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Co-working giant WeWork to make debut in downtown Raleigh

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Popular global co-working space provider WeWork has confirmed plans to plant a flag in downtown Raleigh.

WeWork will be the new anchor office tenant at the 10-story One Glenwood building breaking ground in the fall.

WeWork, the company confirms, has signed a lease for 81,032 square feet, or about one-third of the office space planned at One Glenwood – an \$86 million, 227,500-square-foot office tower at the corner of Glenwood Avenue and Hillsborough Street in Raleigh's Glenwood South district. The new office is expected to open in early 2019.



WEWORK/FILE

WeWork will be opening a new co-working office location in downtown Raleigh in early 2019.

The New York-based company with locations in 52 cities around the globe, including Atlanta, Washington D.C., Montreal, Beijing and Berlin, has been rumored for more than a year to be looking around the Triangle for a new office space. Sources say the company might also be interested in expanding into downtown Durham. WeWork is expected to open a new office in Charlotte at Stonewall Station later in the year.

“Raleigh-Durham has always been on our radar,” says Adam Wacenske, general manager of WeWork's Southern Region. “It was never a question should we go to Raleigh. It was more finding the right building. This is going to be a brand new building right in the heart of things in downtown.”

WeWork at One Glenwood will be occupying floors three through five, which includes a private balcony overlooking Glenwood South. Building tenants will also have full access to all the building's other planned amenities, including a sky lounge and sky terrace on the top floor, a fitness center and a bike share program, says Ryan Blair, vice president of development and acquisitions at Maryland-based Heritage Properties Inc., the owner and developer of One Glenwood. Demolition and site construction work at the site began in early July.

“We're honored to have an innovative, forward-thinking company like WeWork choose One Glenwood,” Blair says. “It validates the project and the intent behind our design to create a modern, amenity-rich, collaborative office building in one of the most desirable neighborhoods.”

Terms of the Raleigh lease deal were not disclosed, but comparable office buildings nearby are advertising office lease rates of \$30 per square foot and more per year. The Dillon, a mixed-use project by

Kane Realty Corp. and Federal Capital Partners in downtown Raleigh's Warehouse District, is charging \$34.50 per square foot for office space in the 18-story building opening in early 2018. Charter Square on Fayetteville Street, which opened in 2015 and includes offices for a WeWork competitor, Industrious, advertises an office lease rate of \$32.50 per square foot, according to owner Highwoods Properties. Class A office occupancy in the downtown Raleigh submarket was at 90 percent in the second quarter, according to Triangle Business Journal's quarterly Space survey.

William Allen and Alex Dunn of Trinity Partners in Morrisville represented Heritage Properties in the lease negotiations at One Glenwood. Jason High and John Daly of CBRE-Raleigh represented WeWork.

The new WeWork space at One Glenwood, Wacenske says, will be able to accommodate about 1,380 members and will offer a variety of workspace options for single entrepreneurs and up. WeWork claims that its fastest-growing member segment is for companies with 15 desks or more. Membership includes 24-7 access to the furnished office spaces, conference rooms, printing services, community bar and other amenities, as well as access to any of WeWork's other locations around the world.

Membership pricing varies across the country depending on the market and the building. Pricing for the future new Raleigh office has not been finalized, but in Nashville, WeWork in the fall will be opening spaces that start at \$300 per month for a "hot desk" for mobile workers, \$400 per month for a dedicated desk space and \$500 per month for a private office.

WeWork is the latest co-working operator in Raleigh, of which there are now several.

Industrious, headquartered in Brooklyn, New York, recently expanded its space at Charter Square adding another 12,000 square feet for a total 22,000 square feet in the 11-story office building on Fayetteville Street.

Regus, one of the oldest and largest operators of short-term office suite providers, will be introducing locally its newest concept, Spaces, on two floors of the 18-story The Dillon.

Local co-working groups already in operation for several years include Durham-based American Underground, which from its beginning has focused on entrepreneurs and startup companies. American Underground in January launched a new concept plan called Gridworks Durham that will provide co-working spaces targeting the freelance and small business community in the downtown Kress Building on Main Street.

HQ Raleigh – one of downtown Raleigh's first entrepreneurial co-working groups – has also been expanding into new spaces in downtown Raleigh.

Smaller operators, like Nest Raleigh and Loading Dock Raleigh, have also found a niche for local entrepreneurs, freelancers and remote workers in nontraditional office spaces in the region.

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