

Coworking spaces in mid-sized cities: A partner in downtown economic development

Environment and Planning A:

Economy and Space

2018, Vol. 50(4) 773–788

© The Author(s) 2018

Reprints and permissions:

sagepub.co.uk/journalsPermissions.nav

DOI: 10.1177/0308518X18760857

journals.sagepub.com/home/epn**Audrey C Jamal**

University of Waterloo, Canada

Abstract

The 21st century economy is knowledge-intensive, creative and flourishing in larger urban centres. Less is known about how smaller urban centres are faring in this new economy. This research aims to fill that gap by exploring whether mid-sized cities, in a designated growth area in Ontario, Canada, can leverage the knowledge economy and foster local economic development to help revitalize their ailing downtowns. Through a case study approach, this research looks at the role that coworking, or shared workspaces, can play in the local economy of mid-sized cities in Ontario. Recognizing the role that community-based actors play in urban affairs, this paper uses a local economic development framework to explore the role of coworking spaces in the urban economic fabric of mid-sized city downtowns. Survey responses and interviews, coupled with insights from global surveys on coworking and a literature review, begin to tell the story of how economic change is playing out in mid-sized cities, illustrating the importance of an innovative, collaborative and inclusive approaches to city building and local economic development.

Keywords

Local economic development, coworking, sharing economy, mid-sized cities, downtowns

Introduction

At the outset of the 21st century, cities are experiencing changes to the labour market firsthand. Once purpose built to support the manufacturing and transportation of goods, competitive cities are now transitioning to welcome a new, knowledge-based economy (Blakely and Leigh, 2010; Madanipour, 2011; Scott, 2014). The knowledge economy relies

Corresponding author:

Audrey C Jamal, School of Planning, University of Waterloo, Ring Road, Waterloo, ON N2L 3G1, Canada.

Email: a22jamal@uwaterloo.ca

on the presence of highly skilled knowledge or creative workers, many of whom are drawn to the amenities, lifestyle and business opportunities found in large urban centres (Florida, 2002; Gertler, 2003). The successful confluence of innovation, investment, proximity to research institutions and talent in big cities has been well established in the literature (see Gertler, 2003; Storper and Scott, 2009; Vinodrai, 2010; Wolfe, 2014).

This shift to the new, knowledge-based economy has seen the formation of successful business clusters or agglomerations (Porter, 2000; Scott, 2014; Wolfe, 2014), in larger urban centres. This evolution, however, has not been universal, and cities have not experienced the knowledge economy equally (Scott, 2012; Vinodrai, 2010). While large, economically diversified urban regions thrive (Gertler, 2003), and now struggle with increasing gentrification and social inequality (Florida, 2017; Leigh and Blakely, 2017), less is known about the experience of smaller urban centres in transitioning to the post-industrial, knowledge-based economy. This paper seeks to address this gap in the literature by exploring whether mid-sized cities, in a designated growth area of Ontario, Canada can leverage coworking spaces as a means to attract knowledge workers, promote local economic development and help revitalize ailing downtowns.

The growth of the post-industrial, knowledge-intensive economy is changing how we work, live and experience cities. As the global population gravitates to urban environments, cities are transforming spatially to accommodate knowledge or creative workers (Madanipour, 2011). Emerging urban forms, like coworking spaces, innovation hubs and maker spaces, are providing shared, collaborative spaces to a new type of worker (see Merkel, 2015; Schmidt et al., 2015). At its core, coworking is a membership-based, shared-office space movement that provides tenants with ‘access to amenities and facilities they otherwise would not be able to afford’ (Surman, 2013: 189). Coworking, recently described as a ‘new urban social practice’, differs from traditional offices spaces because it organizes labour to allow for ‘mutual support amongst freelancers and self-employed persons’ (Merkel, 2015: 122). Coworking provides affordable, amenity-rich shared workspaces to knowledge or creative workers who choose to work alone or seek collaborations with other individuals and organizations (Pohler, 2011; Spinuzzi, 2012; Surman, 2013).

Deskmag, a publication dedicated to coworking, reported that in 2015 there were 7800 coworking spaces around the world, a marked increase from the 3400 spaces reported in 2013 (Deskmag, 2015). Often located in heritage buildings in downtown neighbourhoods (Deskmag, 2013, 2015), coworking spaces sit at the intersection of a global urbanization movement (see Florida, 2003; Storper and Scott, 2009) and the rise of the sharing economy (see Belk, 2014; Botsman and Rogers, 2010; Hamari et al., 2015; Johal and Zon, 2015). While the prevalence of coworking spaces accommodating knowledge workers in large urban centres is well established (Deskmag, 2015), less is known about whether smaller urban centres can leverage coworking spaces, as a means to foster downtown local economic development.

Theoretical framework

To explore the potential of coworking spaces as a driver of mid-sized city downtown economic development and revitalization, this inquiry was influenced by local economic development (LED) scholarship. Leigh and Blakely (2017) describe how traditional models of economic development, focused largely on wealth generation, have led to growth that has fostered social inequality and environmental degradation. First and second wave, or 20th-century, economic development was characterized by ‘smokestack chasing and giving

[corporate] incentives' (Bradshaw and Blakely, 1999: 229) and had little regard for broad-based community development.

In response to an evolving 21st century, knowledge-intensive economy, Leigh and Blakeley advance a renewed definition of LED that seeks to improve a community's overall standard of living; reduce social and economic inequality and promote environmental protection (Leigh and Blakely, 2017: 87). This approach is consistent with third wave economic development, which is described as an approach that builds 'the capacity of the entire local economy' (Bradshaw and Blakely, 1999: 231). Examples of third wave economic development include: forging public-private partnerships; the creation of diverse, interdisciplinary networks and the development of 'soft' infrastructure required to foster economic development (Bradshaw and Blakely, 1999). Bramwell and Pierre describe how 'new community spaces' (2017: 604), or organized, collaborative cross-sector groups, are fostering economic development in cities.

