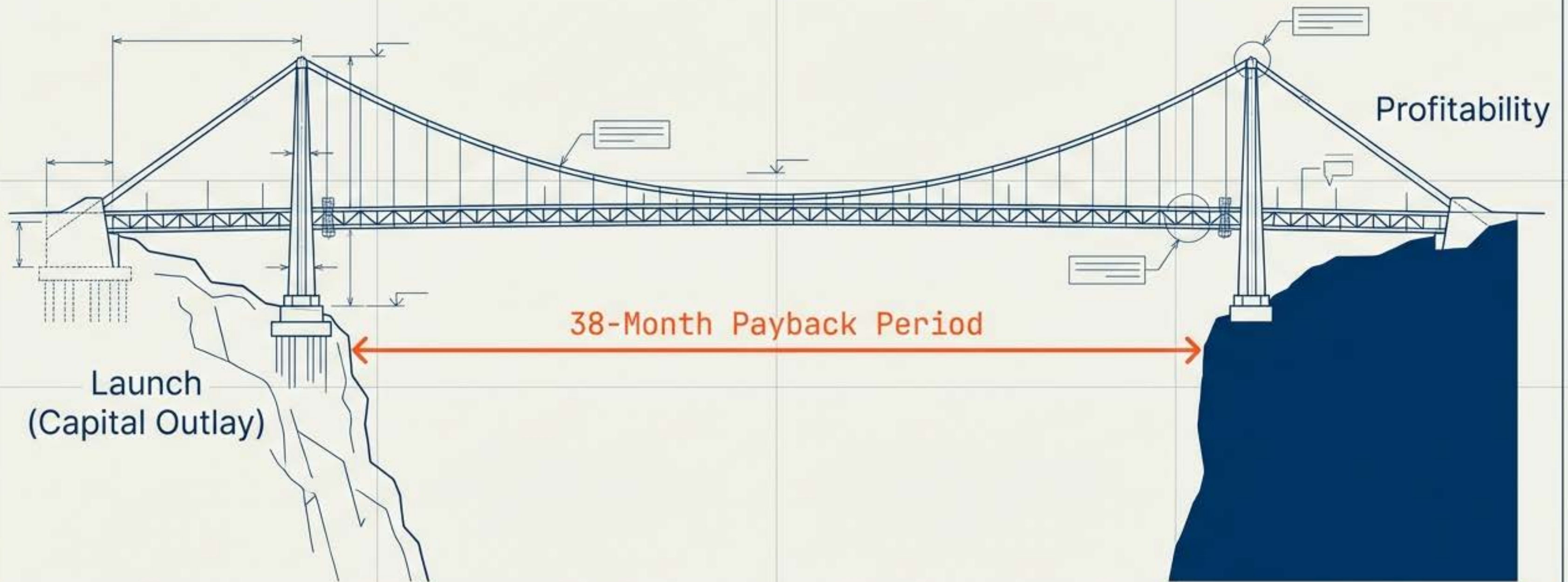


Coworking Space Financial Launch Strategy: From Capital Outlay to Cash Flow Positive

A strictly quantitative roadmap to the September 2026 Breakeven Point.



The Capital Requirement: \$690,000 to Reach Sustainability

\$690,000

=



Key Insight

This figure is not just startup costs; it is the total liquidity required to survive until the September 2026 breakeven date.



Cash Low Point:

\$1,000

(August 2026)



