

Smartworks eyes aggressive growth on the back of growing demand for flexible office space

SECTIONS

Smartworks eyes aggressive growth on the back of growing demand for flexible office space

SHARE

FONT SIZE

SAVE

PRINT

COMMENT

Synopsis

The company is looking at organic and inorganic initiatives to double its seat capacity to 1,30,000 pan-India and clock a revenue of Rs 1,000 crore by FY 2022-23.



Representative image

Smartworks Coworking Spaces, funded by Singapore based diversified conglomerate **Keppel Corporation**, has chalked out an aggressive growth plan to capitalise on the spurt in demand for **flexible office space** due to Covid-19.

The company is looking at organic and inorganic initiatives to double its seat capacity to 1,30,000 pan-India and clock a revenue of Rs 1,000 crore by FY 2022-23, said Neetish Sarda, founder of Smartworks.

Currently, it has 65,000 seats spread across 31 centres in nine cities, including the National Capital Region, Noida, Gurugram, Mumbai, Bengaluru, Hyderabad, Pune, Chennai and Kolkata. The company recorded a revenue of Rs 250 crore plus and an unaudited EBIDTA of Rs 25 crore in FY 2019-20.

“We have seen a spike in enquiries across India due to strong demand for flexible office spaces from clients in IT/ITES and BFSI. Talks with some of these companies for coworking space are at an advanced stage and is expected to get finalised by March 2021,” Sarda added.

Smartworks co-founder **Harsh Binani** believes India's flex space market will witness M&A's in the post-Covid-19 economy. Elaborating further, he said, "with mid-to-small players struggling to raise funds and facing viability challenges, financially strong flexible space operators like Smartworks will be open to acquisitions. The buyout of a small player could be an all-cash deal, while that of a large one could be a combination of cash and equity to the existing promoter."

Real estate consultants claim the pandemic has accelerated the shift to flexible workspaces, with businesses of all sizes looking to manage cash-flows effectively by moving costs to a variable model. They feel businesses, in its new avatar, will be in a better position to tackle similar economic shocks in future and ensure business continuity.

Knight Frank India CMD Shishir Bajjal said "Work from Home became the default business continuity process during the Covid-19 induced lockdown. While corporate India was quick to adapt to work from home, the benefits of working from an office far exceed mere cost-saving which includes collaboration, data safety and security, work-life balance etc. As we near the availability of a mass vaccine, we will see normality return to office space usage. **Co-working spaces** are expected to play a significant role in future office space demand emanating from the mid-sized and startup companies that are looking at reverting to working from an office."

Keppel Land president (India) Ho Kiam Kheong said: "While we maintain prudence given the uncertainties surrounding the pandemic, India remains an exciting real estate market in the medium to long term with the economy poised to continue on its robust growth path on the back of the realignment of global supply chains, continued growth of the technology, entertainment & media and telecom sector, emergence of 5G, and increased urbanisation."