Emerging from this context, Leigh and Blakely offer a renewed conceptual and theoretical framework for understanding local economic development. A pillar of their model suggests that cities need to move beyond support for 'single purpose organizations' and be inclusive of 'collaborative partnerships of many community groups. . .to establish a broad foundation for competitive cities' (2017: -107). This perspective is resonant with mid-sized city scholarship that suggests that the inclusion of allied groups (Filion et al., 2004) or champions (Burayidi, 2013) in urban affairs is essential to promoting downtown renewal. As such, it is through the lens of a collaborative, community-based approach to local economic development, focused on improving the quality of life in cities that this research asks: What roles are coworking spaces playing in downtown revitalization and local economic development in mid-sized cities? What supports can help to sustain coworking spaces outside of larger urban centres?

Methods

To answer these questions, a range of qualitative research methods were employed. To gather the perspectives of coworking, community and municipal leaders across Ontario's mid-sized cities, 23 semi-structured interviews between 2015 and 2017 were conducted with municipal planners, economic development officers, politicians, coworking leaders, downtown business improvement area (BIA) managers and regional developers. A document review of coworking websites, municipal downtown plans and local media was also undertaken. In addition, an electronic survey was deployed to coworking spaces in the case study area. For the purposes of this paper, a mid-sized city will be defined as a city with a population ranging from 50,000–500,000 residents (see Bunting et al., 2007; Hall and Hall, 2008; Seasons, 2003).

The case study area selected for this research was inclusive of seven mid-sized cities that sit in the 'outer ring' (Ontario, 2006: 52) of the Province of Ontario's Greater Golden Horseshoe (GGH) including: Peterborough; Barrie; Waterloo; Kitchener; Brantford; Guelph and St. Catharines. These are standalone mid-sized cities that sit outside of the Greenbelt and share a number of similar characteristics. Each sits outside of the primary Greater Toronto Area commuter shed. Each has a historic downtown core, and all are home to at least one coworking space. At the time of writing, there were 11 coworking spaces in the case study area (Table 1), and of this cohort of 'outer ring' mid-sized cities, only Cambridge, Ontario was excluded, as it did not have a coworking space.

Survey responses were received from 10 coworking spaces in the case study area. The insights in the survey and interview responses, when coupled with the results from global

Table 1. Coworking spaces in case study area.

Coworking space	City	Governance	Members	Membership focus
Creative Space	Barrie	Non-profit	86	Freelancers, start-ups, micro-businesses in all disciplines
RCity Coworking	Brantford	Non-profit	40	Unemployed and underemployed workers
10 Carden Shared Spaces	Guelph	Non-profit	128	Creative workers, researchers, social innovators, non-profits
The 349	Guelph	For-profit	25	Technology and digital workers
Innovation Guelph	Guelph	Non-profit	22	Entrepreneurs, with a special focus on women, new ventures in all disciplines
Treehaus	Kitchener	Non-profit	22	Consultants, start-ups, non-profits and telecommuters in all disciplines
Workplace One	Kitchener-Waterloo	For-profit	450	Telecommuters in all disciplines
Cowork Niagara	St. Catharines	Cooperative	45	Cooperative business, independent workers
Peterborough Per Diem	Peterborough	For-profit	57	Diverse members: telecommuters, entrepreneurs, newly located companies
Hatch PTBO	Peterborough		49	Social purpose businesses, enterprising non-profits

surveys on coworking and a literature review, begin to tell the story of how economic change is unfolding in mid-sized cities. A workshop to present survey findings was hosted in downtown Guelph in 2016. This was an opportunity to present findings and refine analysis. The workshop was attended by 20 coworking, business, municipal, government and community leaders from across the province.

As Leigh and Blakely's (2017) approach to local economic would suggest, the findings from this research illustrate the importance of collaboration and community engagement in economic development as a strategy to begin to reverse decades of core area decline in mid-sized cities. Findings also confirm that community-wide engagement and the participation of allied groups (Filion et al., 2004) and urban champions (Burayidi, 2013) can augment traditional, municipally led, approaches local economic development efforts in mid-sized cities. Emergent findings, however, also show that having a physical space for coworking in the downtown of a mid-sized city in a growth region can help future-proof against impending gentrification by providing supportive, affordable space for new social enterprises and young entrepreneurs. Moreover, this research affirms the value of a third wave economic development approach (Bradshaw and Blakely, 1999) in smaller urban centres, namely the important role of community-based actors forging networks that advance downtown economic development.

Literature review

To better explore research findings, it is important to examine the literature on global trends in: mid-sized cities, downtowns coworking and the sharing economy.

Mid-sized city downtowns

To understand the current conditions in mid-sized city downtowns, it is important to step back and understand their historical evolution. In the early part of the 20th century, downtowns in North America were of central importance to cities and urban economies. Downtowns were the site of important civic buildings and were the predominant commercial area in the city. In the post-Second World War period, however, the primacy of Canadian downtowns was challenged by the creation of residential and commercial districts outside of the downtown area (see Filion and Hammond, 2008; Gad and Matthew, 2000; Grant, 2006; Hodge and Gordon, 2008; White, 2007).

In North America, suburban neighbourhoods appeared in the post-war period due to rapid economic growth, coupled with the need to build housing for a booming population. As automobile use grew, so too did the suburbs, and this gave rise to extensive suburban sprawl throughout the twentieth century (Filion and Hammond, 2008; Wachs, 2013). It was during this period that early signs of downtown decline emerged. With automobile-reliant neighbourhoods popping up further from the city's core, and the arrival of shopping malls and employment lands easily accessed by new highways, downtowns – especially those in small and mid-sized cities – faced increased competition and ultimately decline (see Filion, 2004; Filion and Hammond, 2008).

