

Digital Nomadism

An attempt at sizing this emerging market

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Curiosity is Keys est le véhicule de R&D de Keys AM, dédié à l'exploration des modes de vie immobiliers futurs.

By all accounts, the world of work is changing dramatically and it is definitely an issue worth reflecting on if we want to understand what is really going on. So what does the future of work look like? And is digital nomadism a viable model for this future?



[Outsite Davos Klosters](#)

New habits, expectations and ways of working are transforming the office market. The way we work and live has changed with information and communication technologies now enabling the emergence of new digital hyper-mobile lifestyles. "Work is losing its spatial fixity," says expert [Beverly Yuen Thompson](#). Whether we like it or not, we are experiencing a huge paradigm shift and conventional working models are growing obsolete.

Definitions

Digital nomadism is obviously going mainstream. Physical boundaries are falling apart. And as long as you can connect to the Internet, location doesn't really matter anymore. We have entered into the anytime/anywhere working era!

Digital nomads are **remote workers** often employed in tech fields such as web design, programming, or online marketing. They take advantage of their remote employment to travel the world; in contrast with those **working from home**. According to Yuen Thompson, for **telecommuters** working from home is a way to cut down costs -transportation-related costs particularly -, to avoid office-based distractions, and provide childcare-friendly scheduling.

Digital nomads are **location-independent workers**, a broader group of professionals, who does not necessarily travel but use online resources and digital tools to work from wherever they choose to. Digital nomadism is actually a catch-all term that conceals within itself a variety of situations or statuses. To make it simple, we could say that digital nomads are often: **freelancers** who provide online/remote services to their clients; **entrepreneurs** who manage their teams using online tools, and **employees who work remotely** — including from their home — for a more traditional company.

Given this diversity of backgrounds, remote working remains, however, difficult to measure as most surveys are confronting home office with office workplace while a lot of other options exist.

What are the advantages and disadvantages of being a digital nomad/remote worker?

Benefits

If you are self-employed, you are able to work from anywhere and travel the world. There is no set schedule and you can choose your own hours. When it comes to job performance and work attitude, studies report higher organizational commitment, job satisfaction, and job-related well-being. Professors Alan Felstead and Golo Henseke have shown that *“remote workers also display more positive attitudes towards the employing organization. Seven out of ten (70.5%) remote workers, for example, agreed or strongly agreed that they would not move to another organization for higher pay compared to around six out of ten (62.5%) conventionally sited workers”*.

Disadvantages

Of course, it would be misleading to consider that being a digital nomad is all sunshine and rainbows. Digital nomads tend to work a lot of hours and have to face top challenges: they are more worried about job problems, need to be at all times motivated and self-disciplined, and they may have trouble disconnecting from work, which can be negative for work-life balance (Felstead and Henseke). Moreover, they often experience loneliness and consequently strive to create work environments where they can connect with others, whether it is for actual working collaboration or networking purposes. Hence the spread of live/work/play integrated solutions such as Outsite, Roam or Norn.

Startups

Emerging companies have started addressing this population segment. They're called Sonder, Selina, Outsite, and they all share a few commonalities:

- They offer a mix of private and shared spaces
- They promote flexibly, connected, user-friendly, hassle-free, frustration-free living
- They're very service-oriented, with high-quality amenities
- And they develop a sense of community to help digital nomads fight loneliness

Sonder is a “short term apartment rental start-up”. **Sonder** aims at offering the “service of a great hotel combined with the warmth and comfort of a space like a home”.

“We’ve designed and outfitted every Sonder space for living, not just staying. A room that’s more than a room. Comfortable beds, nice linens, soft towels, and well-chosen amenities and essentials. We also made the service really simple. If there’s anything you need, just text us, 24 hours a day.”

With a top-notch design and smooth user experience, Sonder opened 8500 rentable spaces in 20 cities, and closed a 210 M\$ funding round in July 2019, bringing the firm to a total valuation of 1 B\$.

Selina is a hospitality network combining different types of accommodation to fit the needs of every traveler. The boutique hotel/co-living/hostel focuses on the exploration of exotic locations and outdoor activities. Offering a variety of options from the classic double private rooms to shared dorms and camping options, Selina relies on a strong selection of locations and proposes a large panel of experiences such as surfing, hiking, city tours, yoga classes, etc. Selina runs more than 50 locations across the world with a strong presence in Latin America.

