

# MARKETBEAT RESIDENTIAL SNAPSHOT



Delhi-NCR (NEW DELHI, GURGAON AND NOIDA), INDIA

A Cushman & Wakefield Research Publication

Q1 2015



## ECONOMIC OVERVIEW

**Decline in Gross Domestic Product (GDP).** As per the new methodology to compute GDP, India's economy grew by 7.5% in the third quarter of FY2014-15, a 0.7 percentage point dip compared to the previous quarter. The construction sector slowed down

sharply to 1.7% in the third quarter, a 5.5 percentage point decline from the previous quarter. The manufacturing sector also witnessed a decline of 1.4 percentage points from the previous quarter and stood at 4.2% in the third quarter of FY2014-15.

**Reduction in repo rate.** The Consumer Price Index (CPI) stood at 5.1% in January 2015, increasing marginally from 4.28% in December 2014, but well below the Reserve Bank of India's (RBI) target of 8%. With inflation under control, the RBI reduced the repo rate from 8% to 7.75% in January, followed by a further reduction to 7.5% in March 2015. However, though there are high demands from the real estate industry to lower the interest rates further to boost housing demand, the RBI is expected to act cautiously.

**Union Budget 2015-16 focused on 'housing for all by 2022'.** In the Union Budget 2015-16, the government has announced plans for the construction of 20 million urban houses and 40 million rural houses, and has allocated an initial outlay of INR22,400 crores (US\$3,600 million) to achieve its objective of 'housing for all by 2022'.

## RESIDENTIAL MARKET OVERVIEW

**Decline in unit launches.** With approximately 2,800 unit launches in the first quarter of 2015, there was a decline of around 68% from the previous quarter. The decline was primarily due to significant unsold inventory, which led to developers restricting new launches.

**Launches are focused in mid segment.** Nearly 42% of units launched during the quarter were in the mid segment, followed by 39% in affordable and the remaining 19% in the high-end segment. Noida accounted for around 65% of the unit launches during the quarter. In the submarket of Noida, launches in Noida extension were in the affordable segment. Greater Noida's launches were in the mid segment while launches along the expressway were in the high-end segment.

**Quoted capital values maintain status quo.** Due to subdued transaction activity, quoted capital values across all segments of various submarkets remained stable from the previous quarter. However, transaction activity in the luxury segment seems to be recovering due to the availability of several value deals.

**Rental values remain stable.** Due to stable demand, rental values remained stable from the previous quarter across almost all segments and submarkets, barring South-central where high-end segment rental values increased 6% from the previous quarter, primarily due to an improvement in demand.

## OUTLOOK

New launch activity may remain subdued. Developers are likely to focus on executing under-construction projects rather than launching new projects in the short term. As a result, new launch activity may remain subdued in the next quarter too.

Capital values may remain firm. Amidst absence of significant triggers for demand improvement, capital values in Delhi and Gurgaon may remain stable in the next quarter. However, capital values in Noida may improve in the next quarter due to continued end-user driven demand.

## RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
South-west	250,000-500,000	0%	0%	◀▶
South-east	100,000-280,000	0%	0%	◀▶
South-central	175,000-300,000	6%	6%	◀▶
Central	275,000-550,000	0%	0%	◀▶
Gurgaon-Luxury	200,000-300,000	0%	-5%	◀▶
Gurgaon-High End	70,000-200,000	0%	0%	◀▶
Noida	50,000-100,000	0%	0%	◀▶
<b>MID SEGMENT</b>				
South-east	90,000-170,000	0%	0%	◀▶
South-central	100,000-175,000	0%	4%	◀▶
Gurgaon	40,000-90,000	0%	0%	◀▶
Noida	25,000-45,500	0%	0%	◀▶

## CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH SEGMENT</b>				
South-west	42,500-56,000	0%	-2%	◀▶
South-east	25,000-38,000	0%	-3%	◀▶
South-central	27,000-46,000	0%	-3%	◀▶
Central	60,000-90,000	0%	0%	◀▶
Gurgaon-Luxury	19,000-25,000	0%	-2%	◀▶
Gurgaon-High End	11,000-16,500	0%	-2%	◀▶
Noida	7,500-9,000	0%	6%	▲
<b>MID SEGMENT</b>				
South-east	22,000-27,000	0%	-2%	◀▶
South-central	25,000-35,000	0%	0%	◀▶
Gurgaon	8,000-10,000	0%	-3%	◀▶
Noida	5,000-6,500	0%	5%	▲

## STATS ON THE GO

### SIGNIFICANT RESIDENTIAL PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
Enchante	Noida	Amrapali	650	2,900
Bollywood Towers	Noida	Amrapali	360	2,750
Riyasat	Noida	Omaxe	275	6,750
The Crest Phase II	Gurgaon	DLF	250	16,500
Ayana	Gurgaon	Raheja	100	4,200

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS*	EXPECTED COMPLETION
Park View Spa Next	Gurgaon	Bestech	420	Q3 2015
JM Aroma	Noida	JM Housing	550	Q2 2016

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS*	UNIT SIZE (SF)
Lifestyle Homes	Gurgaon	Vatika Group	815	917-1,827
Grand Arch	Gurgaon	IREO	730	1,375-9,897

#### NOTES

Data collated from primary and secondary resources. Estimations are subject to change

\*Basic quoted rate and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 1,600-4,000 sf

The above values for mid segment are for units typically of 1,200-1,600 sf

#### KEY TO SUBMARKETS

##### High-end Segment

South-west: Shanti Niketan, Westend, Anand Niketan, Vasant Vihar, etc.

South-east: Friends Colony East, Friends Colony West, Maharani Bagh, Greater Kailash – I, Greater Kailash – II, etc.

South-central: Defence Colony, Anand Lok, Niti Bagh, Gulmohar Park, Hauz Khas Enclave, Safdarjung Development Area, Mayfair Gardens, Panchsheel Park, Soami Nagar, Sarvaodaya Enclave, etc.

Central: Jorbagh, Golf Links, Amrita Shergil Marg, Aurangzeb Road, Prithviraj Road, Sikandara Road, Tilak Marg, Ferozshah Road, Mann Singh Road, Sunder Nagar, Nizamuddin, Tees January Marg, Chanakyapuri, etc.

Gurgaon-Luxury: Golf Course Road (Sectors 26, 26A, 27, 28, 42, 43, 53-56)

Gurgaon-High end: Golf Course Road (Sectors 24-26, 26A, 27, 28, 42, 43, 53-56), Mehrauli-Gurgaon Road (Sectors 24-26) Golf Course Extension Road (Sectors 58-63, 63A, 65-67 and 67A), Sohna Road (Sectors 38, 47-49), Central Gurgaon (Sectors 40, 41, 44-46, 50-52 and 57) and Dwarka Expressway (Sectors 99, 99A, 102, 102A, 103-110, 110A, 111-114)

Noida: Sectors 34-37, 39-41, 44, 50, 51, 92, 93, 96-98, 128 and 133

##### Mid Segment

South-east: New Friends Colony, Kalindi Colony, Ishwar Nagar, Sukhdev Vihar, Kailash Colony, Pamposh Enclave, etc.