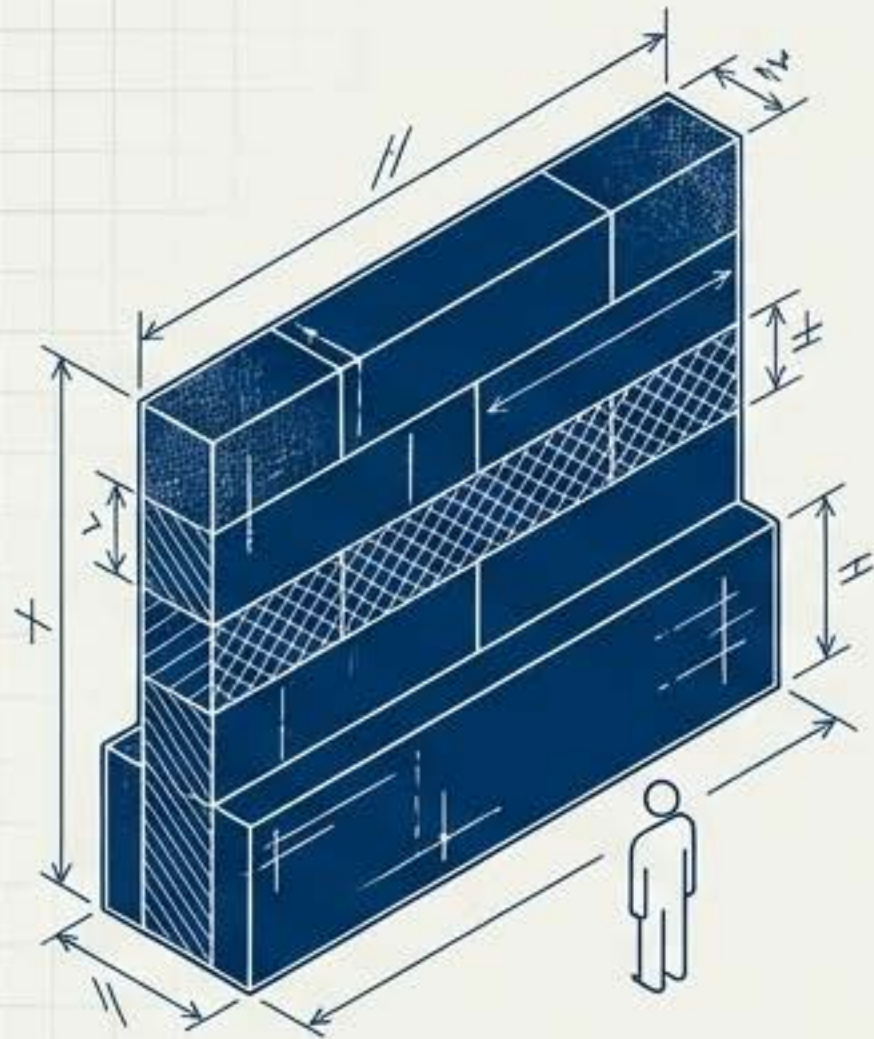
Cumulative Deficit:

\$109,000



Deficit indicates that cash flow is negative, meaning the business is spending more than it is earning.

