

# Global financial meltdown a boon for serviced ready-to-use offices

**Mona Mehta**  
Mumbai, Dec 7

The demand from corporates for serviced ready-to-use offices, instead of conventional office on long-term lease basis has started gaining momentum, and is growing at the rate of 15% to 20%.

This has been driven by the financial turmoil and the increasing number of lay-offs in various corporate sectors. Compared to conventional leased office spaces, a serviced office does not require furnishing or lease and provides a good business environment both in terms of immediacy, flexibility, location and cost in prime location, according to industry experts.

To cash in on the opportunity, serviced office providers are planning to expand such office centres in India, apart from initiating talks with top builders in order to start serviced office concepts within the latter's commercial buildings. Unlike in conventional lease offices, corporates are committed to pay rent till the long term lease period ends. However, organisations using serviced offices can use the space minimum for one single day and exit. The occupiers of serviced offices are not committed to paying long term rent.

Says Sean Morgan, managing director - Middle East & India, Avanta Management Services India, "We are planning to expand serviced office

centres from 3 to 20 in metros, at an investment of \$2.5 mn (Rs 250 crore). Our initial focus will be to develop serviced office centres in Mumbai which includes Lower Parel, Andheri and Powai. We hope to achieve \$80 mn as revenues in the next five years." Avanta is currently talking to top builders and corporates in order to provide serviced office space that require large and small offices.

Since the past six to eight months, competitor Servcop—an Australian firm (with whom K Raheja Corp has entered into exclusive franchise agreement with). Competitor, Regus India, leading serviced office providers, is looking at quality buildings with avail-

able space of over 8,000 sq ft. Since the past six to eight months, competitors, Servcop—an Australian firm (with whom K Raheja Corp has entered into exclusive franchise agreement with), apart from The Executive Centre from Hong Kong have also made an entry in India.

Pawan Swami, managing director, markets, Jones Lang LaSalle Meghraj, "These players are seriously looking at expanding their serviced office centres in many metros due to the rising demand. Serviced offices are flexible and more expensive as compared to conventional offices on long-term lease. The rates are on the basis of Rs 80,000 per desk."