

Session Topic: Is Gurgaon ready to move upmarket; has the office market primed for this change?

A energetic introduction shared by Mr. Badal Yagnik, Managing Director – Leasing, Cushman & Wakefield, primed the panel for the discussion. He sketched the Gurugram commercial market landscape within the first 15 minutes, which followed with an insightful and spirited conversation. Gurugram started as a small, cost-effective office market in the 1990s as an alternative to Delhi. Fast forward 2.5 decades, Gurugram has now become the most premium and sought-after office market in NCR. So What's Next for Gurugram? Here are opinions shared by the panelists during the course of the 1 hour, high octane panel session.

Gurugram started off as a Navi Mumbai in the 1990s but is moving towards the BKC experience: Gurugram holds the crown in terms of office stock availability – over 70% of the NCR region stock is here. Mr Sumeet Anand, Global CRE Leader, Genpact, threw light on the fast progress made by observing that rentals commanded in Gurugram are the second highest among major Indian CRE markets, going all the way from INR 40 to INR 80 per square feet in just 3 years. This is a significant jump. And these rental figures are expected to move upward to an INR 120 – INR 150 per square feet soon, with Golf Course Extension leading the trend.

Technology is What's Next when it comes to defining Gurugram's quality office spaces: The definition of amenities has changed drastically over the years, observed Mr Alok Aggarwal, CEO, Brookfield. Today, amenities comprise of 2 layers: internal amenities available within the confines of the campus, as well as external amenities such as road infrastructure, or cleanliness around the campus periphery. Office corridors offered by developers are being closely evaluated in terms of fulfilling the demands of occupiers. Financial advantage, social spaces, and security benefits are the need of the hour, and to achieve that the panel proposed that mixed development comprising of residential, office, retail asset classes could hold the answer.

Gurugram offers a home for corporates across different lifecycles and reach: What's attractive about Gurugram? It's the holistic infrastructure and talent ecosystem is available in this region, noted Mr. Badal. An all-encompassing environment that's business friendly gives an impetus for businesses to settle there. Companies across various stages of growth find value in establishing their address in Gurugram. Corporates ranging from mature organizations, to global marquee brands, to startups experience efficiency in transacting business in Gurugram, compared to Bengaluru & Hyderabad, which is more IT – BPM dominant.

New Delhi's Oberoi hotel has set up an AQI system indoors, and it is claimed that it has increased occupancy within the hotel: The concept of health & wellbeing has become a new objective not only for developers, but also for the occupant, based on inputs from the audience. The approach being taken in this context today in Gurugram is two-fold: having health parameters monitored both inside the office campus as well as outside it, said Mr. Sameer Saxena, Indian Real Estate, FM, HSE & Travel Leader, Marsh & McLennan Companies. Muscular governmental action is needed, with public institutions joining hands with developers to create a healthier environment outside the office.

Is there a one-size-fits-all commercial real estate market in India?: Each market has their own benefits & challenges. Rentals vary owing to many local variables, building construction spends are different across cities, mixed space portfolio is in vogue. Gurugram, however, has corralled a wide range of corporates and talent, thus positioning the region as an attractive destination.

In conclusion, the panel unanimously agreed that Gurugram is already primed for change & is moving upmarket.