Deconsuming Vancouver: Supporting Shared Work Spaces in the City

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EXECUTIVE SUMMARY

How can the City of Vancouver support and facilitate shared work spaces between businesses to help reduce overall resource use in the city?

To help answer this question, I decided to look at the idea of shared work spaces in the broader context of the sharing economy. The sharing economy is an economic model based on the sharing of under-utilized assets, whether they are tangible (space, products, tools, etc.) or intangible (time, skills, services, etc.) commodities, directly with those with similar needs. The assets are shared between individuals, peer-to-peer search networks, or such as the case I address, shared between businesses. I interviewed 4 owners of shared work spaces within Vancouver, with questions pertaining to why they participate in shared work spaces, the ways by which their consumption of resources has decreased by engaging in shared spaces, and the challenges they have encountered in setting up and running their space. From the results, I found that the primary reasons the interviewees engage in shared spaces is not for reasons of sustainability as I had anticipated. Instead, they were participating in shared work spaces for the ability to interact and cross-pollinate ideas with other like minded people, and for the financial flexibility allowed when the costs of rent for a work space and the resources needed are shared between many people. The results from the interviews suggest that there is a lack of recognition of what shared spaces are amongst the City of Vancouver (hereby noted as “the City”), and that the cost of rent in the city has been a financial barrier for almost all the interviewees. As such, I recommend that in order to support the share economy and shared work spaces in Vancouver, the City should:

1. Create a business category that recognizes shared work spaces in the City to make it easier for shared space owners to navigate policies surrounding setting up the space;
2. If possible, set some controls on the cost of rent for commercial and industrial space in the city, to prevent shared work spaces from shutting down or being pushed out of commercial and industrial zones due to gentrification;
3. Perhaps consider allowing shared work spaces to establish in residential zones, in effect creating shared live-work spaces, as these seem to have even greater potential to reduce overall consumption of resources.
LITERATURE REVIEW

What is the sharing economy?

The sharing economy is an economic model based on the sharing of under-utilized assets, whether they are tangible (space, products, tools, etc.) or intangible (time, skills, services, etc.) commodities, directly with those with similar needs (Agyeman, McLaren, & Schaefer-Borrego, 2013). The assets are shared between individuals, peer-to-peer search networks, or such as the case I address, shared between businesses. The general idea is that if we can collectively share the items and resources we need, we can decrease our overall consumption and demand for resources; we can avoid individualistic consumerism and this should be inherently more sustainable (Heinrichs 2013). In such a “use rather than own” scheme of consumption, it is argued that there is less of an environmental impact when many people share the use of a good; even though it goes through wear-and-tear and may need to be replaced more often, it is still less impactful than many people owning individual items (Leismann, Schmitt, Rohn, & Baedeker, 2013).

At the broad level, the sharing economy is being seen as a way to bring together the academic discourse of urban sustainability with bottom-up, public-participatory actions. While these are usually grassroots level practices, it stresses the inclusion of public participation, businesses, civil actors and government support (Heinrichs, 2013).

Applying the sharing economy – and shared space – in Vancouver

In terms of how the municipal government can be involved, the City has jurisdiction over the zoning of land use, which impact the development of commercial, industrial and residential spaces. The City is interested in exploring how the sharing of work spaces between small businesses could materially reduce resource use and environmental impact. This is in accordance with the City's Greenest City Action Plan 2020, which has various goals to reduce Vancouver’s environmental impact in many aspects by the year 2020, including implementing green business models to help reduce how much waste is sent to the landfills and to help reduce our overall resource consumption (“Greenest City 2020”, 2014).

The sharing economy and the sharing of work space is not a new concept in Vancouver. In fact, in 2012 a research project led by the Vancouver Tool Library’s founder, Chris Diplock, investigated the different types of sharing occurring in Vancouver and attitudes towards
sharing amongst citizens. In regards to sharing of space, the study held focus groups which reported that when work space is shared, the sharing of tools and sharing of knowledge resulted as well (Diplock et al., 2012), implying that shared work spaces can very well be a means to reduce resource use by businesses. In many shared work spaces around Vancouver, numerous one-person businesses will operate out of such spaces, sharing the infrastructure they need such as printers, desks, space, vehicles, and office supplies, and reducing need for heating and energy utilities by sharing one space rather than each business needing an individual space.

