

# Co-working spaces to rise 52% in two years: Report

RAGHAVENDRA KAMATH  
Mumbai, September 20

**THE STOCK OF** flexible office spaces, also referred to as co-working spaces, is estimated to rise 52% by 2025 to 81 million sq ft, with operators expanding their business to tap rising demand, a report said on Wednesday.

Flexible office space operators currently have 53.4 million sq ft area under operations and the number is estimated to reach 81 million sq ft by 2025, according to the “Flexing the Workspace-Back to Office” report by property consultancy Vestian.

It also said that 760,000 seats are available with flexible space operators spread across more than 1,000 centres in the country. “It (flexible space stock) has grown gradually in India and flexible office stock has reached 53.4 million sq ft. Furthermore, the stock is anticipated to reach 81 million sq ft by 2025, growing at a CAGR of 23%, as Covid-19 catalysed the market growth,” Shrinivas Rao, chief executive at Vestian, said.

## POST PANDEMIC BOOST

■ Flexible spaces absorption (mn sq ft)

● % Share in overall absorption



Prominent co-working players are expanding fast.

For instance, WeWork forayed into New Delhi last month with its fiftieth centre. WeWork India has leased over 300,000 sq ft office space across three assets in Bengaluru, Hyderabad and Delhi to expand its operations.

Brookfield-backed Cowrks’ plans to open six new centres with 3,600 seats in Pune, Mumbai, Bengaluru and Chennai by the end of 2023, reports said this week.

Another player, Smartworks, leased about 200,000 sq ft of prime office space in Chennai to

open a new centre in the city.

The Vestian report said that wider adoption of flexible spaces started in 2015-16, when the market was fragmented and unorganised. However, it has since grown rapidly and become more organised.

“Flexible spaces are garnering significant attention, not only from startups and SMEs, but also from large enterprises,” the report said.

“Flexible space operators provide what occupiers are looking for – low-cost, flexible and technologically-advanced spaces,” Rao said.

BUSINESS LINE, MUMBAI 21 SEPTEMBER 2023

# GIC close to buying majority stake in ESR India for \$400 m

**NITTY-GRITTIES.** Allianz RE might sell entire or a major portion and ESR 35-40%

**Janaki Krishnan**  
Mumbai

Singapore's sovereign wealth fund GIC is close to picking up a majority stake in Hong Kong-listed logistics real estate platform ESR's logistics and warehousing assets in India in a deal valued at around \$400 million, sources said.

ESR India, which is an equal joint venture between APAC-focused ESR Group and Allianz Real Estate, has eight assets in India, occupying 388 acres with a gross floor area of 10 million sq ft, of which 6 million sq ft is operational.

The two global companies had set up the venture in 2018 with a commitment to invest about \$1 billion in In-



## REALTY FOCUS

- ESR Group is a Hong Kong-listed logistics real estate platform with AUM of \$147 billion
- ESR has been in India since 2017
- It has assets across 15 sites in 9 cities in India and 18 million sq ft of gross floor area

dia, on setting up industrial parks and warehouses across the country.

Allianz RE is likely to sell its entire stake or a major portion of it in the platform, while ESR would sell 35-40 per cent stake, sources said.

There were no responses from GIC and ESR India to e-mails sent to them seeking

a clarification on the deal.

## PE FIRMS IN THE RACE

Several leading private equity firms are in the race to acquire the assets, including US-based Blackstone Inc, which is learnt to have decided not to go ahead with the acquisition.

ESR India has four assets

in Pune (two in Chakan, two in Talegaon), and one each in Gurugram (Sohna), Mumbai (Bhiwandi), Chennai (Oragadam) and Kolkata (Uluberia).

The industrial park in Uluberia is one of its largest, set up on a 94-acre land parcel with a total leasable area of 2.3 million sq ft.

GIC and ESR have an existing joint venture in India, set up in November 2022 to acquire income-producing industrial and logistics assets in the country, with an investment of \$600 million. This is an extension of an existing partnership forged in 2020. Sources said that GIC's acquisition in the current transaction in the making would reinforce the existing relationship between the two companies.

# **GODREJ PROPERTIES RAISES ₹1,160 CR VIA NCD ISSUE**

**GODREJ PROPERTIES ON**  
Wednesday said it has raised ₹1,160 crore through issue of non-convertible debentures on a private placement basis. It has allotted one lakh rated listed unsecured redeemable NCDs of face value of ₹1,00,000 each, aggregating to ₹1,000 crore.

# Real estate agents can get certs by Jan 1

**Nisha.Nambiar@timesgroup.com**

**Pune:** MahaRERA on Wednesday extended the deadline, from the existing September 1 to January 1, 2024, for 32,000 registered real estate agents to complete their competency certification.

The order said only those agents having valid certificates will be allowed to apply and renew real estate registrations.

According to MahaRERA data, a total of 3,217 agents have cleared the exam so far. Agents, however, feel that the time frame to complete certification for all agents is short. A Pune-based member of the Real Estate Agents Association said the test for certification was not required as real estates promote only what the builder puts up after getting certification.

Sachin Shingavi, a member, said, "The fees for the certification examination should also not be charged."