

PLUG & PLAY MANAGED OFFICES

The array of new start-ups which are largely based in the metros have an impetus on creating more efficient and cost-effective solutions such as co-working spaces which solve the business need for both growth oriented entrepreneurs and corporates

With the flourishing start-up ecosystem backed by the government's 'Make in India' mission to create an enabling environment for millennials across the country, demand for co-working spaces has increased significantly in the last few years. In the last three to four years, many companies have been trying to strike a balance between optimising space costs and providing an upbeat environment to employees. Since India is emerging to be a leading market for technology-based start-ups, work spaces too are transforming from the traditional and hierarchical setups to relaxed and peaceful spaces.

Among the main drivers of this phenomenon are the increasing number of freelance professionals and consultants in today's globalised workforce, for whom co-working spaces are now all the rage across Indian metros. Also, co-working business centres are in great demand with corporates looking for flexibility in work locations. Savings in cost and having a serviced office space without the need to carry the overheads are the key advantages of co-working spaces concept. Also, since the space is generally part of a larger facility, one can have access to and utilise shared facilities like parking, security and cafeteria.

In India, particularly in cities like Delhi-NCR, Mumbai and Bangalore, where the cost of ownership and maintenance is huge, this practice is fast gaining traction where demand



Footprints



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is driven by the increasing number of start-ups as well as established corporates looking for additional space on a temporary basis. The initial setting up of an office space may be a tedious task for a small start-up coupled with a huge financial commitment.

According to a recent report from Colliers International, more than 1.2 million sq.ft. spaces were leased by co-working operators in India in 2016, which accounted for 3 per cent of



the overall leasing volume. "Although it presently represents only a small share of the total leasing demand, in the medium to long term it is expected to be an integral part of the traditional office-leasing segment with approx. 8 million sq.ft. leased-out space by 2020," anticipates Deep Kantawala, head - ICS Real Estate Partners and CFO - ICS Group, a diversified real estate and financial services group. This will be primarily driven by the start-up segment where India is currently the third largest nation for start-ups and the number growing at a rapid pace given the various incentives announced by the government.

Currently, Bengaluru has the highest concentration of co-working hubs followed by Delhi-NCR and Mumbai. "Although the current focus is to set up co-working spaces in the CBD and SBD locations of these cities, we believe that in the long run there would be expansion to the peripheral areas as the physical infrastructure continues to be developed further reducing the overall travel time for the users," adds Kantawala.

Since Delhi-NCR is among the prominent regions witnessing this global trend. "In 2016, the number of co-working spaces in Delhi-NCR was more than 30; this year, it is expected to go over 40," says Nitish Bhasin, managing director - markets, JLL India, further updating, "there are currently more than 2,500 seats available across different micro-markets in NCR. The average occupancy share of co-working office spaces across NCR is about 70-75 per cent, but will go up once the recent seat additions in most micro-markets are leased out. Of all micro-markets, CBD Delhi has the lowest vacancy in this segment at 8-10 per cent. All other micro-markets have vacancy levels in a range from 20-35 per cent." Some of the major co-working spaces in Delhi-NCR are run by firms like Awfis, InstaOffice, Innov8, 91 Springboard, Investopad, Alt F, Skootr and Footprints among others.

Gurgaon more specifically has always been the millennium city as well as the commercial hub of India where the trend of co-working is a rage now. "Cater-



ing to this growing need of creative and growth-oriented working, we have launched Footprints that aims to redefine co-working spaces by resonating with the modern day work culture. The first centre of Footprints has opened in Gurgaon on the Golf Course Road at Vatika Atrium. We are currently also offering exclusive early-bird offers for move-ins in the next two months," avers Vineet Taing, president, Vatika Business Centre.

Awfis currently operates five proprietary centres in Delhi-NCR at prime commercial locations and also operates a Mobile Awfis for professionals who want to save commute time productively. "Third party alliances with leading hospitality partners adds to the inventory of meeting rooms across locations within the NCR which can be booked in a just-in-time basis through our mobile app," divulges Amit Ramani, founder and CEO, Awfis Space Solutions.

Another major player InstaOffice has grown phenomenally from a single business centre in Delhi-NCR in February 2016 to more than 1,00,000 sq.ft. area under management spread across 10 centres across Delhi-NCR and Bengaluru in less than a year's time. InstaOffice has a community of 400 members, growing to over 1,000 active members

by next quarter. "At InstaOffice startups, freelancers, and entrepreneurs or any users can pay a single, all-inclusive price for the whole service, there is no lock-in period, and the ability to scale up or down, depending on member's need," proclaims Vikas Lakhani, CEO, and co-founder, InstaOffice.

Ritesh Malik, co-founder, Innov8, who has been listed on the Forbes 30 Under 30 in the finance and venture list (Asia) 2016, is of the view that the market of co-working is huge in the world because it makes massive value sense. People don't need to lock down their capital for offices and management of office facilities. "We at Innov8 are focussing on building India's largest design and community focussed co-working campuses," asserts Malik.

Puneet Chandra, CEO, Skootr, says, "We believe that the market size of the plug & play managed office industry is underestimated in India. It is a revolution and the next one year will define the real size of this market. In UK, the market size is estimated to be about \$16 billion and I certainly believe that India is a much bigger market and has a lot of potential. We at Skootr are poised to take advantage of this large opportunity and our unique approach to plug & play office spaces."