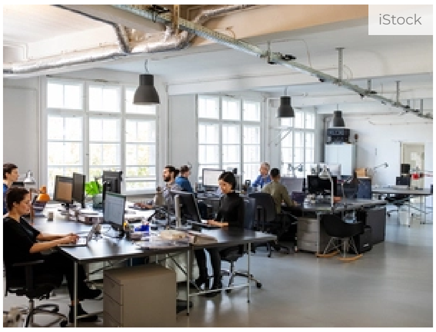
Smartworks leased 4.5 lakh sft office space amidst Covid-19 in Mumbai and Hyderabad

Synopsis
The Noida-based company has been growing in southern and western India since early 2019, and it expects to expand its workplace portfolio to 7 million sq ft by the end of this year.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Smartworks Coworking Spaces has taken more than 4.5 lakh square feet of office space across **Hyderabad** and **Mumbai** on a long-term lease spread over 15 years in a bid to use the Covid-19 pandemic crisis as an opportunity to scale up in a less competitive market.

While **Times Square Mumbai** is spread over 210,000 sq ft, Aurobindo Galaxy, Hyderabad is spread over 250,000 sq ft.

"Companies are going through a paradigm shift in the workplace. Flexible office spaces are a risk-averse solution for enterprises looking for office spaces as it helps them stay nimble during uncertain times," said Neetish Sarda, founder, Smartworks Coworking Spaces. "Even though companies are trying various work models to find the best one that works for them, flexible

compared to conventional offices."

The Noida-based company has been growing in southern and western India since early 2019, and it expects to expand its workplace portfolio to 7 million sq ft by the end of this year.

Currently, the company has 65,000 seats spread across 31 centres in nine cities, including the National Capital Region, Mumbai, Bengaluru, Hyderabad, Pune, Chennai and Kolkata.

Separately, the company has signed 2,500 seats across its properties with corporates on the flex seats model and has additional 4,000 seats under discussion.

"With companies evaluating their real estate needs and which work model works the best, they are looking at business offerings with hyper flexibility," said Sarda.

Many large companies and e-commerce firms are likely to adopt a mix of core workplaces and external flexible options after Covid-19.

"Amid the crisis, we continued to see a few large lease deals being signed up in some of the key markets earlier this year. And now, with the advent of a strong vaccination drive across the country and India's office market being fundamentally driven by a booming IT sector, I'm hopeful that we will be able to come back on the earlier growth track sooner than later," said Anurag Mathur, CEO, **Savills India**.

The flexible space segment is expected to grow 15-20% per annum over the next three-four years to more than 50 million sq ft by 2023, according to JLL.

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NEXT STORY

1-OAK to invest Rs 350 crore in developing residential and commercial project in Ayodhya

By Faizan Haidar, ET Bureau Last Updated: Jul 23, 2021, 10:05 AM IST

Synopsis
The company, promoted by Singapore-based Greenfield Advisory Pte. Ltd, which develops residential and hospitality projects, has decided to focus on tier 2 cities in India. It has acquired land in Lucknow, Thiruvananthapuram and Jaipur.

Real estate developer 1-OAK has acquired a seven-acre land parcel in **Ayodhya** and is in talks to acquire another three-acre plot for mixed use development with an investment outlay of Rs 350 crore, said its CEO Sandeep Singh Katiyar.

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Following the ground-breaking ceremony of the Ram temple, land prices and the number of deals in Ayodhya have surged 50%.

Total cost of the project would be Rs 350 cr of which 20 million USD will be invested by the company and balance will be managed through project accruals.

“Due to the influx of tourists, Ayodhya is going to be a hotspot in the future. We will have the benefit of being an early mover. We plan to develop the project in phases to monetise it in a better manner,” Katiyar told ET.

The company, promoted by Singapore-based **Greenfield Advisory** Pte. Ltd, which develops residential and hospitality projects, has decided to focus on tier 2 cities in India. It has acquired land in Lucknow, Thiruvananthapuram and Jaipur.

The Uttar Pradesh government has identified 1,100 acres of land in and around Ayodhya for acquisition for planned residential, commercial and retail development. Besides, private developers have started acquiring land for future projects, expecting an increase in demand.

Following the ground-breaking ceremony of the Ram temple, land prices and the number of deals in Ayodhya have surged 50%.

“In the first phase of the Ayodhya project, we will develop 300,000 sq ft while over 400,000 sq ft will be developed in the second phase. Once we acquire the remaining three acres, additional development will be taken up,” said Katiyar.

The company has planned a high-street concept for retail development while residential societies will be mid-rise.

“We have an aggressive plan of development across India and we are already getting a good response for our existing projects,” said Katiyar.

The company’s focus in India is largely on transforming the living experience in tier 2-3 cities where increasing disposable incomes and ease of living have opened up the luxury housing segment.

Greenfield Advisory, which provides investment platforms to institutional and accredited investors, will infuse funds in the project.

As per estimates of the **Ram Temple Trust**, the Ram temple, once ready in 2022, could see 80,000 to 100,000 visitors daily.

Property prices in the city were estimated to have shot up 25-30% in 2019 immediately after the court verdict that paved the way for the building of the

Ram temple.

