

Macroeconomic reforms positioned the country as a hub for investment

We are planning to develop around 7-8 million square feet of office projects in Bengaluru with an investment of ₹ 1000 crore, says **RAVINDRA PAI**, Managing Director, Century Real Estate



Which are the cities that are garnering maximum absorption in commercial property? Why?

Recently, Bengaluru has seen a high absorption of commercial spaces due to various reasons such as the growth of start-ups, e-commerce companies, IT, BFSI (Banking, Financial Service and Insurance) and co-working spaces in the city. There is also an increasing demand in commercial property in cities like Hyderabad, Delhi-NCR, Pune. In cities such as Hyderabad, industries such as IT-BPM (business process management), co-working spaces, technology, R&D companies have seen most of the business space occupied.

The real estate sector in the last few years has undergone a major policy revamp. How has these policy revamp affected / benefitted the commercial real estate?

Real estate witnessed macroeconomic reforms like GST and RERA being implemented. The implementation brought some financial discipline to the sector and positioned the country as a hub for investment. Some of the major investment areas are different asset classes like warehousing and co-working spaces. There is more scope for entrepreneurship with government initiatives like Make in India and Digital India, leading to increased demand for flexible and new jobs. Stability in the commercial office

sector, stable investment returns and strong leasing impetus have encouraged investors in this sector.

What are the new emerging trends in commercial real estate in India? In the coming years how will student housing, senior living, co-working space, logistics and warehousing fare?

In India, co-working spaces are expected to strengthen their position. Larger companies are also opting for co-working spaces. BFSI, consultancies, telecom, healthcare, biotech and e-commerce are occupying more co-working spaces. Over the years, demand for warehousing and logistics of real estate has grown. Big e-commerce companies look for warehousing facilities depending on the scale of their operations. The companies require massive distribution centers with accessible locations, the ability to operate around the clock and meet the demand of customers for fast delivery of products not only in metros but also in tier II and tier III cities. There is also an increasing demand for niche segments such as co-living and student housing.

Tell us about your commercial real estate verticals? Which is your marquee commercial project? Which are the commercial projects lined up for the next two years?

We are planning to develop around

7-8 million square feet of office projects in Bengaluru with an investment of ₹ 1000 crore to expand our commercial portfolio. Century Downtown is one of our finest upcoming commercial development located in the heart of North Bengaluru- Hebbal. Century Downtown is planned on 14-acre property designed to host 1.9 million square feet of mixed-use commercial development.

Being an Election Year, what is your outlook for commercial real estate for year 2019?

Demand for asset classes such as Commercial and Industrial Real Estate should remain on course with the start of upcoming REIT listings and recent warehousing or industrial space growth. The demand for these asset classes are largely driven by macro India growth story, which we do not expect to change before or shortly after the election. The government's push towards promoting start-ups and developing smart cities will create a lucrative environment for businesses to work and expand. In addition to IT and ITeS and banking and financial services sectors (BFSI), it will fuel demand for office space from major sectors such as logistics, manufacturing and consumer goods. Rentals in metros and Tier-1 and Tier-II cities will continue to remain in demand. EPCWorld