South-central: Uday Park, Green Park, Saket, Asiad Village, Geetanjali Enclave, Safdarjung Enclave, Sarvapriya Vihar, Panchsheel Enclave, Navjeevan Vihar, etc.

Gurgaon: Sohna Road (Sectors 38, 47-49), Southern Peripheral Road (Sectors 68-70, 70A, 71-73), New Gurgaon (Sectors 76-81, 81A, 82, 82A, 83-86, 88, 88A, 88B, 89, 89A, 90-93,

95, 95A and 95B) Dwarka Expressway (Sectors 99, 99A, 102, 102A, 103-110, 110A, 111-114) and Sohna

Noida: Sectors 50, 74-79, 82, 83, 110, 112, 115-121, 134, 135, 137, 143, 150, 151 and 168), Greater Noida and Yamuna Expressway

# MARKETBEAT RESIDENTIAL SNAPSHOT



## MUMBAI, INDIA

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### ECONOMIC OVERVIEW

**Decline in Gross Domestic Product (GDP).** As per the new methodology to compute GDP, India's economy grew by 7.5% in the third quarter of FY2014-15, a 0.7 percentage point dip compared to the previous quarter. The construction sector slowed down

sharply to 1.7% in the third quarter, a 5.5 percentage point decline from the previous quarter. The manufacturing sector also witnessed a decline of 1.4 percentage points from the previous quarter and stood at 4.2% in the third quarter of FY2014-15.

**Reduction in repo rate.** The Consumer Price Index (CPI) stood at 5.1% in January 2015, increasing marginally from 4.28% in December 2014, but well below the Reserve Bank of India's (RBI) target of 8%. With inflation under control, the RBI reduced the repo rate from 8% to 7.75% in January, followed by a further reduction to 7.5% in March 2015. However, though there are high demands from the real estate industry to lower the interest rates further to boost housing demand, the RBI is expected to act cautiously.

**Union Budget 2015-16 focused on 'housing for all by 2022'.** In the Union Budget 2015-16, the government has announced plans for the construction of 20 million urban houses and 40 million rural houses, and has allocated an initial outlay of INR22,400 crores (US\$3,600 million) to achieve its objective of 'housing for all by 2022'.

### RESIDENTIAL MARKET OVERVIEW

**Decline in unit launches.** Approximately 4,000 units were launched in the first quarter of 2015, an 11% decline from the previous quarter. Due to subdued demand, developers refrained from launching new projects and focused on executing under-construction projects. Moreover, they have also held back to capitalize on expected increases in Floor Space Index (FSI) in the proposed Development Plan 2034 for Mumbai.

**Launches are concentrated in the eastern suburbs.** Around 92% of units launched in the first quarter of 2015 were in the eastern suburbs. Many new project launches were between Kanjurmarg and Mulund where erstwhile industrial lands are being redeveloped. End-user demand remains high in the eastern suburbs due to good social and physical infrastructure.

**Mid and high-end segments contributed equally, majority three-bedroom-hall-kitchen (BHK) unit launches.** Mid and high-end segment contributed 49% and 51% respectively to total unit launches during the quarter. Due to a premium large project launched in Mulund, offering large unit sizes three-BHK units dominated launches this quarter with a 53% share, followed by two-BHKs with a 24% share.

**Quoted capital values remain stable.** Despite subdued demand and fewer unit launches, developers continued to quote stable capital values during the quarter. With an aim to increase sales velocity, a few developers offered subvention schemes and low down payment

options whilst some partnered with financial institutions to offer lower interest rates for a fixed period.

### OUTLOOK

**Capital values may remain stable, new project launches may decline.** Capital values are likely to remain stable in the short term, as any price increase will negatively impact demand. Launch activity may remain subdued until the new Development Plan comes into effect.

### RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM		SHORT TERM OUTLOOK
		3 MTH AGO	1 YR AGO	
<b>HIGH-END SEGMENT</b>				
South	60,000-700,000	0%	-8%	◀▶
South Central	50,000-550,000	0%	0%	◀▶
Eastern Suburbs	25,000-365,000	0%	0%	◀▶
Western Suburbs - Prime	50,000-750,000	0%	0%	◀▶
Western Suburbs	25,000-220,000	0%	0%	◀▶
<b>MID SEGMENT</b>				
Eastern Suburbs	18,000-70,000	0%	0%	◀▶
Western Suburbs	20,000-80,000	0%	0%	◀▶
Thane	14,000-28,000	0%	4%	◀▶
Navi Mumbai	10,000-50,000	0%	0%	◀▶

### CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM		SHORT TERM OUTLOOK
		3 MTH AGO	1 YR AGO	
<b>HIGH-END SEGMENT</b>				
South	40,000-83,000	0%	0%	◀▶
South Central	23,000-80,000	0%	0%	◀▶
Eastern Suburbs	15,000-40,000	0%	0%	▲
Western Suburbs - Prime	18,000-50,000	0%	3%	▲
Western Suburbs	15,000-35,000	0%	7%	◀▶
<b>MID SEGMENT</b>				
Eastern Suburbs	10,000-25,000	0%	5%	▲
Western Suburbs	10,000-26,000	0%	8%	◀▶
Thane	7,000-14,000	0%	3%	◀▶
Navi Mumbai	5,000-15,000	0%	0%	◀▶

## STATS ON THE GO

### SIGNIFICANT RESIDENTIAL PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
Eterna	Mulund	Oberoi Realty	1,100	12,750
Runwal Forest	Kanjurmarg	Runwal Developers	1,100	12,500
Enigma	Mulund	Oberoi Realty	600	12,750
One Spirit	Mulund	Nirmal Lifestyle	480	12,500

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	EXPECTED COMPLETION
Minerva	Mahalaxmi	Lokhandwala Builders	350	Q4 2016
Lodha Fiorenza	Goregaon	Lodha Group	200	Q4 2016
Godrej Serenity	Chembur	Godrej Properties	64	Q3 2016

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	UNIT SIZE (SF)
Jade Garden	Bandra East	Happy Home Group	160	2,060-3,450

#### NOTES

Data collated from primary and secondary resources. Estimations are subject to change