(Originally published on Jul 22, 2021)

NEXT STORY

Future real estate outlook remains optimistic, office market sentiment improves: Survey

By Kailash Babar, ET Bureau Last Updated: Jul 22, 2021, 05:27 PM IST

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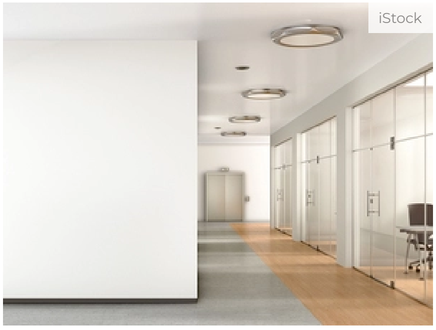
Synopsis

The Current Sentiment score, as per a survey conducted jointly by property consultancy Knight Frank and industry bodies NAREDCO and FICCI, has dropped from 57 in Q1 2021 to 35 in Q2 2021, but the drop is less intense than it was during the first Covid wave (Q2 2020) when the score had hit an all-time low of 22.



The sentiments among various **real estate** stakeholders have remained optimistic as realtors managed to cope better with the second wave of the Covid19 pandemic. With relatively less stringent lockdown restrictions and learnings from the last year helped developers and other stakeholders weather the situation. The availability of vaccines and aggressive vaccination has further helped the optimistic outlook for the sector.

The Current Sentiment score, as per a survey conducted jointly by property consultancy Knight Frank and industry bodies **NAREDCO** and **FICCI**, has dropped from 57 in Q1 2021 to 35 in Q2 2021, but the drop is less intense than it was during the first Covid wave (Q2 2020) when the score had hit an all-time low of 22.

The **Future Sentiment** score has inched down marginally from 57 in Q1 2021 to 56 in Q2 2021 continuing to remain in the optimistic zone. Here as well, the outlook of stakeholders reflects more resilience in Q2 2021 than in Q2 2020.

Stakeholder outlook on the **office market** saw an improvement in Q2 2021 especially with respect to leasing activity. In Q2 2021, 40% of survey respondents were of the opinion that office leasing activity would increase over the next six months, up from 34% last quarter. Around 21% of the Q2 2021 survey respondents, up from 15% in Q1 2021, expects office rents to increase in the next six months while 40% expect rents to remain stable.

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A score of 50 represents a 'neutral' view or 'status quo'. Above 50 demonstrates 'positive' sentiment while below that indicates a 'negative' outlook.

The optimism in the residential market outlook has continued in Q2 2021. More than 50% of the Q2 2021 survey respondents continue to expect an increase in residential launches and sales in the coming six months.

"The tragedy of the second wave of pandemic has pushed the overall industry sentiments down in the second quarter of 2021. However, our learning from the first wave, as well as a less stringent lockdown in the second wave, have equipped us well to mitigate the severity of the economic ramification, showing some level of positive outlook among the stakeholders when compared to the dead low sentiment score of 22 during the same period last year. The availability of vaccines, a robust vaccination programme, along with continued economic activities have been the primary reason for the optimistic future sentiment score, as compared to last year," said Shishir Baijal, CMD, **Knight Frank India**.

According to him, the real estate sector is treading cautiously and acknowledges that there is latent demand for both office and residential sectors, albeit hindered by the prolonged pandemic.

Buoyed by the post-second wave resumption of economic activity, Future Sentiments of stakeholders for the next six months have remained in the optimistic zone across most regions.

In terms of geography, the West zone saw the sharpest recovery in the Future Sentiment Score. This zone's Future Sentiment score jumped from 53 in Q1 2021 to 60 in Q2 2021. With the resumption of economic activity, future sentiments (for the next six months) of stakeholders have remained in the optimistic zone, across most regions.

North zone's Future Sentiment score has inched down marginally from 56 in Q1 2021 to 55 in Q2 2021, while for the South zone, the score has fallen from 63 in Q1 2021 to 57 in Q2 2021. The Future Sentiment score of the East region has entered the pessimistic zone with a fall from 53 in Q1 2021 to 48 in Q2 2021.

"Despite the debilitating impact of a pandemic, the outlook of the sector is really positive. There are several factors behind the growing positive sentiment. The nationwide vaccination drive has been a tremendous sentiment booster for the sector. The industry is also doing its bit by strengthening health infrastructure to support COVID patients and by initiating vaccination drives to inoculate over 2 crore construction workers. Furthermore, the sector is aggressively adopting digital technologies to streamline the supply chain, attract home buyers, and most importantly, ensure business continuity," said Getamber Anand, Co-Chair, FICCI Real Estate Committee & CMD, ATS Infrastructure.

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According to him, in the initial phase of 2021, the sector was gearing for a spirited turn-around, which was disrupted by the second wave. The industry has been capitalising upon certain positive trends and emerging opportunities. Despite lockdowns, developers have completed some major commercial projects and have put them for possession and lease. This shows the stronger confidence of developers in business opportunities in the new normal.

“The future of the housing sector remains bullish in lieu of optimistic economic growth, soft home loan interest rate, rising GDP, record high FDI & foreign reserves, revived core sectors indicators, credit availability to the branded developers, growing employment rate coupled with an attractive investment climate resulting in the positive developer future sentiment score. Outlook for the commercial office market has also been progressive in Q2 2021, for both, leasing, and rentals. The demand for office or dispersed commercial portfolios will expand on the back of consolidation trend and expansion of satellite offices,” said Niranjan Hiranandani, National President, NAREDCO.

On the macroeconomic front, more than 80% of the Q2 2021 survey respondents continue to have an optimistic outlook for the economy in the coming six months. While on the credit availability front, stakeholder outlook has improved in Q2 2021 with 46% respondents – up from 41% in Q1 2021 – expecting an increase in the coming six months.

The future outlook of both developers and non-developers including banks, financial institutions and private equity funds remains in the optimistic zone in Q2 2021, although there has been a significant fall in the sentiment score for non-developers.

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