

FUTURE CITIES

Tier-II Cities: Coming of Age

REPORT

INDIA

REAL ESTATE

CBRE RESEARCH
OCTOBER 2022

CBRE



Foreword

According to the UN's World Cities Report 2022, more than 37% of India's population would reside in urban centres by 2025, and this number is likely to touch 43% by 2035. The fact remains that the growing urban sprawl would spread beyond tier-I cities, so that tier-II cities take on the mantle of the future. Recognizing this need, the government started undertaking measures to plug in the prevailing infrastructure / business gaps that would boost the development of these cities.

While all this was happening, the pandemic hit us in 2020, causing the nation to go into lockdown. Fast forward by two years, the location agnosticism of talent opened a world of opportunities for both global / domestic corporates, as they were no longer constrained by geographical limits. Now that corporates are looking for their workforce to return to work, many of them are also venturing into these tier-II cities to be in proximity to the talent. They are further encouraged by the quality infrastructure as well as affordable land cost and operations in these locations. While some are leasing space to set up their own operations, others are also opting for the flexible space route.

The residential and consequently, retail activity also has been rising to cater to the growing demand in these cities. Our report, 'Tier-II Cities: Coming of Age', is an attempt at highlighting the advantages of these newer centers of power - in terms of real estate opportunities and what drives their strengths. Hope you find it an engaging read!



Anshuman Magazine

Chairman & CEO - India, South-East Asia, Middle East & Africa

Foreword

India has been on a progressive path of growth for several years and so has the real estate industry along with it. Treading this path involves pushing boundaries, defining opportunities for growth and exploring nascent territories – something our tier-II cities have in abundance and therein lies the growing attraction of this industry towards these locations. Along with availability of skilled talent, the main drivers behind the attractiveness of these cities for occupiers, developers and investors alike is infrastructure development on the back of sustained government initiatives. The focus on expansion of metro, rail & road networks, airports and developing commercial clusters and industrial corridors have highly influenced the real estate dynamics of these emerging cities.

Today, talent and improved infrastructure are driving businesses to set up new centres in tier-II cities. As a result, structured real estate markets are starting to emerge here. Major tier-II cities that we, at CBRE, believe are key to the imminent real estate boom, now boast of flourishing central and secondary business districts, with some even having established peripheral business clusters. Prominent developers are now making a beeline for these cities, propelled by demand from domestic and global corporates, flexible space providers, start-ups, ed technology firms, etc.

Tier-II cities are large talent bases, taking offices closer to talent holds potential to be alternative centres of growth, fueling innovation for office occupiers. With all these drivers, it is increasingly critical for these cities to sustain the current pace of infrastructure development and strengthen skill development. For a more detailed analysis, I urge you to turn these pages and go through our very first futuristic report on these corridors of growth – ‘Tier-II Cities: Coming of Age’. Happy reading!!



Ram Chandnani

Managing Director, Advisory & Transactions Services, India

Foreword

Tier-II cities are finally getting their due share of sunshine due to their growing economic significance, infrastructure development and consequently, improved connectivity. This is especially true for the real estate industry, where across all its sub-sectors, we are witnessing a growing focus towards these markets. In the office sector, start-ups and SMEs are holding fort here even as corporates are drawing up plans to tap into the talent base of these locations. Government plans to develop industrial corridors in secondary locations have improved the reach of these cities while the growing need to penetrate new markets is driving the demand for I&L spaces.

Meanwhile, retailers and mall developers are looking to leverage the buying power of the populace residing in these cities. Growing internet usage has whetted the appetite for quality products in these areas, thus giving a fillip to e-commerce. The residential sector too is booming in these cities as the dream of owning a house, is now becoming a reality in these locations.

Given this surge in real estate activities, we at CBRE thought it is apt to analyse the cities that we believe hold the key to the future, in addition to our tier I cities. Our report, 'Tier-II Cities: Coming of Age', is a compendium of our efforts to evaluate these cities, from the perspective of multiple real estate sectors. I hope you'll find it a worthy guide in your growth plans for the future.



