

THE ADDRESS

July, 2016

17th ISSUE

THE RISE OF CO-WORKING AS A PREFERRED INVESTMENT CLASS

IN SPOTLIGHT - KHARGHAR, NAVI MUMBAI

Editor Speaks

Dear Readers,

Square Yards is back with the latest edition of The Address, the real estate advisory's monthly magazine with a slew of interesting topics, covering various aspects of the Indian & Global Real Estate Industry.

Contrary to covering an individual realty market, this time in Our Cover Story Section, we have captured a very interesting topic of co-working spaces. A kind of Commercial Asset Class, it is witnessing huge demand across the globe, driven by surge in freelancers, start-ups & growing emphasis towards working in mixed & shared set-ups.

The spotlight section talks about the evolution of Kharghar in Navi Mumbai as one of the most sought after location for buyers in the Mumbai Metropolitan Region (MMR). The edition also gives some firsthand information on saving energy through a beautiful infographic. The research section captures how start-up in India look forward to buy home.

In interview section, this time the team has interviewed Ms. Shambhavi Solanki, VP-HR about the evolving role of modern HR in Organizations. In the Infrastructure Update section, we have covered how the recent initiative by GOI to develop 12,000 new housing units in Delhi is going to impact the dynamics of realty market in Delhi-NCR.

In every edition our team of content specialists, analysts, editors & designers bring their level best to offer our readers a comprehensive magazine that is not only appealing & interesting to read but also effectively captures the major happenings of the global & Indian real estate. We wish to have worked up to your expectations. Enjoy reading & feel free to share your feedbacks.

Kanika Gupta Shori
Editor



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Cover Story

The Rise of Co-Working as a Preferred Investment Class



“It checked out. So we were curious: What makes co-working spaces - defined as membership-based workspaces where diverse groups of freelancers, remote workers, and other independent professionals work together in a shared, communal setting - so effective? And are there lessons for more traditional offices?”

The co-working space model has caught up in Asian regions too. In a different report in *India Times* , it has been stated that “With the blossoming of India’s start-up ecosystem, entrepreneurs are not the only ones making big business - so are the people running the spaces they work out of. Co-working spaces, which are growing in demand by the day, are proving to be a profitable and even scalable venture.”



Six Reasons why Co – Working Spaces are Such a Hit

- 1) **People feel a part of being in a community.** “The most recent survey research shows that the social side of co- working spaces is a key reason people feel they are part of a larger community” says Steve King of Emergent Research, a US based research house, focused on the future of work and the workplace.
- 2) **Affordable** – Co- Working spaces are quite affordable as the infrastructure and work spaces come all built in. Also a client pays only for the space that he/she uses. As a business scales up, or the work force strength goes above 10 – 15 people then it might make sense to have an independent office for the business. Otherwise co-working spaces make a lot more sense.
- 3) **Good Location** – Most of the co – working spaces are situated in well-connected commercial districts offering a solid location point to their users. For an individual it might not be easy to get a quality regular office space at a key location very easily. But shared workplace owners enable them to get that prime address.
- 4) **Expert Help Always at Help** – With various people working under the same roof, it is not quite uncommon for people to find experts at a nearby work station. Also support staff can be found for very less rates as they may be shared amongst members. Like say for example, an office assistant might be working for 3 members, all three of them splitting the wage bill.
- 5) **Amenities** – Free internet and coffee are staple to shared work places everywhere. This is also a major cost for any one operating an office. Different co – sharing spaces may have other additional amenities like meeting rooms etc. as well.
- 6) **Zero Set Up Time** – A person does not have to wait to set up the office. The work places are ready to move in and work can commence from day one itself, saving time and costs that could have been used to set up a business. It's basically a plug and play model with nothing for the end user to do.