\*Basic sale rate and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

#Rental and capital values have been revised due to change in market definitions

The above values for high-end segment are for units typically of 1,200-3,000 sf

The above values for mid segment are for units typically of 800-1,400 sf

#### KEY TO LOCATIONS

##### High-end segment

South: Colaba, Cuffe Parade, Nariman Point, Churchgate, Altamount Road, Carmichael Road, Malabar Hill, Napeansea Road, Breach Candy, Pedder Road, Tardeo

South Central: Worli, Prabhadevi, Lower Parel / Parel, Dadar, Matunga

Eastern Suburbs: Wadala, Sion, Kurla, Chembur, Ghatkopar, Vikhroli, Powai, Chandivali

Western Suburbs - Prime: Bandra, Khar, Santacruz, Juhu

Western Suburbs: Andheri, Vile Parle, Jogeshwari, Goregaon, JVL, Malad

##### Mid segment

Eastern Suburbs: Sion, Wadala, Kurla, Chembur, Ghatkopar, Vikhroli, Powai, Chandivali, Kanjurmarg, Bhandup, Mulund

Western Suburbs: Andheri, Jogeshwari, Goregaon, JVL, Malad, Kandivali, Borivali, Dahisar

Thane: Thane, Ghodbunder Road

Navi Mumbai: Airoli, Ghansoli, Rabale, Koparkhairane, Vashi, Turbhe, Sanpada, Nerul, Belapur, Kharghar, Panvel

# MARKETBEAT RESIDENTIAL SNAPSHOT



## KOLKATA, INDIA

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### ECONOMIC OVERVIEW

**Decline in Gross Domestic Product (GDP).** As per the new methodology to compute GDP, India's economy grew by 7.5% in the third quarter of FY2014-15, a 0.7 percentage point dip compared to the previous quarter. The construction sector slowed down

sharply to 1.7% in the third quarter, a 5.5 percentage point decline from the previous quarter. The manufacturing sector also witnessed a decline of 1.4 percentage points from the previous quarter and stood at 4.2% in the third quarter of FY2014-15.

**Reduction in repo rate.** The Consumer Price Index (CPI) stood at 5.1% in January 2015, increasing marginally from 4.28% in December 2014, but well below the Reserve Bank of India's (RBI) target of 8%. With inflation under control, the RBI reduced the repo rate from 8% to 7.75% in January, followed by a further reduction to 7.5% in March 2015. However, though there are high demands from the real estate industry to lower the interest rates further to boost housing demand, the RBI is expected to act cautiously.

**Union Budget 2015-16 focused on 'housing for all by 2022'.** In the Union Budget 2015-16, the government has announced plans for the construction of 20 million urban houses and 40 million rural houses, and has allocated an initial outlay of INR22,400 crores (US\$3,600 million) to achieve its objective of 'housing for all by 2022'.

### RESIDENTIAL MARKET OVERVIEW

**Decline in unit launches, focus on mid segment.** With 2,200 units launched in the first quarter of 2015, launch activity declined by 40% from the previous quarter. This decline was primarily because of low activity in North and South peripheral locations where many projects remained in the pre-launch stages due to approvals pending. A key trend in this quarter was launch of theme-based projects in North-east and South-east submarkets. Around 78% of the unit launches in the first quarter of 2015 were in the mid segment and the remaining in the high-end segment.

**Quoted rental and capital values remain stable.** Rental and capital values largely remained stable from the previous quarter in various segments of all the submarkets. However, capital values of a few under-construction projects in North-east and North submarkets appreciated by around 2-3% due to healthy demand.

### OUTLOOK

**Unit launches may increase.** Unit launches in the next quarter are likely to be higher as a few large projects, which are currently in the pre-launch stages, are expected to be launched. North-east submarket, along with peripheral submarkets in South and North, may continue to contribute significantly to the launches.

**Mid segment capital values may increase.** Capital values in the mid segment are likely to increase in the next quarter due to a probable

pick-up in demand amidst improving macro-economic conditions. However, capital values in the high-end segment are likely to remain stable across most submarkets except South-east, where new projects are likely to be launched at higher prices due to healthy demand and ongoing improvement in physical infrastructure.

### RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
South	63,000-85,000	0%	3%	◀▶
South-central	100,000-165,000	0%	0%	◀▶
South-east	65,000-92,000	0%	0%	◀▶
South-west	100,000-185,000	0%	0%	◀▶
Central	85,000-155,000	0%	0%	◀▶
East	38,000-68,000	0%	0%	◀▶
North-east	43,000-66,000	0%	-3%	◀▶
<b>MID SEGMENT</b>				
South	20,000-35,000	0%	0%	◀▶
South-central	28,000-36,000	0%	0%	◀▶
South-east	30,000-45,000	0%	0%	◀▶
North-east	24,000-36,000	0%	-3%	◀▶
North	16,500-31,000	0%	-3%	◀▶

### CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
South	7,500-13,000	0%	0%	◀▶
South-central	12,500-18,500	0%	0%	◀▶
South-east	6,200-11,000	0%	1%	▲
South-west	12,000-17,000	0%	0%	◀▶
Central	12,000-19,500	0%	0%	◀▶
North	6,500-9,000	0%	0%	◀▶
East	5,000-7,750	0%	0%	◀▶
North-east	4,350-6,500	0%	1%	◀▶
<b>MID SEGMENT</b>				
South	4,000-6,700	0%	4%	▲
South-central	5,900-8,950	0%	2%	▲
South-east	3,000-5,250	0%	5%	▲
North-east	2,900-4,100	0%	4%	▲
North	3,150-6,000	0%	4%	▲

## STATS ON THE GO

### SIGNIFICANT PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
Springfield	Rajarhat	Unimark Group	522	3,950
The Pyramid (Phase I)	Rajarhat	Mounthill Realty	340	4,150
Palatial	Ballygunge	Saltee Group	13	18,100

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	EXPECTED COMPLETION
Siddha Sphere	New Town, Rajarhat	Siddha Group	350	Q2 2015
Swarnamani	Canal Circular Road	Mani Group	160	Q3 2015
Godrej Platinum	Alipore	Godrej Properties	35	Q4 2016

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS*	UNIT SIZE (SF)
Siddha Pinewoods	Rajarhat	Siddha Group	277	1,330-1,825
Unimark Grand	Ballygunge	Unimark Group	13	4,700

#### NOTES

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\*Basic sale rate and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 2,000-4,000 sf

The above values for mid segment are for units typically of 1,000-2,000 sf

#### KEY TO LOCATIONS

##### High-end segment

South: Southern Avenue, Hindustan Park, Triangular Park, Lake Terrace

South-central: Ballygunge, Queens Park, Rainy Park, Gurusaday Road, Ballygunge Circular Road, Dover Lane