In Ontario, after experiencing decades of unchecked suburbanization across the province, one of the key pillars of the Ontario government's *Places to Grow* (Ontario, 2005) legislation seeks to address the negative impact of sprawl on downtown areas. To stimulate downtown revitalization, the regional-scale *Growth Plan for the Greater Golden Horseshoe* (Ontario, 2006) called for the creation of urban growth centres (UGC's). The 25 UGC's are located in either existing historic downtowns or emerging suburban downtowns in cities across Ontario (Ontario, 2006: 12), and are further subdivided into those in the 'inner ring' or 'outer ring' (Ontario, 2006: 49, 52); labels that correspond to a UGC's location vis-à-vis the Greenbelt, a swath of environmentally protected land.

The UGC's are required to develop as high-density, mixed-use nodes that can: attract employment; public and private investment; residential growth and accommodate infrastructure improvements (Ontario, 2006). Intensification in the UGC's is to be achieved via aggressive provincial targets that mandate the number of jobs and people municipalities are to add by 2041. The UGC's in the inner ring, closest to the City of Toronto, have higher density targets to achieve.

The eight UGC's in the outer ring share several common characteristics that will present specific challenges and opportunities when implementing the Growth Plan's prescriptions. Each is mid-sized cities that benefit from having: historic downtowns; active downtown associations and at least one post-secondary institution. Despite these advantages, these mid-sized cities have also experienced: some degree of core area decline; a history of low-density; dispersed suburban development (see Bunting et al., 2007; Filion, 2007) and a municipal planning paradigm that favours the status quo (Momani and Khirfan, 2013). As such, the Growth Plan has provided researchers with an opportunity to assess how municipalities are responding to a provincial mandate to grow cities and add jobs while building complete communities, curbing sprawl, developing new transportation systems and revitalizing downtowns. More specifically, with 8 of the 25 UGC's in outer ring mid-sized cities, the plan's focus on intensifying the downtown areas has cast new attention economic development in smaller urban centres.

The sharing economy and emergence of coworking

The concept of shared community spaces is not new. Oldenberg's (1999) research on 'third spaces' speaks to the importance of spaces that individuals seek out outside of their homes (first spaces) and traditional offices (second spaces), such as libraries, cafes and public squares. Oldenberg highlights the importance of third spaces for their ability to accommodate a range of diverse user groups. While the rise of technology and the ability for people to work remotely led to the proclaimed 'death of distance' (Cairncross, 1997), interconnectedness and importance urban spaces in the new economy are quickly debunking this concept (see Madanipour, 2011; Scott, 2014; Vinodrai, 2015). While the growth of coworking has been significant, and there are over 500,000 coworkers worldwide (Deskmag, 2015), there has been limited scholarship on its impact in smaller urban centres. In fact, *Forbes'* magazine recently labelled coworking the largest start up movement 'hiding in plain sight' (Desai, 2016).

As the economy shifts under a new category of workers, the gap between the knowledge and service classes continues to grow, and the prevalence of precarious (Avdikos and Kalogeresis, 2016; Gill and Pratt, 2008; Merkel, 2015; Vinodrai, 2013), or unstable, employment continues to increase; it is not surprising that new models of enterprise have emerged. The rise of the sharing economy has been described as a 'disruptive innovation' (Johal and Zon, 2015: 14) that leverages technology to connect people with people, cutting out the traditional 'middleperson', in the sale or sharing of largely underutilized goods and services (see Belk, 2014; Botsman, 2015; Botsman and Rogers, 2010; Hamari et al., 2015).

The value that underpins the sharing economy, such as community empowerment, openness and collaboration, is similarly associated with the growing community of coworkers (see Botsman and Rogers, 2010; Merkel, 2015; Surman, 2013; Sykes, 2014). Most notably, coworking taps into the sharing economy in two ways: through sharing space or 'physical assets' and the sharing of resources or 'intangible assets' (Bouncken and Reuschl, 2018: 5). As cities look for strategies to attract and retain knowledge workers, coworking spaces are emerging globally (Deskmag, 2013, 2015). Coworking is a part of a broader economic trend that has seen growth in the number of knowledge workers freelancing, consulting and working outside the confines of traditional offices (Avdikos and Kalogeresis, 2016; Spinuzzi, 2012). The term coworking first emerged in the early 2000s and traces its roots to digital media and technology communities in San Francisco and then New York (Gandini, 2015; Waters-Lynch et al., 2016).

As the economy embraces knowledge-intensive labour and value-added goods and services, coworking has emerged as a post-Fordist solution to support a new generation of what Pohler (2011) terms atypical workers. According to Deskmag's global surveys of coworkers, the average coworker is 35 years old and 67% are self-described freelancers or entrepreneurs (Deskmag, 2013). One other consideration closely associated with coworking is geography. Coworking is taking hold in hip downtown neighbourhoods and is connecting cities with a new generation of independent workers and entrepreneurs (Deskmag, 2013, 2015). In 2015, 49% of coworking spaces reported that they opened in a space that had been previously vacant for at least six months (Deskmag, 2015).

At its core, coworking is a shared office space movement. Memberships to coworking spaces provide: affordable, amenity-rich shared workspaces; access to services such as mentorship and business planning and the opportunity to foster collaborations with other coworkers (Bouncken and Reuschl, 2018; Spinuzzi, 2012; Surman, 2013). Despite advances in technology, knowledge and creative workers are choosing to cowork because of the communal, educational and collaborative environment created by the staff in coworking

spaces (Spinuzzi, 2012; Surman, 2013). Described as ‘urban sociomaterial infrastructure’ (Merkel, 2015: 133), members value the ability to socialize, share ideas and establish new ventures with other coworkers. Emerging European scholarship is beginning to identify links between coworking spaces and the rise of innovation outside of traditional firms (Capdevila, 2015).