Five Reasons to Invest in a Co – Working Office U

- 1) According to a research, in past five years, co – working spaces have shown a growth rate of over 100% across the globe.
- 2) As well structured, investment products, they offer more transparency and lay all the terms in a clear and concise way.
- 3) The United States Bureau of Labor Statistics has said that by 2020 some “65 million Americans will be freelancers, temps, independent contractors and solopreneurs, making up about 40% of the workforce”. This opens up a wealth of opportunity in investing in co – working spaces as demand will be high.
- 4) Increasingly, major players are coming up with investment plans which require nominal capital and are within the investment bandwidth of large number of investors. One does not require deep pockets to invest in a
- 5) Co-working spaces generally have clearly defined exit strategy for investors



In Spot Light

Kharghar, Navi Mumbai

Navi Mumbai is acclaimed as one of the well-planned cities falling under the Mumbai Metropolitan Region (MMR). The urban catchment that is probably known to be the only slum free city across the globe, has been developed in 1971 due to less availability of land in Mumbai. Under the administration of City & Industrial Development Corporation (CIDCO)- New Hubs of urban development have been created, generating a host of locations such as, Kharghar, Vashi & Nerul etc.

Though every location has its own advantages, there are certain factors that set Kharghar apart from other markets. Mentioned below are the list of factors, that is bolstering the realty market momentum of Kharghar.

Location Advantage

Kharghar is located on the Sion Panvel highway, just one and half hour drive from the heart of Mumbai city. Kharghar adjoins the Central Business District of Belapur & Taloja Industrial Estate that are major job establishments. These locations are bounded by two major highways, Eastern Expressway & Mumbai-Pune Highway that further streamlines the connectivity – to & from Kharghar.

Airport & Metro Accessibility

Kharghar will soon get metro station of its own- by the mid of 2017 (expected) that will connect Belapur-Kharghar-Taloja-Pendhar. There is also a new airport proposed at Ulwe (Ganeshpuri) in Navi Mumbai that will be at a distance of within 30 minutes' drive from Kharghar.

Social Infrastructure

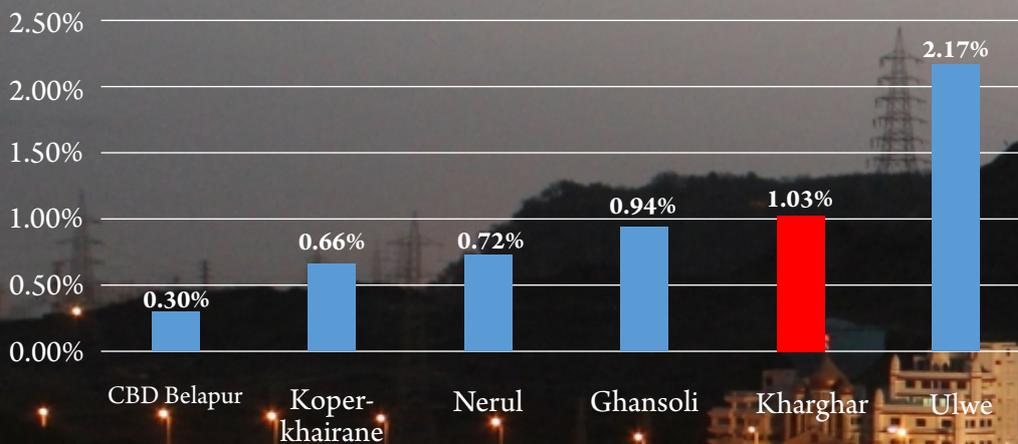
Kharghar is home to prestigious Higher Education institutions & Schools such as National Institute of Fashion Technology (NIFT), ITM, DAV & Ryan International School. It also has the foothold of renowned hospitals & shopping malls such as Advanced Centre for Treatment, Research and Education in Cancer (ACTREC), Tata Memorial Centre, Little World Mall & Glomax Mall respectively, thereby fulfilling the requirements of the residents effectively.

Popular Tourist Spot

Kharghar has various tourist attractions such as Central & Wonder Parks. The Central Park covers an area of around 290 acres spreading over Sector 23, 24 and 25. It encompasses theme parks, morning tracks, water sports, cricket and football grounds & sports club etc. Another iconic destination for tourist is the amazing view of hills with lush greenery and waterfalls that has made Kharghar a nature lover's delight.

