

Markets

Deals

Industrious Expands in Europe, Asia With Two Deals as Employers Back Flex Work

- Flexible workspace provider buys Great Room, Welkin & Meraki
- Firm's customers include Spotify, Cisco Systems and Salesforce



The Great Room - One Taikoo Place drawing room *Source: The Great Room*

By Gillian Tan

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Industrious, a provider of flexible workspaces that's backed by CBRE Group Inc., acquired Great Room Offices and Welkin & Meraki to expand its footprint in Asia and Europe.

Industrious paid roughly \$100 million in cash and stock for the two companies, a person with knowledge of the matter said. The transactions add almost 1 million square feet to the firm's portfolio, which now encompasses more than 5 million square feet.

“There’s a new way of working across the world, and that’s given us the confidence to hit the gas on international expansion” Jamie Hodari, co-founder and chief executive officer of New York-based Industrious, said in an interview. Its customers include Spotify Technology SA, Cisco Systems Inc. and Salesforce Inc., among others.

While rivals struggled during the pandemic, Industrious continued to grow, adding roughly 800,000 square feet in 2020 and 1.5 million last year.

Great Room has operations in Singapore, Bangkok and Hong Kong, while Welkin & Meraki has locations in Paris, Brussels and the Netherlands. Hodari, who described Industrious’s U.S. footprint as “robust,” said the company plans to double its international presence, possibly entering cities including Berlin, Munich, Amsterdam, Dublin, Tokyo, Shanghai and Beijing.

“We are at the crossroads of a fundamental paradigm shift in how and where people work, a key element of which is the evolution of how companies think about the workplace,” Great Room CEO Jaelle Ang said in a statement.



Industrious Ybor City Source: Industrious

Industrious's revenue run rate is about \$250 million, a person with knowledge of the matter said. Revenue rose 37% in the three months ended Dec. 31, compared with the preceding quarter, Hodari said. Larger rival WeWork Inc. posted a 9% revenue increase in the same span.

The co-working sector is consolidating. Toronto-based Hudson's Bay, which operates SaksWorks, recently invested in Convene, while WeWork agreed to buy Dallas-based Common Desk earlier this year.

Industrious's plans for an eventual initial public offering are unclear.

"We don't need capital," Hodari said, "but if timing is right and capital markets are receptive, we'll consider our options."

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[CBRE Acquires 35% Stake in Flexible Workspace Firm Industrious](#)

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