South-east: EM Bypass - Science City, Christopher Road, Pancha Sayar

South-west: Alipore Park Road, Ashoka Road, Burdwan Road, Belvedere Road

Central: Park Street, Camac Street, Shakespeare Sarani, Minto Park, Elgin Road, Lee Road, Loudon Street, Rowdon Street

North: Kankurgachi, Lake Town, VIP Road, Ultadanga, Narkeldanga Main Road

East: Salt Lake

North-east: New Town, Rajarhat

##### Mid segment

South: Golf Green, Tollygunge, Lake Gardens, Jodhpur Park

South-central: Deshpriya Park, Hazra Road, Bhawanipur

South-east: Ajoy Nagar, Hiland Park, PA Shah Connector

North-east: Rajarhat, Rajarhat Chowmatha

South-west: Tollygunge Circular Road, New Alipore, Behala, Jones Lang Sarani

North: Jessore Road, Ultadanga, Shyambazar, Bagbazar, Girish Park, Manicktala, Dum Dum

North peripheral: BT Road, Barasat, Madhyamgram, Sodepur

South peripheral: Garia, Narendrapur, Sonarpur,

South-west peripheral\*\*: Joka, Maheshtala, Budge Budge, Thakurpukur

\*\*Locations in South-west peripheral submarket were previously included in South peripheral submarket

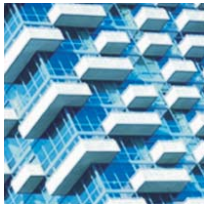
# MARKETBEAT RESIDENTIAL SNAPSHOT



## BENGALURU, INDIA

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### ECONOMIC OVERVIEW

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### RESIDENTIAL MARKET OVERVIEW

**Decline in unit launches; focus on mid segment.** In the first quarter of 2015, approximately 4,000 units were launched, 28% lesser than the previous quarter. Due to existing unsold inventory and a somewhat subdued demand, developers restricted new launches in this quarter. Majority of the units (91%) were in the mid segment, indicating a continued focus on this category.

**Maximum launches in South-east and North.** Almost 41% of the total unit launches were in the South-east submarket, primarily along Sarjapur Road and Hosur Road. Additionally, 25% of the total unit launches came in the North submarket, primarily in Yelahanka and around Kogilu. Increasing IT-ITES developments and ease of connectivity to other parts of the city continue to drive demand in these areas.

**Quoted capital values appreciate in select submarkets.** Mid segment capital values in the Central submarket appreciated by 7% from the previous quarter due to limited supply amidst launches at a higher rate. Enhanced metro rail connectivity and developing social infrastructure led to an increase in demand, resulting in a 7% quarterly capital value appreciation in the mid segment of the West submarket. High-end segment of the North submarket and the mid segment of the South-east and East submarkets also appreciated by 3-7% due to sustained end-user demand.

### OUTLOOK

**Unit launches may improve.** Considering that 13,000 units are currently in the pre-launch stages, especially in the South-east, North

and South submarkets, launches may improve in the next quarter.

**Capital values and rentals values may remain stable.** As the existing supply exceeds the current demand, capital and rental values may remain stable in the short term.

### RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Central	120,000-350,000	0%	0%	◀▶
South	70,000-140,000	0%	-9%	◀▶
Off Central	80,000-175,000	0%	0%	◀▶
East	100,000-375,000	0%	0%	◀▶
North	70,000-150,000	0%	0%	◀▶
North-west	50,000-100,000	0%	0%	◀▶
<b>MID SEGMENT</b>				
Central	85,000-110,000	0%	0%	◀▶
East	25,000-40,000	0%	0%	◀▶
South-east	25,000-45,000	0%	0%	◀▶
North	22,000-35,000	0%	0%	◀▶
South	25,000-40,000	0%	0%	◀▶
Off Central-I	40,000-70,000	0%	0%	◀▶
Off Central-II	30,000-50,000	0%	0%	◀▶
North-west	25,000-35,000	0%	0%	◀▶
Far South	20,000-30,000	0%	0%	◀▶
West	15,000-25,000	0%	0%	◀▶

### CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Central	18,000-30,000	0%	0%	◀▶
South	7,000-10,500	1%	1%	◀▶
Off Central	8,000-11,000	0%	0%	◀▶
East	6,500-10,000	0%	0%	◀▶
North	7,000-11,000	7%	9%	▲
North-west	8,000-11,000	0%	3%	◀▶
<b>MID SEGMENT</b>				
Central	9,500-13,000	7%	7%	◀▶
East	4,300-5,700	5%	5%	▲
South-east	4,500-6,300	3%	3%	▲
North	3,950-5,500	0%	2%	▲
South <sup>#</sup>	4,500-6,500	0%	0%	◀▶
Off Central-I	7,000-10,000	0%	0%	◀▶
Off Central-II	6,500-8,500	0%	0%	◀▶
North-west	6,000-6,750	0%	2%	◀▶
Far South	3,750-4,500	0%	0%	◀▶
West	3,500-4,500	7%	7%	◀▶

## STATS ON THE GO

### SIGNIFICANT RESIDENTIAL PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
SNN Raj Eternia	Off Sarjapur Road	SNN Builders	576	4,900
Edge Waters	Sarjapur Road	Bren Corporation	191	5,090

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	EXPECTED COMPLETION
Vaswani Reserve	Marathahalli	Vaswani Group	232	Q2 2015
Sunrise Towers	Whitefield	DSR Infrastructure	228	Q2 2015
HM Grandeur	Frazer Town	HM Constructions	38	Q2 2015

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	UNIT SIZE (SF)
Puravankara Highland	NICE Ring road	Puravankara Developers	1,589	1,339-1,843
Ruhe	Whitefield	Indraprastha Shelters	23	2,450-4,200

#### NOTES

\* Quoted base capital value and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

# Renamed from South-west to South in Q1 2015

Data collated from primary and secondary resources. Estimations are subject to change

The above values for high-end segment are for units typically of 2,000-4,000 sf

The above values for mid segment are for units typically of 1,600-2,000 sf

IT-ITES denotes Information Technology and Information Technology Enabled Services

#### KEY TO LOCATIONS

##### High-end Segment

Central: Lavelle Road, Palace Cross Road, Off Cunningham Road, Ulsoor Road, Richmond Road, Sankeys Road

South: Koramangala, Bannerghatta Road, JP Nagar, Banashankari

Off Central: Frazer town, Benson Town, Richards Town, Dollars Colony

East: Whitefield, Old Airport Road

North: Hebbal, Jakkur, Devanahalli

North-west: Malleshwaram, Rajajinagar, Yeshwantpur

##### Mid Segment

Central: Brunton Road, Artillery Road, Ali Askar Road, Cunningham Road

East: Marathahalli, Whitefield, Old Airport Road, Old Madras Road, Budigere Cross

South-east: Sarjapur Road, Outer Ring Road (Marathahalli- Sarjapur), HSR Layout, Hosur Road

South: Jayanagar, J P Nagar, Kanakapura Road, Bannerghatta Road, BTM Layout, Banashankari

North: Hebbal, Bellary Road, Yelahanka, Doddaballapur Road, Hennur Road, Thanisandara Road

Off Central-I: Vasanth Nagar, Richmond Town, Indiranagar

Off Central-II: Cox Town, Frazer Town, Benson Town, etc.

