifestyles, should be considered.

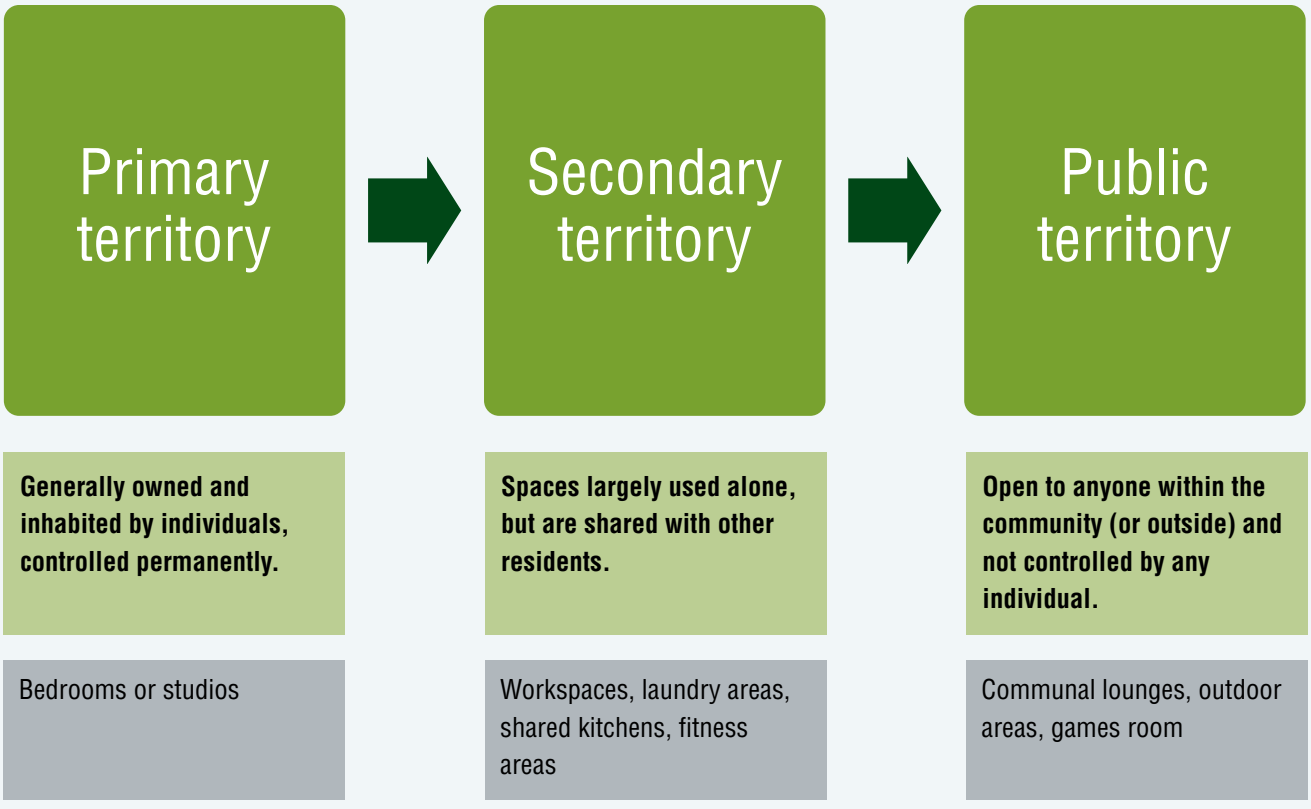
Room size and layout

Our survey responses to a question around the most efficient unit type in a coliving development reflects the need for this variety of offering as opinions were scattered (see Figure 21).

37 percent of respondents indicated studio with private entry, kitchen and bath as an efficient unit type in a coliving development.

This type of unit would cater and appeal to seniors, couples and young professionals who not only may appreciate more privacy and space but are also more likely to afford this type of coliving experience. An additional 26 percent feel that semi-private spaces (with shared kitchen and entry) are efficient. While they may not ensure full privacy, these can create a suitable buffer, providing a degree of privacy with options for active and informal contact with other residents.

Figure 22: Three different levels within a coliving building



Source: The ULI and JLL European Coliving Best Practice Guide

Meanwhile, private bedrooms and shared studios may cater to students or young professionals who are likely to be more flexible and tech-savvy, allowing them to function independently of a particular space and therefore not need large private rooms. This type of arrangement is not dissimilar to a flat-share or student accommodation type dwelling, which is also likely to be the most affordable for the age group.

To encourage inclusivity and play a role in creating long-term communities, a best practice approach to providing for a diverse mix of residents would be to develop and design coliving schemes that provide a home for individuals through various stages of their lives, supporting them through their transition from student to young professional and post-family life.

Private-to-shared space ratio

There is even more variance in the discussion around the ratio of private to shared spaces. The industry experts interviewed in the research process almost unanimously highlighted that the ratio of common or shared to personal space depends on the scale of development. Large-scale coliving developments should adopt a more targeted approach to amenity provision to avoid overwhelming residents, maintain operational efficiency and reduce costs. Hence, the common areas are typically smaller and scattered. Meanwhile, smaller coliving developments, possibly semi-converted townhouses, should provide more shared spaces at the heart of their development.

While coliving plays a key role in facilitating a sense of community, efficient building layout also needs to ensure privacy and comfort are maintained, and clear boundaries are set between public and private spaces. Using Kopec's theory of territoriality[34], spaces within a coliving building can be defined and ascribed to three different levels—and the balancing of the design and operational aspects of each of these is key to creating best-in-class coliving communities and management styles. The three levels are exemplified in Figure 22.

CASE STUDY: THE BASE, GERMANY

The Base is a coliving operator with presence in new and existing buildings across the key metropolitan German cities. They operate small studios, 18–25 square metres in size, as they work on the assumption that the younger generation is satisfied with smaller private areas in exchange for access to community spaces and events. The shared and communal spaces typically average 8–12 percent of the total development area.

Their approach to shared spaces and their purpose and role in serving the broader neighbourhood is highly structured and follows a strict hierarchy to the provision and access of space, following Kopec's theory of territoriality. They operate on the premise of three defined areas:

- **Public spaces:** These are accessible by residents and the external public community, such as a bar and cafés. These are typically located on the ground floor for ease of access.
- **Semi-public spaces:** Comprising a gym and coworking spaces that are not only limited to people residing in the development but are accessible to the public, via a fee-paying membership. This additional fee is the main differentiator between public and semi-public spaces.
- **Private spaces:** Completely private apartments and studios that are off limit for non-residents. This also includes the community kitchen, which is reserved only for residents.

The Base also encourages engagement with the neighbourhood through its partnerships with local businesses. They are, for example, currently developing a partnership for a food concept, whereby they will not need to have a fully fitted kitchen on their premises but can entirely rely on the third-party provider. Lastly, while their gyms offer essential equipment, they also partner with external trainers and coaches to conduct workshops and courses inside the facilities. Bookings for these are accessible to the public.

CASE STUDY:
OURDOMAIN, THE NETHERLANDS

OurDomain, managed by international property developer Greystar, provides integrated coliving facilities across key cities in the Netherlands: Amsterdam (Southeast and Diemen), Rotterdam (Blaak) and soon in Utrecht. All developments are large-scale mixed-use properties that cater to individuals from various backgrounds and across diverse income levels. The scheme stands out across a number of pillars, particularly when it comes to inclusivity and diversity and community wellbeing and engagement, through its design and operations.

Location: All three developments are close to the city centre and conveniently linked to public transport hubs. This makes city living a lot more accessible and affordable to students, professionals and families. They also offer shared mobility services (e-cars) as viable substitutes for personal cars, and ample space for bikes and other micro-mobility modes of transport (scooters), facilitating sustainable transport and connectivity.

Flexibility: No matter their stage, OurDomain offers various rental options to cater for a wider resident base from different backgrounds. These include furnished and unfurnished rooms of different sizes and flexible tenures. For example, affordable and fully furnished studios can accommodate students for up to five years. From there, they can transition to any of the one or two-bedroom apartments for professionals and couples. 'Friends' rooms are also available for those on a limited budget and willing to share, providing a common living area and kitchen with private bedrooms and en-suite bathrooms. More importantly, this is advantageous because it takes away the hassle of dealing with landlords and ensures a certain quality of lifestyle otherwise difficult to ensure in regular shared housing models.

Community: To facilitate its goal of connecting people from diverse backgrounds and providing them with an opportunity to learn and develop through networking, OurDomain offers ample shared spaces and amenities. These include specifically designated study spaces for their student residents, coworking spaces for their young professionals and social spaces such as terraces, lounges, game rooms and event spaces, providing opportunities for residents to engage more deeply and conveniently. Amenities such as laundrettes, restaurants and supermarkets are also on offer (for an additional price) to facilitate the day-to-day life of residents. OurDomain also curates events for residents, ranging from social breakfasts and picnics to concerts and fitness activities.

Sustainability and wellness: All three properties in the Netherlands are energy-efficient and utilise renewable energy for power; they are 100 percent wind and solar powered, thus reducing their carbon footprint. Almost all the waste collected is re-used by OurDomain's partners, and clothes items are donated. Studios and apartments are fitted with water-saving devices that reduce water consumption by up to 50 percent. Their smart mobility partner, Hely, provides the electric cars and fast electric bicycles for residents. These can be directly rented via their app, at affordable rates.

Various initiatives run by OurDomain and their wellness partner Greenspiration! are on offer across the different facilities to stimulate healthy living. OurDomain Diemen in Amsterdam provides a vegetable garden where seasonal gardening classes are hosted free of charge to both educate and encourage residents to use the home-grown produce. In the South East development, events offering healthy foods for residents are scheduled regularly. In addition, regular fitness events and activities are organised to encourage exercise and connectivity. These include yoga and movement classes with external instructors and providers, and more social activities such as hikes and boat trips.

Technology: TULU, a New York based start-up providing on-demand services, teamed with OurDomain to offer a smart rental store, allowing residents to rent high-quality household items such as vacuum cleaners, projectors and headsets via an app, promoting a sharing economy and reducing household waste.

9

BEST PRACTICE IN OPERATIONS AND TECHNOLOGY

The operations within coliving developments are a vitally important aspect that contribute towards the overall success of the scheme. They are the standout feature which defines coliving against other forms of rented residential assets.

The effectiveness and quality of day-to-day processes are a core facet to how schemes are viewed by residents, public planners and local authorities. Operations are also important in fostering community within developments—one of the core fundamentals to the sector—and creating appealing brands for consumers.

Technology is also playing an increasingly important role in driving the overall efficiency of all new-build residential developments. This is both in terms of resident journey and engagement but also to help achieve ESG requirements, often set by both investors and developers.

9.1 Intensive operational management

The operational differences between coliving and standard residential, noted throughout this guide, form an important success factor of coliving schemes.

63 percent of respondents in our survey said that 'intensive operational management' was one of the three most significant differences between traditional residential and coliving.

26 percent of respondents said that 'in-house sector expertise required' was another significant difference between the two.

The operation of the coliving spaces relates to involvement at three distinct but overlapping levels of property management and will also depend on the size and nature of the coliving scheme. The management of the building will lean heavily on the owner and operator philosophies of how they want to facilitate coliving, including internal events and engagement with the wider community. Operating schemes will also necessitate variety, based on target groups and resident base. Nevertheless, tenant feedback through in-house surveys could be an integral part of improving tenant's experience and management of the scheme. Moreover, when published, it could be a powerful tool for educating stakeholders and improving transparency of the sector (see Chapter 7).

Best Practice Recommendations

- Coliving buildings should have dedicated community managers that facilitate events and activities.
- Technology platforms should be used to engage with residents, measure satisfaction and ensure that coliving facilities are managed and operated more efficiently and sustainably.

