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Office Depot Coworking Hubs Open in Illinois, Texas, Engaging Rivals

Retailer to Expand Beyond Office Products



Office Depot is offering private offices and other business services at three stores nationwide. Photo: CoStar

Office Depot's new coworking hubs are opening at retail stores in Illinois and Texas as the retailer extends its national reach in the increasingly crowded market of shared office space, raising the question of how many instant offices are needed in America.

The stores in the small town of Lake Zurich, Illinois, and in the corporate headquarters haven of Irving, Texas, will offer private offices and conference rooms as well as desks for “daily drop-ins,” the Boca Raton, Florida-based office supply giant said in a statement. The company opened its first coworking space last year in a store in Los Gatos, California, at [15166 Los Gatos Blvd.](#)

Some critics, including real estate mogul Sam Zell, have said coworking is a fad that could suffer during an economic downturn.

But Barry Wolfe, senior managing director for the Marcus & Millichap brokerage in Fort Lauderdale, Florida, said shared space has a bright future – especially during a recession when small businesses need to save money on real estate.

“The concept absolutely has legs,” Wolfe said in an interview. “I don’t know too many people who work from home five days a week. They still want to have some place to go.”

That search for somewhere to go is drawing more companies into the business of selling short-term office space alongside office supplies such as staplers and printer paper.

Traditional coworking companies rent and build out space in office buildings and then sublease that space to tenants. Firms such as WeWork and Spaces are expanding rapidly across the country and globe, while Office Depot rival Staples of Framingham, Massachusetts, entered the business of shared office space three years ago.

CBRE Group brokerage announced in February it was opening a flexible workspace location called Hana in mid-2019 at PwC Tower at Park District in Dallas. The second Hana location will open in Irvine, California. Customers also can access mailing, shipping and other business services, as well as technical support.



Office Depot started offering coworking space last year in Los Gatos, California.

Photo: Office Depot

The initiative is part of the company's transformation from a traditional office products retailer to a broader business services firm, Kevin Moffitt, an Office Depot executive vice president, said in the statement.

"Office Depot remains dedicated to providing small- to medium-sized business customers with the products and services they need to run and grow their businesses from affordable private and

shared workspaces to office and technology supplies to on-site IT support,” he said.

The Lake Zurich store is at the Village Square Shopping Center, [751 W. Route 22](#). Lake Zurich is a small town in the outlying northwest suburbs of Chicago. The Irving store is at Irving Plaza, [930-1000 W. Airport Fwy.](#), in an area that's home to at least a half dozen corporate headquarters of large companies.

Office Depot, with annual sales of about \$11 billion, has more than 1,300 stores worldwide. Officials have not said how many other coworking hubs may open.