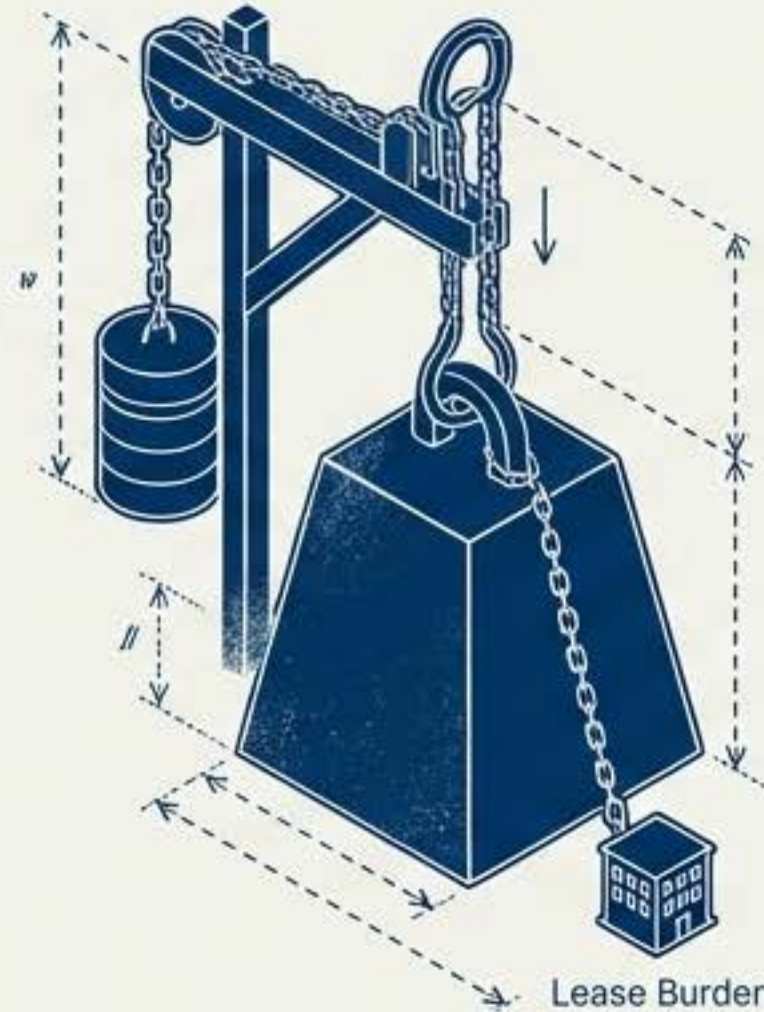
The Two Primary Barriers to Entry



\$300,000
Upfront
CAPEX

Interior Build-out Costs

Risk: **High hurdle rate** for payback; requires **strong pre-sales velocity**.



\$25,000
Monthly
Fixed Lease

The Operational Floor

Metric: At \$500/desk revenue, **50 desks must be occupied solely** to pay the rent.



Takeaway: Managing **occupancy** against the **fixed lease** is the single most **critical success indicator**.



Cost Center 1: The Physical Shell (\$300k)



Strict Cost Cap

The Iron Rule

If construction + design + permits exceed **\$60 per square foot**, scope must be cut immediately.

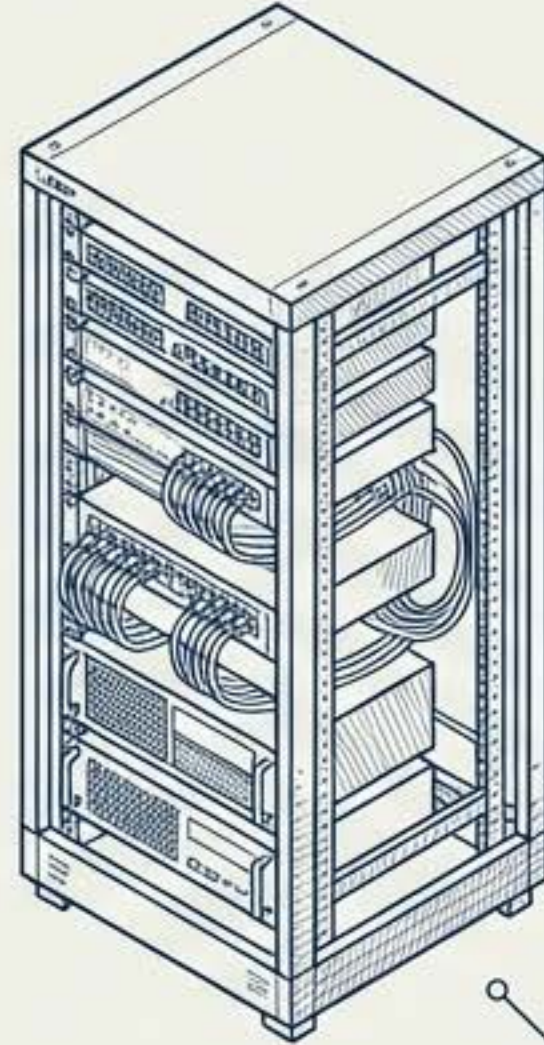
Control Tactics

- # **Standardisation:** Use standard finishes; avoid custom millwork.
- # **Systems:** Avoid moving major plumbing/HVAC.
- # **Validation:** Require 3 contractor quotes and 2 design proposals.

⚠ Construction overruns eat directly into the \$35,000/month operating deficit coverage.



Cost Center 2: Infrastructure & Assets (\$230k)



Furniture: \$150,000
(Desks, seating, storage)

IT Backbone: \$80,000
(Network, security, hardware)