One of the High Q-o-Q Growth Rates

Kharghar in comparison with other nearby locations enjoys, one of the high Q-o-Q growth of 1.03% as discussed in the graph.



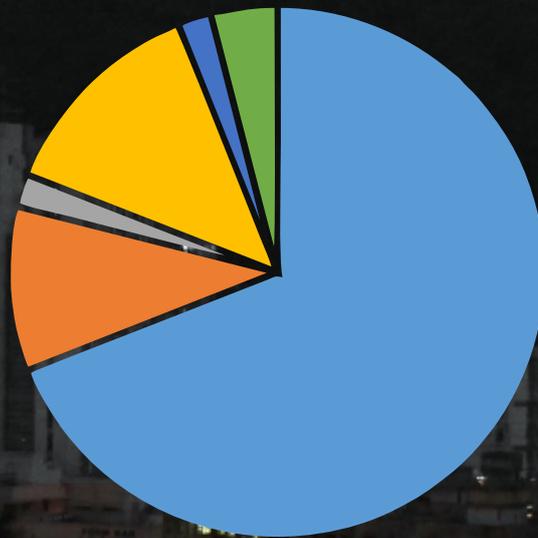
Double Digit Growth

According to Square Yards GIC, prices in Kharghar has appreciated by nearly 18% in the last 24 months. The growth is expected to increase further once metro and airport becomes operational in the coming time.



Project Wise Break-Up

Nearly 70% of the projects in the locality are occupied. 2% of the projects have been launched in the recent times. Rest of the projects are at various stages of construction.



- Occupied
- Ready to Move
- Near Possesion
- Advanced Stages
- New Launches
- Under Construction

Infrastructure Update

*GOI to Develop 12,000 New Units in Delhi- NCR.
However, Housing Prices expected to Remain Unaffected*



Government of India (GOI) has announced to develop 12,000 new housing units in New Delhi to be rolled out in a time span of 5 years. This will take the total number of government built units in Delhi to 74,000 units. It will be a major boost for the government employees who otherwise have to wait for a very long time.

The project which will cost a total of INR 32,000 Crores will include redevelopment projects in places such as Sarojini Nagar, Nauroji Nagar and Netaji Nagar. Other areas will include, Kasturba Nagar, Thygaraj Nagar, Srinivaspuri and Mohammadpur.

However, contrary to the lexicon prevalent in the Industry Circle that it might lead the residential prices to go further down in the Delhi, NCR- We at Square Yards believe that it won't make a huge impact on the Housing Prices in the region. This is because, these are built for Government employee & as they are not up for sale, the impact is expected to be minimal in terms of price movement.



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Nevertheless, there could be some impact on rental yields of the places mentioned above, in the times to come. With new units coming into picture, government employees which otherwise stay in private rented accommodation will move into these new units. It will definitely make a downward pressure on the rental demand thereby affecting price.



