



CORNER SPACE

May 2017, Vol 15

Pune's Retail Revival

Driven by sectors like automobile, IT/ITeS, agro and food processing, Pune has a growing number of young and high-income demographics, which has led to the growth of organized retail in the city. The retail malls have witnessed a rental increment even while a few malls were scrapped and proposed to be converted into office spaces due to oversupply.

[Read More](#)

Tapping Big Data to Boost Commercial Real Estate Growth

In a rapidly evolving and competitive landscape, technology is offering real estate companies an edge in the market. All aspects of the real estate business are becoming faster, thanks to latest technological innovations. The latest breakthrough is big data analytics, a statistical tool that is helping real estate companies grow by getting actionable insights from data.

[Read More](#)

International Hotel Chains Eye India for Expansion

The hospitality industry in India is gearing up for a new phase of growth as international hotel groups are set to open up across the country in the coming years. According to ratings agency ICRA, the share of international hotel brands in the Indian hospitality industry will go up to 47 percent by 2020 and 50 percent by 2022.

[Read More](#)

Optimizing Office Layout Design for Better Utility

As the economy grows and companies expand their operations, commercial space comes at a premium and optimizing it is the need of the hour. The process starts with optimizing internal layouts and making spaces as useable as possible. Optimization adds tremendous value to any commercial property and increases its viability without necessarily increasing cost.

[Read More](#)

Close to 283 million sq. ft. of office space in India is REITable.

Leasing of office space by co-working operators may double in 2017 to 1.5 million sq. ft.

A report by a leading property consultancy suggests Connaught Place is the most expensive prime office market in India with an occupancy cost of \$153.89 per sq. ft.



“

Under GST, works contract to be charged 18% tax. However, the sector is likely to gain from the input tax credit.

”

Pune's Retail Revival

Driven by sectors like automobile, IT/ITeS, agro and food processing, Pune has a growing number of young and high-income demographics, which has led to the growth of organized retail in the city. The retail malls have witnessed a rental increment even while a few malls were scrapped and proposed to be converted into office spaces due to oversupply.

As a result of this sifting, mall owners in Pune have had to re-think their strategy and work consistently on their branding and promotion strategies. As for the malls that have stayed operational in Pune, developers have had to look beyond the traditional shopping experience and constantly innovate to increase footfalls.

Ready catchment pushing retail

Factors like ready catchment and limited supply have kept some malls relevant and these include Phoenix Market City on Nagar Road, Kumar Pacific Mall on Swargate, Seasons Mall near Magarpatta City and Amanora Mall in Hadapsar. Global High Street Mall, a newly launched retail hub in Hinjewadi Phase 2 has also caught the fancy of many retailers due to the ready available catchment.

Pune's most popular Grade A malls have witnessed steady growth and their rentals have increased by 10-15 percent. Capital values in these malls have also jumped to as high 10 percent leading to renewed interest from mall developers.



International brand explosion

Many international brands have recognized the potential of Pune and expanded their footprint in the city. Last year witnessed a visible growth in the luxury retail segment in certain catchment areas. The Pavilion on S B Road and Westend Mall in Aundh are set to host major international brands like Zara, Gant, H&M, Kenneth Cole, MAC, Superdry and Brooks Brothers. Another mall, Nitesh Hub also plans to add more international brands to its brand mix.

Keeping Pune's retail scene buzzing are international retail giants like Walmart and IKEA that are planning to set up shop in the city. Both international brands have plans to acquire land parcels to execute and start operations in the next two years.



CORNER SPACE

May 2017, Vol 15

Conclusion

After last year's churn, the retail scenario in Pune has matured and is set to scale new heights. The introduction of reforms like Retail REITs (real estate investment trusts) and GST (Goods and Services Tax) is expected to further boost Pune's retail real estate market by improving financing and ease of retail goods movement.

Tapping Big Data to Boost Commercial Real Estate Growth

In a rapidly evolving and competitive landscape, technology is offering real estate companies an edge in the market. All aspects of the real estate business are becoming faster, thanks to latest technological innovations. The latest breakthrough is big data analytics, a statistical tool that is helping real estate companies grow by getting actionable insights from data.

How does big data work?

Big data analytics filter data that gets generated every day and analyze it through existing data-processing software. Data scientists use predictive methods to look for leads from sets of data that often appear disparate and delinked. Major consumer companies have deployed big data to decode complex data to increase their bottom line. Real estate companies too are now turning to technology to help their businesses grow.

Restructuring real estate

Although in a nascent stage in India, big data is being gradually adopted by real estate companies. This predictive device is helping select projects and driving sales. Big data provides relevant information regarding all aspects of development and construction.

Impact on CRE finance

Commercial real estate (CRE) companies are bullish on big data and are using predictive devices to mitigate financial risk. The statistical tools analyze variables such as building age and structure, recent renovations and financial status of the current owner to get a complete picture of the property.