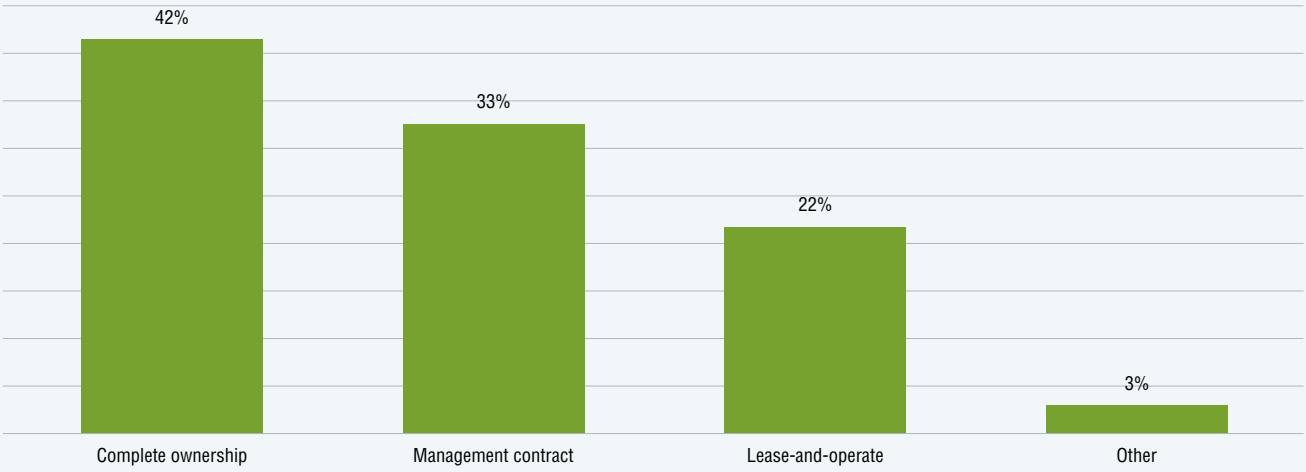
9.2 Operator–landlord relationship

Large-scale purpose-built coliving developments are uniquely placed as an asset class to establish a strong and productive relationship between operators and landlords (where they are separate). Figure 23 shows that many respondents from our survey thought complete ownership is the most efficient model through which to provide coliving schemes.

Complete ownership offers an apt opportunity for fully integrated companies to easily modify and mould the design of schemes from the very beginning. Larger companies, such as Greystar, The Social Club, and Groupe Kley have both development and operational expertise already in house. Some developers are also creating their own operational platforms, seeing the benefits and efficiencies this can bring to their coliving ambitions.

Master leases have historically been the go-to model for owner and operator agreements among coliving companies globally. In such an agreement, the coliving operator signs a lease (which can vary from a few years to over a decade) for a building (or a set of units), and then rents the units

Figure 23: Survey response: What is the most efficient operational model for coliving?



Source: ULI Europe Coliving Survey 2022. Number of respondents =72.

out to tenants at a higher cost. The operator keeps the extra revenue generated from leasing out the units and the property owner receives a return on their property. Typifying this, German coliving company Habyt has recently signed a long-term master lease with Investa Real Estate and Groth Gruppe for 8,500 square metres of the 'My Bay' scheme in Berlin, Germany (due for completion in 2023).

By contrast, management agreements are structured in such a way that the owner pays the operator a management fee for marketing, leasing and operating their property. They are both more resilient in economic downturns and can bring mutually beneficial upsides when the rental market performs well. B-Hive Living, which operates in the UK and has expansion ambitions for Portugal, manages small-scale coliving properties on behalf of landlords with this kind of agreement.

With the sector at its nascent stage, landlords have typically favoured lease contracts—and the balance of power means operators must (for the moment) accept this. However, there is a strong consensus that the management contract model will become more popular in the future, once the track record of operators is more established. In the meantime, leased assets do allow smaller operators to scale their businesses more efficiently.

However the relationship is structured, developers need to work with operators as early as possible in the design and development stage of the scheme.

As mentioned in Section 9.3.4, operational management plans are increasingly commonplace and required for new coliving buildings. As such, working with operators in the initial stages of a scheme is not just desired, but is becoming a necessity.

9.3 Amenities, community, and operations

The key to enabling an integrated living experience and fostering a sense of community within coliving is the provision of ample and adequate amenities in shared spaces. These typically include common kitchens, lounge areas, coworking spaces and utility rooms (e.g., laundry space). While some coliving developments may offer a more exhaustive list of amenities and services, a best practice approach would be to prioritise essential day-to-day needs. Design elements are discussed in Chapter 7, but there are clearly strong overlaps with what is built and how it is operated. There is also an overlap between what

> "It is a big advantage working early stage with developers …we want to be in the planning stage so we can be involved in determining floor plans. The more we can maximise residential floor plans, the more freedom there is with communal areas and community spaces. If there are more efficient units, there is more budget for other bits that improve the residence."
>
> **EUROPEAN COLIVING OPERATOR**

Table 6: Coliving operational model

	Lease	Hybrid	Management Contract
Characteristics	Master lease between owner and operator. The operator is held accountable for the operations of the asset.		Management contract between owner and operator. The landlord is held accountable for the operations of the asset. However, they delegate.
Revenue structure	The landlord receives a fixed rent. The operator receives the entire profit generated by the operation, minus the rent.	The landlord receives a fixed rent as well as a variable portion based on an agreed revenue-share model. Beyond a certain threshold based on gross revenue or EBITDA, the operator may share the profit margin.	The landlord receives the entire profit generated by the operation, minus the management fees. The operator receives the management fees which are generally expressed as a percentage of turnover and/or EBITDA.
Duration	Standard commercial lease according to market practice.		10–20 years, renewable
Maintenance and furniture, fixtures and equipment	Maintenance works and FFE costs are shared, based on hotel standards (general CAPEX are generally paid by the landlord, FFE are covered by the operator), although subject to negotiation.		
Impact of the Operational Model on Landlord (pros/cons)	**CON**: Does not capitalise on operations **PRO**: Greater certainty of income; can link lease payments to inflation or other index	**PRO**: Capitalises on operations and receives higher income share; can structure incentives for operator **CON**: Shares downside risk through periods of below expected performance; increased staff-related costs	
Impact of the Operational Model on Operator (pros/cons)	**PRO**: Potential for greater income if asset operationally performs above expectations **CON**: Higher investment needed; potentially bears cost of running operational business at a loss; rent liabilities exist on operator balance sheet		**PRO**: Low investment allows for accelerated development without having to mobilise cash to support security deposits and other lease-related expenses; avoids the balance sheet impact of rental liabilities **CON**: Income from outperformance is shared with landlords

Source: The ULI and JLL European Coliving Best Practice Guide based on Keys Asset Management, 2020.[35]

is provided, in terms of amenities and services, and the resident or target resident group.

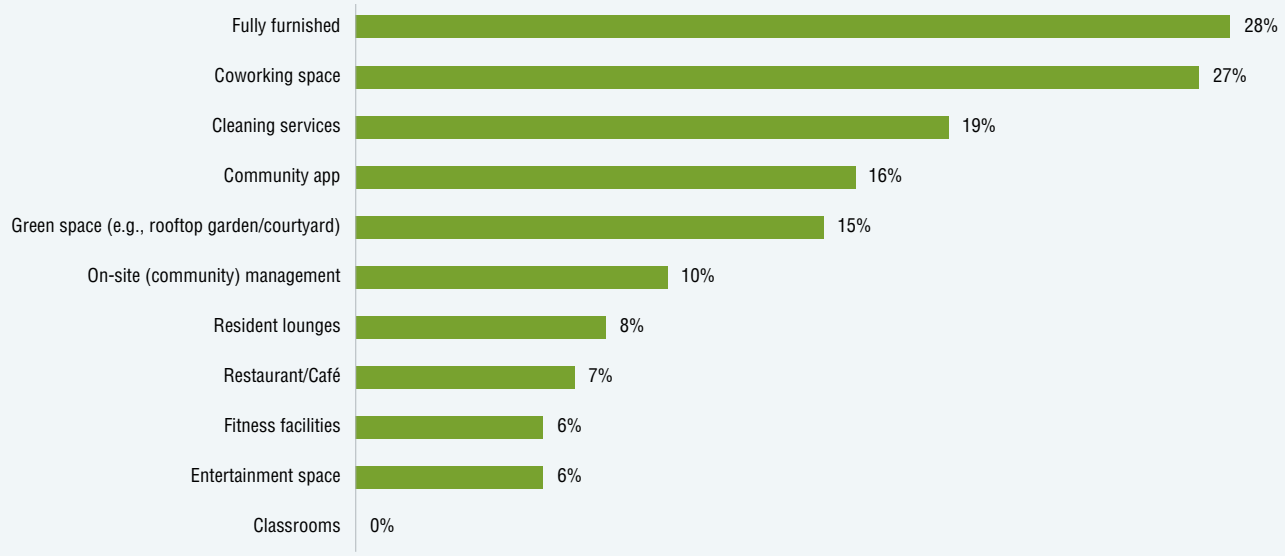
9.3.1 Room furnishings and other 'hardware'

According to the survey,

28 percent of respondents thought fully furnished spaces were one of the top three essential amenities and services in a coliving development

(as shown in Figure 24). Fully furnished rooms provide residents with more flexibility in terms of stay as they lend themselves to an easy move-in/move-out process. The furniture is also typically of higher and consistent quality, which individuals may find difficult to afford on their own. As previously mentioned, fully furnished properties also allow different forms of, and shorter-term, rental contracts with residents. Particularly with affordability challenges, offering an all-inclusive model of coliving that includes furnishing can be appealing across all target groups.

Figure 24: Survey response: What are the three most important amenities and services for a coliving development?



Source: ULI Europe Coliving Survey 2022. Respondents could select up to three amenities/services; %s are the proportion of all respondents selecting the relevant amenity/service. Number of respondents = 172, totalling 243 responses.

Other small-scale 'hardware' services, that should be tailored to the demands of the resident group and provided, include:

- **Laundry rooms**—these are more efficient when provided as a shared facility rather than individually.
- **Bike storage and rentals**—these are necessary because colivers are less likely to have a private vehicle. Space is usually provided underground within new developments.
- **On-site storage**—this is not essential but can help residents with many possessions occupy a studio unit and have enough storage. Storage units can be rented/used for the short or long term.
- **Internet access**—as previously discussed, high-speed internet connection is crucial for the emerging coliving community and is usually included in an all-inclusive rent.

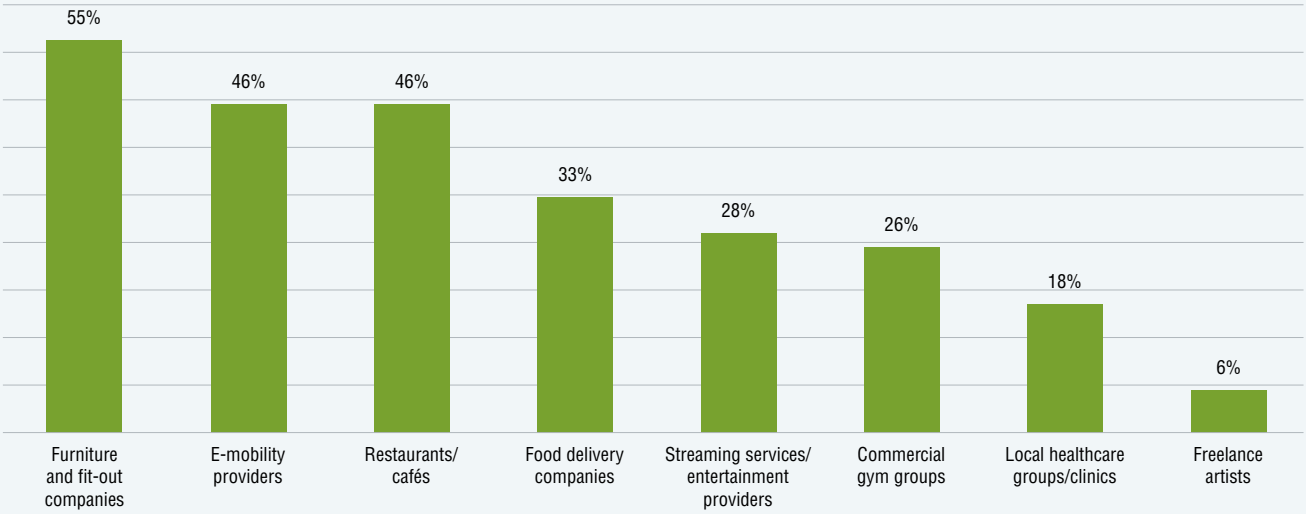
9.3.2 Coworking access and exercise space

Often considered imperative is the provision of coworking spaces. Coliving developments need to create opportunities for like-minded professionals to network and learn from interacting with one another, particularly among a growing target audience of digital nomads and entrepreneurs, along with business travellers. Integrating coworking spaces into coliving developments can achieve that. In response to the ULI Europe survey regarding amenity provision, 27 percent indicated coworking spaces the most important amenity, second highest after being fully furnished. As some corporates move towards a more hybrid work model while others adopt a work from anywhere policy, coliving facilities with a strong coworking offering are likely to gain more momentum and success. Coworking spaces can either be run in-house or leased to a coworking operator (who then arranges flexible leases for external members/users).

