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**QUICK
BYTE**

■ MOST OF THE WORKFORCE IN THESE OFFICES, COME FROM THESE NEW SUBURBAN AREAS. SO, IT'S BENEFICIAL FOR BOTH, THE EMPLOYEES AND OWNERS, TO SET UP OFFICES THERE. THIS IS THE MAJOR REASON WHY MALAD-GOREGAON HAS BECOME THE CHOICE OF COMMERCIAL BUYERS AS PROPERTY PRICES AND RENTALS IN THIS AREA, ARE 20 PER CENT LOWER COMPARED TO ANDHERI-JOGESHWARI.

Emerging commercial hubs!

With the number of commercial properties witnessing growth during the last decade in the city, an increasing number of locations are emerging as business hubs for specific sectors and products. These changing trends have taken shape over the last few years, where these areas are being targeted by commercial buyers. The new emerging business districts where maximum commercial activity is taking place, are Andheri-Jogeshwari, Malad-Goregaon, Powai-LBS Marg and Thane-Navi Mumbai. According to Sunil Mantri, president, National Real Estate Development Council (NAREDCO), "There is no disputing the fact that Mumbai is the financial capital of the country and therefore, a magnet for head-

quarters of various businesses, from both, the manufacturing and services sectors."

Until two decades back, any corporate worth its salt, would necessarily have an office in Mumbai's Central Business District, which basically included commercial spaces in Nariman Point, Fort, Ballard Estate, Cuffe Parade and Churchgate, irrespective of how high the rents were. However, that was before the days of e-commerce and the meltdown of business boundaries. While an office in Mumbai is still a criterion for many, demand has been shifting from the Central Business Districts, to secondary and periphery business districts within and around the city. Sarang Wadhawan, vice-chairman and

managing director, HDIL, says, "Commercial space buyers are constantly focusing on the secondary and tertiary business districts of Andheri-Jogeshwari, Malad-Goregaon, Powai-LBS Marg and Thane-Navi Mumbai, compared to the traditionally popular CBDs like Nariman Point and Bandra-Kurla Complex."

Explaining the changing

Varasiddhi Infrastructure, shares that "The two major and obvious reasons for targeting these places are that these are becoming major residential hubs and in terms of commercial markets, are relatively cost-effective and secondly, commuting to these places is easier and cost-effective from the nearby residential hubs."

Manju Yagnik, vice-chair-

With sky-rocketing prices in south Mumbai, several companies are today, preferring to invest in the new emerging business districts in the city and its suburbs, writes **VIBHA SINGH**

trends, Ram Raheja, director and head-architecture, S Raheja Realty, says, "Nariman Point used to be the most sought-after commercial space, with all the big corporate organisations having their offices there. However, the focus has shifted to the suburbs in Mumbai, like Andheri-Jogeshwari, Powai and Bandra-Kurla complex. There are several reasons for this shift, the most important being the high rentals in south Mumbai, due to which the size of the offices are smaller."

As compared to 2011, activity (in realty) continues but it has slowed down this year. People, nonetheless, have a wider choice. Talking about the emergence of these places as new commercial hubs, Amit Kulkarni, director of

person, Nahar Group, explains how "The increasing congestion in south Mumbai, has compelled many corporate houses and small business owners, to consider having offices in business districts other than those in south Mumbai. The rapid improvement in infrastructure in the western and central suburbs, is another reason for the shift in office spaces in business districts at locations other than south Mumbai."

According to property experts, the reason varies from area-to-area, as the Andheri-Jogeshwari belt is being targeted because of high vacancy rates, features like road development, and metro rail in the region is fast enhancing the region's connectivity. The area is located in the middle of the railway

network and is easily accessible to residents of the northern as well as the southern ends of the city. The cost of rentals in Andheri-Jogeshwari is lower by 30 per cent, compared to rentals in BKC. Some of the companies which have shifted their offices here, include Volkswagen, Deutsche Bank and Tata AIG, among others.

Besides affordable prices, one more reason behind this shift is the workforce. Most of the workforce in these offices comes from the new suburban areas. So, it's beneficial for both, the employees and owners, to set up offices here. This is the major reason why Malad-Goregaon has become the choice of commercial buyers as property prices and rentals in these areas are 20 per cent lower compared to Andheri-Jogeshwari. This area has a high density residential belt, making it a ready employee catchment zone.

In the last few years, increased commercial activity has taken place in Powai-LBS Marg which is strategically located at the junction of Mumbai, Thane and Navi Mumbai. The area is well-connected to key commercial areas like Bandra-Kurla Complex, Kalina and the Jogeshwari-Vikhroli Link Road. Due to its strategic importance, a large number of corporate houses are interested in setting up office spaces in the belt. Apart from the availability of space at low prices, people are keen on buying plots on LBS Marg because of its location. Wadhawan adds that "Powai, with its easy accessibility to the international and domestic airport, Western Express Highway and major growth areas like SEEPZ and MIDC and the presence of the high-tech Hiranandani Business Park (HBP) at the township, is attracting several domestic and MNCs for investment."

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EMERGING COMMERCIAL HUBS!

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Raheja also echoes the same sentiment. "The other factors include the age of the buildings, lack of amenities in the buildings like car parking facilities, safety and maintenance. Better connectivity and infrastructure have helped in the overall development of Navi Mumbai and Thane which have their independent CBDs and people living there, do not need to travel all the way to south Mumbai for work. Capital value and rentals are growing in areas like Lower Parel and BKC too, and as a result, the offices are looking at shifting to Andheri, Powai or similar areas. Being primarily residential areas, these are lucrative employee catchment zones since being able to work close to one's residence is always an attractive proposition," he adds.

Shifting to areas like Powai, Andheri, Malad, makes commuting easier. Clients of these corporates have moved to the northern part, making it a viable option. Yagnik says that "The availability of easy transportation by road and rail, has made commuting easier in the western and central suburbs of the city. Important government offices and major corporate houses and bank offices, are also shifting their base to the business districts in Andheri-Jogeshwari, Malad-Goregaon, Powai-LBS Marg and Thane-Navi Mumbai. Proximity to such offices will help in conducting business better. Due to all these reasons, buyers are targeting office spaces in the business districts in western and central suburbs."

A Kalpataru spokesperson concludes that "These areas in Mumbai's peripherals, are the preferred markets for corporates and residential establishments. Thane is one such area which has seen massive infrastructural development. While Thane is already witnessing high growth in residential demand, it has simultaneously created a huge demand for commercial spaces, especially in the industrial areas like Wagle Estate, where some of the biggest national and international BPOs/KPOs are moving their operations into newly launched IT/ITeS parks. The key reasons for Thane's transformation into an IT/ITeS hub, are availability of young and educated employees besides excellent transportation network, social infrastructure and low cost of operations as compared to rentals in Mumbai."