

FLEX SPACE OFFERINGS EXPAND

Coworking spaces across the nation continue to grow in number and popularity, bringing more options to a sector undergoing massive cultural and technological shifts and filling a much-needed gap for working professionals. Since the peak of the pandemic, coworking has provided an alternative to the rigidity of both in-office and remote-work models. As the relationship between workers and the office continues to evolve, the uncertainties and changing expectations over the last few years continue to redefine work models and collaboration with colleagues. Firms increasingly see coworking as a viable option, leading to the expansion of flex spaces in markets across the country.

The number of coworking spaces grew over the past year, according to our latest U.S. office market report. Nationally, at the end of February 2025, we tracked 7,814 coworking locations in our database, up 25% year-over-year. Coworking spaces totaled 140.1 million square feet, a 15.2% increase year-over-year from the 121.6 million-square-foot total a year earlier. Moreover, coworking as a percent of total office space has increased to 2.0%, up 30 basis points year-over-year.

At the regional level, the South leads the nation in coworking locations, with 1,960 spaces in the Southeast, up 24.2% year-over-year and **999 spaces in the Southwest, a year-over-year increase of 18.8%**. The West followed (1,709 spaces, up 16.7%), then the Northeast (1,422 spaces, up 17.5%) and the Midwest (1,121 spaces, up 27.7%).

The South was also in the lead in terms of coworking surface, with 33.3 million square feet (up 18% year-over-year) in the Southeast and **17 million (up 13%) in the Southwest**. The West has 31.8 million square feet, followed by the Northeast with 31.7 million square feet, and the Midwest with 21.7 million square feet. The Midwest has far outshined the rest of the country in year-over-year growth in both locations and square footage. However, as one of the smaller regions, it comprises roughly 14% of locations and 15% of total square feet nationwide.

Over the past 12 months, the average size of coworking locations decreased 1,524 square feet to 17,932. This was particularly noticeable in the Northeast, where it declined 2,989 square feet to a 22,311 average. The Midwest was the only region to show an increase, up 70 square feet to an average of 19,313. We expect the average size of coworking spaces to further decline in the future as the coworking business model shifts toward the suburbs and away from central business districts.