Commercial Space Will Remain Unaffected

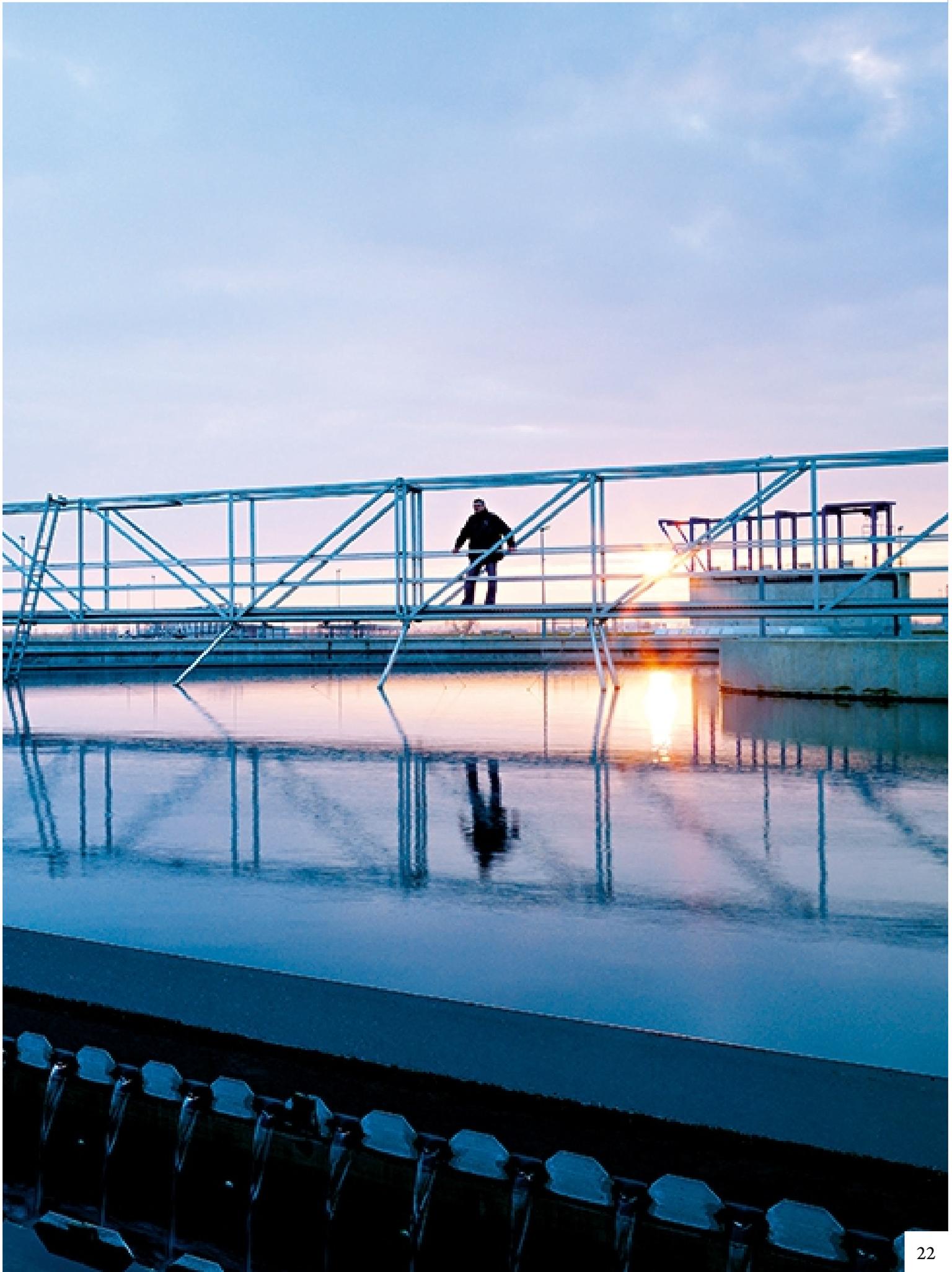
GOI has also plans to develop commercial & office spaces in Delhi-NCR. However, once again the impact on the office space would be felt in the close vicinities of the project. In the wider NCR, office market in Gurgaon & Noida will be unaffected. This will be so because the nature of commercial real estate is different, across the three cities.

For instance, in Gurgaon the market is bullish at the moment with prime office space areas such as Golf Course Road, MG Road & DLF Cyber City having very limited space left. In Q1 2015, a total space of 700,000 Sq. Ft. has been absorbed in the market with IT/ ITeS comprising of over 50% of the space.

Similarly, 380,000 Sq. Ft. of office space has been absorbed in Noida driven by IT/ ITeS along with Publishing & Manufacturing sector. In the coming time, Noida will stay bullish due to upcoming infrastructure & metro project along with economical prices in Noida that is stimulating many IT companies to consider relocating.

In contrast, the nature of the Office space is different in Delhi, that is primarily led by the BFSI sector that constitute 72% of the office market. The IT/ ITeS has a relatively lesser role with around 21% of the market share. Given the different nature of the market the impact of new office units in Delhi will be minimal on Noida & Gurgaon.





Press Release

Square Yards had launched its Half Yearly Real Estate Report 2016

Square Yards has launched its real estate Research Report for the 1st half of 2016, which presents a comprehensive analysis of the emerging trends of the Indian Real Estate.