Various coliving developers and operators have embraced the demand for these solutions. For example, POHA House adopted a 'Cospace' model where people live and work harmoniously across their developments in Germany. The coliving spaces they operate provide flexible workspaces ranging from 40–600 square metres and are accessible by both residents and the public on a subscription basis. The benefits of this are advantageous for several reasons and can have an impact on the scalability of coliving concepts:

- The connections between residents and workspace users can lead to new potential business ideas and partnerships. This is particularly the case in cities that attract a large international community of professionals.
- An open and accessible work environment can be perceived as less stressful than a traditional office, allowing for flexibility in working hours.
- Cutting back on office commuting time has a two-fold effect. It reduces emissions and allows employees more free time during the day, which can lead to higher productivity levels and improve overall wellbeing.
- The provision of exercise space and gyms is also an important consideration for coliving operators. Similarly to coworking, these can be run in-house or by a third-party gym group, and will also need to account for resident preferences and local alternative options. Exercise zones can also be used by fitness professionals and residents to run particular classes – either paid-for or free of charge.

Figure 25: Survey response: What are suitable collaborations for coliving operators?



Source: ULI Europe Coliving Survey 2022. Respondents were allowed to select up to three collaborations; %s are the proportion of all respondents selecting the relevant collaboration. Number of respondents = 172, totalling 445 responses.

9.3.3 Shared spaces and flexibility

More common types of shared spaces within coliving blocks are lounges and kitchens, as well as flexible event spaces (both inside and outside). One roundtable participant said it was *"important to have spaces that can offer multiple use types".*

Our research has found that being in tune with residents' needs is important in defining how the shared spaces are used and the level of operational resource needed for them. Running a series of community events and controlling the use of shared spaces can be important but needs to also empower residents to develop a community more naturally. A number of operators we spoke to discussed the balance that is needed when there are 'pinch points' of high usage—usually in the evenings and at weekends. Residents want to feel they can comfortably use non-private facilities by themselves, but also engage with others while doing so—should they choose to.

> "We are utilising a more hands-off approach to it. The schemes have community managers, provide Friday drinks, and encourage the organising of events—such as cinema clubs and wellness classes. We want to enable space but not compel residents to use it."
>
> **UK STUDENT HOUSING AND COLIVING OPERATOR**

Operators also spoke of monitoring usage and gathering feedback from the residents, so they can tweak their management strategies to enhance the resident experience. Important considerations include how individuals use the space (how long, what times etc.) and what they get out of it (interactions, chance encounters etc.).

Giving complete, or partial, access to specific shared spaces to the wider public (not just residents) can be a significant way of proving social value, as well as involving and enhancing the local community. Examples of this can be found in Section 6.5.

9.3.4 Concierge, community management and other 'software'

A front desk and concierge service is an operational element that coliving borrows from hospitality solutions and serves as a first port of call for residents and visitors alike. The staff can help with move ins/outs and can take queries, and this is seen as a must-have for larger scale coliving buildings. Front of house staff can also be involved in organising social activities and offering the high-class serviced living concept.

Where cluster models of coliving prevail, at both large and small scales, the process of matching roommates can be an important operational consideration. For an operator, creating good connections between individuals who are sharing a kitchen and living space in a more intimate environment is key to the success of retaining residents and improving their experience. In a Dutch example, developer/operator AM builds 'Friends' coliving shared apartments but relies on residents to find new housemates when others move out, giving responsibility to the individuals. In other situations, operators may use questionnaires and other data to match residents, though this is limited.

Table 7: External service provider partnerships

Sector	Collaboration	Location(s)	Comments
Mobility	Gravity Coliving / TIER[36]	London, UK	Gravity teamed up with e-mobility provider TIER to give its residents exclusive discounts. TIER is a carbon-neutral e-mobility company which offers e-scooters and e-bikes in 10 London boroughs. Gravity members get two free unlocks (usually £1) and 20 free minutes (usually 15p per minute).
	Smart Studios / ParkeBike[37]	Portugal	Smart Studios partnered with ParkeBike, which gives residents in the Carcavelos schemes access to e-bike rental on a monthly basis with a 20 % discount, with free e-bike delivery and collection.
Other	Our Domain / TULU[38]	Netherlands	From 2020, residents in Our Domain's Amsterdam Zuid-Oost development had access to TULU, a 'smart-rental store'. This provides lifestyle and household items for rent, from as little as €2 per hour. The inventory is customised according to over 500 survey responses chosen by the residents and accessible through an app.
	The Stay Club / Local businesses[39]	London, UK	The Stay Club offers its member a range of deals and discounts all over London. This includes: Local cafes and restaurants—10–15 % off Pubs and clubs—10–30% off or reduced entry prices Services such as food deliveries and beauty products—price discounts or up to 50% off Entertainment facilities, such as a comedy club.

Source: The ULI and JLL European Coliving Best Practice Guide

Combatting loneliness and improving mental wellbeing is a stated ambition of many coliving companies. With the number of single-person households high and growing across Europe, coliving has a role to play in allowing connections to flourish and individuals to feel less isolated. Gravity Coliving, which runs a number of schemes across London and the UK, includes specific services to improve mental and physical wellbeing, including yoga classes, fitness training sessions, mental health workshops and nutrition masterclasses.

Room and common area cleaning are essential services for coliving companies. Typically, rooms will be cleaned weekly, but enhanced cleaning options are sometimes available for an extra fee. Vonder, an international coliving brand with schemes across Europe, uses the optional fee for apartment cleaning. By contrast, the common areas are cleaned and tidied on a more regular basis. The latter is important to ensure residents feel comfortable and enjoy using the community areas. Laundry and other household services are also provided by some operators for an additional fee.

As coliving developments are fundamentally based on creating communities, this can pose several challenges due to their intensive operational management. One interviewee reported that it can be difficult to *"find a balance as a landlord [operator] and a community builder"*. An example that was given was a party that had been organised by the residents, but which prompted noise complaints from residents who were not involved.

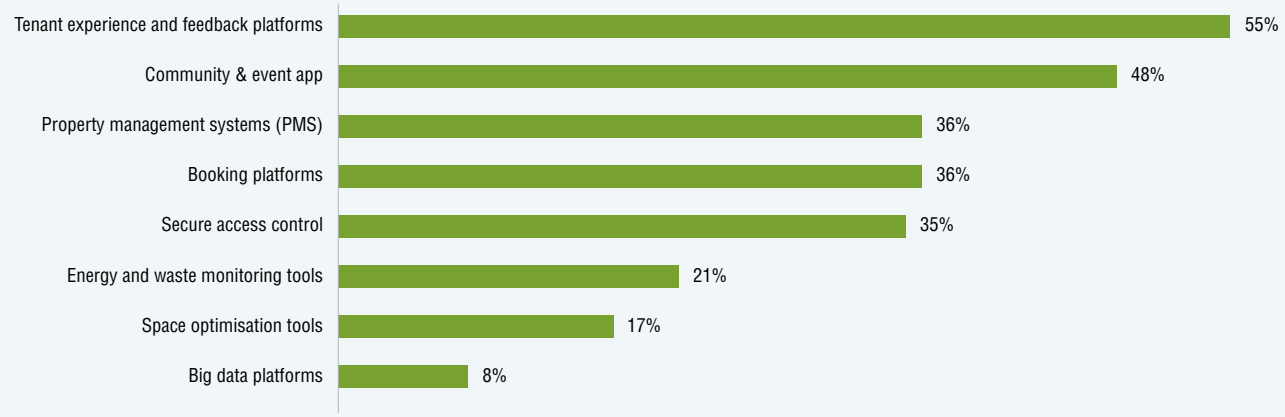
The duality of these responsibilities can pose further difficulties the more serious these issues can get. It is recommended to treat each community/issue on a case-by-case basis, with regular open communication with residents from experienced customer-service orientated staff.

Since coliving is ultimately about a higher serviced level of living, residents come to expect hospitality-like operations, with access to different forms of service. This includes internally provided services but can also incorporate partnerships with external companies—who will have more relevant expertise. Coliving companies should be honest about what they can and cannot provide in-house and look to use third parties for various elements within the overall coliving offer. Figure 25 showcases what survey respondents thought were the most suitable collaborations. Table 7 outlines some of the existing partnerships with external service providers.

9.4 Technology enabled operations

The COVID-19 pandemic has allowed the real estate industry to rethink how spaces are managed and used. Advancements in technologies have come at a time

Figure 26: Survey response: What are the three most significant technologies to adopt for the success of coliving?



Source: ULI Europe Coliving Survey 2022. Respondents were allowed to select up to three technologies; %s are the proportion of all respondents selecting the relevant technology. Number of respondents = 172, totalling 440 responses.

to assist in this process. The operationally intensive nature of coliving lends itself well to adopting and deploying technologies. These can, in turn, offer various efficiencies in branding and marketing, leasing and day-to-day management, tenant engagement and wellbeing. Strategically, these can also support environmental sustainability and reduce energy use.

The ULI survey respondents echoed the importance of technology in providing a best-in-class coliving experience.

When asked which technologies add most value, more than half of the respondents (55 percent) identified tenant and feedback applications as the most significant. Community and event applications (48 percent) that support tenant engagement were closely rated as critical technologies.

Examples of various technologies adopted at multiple levels:

Understanding resident needs: One of the critical uses of technology when managing a coliving space with individuals from various backgrounds is understanding and meeting the residents' needs to provide the most convenient and personalised services and resources. A custom mobile app can be used to survey tenants and collate their preferred foods and activities, concerns and areas for improvement. This can also be utilized to conduct post-occupancy surveys to inform future amenity/space requirements, which will help refine and develop benchmarks as the sector matures further.

Connecting residents: It is also vital within a coliving community that residents have the opportunity to access channels that enable engagement and connectivity with one another. Apps can be designed to allow for private messaging, particularly among individuals with similar profiles or interests, or for group chats where residents can exchange and share products and services. In the various interviews conducted throughout this research, many operators discussed using mobile apps (both in-house and run by third party operators) and their effectiveness in community building.

Building and maintaining a tenant-operator relationship: Technology also has a role in optimising and facilitating the relationship between tenants and the operator. Chatbots and other automated communication systems, for example, can ensure a two-way flow of information, such as residents communicating any maintenance issues across the space and operators sharing community updates and announcements.

Another integral component is the application of technologies to facilitate the management and operations of coliving properties, with 36 percent of respondents identifying it as a significant use of technology within coliving. Cloud-based management software solutions feature various functionalities that range from logging and managing maintenance issues, to booking spaces and generating listings. Predictive analytics can take this a step further and pre-empt faults in equipment (e.g., mechanical, electrical, and plumbing (MEP) systems) before they occur, predict resident preferences and needs (based on their demographic profile) and target potential residents through improved lead generation and marketing.

Connected devices and sensors can also specifically monitor and feedback space usage rates. For example, in our interviews with coliving operator and developer The Base, they discussed the use of heat space mapping throughout their buildings to determine which community areas are underutilised by residents. This not only helps The Base property and community managers to understand their residents better and piece together space consumption trends, but also feeds back into the initial design of new developments so space can be optimised better, ensuring a positively reinforcing learning cycle.

CASE STUDY:
LIFEX, EUROPE

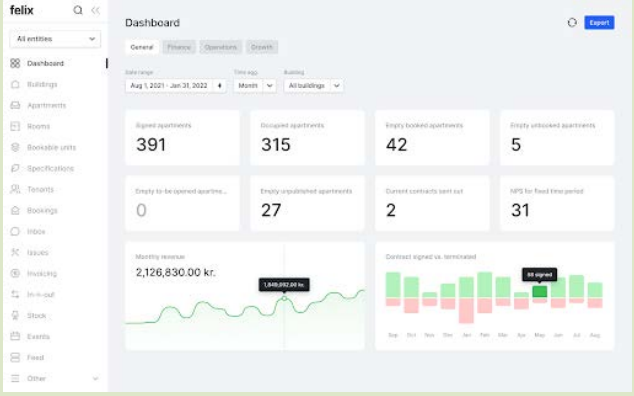
LifeX is a Danish coliving operator with presence across six European cities, managing premium quality coliving units (c.2,000 units) catered to mobile and young professionals between the ages of 24–40, looking for medium to long-term residential solutions. Since their inception in 2019, LifeX has had more than 3,500 tenants living in- their apartments. Their product stems from the realisation that the structure of the housing market in general is inflexible, unsustainable and is not community oriented; three of the things modern day consumers look for.

