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# Flexible workspaces fit the 'new normal'

*The rise of such spaces ensures business continuity, speed to market, cost optimisation to avoid capital expenditure and business expansion in these uncertain times.*

By Kausar Firdausi



The workplace at 315Work Avenue

With each passing day after the pandemic arose, there is a shift in working models and patterns across all industries. An unsurprising rise in the demand for flexible workspaces has been witnessed and is presumed to be in more demand in the coming time. With the belief of industry experts and stakeholders that flexible workspaces are the need of the hour and hence companies are rethinking their real estate needs and working on models which are cost-effective along with providing more ease to increase the productivity of their employees.

According to the latest report by property consultant Cushman and Wakefield, leasing of flexible workspace by corporates rose 73% to 31,538 seats during January-June period on a year-on-year basis, with enterprises looking to save cost besides flexibility that co-working operators offer. Total seats leased by enterprises could cross 50,000 during the 2021 calendar year, adds the report.

In India, the number of flexible workplaces is rising at a progressive rate. "Bengaluru had the greatest proportion of leasing by flexi operators, followed by

Mumbai and Delhi-NCR. Entrepreneurs in India were the first to demand flexible workspaces, followed by MNCs and major enterprises," informs Ankit Gupta, regional director, Realistic Realtors.

Besides, Ashwinder R. Singh, CEO, Bhartiya Urban points out, "While in metros, the demand for working space took a hit, the co-working spaces in tier 2 cities have seen a surge in demand with the hub-and-spoke model offering flexibility in spaces, systems, and operations."

Before the pandemic, these enterprises and MNCs had mostly preferred to have their own or rented dedicated office space. But now they are taking a re-look at the hefty outflows, consistent head counts to offices and distributive workforce options. The new normal compelled them to acknowledge and accept the flexibility and cost efficiency which flexible workspaces bring in. "This acceptance would further fuel the demand for flexible spaces manifold in coming months to a foreseeable future as younger generations of workers push for more short term, readily available spaces instead of large investments and long leases," observes Pramod Dwivedi, president - marketing,

Ambuja Neotia.

According to the recent CBRE Occupiers Survey, the commercial segment has witnessed an upsurge as employees look forward to going back to offices owing to advances in technology, evolving relevance and purpose of physical spaces, and increased focus on wellness strategies. With a renewed focus on health and safety, businesses are now incorporating smarter and people-centric business models to better fit employee-wellness strategies. Additionally, on the back of evolving workplace requirements, portfolio agility and hub-and-spoke models can also be expected to further grow within the segment.

In fact, as per CBRE's 'Future is Flex' report, India's flexible stock is expected to grow by 10-15% (y-o-y) from the current 36 mn. sq.ft. in the next three years. In 2020 alone, over 75,000 seats were leased in flex spaces across India.

Dr. Niranjana Hiranandani, national president, NAREDCO puts in that this trend has also been driven by the advantages of carbon neutrality and cost optimisation that flexible workspaces offer, along with a workspace experience which

boosts productivity as also reduces travel time for employees.

Another upcoming trend that warrants a mention here is the increasing demand for managed office operators, especially since the latter half of Q4 2020. "Managed office solutions, mostly provided by co-working players, help companies outsource their hygiene requirements, social distancing norms and other such operational needs. This upcoming dimension of co-working businesses is also expected to help revive the co-working sector demand in the coming quarters," asserts Anuj Puri, chairman, Anarock Property Consultants.

Work from home might have posed an attractive alternative at first glance, but Harsh Binani, co-founder, Smartworks emphasises that with WFH fatigue setting in and challenges faced by employees while operating from home surfaced as ignorable hindrances. "This led to a change to a hybrid style of working - one that involves the safety and flexibility to work from home and have the option to visit a physical office space," affirms Harsh Binani, co-founder, Smartworks.

Most of the companies are now recalibrating their office needs to cut the risks of a possible third wave. "As flexible workspaces promote more employee engagement, improve retention, and networking opportunities, large and small companies find them more convenient and logical especially during these volatile times for smoother operations," accentuates Vineet Jaing, president, Vatika Business Centre.

Although the pandemic is not over yet and amid chances of a possible third wave, Abhishek Pandey, vice president-customer engagement & distribution, Viridian RED believes that flexible workspaces remain the best choice for corporates to sustain business momentum and support the 'work-from-anywhere' concept.

Flexible workspaces not just fit the 'new

normal' perfectly, but also give an option to companies to save costs, boost productivity, and provide flexibility to employees. Aditya Verma, CEO & founder, The Office Pass (TOP) is also of the view that the 18-20% saving on office operating cost that is possible only with the flexible model. Also Saurabh Thakur, senior vice president - sales, Spectrum Metro says, "As businesses are now focusing on acquiring the best talent pool, which often comes with a large pay package, corporates and startups are looking for flexible workspaces which meet all of the criteria of the new professional order," says Saurabh Thakur, senior vice president - sales, Spectrum Metro.

Organisations are re-evaluating their strategy and focus on higher flexibility and innovative solutions models such as reverse office, fit-outs as a service, dry & wet leases and pay per use, among others. "Through services such as reverse officing, enterprises save anywhere between 20% to 50% of maintenance and administration costs based on surrendered area, optimised rentals while enjoying the flexibility to scale up and take smaller portions of real estate within the same vicinity as and when required," apprises Rajat Johar, country head, Skootr.

The pandemic has evolved these entities from just being workspace providers to becoming a fully integrated workspace solutions platform for clients. The coworking industry plays a very important role in the rebuilding of this economy. "We have recently leased around 35,000 sq.ft. of office space in Pune as part of our plan to expand footprint in the country. We currently manage around 20,000 seats spread over 1 million sq.ft. office space across 20 centres located in prime business hubs in Bengaluru, Mumbai and Pune," proclaims Manas Mehrotra, founder, 315Work Avenue.

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