



Post Conference Report



The Global Association for
Corporate Real Estate

Welcome Address by Angela Cain

Angela Cain, CEO of CoreNet Global, was thrilled to attend the CoreNet Global India Conference for the second time in a row and was excited to welcome 230 delegates to the event. While 60% of the audience was Bangalore based, many attendees came in from other cities around India and some from outside the country. She talked about CoreNet Global's strength, 10,000 members spread across 50 countries, and a substantial increase in membership in India. Angela hoped that the attendees would take back key learnings from the conference to improve upon their businesses.



Opening Remarks by India Co-Chairs Shamsher Sindhu, Kotak Mahindra Bank and Ram Chandnani, CBRE

Shamsher Sindhu and Ram Chandnani shed light on the key initiatives of the CoreNet Global India Chapter. This year, the Chapter aims to increase the membership count to over 200 members and introduce new leaders to the Indian Chapter Board. It will also aim to hold a minimum of two chapter events a year across Bangalore, Mumbai and NCR (amongst other cities). Another goal is to raise the profile of CRE (Corporate Real Estate) professionals by partnering with local universities. Lastly, the Chapter aims to sustain and grow the momentum of the annual conference in the years to come.

Members from the India Chapter who were selected as nominees for the Global Awards were felicitated on stage. Kumara Shivanna, Citrix was nominated for the Corporate Real Estate Executive of the Year Award and Jitendra Makwana, M Moser was nominated for the Young Leader of the Year Award.



L to R: Ram Chandnani, Shamsher Sindhu, Jitendra Makwana, Kumara Shivanna

Opening Session: Unlocking India's Potential

Keynote Speaker - Shekhar Gupta

Shekhar Gupta was delighted to see a packed venue for the Conference and appreciated CoreNet Global's efforts. In this session, Shekhar shared his thoughts on the CRE segment in the country and revealed new opportunities for CRE professionals.

He began by recounting how, while setting up his office in Delhi, he learnt that the biggest seeker of CRE was the Government of India. He explained that this demand has helped the sector flourish. He attributed this trend to Modi's ideology of 'More Government, better Government.' Shekhar explained that the present government is unique, strong and non-corrupt – it is focused on rolling out the GST on time. The GST would impact sectors like construction that witnessed a negative growth of 1.7 percent. In essence, a strong state would be beneficial for the CRE sector in India.

Shekhar brought a humorous element to his session by requesting CRE professionals to enjoy Indian politics. To improve their business, Shekhar suggested closely following government's initiatives to tap into new areas. He predicted a boom in infrastructure requirements in multiple sectors including pharmaceuticals, education, railways and defense. Shekhar concluded his address by requesting CRE professionals to consider these sectors as opportunities for their businesses to flourish and not depend on the private sector, which has had a negative growth of 2.1 percent last year.



Market Outlook – Demystifying the Landscape

Speakers - Ramesh Nair, CEO & Country Head, JLL; Abhinav Joshi, Head of Research, India, CBRE; Sanjeev Sethi, Director Global Workplace Solutions, Adobe Systems India Pvt. Ltd.

To familiarize the audience with the current state of CRE in India, Ramesh, Abhinav and Sanjeev shared key insights and market trends during this morning session.

Ten trends shaping the CRE landscape in India today are – volatility, agility, optimization, smart growth, open innovation, human experience, human cloud, intelligent automation, algorithmic business and a better tomorrow. The nature of work is subsequently changing with these trends. Ramesh believes that CRE professionals should respond to these trends in three ways – reactively, proactively and actively. Workplace of the future will have improved levels of engagement, empowerment and fulfilment. To achieve this, the CRE sector should invest in future proofing by adopting people centricity, involve business units at an early stage, build coalition with change agents, be tech savvy and build agile teams to promote adaptability.

Talking about the growth of the market, Abhinav pointed out that globally the market has grown from 200 million sq. ft. in 2008 to 550 million sq. ft. today. Expected absorption in India this year is 40 million sq. ft. While Abhinav shared his thoughts on key cities like Bangalore, NCR and Mumbai, he set aside time to appreciate the remarkable growth seen in Hyderabad, which is foreseen to surpass Mumbai next year.

Technology, policy reforms and demand for co-working spaces are driving the growth of CRE in India. “The requirement for co-working spaces is expected to grow from 6000 sq. ft. to 1.4 million sq. ft. A detailed report on this trend will be released by CBRE next week,” said Abhinav. While the country might see a decrease in demand from the IT industry, the speakers revealed opportunities in sectors such as manufacturing, investment banking and fintech.