\$230,000

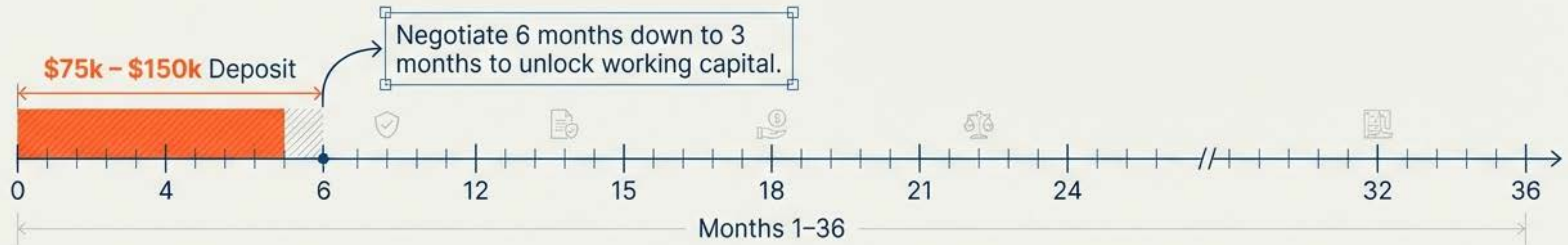
Furniture Strategy: Prioritise durability over premium brands. Source refurbished seating to save capital.

IT Reality: Plan for a 4-5 year refresh cycle for networking components.

Risk: Network downtime kills member trust fast; do not skimp on redundancy.

Cost Centers 3 & 6: Securing Possession & Compliance

The Cash Lock-Up



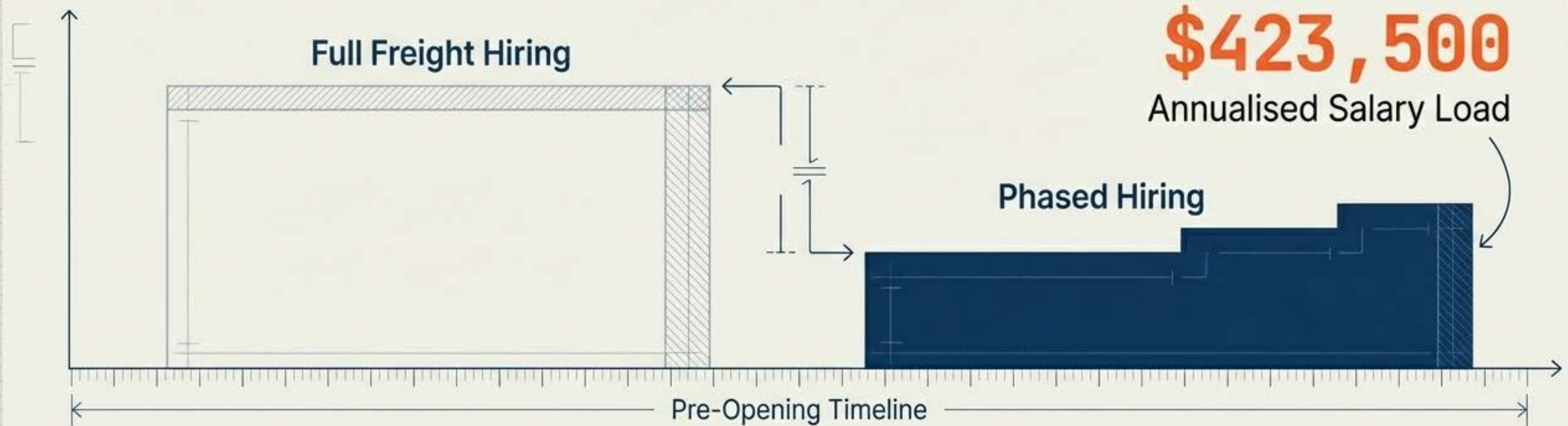
The Cash Trap

- **Requirement:** Upfront deposit equal to 3–6 months of rent.
- **Target:** Free up **\$75k** by reducing deposit terms.

The Compliance Burden

- **Insurance:** Fixed cost of \$1,500/month.
- **Legal:** Bundle lease review for flat fees.
- **Constraint:** Review must not exceed **30 days** or build-out is delayed.

Cost Center 4: The Human Capital Burn Rate



- Metric:** 45 FTEs at full capacity.
- Phase Hires:** Structure early hires with lower base salaries + performance bonuses.

- Timing:** Delay Community Manager hires until 60 days pre-launch.
- Risk:** This is a non-negotiable cost that must be fully funded by working capital pre-revenue.

Cost Center 5: Buying the Revenue Engine



Optimization Tactics List

- Focus first 90 days solely on proving the \$350 CAC model.
- Prioritise hyper-local partnerships over broad digital ads.