North-west: Malleshwaram, Rajajinagar, Tumkur Road

Far South: Electronic City

West: Mysore Road, Uttarahalli Main Road, Mysore Road, Magadi Road



# MARKETBEAT RESIDENTIAL SNAPSHOT



## HYDERABAD, INDIA

A Cushman & Wakefield Research Publication

Q1 2015



### ECONOMIC OVERVIEW

**Decline in Gross Domestic Product (GDP).** As per the new methodology to compute GDP, India's economy grew by 7.5% in the third quarter of FY2014-15, a 0.7 percentage point dip compared to the previous quarter. The construction sector slowed down

sharply to 1.7% in the third quarter, a 5.5 percentage point decline from the previous quarter. The manufacturing sector also witnessed a decline of 1.4 percentage points from the previous quarter and stood at 4.2% in the third quarter of FY2014\_15.

**Reduction in repo rate.** The Consumer Price Index (CPI) was recorded at 5.1% in January 2015, increasing marginally from 4.28% in December 2014, but well below the Reserve Bank of India's (RBI) target of 8%. With inflation under control, the RBI reduced the repo rate from 8% to 7.75% in January, followed by a further reduction to 7.5% in March 2015. However, though there are high demands from the real estate industry to lower the interest rates further to boost housing demand, the RBI is expected to act cautiously.

**Union Budget 2015-16 focused on 'housing for all by 2022'.** In the Union Budget 2015-16, the government has announced plans for the construction of 20 million urban houses and 40 million rural houses, and has allocated an initial outlay of INR22,400 crores (US\$3,600 million) to achieve its objective of 'housing for all by 2022'.

### RESIDENTIAL MARKET OVERVIEW

**Surge in unit launches.** With nearly 3,300 unit launches in the first quarter of 2015, there was an increase of around 194% from the previous quarter. Due to political stability and improvement in macro-economic conditions, market sentiments have improved and developers have begun launching new projects.

**High-end segment in focus.** All units launched in the first quarter of 2015 were in the high-end segment. The North-west region, comprising Madhapur and Gachibowli primarily, had a 98% share in the total units launched during the quarter. This was mainly due to a high demand for units in these micromarkets due to their excellent connectivity to the IT-ITES hub via the Outer Ring Road.

**Stable rental values; capital values appreciated in select submarkets.** Quoted rental and capital values largely remained stable from the previous quarter across all submarkets. However, high-end segment capital values in Banjara Hills and Jubilee Hills appreciated by 3% and 6% respectively, from the previous quarter due to limited availability. Mid segment capital values in Madhapur-Gachibowli also appreciated by 2% from the previous quarter due to continued demand.

### OUTLOOK

Rental and capital values may remain stable. Quoted rental and capital values are likely to remain stable in most submarkets. However, capital values may appreciate marginally in Banjara Hills, Jubilee Hills, Madhapur

and Gachibowli as demand is expected to remain strong in these micromarkets.

Unit launches may remain steady. Considering the improving macro-economic conditions, total number of unit launches in the next quarter may remain at levels similar to the current quarter.

### RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Banjara Hills	58,000-150,000	0%	0%	◀▶
Jubilee Hills	57,000-150,000	0%	0%	◀▶
Himayathnagar	18,000-36,000	0%	0%	◀▶
West & East Maredpally	20,000-33,000	0%	0%	◀▶
Begumpet, Somajiguda	27,000-45,000	0%	0%	◀▶
Madhapur, Gachibowli	30,000-70,000	0%	0%	◀▶
Kukatpally	20,000-39,000	0%	0%	◀▶
<b>MID SEGMENT</b>				
Banjara Hills	22,000-28,000	0%	0%	◀▶
Jubilee Hills	23,000-28,000	0%	0%	◀▶
Himayathnagar	13,000-16,000	0%	0%	◀▶
West & East Maredpally	13,000-15,500	0%	0%	◀▶
Begumpet, Somajiguda	13,000-17,500	0%	0%	◀▶
Madhapur, Gachibowli	17,500-25,000	0%	0%	◀▶
Kukatpally	13,500-17,500	0%	2%	◀▶
Miyapur, Nizampet	9,000-17,500	0%	4%	◀▶

### CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Banjara Hills	7,000-10,000	3%	3%	▲
Jubilee Hills	7,000-10,000	6%	6%	▲
Himayathnagar	4,000-5,500	0%	0%	◀▶
West & East Maredpally	4,000-5,500	0%	0%	◀▶
Begumpet, Somajiguda	4,500-5,500	0%	0%	◀▶
Madhapur, Gachibowli	4,500-6,000	0%	0%	◀▶
Kukatpally	4,000-6,000	0%	0%	◀▶
Kompally	3,200-4,200	0%	0%	◀▶
<b>MID SEGMENT</b>				
Banjara Hills	4,000-5,200	0%	2%	◀▶
Jubilee Hills	3,800-4,500	1%	1%	▲
Himayathnagar	3,000-3,800	0%	0%	◀▶
West & East Maredpally	3,000-3,500	0%	0%	◀▶
Begumpet, Somajiguda	3,150-4,000	0%	2%	◀▶
Madhapur, Gachibowli	3,750-4,550	2%	5%	▲
Kukatpally	3,300-4,000	0%	0%	◀▶
Miyapur, Nizampet	2,850-3,600	0%	2%	◀▶

## STATS ON THE GO

### SIGNIFICANT RESIDENTIAL PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
Etania	Gachibowli	Lansum Etania Developers LLP	552	3,900
Prestige Ivy League	Madhapur	Prestige Group	349	5,950

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	EXPECTED COMPLETION
Divya Sree Shakti	Miyapur	Divyasree NSL Infrastructure Pvt Ltd.	900	Q2 2015
Janapriya Lakefront	Sainikpuri	Janapriya Engineers Syndicate	1,600	Q4 2015

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	UNIT SIZE (SF)
Aparna Aura	Shaikpet	Aparna Constructions	130	1,820-2,406
Bhu-Sattva - I	Kompally	Saket Engineers Pvt. Ltd.	190	1,800-3,600

#### NOTES

Data collated from primary and secondary resources. Estimations are subject to change

\* Quoted base capital value and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 1,600-4,000 sf

The above values for mid segment are for units typically of 1,200-1,600 sf

IT-ITES denotes Information Technology and Information Technology Enabled Services

# MARKETBEAT RESIDENTIAL SNAPSHOT



## CHENNAI, INDIA

A Cushman & Wakefield Research Publication

Q1 2015



### ECONOMIC OVERVIEW

**Decline in Gross Domestic Product (GDP).** As per the new methodology to compute GDP, India's economy grew by 7.5% in the third quarter of FY2014-15, a 0.7 percentage point dip compared to the previous quarter. The construction sector slowed down

sharply to 1.7% in the third quarter; a 5.5 percentage point decline from the previous quarter. The manufacturing sector also witnessed a decline of 1.4 percentage points from the previous quarter and stood at 4.2% in the third quarter of FY2014-15.