Coworking is tied to the concept of collaborative consumption, which Belk describes as, ‘people coordinating the acquisition and distribution of a resource for a fee or other compensation’ (Belk, 2014: 1597). However, it was not until the economic downturn in 2008, that coworking began to emerge as a movement in cities around the world (Avdikos and Kalogeresis, 2016; Gandini, 2015). As the economic recession denied young workers stable employment opportunities and displaced others already in the workplace, it gave rise to a generation of freelancers and entrepreneurs. Moreover, the precarious nature of this type of employment made affordable office space that much more attractive to workers (Avdikos and Kalogeresis, 2016; Merkel, 2015; Spinuzzi, 2012). For example, in Greece, coworking and ‘work collectives’, or groups made up of freelancers (Avdikos and Kalogeresis, 2016: 36), emerged out of a need to better collaborate and market businesses while mitigating overhead costs.

As the population of mobile, knowledge workers grows, coworking spaces have emerged with distinct governance structures. Some for-profit spaces offer workers an office outside of the home, where members have a desk, wireless connection and access to shared meeting spaces. The second category of coworking spaces has a mission to create animated, curated spaces, or what coworking leaders call, an ‘intentional community’ (Coworking leader, 2016, personal communication). With goals ranging from providing mentorship to emerging entrepreneurs to creating social enterprise through cross-sector networks, these coworking spaces each have a distinct culture that reflects their membership (Bouncken and Reuschl, 2018; Gandini, 2015; Spinuzzi, 2012; Surman, 2013; Sykes, 2014). These spaces can be structured as non-profit, for-profit or cooperative entities.

Findings

Of the 40 coworking spaces across Ontario, 24 are located in mid-sized cities. Of these coworking spaces, 11 sit within the case study area. Surveys were received from 10 coworking spaces within the case study area including responses from: Guelph (3), Kitchener, Waterloo, Peterborough (2), Barrie, Brantford and St. Catharines. At the time of writing, Cambridge, Ontario was the only outer ring provincial urban growth centre that did not have a coworking space. The diversity of these spaces and their respective memberships is detailed in Table 1.

Findings indicated that 90% of coworking spaces were located in historic downtowns. Citing the need to provide access to transit, a ‘cool vibe in an old building’, and proximity to urban amenities to their members, locating coworking spaces in downtowns was an intentional decision by coworking leaders. The Kitchener coworking space described the benefits of their location as, ‘...very centrally located downtown, directly across from the main bus station and on the entrance to [the park]. The location and accessibility attract a lot of people’. A coworking space in Guelph described how members choose their space because of the amenities found nearby in its, ‘cool downtown location in the central business district’.

Of the spaces surveyed, two had been in operation for 1–2 years, one had been in operation for 3–5 years and the remaining seven had been open for 5+ years. With their physical space ranging from 1100 to 17,000 square feet, all respondents indicated that one of their top priorities was to ensure that they were providing high-quality space to their coworking

members and organizational tenants. However, all of the coworking spaces had goals with regard to space improvements that included: adding more workstations; ongoing site maintenance or improving physical accessibility. Over half of coworking leaders indicated that they would welcome a new space, additional 'hot desks', or a second location to meet the growing needs of their members.

Several coworking leaders described how coworking spaces are helping provide affordable offices for start-ups while also reactivating dormant real estate in the downtown core. For example, in Guelph, one of the coworking spaces shared that coworking, 'offers the key to revitalizing large, underutilized spaces downtown'. In Barrie, the coworking space founder indicated that they, 'had space, couldn't afford it alone – and POOF – [the space] was born'. Through the sharing of affordable space, a tech-focused coworking space in Guelph indicated that their location had become, 'a place for new and early stage companies to have low cost, low commitment spaces to work and build community and gain support from others'. Another respondent shared that,

There is a lot of empty space commercially downtown. However, there is little in the way of high quality, affordable office space. Like many other mid-sized towns we have high unemployment, so advancing entrepreneurialism with social impact is making a big difference.

To illustrate this point, *10 Carden Shared Spaces*, a coworking space in downtown Guelph, is taking a leadership position in downtown real estate. They purchased a 15,000 square foot building through a combination of traditional financing, private donations, partnerships and community bonds. The *10 Carden* team described how one of their goals is, 'To retain affordable, flexible space for new enterprises and community benefit organizations in the downtown core as the city continues to intensify and the real estate prices downtown climb'.

All of the coworking spaces in the outer ring of the GGH stated that individual coworking members are their core tenants, representing a key source of income for the space. In addition to individual members, 80% of the spaces indicated that they also housed organizations and business tenants. Barrie's coworking space is home to over 40 businesses that employ over 65 full time equivalents. *Peterborough Per Diem* has several business tenants and indicated that they are proactively trying to recruit small businesses and entrepreneurs in their membership, describing how coworking allows new companies, 'To try [their city] and give their businesses an opportunity to grow here using our services'.

In addition to revenue from individual and organizational memberships, 50% of the coworking spaces cited rental and events income as an important source of revenue. Not only was space rental a viable source of income, all of the coworking spaces indicated that they provided a range of services to their membership. This ranged from business incubation services to partnering with the local Business Enterprise Centre or Regional Innovation Centre to offer skills training and mentorship for new enterprises and young entrepreneurs. The coworking space in St. Catharines indicated that, 'We have become a hub and resource centre for social enterprise and cooperative businesses in the region'. Workshops and services were also found to be a small, but important source of revenue for coworking spaces. Only 30% of respondents indicated that government grant revenue was a source of income for their centre, albeit a precarious one.

With regard to the composition of their coworking membership, all respondents indicated that their membership was diverse, representing the following sectors most strongly: freelancers and entrepreneurs; digital/information technology; arts and culture and social services. The majority of spaces had an application process for members but were open to a diversity of members. While all centres had aspirations of attracting certain types

of coworkers, these groupings specifically included: ‘digital nomads’, social enterprises, entrepreneurs and small businesses and start-ups. Two of the 10 centres had a sub-focus in their membership. *Cowork Niagara* in St. Catharines wanted to provide a location for independent workers to congregate and were intentionally not seeking members who wanted to grow their employee base. *RCity Coworking* in Brantford indicated that they had a social purpose, ‘To support those who identified as unemployed and underemployed’ and tailored programmes and services to this specific coworking audience.