Abhinav Joshi

Head of Research, India, Middle East and North Africa



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A background image showing a wide river with a city skyline in the distance. In the foreground, there is a paved walkway with young trees and a road with several people riding motorcycles. A large white number '1' is positioned on the left side of the image.

1

Tier-II Cities: Raising the Bar

Why are Both Corporates and Consumers Increasingly Preferring Tier-II Cities?

FIGURE 1: Key drivers of real estate demand in tier-II cities



Source: CBRE Research, Q4 2022.

2

CBRE's Top 10 Tier-II Cities in India

North:

1. Chandigarh
2. Jaipur
3. Lucknow

West & Central:

8. Ahmedabad
9. Indore

South:

4. Coimbatore
5. Kochi
6. Thiruvananthapuram
7. Visakhapatnam

East:

10. Bhubaneswar



01

Chandigarh

Serving as the joint capital of Punjab and Haryana¹¹, Chandigarh is one of the earliest 'planned' cities of post-Independence India. The city functions as a district as well as a union territory (UT). Chandigarh has also enabled growth in two adjacent satellite cities - Mohali and Panchkula; collectively the three are known as 'Tricity'.

¹¹ Chandigarh Administration's Official Website, Municipal Corporation of Chandigarh (MCC)



Chandigarh Office Dynamics

Table 1.1 (a): Key office micro-markets as of H1 2022

Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	Central Chandigarh	70 – 90	10 – 19	• Primarily houses retail occupiers
Off-CBD	Rajeev Gandhi Technological Park	50 – 65	10 – 19	• A cluster of standalone assets and SEZ campuses; hosts prominent occupiers
ABD	Mohali – Sectors 66 & 67	45 – 65	10 – 19	• Preferred by office occupiers due to its strategic location along the Airport Road
SBD	Industrial Area Phase I & II	50 – 90	10 – 19	• Limited office developments; has a landmark retail mall
EBD	Mohali – Sector 82	30 – 38	10 – 19	• An emerging micro-market near the airport
PBD	Mohali – Phase 8A & 8B	40 – 50	10 – 19	• Relatively older micro-market; prominent tenants are largely restricted to SEZ developments