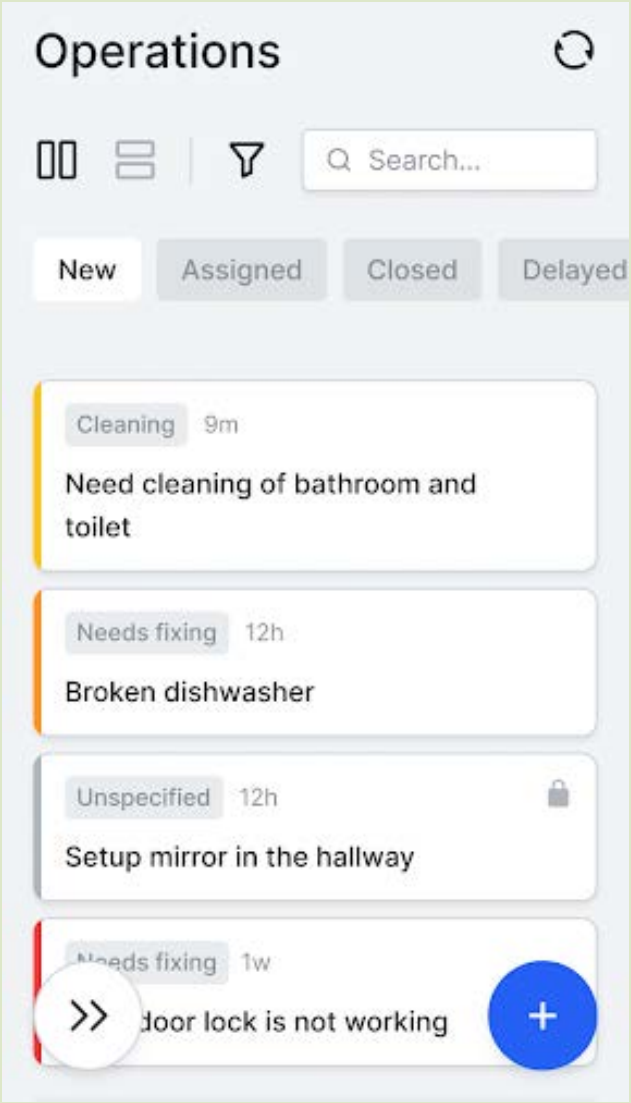
Their in-house designed and built technology software, Felix, was created to address these issues. To-date, they have almost achieved positive EBITDA (after five years) and operate largely via management agreements versus a leasing model. They also registered over 95 percent occupancy rate throughout 2022 and are fully occupied in Copenhagen. This is almost despite doubling their number of units in 2022 (with the addition of 171 units in Copenhagen).

In a conversation with the founders, they attribute this to 'the dual role of Felix, which provides the best tenant experience while streamlining internal operations and creating efficiencies'. Also critical to their success is their insistence on partnering with designers and developers at the concept stage, to ensure the product works seamlessly alongside their platform.

A demonstration of the app showcased the various functionalities which enable this:

Contracting: The app allows tenants to sign up for a coliving unit, which then automatically generates a waiting list at the back-end system, notifying the staff of a new tenant. From there, it is a one-click process to generate a contract and share an invoice directly with the future tenant.



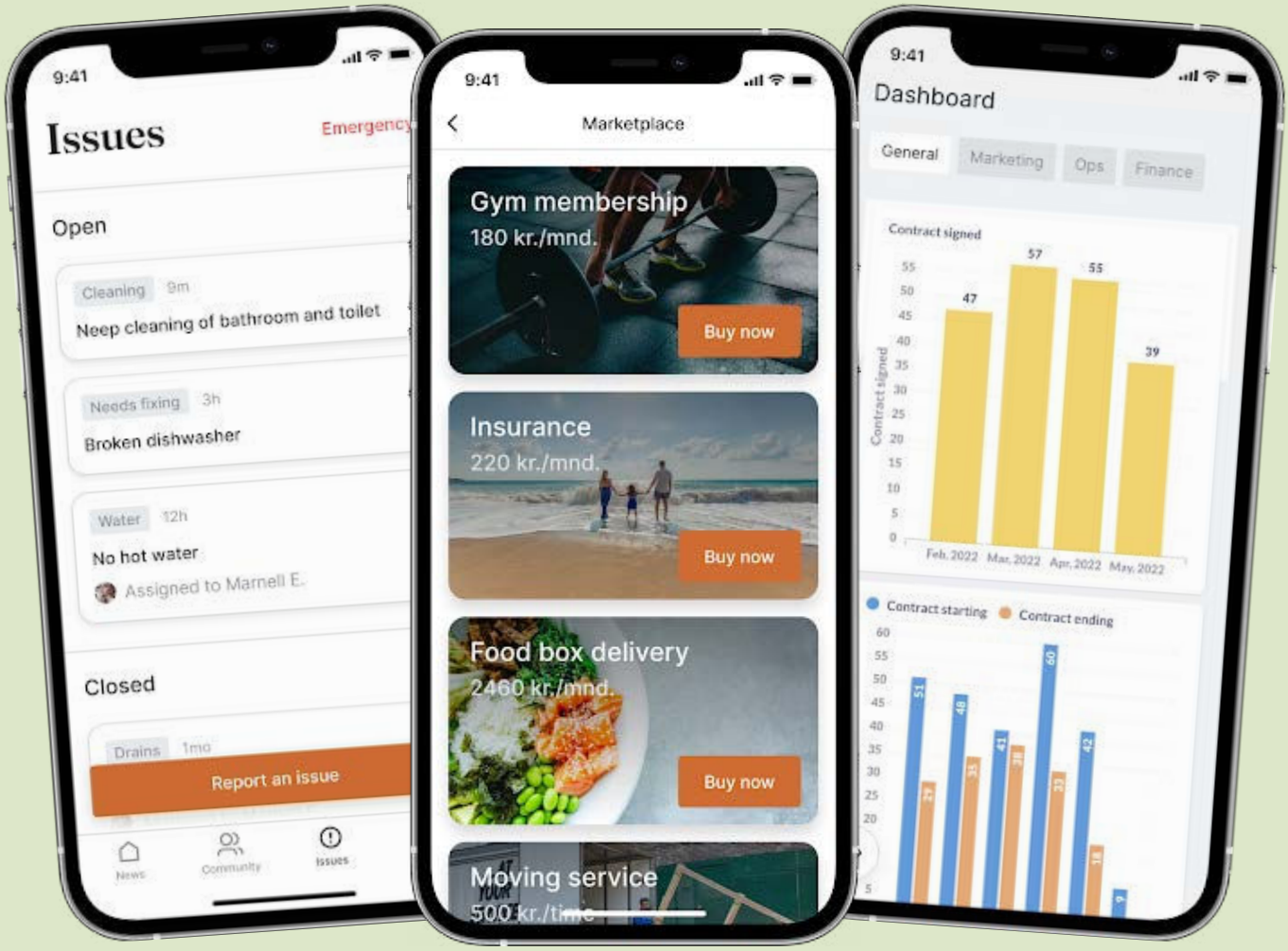


Move-in: Once the contract is signed, the move-in process is also fully automated. The tenant gets an invitation to join the platform, which provides a step-by-step guide to the onboarding process including a virtual viewing of the apartment, where to collect keys and how to engage with other tenants and create community events. On the other end of the platform, this process instigates an inspection flow which provides the front-line staff with on-the-ground tasks to complete in order to get the rooms ready.

Marketplace: This functionality is currently being rolled out and offers tenants a marketplace to buy additional services. To quote LifeX: "This is more of a nice-to-have feature rather than an essential function for the flow of operations."

Facilities Management: This practically serves as the day-to-day management portal of the developments under operation. It is a tool for flagging up any faults or issues with the rooms or amenities, assigning responsibilities to the in-house team, scheduling maintenance, monitoring stocks, and generating order lists to replenish these.

Tenant Platform: This is a front-end user interface where tenants can communicate on a public feed and create and



host events. Every two weeks, LifeX posts a survey to gather data on what features and services are common within the community, and what potentially needs to be addressed. Through this, the team ensures they maintain a relationship with the tenants and are able to continuously cater to their needs and requirements, rather than operating in a silo.

LifeX have achieved the following successes as a result of embedding end-to-end technology:

Retention: They have achieved high average stays on the back of their system, which offers full transparency in the way things are handled and addressed. To quote LifeX:

"Tenants join us for the flexibility our system provides and stay because of the transparent and engaging service we offer, which can only be enabled via the technology we employ."

Tenant satisfaction scores are also high, scoring LifeX as 4.6 on review platform Trustpilot.

Operational efficiencies: They were able to reduce operational costs by almost 30 percent since the launch of Felix, have almost achieved positive EBITDA after just five years in operation, are the only players across Europe to operate under a management agreement model (75 percent of their contracts) and employ a team of 35 instead of the average 100 employees for an organisation of their size.

Sustainability and data privacy

Through Felix, management also has a centralised view of energy data and consumption across their developments, and are starting to share the findings with tenants and push educational material on minimising their carbon footprint through their app. Where a building within their portfolio is relatively new, they have IT systems built in that can be leveraged to control energy consumption and allow tenants to do so as well. From a data compliance perspective, Felix is fully GDPR compliant, where non-essential data is automatically deleted periodically. Tenants sign clear terms for services and have full control over what information they want to share. A customer success team centrally manages how community events and groups form and progress, to ensure these serve their purpose.

10

BEST PRACTICE IN FINANCE AND INVESTMENT

Given the youth of the sector, at least in terms of the number of professional and large-scale purpose-built developments, there remain many challenges around the financing of projects, investments in the sector, and how capital engages with the real estate (propco) and operational (opco) elements of coliving. This chapter will largely focus on the real estate 'hardware' of creating the physical assets themselves but will also touch on investments into coliving operators and the synergies between the two.

There are factors that will encourage further investment into the sector, which include market transparency and a growing track record of assets, developers and operators. These will give investors confidence in the sector's fundamentals and the risk-adjusted financial returns offered. However, contrasting operational models and valuation metrics will likely continue to pose challenges for more widespread adoption in the near term.

Best Practice Recommendations

- Market players should increase the transparency of coliving's financial metrics and operational performance, where possible, and encourage the sharing of insights.
- Investors in the sector should work with one or multiple coliving operators to develop the appropriate management concepts and build suitable assets.
- A variety of investment strategies should be promoted to the sector to accelerate its growth.

10.1 Levels and scale of investment

Investment into the sector can come either through direct real estate purchases, or into operating companies. Both strategies rely on successful operations of coliving buildings, but will reflect investor risk appetites, previous experience and available opportunities. Investing in, or creating, vertically integrated owner-operators for coliving can combine the benefits of both a real estate and operational strategy—but can also bring unique challenges. Table 8 outlines some of the challenges and opportunities to consider for different coliving investment strategies.

10.1.1 Coliving as a real estate asset class

Living investment markets are at different stages of maturity across Europe, as outlined in Section 3.3. Despite its nascency, coliving is following suit, with transaction investment activity particularly focused on the UK (€600 million to-date) and France (€500 million), but increasingly spreading to Germany, the Netherlands and Spain as the concept (and ultimately knowledge of the sector) evolves locally. Investor interest is, however, much larger than this suggests. A number of large-scale coliving vehicles have recently been announced, while living or residential funds are seeing coliving as a viable opportunity to diversify product type and asset exposure. The ability of these investors to buy coliving schemes has remained limited, as a result of many of the barriers this guide has already mentioned, but some examples of completed transactions are listed in Table 9.

Table 8: Real estate, operational and wholeco investments

	Challenges	Opportunities
Coliving Real Estate (propco)	• Dependent on availability, attributes and covenant strength of operators (i.e., the quality, reliability and probability they will continue trading as a going concern) • Few existing assets available to purchase and could take time to build scale	• Owning real estate allows potential capital value growth opportunities and gains from yield shifts • Beneficial financing terms, secured against real asset(s) • Larger ticket sizes—can deploy more capital into the sector • Conviction investors see coliving real estate as undervalued compared to where it will end up in the longer-term
Coliving Operator (opco)	• Minimum scale of efficient operation • Potential reputational risks for some investors • Lack of trading experience • Not a tangible investment, less easy to secure debt against	• Lower initial expenditure for operational business compared to real-estate • Fast growth opportunities across operational scale • Stronger focus on the customer/resident if not concerned over bricks and mortar • Dependent on agreement with landlord, can benefit financially from strong leasing performance
Coliving Wholeco	• Need significant and varied expertise across value chain	• Value-add through opco on top of real estate performance is an opportunity to enhance overall returns • Opportunity to feed in across development cycle to optimise assets • Stronger risk management and more control over the whole value chain

Source: The ULI and JLL European Coliving Best Practice Guide

10.1.2 Coliving operational investments

Investors have increasingly been looking at both direct ownership of coliving assets, and also looking to financially back operators within their expansion strategies. National, regional and global coliving companies have attracted significant volumes of venture capital and private equity funding in the last decade through differing rounds of fundraising. These are usually representative of 'real estate light' strategies and focus on the operational side of the business and driving value growth through developing scale across one or more markets.