Sanjeev gave a quick run-through of current world affairs and how it might impact the CRE sector in India. While the Brexit issue will not have an impact, Sanjeev predicted that the H1B1 visa situation in US might impact the CRE landscape to a certain extent. It might be further disturbed if countries such as US, Singapore and Australia increase the basic pay in their respective countries. Sanjeev further zoomed into country affairs and predicted that inflation, the current political scenario and demonetization will have a negative impact on the industry. He predicted that the scenario for CRE professionals, however, was bright - the expanding demand from government would neutralize the dip in requirement.

Ramesh, Abhinav and Sanjeev wrapped up the session by addressing the unique demands of the millennial workforce. They urged CRE professionals to closely follow the new workforce, understand their behavior and build adaptable workplaces.



L to R: Ramesh Nair, Abhinav Joshi, Sanjeev Sethi



Live, Work, Play – New Workplace Environments

Speakers - Nirmal Mangal, Director and Head of Office, M Moser; Venu Kota, Director, Head Corporate Real Estate, India & South Asia, Visa; Karan Virwani, Director, WeWork

The topic was bracketed under wellness, sustainability and co-working spaces – the three pillars of new workplace environments – which are new areas for CRE professionals. It would be optimal for CRE professionals to embrace these areas. Incorporating them into their workplace design would help corporates attract and retain future workforce.

The speakers highlighted physical inactivity as one of the biggest challenges for today's workforce. To uplift the wellness quotient of the workplace, Nirmal recommended improving seven elements of the workplace design – air, water, nourishment, lighting, fitness, comfort and mind. They pointed that corporates could also choose to adopt this as a marketing strategy to attract talent.

To explain the second pillar, sustainability, Venu shed light on the paradigm shift noticed in the past ten years with respect to the nature of work. He believed that in addition to the nature of work, millennials are also concerned about the environment of the workplace. They want to be focused at their workplace and enjoy the work they do. An engaging environment would be important for millennials to elevate their productivity levels. Corporates are willing to shell about extra money to build a sustainable environment for their workforce. They want to strengthen their brand image and build offices, which resonate their identity. Hence, Venu suggested that the industry focus on collaboration and help build a sustainable workspace.

With regard to co-working, Karan shared that millennials believe in sharing and being a part of a community. They want human interaction to elevate their creativity and yield great ideas. Co-working spaces foster this school of thought. In India, startups and corporates are shifting from traditional workspaces to co-working spaces. "Co-working nurtures culture and productivity, connects people globally and open doors for Indian businesses and future entrepreneurs. Human interactions will lead to job creations and idea generation. This cannot be achieved through an AI or large tech parks," said Karan. India has the largest pool of young workers and by 2020, 40% of the workforce will be freelancers and entrepreneurs. Collaborative spaces will help the country address infrastructure issues and help new businesses bid adieu to unwanted workplace pressure.

The session concluded with a round of Q&A where panelists were questioned about the affordability of collaborative spaces. They unanimously agreed that co-working spaces are cost-efficient and will help bridge the gap between demand and supply in the country.



L to R: Nirmal Mangal, Venu Kota, Karan Virwani



Robotics and the Disruption of Corporate Real Estate

Speakers - Nitasha Sreekumar, Technology Partner – India, Global Technology Solutions, Cushman & Wakefield; Erwin Chong, Head, Corporate Real Estate Strategy and Administration, DBS Bank Limited

Filled with thought provoking questions and videos to aid the presentation, this session led by Nitasha was an eye opener for all CRE professionals present at the conference. Although robotics and AI have been taking over other industries, CRE has been untouched by this disruption. But Nitasha and Erwin believe that this scenario will soon change.

Last year, the World Economic Forum revealed that mankind is on the verge of a massive change which will transform the way we live and interact with each other. Nitasha explained that 90 percent of the population believe that they have not interacted with a robot despite interacting with Siri and Cortana. She went on to explain how a majority of the population expects robots to have a physical state and does not consider virtual robots.

Industrial Revolution 4.0 will witness technology firms of all sizes coming together and using Big Data and IoT to improve machine learning. This revolution will have a major impact on corporate real estate. For example, 3D printing can be used for construction. This will cut down time, investment and labor costs by 50 percent. The current forecast shows that robots will take over 40-50 percent of transactional jobs in the next ten years. By 2020, 50 billion devices are expected to be interconnected. These devices also act as 50 billion access points for hackers. This will have a huge impact on businesses and hence require the industry to implement stringent IT security and privacy control measures.

The banking sector, the easiest sector for technology firms to enter, is undergoing robotic invasion. Erwin explained how his employer, DBS Bank Limited, tackled this untraditional crisis by transforming the bank into a technology firm. “Move away from traditional processes and introduce machine learning to provide better services,” explained Erwin.