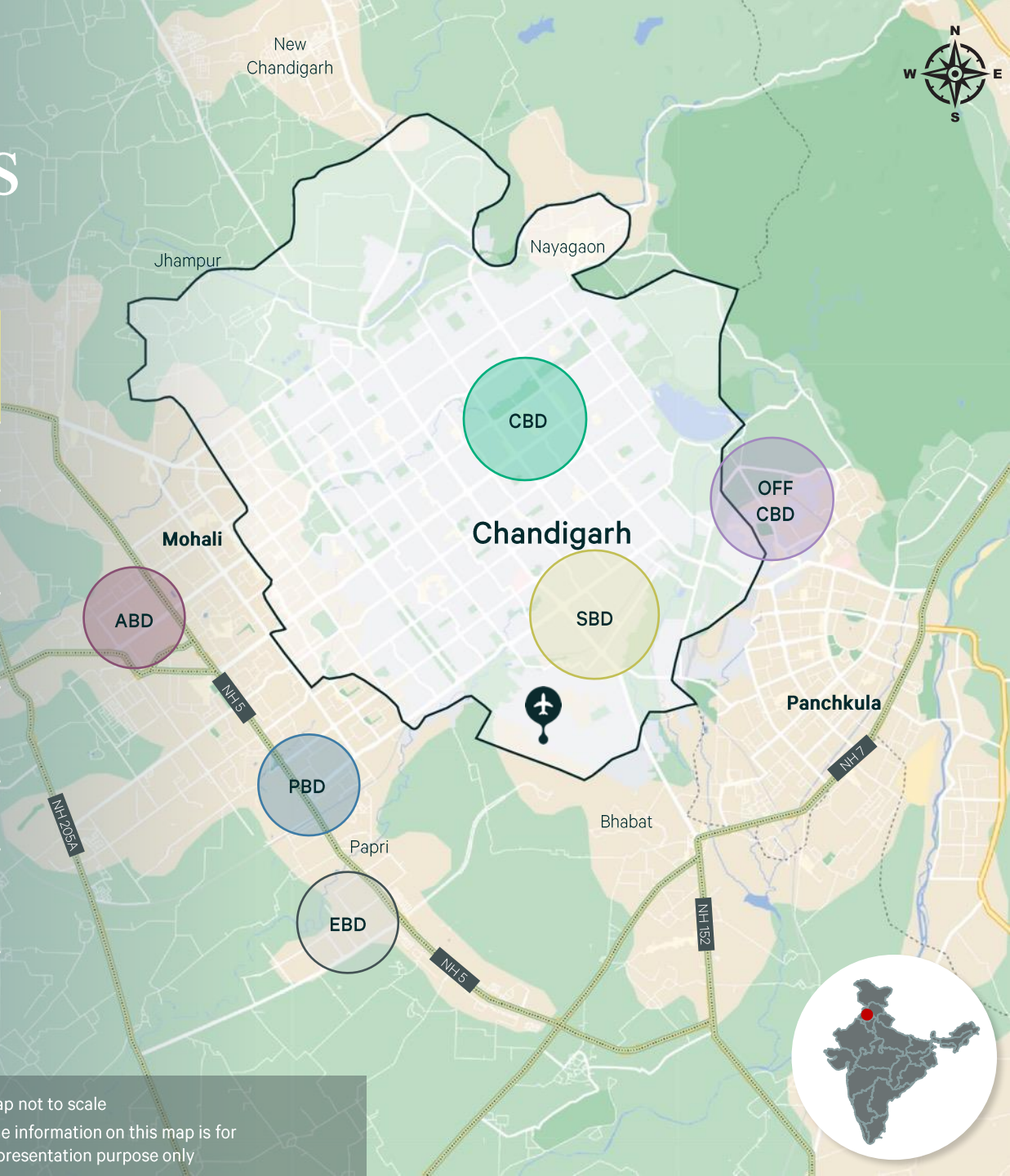
Source: CBRE Research, Q4 2022

Note: CBD – Central Business District; ABD – Alternate Business District; SBD – Secondary Business District; EBD – Emerging Business District; PBD – Peripheral Business District



