• Introduction

• Business center concepts

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Introduction

• Business center:
  ‘A building with a number of spaces and possibly some common facilities and/or services, which are offered to multiple organizations’.

• Increased demand for office space in business centers

• Improved and extended with shared facilities and services

• Business center sector consists of several distinct types of properties and is formed by many different players
Previous research classified business centers into subgroups (e.g. Calder and Courtney, 1992; Van den Berg and Stijnenbosch, 2009; Ketting, 2014):

- Regular business centers (commercial business centers)
- Serviced offices
- Incubators (managed workspaces)

New concepts have emerged: ‘co-working space’

Did not describe in detail the differences between different business center concepts and the characteristics defining them

The aim of this study:

‘to analyze business center concepts and test if the existing classifications indeed imply significantly different concepts’
# Business center concepts

<table>
<thead>
<tr>
<th>Business center concepts</th>
<th>Regular business center</th>
<th>Serviced office</th>
<th>Co-working office</th>
<th>Incubator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>• Offer office space</td>
<td>• Offer flexible office space, business services, facilities and managed technology</td>
<td>• Creating a work community/ • Stimulate a sense of collaboration and synergy</td>
<td>• Supporting and facilitating start-ups • Promote local job creation • Technology transfer • Economic development</td>
</tr>
<tr>
<td><strong>Tenants (Prime target group)</strong></td>
<td>• A wide range of businesses</td>
<td>• SME’s • Freelancers</td>
<td>• SME’s • Freelancers • Large enterprises • Location-independent professionals</td>
<td>• Start-up enterprises</td>
</tr>
<tr>
<td><strong>Tenants (Atmosphere)</strong></td>
<td>• Formal/ informal</td>
<td>• Formal</td>
<td>• Informal</td>
<td>• Formal/ informal</td>
</tr>
<tr>
<td><strong>Facilities/services</strong></td>
<td>• Low service level, some shared facilities or services</td>
<td>• Business services • IT services • Secretarial services</td>
<td>• Business services • IT services • Secretarial services • Access to networking events and workshops</td>
<td>• Business services • IT services • Secretarial services • Access to networking events workshops • Business support services</td>
</tr>
<tr>
<td><strong>Spaces</strong></td>
<td>• Separate units</td>
<td>• Separate units</td>
<td>• Open plan spaces</td>
<td>• Separate units/ open plan spaces</td>
</tr>
</tbody>
</table>
Data collection | Instrument

- An **online questionnaire** among owners/managers of business centers in the Netherlands
  - **Objective and business model** (objectives, non-profit/ profit oriented)
  - **Tenants** (target group, # tenants, lease contract, atmosphere)
  - **Facilities/services** (available, ‘pay what you use’ principle)
  - **Type of spaces**
  - **Capacity** (GFA in m2, minimum rentable surface in m2, vacancy in m2)
  - **Type of property** (the number of years the business center exists and the construction year of the business center)
Data collection

204 business centers (Atlas of Business Centers, established by Van den Berg and Stijnenbosch (2009))

260 business centers (by the five largest municipalities)

54 business centers (were brought forward in interviews with 13 real estate professionals)

139 useful questionnaires (27% response rate)
Data collection | Sample characteristics

- Regular business centers (25%), serviced offices (32%), co-working offices (14%), incubators (12%) and other business center concepts (17%)

- Many business centers in the sample focus on start-up enterprises (81%), SME’s (76%) and freelancers (75%). Some of the business centers focus on independent workers (40%) or large companies (30%)

- Most business centers offer a one year (65%), or a one month (52%) lease contract. Only 14% of the business centers offers a lease contract of 10 years and 4% offers a lease contract of 20 years

- Many business centers offer cleaning and maintenance services (86%), security (69%), managed technology services (66%), the use of coffee and tea (60%) and secretarial services (49%)

Results | Analysis

• Bivariate analyses (Chi-square ($\chi^2$), T-test (t))

• The differences between the business center concept variable (e.g. regular business center: yes=1) and the other business center concepts (no=0) were analyzed

• Some nominal variables were recoded into dichotomous variables to perform a Fisher’s Exact Test (suitable for 2x2 tables), when more than 20% of the cells had values < 5

• Cohen’s Kappa ($\kappa$) was used to indicate the direction and strength of the significant differences

• The limit of statistical significance is $p=0.05$
Results | Regular business center

- **Objectives:**
  - No specific objective

- **Tenants:**
  - No specific target group

- **Lease contract:**
  - One year lease contract
  - 2 years lease contract
  - 5 years lease contract

- **Spaces:**
  - Less types of spaces
  - Less types of shared spaces
  - A higher number of years as a business center

- **Facilities and services:**
  - Low level of services/facilities
Results | Serviced office

• Objectives:
  − To offer shared facilities and services
  − To offer office space with flexible terms
  − To offer full-fitted office space
  − To offer managed technology
  − Creating a working community

• Business model:
  − Profit oriented

• Tenants:
  − Freelancers
  − Independent workers
  − SME’s

• Lease contract:
  − One hour lease contract
  − One day lease contract
  − One month lease contract
  − Lease for an indefinite period

• Spaces:
  − Office space with fixed workstations
  − Office space with flexible workstations
  − Conference room
  − Kitchen
  − Coffee corner

• Facilities/services:
  − High level of services/facilities
Objectives:
- Creating a working community
- Stimulate knowledge transfer

Facilities/services:
- Networking events
- Workshops and lectures
- Catering
- Use of coffee and tea
- Pay what you use principle

Spaces:
- Informal/ social meeting space
- Space for copy, print, mail etc.
- More types of spaces
Results | Incubator

• Objectives:
  − To support and facilitate start-up enterprises
  − Stimulate economic development and growth in the region

• Tenants:
  − Start-up enterprises

• Business model:
  − Non-profit
Conclusion and recommendations

- The four business center concepts exist in the market and indeed have unique selling points to attract tenants.

- Less significant differences were found between an incubator and the other business center concepts than was expected.

- No significant differences were found with regard to several physical characteristics.
  - All business centers are rather uniform and can be offered in similar objects.

- Differentiate on characteristics that make their concept unique (services, contract types or social spaces).
Conclusion and recommendations

• Further research:
  
  − If other business center concepts can be identified and what their unique selling points are
  
  − How users of the different business centers experience these concepts
  
  − A larger dataset of business centers is likely to enhance the validity and reliability of the findings
  
  − Comparing the results of this study of Dutch business centers to those in other countries
Discussion

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