

Covid brings down office rentals by 5-20%

WFH, Deferred Expansion Plans Led To Dip: Experts

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Ahmedabad: Covid-19 and increased adoption of work-from-home (WFH) have hit office rentals in Ahmedabad.

The average office space rentals in the city have declined in the range of 5% to 20% since the outbreak of the pandemic. The drop in rentals, according to industry stakeholders, varied depending upon

the size and location as well as owner of the office spaces. While offices having area of 500 to 2,000 sq ft have seen their rentals dip by 15-20%, the reduction in properties bigger than 2,000 square foot (sq ft) is comparatively less at 5-10%, said industry players.

"Work-from-home, tenants opting for smaller offices, low demand for co-working spaces and corporates holding their expansions have led to a reduction in office rentals," said Pravin Bavadiya, founder president, Ahmedabad Realtors' Association.

"Persistently high supply in the face of already high vacancy, weak occupier demand, bleak business environment caused by income



Monthly rentals have dipped from Rs 40-35 per sq ft to Rs 35-30 per sq ft in areas stretching from Ashram Road to SG Highway with smaller office spaces taking a harder hit

disruptions and operational roadblocks due to Covid-19 impacted office rentals. Threat of a resurgent virus and effectiveness of remote working strategies has also contributed to the drop," said Balbir Singh Khalsa, national director-industrial & logistics, Knight Frank India, which pegged office space vacancy in Ahmedabad at 46.4%.

"Average office rentals plummeted in Ahmedabad

due to sluggish demand in the wake of Covid-19. The office space inventory was already high, and several tenants vacated offices — where rents were high — following work from home," said Dipen Thakkar, a city-based real estate consultant.

"Some correction was anyways due in rentals even before Covid-19 because of the increased supply, high inventory levels and availability of

spaces in affordable zones. However, Covid-19 and work from home added more pressure on office rentals," said Thakkar.

According to the real estate consultant Knight Frank India, rentals for offices above 2,000 sq ft in the city's central business district (CBD) eased by 5.5% to Rs 37-43 per sq ft a month in January-March quarter. The CBD includes areas such as Bodakdev, Keshav Baug, Prahladnagar, Satellite, SG Highway and Thaltej.

Real estate brokers further said that the average monthly rentals have dipped from Rs 40-35 per sq ft to Rs 35-30 per sq ft in areas stretching from Ashram Road to SG Highway with smaller office spaces taking a harder hit.

"The small office segment

is largely dominated by investors with limited holding capacity, who panicked and started offering low rates. The reduction is comparatively less for offices above 2,000 sq. ft. This type of inventory is usually held by developers, who understand the market dynamics and hence they do not panic, said real estate brokers.

"Although there is a decline in office space rentals, the reduction in temporary. The office space market will bounce back within a year," added Ajay Patel, president, CRE-DAI Ahmedabad-GIHED, a body of city-based real estate developers.

Real estate players opine that present rental are attractive and the time is ideal for long-term leasing contracts.

Logistics parks policy gets in-principle nod

TIMES NEWS NETWORK

Gandhinagar: The multi-purpose Integrated Logistics and Logistics Parks Policy, 2021 received an in-principle approval of the state government at the 38th board meeting of Gujarat Infrastructure Development Board (GIDB) on Thursday.

A state government statement said that industries will get benefits of a high quality logistics infrastructure as a result of the policy. The statement added that the logistics network of Gujarat will be technology-driven and compatible with provisions of the national logistics policy. The statement said that logistics parks, warehouses, cold storages and other supporting infrastructure to jetties and ports will get sops under the policy. GIDB CEO Ashwini Kumar made a presentation on the policy. Gujarat has secured the first spot in Logistics Ease Across Different Status (LEADS) Index of the central government and with the new policy in place, the state will set a new benchmark in the logistics sector, the statement said.

Jal Yatra held at Jagannath temple

PICT: Yogesh Chawda



Held with Covid-19 protocols in place, the Jal Yatra is a precursor to the annual Rath Yatra of Lord Jagannath

TIMES NEWS NETWORK

Ahmedabad: Deputy chief minister Nitin Patel and minister of state for home Pradipsinh Jadeja participated in the jal yatra of the Jagannath temple on Thursday.

The yatra involves drawing water from the Sabarmati river and performing a 'abhishek' of the deities in the

temple. Held with Covid-19 protocols in place, the Jal Yatra is a precursor to the annual Rath Yatra of Lord Jagannath.

Meanwhile, the state government began a Covid-19 vaccination drive and a telemedicine service for jawans on the temple premises in Jamalpur. Nitin Patel said that the rath yatra

is held every year and the government's priority will be to ensure that the event is held in a peaceful and safe atmosphere.

Trustees of the temple have made it clear that they are in favour of the rath yatra being held this year. The government has however not taken a decision yet on the rath yatra.

City-based CRO raises ₹118 crore

Ahmedabad: A city-based full-service clinical research organisation, Veeda Clinical Research, has raised \$16 million (approximately Rs 118 crore) from private equity fund, Sabre Partners, and other high networth individual investors.

"The CRO industry is witnessing rapid growth resulting from a confluence of economic and regulatory tailwinds. We believe Veeda is positioned well to capitalise this opportunity as one of the largest independent full service clinical research organizations, by revenue in India, as of March 31, 2021," said Rajiv Malhiwal, founder and managing partner, Sabre Partners.

Veeda managing director Ajay Tandon, which is backed by private equity firm CX partners, said, "Sabre Partners and the other investors have chosen to partner with us in realising our vision of being the preferred research partner offering broad range of drug development, pre-clinical and clinical research services to our global innovator, generic and biopharma clients." **TNN**

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Panchayat polls: HC issues notice to govt, SEC

Deceased Candidate Was Declared Winner

TIMES NEWS NETWORK

Ahmedabad: The Gujarat high court on Thursday issued notices to the State Election Commission and the state government in response to a petition filed by a runner-up in a taluka panchayat election taking objection to poll results declaring a deceased candidate winner. She has demanded that instead of the dead candidate, she as a runner-up in the election should be declared a winner.



March 1, a day ahead of counting of votes. On March 31, Vaghela moved the high court through advocates Nishit Gandhi and Vipul Sundesha questioning the election commission's decision to declare Thakor a winner. Vaghela submitted that her agent had informed SEC about the demise of Thakor, and demanded that with her death, Thakor was disqualified from being a candidate in the election and therefore she could not have been declared a winner according to provisions of section 28 of the Gujarat Panchayats Act. But still she was declared a winner, her lawyers submitted.

It was contended that the SEC's decision to declare the deceased candidate a winner is completely illegal, unjustified and contrary to the Panchayats Act and Article 243F

120% growth in UPI transactions in Gujarat in 9 months

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Ahmedabad: Online education and work from home were not the only indicators of a paradigm shift to the digital world; a surge in onli-

DIGITAL TRANSACTIONS SURGE

Platform	Transaction value (Rs cr)					
	GUJARAT		%	INDIA		%
	Jun-20	Mar-21		Change	Jun-20	

Lesser expenditure by industries pushes bank deposits up