Coworking Spaces for Startup Companies: A Comparative Study in Istanbul

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ABSTRACT

Coworking spaces have recently become mainstream worldwide. Therefore, research studies on the subject to investigate the interface and relationships between architectural design and creativity is becoming a popular subject in the academic community. The need for coworking spaces is derived from the evolutionary structure of the society and changing needs of time, as both are under the pressure of economic constraints. Coworking spaces, increase collaboration, social interaction, and collective intelligence between individuals. Coworking spaces are split into categories regarding the user type and the opportunities they provide. This paper presents a comparative study about coworking spaces for startup companies and entrepreneurs in Istanbul. 3 different coworking facilities with various characteristics in terms of organization, space design and user profile have been selected from the city, and they have been elaborated according to their spatial features and their contribution to creativity and entrepreneurship.

Keywords: Coworking spaces design, Startup companies, Entrepreneurship, Physical environment

INTRODUCTION

Workspaces went through a lot of changes throughout history, based on the nature of working as a human activity. With the evolution of civilizations and societies, the meaning of working and definition of workspaces also evolved. 20th century brought the concept of *office* as a type of commonly used workspace (Hysom and Crawford, 1997). In the last decades, the design of offices has undergone a lot of changes depending on the needs and requirements of the work itself and the productivity of the employees. From departments to private rooms, from cubicles to open office, various approaches on design have been applied to workspaces (Niezabitowska and Winnicka-Jasłowska, 2011). One of the emerging concepts for workspace design is the coworking space where employees from different companies, even from different industries can come together for sharing the workspace and collaboration.

Coworking space is a concept that becomes more common recently. Therefore, research studies on the subject to investigate the interface and

relationships between architectural design and creativity, in addition to the contribution of spatial quality to economic productivity is becoming widespread through the academic community. The need for coworking spaces is derived from the evolutionary structure of the society and changing needs of time, as both are under the pressure of economic constraints. When the understanding of conventional office was not anymore enough to answer to the needs of the society, a new approach to workspaces emerged that brings various user types and different industries together for a better and more productive working environment. Coworking spaces, bringing people into contact, increase collaboration, social interaction, and collective intelligence by removing spatial boundaries between individuals (Bernstein and Turban, 2018). Nowadays, even the concept of coworking spaces itself is divided into sub-categories where different industries require different types of coworking spaces. One of those types is the coworking space for startup companies and entrepreneurs that brings entrepreneurs with different backgrounds, perspectives, and expectations together with angel investors. Even though the physical environment in the coworking space for startups is not completely different from other types, it has its special needs and characteristics. Additionally, the social structure and the ecosystem it provides distinguishes this type of coworking spaces from its peers.

This paper presents a comparative study about coworking spaces for startup companies and entrepreneurs in Istanbul. 3 different coworking facilities with various characteristics in terms of organization, space design and user profile have been selected from the city, and they have been elaborated according to their spatial features and their contribution to creativity and entrepreneurship. All three cases have their own characteristics and they shall be evaluated regarding their aims and objectives.

TYPES OF COWORKING SPACES

As an emerging concept, coworking spaces appear with different features in various locations of cities. They can be categorized according to their user profile, availability for public, spatial features they offer, or the business model they provide. The study of Schmidt et al. (2014) about creativity labs in Berlin ended up with 5 different formats such as grassroots labs, coworking labs, firm-driven innovation labs, academic-driven innovation labs, and incubators and accelerators. Ivaldi et al. (2018) define a typology for coworking spaces based on the management processes, naming them infrastructure, relational, network, and welfare coworking spaces. Basically, the characteristics of the coworking concept define the characteristics of the coworking space itself and the decisive factor is the user. This chapter of the paper presents various types of coworking spaces regarding their inhabitants' fields of work and availability for various users.

Coworking Spaces Open for the Public

As an emerging concept, coworking spaces are inviting places for each individual in society. Coworking is defined as the co-localization of a group of individuals in a common work environment (Parrino, 2013). Even though

the general understanding of coworking space consists of temporary rental facilities where people get a desk and a wi-fi connection, it defines a way of existence in the professional world side by side with peers, getting engaged in social relations and inspirational business interactions (Gandini, 2015). The most common type of coworking spaces is the one that works on a daily basis and is open for everyone including students and freelancers from any industry. Kojo and Nenonen (2017) categorize this type of coworking spaces through a chronological order as tele centers, serviced offices, and contemporary coworking offices. Eventually, coworking spaces for public use have become a place for the exchange of intellectual accumulations.