The report is part of the company's endeavor to capture city-wise analysis of the major Indian markets along with current state of the Indian real estate sector, highlighting the various key components.

Though research reports are not unique to Indian realty markets, the specialty of Square Yards research reports are that they are compiled keeping the end users & buyers in mind. The report can offer useful consumable insights to the buyers who are looking to invest in Indian real estate.

Cautious Investing still remains the Lexicon of the Indian Realty Markets, with major markets showing signs of bottoming out. IT/ ITeS centric markets such as Bengaluru & Pune still remains bullish with major growth momentum focused in & around prime employment catchments.

The Delhi- National Capital Region (NCR) still lingers in doldrums with a large inventory overhang. However there remains certain locations such as- Golf Course Extension, Sohna Road & Noida Extension- Defying the general trend of slow growth in the region.

Residential markets in Mumbai Metropolitan Region (MMR) have also started gaining momentum with key growth centered on satellite cities such as Thane & Navi Mumbai.

The last 6 months have seen proactive initiatives by the Government taking multi-pronged approach to give a big push to the real estate sector in the form of wider policy changes such as, Smart City Project, Housing for All, REITS etc.

The range of actions undertaken in the past strongly points towards a well-thought of & crafted actions that can give a wide push to the real estate industry & transform it into a key economic growth enabler.

The report also captures about the ongoing trends in the commercial real estate industry, major deals in the commercial space & the evolution of new go to market strategy in real estate that capitalizes on a digital DNA coupled with a powerful sales force.

The comprehensive report is not just limited to buyers but can also offer meaningful insights to consultants, analysts, media and institutional investors looking to invest into the Indian real estate.



