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## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

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## **Premier Workspaces Capitalizes on Industry Distress, Plans to Add 100 Shared Workspace Locations**

While many flex office space operators struggle and abandon their lease commitments, Premier Workspaces plans to acquire 100 new distressed coworking offices.

**IRVINE, CA** – The pandemic has shaken up the coworking/flexible office space industry with struggling and [bankrupt](#)<sup>1</sup> coworking operators dominating the headlines. Many coworking [operators closed](#)<sup>2</sup> their doors, leaving office building owners with empty and vacant floors previously occupied by these coworking companies. [Premier Workspaces](#) (formerly Premier Business Centers) has positioned itself to offer such office building owners solutions. With the backing of its multi-billion dollar real estate holding company investor (The Bascom Group, LLC), Premier is moving forward with plans to grow by taking over these distressed locations and adding more than 100 new locations over the next few years.

Premier, one of the largest privately held coworking/executive suite operators in the US, started with the bankruptcy sale acquisition of American Office Centers. nearly 20 years ago. Premier has since owned or operated a total of 132 shared workspace locations and more than two million square feet of space. Over these two decades, Premier has never had an unprofitable year, nor defaulted on a lease, making Premier a trusted option for landlords. Premier's impressive, yet responsible growth, comes from operating coworking

spaces with a healthy mixture of master leases, subleases, and management/partnership agreements. This strategic growth comes not only from new buildouts, but also from the managing and repositioning of distressed locations.

As a pioneer in the management agreement model, Premier signed its first management contract to operate a coworking space nearly 20 years ago and has continued to grow the management portion of its portfolio. In 2020, Premier added five new managed shared office spaces. These managed locations also include a coworking space within a luxury apartment community – the latest amenity trend in rental housing.

Jeff Reinstein, Premier’s Chief Executive Officer, says he is convinced that businesses will not only still need office space, but also seek the flexibility and convenience of full-service office solutions like Premier Workspaces offers. With news of large national and global companies going through [restructuring](#)<sup>3</sup>, having to [right-size their footprints](#)<sup>4</sup> or in extreme cases, filing for [bankruptcy](#)<sup>5</sup>, Reinstein thinks the industry is ripe for consolidation. “Over the past nearly 20 years, Premier Workspaces has taken over and repositioned 74 distressed or bankrupt shared workspace locations. There is no company in our industry that has the same track record or depth of experience as Premier Workspaces in taking over and repositioning failed shared workspace locations.”



“We are getting calls from landlords daily,” stated Michael Pollack, Vice President, Director of Real Estate at Premier. “Landlords are inquiring about possible partnerships to take-over spaces where coworking operators are not paying rent or simply notified them that they are leaving. We are able to sign short-term management agreements to stabilize the center and then convert it to a long-term master lease, unless the landlord prefers a long-term management deal.”

The Orange County-born coworking company expects to take-over, partner with, or start up 100 coworking spaces nationwide totaling another estimated two million square feet of space. “Bascom is committed to supporting Premier Workspaces’ upcoming growth,” said Jerry Fink, Managing Partner at Bascom Group, LLC. Bascom Group’s



commitment of financial support certainly adds credibility to the announcement. David Kim, Managing Partner at Bascom Group added “We are excited about the opportunity in the coworking space today and our turnaround experience is a natural fit with the distress in the industry.”

An example of the win-win nature of such transactions is one of the many management deals done by Premier with a large, institutional office building owner such as the Irvine Company. In this example, after another [operator defaulted](#)<sup>6</sup>, Premier Workspaces quickly assumed management of over 200,000 square feet of space across the six Irvine Company properties in Southern California. Premier was able to retain nearly all of the existing clients, dramatically reduce recurring operational expenses, and increase revenue through a more diverse product offering and favorable client negotiations. Finally, and most importantly to the building owner, Premier Workspaces converted all six locations to master leases prior to the one-year mark.

“We offer landlords our unparalleled experience as well as internal infrastructure that allows us to better understand and fulfill the opportunity of each location.” said Amy Fuller, the Company’s SVP of Sales & Marketing.



