

Former WeWork exec wants to transform co-working, starting in East Austin

Company looks to open 100,000-square-foot space by end of 2018

Just over 5 million. That's the number of people whose office will be inside a co-working space by 2022, according to a forecast from Emergent Research. It's roughly the same size as the population of Houston, Dallas and San Antonio combined.

The torrid expansion of WeWork in recent years has in many ways led the co-working revolution. The New York startup is valued at \$20 billion and has built 212 locations in just eight years.

But there's a new kid on the block backed by \$22 million in funding with ambitious plans to open 90 locations over the next five years — with a flagship location in Austin. By the end of this year, Connecticut-based Work Well Win plans to open an unusually large 100,000 square feet of co-working space at its future home in the Eightfold project in East Austin — a \$400 million mixed-use development under construction at the former Motorola campus.

With the promise of privacy, flexible terms, gobs of space and a wellness-centric model, Work Well Win wants to entice Fortune 500 companies to use its facilities as a launch pad into new markets without worrying about signing traditional office leases. It's already talking with corporations about the possibility of signing leases in Austin and several locations nationwide.

Work Well Win is led by Frank Bistran, former global real estate leader at JPMorgan Chase who developed "high-performance workspaces" or internal co-working sites for the financial giant. WeWork recruited him in 2015, and he spent a year overseeing domestic development at the startup at a time when it added 80 locations, he said.

"What WeWork has done is absolutely fantastic ... They have a great client base and they're getting into some of the corporate enterprise. [But] I saw an opportunity to focus more on the satellite offices of large companies as an anchor to each of our locations, and that's our approach [at Work Well Win]," he said.

As the company builds out its Austin operations, it's also taking over a former Barnes & Noble building on the prominent 3rd Street Promenade in Santa Monica. It reportedly has deals to lease space in places such as Washington, D.C.; Brooklyn, New York; Chicago; and a five-story structure on Venice Beach in California.



GSC ARCHITECTURE

A rendering of Work Well Win's future building at the \$400 million Eightfold project in East Austin.

Turning leases upside down

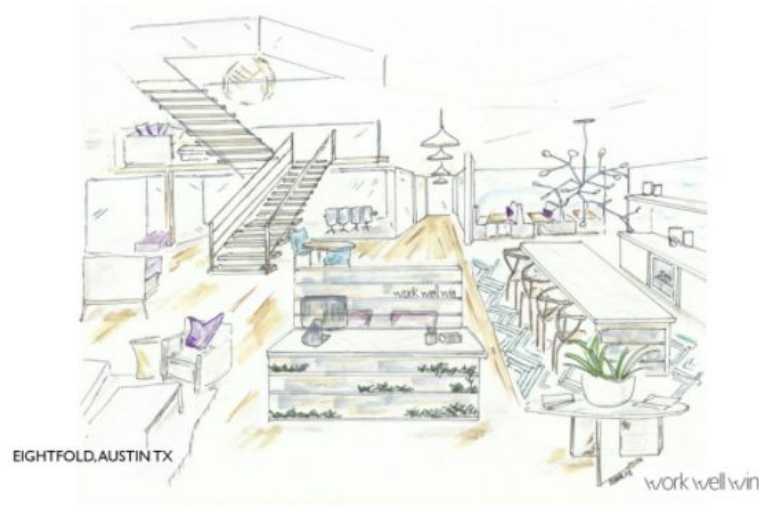
The mid-rise building in Austin — roughly the size of a large Walmart or grocery store — will offer small offices alongside open, bench-like seating. But the design will create a less-densely packed, more private and more quiet experience than a typical co-working spot, which could be more appealing to larger companies, Bistran said.

Work Will Win wants to offer companies the chance for frictionless growth, said Johnny Kelly, head of Austin operations of Work Well Win and managing partner at Austin-based J9 Partners.

“If you're a company right now and you're exploring coming to Austin, your options are basically, ‘Do we send some people to a co-working space downtown?’ That just doesn't work for privacy reasons, for proprietary information. That's not what it's set up for,” he said.

“The other option is to sign a long-term lease at a corporate space before you understand what the opportunity is in Austin. What typically happens when those are the two options [is] you say, ‘Okay I don't really need to be in Austin.’”

Beyond lowering risks, Kelly said Work Well Win can offer space for companies to grow without having to disrupt operations to move to a bigger space elsewhere. Often downtown startups outgrow co-working spots once they hit double digit employee numbers, he said.



Wellness — not just a tagline

When Bistran was considering Austin as a flagship location, he said was shown 10 different possible spots to lease. But after talking with the developers behind Eightfold, who have a major emphasis on wellness, Bistran was hooked. At full build out, the sprawling, 125-acre campus is supposed to feature walking and bicycle trails, yoga studios and organic urban gardens.

“I want to focus on the wellness aspect and really, really have that as a cornerstone of what we're doing,” Bistrrian said. “A lot of corporations preach wellness but it's just a throwaway line.”

Work Well Win will seek a special certification that designates buildings designed with employee wellness in mind — recognizing things from air pollution and water quality to access to fitness programs on site.

Bistrrian said some landlords haven't been willing to modify buildings' air conditioning systems to allow for air purification “and that was a deal killer.”

“We will not open without air purification. It's an add-on and it's extra expensive. It's part of what we do,” he said.

The company also aims to work with companies such as SoulCycle or other fitness chains to set up studios inside of its co-working spaces. It's also exploring the potential for partnerships with Nestle Nespresso and other beverage companies to offer refreshments for its members, although nothing is set in stone. Similarly, discussions are underway with celebrity chef Todd English about creating a co-branded food hall in Austin to offer locally sourced, healthy food items.

In the short term, Work Well Win said it's partnering with a national cycling company to build out an invite-only "recharge station" at South by Southwest this year. The "recharge station" will offer drinks from Suja juice, Chameleon Cold-Brew coffee and Nespresso, Kelly said. Bistrrian and Kelly will both speak about the intersections of wellness and co-working at a SXSW panel.

By offering corporations a way to easily expand into Austin, Kelly said Work Well Win could accelerate the dizzying pace of growth in the Texas capital, particularly on the east side.

Most co-working spaces in Austin are clustered downtown. And while more co-working is being built on the east side, Work Well Win will be a large injection of office space in an ever-expanding submarket.

“By taking something like this and putting it out a couple miles [out from downtown], that's going to fuel everything in between much faster,” Kelly said.