Erwin and Nitasha believe that robotics will enter the CRE sector in the next 3-5 years. “We are your frenemy – if you do not evolve with technology, we will become your enemy,” said Jill, the humanoid robot receptionist at JLL. CRE might be a services oriented industry today, but if a startup decides to introduce technology to the sector tomorrow, CRE professionals should be ready to tackle it. To achieve this, CRE professionals should adopt and evolve with technology before the apocalypse.

Nitasha signed off by asking one question, “What change can you bring in today?” and further recommended, “Look at any one element from today’s session and implement it in your company to see remarkable results.”



L to R: Nitasha Sreekumar and Erwin Chong



Are Developers Geared up for Offices of the Future?

Speakers - Joe Verghese, Managing Director, Colliers India; Sanjay Dutt, CEO-Operations & Private Funds, Ascendas-Singbridge India; Ganesh Kavattur, Senior Director – Corporate Real Estate Services for APAC and India Real Estate Operations, Capgemini Technology Services India Limited

The essence of this session honed in on offices of the future and how one needs to be able to adapt to changing times to meet demands of the workforce.

Colliers India's Joe Verghese began by pointing out the transitioning nature of the market, and the consequential changes that come with it, with regard to individual's requirements for more adaptable office spaces. He noted that developers were not immune to disruptions from technology. In fact, they welcome it. The earlier the developers adapted to the change, the more they would benefit from it and stay relevant.

Major changes were seen in the tenants who occupied office spaces. Currently, of all tenants who occupied these spaces, 58% of total absorption was from IT, ITES and BSFI sectors that included back-end offices or service providers. The shift was now hinting at prospective tenants driven by startups and e-commerce platforms. With \$20 billion invested in startups in the past three years and 10,500 startups expected to be present next year, the current profile of tenants will drastically change.

Key factors that defined tenant's requirements revolved around a more viable and modern work environment that include flexible space, variable leasing options and shared/ co-working office spaces-

1. Flexibility – Changes in the demands of end users are prominent. The belief that work environment is as important as the work itself drives them to look for jobs that give them both. Organisations thus believe that office spaces can be designed in a more open manner (similar to open spaces in college that millennials are used to) to break barriers between the company and prospective employees.
2. Smart – Today's tenants are tech savvy and look for convenience. A safe and friendly environment for them would be fully automated including stringent security processes.
3. Collaboration – Millennials want collaborative spaces outside of the boundaries of the corporate world for example trees, parking spaces, etc. And so, the best way forward would be to ask them what they expect.
4. Eco-friendly – Office goers are more aware of their carbon footprint and look for environmentally friendly spaces to work in.
5. Cost effective – The catch is to incorporate all the above requirements into a single building solution and provide it at competitive prices.

The industry experts gave a larger perspective on the difficulties in achieving this. The speakers pointed out that regulation and compliance – RERA - Real Estate Regulation and Development Act, and GST were major challenges. Being compliant to these policies is a long process. Developers also faced difficulties with regard to technology, skill, cost of space, expectations of the client vs delivery by the developers. Other challenges included shifts in business models leading the way for close scrutiny of investments, growth in infrastructure that would consequently increase the price of raw materials such as cement, and the changing tenant profiles.

The session concluded with the speakers pondering about the dynamic environment that offices of today required. Several areas that could be improved upon would depend on not confining spaces to boundaries set by the company, but rather take into account other aspects of the end user's life. Steps should be taken to reduce electricity bills, maintenance costs, etc. without compromising on the quality of the work space. They also predicted that an investment into both hardware and software would pay off dividends.

All in all, developers should utilize the changing nature of the tenants' demands as an opportunity and build spaces which are flexible, collaborative and open in design. This will lead to sensible and optimized office spaces that bring a sense of belonging among the end users.



L to R: Ram Chandnani, Joe Verghese, Sanjay Dutt, Ganesh Kavattur

Closing Session: Staying Relevant in Changing Markets

Speaker - Devdutt Pattanaik

The closing session by Devdutt Pattanaik revolved around the central idea of 'adapting and changing with the world'. Devdutt turned to Indian mythological stories to emphasize the importance of customization and collaboration to improve businesses. Filled with witty lines and humorous anecdotes, the session witnessed active participation from the audience.

Using the example of Yagna, an ancient ritual, Devdutt explained that CRE professionals should understand the requirement from the end user and customize their offerings. A standardized design will not yield the same result as a personalized solution. He also emphasized the need for collaboration and used the mythical story 'Churning of Ocean' to support his statement. "Collaboration is not easy. Work with people you do not like, only then will the Goddess of Fortune emerge", said Devdutt.

In the closing remarks, Angela thanked all the attendees and announced the three winners of the lucky draw. She was intrigued by Devdutt's usage of mythology to explain business models and hoped that the sessions were productive and helpful for the attendees.



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