**Reduction in repo rate.** The Consumer Price Index (CPI) stood at 5.1% in January 2015, increasing marginally from 4.28% in December 2014, but well below the Reserve Bank of India's (RBI) target of 8%. With inflation under control, the RBI reduced the repo rate from 8% to 7.75% in January, followed by a further reduction to 7.5% in March 2015. However, though there are high demands from the real estate industry to lower the interest rates further to boost housing demand, the RBI is expected to act cautiously.

**Union Budget 2015-16 focused on 'housing for all by 2022'.** In the Union Budget 2015-16, the government has announced plans for the construction of 20 million urban houses and 40 million rural houses, and has allocated an initial outlay of INR22,400 crores (US\$3,600 million) to achieve its objective of 'housing for all by 2022'.

### RESIDENTIAL MARKET OVERVIEW

**Significant increase in unit launches.** During the first quarter of 2015, around 3,200 units were launched, nearly twice the previous quarter. Most developers launched their new projects during the auspicious Pongal festival in January and the recently concluded property fair in February.

**Launches were concentrated in mid segment.** Mid segment unit offerings constituted 96% of the total launches in the first quarter of 2015. The high-end segment constituted an additional 3% with the majority of launches concentrated in Off Central-I and Nungambakkam submarkets. Suburban (South) and Grand Southern Trunk (GST) Road comprised nearly 37% and 26% respectively of the total launches.

**Quoted capital values appreciated in select submarkets.** Availability of quality mid segment offerings stimulated demand in Porur and Rajiv Gandhi Salai-I, thereby increasing the quoted capital values by 5-6% from the previous quarter. Due to its proximity to the CBD, high demand for both mid and high-end segments was witnessed in the Off Central-I submarket, which led to a capital value appreciation of 11-13% over the previous quarter.

**Marginal increase in unit completions.** During the first quarter of 2015, nearly 2,600 units became available for possession, 3% higher than the previous quarter. Mid segment accounted for 77% of total unit completions, followed by the high-end segment at 22%.

### OUTLOOK

**Quoted capital and rental values may remain stable.** Quoted capital and rental values may remain stable in the short term until

demand regains momentum. With the recent reduction in interest rates, demand may improve in the future periods.

**Launches may stay at similar levels in the next quarter.** Whilst nearly 4,300 units are currently in the pre-launch stages, new launches are likely to remain stable as developers are focusing on completing under-construction units before launching new projects.

### RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Central	125,000-280,000	0%	0%	↔
Off Central-I	90,000-150,000	0%	0%	↔
Basant Nagar	90,000-160,000	0%	0%	↔
Nungambakkam	120,000-200,000	0%	0%	↔
Anna Nagar	75,000-100,000	0%	0%	↔
Kilpauk	75,000-100,000	0%	-3%	↔
East Coast Road	100,000-300,000	0%	0%	↔
<b>MID SEGMENT</b>				
Off Central-I	45,000-80,000	0%	0%	↔
Off Central-II	30,000-50,000	0%	0%	↔
Nungambakkam	60,000-80,000	0%	0%	↔
Anna Nagar	30,000-55,000	0%	0%	↔
Velachery	30,000-45,000	0%	0%	↔
Rajiv Gandhi Salai-I	20,000-30,000	0%	0%	↔
Rajiv Gandhi Salai-II	18,000-25,000	0%	0%	↔

### CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Central	23,000-35,000	0%	8%	↔
Off Central-I	16,000-25,000	11%	11%	↔
Basant Nagar	13,500-15,000	0%	0%	↔
Kotturpuram	14,000-20,000	0%	0%	↔
Nungambakkam	14,000-25,000	0%	0%	↔
Anna Nagar	12,000-17,000	0%	0%	↔
Kilpauk	12,000-16,000	0%	0%	↔
East Coast Road	7,500-10,500	0%	0%	↔
<b>MID SEGMENT</b>				
Off Central-I	12,000-15,000	13%	13%	↔
Off Central-II	10,000-17,000	0%	0%	↔
Velachery	6,000-8,000	0%	0%	↔
Mogappair	5,000-7,500	0%	0%	↔
GST	2,800-5,000	0%	0%	↔
Porur	4,000-6,000	5%	5%	↔
Suburban (North)	3,500-5,800	0%	0%	↔
Suburban (South)	3,500-5,500	0%	0%	↔
Rajiv Gandhi Salai-I	5,000-7,000	6%	6%	↔
Rajiv Gandhi Salai-II	3,500-5,000	0%	-6%	↔

## STATS ON THE GO

### SIGNIFICANT RESIDENTIAL PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
Pinnacle Crest	Sholinganallur	Baashyam Constructions	420	5,200
Cherry Pick	Perumbakkam	Casa Grande Pvt. Ltd.	380	3,500
Wow	Medavakkam	Urban Tree Infrastructure	170	4,400

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	EXPECTED COMPLETION
PBEL City - Phase I	Kelambakkam	PBEL	700	Q4 2015
North Town - Phase IV	Perambur	Arihant Foundations	600	Q4 2015
KG Signature City - Phase II	Mogappair	KG Developers & Promoters	400	Q1 2016

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	UNIT SIZE (SF)
The Royal Castle	Chrompet	Amarprakash Developers	250	821-1,028

#### NOTES

Data collated from primary and secondary resources. Estimations are subject to change

\* Quoted base capital value and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 2,000-4,000 sf

The above values for mid segment are for units typically of 1,600-2,000 sf

#### KEY TO SUBMARKETS

Central: Boat Club, Poes Garden, Venus Colony, and Kasturi Rangan Road

Off Central-I: R.A. Puram, Abhiramapuram, Alwarpet and Adyar

Off Central-II: T.Nagar and Mylapore

Suburban (North): Madhavaram, Moolakadai, Perambur, Kolathur, Tondiarpet, Korukkupet, Tiruvottiyur, Periyar Nagar and Thiruvika Nagar

Suburban (South): Alandur, Ekkatuthangal, Adambakkam, Nanganallur, Medavakkam, Perumbakkam, Pallavaram, 200 ft. Road, Vandalur-Kelambakkam Road

Rajiv Gandhi Salai-I: Till Sholinganallur

Rajiv Gandhi Salai-II: After Sholinganallur

# MARKETBEAT RESIDENTIAL SNAPSHOT



## PUNE, INDIA

A Cushman & Wakefield Research Publication

Q1 2015



### ECONOMIC OVERVIEW

**Decline in Gross Domestic Product (GDP).** As per the new methodology to compute GDP, India's economy grew by 7.5% in the third quarter of FY2014-15, a 0.7 percentage point dip compared to the previous quarter. The construction sector slowed down

sharply to 1.7% in the third quarter; a 5.5 percentage point decline from the previous quarter. The manufacturing sector also witnessed a decline of 1.4 percentage points from the previous quarter and stood at 4.2% in the third quarter of FY2014-15.

