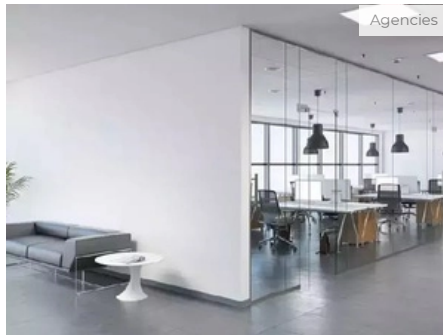


Nearly 64% outdated office spaces in India offer Rs 5,500-crore untapped investment value, says report

Synopsis

Real estate investors and landlords are missing income opportunities and cost savings as their assets age in Asia Pacific. Half of investment properties in prime locations in Asia Pacific are over 20 years old, and JLL forecast that there is over \$40 billion worth of unrealised value in aging and underperforming properties regionally.



Older buildings' energy and maintenance systems are often less efficient, leading to increased operating costs, making a strong case for investors and landlords to reconsider design and asset enhancement strategies for aging properties.

Retrofitting and upgrading old commercial office spaces with **modern amenities**, designs and **building technology** presents an investment opportunity of an estimated Rs 5,500 crores in India, said **JLL India**.

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over 20 years old, and JLL forecast that there is over \$40 billion worth of unrealised value in aging and underperforming properties regionally.

Of the existing 642 million sq ft of Grade A office space in the top seven real estate markets in India, the top three -- Mumbai, Delhi NCR and Bengaluru --

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than a decade old, says the latest facilities that newer buildings offer.

Without asset enhancement, offices, shopping malls, hotels, residential buildings and industrial facilities will lose relevance due to evolving end-user habits and preferences.

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JLL's research reveals that rental rates for aged and outdated buildings are 10% to 40% lower than up-to-date, well-managed properties in similar locations. This marked difference in rates may also increase as newer post-pandemic designed buildings enter the market.

"The current pandemic situation has brought out a key change in workers' expectations in terms of workplace safety and amenities. In this new world of work, the existing buildings might not yield the same value as before the pandemic," said Harish MV, Managing Director and Head, Project & Development Services, JLL.

According to him, while age of the building is one of the measures for identifying the need and potential of upgradation, the market will also witness a trend of newer buildings undergoing or planning for development to keep up with the evolving trends and occupiers' preferences.

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Driven by the accelerated demands for health and wellness features, enhanced human experience, sustainability and technology tools following the pandemic, JLL has identified office, residential, retail, industrial and hotel properties that present the most potential for asset enhancement.

NEXT STORY

Blackstone's Nucleus Office Parks creates omni-channel ecosystem for COVID-19 vaccinations

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By Kailash Babar, ET Bureau Last Updated: May 26, 2021, 05:29 PM IST

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Synopsis

Nucleus Office Parks has tied up with Asian Heart Hospital in Mumbai, Fortis Hospital in Mumbai, Bangalore, Chennai and NCR), Manipal Hospital in Bangalore and Health Spring in Mumbai to provide vaccinations, the company said in a release.

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