While the outlook for coworking in the coming year in the case study cities was characterized as overwhelmingly positive (80%), only four of the spaces were operating with staffing resources, while the others relied on volunteers to programme and animate space, welcome new members and maintain the overall coworking site. Since the majority of spaces operated with limited staff and volunteer time, 100% of spaces reported that they value working in partnership with organizations in their city and were looking to increase collaborations. Partner groups and collaborators included: municipal governments; universities and colleges; Chambers of Commerce; Regional Innovation Centres; Business Enterprise Centres; Business Improvement Area (BIA) and other non-profit organizations. Partnership opportunities included: hosting joint workshops with the local business enterprise centre; housing university faculty/students in the space and cross-promoting events with the downtown BIA.

By way of example, one coworking space in Guelph, with a mandate to support social enterprise, established a partnership with their local university to build the city’s first community classroom, designed to host both academic and community lectures in the city’s core. Another coworking space in St. Catharines, focused on supporting independent workers, established an arrangement with the BIA, whereby the BIA is a paying member of the space, refers potential coworkers and promotes the space’s events and workshops. In Kitchener, the founder of the coworking space describes how they collaborated with their municipal government to embed coworking in the city’s *Downtown Action Plan*. Moreover, Kitchener created an incentive, called the Start Up Landing Pad Program, for property owners renovate second storey units to house newly formed businesses emerging from coworking spaces.

In addition to working in partnership with a cross-section of the community’s stakeholders, not-for profit coworking centres report a high engagement from downtown businesses, higher education institutions and local citizens on their boards of directors. Several coworking spaces, with active boards and staff, report engaging with local council and business groups to advocate on behalf of: the coworking model; fostering increased entrepreneurship; enhancing downtown renewal and developing a creative cluster in their cities.

When asked what benefits coworking offers their communities, leaders identified a range of perspectives: ‘Coworking can be the heartbeat of the business ecosystem in the city,’ and ‘[Coworking is a] safe and supportive space to allow anyone to work on their business, project or idea’. Another space asserted that coworking provides, ‘Massive value. We grow companies. We mentor and nurture start-ups and ‘treps [entrepreneurs]. Our members spend cash downtown. When they grow too big, they move into other spaces in town’. Other coworking benefits include, ‘networking, networking, networking’. Almost all of the spaces spoke to the formal and informal ways that members connect to create new initiatives, businesses and support each other’s projects. While all of the centres had declared a goal of increasing internal and external collaborations in the coming year, other goals included: becoming a ‘hub for creative collaboration’; undertaking more, ‘research and advocacy for independent workers’; ‘collaborative grant-making’; becoming the, ‘B-Corp capital of Canada’ and ‘growing the number of women entrepreneurs in our city’.

Despite the fact that most coworking spaces are operating on shoestring budgets and only 23% indicated strong financial stability, 85% indicated that the outlook for coworking in the coming year was positive. When asked what challenges coworking faces, there were a range of responses that included: a lack of understanding of the coworking model; lack of affordable space; inadequate space; limited physically in accessible space and the ongoing need to attract new memberships. This is illustrated by one coworking leader's remark; 'We are continually concerned about our rent going up. If it did, it could put us out of business'. Another respondent shared that in smaller cities, 'People don't even know what 'coworking and collaboration' means'.

Conversely, many of the comments about coworking were both aspirational and positive. They included comments such as, 'Coworking spaces are fantastic for the economies of mid-sized cities – they provide an ecosystem for small businesses to flourish, grow and succeed in ways that are would not possible working alone'. Similarly, another respondent stated, 'Coworking is vital. Large businesses do not fuel these towns, and they are then too important to the economy if they [large businesses] fail'. One coworking staff member summed up the work they do noting that, 'Coworking is a stimulator of the creative economy in our city'.

From these findings, several important themes emerged (Table 2) that conform with broader global trends in coworking while also speaking to the unique challenges and opportunities faced by coworking spaces outside of large urban centres. The four common themes emerging from interview and survey data include: downtown locations matter; coworking is revitalization downtowns and boosting local economic development; coworking fosters entrepreneurship and innovation and partnerships are essential to create success.

Analysis

The four themes that emerged from this research illustrate that coworking spaces in mid-sized cities share several similarities with their global, big city counterparts. Coworking spaces in mid-sized cities are home to a range of knowledge and creative workers; are intentionally located in downtowns and thrive on partnerships built across sectors. Although there is a certain amount of overlap in the characteristics of coworking spaces and types of coworkers in cities both large and mid-sized, it is important to understand these themes in the context of mid-sized cities. Recognizing that mid-sized cities have been acutely impacted by a history of dispersed, suburban development and downtown real-estate vacancies, coupled with a public distrust of downtown investments (Bunting et al., 2007) and poorly resourced municipal planning departments (Momani and Khirfan, 2013), these findings take on an increased importance.

The first two themes highlight the value of a downtown location and the subsequent role that coworking plays with respect to downtown revitalization and local economic development. These themes further illustrate the leadership that citizens play in creating and curating coworking organizations to support entrepreneurship, social innovation, independent workers and ultimately bolster local economic development in mid-sized city downtowns. This represents an organic, community-led approach that resonates with Blakely and Leigh's (2017) framework of 21st century LED that is inclusive of a broad range of stakeholders and occurs outside of traditional channels, such as business associations. Coworkers and coworking spaces in mid-sized cities are a welcome 'soft infrastructure' (Bradshaw and Blakely, 1999) addition to a local landscape with mainstreet and second-storey vacancies – the influx of downtown workers animates the street and increases patronage of local businesses, adding much-needed economic activity into the downtown core.

Table 2. Themes.