Premier’s shared workspaces were fortuitously designed with an almost exclusive focus on individual, private offices, which has become highly desired in this Covid-19 environment. This allowed the company to retain almost all of its client base during the pandemic. The swift implementation of additional COVID-19 protocols allowed the company to attract a new client base while competitors repositioned their centers by

dividing large team rooms or shared coworking areas. As a result, Premier has seen a consistent increase in activity in recent months. Much of this activity is driven by corporate clients seeking remote or spoke locations in the communities where their employees live. They also appreciate the added flexibility of short-term agreements as they incorporate coworking into their real estate strategy to attract and retain talent.

Before as Premier Business Centers and now as Premier Workspaces, Premier has been a trusted, industry leader with nearly 20 years of management knowledge and experience both clients and landlords can count on.

### **About Premier Workspaces:**

Premier Workspaces (<http://www.premierworkspaces.com>) operates one of the largest privately owned executive suite, coworking and shared workspace companies in the United States with locations in Arizona, California, Colorado, Florida, Hawaii, Illinois, Nevada, New Jersey, New York, North Carolina, Ohio, Texas, Washington, and the District of Columbia. Since 2002, Premier Workspaces has owned or operated 132 locations comprised of 2 million square feet of commercial office space.

LinkedIn: <https://www.linkedin.com/company/premier-workspaces/>

Twitter: [@PWSpaces](#)

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**About Bascom:** The Bascom Group, LLC (<http://www.bascomgroup.com>) is a private equity firm specializing in value-added multifamily, commercial, and non-performing loans and real estate related investments and operating companies. Bascom sources value-added and distressed properties including many through foreclosure, bankruptcy, or short sales and repositions them by adding extensive capital improvements, improving revenue, and reducing expenses by realizing operational efficiencies through implementation of institutional-quality property management. Bascom, founded by principals Jerry Fink, David Kim, and Derek Chen, is one of the most active and seasoned buyers and operators of apartment communities in the U.S. Since 1996, Bascom has completed over \$17.0 billion in multifamily and commercial value-added transactions

including more than 330 multifamily properties containing over 85,000 units. Bascom has ranked among the top 50 multifamily owners in the U.S. Bascom's subsidiaries and joint ventures include the Southern California Industrial Fund, Rushmore Properties, Bascom Portfolio Advisors, Shubin Nadal Associates, Spirit Bascom Ventures, REDA Bascom Ventures, MHF RM Holdings, Bascom Northwest Ventures, Bascom Arizona Ventures, Harbor Associates, Village Venture Partners, Bascom Milestone Ventures, and the Realm Group.

<sup>1</sup> Regus Co-Working Company Files More Bankruptcies But Suffern Location Still Operating  
(<https://rbcjournal.com/2020/09/17/regus-co-working-company-files-more-bankruptcies-but-suffer-location-still-operating/>)

<sup>2</sup> Coworking Provider MakeOffices Is Closing Down  
(<https://www.bisnow.com/washington-dc/news/coworking/dc-coworking-provider-makeoffices-closing-down-107355>)

<sup>3</sup> WeWork Forerunner IWG/Regus Restructures its Business, Unleashing Mayhem on Landlords and Investors  
(<https://wolfstreet.com/2020/10/29/wework-forerunner-iwg-regus-restructures-its-business-unleashing-mayhem-on-landlords-and-investors/>)

<sup>4</sup> Coworking CEO Says Business Model 'Never Made Sense,' Closes All Locations  
(<https://www.bisnow.com/national/news/coworking/breather-closes-400-locations-lays-off-employees-online-only-107142>)

<sup>5</sup> Knotel Files for Bankruptcy as Pandemic Strains Office Rentals  
(<https://www.bloomberg.com/news/articles/2021-02-01/kotel-files-for-bankruptcy-as-pandemic-strains-office-rentals>)

<sup>6</sup> Irvine Co. tells 450 small businesses not pay rent to ROC after terminating lease  
(<https://www.ocregister.com/2017/08/31/irvine-co-terminates-lease-with-roc-offices-shared-by-some-450-small-businesses-in-newport-beach-irvine/>)

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