

Co-working office spaces: can mumbai match the mounting demand?

[Business](#), [Work](#)



The startup ecosystem in the country, which for long depended solely on angel investors and venture capitalists, has today been buoyed by a slew of initiatives like Startup India by the Central government. Along with funding and ease of doing business, a critical factor in creating an enabling environment for entrepreneurial ventures is an office that matches the startup's evolving requirements.

Flexibility, convenience, technology and cost have been the primary focal areas for start-ups while looking at potential offices. Today, however, with a rise in the number of freelance professionals and small & medium enterprises, community and collaboration have become integral needs - and collaborative or co-working spaces have become the new buzzword.

The Mumbai Metropolitan Region (MMR), a vibrant mix of both financial and technical talent - coupled with the city's legendary entrepreneurial spirit - has fuelled a start-up boom over the last 3-4 years. Today, MMR is second only to Bengaluru in the number of startups operating here. This has led to a number of co-working spaces being created across various locations in the region.

By the end of 2016, around 40 new co-working spaces will have come up, with another 50 new facilities expected in 2017. As of today, there are than 2, 500 seats within such facilities available across different micro-markets in the MMR. While the average occupancy across the city is currently around 60%, this is expected to decline once the recent seat additions in most micro-markets are leased out.

An approximate break-up of seats across co-working spaces being tracked currently is:

- 180 in Mumbai's Central Business District (CBD)
- 500 in Central Mumbai
- 950 in the Secondary Business District (SBD)-North, i. e. Andheri
- 260 in the Western Suburbs
- 680 in the Eastern Suburbs, and
- 250 in Thane and Navi Mumbai.

Seat costs range anywhere between:

- Rs. 5, 000-25, 000 in the CBD
- Rs. 7, 000-24, 000 in Central Mumbai
- Rs. 6, 000-18, 000 in SBD North
- Rs. 5, 000-7, 000 in the Western Suburbs
- Rs. 3, 000-12, 000 in the Eastern Suburbs, and
- Rs. 6, 000-10, 000 in Thane and Navi Mumbai.

What Drives This Trend?

Co-working spaces today are mushrooming across India's tier-I and II cities, providing startups with flexible working options at affordable prices. These spaces offer desks at cheaper rentals and some also allow a rent-free period to tenants, apart from utilities and an office-like look-and-feel to potential startups. Some co-working places also serve as incubation centres for the buildings or campuses they are based in.

Interestingly, the trend of startups buying or leasing real estate to sub-lease it to such tenants is also on the rise. According to some estimates, the number of such players across India already exceeds 100, and it is growing steadily. Some of the major players in the MMR include:

- Awfis
- 91 Spring Board
- Red Brick
- Rise
- WorkLoft
- Social
- OF10
- The Playce
- Ministry of New
- Bombay Connect

Global co-working giants such as WeWork and Spaces are expected to enter Mumbai soon. Numerous other national and international players are also showing keen interests in setting up co-working office facilities in the financial capital.

It is not just freelancers, consultants and startups that are exploring co-working spaces. A number of large corporates interested in providing flexible working options to their millennial employees are also looking at taking up desks in such centres – now largely being referred to as the enterprise space. Business nomads, expats and others travelling to India for work for a few months also prefer such options instead of working out of coffee shops.

In fact, some companies now base their client project teams out of co-working places to let them remain close to the clients.

All over the world, flexibility and agility are the watchwords for doing business effectively. Co-working office spaces are a natural manifestation of this culture, and business-centric cities like Mumbai can obviously not afford to lag behind on concepts like co-working office spaces. Encouragingly, the financial capital is meeting the demand for such facilities head-on.