

**ACCESSING AND USING  
RESIDENTIAL AND COMMERCIAL  
SPACE DIFFERENTLY**



## Buildings in cities are often underused, but this can be countered through shared use, new business models, and reconfigurable building designs.

New sharing-schemes and business models for residential and commercial buildings can have numerous benefits, including lowering the financial barrier of accessing built space. Aided by digital technology, these use models are gaining traction through a broad range of different sharing schemes such as home sharing, co-living and co-working offices. Design features can also enable greater use of space, such as moving walls which enable users to reconfigure spaces as needs change, and thereby also improving building use.

### CASE FOR CHANGE



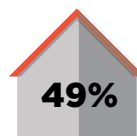
**Globally, one-third of urban dwellers struggle financially to secure decent housing<sup>1</sup>**



In the OECD, households on average spend around **21%** of their gross adjusted disposable income on keeping a roof over their heads<sup>2</sup>

**60%**

**60%** of European office space is unused during working hours<sup>3</sup> and in India **15%** of office space is reported vacant<sup>4</sup>



**49%** owner-occupied homes in the UK are 'under-occupied' (at least two bedrooms more than stated need)<sup>5</sup>



**20%** of retail space in New York City is vacant and fit for other commercial purposes<sup>6</sup>

### EXAMPLES OF CIRCULAR ECONOMY OPPORTUNITIES

#### Accessing residential space through shared-use schemes

Temporary home sharing with visitors and tourists through online platforms has increased the use of spare rooms. For example, Airbnb is now considered one of the world's biggest 'hotel chains' and cities are working with such platforms to enable the benefits, while also mitigating unintended consequences, such as impacts on long-term rental markets and housing costs.<sup>7</sup> (See *City Case Study: Amsterdam*) Home-sharing models are also beginning to support more vulnerable groups in society. For example, intergenerational home sharing for the young and elderly is solving issues of loneliness and affordability.<sup>8</sup>

#### Accessing commercial space through shared-use schemes

Businesses are increasingly making use of shared offices and co-working spaces. Common examples of co-working spaces, include WeWork, who have 456 offices across seven cities, serving

organisations from start-ups to corporates such as Microsoft and IBM.<sup>9</sup> In addition, organisations with surplus space - including desks, rooms, storage, and retail space - can engage with similar shared-use models to increase utilisation and create additional revenue while supporting other organisations and individuals who are in need of affordable space. Those with free space at home during the day can also offer their homes as office space, creating additional co-working spaces and communities for micro-businesses and independent professionals.<sup>10</sup>

#### Increasing the use of space through design features

Moveable interior walls are a designed-in feature of a building that can enable additional uses of a space. For example, these walls can enable a space to be reconfigured for the needs of different users at different times of day, or can enable a user, from organisations to individuals, to reconfigure their work or home space as their own requirements change, without the need for additional building and materials.



## RELEVANT CASE EXAMPLES

### Municipal office space used for skills training and development

Like most organisations, city governments have vacant or underutilised office space, which can be used to benefit wider city priorities. In Amsterdam, the municipality piloted a project in which they made meeting rooms available to organisations running coding lessons for refugees on weekends, when these meeting rooms otherwise stood empty. (See *City Case Study: Amsterdam*) In London, a government department worked with 3Space to enable the temporary use of surplus government buildings for start-ups and non-profits.<sup>11</sup>

### Intergenerational sharing for societal benefits

Home Share Int. specialises in facilitating intergenerational home sharing, providing a solution to the needs of two groups of people – those in need of affordable housing (often younger people), and those in need of support to live independently at home (usually older people). The programme has also brought wider benefits such as intergenerational and cultural understanding, and reduced loneliness.<sup>12</sup>

### Using empty restaurants as office space during the day

Restaurants that are closed during the daytime have valuable, but underutilised space. Such space can be used as a co-working space benefiting both restaurants (through extra revenue) and people in the need of office and meeting space (with cheaper rent or improved facilities). In San Francisco and New York City, the start-up Spacious provides an intermediary platform that connects restaurants and customers, and facilitates payment through a range of subscription models. Real-time tracking helps users select spaces that are less busy, avoiding overcrowding and helping less-known places to attract customers. In New York, more than 2,000 restaurants are closed during the day.<sup>13</sup>

