

Expanding into Africa, it's full steam ahead for The Business Exchange

With community and collaboration the key drivers of the co-working revolution, disruption in the traditional office space market seems all but inevitable as more and more companies look to take advantage of the many benefits of a shared work space. David Seinker, founder and CEO of The Business Exchange, recognised this wave of change heading straight to South African shores and has been riding on its success ever since. While still struggling to keep up with demand in Joburg, this year he's planning to expand the business into the rest of Africa, with Mauritius first on his list.

 By Cindy Peters 2 May 2019



David Seinker, founder and CEO, The Business Exchange

We caught up with Seinker to find out more about the co-working revolution, its impact on the traditional real estate market, what's unique about The Business Exchange offering, and the potential he sees for business in Africa.

■ *Could you give us some insight into your background, particularly your history in the real estate sector?*

I began my career working in a property company which was focused on the rejuvenation of the inner city of Joburg. I was there at the beginning and we grew to a team of over 200, who all reported in to me. I learnt my property skills during these years, while figuring out the best management practices and tools. We ended up owning and managing a portfolio of assets of close to R1bn.

■ *Many long-term property players have been holding fast to traditional ways of doing business in the property sector - whether it be in terms of proptech or new business models. What swayed you towards embracing emerging trends?*

Co-working is the way of the future for both small businesses and big corporate companies. Only 4% of the global market is currently using co-working spaces and it's predicted that by 2030 this will reach 30%, eventually growing to 50%. In 2013 I noticed that demand was starting to increase for this flexible and 'plug in and play' new way of working. It was then that I realised that I had to take this industry seriously. So,

together with my strategic partners Raizcorp, I started planning a move into the co-working sector.



RETAIL & HOSPITALITY PROPERTY

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▄ ***What are the primary drivers of the co-working space revolution?***

There are many, but cost saving, collaboration, community and flexibility rank among the most important. Small businesses and corporates now want flexibility in their rental agreements. They don't want to be tied into long leases which carry big capex costs and they don't want to worry about typical property costs like rates, electricity and toilet paper. Tenants want to focus on their own businesses while allowing the operator to run the office space.

▄ ***Will there still be space for traditional real estate business models in the future - particularly terms of office space?***

It's a difficult question to answer as we cannot speculate too much, however I believe that there will be disruption across all real estate asset classes. If you look at the residential space, a new concept called co living is now emerging and it's gaining momentum. This is going to bring more flexibility and affordability to the residential and hotel sectors and I'm excited to see how this takes shape in the coming years.

▄ ***There are many other co-working space offerings springing up - what makes The Business Exchange unique?***

The Business Exchange is a serious and sophisticated company. Our interior design is cutting-edge and upmarket. We exhibit the art of highly successful artists such as Conrad Botes, William Kentridge and Willem Boshoff as well as other artists from all over the world in our spaces. We work hard to promote our members every month on the Big Small Business Show, which is aired on TV. If you want to meet big successful business people, TBE is for you.

▄ ***From your experience, what sort of growth is the co-working space sector experiencing at the moment?***

Upwards of 25% per year. It's still a growing industry but it's also becoming more competitive so it is important to be the leader in your niche.



MANAGEMENT & LEADERSHIP

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▄ ***You're expanding The Business Exchange in Mauritius this month - what are some of the draw cards in this market?***

Mauritius made a lot of sense for us given our African expansion plans. It allows us to have a base and launch pad into the rest of the African market. The same goes for others doing business in the continent as this allows TBE to be their base for their headquarters.

▄ ***Where else on the continent have you set your sights in the short and long term?***

We are looking to open in West and East Africa. I've made a few trips to Kenya, Ghana and Zimbabwe and we will be opening in these locations in the medium-term. We have also begun negotiating sites in Durban, Pretoria and Cape Town.

▣ ***What sort of potential do you see for growth in Africa?***

The African market needs something different in the co-working space. There are business centres available but there are no networking opportunities for entrepreneurs. As we open in new locations across the continent, we will provide a platform for our members to engage with one another and meet people who are serious about business and their growth. We will provide them with access to networks and as well as new markets.



INTERIOR DESIGN

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▣ ***It's been almost 20 years since the term "Africa Rising" was coined. Do you believe this sentiment still rings true - is investor sentiment still generally positive in terms of doing business on the continent?***

Yes, sentiment is still mostly positive but it tends to ebb and flow. Countries like Ghana offer more stability and the new government seems to have its people at the forefront of its decision-making, yet others like Nigeria may offer less investor confidence at the moment.

We are fortunate to be in business with our strategic funding partners Raizcorp, the largest business incubator on the continent. They have a presence throughout Africa and we feel a lot safer going into new territories with them by our side. We have successfully leveraged their network in SA to grow The Business Exchange to where it is today, and we will aim to do so in the rest of Africa.

We are moving full steam ahead.

ABOUT SINDY PETERS

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