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Growth of the corporate campus

Mona Mehta

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There's something about a campus environment that fosters creativity and spurs innovation. And with this style of development becoming a part of the corporate world, campus style office space development is finding takers in the Indian real estate scenario. This could well be the much-needed spurt for the sector, which is into the revival mode after witnessing its worst slowdown in the second and the third quarters of the financial year 2008-09. But, what is the trend all about?

According to Pawan Swamy, Managing Director, Western India, Jones Lang LaSalle Meghraj (JLLM), "Campus style office space developments primarily involve multiple buildings that share business and convenience amenities and can also feature employee housing. The typical format is low-rise and large footprint buildings with plenty of space between individual structures. These spaces will usually accommodate parking lots and, where possible, a certain amount of landscaping. Since such campus style commercial developments feature a high degree of compliance and standardisation, they tend to be far friendlier in terms of environmental and sociological impact than normal office parks."

Matters of space

As for the rationale behind the move, Swamy explains that the trend is catching on in Indian commercial real estate circles, largely because such developments are defined by optimum efficiency in terms of space usage. The one drawback would be commuting distances, which tend to be considerable where such developments have to be located in outlying areas.

Interestingly, the new trend and architecture being followed in this category seems class apart as many real estate developers have already started evaluating new plans to set up commercial projects with this new concept. Ketan Sheth, Founder and Managing Director, Goldmine Project Consultants says, "Today corporates and developers want a contemporary look for their office in terms of straight line jobs without too many curvatures, lot of simplicity in furniture. While, mostly wooden flooring are used in the cabins, glass furniture with good panelling, back painted glass are very much into the trend. Moreover, stainless steel and glass, leather and veneer in combination is used quite a lot.

As for wall treatments, effects of leather is given for wall coverings with hanging lights, lot of focus is given for light emission diodes (LEDs) so that minimal shadow falls on the table. "Pricing structure varies with the product selection being made to give effective decor changes", Sheth adds.

There are certain service office providers who are focusing at providing campus style features as a part of commercial office strategies. Vanita Bhandari, owner and Director, DBS Business Centre says, "Initially we are planning to start with one of the locations in South India, which we are yet to finalise. The campus will have a pleasing environment giving the offices an energised work area. The development will be spread over an approximate area of 50,000 ft². The campus will be developed in two blocks. Each block will overlook the vast expanse of greenery and will have provision for integrated retail and recreation areas. Campus style development with scalable growth option will be our focus. The site will be accessible through wide and internal access roads. Large floor plates and excellent parking ratios are the added attributes to the campus." With ready to use individual offices, meeting rooms, mini and large conference rooms and state of the art multimedia facility, campus facility, DBS Business Centre is gearing up to cater to the new age businessmen.

According to Bhandari, "The infrastructure would be unique giving the work place an international feeling which would also meet the needs of the clients and the employees. For the clients, the green working environment would be soothing and easy to work. Because of this eco- friendly ambience, it will be conducive for the clients creativity. Which in turn will help them to do their work efficiently and effectively. The office blocks will be designed to ensure a dynamic interplay of open and enclosed spaces. The overall development would have a campus feel, with buildings and landscape visually integrated in to one complete environment."

Cautious approach

While most of the national players are looking at this new innovative style of development, there are only a few who actually forayed into this concept. Players like DLF, Prestige Group have announced such developments recently. Even big-box business companies like Wipro have expressed their desire to occupy such developments, which clearly states that such an idea is open to be explored.

Beyond Squarefeet Advisory, a boutique Mall advisory company, is closely watching the developing scenario and is exploring the possibility to develop a mall and shopping centre based on the same concept, which will be another first in the country, informs Susil Dugarwal, Founder and Chief Mall Mechanic says. "But this is too early to talk about this, we will have to wait and watch for the response to such developments in the commercial sector first," he adds.

According to Dugarwal, "The major benefit of this development is that it promotes very closely knit organisational values and builds the team for the corporates. The maintenance costs of such developments are much lower to the conventional

corporate park and thus this will be a win-win situation both for the corporate sector and the real estate players. Such developments promote cultural transitions and create better working places. However, we will only be able to see the success of such trends once a few become operational and other start looking at the benefits of such development.”

According to a report released by BNP Paribas Real Estate and Infrastructure Advisory Services, the Mumbai office market has mostly remained flat during Q2 2009 in terms of rental and capital values, albeit a decrease of 10% in Central Business District (CBD) area of Mumbai. In the next two quarters, approximately 9 mn ft² of new good quality space will be added to the existing supply and will widen the demand - supply gap even further. According to Raja Kaushal, Executive Director and Chief Operating Officer, BNP Paribas Real Estate, India, “The leasing activity has picked up due to flexible terms offered by property owners and also due to movement of corporates to cheaper cost per work station. The corporates are showing preference for campus style developments and many such corporate occupiers hope to scale up operations by mid of 2010.” Ready to be a part of this innovation?