How Start-Up Employees Look Forward to Investing in Homes

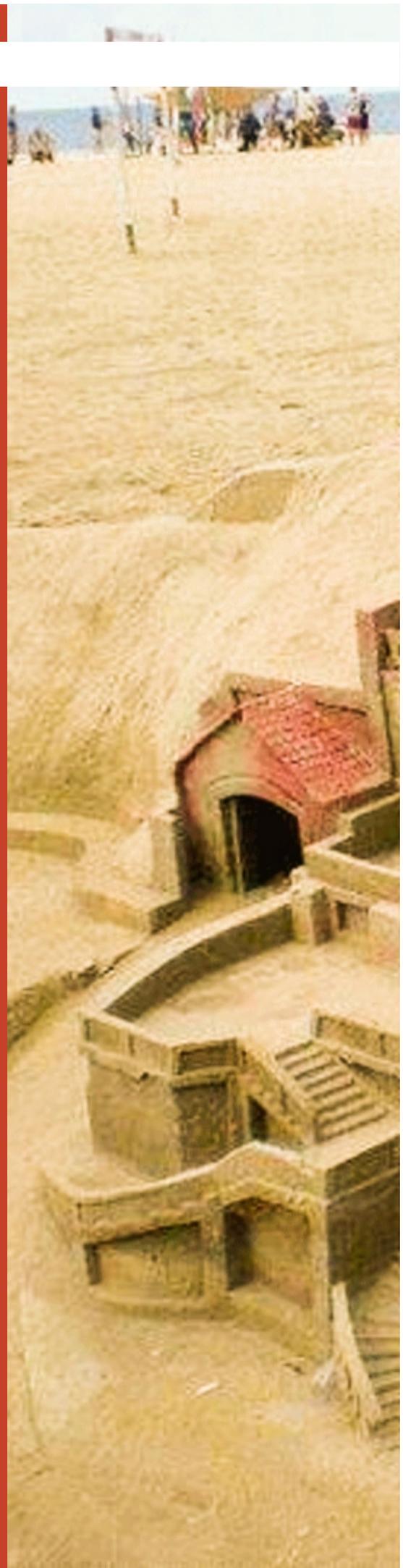
A Square Yards Research Study

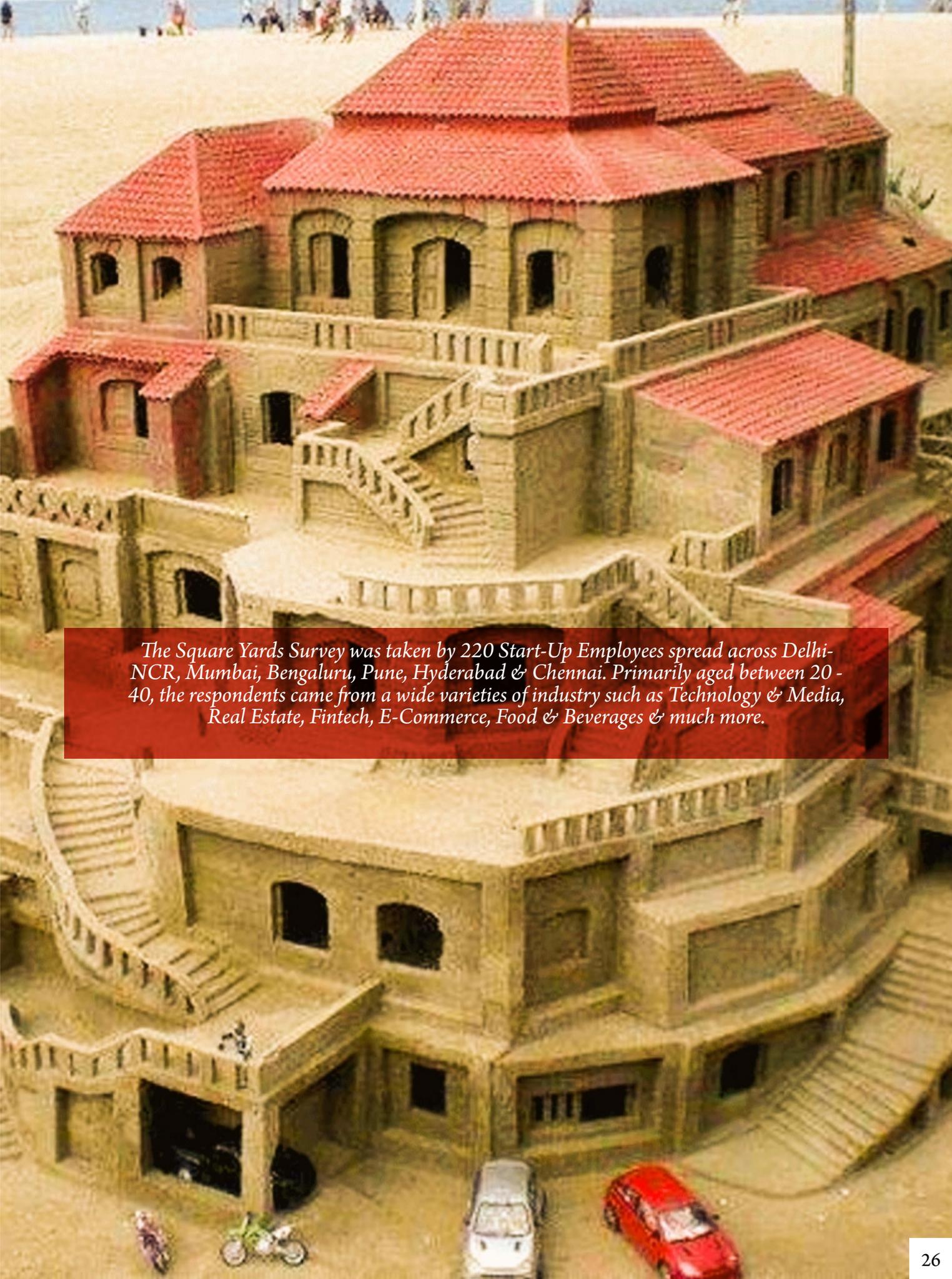
When the name of a Start-Up comes up, it generally paints an all together a different image in the mind. Mostly it is all about those tiring long working hours, towering dedication & an elevated sense of Passion, that anchors a group of like-minded individuals towards a common Objective.