Theme	Selected comments
Downtown locations matter	<ul style="list-style-type: none"> • 'We have a] cool vibe in an old building'. • 'We are] very centrally located downtown, directly across from the main bus station. . . '. • 'We are in a] cool downtown location in the central business district'.
Coworking is revitalizing downtowns and fostering local economic development	<ul style="list-style-type: none"> • 'Coworking offers the key to revitalizing large, underutilized spaces downtown'. • 'There is a lot of empty space commercially downtown. However, there is little in the way of high quality, affordable office space [provided by coworking]'. • 'Like many other mid-sized towns we have high unemployment, so advancing entrepreneurialism with social impact [through coworking] is making a big difference'. • '[Coworking] allows new companies to try our city and give their businesses an opportunity to grow here using our services'. • 'Coworking spaces are fantastic for the economics of mid-sized cities. They provide an ecosystem for small businesses to flourish, grow and succeed in ways that are not possible working alone'. • 'Our members spend cash downtown. When they grow too big, they move into other spaces in town'.
Coworking fosters entrepreneurship and innovation	<ul style="list-style-type: none"> • '[Coworking is] a place for new and early stage companies to have low cost, low commitment spaces to work and build community and gain support from others'. • '[Our goal] is to support those who identified as unemployed and underemployed in our community'. • 'Large businesses do not fuel these towns, and then they are too important to the economy if they fail'. • 'Coworking can provide flexibility for new businesses to launch'. • 'Coworking is a stimulator of the creative economy'.
Partnerships are essential to create success	<ul style="list-style-type: none"> • 'We had space, couldn't afford it alone – and POOF – [the space] was born'. • 'Coworking can be the heartbeat of the business ecosystem in the city'. • 'We have become a hub and resource centre for social enterprise and cooperative businesses in the region'.

Despite decades of decline, mid-sized downtowns in the case study area are becoming a renewed focal point for redevelopment (Jamal, 2015). Several coworking leaders highlighted their growing concern over increasing real-estate prices and associated rental costs, and how this trend could begin to stifle emerging companies. As such, coworking spaces are future-proofing downtowns against impending gentrification by providing affordable, collaborative spaces to young entrepreneurs, artists and community groups to grow their businesses and ideas. As mounting concern over the impact of gentrification grows in rapidly urbanizing larger cities (Florida, 2017; Leigh and Blakely, 2017; Vinodrai, 2015) if LED is about increasing the standard of living and promoting equity, these spaces function as 'new community spaces' (Bramwell and Pierre, 2017) and an affordable launch pad for new businesses, social enterprises and community groups.

Third theme highlights the role that coworking plays in advancing entrepreneurship and innovation in the context of mid-sized cities. All of the coworking spaces described the importance of collaboration and interaction among their respective memberships. Indeed,

each space sought to provide customized workshops, information sessions or direct business services to coworkers. It is important to note that coworking leaders, or hosts (Merkel, 2015), are intentionally curating these spaces to support the ongoing needs of their membership. While some spaces had a specific focus within their membership, such as digital or independent workers, the majority sought members from a diverse pool of potential coworkers, and all of the spaces saw themselves as a part of the city's business ecosystem. As one respondent indicated, 'Large businesses don't fuel these towns...'. The ability for coworking spaces, and the networks that they create in the community, to foster new enterprises and support burgeoning entrepreneurs is an important contribution to local economic development in mid-sized cities. Such a finding is consistent with the important role that allied groups (Filion et al., 2004) and champions (Burayidi, 2013) play in downtown rejuvenation in smaller urban centres.

The final theme that emerged reinforces the important role of partnerships in fostering success. Findings illustrate that the concept of coworking remains elusive in mid-sized cities, and while coworking can trace its roots to the rise of collaborative consumption and the advent of the sharing economy (Belk, 2014; Botsman, 2015; Botsman and Rogers, 2010), as a relatively new means of organizing workers (Schmidt et al., 2015), coworking remains largely on the fringe of the business community in mid-sized cities. While some coworking space leaders spoke about partnership programmes with their municipality or local post-secondary institution, a broader acceptance and understanding of the coworking model could expand these networks and foster increased access to new membership and funding for coworking spaces in mid-sized cities.

Despite the growing presence of coworking spaces in mid-sized city downtowns, these spaces exist on the edges of mainstream economic development. While municipal leaders show some knowledge of the model, the concept of coworking and shared spaces remains new and largely untested as a source of mid-sized city economic development. Regardless, the staff, board and coworkers in these spaces are working to raise the local profile of their spaces; fostering links to other coworking spaces regionally and nationally and are tireless champions for the coworking model. Through these linkages, and support for new and emerging enterprises, coworking leaders in mid-sized cities are offering a vision for a renewed, community-led approach to local economic development (Bradshaw and Blakely, 1999; Leigh and Blakely, 2017) that is beginning to attract knowledge and creative workers to the downtowns of mid-sized cities.

Future research

This research speaks to a change that is unfolding in the downtown areas of mid-sized cities. With support and a broader understanding of the coworking model, coworking can become a significant downtown revitalization strategy and a booster to local economic development. While this inquiry has focused on the role of coworking spaces, future research could include: (1) Surveying coworkers to understand why they chose shared space, rather than working from home or cafes; (2) interviews with coworkers to understand why they have chosen to locate or remain in a mid-sized urban centre rather than moving to a big city and (3) Conducting a longitudinal analysis of coworking outcomes to see: how many businesses are being created through coworking and to track whether coworking businesses transition out of shared spaces and become a feeder system to downtown real estate.

Conclusion

As the 21st century employment landscape shifts in favour of knowledge-based, creative industries, urban areas are the nexus around which new collaborations and innovations will thrive (Florida, 2002; Gertler, 2003; Vinodrai, 2013). The parallel rise of the sharing economy has given way to a global, urban coworking movement that is supporting a new generation of knowledge workers. Coworking spaces provide affordable, amenity-rich spaces to their membership. By offering services that enhance business effectiveness and foster collaborations, coworking has emerged as a meaningful way to organize labour in the 21st century (Schmidt et al., 2015).

