The WeWork soap opera's latest episode includes filing for bankruptcy



Co-working office space provider WeWork has filed for bankruptcy covering its locations in the US and Canada, and in a filing, it said it had liabilities of between $10 and $50 billion.

It's the latest turn for a company that went from being valued at $47 billion in January 2019 to unsuccessfully attempting an IPO later that year.

> *That paperwork revealed, all in one place, the following things: that Neumann was renting his own buildings to The We Company, that Neumann had secured loans from The We Company, and that to change its name to The We Company from WeWork, the company paid for naming rights from… Adam Neumann. It kind of started to feel like the point of The We Company, lofty language about "elevating" one's "consciousness" aside, was just to give Adam Neumann money.*

The company eventually went public in 2021 via a special-purpose acquisition company (SPAC – if you're not familiar, we can explain), and after struggling with increasing debts and hefty losses ever since, it lost almost 98 percent of its stock valuation in the last year and shares were trading at 83 cents before a halt early Monday.

In the press release announcing its Chapter 11 filing, the company says, "As part of today's filing, WeWork is requesting the ability to reject the leases of certain locations, which are largely non-operational and all affected members have received advanced notice." The company says it has reached restructuring agreements with creditors holding 92 percent of its debt.

An increase in remote working following the covid pandemic is credited as a contributing factor in WeWork's fall from financial grace, as well as its massive operational costs.

On October 30th, WeWork told the US Securities and Exchange Commission that it had made agreements with creditors to temporarily postpone some of its debt payments. A *Wall Street Journal* report last week that WeWork intended to file for Chapter 11 bankruptcy noted that since its founding, the company had amassed $16 billion in losses as of June 2023 and was still paying over $2.7 billion a year in rent and interest – over 80 percent of its entire revenue.

https://www.theverge.com/2023/11/6/23948568/wework-bankruptcy-filing-chapter-11