However, like every other human being, the basic needs for any individual remains the same & Home is one amongst them. So as an upcoming real estate MNC, whose DNA is deeply soaked in the start-up work ethos, we thought why not give some time & efforts to understand, what exactly constitute the Housing needs & requirements of a typical start up employee.

Unsurprisingly, it was seen that there is not much difference when it comes to the housing needs of a start-up employee. It is mostly, the very same fundamentals, that drive the housing needs of a Start-Up Employee- Developer's Credibility, Capital Appreciation, Payment Scheme & Security Facilities- As majority of respondents have voted for these parameters.

However, there are certain parameters, wherein a start-up employee would put more focus on.





The Square Yards Survey was taken by 220 Start-Up Employees spread across Delhi-NCR, Mumbai, Bengaluru, Pune, Hyderabad & Chennai. Primarily aged between 20 - 40, the respondents came from a wide varieties of industry such as Technology & Media, Real Estate, Fintech, E-Commerce, Food & Beverages & much more.

Location Preference

The location preference for a start-up employee is generally a product of two factors- Proximity to Commercial/Employment Hubs & Affordability. As a consequence, locations such as Hoskote & Whitefield in Bengaluru & Southern Parts of Gurgaon & Greater Noida in the Delhi-NCR are amongst the new hot favorites.

In the Mumbai Metropolitan Region (MMR), Upcoming Peripheral Locations such as Thane & Navi Mumbai are places where start-up employees would like to put their monies. Since sometimes working in a start-up means working late in the night, there is a preference towards homes near work stations.

Club House & Other Facilities

The work culture is different at startups and things like late nights are not an uncommon phenomenon,” said a respondent. This makes it imperative to have homes with quality features which makes it fully equipped to deal with the fast paced lifestyles of the startup soldiers.

Seems like a Club Houses with facilities like sports, gymnasiums, eateries etc. are very important for the startup commune. In fact, 44% of the respondents indicated that a Club House is a must before looking into a home to buy.

Tech Savvy & Environment Friendly Homes

People working with startups feel they are more aware and would like to keep up with the latest trends. No wonder then, green homes & tech savvy concepts are catching their fancy. The former has several environment friendly features like rain water harvesting, energy efficient lighting, recycling etc. Typically, these homes come with a certification, pushing their prices up. But the survey by Square Yards, highlights that the startup community is willing to pay extra for the green home tag.

Likewise, there is growing emphasis on better technology concepts such as lighting controlled by sensors, universal remotes for all appliances, video conferencing/calling facilities.

Furnished Homes

The culture of owning a furnished home is also catching up fast amongst the start-up employees. 50% of the respondents showed that, they will be interested in investing in a furnished home. Owning a furnished home can help start-up employs to avoid the onus of purchasing each & every appliances themselves, thereby saving a lot of time.

44% of the respondents indicated that a Club House is a must before looking into a home to buy.

The Changing Role of HRM

An Interaction with Shambhavi Solanki, VP & Head-HR, Square Yards

Shambhavi Solanki, has been recently roped in to lead the entire HR vertical of Square Yards & its sister companies. A GIM-Goa & SRCC alumnus, Ms. Shambhavi brings in nearly ten years of rich experience on various dimensions of HR management & is believed to be an authority in pioneering industry wide changes to help start-ups transform from agile & lean set up to mammoth power punchers.

The Address Team has a chance to catch up with her to understand more about how the nature of HR has been changing in Indian Real Estate Industry in recent times & to further understand what all things new initiatives could be expected in the company in the times to come.



**Shambhavi Solanki,
VP & Head-HR, Square Yards**



Q. Once called the Bastion of Bureaucracy, HR these days is believed to be playing a more strategic role in enabling Organization realize their business Objectives. What is your take on the modern day HR, do you still see it as a Policing Arm or has the Role really morphed into a True Strategic Ally?

A. (Laughs)...I do not know what do you really mean with Policing Arm. Like other functions such as Finance, Marketing & Operations, HR is also playing a very proactive role in helping Organizations meet their long term strategic goals, through an extensive amount of Planning, Leading & Control Measures that goes into modern HRM.