In the Ontario context, the *Growth Plan for the Greater Golden Horseshoe* (Ontario, 2006) has challenged cities to reverse decades of sprawling development in favour of dense planning that prioritizes urban connectivity and downtowns. The province is challenging big cities to rethink their urban development, just as it is compelling several mid-sized cities that sit outside of the Toronto commuter shed to do the same. Throughout the 20th century, mid-sized cities, with a history of dispersed suburban development and downtown decline (Bunting et al., 2007), were not key locations for investment and renewal. Research has shown that incremental improvements (see Gratz, 1989; Robertson, 2001; Walker, 2009) with the support of allied groups (Filion et al., 2004) can begin to rehabilitate ailing core areas in smaller urban centres.

With mandated goals to reach residential and employment targets in the coming decades, coworking provides a unique lens through which to view how community-based partners, outside of traditional municipal-business networks, can contribute to local economic development. The four interconnected themes that emerged from this study highlight how, in the midst of a 21st century labour market transition, coworking spaces and their leadership can: foster local entrepreneurship; support knowledge and creative workers and contribute to downtown revitalization in Ontario's mid-sized cities.

Coworking leaders and the spaces that they animate are helping foster local economic development. As the providers of affordable, well-resourced spaces to new organizations and businesses, coworking spaces offer services and support to a new generation of freelancers and local entrepreneurs. Moreover, global and local data illustrate that the majority of coworkers are knowledge or creative workers. As such, coworking spaces are providing a home for knowledge industries and creative workers in mid-sized cities. Having a physical coworking space in the downtown of a mid-sized city promotes urban renewal and preserving affordable space for new enterprise in rapidly gentrifying downtowns in a growth region of the province.

Coworking leaders, advocating change in their downtown neighbourhoods, are selling community bonds to purchase iconic real estate; advocating for municipal incentives to launch newly formed business into the community and are active members of the civic and business infrastructure of their respective cities. As the values of the sharing economy and new models of local economic development illustrate, collaborations and partnerships are essential to success, and it is vital for coworking leaders to tell their success stories, illustrate their challenges and advocate for additional resources and incentives to support coworking spaces in Ontario's mid-sized cities. While the concept of coworking might be 'hiding in plain sight' (Desai, 2016), its ability to support entrepreneurs, foster the creative economy and reactivate downtown real estate should be seen as an important contribution to the urban economies in Ontario's mid-sized cities.

Declaration of conflicting interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: Funding for this research was received through the Places to Grow Implementation Fund, Ontario Ministry of Municipal Affairs and Housing, Government of Ontario 2015–2016.

References

- Avdikos V and Kalogeresis A (2016) Socio-economic profile and working conditions of freelancers in co-working spaces and work collectives: Evidence from the design sector in Greece. *Area* 49(1): 35–42.
- Belk R (2014) You are what you can access: Sharing and collaborative consumption online. *Journal of Business Research* 67(8): 1595–1600.
- Blakely E and Leigh N (2010) *Planning Local Economic Development: Theory and Practice*. 4th ed. Thousand Oaks, CA: SAGE Publications Ltd.
- Botsman R (2015) Defining the sharing economy: What is collaborative consumption – And what isn't? fast company. Available at: www.fastcoexist.com/3046119/defining-the-sharing-economy-what-is-collaborative-consumption-and-what-isnt (accessed 9 February 2018).
- Botsman R and Rogers R (2010) *What's Mine Is Yours: The Rise of Collaborative Consumption*. New York: Harper-Collins.
- Bouncken R. & Reuschl A (2018) Coworking-spaces: how a phenomenon of the sharing economy builds a novel trend for the workplace and for entrepreneurship. *Review of Managerial Science* 12 (1): 317–334.
- Bradshaw T and Blakely E (1999) What are “third-wave” state economic development efforts? From incentives to industrial policy. *Economic Development Quarterly* 13(3): 229–244.
- Bramwell A and Pierre J (2017) New community spaces: Regional governance in the public interest in the Greater Toronto Area new community spaces: Network governance and the “New” regionalism. *Urban Affairs Review* 53(3): 603–627.
- Bunting T, Filion P, Hoernig H, et al. (2007) Density, size, dispersion: Towards understanding the structural dynamics of mid-size cities. *Canadian Journal of Urban Research* 16(2): 27–52.
- Burayidi M (2013) *Resilient Downtowns: A New Approach to Revitalizing Small and Medium City Downtowns*. 1st ed. New York: Routledge.
- Cairncross F (1997) *The Death of Distance: How the Communications Revolution Is Changing Our Lives*. Cambridge: Harvard Business Press.
- Capdevila I (2015) Co-working spaces and the localised dynamics of innovation in Barcelona. *International Journal of Innovation Management* 19(3): 1–28.
- Desai F (2016) Coworking spaces poised to enter new growth phase. *Forbes*, 10 March. Available at: <https://www.forbes.com/sites/falgunidesai/2016/03/10/coworking-spaces-poised-to-enter-new-growth-phase/#16f914e5190a> (accessed February 15, 2018)
- Deskmag (2013) The third globay coworking survey. Available at: <https://www.slideshare.net/desk-wanted/global-coworking-survey-2012> (accessed 15 February 2018).
- Deskmag (2015) Global coworking survey 2015–2016. Available at: www.deskmag.com/en/first-results-of-the-new-global-coworking-survey-2015-16.
- Filion P (2007) The urban growth centres strategy in the greater golden horseshoe: Lessons from downtowns, nodes, and corridors. Report, Neptis Foundation, Toronto, May 2007.
- Filion P and Hammond K (2008) When planning fails: Downtown malls in mid-size cities. *Canadian Journal of Urban Research* 17(2): 1–27.

