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## WeWork Is In Expansion Mode

By [Aaron Jodka](#) | OCTOBER 2017

WeWork is one of the real estate industry's key disruptors. Ranking behind Uber and Airbnb as the third-largest startup by valuation in the country at \$20 billion, it offers a range of work setups, from hot desks to private offices to, increasingly, offices for corporate users. The company is one of the largest tenants in New York, behind big banks and government. How long before it can make the same claim in Boston? Based on recent rumblings in the market, perhaps soon.

The firm's Boston footprint has centered around locations dubbed Fort Point, South Station, and St. James, where it occupies around 300,000 SF. It has recently signed on at 200 Portland near North Station and is also marketing space at One Beacon Street. WeWork has also been linked to 500 Boylston Street, 40 Water Street, 33 Arch Street, and expansion space at 51 Melcher (Fort Point location); all of these deals in total, would double its footprint to close to 650,000 SF.

That total would make WeWork one of Boston's behemoths and rank it as the sixth-largest (non-institution) tenant in the market, behind the likes of the Commonwealth of Massachusetts, Liberty Mutual, John Hancock/Manulife, State Street, and Vertex Pharmaceuticals. That's a list of heavy hitters with histories dating back at least 100 years, for all except Vertex. WeWork was founded in 2010.



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The evolution of the workforce and, in turn, the workplace, is being fueled in part by the growth in coworking environments. We have seen a surge in growth from other providers aside from WeWork, with The Yard, CIC, Workbar, and others expanding as well. The office market is changing. And this is having an effect on landlords, and tenants, across the market.

How so? Think about the small suites that used to be leased from startups. Many are opting now for the one-stop convenience of coworking. The sublease spaces that these startup tenants could unload in past cycles to expanding tenants? Same deal: The tenant pool for those spaces has shrunk. This is launching an amenities arms race, with landlords adding fitness, food, conference space, and roof decks to stand out.

Coworking is here to stay. Are you ready?



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