Coworking Spaces Dedicated to an Industry

A coworking space is a place for sharing information and knowledge. Therefore, diversity in the attendants of the coworking space is appreciated. However, the fact that the relationship between individuals is based on their similarities and shared values requires related industries to be together in a coworking space. Capdevila (2013) defines coworking spaces as *micro clusters* that enable knowledge transfer between members of a certain industry or organization. This type of coworking spaces encourages collaboration, meeting, and discussing between users, particularly in creative industries. Coworking spaces for creative industries contribute to the digitization of the creative class that is mainly working on notebook computers and tablets, benefitting from wireless mobile technologies (Moriset, 2013).

Coworking Spaces for Startup Companies and Entrepreneurs

The collaborative environment of the coworking spaces is mostly beneficial for startup companies. Coworking spaces for startups may provide opportunities for startup companies such as coaching and trainings, along the access to communication with business angels and investors who are interested in the work of those companies (Bouncken et al., 2016). They may also offer laboratory spaces and shared workshops for R&D activities (Bouncken et al., 2020). These additional features contribute to the development of the scale and scope of the startup companies and stimulate new business models for entrepreneurship (Del Bosco et al., 2019). Coworking requires the presence of support between individuals and organizations (Bueno et al., 2018). In this type of coworking spaces, open innovation processes and work without boundaries are closely intertwined where the startup companies find the financial and research support for their innovative ideas from angel investors as at the same time investors outsource their creative and innovation-oriented processes to startup companies (Schmidt et al., 2014). Therefore, the co-existence of startup companies and angel investors in coworking space has a positive impact regarding innovation and creativity.

COWORKING SPACES FOR START-UPS IN ISTANBUL

Coworking spaces are part of the creative economy as they inhabit the creative workforce. According to the report of IDA (2020), creative industries in Turkey had a turnover of $28 billion and a value added of about $7 billion.

There are more than 79,000 enterprises, employing approximately 344,000 people. Even though Turkey is in the middle of the list of OECD countries from the perspective of turnover rates of the creative economy, there was a significant increase in creative economic activities between 2010 and 2017. During this period, these industries' value added increased by 25%, their employment increased by 43% and the number of enterprises increased by 34% (IDA, 2020). Istanbul is the incubator of creative workforce in Turkey, almost covering around %70 of the turnover in the creative economy and half of the workforce working in the creative industries. As a result of this creative workforce and potential, a new type of workplace is emerging in Istanbul. In the last 10 years, the number of coworking spaces, incubation centers, labs and makerspaces in Istanbul has rapidly increased, following the overall global trend (Parlak and Baycan, 2020). Following chapters of the paper focus on three co-working spaces in different locations in Istanbul, designed by the same architect.

Başakşehir Living Lab

Başakşehir Living Lab (BLL), the first of the three spaces investigated in this paper, has been established in 2011. It includes an experience center, design center, maker areas and incubation office. Both design center, maker areas and incubation office have been considered as coworking spaces within the scope of this paper. There are four main architectural design considerations the concept of BLL relies on. Firstly, to create flexible spaces that can be adjusted according to different needs. Coworking spaces of Başakşehir Living Lab are being used by the participants of BLL's incubation programs. Since the participants are changing depending on their organization structure (as start-ups may grow fast and fail fast, their staff requirements may change) the allocation of spatial features like table and chairs, infrastructural items need to be flexible enough. Secondly, to create an industrial look in the interior design to attract the expectations of the user profile. The users of the coworking spaces are mainly part of the creative community. In BLL, they are part of a start-up or an individual founder or co-founder of a start-up company. Industrial look has been created by the use of exposed concrete, by leaving the mechanical and electrical equipment visible at the ceiling and by creating higher ceilings. Thirdly, to reflect information and communication technologies (ICT) on the physical environment. As each Living Lab focuses on specific sectors, BLL's focus areas are ICT and its' related sectors. For reflecting this, the building envelope has a secondary facade with aluminum panels with some holes and bowls to reflect the the binary system of a computer. Fourthly, the location. BLL is at the outskirts of the Istanbul in Başakşehir which is a satellite city that has been developed after 2000. The building is surrounded by a residential neighborhood with mass housing built by governmental organizations. The building is at the same time very close to the largest industrial zone of Istanbul.