Outsite describes itself as a co-living space for travelers, a home to live and work for flexible professionals. Residents can stay from 1 night to several months. Outsite offers a workspace, a private place to sleep, and access to a shared kitchen to all residents, along with a community manager and frequent cleaning. Everything is fully furnished and ready to use. Additionally, Outsite runs neighborhoods co-work cafés and hosts company retreats, helping to bring teams together with workshops or team building activities. The startup currently operates a network of 18 properties across 8 countries.



[Sonder](#)



[Selina](#)



[Outsite](#)

According to JLL Research, 55,1% of the co-living supply was delivered in 2018 alone and is expected to increase to 84 % by 2021.

Size matters

When it comes to assessing market opportunities, size does matter! So how deep is this new market? Does it really offer good long-term growth opportunities? What is certain is that the number of independent workers is constantly increasing worldwide.

In this fast-growing job sector, the US appears to be one step ahead of other countries. The global freelancing platform [Upwork predicts that](#) “freelancers will represent more than half of all U.S. workers by 2027”, an estimate corroborated by the US investment bank Morgan Stanley’s analysts, who say that “within ten years, freelance workers may represent more than

50% of the U.S. working population.”

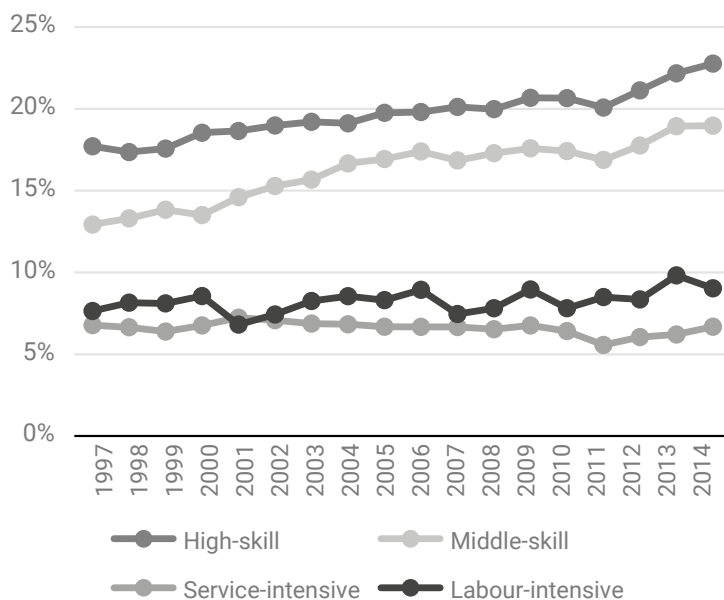
A survey published by Gallup in 2017 showed that over the period 2012–2016 (a) the share of US employees working remotely increased, and (b) those workers were spending more and more time working remotely: “in 2012, 24% of employees were spending 80% or more of their time working remotely. In 2016, 31% were found to be doing the same.”

So is location-independent work part of the future? According to [Alan Felstead and Golo Henseke](#), yes! Their study, which assesses the growth of remote working, points to an unquestionable trend upwards for location-independent workers.

This growth is increasingly noticeable in Europe as well, where the active population working at home, on clients’ premises, on sites outside the factory/office or in vehicles on a daily basis increased from 1/5 in 2010 to 3/10 in 2015 ([Felstead & Henseke, 2017](#)).

The UK, who’s paid particular attention to this phenomenon, has noticed a steady growth in its number of paid workers who were used to work remotely. Whether it is sometimes, or most of the time, the growth affects all sectors of the economy except factory-based work, and all generations from 20 to 59. And when taking a closer look at high-skill job (including management jobs), one finds that 23% of that population segment worked remotely one day a day or more in average in 2014.