Big data analytics has also boosted CRE finance by helping potential investors make profitable decisions. Disparate factors like capital investments, macro-economics are being combined by predictive tools to help companies zero in on the most strategic locations and investments in commercial real estate.

Conclusion

Big data's application in Indian commercial real estate is still in its infancy with only a handful of companies opting for it. Some property pundits are also questioning if big data algorithms can replace the experience and wisdom of seasoned professionals. Going forward, companies that are able to keep pace with innovations and apply big data analytics to their operations will have a clear advantage in the market.

International Hotel Chains Eye India for Expansion

The hospitality industry in India is gearing up for a new phase of growth as international hotel groups are set to open up across the country in the coming years. According to ratings agency ICRA, the share of international hotel brands in the Indian hospitality industry will go up to 47 percent by 2020 and 50 percent by 2022.

With a steady growth in GDP and persistent demand for hotel rooms, India is emerging as a promising market for international hotel chains. Even as international hotel chain Accor added its 45th hotel in India recently, another major player Marriott has plans to come up with 35 new properties.

Leisure tourism creates demand

This boom in the hospitality sector can be attributed to the fact that a growing number of Indians are regularly traveling abroad and are experiencing international hotels. Many of these hotels run loyalty schemes providing incentives to guests to opt for the same brand when travelling within the country.

The hospitality industry is mainly driven by domestic leisure tourism but business travel is also making a considerable impact. To adapt well to the Indian market, international hotel brands are acquiring a taste for local needs and demands of travellers. Thanks to a wide distribution network, international brands have managed to expand their reach and access customers all across the country.

Domestic hotels face stiff competition

The rise of international hotel brands have been a wake-up call for domestic chains such as Taj, Oberoi and ITC and forcing them to rethink their ownership model. According to experts, big domestic chains are adopting an asset-light approach and bringing more number of hotels under management contracts. This change in policy is helping them to lower risks and expand faster to keep pace with international players.

Conclusion

With the expansion of international brands, the hospitality sector is transforming into a mature and organized market. While international brands are expanding to smaller cities and centers, domestic players are opting for the operate-only model to leverage their brand value. Even with this fresh approach, domestic hotel chains are unlikely to keep up with the aggressive expansion policies of international chains.



Optimizing Office Layout Design for Better Utility

As the economy grows and companies expand their operations, commercial space comes at a premium and optimizing it is the need of the hour. The process starts with optimizing internal layouts and making spaces as useable as possible. Optimization adds tremendous value to any commercial property and increases its viability without necessarily increasing cost.

According to architects the relationship between spaces is critical to optimization. A balance is needed to ensure there is no friction between design, structure and services.

Here are some areas to consider while optimizing office interior layout:

Think vertically

Try to make the most of the space between tops of furniture and the office's ceiling by taking storage cabinets all the way up. You can also attach sturdy pockets to your walls to hold active files you access frequently.

Do away with clutter

Clutter not only slows down employees physically but also limits their imagination. Excess things in the office space can have a negative impact on their ability to focus and process information. To prevent this, clinically de-clutter the office space and make room only for essential items.

Consider hot-desking

A recent concept, hot-desking allows employees to use any available desk. This idea comes in very handy in case of part-time staff or employees who work from home or other locations. Another advantage of hot-desking is that it allows groups to sit together when working on similar projects.

Create multipurpose spaces

Your office floor plan must utilize spaces, such as hallways and landings to create spaces for impromptu meetings. Also consider creating multipurpose spaces that can be utilized for everything from presentations to casual breakout areas.





CORNER SPACE

May 2017, Vol 15

Conclusion

Offices are an expensive resource not only in terms of rentals but also with regard to the cost to service it and keep it running. With the help of layout optimization, architects and interior designers ensure you get the best return on your office investment. All you need is some imagination and smart ideas to optimize your office space and make it compact yet efficient.



About Citadel Propcon Pvt. Ltd.

Citadel Propcon, with over a decade of experience and a pan-India presence, is a leader in real estate services. With our passion for property and creative solutions and an exuberant team, we put our best forward to exceed client expectations. We integrate the resources of real estate specialists for our clients ranging from major corporates to individual private investors, to accelerate their business goals.

For office space related enquiries, please contact:

Smitha Chinnappa : smitha@citadelnetinc.com
Priyanka Raj : priyanka@citadelnetinc.com

Corporate Headquarters

Bangalore:

Citadel Propcon Pvt Ltd.
#1007, 'Sujaya' HAL 2nd stage,
13th main, 2nd cross, Indiranagar,
Bengaluru - 560008, Karnataka,
India.
Tel: +91 80 4253 0099
Fax: +91 80 4253 0000

Pune:

United-21 - The Grand,
Baner Hills, Baner,
Pune - 411 045
Maharashtra,
India.
Tel: +91 20 6725 1111
Fax: +91 80 6725 1111

www.citadelnetinc.com