**Reduction in repo rate.** The Consumer Price Index (CPI) was recorded at 5.1% in January 2015, increasing marginally from 4.28% in December 2014, but well below the Reserve Bank of India's (RBI) target of 8%. With inflation under control, the RBI reduced the repo rate from 8% to 7.75% in January, followed by a further reduction to 7.5% in March 2015. However, though there are high demands from the real estate industry to lower the interest rates further to boost housing demand, the RBI is expected to act cautiously.

**Union Budget 2015-16 focused on 'housing for all by 2022'.** In the Union Budget 2015-16, the government has announced plans for the construction of 20 million urban houses and 40 million rural houses, and has allocated an initial outlay of INR22,400 crores (US\$3,600 mn) to achieve its objective of 'housing for all by 2022'.

### RESIDENTIAL MARKET OVERVIEW

**Decline in unit launches.** With 3,300 unit launches in the first quarter of 2015, there was a nearly 33% decrease from the previous quarter. A few developers opened select blocks within new projects for booking, rather than delaying the project launch, to abide with planned timelines as well as stagger bookings until the unsold inventory levels declined. This led to a drop in average number of units launched per project from 289 in the previous quarter to 183 units in the first quarter of 2015.

**Mid segment dominated.** The mid segment dominated the launch activity in the quarter with a 70% share whilst the high-end and affordable segments had a 21% and 9% share respectively. Kharadi, Baner and Undri contributed 15% each to the total unit launches this quarter.

**Rental and capital values maintain status quo.** Rental and capital values remained stable across segments during the quarter. To boost sales, three leading developers came up with individual property exhibitions offering discounts (both online and on-the-spot) and bookings at low down payments. These exhibitions were successful in generating footfalls and more developers are expected to follow the trend in the coming months.

### OUTLOOK

**Launch activity may remain stable.** The number of unit launches may remain nearly stable in the next quarter as many developers may

prolong pre-launch phases or offer only limited units for bookings.

**Capital values may remain stable.** Quoted capital values across locations are likely to remain stable in the short term until signs of sales improvement become visible.

### RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Koregaon Park - Boat Club	100,000-220,000	0%	0%	◀▶
Aundh-Baner	75,000-130,000	0%	0%	◀▶
Nagar Road	70,000-140,000	0%	-5%	◀▶
East**	55,000-140,000	0%	8%	◀▶
<b>MID SEGMENT</b>				
Koregaon Park - Boat Club	30,000-45,000	0%	0%	◀▶
Aundh-Baner	16,500-30,000	0%	1%	◀▶
Kothrud	14,000-21,000	0%	6%	◀▶
Nagar Road	15,000-35,000	0%	0%	◀▶
North-east	12,000-20,000	0%	0%	◀▶
East	11,000-20,000	0%	-6%	◀▶
South-east - I	13,000-22,000	0%	1%	◀▶
South-east - II	8,500-13,000	0%	-4%	◀▶
NH4 Bypass (North)	10,500-18,000	0%	0%	◀▶
Pimpri	10,000-16,000	0%	0%	◀▶

### CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Koregaon Park - Boat Club	14,000-19,000	0%	3%	◀▶
Aundh-Baner	8,500-12,500	0%	8%	◀▶
Nagar Road	9,500-14,000	0%	0%	◀▶
East**	8,500-12,500	0%	0%	◀▶
West*	13,000-17,000	0%	0%	◀▶
<b>MID SEGMENT</b>				
Koregaon Park - Boat Club	8,500-10,500	0%	6%	◀▶
Aundh-Baner	6,500-8,000	0%	4%	◀▶
Kothrud	9,000-11,000	0%	0%	◀▶
Nagar Road	5,800-7,500	0%	2%	◀▶
North-east	3,750-5,800	0%	10%	◀▶
East	4,200-5,700	0%	6%	◀▶
South-east - I	5,200-7,200	0%	2%	◀▶
South-east - II	4,000-5,500	0%	8%	◀▶
NH4 Bypass (North)	4,100-5,800	0%	6%	◀▶
Pimpri	4,000-6,000	0%	6%	◀▶

## STATS ON THE GO

### SIGNIFICANT RESIDENTIAL PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
Panchshil Towers	Kharadi	Panchshil Realty	480	8,500
Ganga Acropolis	Baner-Sus Road	Goel Ganga Developments@	200	6,750

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	EXPECTED COMPLETION
Manas Lake	Bhukum	SKYi Properties	220	Q2 2017
Florence Margosa Heights	NIBM Annexe	Kolte Patil & Portman Holdings	110	Q3 2016

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	UNIT SIZE (SF)
One North	Hadapsar	Panchshil Realty	38	4,600

#### NOTES

Data collated from primary and secondary resources. Estimations are subject to change

\*Basic sale rate and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

# new submarket added in 2014

The above values for high-end segment are for units typically of 1,600 sf and above

The above values for mid segment are for units typically of 900-1,600 sf

#### KEY TO SUBMARKETS

##### High-end Segment

Koregaon Park-Boat Club: Koregaon Park, Bund Garden Road, Boat Club Road, Mangaldas Road

Aundh-Baner: Aundh, Baner

Nagar Road: Kalyani Nagar, Viman Nagar

East\*: Sopan Baug, Uday Baug, Hadapsar

West#: Deccan Gymkhana, Model Colony, Prabhat Road, Erandwane, Bhosale Nagar

##### Mid Segment

Koregaon Park-Boat Club: Koregaon Park, Bund Garden Road, Boat Club Road, Mangaldas Road

Aundh-Baner: Baner, Baner Road

Kothrud: Kothrud

Nagar Road: Kalyani Nagar, Yerwada, Shashtri Nagar, Viman Nagar, Old Airport Road, Vishrantwadi

