The Autorité de la concurrence identifies for the first time the provision of coworking spaces as a relevant market

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It clears the acquisition of joint control of Miniburo by the French Deposit and Consignment Office (hereafter CDC) and Nexity

On 10 August 2021, the French Deposit and Consignment Office (*Caisse des dépôts et consignations*) and Nexity notified the *Autorité de la concurrence* of their intent to acquire joint control of Miniburo, a company that will offer coworking spaces in the Île-de-France region.

The parties to the transaction

The French Deposit and Consignment Office is a public institution that carries out public interest missions in support of the public policies of the State and local public authorities. In the Miniburo project, it will be involved primarily through its management of the *Programme d'Investissement d'Avenir* (Investments for the Future Programme, hereinafter, "PIA"). This programme stems from the agreement of 10 May 2017 between the State and the CDC on the Investments for the Future Programme ("*Territoires d'innovation de grande ambition*" action).

Nexity is a French group, which is active in the property development and services sectors in France and Europe. Its involvement in Miniburo will be together with its subsidiary Morning, which offers coworking spaces in France.

The companies will share joint control of Miniburo.

New market identified: the provision of shared workspaces

The *Autorité* examined the effects of the transaction in the property sector, in particular in the market for the provision of shared work (coworking) spaces, which had not yet been assessed.

After carrying out market tests with the sector's stakeholders, it appeared that the provision of shared workspaces is different from the other activities in the property sector. This activity includes all the services relating to the provision of workspaces on a one-off or recurring basis for individual or self-employed workers or companies, which are not covered by long-term office rentals.

CDC and Nexity are active in this market through their subsidiaries, in addition to their activities in property asset management and property development. Their subsidiary Miniburo will also be active in this market.

The effects of the transaction examined by the Autorité

In its analysis, the *Autorité* assessed the effects of the transaction, which result on the one hand, from the parties' overlapping activities in the market for the provision of shared workspaces and, on the other hand, from the link between this market and the property asset management markets.

In addition, the *Autorité* analysed whether, given the nature of the transaction, a risk of coordinated behaviour by CDC and Nexity existed.

After examination, the *Autorité* ruled out any risk of anticompetitive effects from the transaction, given the parties' limited market shares and the presence of numerous competitors in the market for the provision of shared workspaces.

What constitutes a relevant market?

A relevant market is defined as a place where offers and demands meet for a product or specific service.

Once such a relevant market is defined, most often after consulting with the sector's stakeholders, the Autorité studies the market position of the parties to the transaction in the market and carries out an analysis of the effects of the transaction on competitors, clients and suppliers active in the sector. As a regulator, the Autorité makes sure that a transaction does not lead to the creation of monopolies, in order to maintain price, choice, services and quality competition.

In certain cases, the reinforcement of companies' positions in a market renders it difficult to carry out transactions. Commitments might then be necessary in order to clear the transaction. In even more exceptional situations, commitments might not be sufficient to limit the strong impact on competition, and the Autorité thus forbids the transaction.

The work carried out by the regulator regarding mergers is therefore essential: it ensures that competition remains effective in the market in question. It orientates the behaviour of companies: if it becomes evident that they hold a dominant position in a market, companies must refrain from implementing certain practices which could be seen as abusive.

To learn more about relevant markets, see the Autorité's merger guidelines

THE TEXT OF THE DECISION WILL SOON BE PUBLISHED ON THE AUTORITÉ'S WEBSITE

Access

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