Year 1: a coworking space at 90% occupancy

A sample budget with round numbers.

	Year 1	% of revenue
Revenue	$1,000,000	100%
Rent	($450,000)	45%
Operating expenses Staff, marketing, cleaning, internet, supplies and everything else	($350,000)	35%
Net operating income	**$200,000**	**20%**

Every year after this, rent goes up 3% and operating expenses go up 5%. Occupancy stays at 90%.

Everything COWORKING

Ten years without a rate increase

Member rates stay the same. Rent goes up 3% a year and operating expenses go up 5% a year.

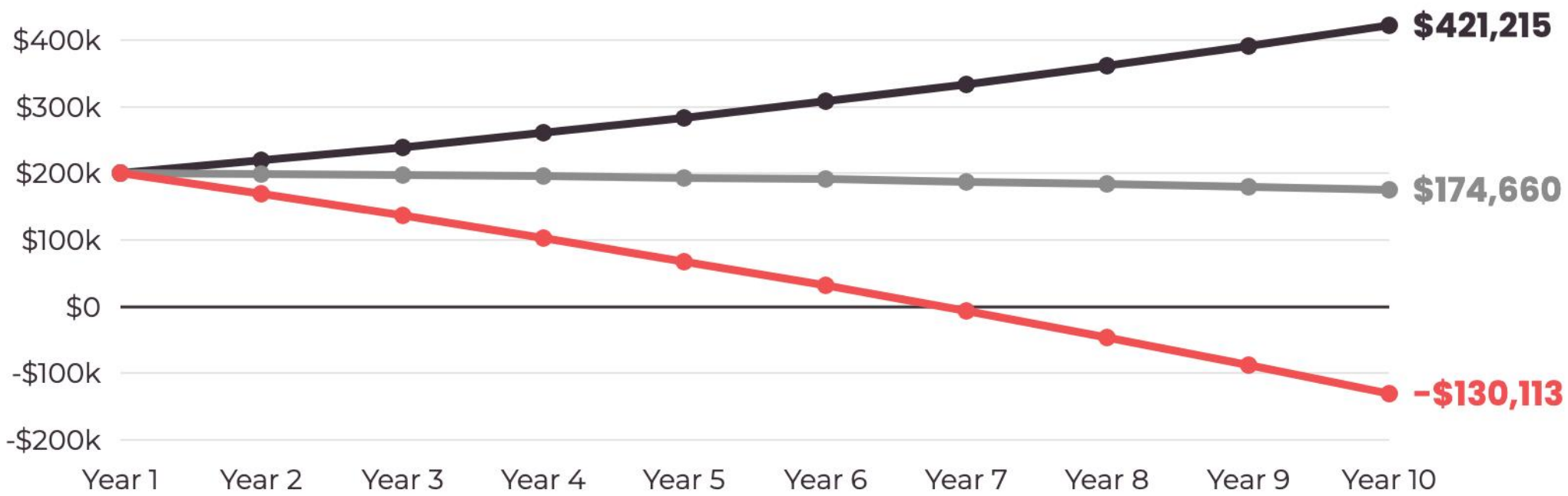
	Year 1	Year 10
Revenue	$1,000,000	$1,000,000
Rent	($450,000)	($587,148)
Operating expenses	($350,000)	($542,965)
Net operating income	**$200,000** **20% margin**	**-$130,113** **-13% margin**

The space starts losing money in Year 7.

Everything COWORKING

Net operating income over 10 years

Same space, same 90% occupancy, same expense increases. The only difference is the member rate increase.



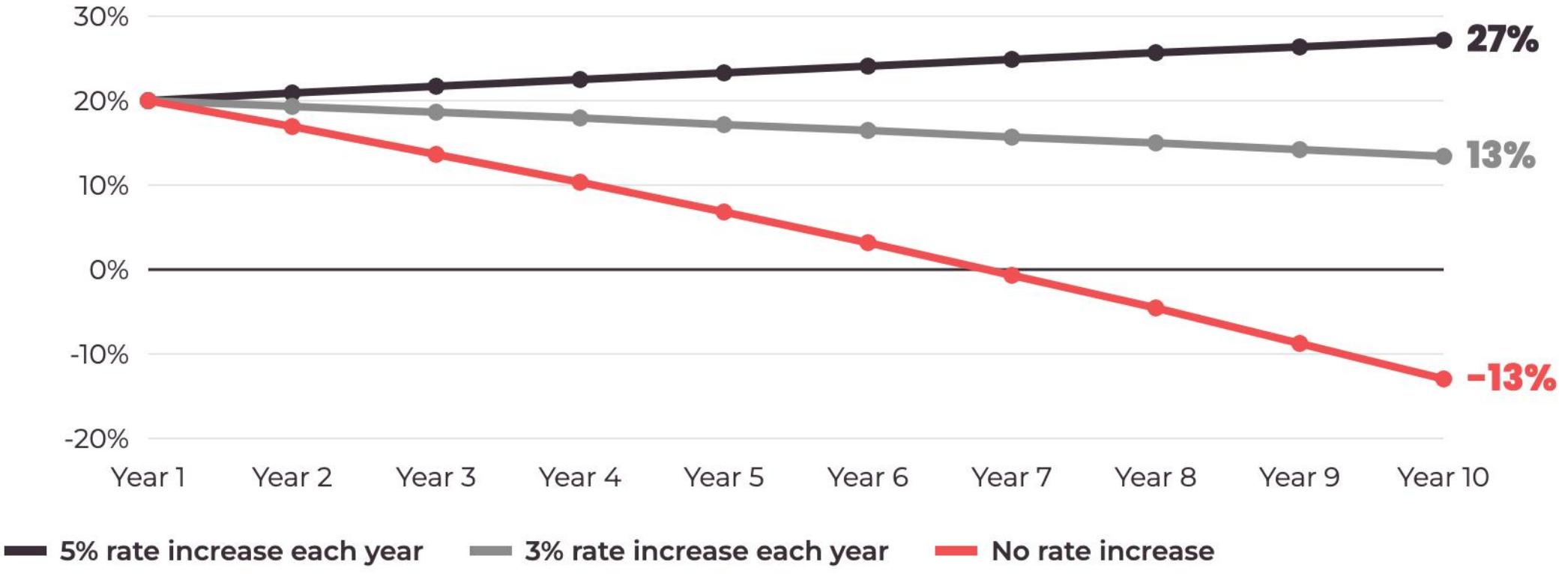
Total net operating income over 10 years

- 5% rate increase each year: **$3,016,884**
- 3% rate increase each year: **$1,902,871**
- No rate increase: **$438,992**

Everything COWORKING

Net operating income margin over 10 years

Same space, same 90% occupancy, same expense increases. The only difference is the member rate increase.



Everything COWORKING