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Workplace majors adjusting to the paradigm shift

The Covid-19 outbreak gave an opportunity to the office space players to rethink their offerings, products and strategies.

By Kausar Firdausi



The Covid-19 pandemic has certainly changed the way commercial real estate is being looked at by occupiers and tenants as part of their corporate real estate strategy and therefore office space players are adjusting to the paradigm shift which is being experienced. For stakeholders in office spaces, it is more than just new offering, layout and strategies. The pandemic induced lockdown has surfaced the aspects of 'work from home' and 'remote work' concept to be dealt with.

The human workforce to work in shift management leads to the rejig of commercial space designing from a hygiene and efficiency perspective. During the initial days of the lockdown, it was assumed that work from home (WFH) would severely impact office spaces, until the 'mission unlock' saw office spaces usage restart in a large quantum

- but this was in sync with the 'new normal'.

According to industry experts, the concepts of boutique office spaces are evolving with new offerings, product design and layouts. Effectively, social distancing has been incorporated into the layout. "The architecture aspect of office designing has evolved from the safety, energy usage perspective, structures have been redesigned to adopt more efficiency measures, translating into sustainable development," says Niranjana Hiranandani, national president, NAREDCO.

Despite being a challenging year, the office sector managed to close 2020 with modest numbers. As per the Anarock research, the top seven cities in entire year witnessed new supply of approx. 27.9 mn. sq.ft. area (includes only grade A office space) while net absorption stood at approx. 23.4

mn. sq.ft. "From 80 sq.ft. space per employee earlier, it is now being increased to 120-130 sq.ft. per employee," informs Anuj Puri, chairman, Anarock Property Consultants.

Experts observe that the office space market has become tenant leaning and therefore developers have to be flexible with their pricing as well as the terms being offered. "Flexibility has certainly become a very important aspect of the new transactions which have happened post the lockdown.

Developers have to adjust to many occupiers giving up space for the short term while they understand the progress of the pandemic and readjust their real estate strategy for the short term," says Mudassar Zaidi, executive director - north, Knight Frank India.

Also agrees Vineet Taing, president,

Vatika Business Centre that this pandemic has forced serviced office players to realise that they need to build office spaces which are more resilient and offer the flexibility to upsize and downsize with lots of service offerings not limiting to technological advancements and shorter lease terms to help the tenant be more productive and increase his sustenance. Currently, such services are only available with business centres and co-working spaces.

The requirement is being met by co-working players who are providing the flexibility required for short-term manoeuvring. So, co-working spaces which seek to fulfill the necessities of the customers are offering attractive amenities. "We are optimistic as growth picks up and corporates continue to approach us to explore the available managed workspace options/models. Companies have started asking for hybrid models, and work near home models as it also helps them avoid long-term contracts and fixed payment structure and also helps them maintain their focus on employee comfort and safety along with the customisation benefits. Either way, the future of workspace will be redefined, and we can spot an employee-led, employee-centric workspace model in the offing," avers Neetish Sarda, founder, Smartworks.

Manas Mehrotra, founder, 315Work Avenue, a prominent co-working player also believes that work from home may co-exist, but office space will not lose its importance. "Medium-to-long-term fundamentals remain sound as corporate occupiers seek out alternative options to reduce costs and capital expenditure. As a result, even the most conventional occupiers are now seeing merit in co-working. There's now a lot more interest now in taking dedicated and secure private

offices, which is the big shift in the flexible office space industry," asserts Mehrotra.

The major key variables observed in the new office setups are smaller, non-regimented work clusters with varied workstation typologies. "The ask for the overall workstation sizes has also gone up by 20-25 per cent to ensure safe distancing. Also, given the fact that people have been working from home for a year and have found their solace in their personalised spaces, Skootr is exploring a completely new design palette with a 'residential' touch," proclaims Rajat Johar, country head, Skootr. If Johar is to be believed, the companies are looking to get back to work in a phased manner starting March onwards and by the end of second quarter, the expectations are that approximately 70 per cent employees should be back to workspaces.

According to Ashish Bhutani, MD, Bhutani Infra, for most job profiles, remote working can never be a permanent solution, so the time is ripe for commercial players to change their projects, rental plans, leasing requirements and so much more to become ideal options in the new standard.

Ashish Deora, CEO and promoter, Aurum Ventures is of the view that realty companies which will be able adapt to these changes will emerge winners in coming years. "Projects which adopt cutting edge technology, wellness considerations, integrated and efficient planning and ergonomic design will continue to attract absorption in commercial real estate," emphasises Deora.

However, this is a developing story, we need to wait and watch the progress in the near future.

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