Starters Hub

Starters Hub has been designed and constructed in 2015 for a Start-up Accelerator program for housing their start-ups. Architectural design considerations

at the Starters Hub are based on certain issues. Firstly, to create a space for both investors and start-ups. The main program for Starters Hub is to create a coworking space for start-up companies that an investor group invest on. As the space will be used by specific start-ups for a limited period of time different requirements and needs might be necessary. To provide this flexibility an open electrical and mechanical infrastructure has been created at the ceiling to provide necessary equipment and power supply. Also the furniture system has been divided into two styles, as permanent users that will be part of the accelerator program for 6 to 12 months, and temporary users that are not part of the program but occupying the space for different purposes like investing, networking or meeting. In the middle of the space there are workstations for temporary use, at the sides there are assigned workstations for start-ups for acceleration. Second; to create an industrial look as part of the architectural language. As in Başakşehir Living Lab, creating the industrial look was one of the initial design idea. Starters Hub is designed in an existing building and the previous function of the area was already storage of a computer company. Therefore, the space itself had its own industrial character. To bring it back by using concrete like grey colors and industrial style lighting was the key approach in architectural design. This approach has been carried in each component of the space. Thirdly, separate entrance organization. The entrance is not only a functional area for creativity hubs. It is at the same time a gathering space where young creatives will be exchanging knowledge and experience. For Starters Hub, the loading area of the old warehouse has been converted into a semi-open entrance and gathering area with steps. Fourthly, the location. Starters hub is allocated at the hearth of financial district of Istanbul which is developed after 1990s.

Hamam Arts Hub

Hamam Arts Hub (HAH) has been developed in 2018 by an angel investor to house his own invested start-ups beside some art initiatives. Building is a historical Turkish Bath that was renovated by a comprehensive restoration and converted into a creativity hub. Architectural design considerations of the HAH are as follows: Firstly, to save the historical remaining and to bring the original building back. As it is a unique building, to save the existing building was the main focus in the project. For that reason, all of the architectural design decisions and material choices have been following the same strategy. Secondly, conversion into a coworking space. While keeping and saving the existing, a fluid and open space has been created. For that reason, some of interior partitions were removed, and additional spaces out of the historical remaining were developed. Extra functions like meeting room, cafeteria and conference rooms have been organized in these added spaces. Thirdly, art beside coworking. HAH serves as an art gallery as well a coworking space. The walls of the historical turkish bath are being used by art galleries temporarily. Curated art pieces are decorating the walls. Fourthly, location. HAH is at the Bosphorus in a historical neighborhood. The area houses tourist attractions, hotels, restaurants and bars and is crowded 24 hours a day.

Table 1. Comparison between 3 coworking spaces (source: authors).

Feature	BLL	STARTERS' HUB	HAMAM ARTS HUB
Location	suburb	commercial center of city	historic center of the city
Exterior character	contemporary / transparent	industrial / solid	traditional
Building type	new construction	adaptive reuse industrial building	adaptive reuse traditional building
Design style	contemporary	industrial / brutal	contamporary on traditional foundations
Space type	open office groups	open office	partitions / rooms
Term of use	short term	long term	long term
User profile	start-ups	start-ups	start-ups / angel investors

Comparison

A comparative study is conducted to understand the common points and differences among the three coworking spaces for start-up companies. The comparison is based on seven sections to cover the main features of the coworking spaces (see Table 1). The included sections are location, exterior character, building type, design style, space type, length of use, and user profile.

CONCLUSION

The design of any workspace is extremely important because the productivity of the employees in that workspace is strictly related to the quality of the physical environment (Ceylan, 2021). This paper presents a study on coworking spaces that are built for startup companies and entrepreneurs. Even though there are a lot of common points among various types, coworking spaces for startup companies enclose particular characters that are unique in terms of the features of physical space and social and professional interaction opportunities. Therefore, the general framework provided by this study is subject to be developed and systematized.

Balakrishnan et al (2016) define the coworking space as servicescape that offer various physical facilities and social opportunities to its users. Among the physical facilities there are ambiance, space layout, aesthetics, functionality, and cleanliness, as the social are interaction, professional development activities, and coworking culture practices. The implementation of the findings of this paper into such a systematic categorization will be a subject for further studies in this field.

There are some challenges along with many opportunities provided by the coworking spaces (Bouncken et al., 2018). The interaction provided by the flexible open layout can be an opportunity to provide interaction between individuals, but at the same time it would also create some distractions. The

inviting interface and structure of the coworking space necessitates the individual or company to make the right choice about joining the community. Moreover, the benefits gained from the coworking space must compensate the costs for the membership of the coworking space.

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