Metric Alert: If onboarding takes **14+ days**, churn risk rises significantly, wasting the acquisition spend.

Cost Center 7: The Survival Buffer (9 Months)

The Math

$$\begin{aligned} & \$35,000 \\ & \text{Monthly Fixed Costs} \\ & \times \\ & 9 \text{ Months} \\ \hline = & \$315,000 \\ & \text{Gross Requirement} \end{aligned}$$

Treat this \$315k buffer as **sacred**. It covers the deficit until revenue catches up.

The Cash Valley

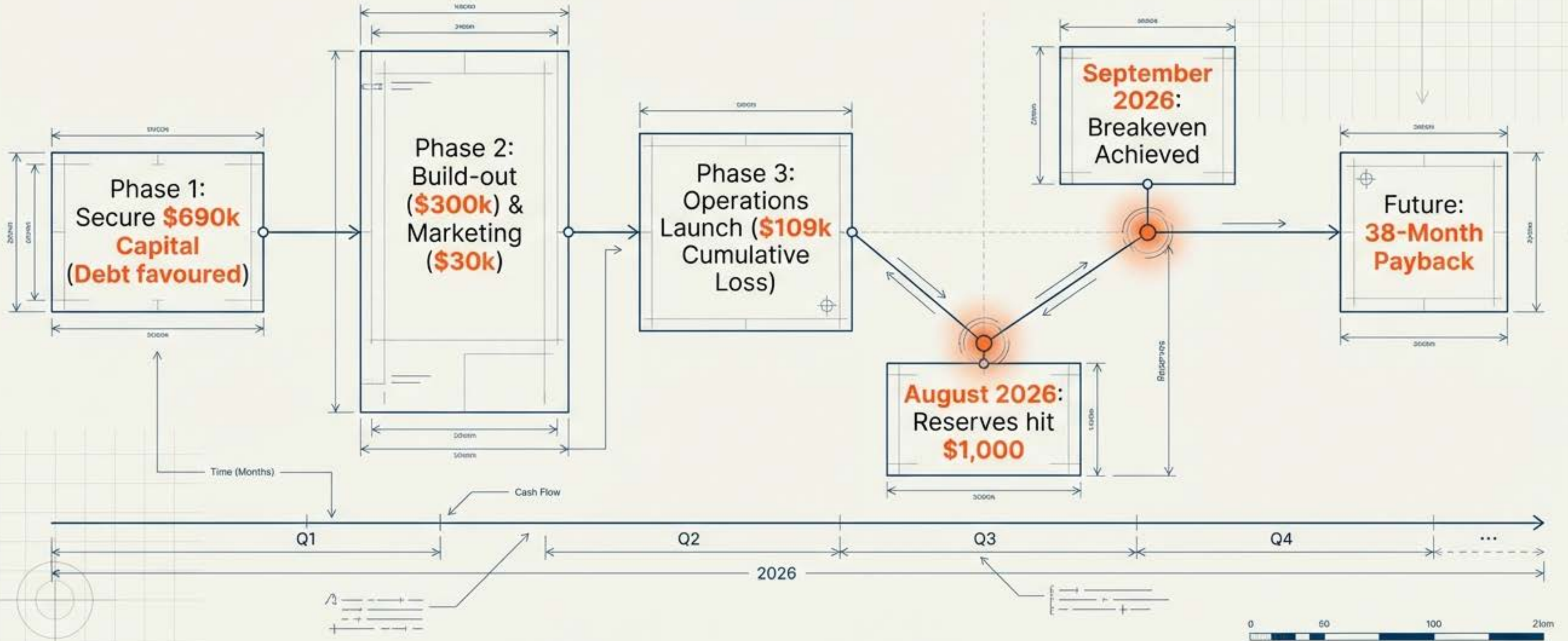


Funding Strategy: The Case for Debt Over Equity (Bold)

Return on Equity (ROE)	Internal Rate of Return (IRR)
419%	3%
Existing equity holders capture massive returns. Keep the equity; use debt.	Project yield is too low for Venture Capital. Do not dilute for such low project-level returns.

Favor short-term debt instruments. The business generates cash flow to service debt, but not enough “moonshot” growth for VC.

The Path to Profitability: 2026 Timeline



The First Founder's Go/No-Go Checklist

Do not sign the lease until these conditions are met:

