

The Economic Times

Title : IDBI Federal Life Acquires Office Space in Mumbai for Over Rs. 111cr

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Insurance firm buys 62k sq ft commercial space spread over 2 floors in Lower Parel's Marathon Futurex

In the largest outright office space transaction so far this year, IDBI Federal Life Insurance Company has bought commercial space worth over ` . 111 crore at Marathon Futurex complex at Lower Parel in Mumbai, said two persons close to the development. The company has acquired around 62,000 sq ft office space spread over two floors -22nd and 23rd floors -of the 26-storey tower.

“The deal has been concluded and was registered last week. This office space can accommodate a total of 450 employees,” said one of the persons mentioned above. “The company will start operating from the new office, which has been acquired in line with its growth strategy, in a couple of months.”

The deal works out to be about ` . 18,000 per sq ft and is within the range of current property rates for outright transactions. Currently , office property rates in Mumbai's secondary business district of Lower Parel are in the range . 18,000-20,000 per sq ft based on the of ` profile and facilities offered in commercial complexes in the locality.

Realty developer Marathon Realty is developing this eight lakh sq ft office building in three phases, of which two phases up to 26 floors have already been completed.

An email query sent to IDBI Federal Life Insurance Company remained unanswered till the time of going to press, while Marathon Realty declined to comment on the story .

In April last year, in one of the largest office transactions by any public gest office transactions by any public sector undertaking, oil marketing major Hindustan Petroleum Corpora tion and its subsidiary Hindustan Co tion and its subsidiary Hindustan Co las bought commercial space worth . 120 crore in the same complex. Before that, in one of the larges front-office transactions, Essel Gro up, widely known for its media and entertainment business Zee Enter tainment Enterprises, had also ac quired 2.20 lakh sq ft commercia space in the same office complex a Lower Parel . `400 crore. Essel Group has shifted its headquarters from Worli to this new office, spread over the top seven floors of Marathon Re alty's Tower II.

The building, with multi-level car park, also houses offices of Tata Group's consulting firm Tata Strategic Management, HDFC, India subsidiary of Paris-based global cosmetics major L'Oreal, and the Consulate General of Israel. The commercial project, which has completed two phases of planned development, is expected to finish the third phase in the next two years, which will take the tower to 38th floor, making it one of the tallest commercial towers in India.

After clocking record office space absorption in 2015, the commercial property market is expected to maintain its momentum this year as well. India's top seven property markets witnessed annual office space absorption of 38 million sq ft in 2015 -the highest till date, and an annual rise of 18%, showed a recent CBRE report. A revival of momentum in commercial realty is an indicator of the economy's health and augurs well for job creation. Deals by both investors and occupiers suggest that sentiment is improving for the office property market.

Other 'Big Deals' in Realty Space

Marathon Realty is developing this **eight lakh sq ft** office building in three phases, of which two phases up to 26 floors have already been completed



In April last year, oil marketing major Hindustan Petroleum and its subsidiary Hindustan Colas bought commercial space worth **₹120 cr** in the same complex

Before that, Essel Group had also acquired **2.20 lakh sq ft** commercial space in the same office complex at Lower Parel for **₹400 crore**