### Adaptable, multi-purpose spaces for multiple uses

Moveable interior walls and other features in offices can bring multiple benefits. Circl Pavilion at ABN AMRO offices in Amsterdam has multiple adaptable design features, such as walls and even floors, that enable a variety of spatial configurations to support the needs of employees and additional users. The offices can be configured for everything from day-care in the morning to dance events in the evening. The changeable space can also help to reduce energy needs.<sup>14</sup>

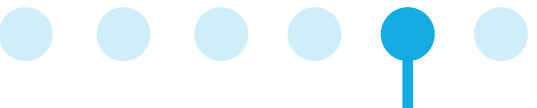
## EXAMPLES OF WHAT URBAN POLICYMAKERS CAN DO

Through **asset management**, city governments can ensure increased utilisation of publicly owned buildings by making them available for use through sharing schemes. Through **convening and partnering** with residents and platform providers, and through **regulation**, urban policymakers can also support home and office sharing in a manner that preserves the benefits while mitigating unintended negative consequences.

To explore further see **Policy Levers**

## EXAMPLES OF LINKS TO OTHER SYSTEMS AND PHASES

**Buildings: Designing** If buildings and rooms are designed by intention for sharing and multi-use, the benefits of these opportunities can be amplified.



## EXAMPLES OF BENEFITS

ECONOMIC  
PRODUCTIVITY

## Saving costs for SMEs

Small businesses benefit especially from the flexibility of co-working arrangements that do not entail commitment to long-term leases, as well as capital investments in property and equipment, and can therefore lead to operational cost savings of up to 60–75% compared to individual offices.<sup>15</sup>

## Increasing utilisation

In London, peer-to-peer renting, better urban planning, office sharing, repurposed buildings, and multipurposed buildings, increases the value of new buildings and can double utilisation of 20% of London's buildings by 2036, saving over GBP 600 million annually.<sup>16</sup>

## Decreasing space need

By introducing flexible working for 18,000 staff in 20% of their offices, the Lloyds Banking Group were able to remove 1,000 desks from their London offices and saved GBP 10 million.<sup>17</sup>

JOBS, SKILLS, AND  
INNOVATION

## Attracting talent

Shared space offers companies the opportunity to facilitate remote working, and attract talent by meeting employee preferences for flexibility and a diverse working environment.<sup>18</sup>

## Sharing of networks and resources

Various studies have shown that sharing space also facilitates the sharing of knowledge, networks, and resources more effectively.<sup>19</sup>

COMMUNITY AND  
SOCIAL PROSPERITY

## Supporting vulnerable groups

Making space available to those who otherwise cannot afford it, and simultaneously creating stronger social bonds through space sharing, can be a way to support different vulnerable social groups in a cost-efficient manner. (See HomeShare Int. example on previous page).



## RESOURCE USE

## Making the best use of buildings

As building utilisation increases, cities may find themselves with more space available and a reduced need to construct new buildings – countering urban sprawl and resource consumption.<sup>20</sup>



## ENDNOTES

- 1 McKinsey, *Tackling the world's affordable housing challenge* (October 2014)
- 2 OECD Better Life Index, *Housing*
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- 4 Ellen MacArthur Foundation, *Circular economy in India: rethinking growth for long-term prosperity* (2016) p. 34
- 5 Ellen MacArthur Foundation, SUN, and McKinsey Center for Business and Environment, *Growth Within: a circular economy vision for a competitive Europe* (2015) p. 83
- 6 C. Kilgannon, 'This Space Available', *The New York Times* (6 September 2018)
- 7 For Example, cities including Paris, Amsterdam, and Berlin have started regulating commercial home sharing, which includes introducing a cap on how many days homeowners can sub-let through short-term leases. N. Lomas, *Amsterdam to halve Airbnb-style tourist rentals to 30 nights a year per host*, TechCrunch (2017); Airbnb, *New rules for home sharers in Berlin: the new housing law*, airbnb.com (2018)
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- 11 3Space, *Cabinet Office, Croydon and Wimbledon*
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- 18 CBRE, *Occupier survey report 2017* (2017) pp. 9-11
- 19 D. White and P. White, *4 ways co-working spaces inspire innovation and collaboration* entrepreneur Europe (8 June 2017); S. Soni, *Makerspaces: the 'Lego' of startups*, Entrepreneur Europe (6 May 2016)
- 20 Y. Voytenko *et al.*, *Sustainability framings of accommodation sharing*, Environmental Innovation and Societal Transitions (2017)

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