Airport

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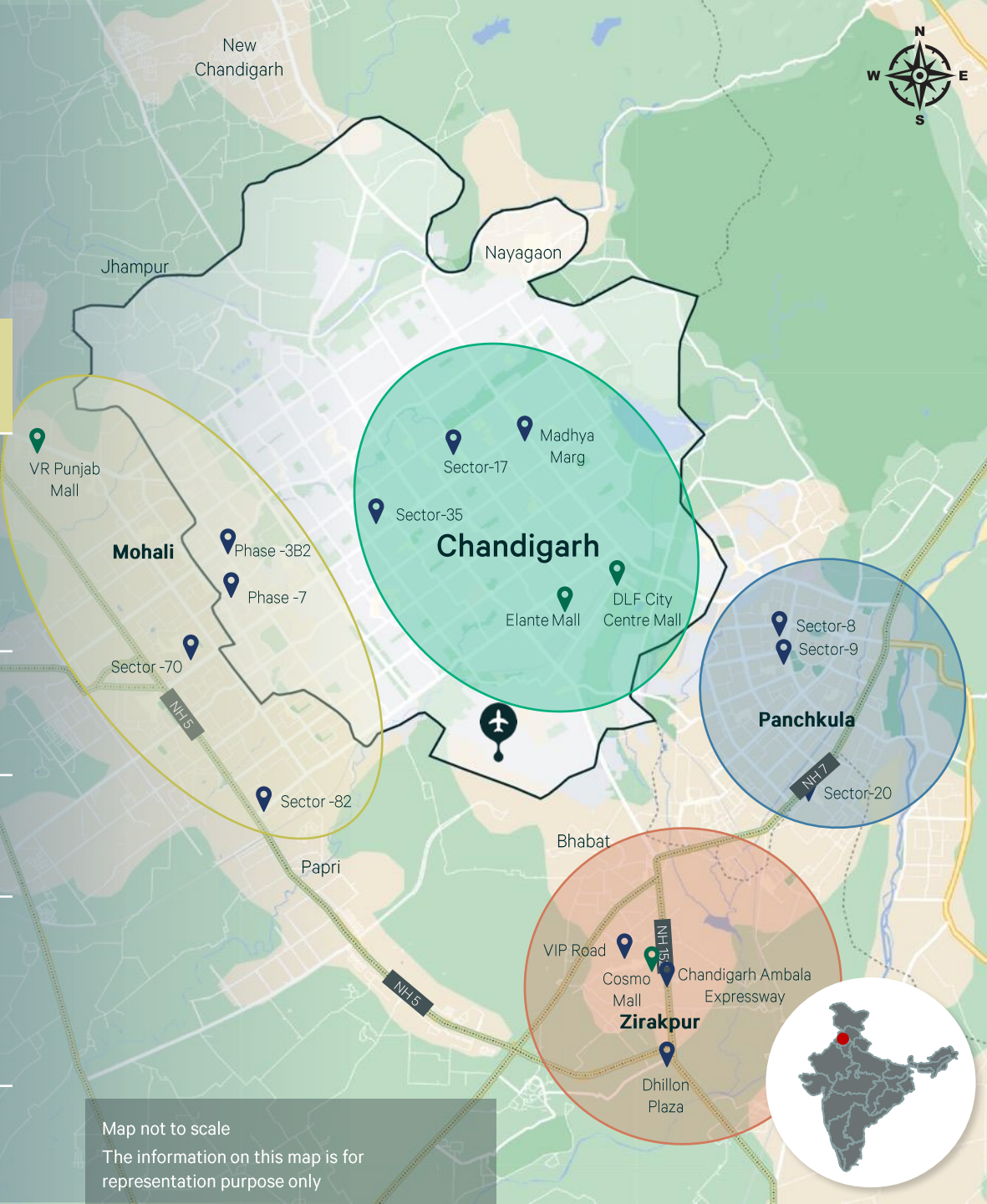
Chandigarh Retail Dynamics

Table 1.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
Chandigarh	Sector 17, Sector 35, Madhya Marg	200 – 450 (MC) 200 – 500 (HS)	<ul style="list-style-type: none"> Nexus Elante Mall, one of the leading malls in Chandigarh houses several prominent global and domestic brands Sector 17, an old and established high street houses several athleisure and apparel brands while Sector 35 is a popular F&B destination Madhya Marg is a key location that houses several F&B and homeware brands along with retail banking establishments 	Zara, Uniqlo, Lifestyle, Shoppers Stop, Marks & Spencer, The Collective, Nike, Adidas, Skechers, Puma, Taco Bell, Starbucks
Mohali	Phase 3B - 2, Sector 82, Sector 70, Phase 7	150 - 250 (HS)	<ul style="list-style-type: none"> VR Punjab Mall is located in Mohali High streets such as Phase 3B - 2, Sector 82, Sector 70, Phase -7 house several F&B, fashion & apparel brands along with a strong presence of retail banking establishments 	PVR, H&M, Forever 21, Lifestyle, Marks & Spencer, KFC, Burger King, Tanishq, Croma, Starbucks,
Panchkula	Sector 8, Sector 9, Sector 20	150 – 225 (HS)	<ul style="list-style-type: none"> Sectors 8 & 9 house several F&B, fashion & apparel, salon and homeware brands Sector 20, surrounded by a huge residential catchment, houses F&B brands, department stores and retail banking establishments 	KFC, Burger King, Reliance Digital, Fabindia, Jack & Jones, Miniso
Zirakpur	Ambala – Chandigarh Expressway, VIP Road	100 – 200 (MC) 100 – 150 (HS)	<ul style="list-style-type: none"> Cosmo Mall is well-known for its factory outlet stores. The micro-market also houses Dhillon Plaza - an organised retail high street that includes athleisure and fashion & apparel brands, hypermarkets, a multiplex, along with drive-through QSR formats The Ambala - Chandigarh Expressway and VIP Road house many value retailers 	PVR, Adidas, Nike, Skechers, Levi's, Pizza Hut, Decathlon, Croma, Starbucks, McDonald's, KFC, Fabindia, Burger King