Investors on the operational side are typically more akin to venture capital, with smaller operators targeting multiple funding rounds. A prominent example of this strategy is Italian-based DoveVivo, which generally targets smaller shared flats (6–10 bedrooms) but is currently expanding towards operating larger residences and developing an 'integrated living business model'.

- **July 2019:** the company raised €72 million to support European and local growth. The fundraising was structured with around €50 million in equity and €22.5 million in credit-lines ensured by Illimity Bank. Tikehau Capital was the anchor investor, with €29 million committed.
- **September 2020:** DoveVivo completed a €15 million capital increase through existing shareholders.
- **January 2022:** Starwood Capital Group purchased a minority stake of 22 percent of the company for €50 million, with the company now operating around 10,000 beds in three markets (Italy, Spain and France).

Institutional capital has typically steered clear of this form of investment to date. There are signs, however, that this is changing and that investors are looking to work closely with operators to create coliving portfolios. Rather than purely investing in the opco, investors want to build out

Table 9: Selected transactional activity (Europe)

Scheme	Location	Operator	Price (local million)	Date	Units	Per unit (local '000)	Buyer
The Base, Berlin	Berlin, Germany	The Base	Conf.	Jul-22	342	Conf.	Catella Wohnen Europa
1 Rue des Docks Remois	Reims, France	Sharies	€21	Jan-22	166	€127	Audacia
The Mall, Ealing	London, UK	Urbane	£20	Dec-21	81	£247	Moorfield
Gladstone Road	Exeter, UK	Fresh Student	£17	Sep-21	133	£128	BP Pension Fund
La Défense Coliving	Paris, France	Greystar	€80	Sep-21	370	€216	Ivanhoe Cambridge; Bouwinvest; Greystar
Cynergy	Paris, France	Colonies	€33	Sep-21	312	€106	Colonies; In'li
Valdebebas Coliving	Madrid, Spain	Unknown	€30	Sep-21	230	€130	Round Hill Capital
Coliving IOT Valley	Labege, France	Kley	€30	Apr-21	244	€123	Groupe Kley
College Road, Croydon	London, UK	Outpost	£200	Mar-21	817	£245	Oaktree
High Park	Arnhem, Netherlands	Unknown	€20	Apr-20	153	€131	Curlew (OBO Vivat)

Source: JLL Research, 2022. All deals are in forward structures (forward funding or forward purchase).

platforms with their preferred operators. It is too early to see how successful these ventures will be, but the strategy is replicated in other, more mature, living sectors (student housing and multifamily).

Examples of tie-ups between developer/operators and institutional capital include the following— though often their roles remain clearly defined and, to an extent, separated:

- **Oaktree** has backed **Balance Out Living**, which is a new coliving platform targeting a portfolio of assets in London. The first scheme in Battersea, South London (213 studios and 16,000 square feet of amenity) received planning permission in February 2022. The venture has a number of further schemes in the pipeline, including a centrally located asset in Ealing, West London. At the time of publication, Oaktree is exploring the sale of the platform.
- **Batipart** is a shareholder of the European operator **Urban Campus**, and is working on creating their portfolio in France and Spain. Urban Campus are currently managing a total of five assets and 230 studios and expect to open another eight assets in 2023. The company is the first operator to develop a greenfield coliving scheme in Spain which will be located in Valencia, featuring 41 studios and 200 m of common areas.
- French investment manager **Audacia** launched a coliving fund (Audacia Elevation) with the operator **Sharies** in 2019, aiming at an investment capacity of €50 million. After the acquisition of a residence of around 1,500 square metres in Vanves and the signing of a reservation contract for a residence of 5,000 square metres in Reims, the partnership more recently continued its development with the signature of a new off-plan (pre-completion) residential asset in Massy (October 2021).
- **The Social Club**, a specialist hybrid living concept developer and operator, has raised different funds from

various investors over the last 15 years. The company was originally backed by American Private Equity House **The Carlyle Group**, whose stake was bought out by The Social Club in 2016. It also raised €150 million from private equity group **Perella Weinberg Real Estate** in 2014 but attracted institutional investment from Dutch pension fund **APG** worth €100 million in 2015 as its portfolio developed, and a further €300 million from APG and **Aermont Capital** in 2021.

- **Commerz Real** has worked closely with specialist micro-living developer and property management company **i-Live** on a number of projects, choosing to forward fund schemes across Germany and Austria.

10.2 Comparing coliving investment metrics

With few operational and stabilised coliving assets in Europe, real estate investors are still largely in 'price discovery' mode as the sector continues to mature. There remains lower transparency with coliving compared to the student housing or multifamily sectors. A number of key investment considerations are presented here to help further market understanding. The breadth and variety of coliving models and scales is likely to mean each scheme will have different characteristics.

10.2.1 Rents

Rents are the main form of ongoing income from a coliving building and understanding how to measure this—and what levels are likely to be achieved—is important for valuation metrics. Coliving rents can be measured either on a per square metre or a per bed/unit basis. The former is more akin to residential valuation models, while the latter is the market standard for student accommodation and hotels.

On a per unit basis, coliving has typically been pitched in line with, or a little below, local residential rents, though it will obviously vary depending on the quality and target resident profile of the scheme. It is assumed residents will sacrifice some personal space for access to amenities and services outside their room/studio. For a standard coliving studio, rents will probably be marginally (5–20 percent) below studios and one-beds in multifamily buildings (of similar quality), though higher than per room rents in informally shared apartments. Figure 27 presents the all-in costs of three different accommodation options in two German cities, showing the per unit price ranges for coliving, private student housing and the wider rental market. In the two cases, coliving is up to 10 percent more expensive than student housing, but between 25–30 percent cheaper than a one-bed in the PRS.

On a per square metre basis, rents will usually be higher than multifamily, though there is more space within a coliving block which is 'free'—i.e., the shared spaces which have no direct rent ascribed to them. In the German examples, per square metre rents are 20–35 percent higher for coliving. Another important consideration is whether rents are all-inclusive (of coliving amenities/services, energy and water bills and local taxes etc.) or whether residents have to pay a charge on top of a base rent. (See section 6.2 for a like-for-like comparison between a coliving scheme and a studio with added extras). In the examples of Frankfurt and Hamburg, all in rental costs for coliving are noticeably cheaper than living in a one-bed apartment, though this cost advantage will be diminished if the individual chooses to rent in a shared apartment (commonly known in Germany as 'Wohngemeinschaft' or 'WG').

Figure 27: Monthly rental ranges by product type, selected German cities

Source: JLL Research, 2022. Note: Coliving and PBSA rents based on select sample of schemes (2-5 per city per sector) and are all inclusive rents for different available room types; PRS for apartments <45sqm and include energy bills, Wi-Fi payments, local taxes and gym membership.

Table 10: Operational Expenditure Considerations

Category	Comparison to other living and hospitality sectors
Vacancy risk	Occupancies in coliving schemes are generally very high, with anecdotal evidence suggesting around 95–98 percent. Within an investment thesis, it will be modelled at a similar percentage compared to **multifamily** and **student housing** (95 percent+). With typically flexible and shorter-term leases, the downside void risk is a little larger, but occupancies should (on stabilisation) run higher than **hotels** and **extended stay apartments** (around 80–85 percent is typical for these sectors). In Germany, multifamily churn is around 5–10 percent per year but can be significantly higher in the UK and less regulated markets. For coliving, it would usually be expected that a significant majority of residents would not stay longer than a year. Hotels have a much higher turnover—average length of stay (AVLOS) is usually in the region of 1–4 nights, depending on scheme location and quality.
Staff costs	Coliving will have marginally higher staffing costs than **multifamily**, as it will include a large property management team. On-site staffing requirements will usually be a little lower than **hotels** but will depend on the level of service within the coliving asset. Hotels are more likely to have multiple on-site staff members, including front of house, whereas coliving spaces can be more flexible and outsource certain services. Staffing costs in **student housing** represent the largest single cost item for operations, accounting for around 8–10 percent of gross income.
Management and leasing	With shorter-term leases, advertising and practical leasing-related expenses will be higher than multifamily properties. Marketing and leasing costs of **hotels** can vary from around 2–6 percent of gross revenue, and it would be expected that coliving buildings would be slightly lower than this—depending on their brand and profile. As with all new schemes, leasing expenditures during ramp up periods would be higher than on stabilisation—once brand loyalty and word of mouth are both established. **Multifamily** leasing costs are around 2–5 percent of gross income (dependent heavily on the local demand), while in **student housing** the figure is 2–3 percent.
Utilities	Energy and utility usage will depend on a number of factors and the extent to which the costs are recoverable to the consumer. Utility costs for **hotels** are around 4–6 percent of gross revenue, but much lower for **multifamily** blocks, where costs are passed onto the residents through base rents and service charges. Coliving landlords—typically charging residents all-inclusive rents (and maybe a fixed service charge)—have to cover the utility cost for common and private areas, which is similar for PBSA operators. For **student housing** operators, before the industry faced rising energy prices, utilities were around a quarter of operational expenditure (opex) (4–8 percent of gross income).
Maintenance and other running costs	The extent of elevated maintenance costs (versus multifamily) depends on the type of coliving asset. For a large-scale amenitised block with medium to long-term stays, there will be a small, but still noticeable difference. As the operational model converges towards a hotel, this will rise. The costs also depend on the levels of services offered. **Hotels** often incur significant variable costs from F&B provision, though these are costed against the specific hotel department/cost line. In **student housing**, maintenance can vary from 1–5 percent, depending on scheme quality.
Taxes	The local taxes paid by the operator will vary depending on the zoning (or use class) of the property. If residentially zoned, it will face similar taxes to **multifamily**—the structure of this can be based on a per bed or per square metre basis—and can represent 1–2 percent of gross revenue. **Student housing** taxes are around 5 percent of opex, and usually less than 1 percent of gross revenue. Tax arrangements, including business rates, council tax and VAT, can vary according to the lease terms offered to residents. Most European countries apply discounted VAT rates to **hotel** accommodation, averaging 11 percent against a standard rate of 21 percent.[40]

Source: The ULI and JLL European Coliving Best Practice Guide

Forecasting rental levels (and hence returns) is not necessarily straightforward, as there are a number of scheme-dependent confounding factors which can influence financial occupancy rates. Gross rental income can vary week-to-week and month-to-month—more so than multifamily. Coliving can adopt dynamic and flexible pricing models. For example, longer lease terms are generally seen more favourably by an operator and command a lower per-month rent.

From an investor perspective, sticky income (from longer-term leases) is valued at a premium compared to shorter-stay lets. Equally, dynamic pricing can be employed across the calendar year. For coliving targeted at short to mid-stay residents, summer months may experience more demand, and higher prices can be achieved, similar to a hotel model. For an operator to successfully implement this strategy, strong data management and technology systems need to be in place. In markets where coliving rents are subject to residential rental regulations, however, headline rents should be given discounts, so if demand is subsequently higher, the year after, rents can increase on the headline rent, not the reduced rent. Seasonality in rental demand for coliving usually follows the wider private rented market, with peaks in the new year and in the autumn.

Commercial elements, if included within the coliving asset, can provide auxiliary income to the owner or operator. Common tenants include cafés or restaurants, or co-working providers (see Chapters 7 and 8 for examples). Terms can be agreed for long-term leases of space which reflect the expected demand for the product or service. The operator of the building should work with the tenant on creating an appropriate space to enhance the offer, while agreeing financial details which are mutually beneficial.

10.2.2 Operating expenses

From an investment perspective, net income is a more important metric to consider than gross. Coliving is an operationally intensive asset type, and there are a range of cost categories that operators, whether in-house or third-party, will face higher levels of when compared to multifamily assets. In contrast, it is likely to benefit from lower leakage (i.e., the amount of gross income spent on operating the asset) when compared to hotels or serviced apartments. Some parts of this will depend on the nature and style of the coliving building, such as whether room cleaning is offered and how long or flexible leases are as standard.

Within the multifamily sector, which is more established across most European countries, gross to net income leakage can vary between 15–25 percent. For hotels the margin varies on quality and services provided but roughly ranges from 30–40 percent, and for student housing (again scheme dependent) it is around 20–30 percent. This ultimately means the higher chargeable coliving rents per square metre (and gross income) compared to multifamily have to be offset against higher ongoing costs associated with more service provision and a greater amount of shared (un-chargeable) space. Depending on the relationship structure between operator and owner, payments may also be index linked (similar to hotels or senior living), providing the owner with a hedge against inflation. See Table 10 for a detailed breakdown of various operational expenditure considerations.

In general, therefore, we can see that coliving sits somewhere at the boundary between multifamily, student housing and hotels. It has higher running costs than traditional multifamily and is more akin to student housing in this regard – roughly within the band of 20–30 percent, scheme dependent. The demand, however, is more likely to come from non-students and leases can end up being of a wider variety of lengths, which can create challenges.

> “Coliving should generate a higher return than multifamily as it is an operator driven product… [the sector needs] visibility of tradability and access to investors”
>
> **PAN-EUROPEAN REAL ESTATE INVESTOR**

10.2.3 Return profiles

As previously mentioned, the coliving sector is still largely in price discovery mode, and the transparency of deal-level information of return metrics is somewhat limited. In most cases, the deals are structured as forward funding opportunities and there is little direct evidence of what return level a stabilised coliving building would trade at.

Aside from the necessity, an investor engaging in the deal process before the development has started allows them greater say over elements of design, operator selection and wider involvement in the development process. For an operational-heavy type of asset like coliving, whose success can depend on the alignment of physical and operational focuses, this is a big advantage.

Figure 28 shows the prime yields for different living sectors across major European cities. Coliving prime yields should generally be considered to lie between student housing and multifamily, a rule of thumb that is employed by investors when assessing opportunities. Coliving shares a number of similarities with other sectors, and investors can use more established asset classes to benchmark the returns coliving projects will achieve. JLL analysis of six completed and ongoing transactions of coliving buildings and portfolios found an approximate 70 basis point (bps) premium compared to the equivalent multifamily yield and a 10 basis point discount compared to student housing.

The valuation of a coliving asset can depend on a number of variables—relating to physical factors (e.g., location, price segment and rental model), as well as operational characteristics (e.g., operator lease/contract and proven track record). In relation to the operator terms, the much more established hotel investment sector can lead to some pointers as to the relative prices for leased or managed coliving spaces, as Figure 29 demonstrates for some major European cities.

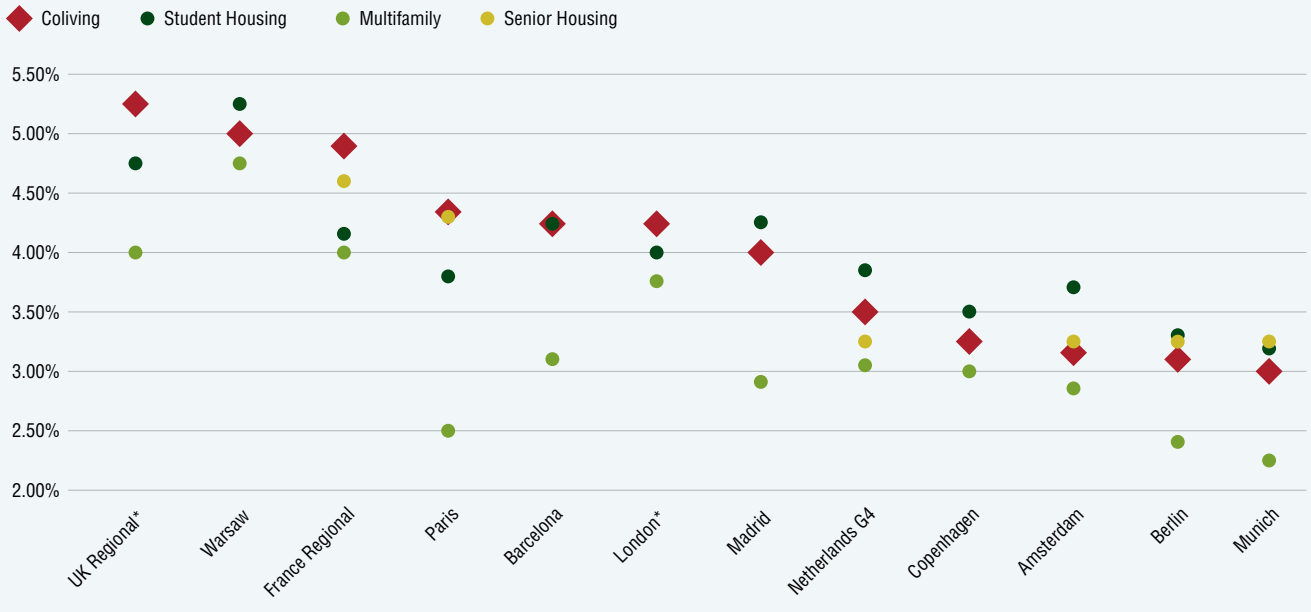
Returns on hotels with lease contracts are consistently around 100 basis points lower than management agreements, given the lower risk taken and higher security of income (at least with a strong operator covenant). For coliving, very few players, however, have many years' experience of running large-scale schemes. As such, there is a relative risk (compared to established hotel operators) of an operator not being successful and surviving for the duration of the lease (as a result of internal and exogenous factors). While in the early stages, we might therefore expect differences between leased and managed coliving residences to be smaller than hotels. Furthermore, in theory, an all-inclusive coliving rent would warrant a lower risk profile as gross income levels are more secure and predictable, and optional add-ons are rarely ascribed value in the context of the whole scheme. The current valuations of assets and transactional activity have not, however, been enough to provide an empirical basis for these suggestions.

As the sector develops—which would be reflected in a greater volume and velocity of transactional activity—the return profile of coliving is expected to evolve, and ultimately move towards the multifamily yield profile.

10.2.4 Risks and limitations

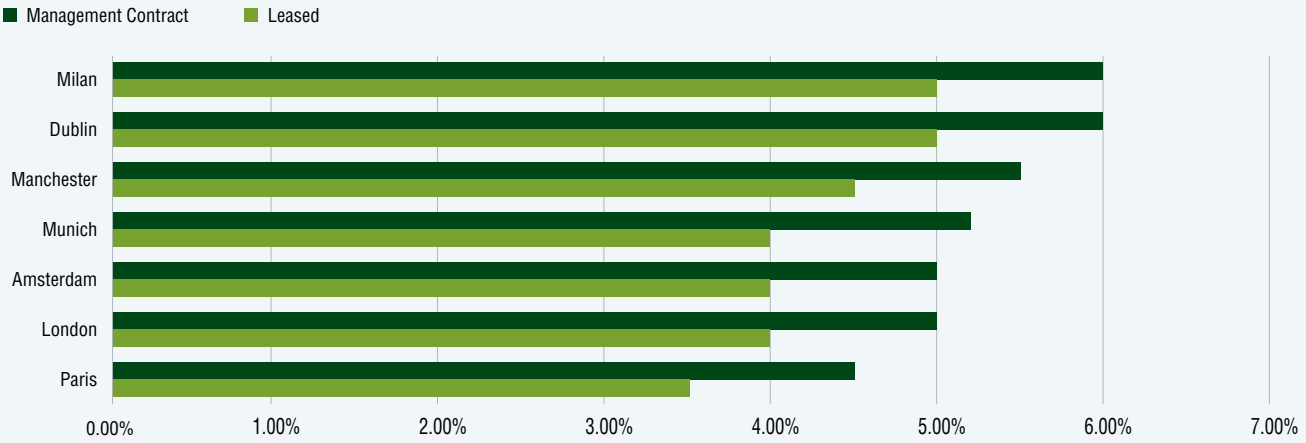
As with any new property investment, there are risks associated with investments into physical coliving assets. With limited operational stock, investors are consistently tying up with operators—though their track record is not

Figure 28: Prime Net Initial Yield (NIY) comparison: Living Sectors



*Source: JLL Research. Notes: Data as of Q2 2022. *UK NIYs for forward funding deal structures.*

Figure 29: Hotel prime yields by operator agreement, select cities



Source: JLL Research. Data as of Q4 2021.

always well established. Thorough due diligence on operator strategies and alignment of goals can reduce, though probably not entirely limit, the risk of coliving assets not performing as predicted or forecast— impacting returns.

As a result, some investors are cautiously entering the coliving market with only a small handful of schemes and adopting a 'wait and see' approach to deploying further capital, based on experience of the early-stage schemes. Others, by contrast, are more committed to the sector and have identified much larger investment goals and ambitions to develop larger local or regional portfolios.

One concern some investors have vocalised is around the exit route or break-up value potential in a downside scenario. There are some risks to the success of a coliving project, not least government intervention, which might make the asset harder to sell in the future. When underwriting new coliving deals, it is prudent for purchasers/funders to assess the market-based risks facing their investment and price this in accordingly. Coliving, at least when compared to multifamily, largely lacks a similar fall-back option of breaking up the asset and selling units individually. Planning officials usually mandate that the coliving building has to be owned and operated as a single block, therefore the vacant possession value of an individual studio can be deemed as very low. Furthermore, smaller studio units will not be in significant demand—and shared spaces become more redundant without an operator. This is a similar issue that the student accommodation sector, particularly in the now mature UK market, faced in its early days—from both equity and debt investors who took a while to become comfortable with the investment concept.

This additional concern came from both the lender and equity investor sides during the research roundtables. It was suggested that, should coliving be unsuccessful, the exit route is unclear due to the design and configuration of space within the asset. There is some limited potential for student or hotel use, but there is virtually no precedent to-date in the market. Finally, there is a liquidity risk currently perceived by investors, as the buyer pool is relatively small for a market where the concept is largely still being proven to work at scale.

10.3 Lending and financing

Lender appetite, as it often is with a new sector, has been more modest compared to other sectors. Banks and others have been cautious on lending for coliving developments and purchases, while discovering where pricing margins should sit and ensuring viability of the product. Those that have been active are typically very selective when it comes to the opportunities they have funded—focusing on development expertise, operator selection, equity partners and other factors. Financing operational-only, asset-light businesses has been difficult without the real asset to back the loan, and operators usually rely on equity investments from venture capital firms.

Similar to other arguments within this guide, the youth of the sector is to its disadvantage. Lenders do not have the

Types of finance needed and becoming available

- Debt as part of forward funding package
- Debt to purchase existing coliving assets
- Debt to fund the renovation or repurposing of a different asset type into coliving (e.g., hotel)
- Bridge assets while schemes are going through planning processes
- Debt for a develop to hold strategy

ability to see many schemes which have gone through a full development phase and are now stabilised. In some markets, such as Germany and the Netherlands where coliving sits closer to multifamily and student housing, lenders have been relatively more willing to engage with new build opportunities.

By and large, the major obstacle for borrowers (developers or investors) has been the limited number of lenders willing to provide debt for projects and deals, as the majority of transactions have been funnelled through a fairly narrow lending pool. With the sector's immaturity and greater uncertainty over product specification and 'proof of concept', financing terms are usually a little less favourable compared to multifamily or hotel projects.

There are factors that may increase the debt risk and these would be priced in by lenders—ultimately in a similar way to other living real assets. These include, in particular, whether a scheme is operational (lower risk) or in development (higher risk associated with costs, lease up and proof of concept etc.). For properties yet to be built, the track record of the developer and contractor(s), and ultimately whether a new-build scheme has the appropriate planning consent, is also reflected in the financing terms.

With a strong appetite from equity investors and a slow maturing of the sector, the pool of available lenders is growing and becoming more mainstream. While those active in the earlier stages of the market for the last three to four years were more likely to be non-bank lenders (who operate at higher leverage points, reflecting riskier and more alternative deals), banks have been keen to deploy capital and are actively engaging with the coliving sector—as the sector matures and underwriting criteria become more transparent and deals more commonplace. Table 11 gives an overview of the publicly announced financing deals in the sector in the last year.

Many important factors are required to encourage the further growth of the scale and depth of the lending pool available for coliving developers and investors. These include the creation of track record (in development and operation) as well as transparency of operational metrics (both actual and forecast). Until the market reaches a more stable and mature level, pricing of finance terms will continue to be at a slightly higher level for coliving compared to more established sectors.