Figure 2b



Spring quarter Labour Force Surveys, 1992–2015 and 1997–2014 in Alan Felstead

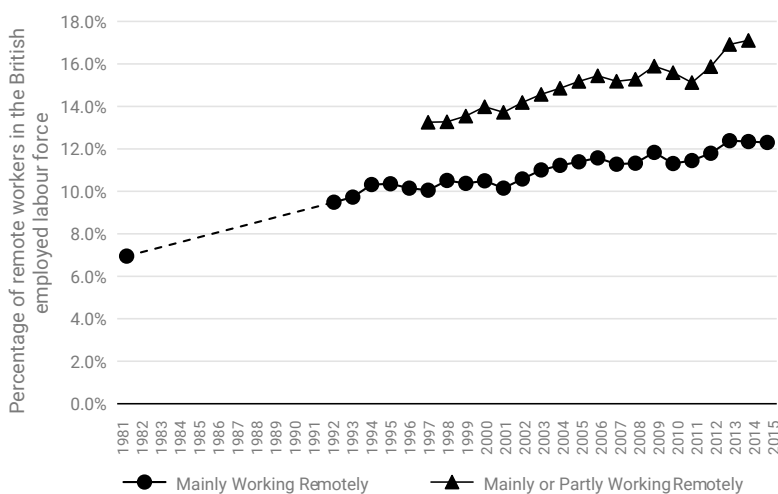


Figure 1: Trends in remote working, UK, 1981_2015: Labour Force Survey estimates
Note: Estimates taken from the spring quarter of each LFS and the annual LFS in the case of 1981. Results are weighed according to population estimates and the sample is those aged 20-59 who are in paid work in the UK. Source: spring quarter Labour Force Surveys, 1981-2015.

Spring quarter Labour Force Surveys, 1992–2015 and 1997–2014 in Alan Felstead

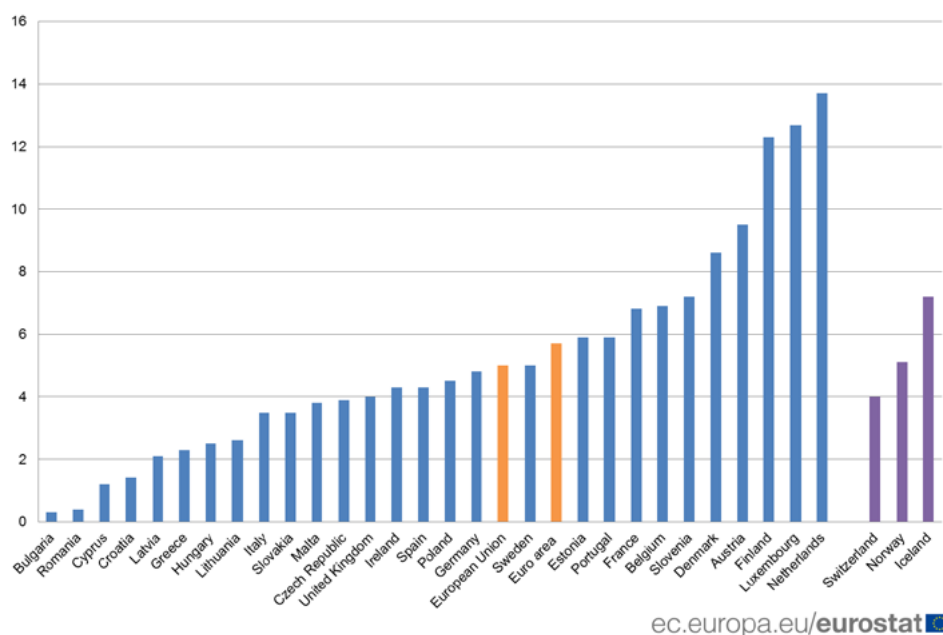
Besides, according to the Trades Union Congress:

1. "The number of employees who say they usually work from home has increased by nearly one-fifth (19%) over the past decade",
2. "The biggest growth in regular home working has been among women employees, with 35% (157,000) more working from home in 2015 than in 2005."
3. "Government research shows that another 4 million UK workers would like to work from home for at least some of their working week but are not given the chance."

The trend is less noticeable in the EU, yet unambiguously growing. Eurostat shows that:

1. "The frequency of working from home increases with age. Only 1.6% of 15-24 year-olds in the EU usually worked from home in 2017, rising to 4.7% of 25-49 year-olds and 6.4% of 50-64 year-olds. The highest proportion of 15-24 year-olds who regularly worked from home was recorded in Luxembourg (10.4%), way ahead of the next-closest Member State, the Netherlands (4.2%)."
2. "In 2017, a slightly higher proportion of women in the EU usually worked from home (5.3%) than men (4.7%). However, in a few Member States, the situation was the reverse, with more men usually working from home than women. This was noticeably the case in the Netherlands (14.7% of men, compared to 12.6% of women) and Denmark (9.5% compared to 7.6%)."

Employed persons aged 15-64 usually working from home in the EU, 2017
(% of total employment)



Eurostat

Owing to the remote work revolution, the job market worldwide is undergoing a major, long-term transformation. As all indicators are flashing green lights! The time seems ripe for investors and real estate suppliers to take full advantage of the many opportunities lying ahead, to meet this new demand for "a home away from home". And bear in mind that 25% of business trips last longer than 30 days ;-)