While the sharing economy could help with the municipal government’s goals of sustainability, there are aspects of the sharing economy, and shared work spaces that make the concept attractive to participants as well. The literature surrounding the topic states there may be particular factors that have facilitated and made the sharing economy attractive to participants, from which three factors seem relevant to the sharing of work space:

- Desire for sustainability; there is an increased public awareness of the environmental cost of our consumption practices (Bockmann, 2013);
- Need for financial flexibility; after the economic crisis of 2008, people are tending to prefer access over ownership, so expensive items (especially such as rent for space in Vancouver) can become affordable when shared with others (Bockmann, 2013); and
- Social cohesion, collaboration and strengthened social ties with co-space workers (Diplock et al, 2012).

**Criticisms of the sharing economy**

While numerous voices in the study of the sharing economy have touted the model for the economic and environmental efficiency and community resilience it can afford participants, there are criticisms of the sharing economy as a manifestation of a larger economic problem. Some critics say that the emergence of the sharing economy is an indicator of the state of the regular economy - that participation in the sharing economy is being driven by financial need and economic hardships (Strauss, 2014)– and that shared work spaces remove pressure from governments to effectively manage space market values (Slee, 2014). If we were to look at this in the context of sharing space in Vancouver, which is supposed to be the most expensive city in North America in which to live (The Economist
Group, 2013), this may be a valid argument. Increasing prices for rent can prevent individual businesses from establishing, and instead many businesses are required to rent a space together to cover the high cost of rent, rather than the local government trying to make market rent costs more affordable in the city. In fact, as will be elaborated upon under the results section, some of the interviewees indicated this was exactly the reason they entered into shared work spaces.

Such criticisms of the sharing economy are valid and it is important to address the broader financial situation and its implications upon people. However, I argue that the sharing economy and sharing of space are still desirable economic forms due to their ability to reduce overall consumption and resource use. This goes hand-in-hand with moving away from traditional individualistic economic business models to support more resource-sustainable forms, such as the sharing economy (Leismann, Schmitt, Rohn, & Baedeker, 2013).

Such criticisms of the sharing economy bolster my argument that the path forward for the City to help support shared work spaces would be to address these financial barriers that are pushing people towards such business models; these are also the barriers that challenge the establishment of such spaces and therefore challenge the City’s goals of sustainability.

METHODS
In order to answer CityStudio’s question, I decided to examine existing shared work spaces in Vancouver. An inquiry email was sent to various shared work spaces around the city inviting the shared space owners to an interview. Only four shared space owners responded to the email, and all four were willing to participate in an interview. All four ran shared work spaces that hosted primarily single-person digital media or professional consulting businesses. The interviewees were:

1. Mitchell Purdy – founder of Suite Genius, where about a dozen other people run their businesses; renting within commercial zoning
2. Jordan Bober – co-founder of Love Lab (now shut down), where 6 people run their businesses; renting privately owned space within industrial zoning
3. Informant X* – founder of a shared work space, where about 17 other people run their businesses; renting privately owned space within industrial zoning
4. Informant Y* – co-founder of a shared live-work house where 11 people live and work; renting a privately owned house within residential zoning, that has part of the house fitted with desk space and office space resources

*Informants X and Y have been given pseudonyms to protect their identities and their co-space workers’ livelihoods as they are unsure of the legal status of their shared space.

Interviews lasted approximately 30-40 minutes, and took place over the phone, for which I drafted a structured interview with questions pertaining to:

1. reasons why the informant became involved in a shared work space and the types of businesses involved;
2. how their shared work space functions and what kinds of items are shared;
3. other ways they anticipate reduced use of resources by participation in shared work spaces; and
4. the barriers – if any – they faced or continue to face in setting up and running their shared work space.

There were numerous other shared work spaces I had hoped to connect with but that did not respond to my request for an interview, including businesses such as the Hack Space and the Hive, which seem to have more high-cost infrastructure such as specialty tools and printers that can be shared. In these cases, I would anticipate such spaces to contribute more to the City's goals of reducing consumption, as such sites would provide more people with access to more tools and equipment that otherwise would be financially and environmentally costly for each business to own for themselves.

Here it is important to recognize the limits to the study; all the interviewees are running spaces that cater to businesses that need smaller amounts of infrastructure rather than businesses that need large-scale equipment for their operations. Spaces such as the Hack Space might have different barriers to establishing as a shared work space due to the high initial costs of starting up a place with larger more expensive equipment. As such, this study is limited in that it does not show to what extent more infrastructure-heavy businesses might be able to reduce their consumption by engaging in shared work spaces. These may be spaces that allow for the greatest reduction in resource use.
RESULTS & DISCUSSION

The responses recorded in each interview have been summarized and discussed below.

Reasons for involvement in shared work spaces and types of businesses involved:

All four interviewees stated that their reason for creating and joining a shared work space was for the ability to cross-collaborate with other like-minded individuals, and to be able to foster strong partnerships and creativity between different businesses. These responses support Heinrich’s findings that participation in such sharing economy models are expected to increase social cohesion in the community (2013).

Informant X, Informant Y, and Mitchell Purdy stated that in addition to being able to interact with others, they were inclined to create a shared space so that the cost of setting up a business could be shared, supporting Bockmann’s findings that shared economy models are expected to provide some financial flexibility for participants (2013).

None of the participants identified sustainability as a reason for why they joined a shared work space, which undermines Bockmann’s findings that people are inclined to engage with shared economy models because of increased public awareness of the environmental cost of individualistic consumption (2013). However this could be due to the fact that the majority of the businesses that were participating in all four of the shared spaces were digital media businesses (filmmakers, photographers, graphic designers), professional consulting services, small communications and marketing firms, event planning businesses, and non-profit organizations. These are not necessarily businesses that would require much infrastructure beyond basic office supplies.

How the shared space functions and what kinds of items are shared:

In all cases, the interviewees were responsible for paying the rent upfront for their space, and all other co-space workers were expected to pay the interviewee a form of rent that accommodates for a portion of the cost of rent, any office supplies, printers, scanners, desks, chairs, Internet access, utilities and energy, insurance, and in the case of the shared live-work house, maintenance of a vehicle that is shared between 11 people.
The rent per person ranges from $200-$500 per month at Suite Genius, the Love Lab, and at Informant X’s space. Informant Y’s space is $600-$700 per month per person, however this is the cost for a living space which doubles as work space, and includes the shared cost of office supplies.

**Other ways shared work spaces help reduce overall consumption use:**

Three of the informants – Mitchell Purdy, Jordan Bober and Informant X – were unsure of how their shared spaces further reduce overall consumption use, as workers still have to travel each day to the space, and the space uses utilities and energy and needs to be heated. However, the fact that the businesses are sharing one space together rather than requiring each their own individual space, as in traditional individualistic economic models, in itself might be a savings in resource use.

In the case of Informant Y, the shared live-work house reduces work related consumption, as the co-space workers at the house do not need to travel to their work place and do not need two separate places where they require utilities and energy services. This may be an area for further research, to quantify what these savings might be.

**Barriers to setting up and running shared work spaces in Vancouver:**

In the case of Mitchell Purdy, one of the problems he faced was navigating through the City and insurance paperwork while trying to set up Suite Genius. Neither has a category to account for shared work spaces, and so he had to spend a lot of time explaining to both the City and insurance providers about what a shared work space is. Additionally, Purdy mentioned the start up cost was quite high, especially due to the cost of rent in the city.

Jordan Bober, co-founder of the now-closed Love Lab explained that some of the reasons they had to shut down were because the cost of rent was too high for potential participants, and the location of the space (in industrial zoning at the edge of the city) was too removed from where the workers lived downtown. Thus, the Love Lab was shut down.