10.4 Buyer strategies

Investors in the real estate behind coliving will take into consideration very similar factors as those looking to invest in the wider living or hospitality sectors. These include ambitions for platform scale, product types and target markets and geographic priorities. With limited stock, their ambitions will take work to be realised, but early movers can define the sector and generate significant market share. Investors are also developing strategies on operator collaborations, desired scale of assets/portfolios and target market/coliving typologies. There is room in the growing market for a variety of strategies, some of which will likely prove more successful than others in the coming years. The following case study showcases an example of how an investor has been approaching the sector, and exemplifies the opportunities and difficulties associated with defining an investment strategy for coliving.[41]

Table 11: Selected financing deals for coliving assets and portfolios

Location	Scheme	Date	Lender(s)	Loan Value and terms
Paris, France	60 Avenue du Général de Gaulle	June 2022	Berlin Hyp	€71m green loan for acquisition and construction, 4-year term
London, UK	Dandi Battersea	April 2022	OakNorth	£32.6m development loan for 159-bed scheme
Brighton, UK	Kosy Living, Melbourne Street	March 2022	Puma Property	£22m GDV of scheme, 83 beds in phase one of Melbourne Street
Manchester, UK	Vita, Water Street	December 2021	Cain International; PGIM Real Estate	£191m development loan for construction of 1,676-bed space asset
Florence and Rome, Italy	The Social Club, Rome and Florence	February 2022	UniCredit	€145m in social and environmental impact financing, with discount on interest rate, for the development of two new locations

Source: JLL Research, 2022

CASE STUDY:
KEYS ASSET MANAGEMENT (AM) INVESTMENT STRATEGY

Keys REIM is the French-based investment management arm of Keys Asset Management, of which 52% is owned by Naxicap, an affiliate of Naxitis IM, and 48% by group founders/employees. With a speciality in direct real estate investments, Keys REIM's expertise spans over four business lines: property management, property development, financing development operations and private equity advisory. The organisation has recently been exploring coliving developments as a new investment opportunity, looking at both hotel and residential models of coliving (separated by length of stay).

The investment analysis focuses on five key pillars:

- **Asset location:** The company focuses on assets located in key regional cities, within a 15–20-minute trip to the nearest employment hub. The site must be connected to a local public transportation and offer bike or clean-mobility options to its residents.
- **Operator:** While Keys REIM does not hold operational expertise in-house, the company relies on third-party operators, and can ascribe a risk premium to lower quality, less established operators. Their due diligence process on selecting operators is strict, including a review of track records, affordability, and other social commitments, hospitality and operational strategy, and ultimately cost and preferred contract structure. For these reasons they can ascribe a risk premium to less established operators.
- **Social impact of scheme and affordability:** The investor has a commitment to socially responsible investing, which mandates creating resilient community life, combating loneliness in housing, and maintaining affordable rents (usually 5–10 percent below market).
- **Competitive landscape:** The company compares the coliving opportunity to the existing residential, hotels and extended stay offers.
- **Valuation metrics:** Keys REIM uses a number of ways to assess coliving asset value, to understand the value based on different measurements. This includes a DCF (discounted cash flow) valuation based on assumed rental income and operating expenses, a fall-back unit by unit sale and a risk premium approach, comparing to other serviced living offers (student housing, senior housing and multifamily).

Northchurch, LifeX, London, UK

11

CONCLUSION

This ULI and JLL *European Coliving Best Practice Guide* has been designed to be a valuable resource for the coliving sector moving forward, presenting conceptual ideas of different sorts of coliving—including local nuances—and the many factors developers, investors and operators should consider when building, converting or running coliving buildings.

The myriad of real-life examples should act as guiding lights for the sector, but diversity in approach should still be championed to reflect local demand, operator preferences and financial or technical feasibility.

A number of key reflections and points for consideration are introduced below:

- Coliving has many different guises and forms this early in the sector's development. There are varied approaches to scale of asset, operator model, location preference, target groups and many more. Diversity in approach can and should be championed as the sector continues to grow and evolve.
- Coliving also has locally specific definitions across Europe, driven to some extent by planning policy, but also by local culture and early movers in each respective market. Adopting a local lens can allow a more unique and nuanced understanding of what coliving looks and feels like, and who it appeals to.
- Coliving is unique but also complementary to other residential and hospitality real estate asset classes. Lessons can be learned—for example on design, operations and investment metrics—from student housing, multifamily blocks and hotels, but successful coliving strategies require a balance and the right amount of unique offer.
- Education and articulation of what coliving is, and the sector's value proposition, is key for successful further development across Europe. It is essential to get public, official and wider buy-in into the concept; given this is one of the main current barriers.
- Coliving is ultimately about people and how 21st century renters are choosing to inhabit their living space as consumer expectations evolve. It reflects a desire for sharing space and creating communities, driven by both societal changes and affordability challenges.
- As a novel sector, coliving has an opportunity and responsibility to be at the forefront of many important topics within the real estate sector, including responsible construction, championing ESG credentials and using technology to improve quality of life.
- This guide addresses the whole value chain involved in coliving—planning, design, development, operations and investment. The best coliving buildings will emerge when parts of this are joined up, collaboration is encouraged and the right incentives are in place to create high-quality coliving communities.
- Coliving can only work if it is tailored to the local city, neighborhood, and resident needs. Each project requires a tailored approach in terms of the best suited target groups, amenities, and the ratio of private, public, and amenity spaces.

The sector is still finding its feet and has significant growth potential; but to realise this, those involved need to continually promote best practice and showcase the value that coliving brings to sites, neighbourhoods and cities. The following framework, developed on the back of our survey results and extensive interviews conducted, reflects the key recommendations, and highlights a four-stage process for the success of coliving.

Perception	Planning & Policy	Partnerships	Products
Educating both the public and private sector on the socioeconomic need for coliving	Public sector buy-in to accommodate for Coliving in zoning regulations and public policies, and incentivising ESG practices	Greater collaboration between industry players, as early as possible in the development process, to streamline processes, benefit from economies of scale, and encourage further transparency in the sector	Collaborative approach among investors / designers, developers and operators to deliver best-in-class coliving properties that encourage engagement and ensure physical, mental and social wellbeing

Source: The ULI and JLL European Coliving Best Practice Guide

Nordhavn, UMEUS, Copenhagen, Denmark

APPENDIX: POLICY ANALYSIS

A1.1 Cataluña, Spain

- Cataluña (which includes Barcelona) was the first Spanish region to introduce new regulation relating to the coliving sector, under the regime 'accommodation of complementary common spaces (AEC) (*alojamiento de espacios comunes complementarios*).
- The Catalan Decree-Law 50/2020 came into force in December 2020 and included a new legal consideration for coliving-style accommodation, alongside other provisions on rent control and social housing measures. The new Law updates prior legislation on the right to housing—which considers housing to be the fixed building, including all common spaces and annexes —and housing habitability.
- The new housing type is defined as "has a private space area of less than the one set for the rest of the types of housing and that has complementary common spaces adjusted to the minimum and quality requirements established in the aforementioned regulations". Common areas are those above and beyond the elements made mandatory by previous regulations, and those which complement the use of the private areas.
- The previously adopted habitability regulations place the minimum space standard at 36 square metres per dwelling, but the new rules give the opportunity to split this between private and common spaces. Shared areas must be at least 6 square metres per dwelling, while individual units have a minimum of 24 square metres. In a situation where units are 24 square metres, this means the shared spaces would need to be 12 square metres per unit across the whole building.
- Based on existing habitability regulations, it follows that private areas would need to have minimum mandatory elements of any residential dwelling, such as a kitchen/kitchenette and a bathroom.
- There are no regulations governing the efficient production of shared spaces as the size of the asset (as measured by individual units/beds) grows, which could create concerns for developers, operators and investors.
- For a building that is made up entirely of AEC, the whole property has to be owned by a single entity. In Spanish legal terms, it means the building cannot be 'divided horizontally', i.e., sold to individual parties, which could be the case in a normal apartment block. For buildings where only some parts are AEC, this part will be configured differently to the rest of the block.[42,43]
- AEC buildings can be built on both areas zoned for residential use and those zoned for commercial use, which provides an advantage for the policy and developers looking to take advantage of it.

A1.2 Manchester, UK

- In December 2019, a report to the Executive of Manchester City Council set out a number of issues and policy considerations regarding coliving schemes in Manchester, which would need to be considered in advance of developing a policy position, as part of the review of the city's Local Plan. A two-stage consultation process was enacted: stage one with developers and key organisations, and stage two with wider stakeholders, including residents.
- The proposed guidance followed in 2020[44], and allows coliving only to be built in "*a limited number of key areas of high employment growth within the city centre, where it can be demonstrated that a coliving development could provide added value to the wider commercial offer in the area*" and that "s*afe and secure, zero carbon developments will only be considered*".
- The recommendations include providing mixes of studios and cluster flats within coliving schemes,

Leeds, UK

long-term management plans for the whole scheme, defined boundaries of short-term lets, not renting out to students and including a placemaking strategy for the development.

- Importantly, the Council concluded *"coliving is not an affordable housing product on a price per sq. metre basis and cannot be seen as a mechanism for developers to meet affordable housing targets in Manchester"*.

A1.3 Leeds, UK

- The City Council undertook a public consultation for a new supplementary planning document (SPD) on HMOs (Houses in Multiple Occupation), PBSA (Purpose Built Student Accommodation) and coliving in early 2021. It was seen as an opportunity to define standards for the emerging coliving sector. The main policies which emerged from this SPD were around minimum standards on which schemes should be appraised. This includes space, light and ventilation.
- The consultation document[45] suggested private bedrooms/studios should be 22–30 square metres, with at least one square metre of communal area per bedspace, excluding kitchens. Kitchen and dining spaces should not be shared by more than 10 residents and be 30–40 square metres in total. However, the proposals have yet to be formally adopted, and more recent suggestions are that the planning authority is cooling on coliving as a concept. Any schemes coming forward are currently assessed on a case-by-case basis.

A1.4 Birmingham, UK

- Birmingham City Council consulted on a draft Shared Accommodation Supplementary Planning Document (SPD) from December 2021 to January 2022. It was adopted in April 2022 and establishes the guidance, principles and requirements for future coliving schemes of more than 50 units.[46,47]
- The proposed requirements from this document include (note, these mostly include exception opportunities if there is robust proof as to why this cannot be achieved):
- Bedrooms are to have a minimum size of 25 square metres for single occupancy rooms, with en-suites and maximised utility of space
- Internal communal amenity spaces to be at least 4.5 square metres per bed (this would include communal kitchen(s), lounges, workspace and other recreational or entertainment space for the exclusive use of residents without a charge, and excludes circulation spaces and storage etc.)
- Outdoor amenity spaces at least 10 square metres per resident
- Requirement of a quantified need assessment, taking into account affordability of alternative rental options in Birmingham. The wider residential planning policy also applies, where "*proposals for new housing [must] meet local needs and support the creation of mixed, balanced and sustainable neighbourhoods*"

Dublin, Ireland

- The submission of a Management Plan, secured through a planning condition or section 106 agreement. This would include elements such as move in/out arrangements, staffing, cleaning regimes and annual assessments of the plan itself
- Tenancies to be offered for a minimum of three months, with a proposed maximum stay of 12 months—though these can be periodically reviewed.

A1.5 Ireland

- In an extreme case, Ireland's national government banned further planning submissions of coliving projects from December 2020, not long after introducing original guidance in 2018.[48]
- The guidelines providing for coliving schemes in Ireland were introduced in 2018 in an effort to respond to the shortage of and growing demand for housing, particularly in and around the capital, Dublin.
- Sections 5.13–5.24 of the *Sustainable Urban Housing: Design Standards for New Apartments Guidelines for Planning Authorities, 2018* [49] introduced a policy context for the consideration of 'Shared Accommodation' proposals by planning authorities, including An Bord Pleanála (Ireland's independent, statutory, quasi-judicial body that decides on appeals from planning decisions made by local authorities).
- The guidelines identify Shared Accommodation as a distinct segment within the overall residential sector but which, due to its specific nature, has a limited, 'niche' role to play in the provision of the new residential accommodation needed within Ireland's cities.[50]
- The guidelines defined Shared Accommodation as a sub-sector of Build-to-Rent and was therefore required to meet many of the same criteria. It did, however, have exemptions on some aspects, such as dwelling mix and different mobility policies (e.g., car parking requirements).
- The document set out minimum space standards for bedrooms: 12 square metres for single occupancy and 18 square metres for double occupancy (twin or double). It also identified the minimum common areas: 8 square metres per person for bedrooms 1–3, and 4 square metres per person thereafter.
- Social housing (Part V) requirements, which usually require 10 percent of units to be let at social rental levels, were deemed not to be applicable *"because shared accommodation would not be suitable for social housing given that they are not provided as individual self-contained residential units".*
- Following the implementation of the policy, a number of developers and investors looked to quickly submit planning applications for shared living schemes. Unfavourable media attention, and ultimately political backlash against the quality of the schemes going through planning, led to the unravelling of policy support for the sector. Many applications were fast tracked into the system before the ban came into force in December 2020, since applications before the ban would still be assessed.
- In response to introducing the ban, Housing Minister Darragh O'Brien cited the large number of applications and the growing number outside of Dublin's centre, leading to the view that the sector was fast expanding beyond the 'niche' it had originally been envisaged as.