- Filion P, Hoernig H, Bunting T, et al. (2004) The successful few: Healthy downtowns of small metropolitan regions. *Journal of the American Planning Association* 70(3): 328–343.
- Florida R (2002) *The Rise of the Creative Class: How It's Transforming Work, Leisure, Community and Everyday Life*. New York: Basic Books.
- Florida R (2003) Cities and the creative class. *City and Community* 2(March): 3–19.
- Florida R (2017) *The New Urban Crisis: How Our Cities Are Increasing Inequality, Deepening Segregation, and Failing the Middle Class – And What We Can Do about It*. New York: Basic Books.
- Gad G and Matthew M (2000) Central and suburban downtowns. In: Filion P, Bunting T and Gertler L (eds) *Canadian Cities in Transition*. Toronto: Oxford University Press, pp.248–273.
- Gandini A (2015) The rise of coworking spaces: A literature review. *Ephemera* 15(1): 193–205.
- Gertler M (2003) Smart growth and the regional economy. Report. Neptis Foundation, Toronto.
- Gill R and Pratt A (2008) In the social factory?: Immaterial labour, precariousness and cultural work. *Theory, Culture & Society* 25(7–8): 1–30.
- Grant J (2006) Shaped by planning: The Canadian city through time. In: Bunting T and Filion P (eds) *Canadian Cities in Transition*. Toronto: Oxford University Press, pp.320–337.
- Gratz R (1989) *The Living City*. New York: Simon and Schuster.
- Hall H and Hall P (2008) Decline and no growth: The Canadian urban system. *Canadian Journal of Regional Science* 31(1): 1–18.
- Hamari J, Sjöklint M and Ukkonen A (2015) The sharing economy: Why people participate in collaborative consumption. *Journal of the Association for Information Science and Technology* 67(9): 2047–2059.
- Hodge G and Gordon D (2008) *Planning Canadian Communities: An Introduction to the Principles, Practice, and Participants*. 5th ed. Toronto: Nelson Education.
- Jamal A (2015) Are downtowns back? Implementing the growth plan in Ontario's mid-sized cities. *Municipal World* 125(9): 19–21.
- Johal S and Zon N (2015) *Policymaking for the sharing economy: Beyond whack-a-mole*. Report, Mowat Centre, Toronto, February.
- Leigh N and Blakely E (2017) *Planning Local Economic Development: Theory and Practice*. 6th ed. Thousand Oaks: SAGE Publications Ltd.
- Madanipour A (2011) *Knowledge Economy and the City: Spaces of Knowledge*. New York: Routledge.
- Merkel J (2015) Coworking in the city. *Ephemera* 15(1): 121–139.
- Momani B and Khirfan L (2013) Explaining the use of planning consultants in Ontario cities. *Canadian Public Administration* 56(3): 391–413.
- Oldenburg R (1999) *The Great Good Place*. New York: Marlowe, Company.
- Pohler, N., 2011. Coworking 101: A new definition, Available at: <http://www.deskmag.com/en/coworking-spaces-101-a-new-definition> (accessed February 15, 2018).
- Ontario (2005) Places to Grow Act.
- Ontario (2006) Growth Plan for the Greater Golden Horseshoe.
- Porter M (2000) Location, competition, and economic development: Local clusters in a global economy. *Economic Development Quarterly* 14(1): 15–34.
- Robertson K (2001) Downtown development principles for small cities. In: Burayidi M (ed) *Downtowns: Revitalizing the Centers of Small Urban Communities*. New York: Routledge, pp.9–22.
- Schmidt S, Brinks V and Brinkhoff S (2015) Innovation and creativity labs in Berlin: Organizing temporary spatial configurations for innovations. *Zeitschrift Fur Wirtschaftsgeographie* 58(4): 232–247.
- Scott AJ (2012) *A World in Emergence: Cities and Regions in the 21st Century*. Cheltenham: Edward Elgar Publishing Limited.
- Scott AJ (2014) Beyond the creative city: Cognitive-cultural capitalism and the new urbanism. *Regional Studies* 48(4): 1–14.
- Seasons M (2003) Indicators and core area planning: Applications in Canada's mid-sized cities. *Planning Practice and Research* 18(1): 63–80.

- Spinuzzi C (2012) Working alone together: Coworking as emergent collaborative activity. *Journal of Business and Technical Communication* 26(4): 399–441.
- Storper M and Scott AJ (2009) Rethinking human capital, creativity and urban growth. *Journal of Economic Geography* 9(2): 147–167.
- Surman T (2013) Building social entrepreneurship through the power of coworking. *Innovations: Technology, Governance, Globalization* 8(3): 189–195.
- Sykes K (2014) Coworking: A workplace paradigm shift. *Contract* 55(6): 140.
- Vinodrai T (2010) The dynamics of economic change in Canadian cities: Innovation, culture, and the emergence of the knowledge-based economy. In: Bunting T, Filion P and Walker R (eds) *Canadian Cities in Transition: New Directors in the Twenty-First Century*. Toronto: Oxford University Press, 87–109.
- Vinodrai T (2013) Design in a downturn? Creative work, labour market dynamics and institutions in comparative perspective. *Cambridge Journal of Regions, Economy and Society* 6(1): 159–176.
- Vinodrai T (2015) Economic change in Canadian Cities: Innovation, creativity and the knowledge-based economy. In: Filion P, Moos M, Vinodrai T, et al. (eds) *Canadian Cities in Transition*. 5th ed. Toronto: Oxford University Press, pp.67–87.
- Wachs M (2013) Turning cities inside out: Transportation and the resurgence of downtowns in North America. *Transportation* 40(6): 1159–1172.
- Walker PL (2009) *Downtown Planning for Smaller and Midsized Communities*. Chicago: American Planning Association.
- Waters-Lynch J, Potts J, Butcher T, et al. (2016) Coworking: A transdisciplinary overview. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2712217 (accessed February 15 2018).
- White R (2007) *The Growth Plan for the Greater Golden Horseshoe in Historical Perspective*. Report, Neptis Foundation, Toronto, December.
- Wolfe D (2014) Introduction. In: Wolfe D (ed.) *Innovating in Urban Economies: Economic Transformation in Canadian City-Regions*. Toronto: University of Toronto Press, pp.3–32.