Informant X has stated that gentrification in the Vancouver downtown core has affected their shared work space, and they have had to move locations since they were unable to keep up with rent increases at their previous location. Their previous location was near the recently renovated Woodwards GoldCorp building, which has in recent years attracted more
high-end store and restaurants, increasing the rent in the area and pushing out previous low-income tenants that are unable to keep up with rent increases. This point addresses the problematic nature of land ownership within the modern city, where increasing cost of space promotes gentrification and creates a barrier for small businesses to function in the city (Agyeman, McLaren, & Schaefer-Borrego, 2013). This may be a key point that recommends the City better manage the cost of rents to promote small business participation.

Informant Y has stated that currently the barriers they face with their shared live-work space is trying to negotiate by-laws that will allow them to maintain their multi-business shared space in a residential zone. The interviewee informed me that residential zones typically do not allow for more than 2 businesses to exist at a residential address, to prevent commercial activity disrupting residents. They are currently trying to negotiate this by-law as they've argued their businesses have mostly been services-related and have not required any loud production processes that would be noisy. Increased foot traffic for meetings and other work-related activities, however, can also cause disturbance in residential areas, and this would need to be considered.

**RECOMMENDATIONS & CONCLUSIONS**

As suggested by some of the literature surrounding the broader topic of the sharing economy, public participation in the sharing economy is expected to improve social cohesion in a community, reduce overall resource use, and change consumer habits due to better awareness of the impact of individualistic consumerism (Heinrichs, 2013; Bockmann, 2013). While social cohesion has been mentioned by all informants as a key reason for participating in a shared work space, and some of the space owners do anticipate having reduced their overall resource use by participating in shared work space, all of the interviewees informed me that the awareness of individualistic consumerism and the desire to change their consumer habits were not part of the reason to join shared work space. The results from the interviews suggest, however, that people are actively engaging with the sharing economy model, (and although primarily for social and financial reasons) that it is resulting in some reduction of individualistic consumption. However the following have been identified as barriers that can make it difficult for shared work spaces to establish in Vancouver:
1. No commercial category under which the City recognizes shared work space; this has shown to make it difficult for shared space owners to navigate City policies and insurance policies surrounding setting up such a space;

2. The expensive and increasing cost of rent in Vancouver was a reason the interviewees joined shared work spaces, but has now also caused one interviewee’s shared space to shut down (the Love Lab), and has forced another interviewee’s shared space to relocate.

3. Shared work spaces combined with living spaces are restricted by residential zoning laws; however, live-work spaces can eliminate needing an entirely separate work space and eliminates the need for commuting, and all the energy and utilities required for maintaining an office space, while also being able to share the resources of a live-work space with others, thereby reducing consumption in multiple ways.

In light of these findings I recommend that the following issues should be addressed by the City to help them reach their goals to support and facilitate shared work spaces to help reduce overall resource use in the city:

1. Create a business category that recognizes shared work spaces in the City to make it easier for shared space owners to navigate policies surrounding setting up the space;

2. If possible, set some controls on the cost of rent for commercial and industrial space in the city, to prevent shared work spaces from shutting down or being pushed out of commercial and industrial zones due to gentrification;

3. Perhaps consider allowing shared work spaces to establish in residential zones, in effect creating shared live-work spaces, as these seem to have even greater potential to reduce overall consumption of resources. Some means to ensure the businesses are not disruptive to residents will need to be instated as well.

These three recommendations may help the City pursue their goals as outlined in the Greenest City Action Plan. As a more sustainable business model, shared work spaces would help reduce how much waste is sent to the landfills and would help reduce Vancouver’s overall resource consumption. There are already some Vancouver businesses that support
and actively engage in such models – it will now require the City to adjust and accommodate to the realities such models face in order to help them best function.

**Area for further future study:**

A useful avenue for further research may be to do a study that quantifies the differences in resource consumption between traditional individualistic businesses, shared work spaces, and shared live-work spaces to see which model has the greatest ability to reduce consumption of all resources. Resource-use to quantify should include business infrastructure and office supplies (desks, chairs, printers, computers, tools, etc.), use of heat, energy, and other utilities. Having quantitative data for this could provide helpful insight on other ways the City can help support shared economy models in its policies to reduce overall resource use in Vancouver.
References:


Bockmann, M. (2013). The shared economy: it is time to start caring about sharing; value creating factors in the shared economy. University of Twente, Faculty of Management and Governance.