NOTES

1. *Micro Living Defined* (BPF) https://bpf.org.uk/media/1076/compact_living_full_research_report.pdf [Accessed 28 September 2022]

2. "Planning Use Class", *Planning Geek*, 2022 https://www.planninggeek.co.uk/use-class/ [Accessed 27 September 2022]

3. Siegen, Baurecht, "Was Versteht Man Unter Art Der Baulichen Nutzung? Wie Wird Diese Festgesetzt?" (German), *Baurecht Siegen-Kreuztal*, 2022 https://www.baurechtsiegen.de/baulichen-nutzung/ [Accessed 27 September 2022]

4. "Cohousing and Co-Living Started In Denmark.", *Cohabitas*, 2022 https://cohabitas.com/coliving-in-demark/ [Accessed 27 September 2022]

5. Kachmazov, George, "Micro-Apartments: The Hottest New Trend Sweeping the German Real Estate Market", *Tranio*, 2021 https://tranio.com/articles/micro-apartments-the-hottest-new-trend-sweeping-the-german-real-estate-market_5245/ [Accessed 27 September 2022]

6. World Bank, 2022

7. "Developments and Forecasts on Continuing Urbanisation | Knowledge for Policy", *European Commission* https://knowledge4policy.ec.europa.eu/foresight/topic/continuing-urbanisation/developments-and-forecasts-on-continuing-urbanisation_en#:~:text=Europe›s%20level%20of%20urbanisation%20is,a%20smooth%20and%20constant%20increase [Accessed 27 September 2022]

8. *Patterns and Trends in Household Size and Composition: Evidence from A United Nations Dataset* (New York: United Nations, 2019) https://www.un.org/en/development/desa/population/publications/pdf/ageing/household_size_and_composition_technical_report.pdf [Accessed 27 September 2022]

9. Oxford Economics

10. "Studie: Kompakte Wohnformen Können Lösung Für Steigende Mieten Sein" (German), *Konii.De*, 2022 https://www.konii.de/news/studie-kompakte-wohnformen-konnen-losung-fur-steigende-mieten-sein-202208105838 [Accessed 27 September 2022]

11. "Executive Summary", *OECD ilibrary*, 2022 https://www.oecd-ilibrary.org/sites/51825505-en/index.html?itemId=/content/publication/51825505-en [Accessed 27 September 2022]

12. "Does Sharing Economy Promote Sustainable Economic Development and Energy Efficiency? Evidence From OECD Countries", *Journal of Innovation & Knowledge*, 6 (2021), 58-68 https://www.sciencedirect.com/science/article/pii/S2444569X20300500#:~:text=The%20sharing%20economy%20is%20a,to%20use%20resources%20more%20efficiently [Accessed 27 September 2022]

13. *Private Rented Sector - The Rise Of "Generation Rent"* (KPMG, 2018) https://assets.kpmg/content/dam/kpmg/uk/pdf/2018/09/kpmg-prs-client-investment-case-september2018.PDF [Accessed 27 September 2022]

14. Sloan, Lachlan, "Manchester's Council Policy Backtracks to Welcome Coliving Properties", *Linkedin*, 2020 https://www.linkedin.com/pulse/manchesters-council-policy-backtracks-welcome-coliving-lachlan-sloan/ [Accessed 27 September 2022]

15. Whelan, Dan, "Liverpool Lays Down Law on Co-Living - Place North West", *Place North West*, 2022 https://www.placenorthwest.co.uk/liverpool-lays-down-law-on-co-living/ [Accessed 27 September 2022]

16. *GCP CO-LIVING | IPO PROSPECTUS Placing and Offer for Subsciption of New Ordinary Shares* (Gravis Capital Management Ltd, 2022) https://cdn.graviscapital.com/graviscapital/files/175680-Project-Amethyst-Prospectus-web.pdf [Accessed 27 September 2022]

17. "Coliving Experience Report 2019", *Urban Campus*, 2020 https://urbancampus.com/blog/coliving-experience-report-2019/ [Accessed 27 September 2022]

18. "Coliving Report 2022", *Urban Campus*, 2022 https://urbancampus.com/blog/new-coliving-impact-report-2022/ [Accessed 07 October 2022]

19. "Task Force on Climate-Related Financial Disclosures | TCFD)", *Task Force on Climate-Related Financial Disclosures*, 2022 https://www.fsb-tcfd.org/ [Accessed 27 September 2022]

20. "SFDR - EUROSIF", *EUROSIF* https://www.eurosif.org/policies/sfdr/ [Accessed 27 September 2022]

21. Pinto, Luísa, "Hotéis Já Podem Funcionar Como Espaços De "Cowork" E Teletrabalho" (Spanish), *PÚBLICO*, 2020 https://www.publico.pt/2020/11/23/economia/noticia/hoteis-ja-podem-funcionar-espacos-cowork-teletrabalho-1940276 [Accessed 27 September 2022]

22. "Loi ELAN : Augmentation Du Bonus De Constructibilité | La Base Lextenso" (French), *Labase-Lextenso.Fr*, 2019 https://www.labase-lextenso.fr/lessentiel-droit-de-limmobilier-et-urbanisme/DIU112d7 [Accessed 27 September 2022]

23. Analysis based on 22 cities which have existing coliving supply.

24. *Manchester City Council Report for Resolution* (Manchester: City of Manchester, 2019), pp. 6-7 https://democracy.manchester.gov.uk/documents/s12248/Co-living.pdf [Accessed 29 September 2022]

25. "Embodied Carbon Call to Action Report | World Green Building Council", *World Green Building Council* https://www.worldgbc.org/embodied-carbon [Accessed 27 September 2022]

26. Gemma Holmes, et al. *UK Housing: Fit for The Future?* (Committee on Climate Change, 2019) https://www.theccc.org.uk/publication/uk-housing-fit-for-the-future/ [Accessed 27 September 2022]

27. *14 Patterns of Biophilic Design | Improving Health & Well-Being in The Built Environment* (Terrapin Bright Green LLC, 2014) https://www.terrapinbrightgreen.com/wp-content/uploads/2014/04/14-Patterns-of-Biophilic-Design-Terrapin-2014e.pdf [Accessed 27 September 2022]

28. "The Effects of Cohousing Model on People's Health and Wellbeing: A Scoping Review", *Biomed Central | Public Health Reviews*, 2020 https://publichealthreviews.biomedcentral.com/articles/10.1186/s40985-020-00138-1 [Accessed 27 September 2022]

29. Appolloni, Letizia, and D'Alessandro, Daniela, "Housing Spaces in Nine European Countries: A Comparison of Dimensional Requirements", *International Journal of Environmental Research and Public Health*, 18 (2021), 4278 https://doi.org/10.3390/ijerph18084278

30. Appolloni, Letizia, and D'Alessandro, Daniela "*Housing Spaces in Nine European Countries: A Comparison of Dimensional Requirements*"

31. "Design Standards for New Apartments - Guidelines for Planning Authorities (Dec. 2015)", *Gov.Ie*, 2015 https://www.gov.ie/en/publication/9484b-design-standards-for-new-apartments-guidelines-for-planning-authorities-dec-2015/ [Accessed 27 September 2022]

32 "Large-Scale Purpose-Built Shared Living Guidance", *GLA Engagement Portal*, 2022 https://consult.london.gov.uk/large-scale-purpose-built-shared-living-guidance [Accessed 29 September 2022]

33. This terminology in UK planning means 'of its own kind' and does not fall into standard asset categories (hotel, residential, retail, office etc.)

34. Kopec, Dak 2006. *Environmental Psychology for Design*. First. New York: Fairchild Publications, Inc.

35. Bridet, Sébastien; Ciais, Laura and Flurin, Claire, *The Co-Living Market: Contexts, Expectations and Opportunities* (Curiosity is Keys, 2020) https://curiosityiskeys.com/wp-content/uploads/2020/05/CO-LIVING_02_English-version.pdf [Accessed 27 September 2022].

36. "Gravity X TIER | Gravity Co-Living", *Gravitycoliving.Com*, 2022 https://www.gravitycoliving.com/blog/gravity-x-tier/ [Accessed 27 September 2022]

37. "Parkebike", *Smart Studios Coliving Accommodation*, 2021 https://smartstudios.pt/en/parkebike/ [Accessed 27 September 2022]

38. "You Can Tulu! 24/7 Smart Rental Facility Arriving at Ourdomain | Ourdomain", *Our Domain*, 2020 https://www.thisisourdomain.nl/our-blog/you-can-tulu-24-7-smart-rental-facility-arriving-at-ourdomain [Accessed 27 September 2022]

39. "Partnerships", *The Stay Club*, 2022 https://www.thestayclub.com/partnerships/ [Accessed 27 September 2022]

40. "Tourism-Related Taxes Across The EU", *European Commission* https://single-market-economy.ec.europa.eu/sectors/tourism/business-portal/financing-your-business/tourism-related-taxes-across-eu_en [Accessed 27 September 2022]

41. Bridet, Sébastien; Ciais, Laura and Flurin, Claire. (2020).

42. *Co-Living Approach To The Legal Regime In Spain* (Uría Menéndez) https://www.uria.com/documentos/circulares/1462/documento/12590/UM-coliving.pdf [Accessed 27 September 2022]

43. Ruigómez Ruigómez, Natalia, "La Nueva Regulación Del Alojamiento Con Espacios Comunes Complementarios En Cataluña - Periscopio Fiscal Y Legal", *Periscopio Fiscal Y Legal (Pwc)* https://periscopiofiscalylegal.pwc.es/la-nueva-regulacion-del-alojamiento-con-espacios-comunes-complementarios-en-cataluna/ [Accessed 27 September 2022]

44. Manchester City Council *Report for Resolution*, pp. 6-7.

45. *Houses in Multiple Occupation, Purpose-Built Student Accommodation and Co-Living Amenity Standards Supplementary Planning Document* (Leeds: Leeds City Council, 2021) https://www.leeds.gov.uk/docs/Draft%20HMO%20PBSA%20and%20Co-Living%20SPD%20-%20Consultation%20Version.pdf [Accessed 27 September 2022]

46. *Large-Scale Shared Accommodation Supplementary Planning Document* (Birmingham: Birmingham City Council, 2022) https://www.birmingham.gov.uk/download/downloads/id/22877/large-scale_purpose-built_shared_accommodation.pdf [Accessed 28 September 2022]

47. "Birmingham City Council Consult on Co-Living", *Lambert Smith Hampton*, 2022 https://www.lsh.co.uk/explore/research-and-views/view-points/2022/jan/birmingham-city-council-consult-on-co-living?listing=true [Accessed 28 September 2022]

48. McQuaid, Louise, "Irish Ban on Co-Living Schemes May Put Pressure on Housing Supply", *Pinsent Masons*, 2021 https://www.pinsentmasons.com/out-law/analysis/irish-ban-co-living-schemes-put-pressure-housing-supply [Accessed 28 September 2022]

49. *Sustainable Urban Housing: Design Standards for New Apartments Guidelines for Planning Authorities* (Government of Ireland | Department of Housing, Planning and Local Government, 2018) https://assets.gov.ie/118152/87a1ac92-9290-49d2-a913-a66865d95859.pdf [Accessed 28 September 2022]

50. *Co-Living/Shared Accommodation* (Government of Ireland | Department of Housing, Local Government and Heritage, 2020) https://assets.gov.ie/98316/307a0ec0-9ed9-440a-86c2-21444ec9db85.pdf [Accessed 28 September 2022]


ULI
Urban Land
Institute


JLL