North-east: Kharadi, Wagholi, Wadgaon Sheri

East: Hadapsar, Manjri, Mundhwa, Keshavnagar

South-east - I: Wanowrie, NIBM Road, Lulla Nagar

South-east - II: Undri, Kondhwa, Pisoli

NH4 Bypass (North): Balewadi, Mahalunge, Wakad, Hinjewadi, Punawale, Kiwale, Ravet, Tathawade, Bhugaon, Bavdhan, Pashan, Sus

Pimpri: Pimpri, Pimpale Gurav, Pimpale Saudagar, Pimpale Nilakh, Sanghvi, Rahatani, Thergaon, Dapodi, Kasarwadi

@ Project being developed as JV between Goel Ganga Developments, Gagan Developers, Kalyani Constructions, and Fortune Properties

# MARKETBEAT RESIDENTIAL SNAPSHOT



## AHMEDABAD, INDIA

A Cushman & Wakefield Research Publication

Q1 2015



### ECONOMIC OVERVIEW

**Decline in Gross Domestic Product (GDP).** As per the new methodology to compute GDP, India's economy grew by 7.5% in the third quarter of FY2014-15, a 0.7 percentage point dip compared to the previous quarter. The construction sector slowed down

sharply to 1.7% in the third quarter; a 5.5 percentage point decline from the previous quarter. The manufacturing sector also witnessed a decline of 1.4 percentage points from the previous quarter and stood at 4.2% in the third quarter of FY2014-15.

**Reduction in repo rate.** The Consumer Price Index (CPI) stood at 5.1% in January 2015, increasing marginally from 4.28% in December 2014, but well below the Reserve Bank of India's (RBI) target of 8%. With inflation under control, the RBI reduced the repo rate from 8% to 7.75% in January, followed by a further reduction to 7.5% in March 2015. However, though there are high demands from the real estate industry to lower the interest rates further to boost housing demand, the RBI is expected to act cautiously.

**Union Budget 2015-16 focused on 'housing for all by 2022'.** In the Union Budget 2015-16, the government has announced plans for the construction of 20 million urban houses and 40 million rural houses, and has allocated an initial outlay of INR22,400 crores (US\$3,600 million) to achieve its objective of 'housing for all by 2022'.

### RESIDENTIAL MARKET OVERVIEW

**Increase in unit launches.** Nearly 1,750 units were launched in the first quarter of 2015, an increase of 79% from the previous quarter. In a first-of-its-kind project, 280 'Disney' themed high-end villas were launched in the outskirts of the city. The average number of units per project increased from 122 in the previous quarter to 174, as the majority of projects launched in the first quarter of 2015 were Ground+10 floors or more.

**Mid segment units dominate; majority are three-bedroom-hall-kitchen (BHK) units.** Around 65% of units launched in the first quarter of 2015 belonged to the mid segment and an additional 33% were in the high-end segment. Western peripheral locations such as Bopal, South Bopal and Ambli dominated the launch activity with a 47% share in total launches during the quarter. Three-BHK units with an average size of 1,800 square feet (sf) formed the maximum (43%) of total launches in the quarter.

**Capital and rental values remain stable.** Quoted capital and rental values across various locations and segments continued to maintain status quo due to high unsold inventory levels. Developers continued to price their projects in the existing ranges to remain competitive in a buyer-driven market.

### OUTLOOK

**Launch activity may remain stable.** The number of unit launches may remain on par with the current level in the next quarter as well,

considering that there exists significant unsold inventory.

**Capital and rental values likely to maintain status quo.** Quoted capital and rental values are expected to remain stable across submarkets due to the existing over-supply situation.

### RENTAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RENT (INR/MTH)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Central <sup>#</sup>	20,000-100,000	0%	0%	◀▶
West	18,000-100,000	0%	0%	◀▶
<b>MID SEGMENT</b>				
Central	7,000-25,000	0%	0%	◀▶
North	5,000-12,000	0%	0%	◀▶
South	4,500-15,000	0%	0%	◀▶
West	8,000-30,000	0%	0%	◀▶
West Peripheral	8,000-30,000	0%	0%	◀▶
East	4,000-12,000	0%	0%	◀▶

### CAPITAL VALUES AS OF Q1 2015

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	% CHANGE FROM 3 MTH AGO	% CHANGE FROM 1 YR AGO	SHORT TERM OUTLOOK
<b>HIGH-END SEGMENT</b>				
Central	5,500-8,000	0%	0%	◀▶
West	5,500-8,000	0%	0%	◀▶
<b>MID SEGMENT</b>				
Central	4,500-6,500	0%	0%	◀▶
North	2,700-4,500	0%	0%	◀▶
South	1,900-5,000	0%	0%	◀▶
West	3,500-6,500	0%	0%	◀▶
West Peripheral	2,800-5,500	0%	0%	◀▶
East	1,800-4,000	0%	0%	◀▶

## STATS ON THE GO

### SIGNIFICANT RESIDENTIAL PROJECTS LAUNCHED IN Q1 2015

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE* (INR/SF)
Uplands	Nasmed	Arvind Infrastructure	280	2,400
Binori Grandeur	Ambli	Binori Buildcon	152	7,000

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	EXPECTED COMPLETION
Sangani Shaligram	Vaishnodevi Circle	Sangani Infrastructure	268	Q2 2017
Shivalik Residences	Shahibaug	Shivalik Projects	52	Q4 2016

### SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q1 2015

BUILDING	LOCATION	DEVELOPER	EST. NUMBER OF UNITS	UNIT SIZE (SF)
Ajmera Enigma	S.G. Highway	JV - Sheetal Infrastructure & Ajmera Realty	152	1,650-2,890

#### NOTES

Data collated from primary and secondary resources. Estimations are subject to change

\* Quoted base capital value and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 1,600-3,000 sf

The above values for mid segment are for units typically of 900-1,800 sf

# Rental values restated to include apartments, row houses and villas

Rental and capital values have been revised due to change in market definitions

#### KEY TO SUBMARKETS

##### High-end Segment

Central: C.G. Road, Ashram Road, Navrangpura, Gulbai Tekda

West: Vastrapur, Satellite, Thaltej, Prahladnagar

##### Mid Segment

Central: C.G. Road, Ashram Road, Navrangpura, Gulbai Tekda

North: Ram Nagar, Sabarmati, Motera, Chandlodia, Ranip, Chandkheda, Gota, Vaishnodevi

South: Maninagar, Narol, Vatwa, Ghodasar

West: Vastrapur, Satellite, Thaltej, Prahladnagar, Makarba, Vejalpur

West Peripheral: Bopal, South Bopal, Ambli, Ghuma

East: Naroda, Nikol, Hansol, Odhav, Vastral