Modern HRM in conjunction with other departments play a very crucial role towards maximize the return on Investment on the Human Capital & minimize the financial risks associated with Organizations. Increasingly it is being realized that the Organizations can achieve maximum success by unlocking the true potential of its human resources & to bridge this gap- An effective HR is essential.

" Modern HRM in conjunction with other departments play a very crucial role towards maximize the return on Investment on the Human Capital & minimize the financial risks associated with Organizations"

Q. Now coming to Square Yards, how much do you think is the HR vertical align with the Strategic Objective of the Organization?

HR was always high up on the agenda of Square Yards. In our board meetings, one of the common vocabulary is that we are not just a real estate consulting company but also an HR organization. As an entity, Square Yards has always look forward towards acquiring right talent & actively spend onto their training & development to help them morph into leadership & responsibility driven professionals. Special focus has always been put to invest or adopt the best available HR practices, augmented with the help of latest technologies & policy frameworks.



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Q. What are the new Organization Wide initiatives that you are planning to implement towards Better Organizational Development & Strategic Utilization of Human Resources?

A. Numerous initiatives are planned to further help us go closer towards our desired objectives. We are setting up a new technology empowered KRA management system that will include both sales as well as support function. The overall appraisals will be directly linked with the new KRA management system thereby making the entire process smooth & transparent.

We are also introducing a ticket system, through which employees can raise their grievance. As a part of employee welfare schemes the organization is planning to distribute free meal vouchers for its employees.

Q. Increasingly these days, many start-ups in India have to traverse through a chaotic & turbulent business environment. As a Change Champion, how is the HR vertical managing the same?

A. In both good & bad times the role of HR is integral to the success of the Organization. Start-ups do often navigate through a chaotic business environments & Square Yards is also not an exception. Although Square Yards enjoys the lowest attrition across the industry, there are times when crucial resources leave & in such situations HRM needs to pull their sleeve & find the right replacements at short notice. Getting them onboard & orient them has its own challenges, but we ensure that everything is done in a very hassle free manner.

Changing time also calls for the organization to re visit & redefine their key business objectives & this requires an adoption of an effective communication strategy that can help employees learn & understand about the current happenings & accordingly respond.

Q. Square Yards has a business objective of capturing 15% share in the primary residential sales in India. To realize such an ambitious plan, what all new initiatives could be expected to unfold in the times to come?

A. Yes there are ambitious plans in anticipation & it calls for the HRM to undertake spirited initiatives towards, identifying, acquiring & retaining the right talents. Hiring processes are on full swing across geographies & verticals.

Special care is being taken towards identifying young leaders in every vertical & nurture them towards taking leadership centric roles. In Square Yards, since inception we have adopted a Mini-CEO model wherein where in individuals are encouraged to take strong leadership roles of their individual units. Hitherto, the model has been very effective as it helps the top management objectives & strategic intent cascade through various layers of the organization.

Q- What do you think is the role of Technology on HR function?

Like other departments, Technology & Analytics are increasingly playing a very crucial role on the Dynamics of HRM, both at an operational, as well as strategic levels. It is helping in dramatically transforming & streamlining the various HR process.

In Square Yards, we adopt BEATS, a single platform for all employee related processes & information- from their onboarding to exit. A year before most of the functions were performed through the help of MS Excel that was quite a tedious process. Today, the entire processes have been integrated on BEATS, serving as a single point of information.



Along with day to day activities such as leave & payrolls, BEATS also provide various performance management tools such as Sales & Marketing Trackers to evaluate individual performances, through an automated system. This has brought a lot of transparency & effectivity into the system.

Q- Real Estate is particularly a male dominated field. How is female representation in Square Yards?

Square Yards is an equal employment opportunity Organization. The fairer Sex has a high representation in various verticals, that does not just include the support functions but also sales & other field related roles. Similarly, active female representation could be seen in various echelons of management- Top, Middle & Entry.



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Paramount Event

Paramount in Partnership with Square Yards
launched its Iconic Golf Theme Project "Paramount Golf Forest"

Total Footfalls: Over 2000

Total Registrations: 242

Total Final Closures: 52





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theaddress@squareyards.in