Source: CBRE Research, Q4 2022

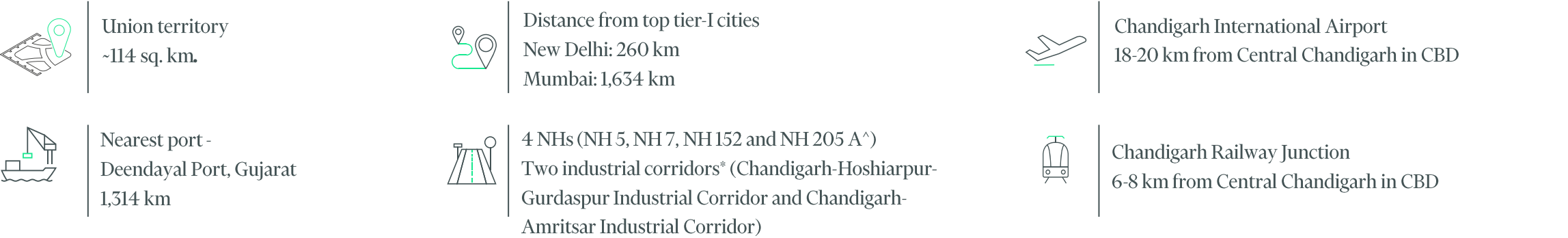
Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS – High street, MC – Mall cluster, QSR – Quick service restaurant



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Figure 1.1: Regional connectivity



^ includes all highways that pass through Tricity * proposed
Source: Chandigarh District Website; Government of Chandigarh (GoC); CBRE Research, Q4 2022

Table 1.2: Key infrastructure initiatives in Chandigarh

Project	Location	Status	Completion year	Project details
New Industrial Area	Sector 101, Mohali	Under construction	2022E	<ul style="list-style-type: none">Planned to be completed in two phases; likely to boost I&L activity in the city on completion
Greenfield Road Alignment Project	Mohali	Proposed	-	<ul style="list-style-type: none">A 32-km road that connects IT Chowk near the Chandigarh International Airport to the Kurali-Chandigarh RoadOn completion, the project would decongest the Airport Road; likely to serve as an alternative route between Delhi to Himachal Pradesh and Jammu & Kashmir
Chandigarh Airport Expansion	Sahibzada Ajit Singh Nagar	Proposed	-	<ul style="list-style-type: none">Planned to facilitate the expansion of existing terminals and increase passenger and cargo capacity
Industrial Corridors	Chandigarh-Hoshiarpur-Gurdaspur Industrial Corridor and Chandigarh-Amritsar Industrial Corridor	Proposed	-	<ul style="list-style-type: none">Plans to develop industrial clusters and townships along these corridors with required infrastructureOn completion, this would boost real estate activity in the region and attract global / domestic investments

Source: Media articles, 2022; Invest Punjab Website, 2022; Chandigarh District Website; GoC, 2022; CBRE Research, Q4 2022

Figure 1.2: Real estate dynamics as of H1 2022



Figures 1.4: Chandigarh - Quality of life parameters



Advantage Chandigarh



ECONOMIC DRIVERS

- **Technology:** Mohali is home to the largest Software Technology Parks of India (STPI) incubator in the country; during FY 2021-22, technology exports from the 'Tricity' (Mohali, Chandigarh and Panchkula) were about INR 6,000 crore through STPI and SEZ units¹²
- **Auto ancillary:** Out of a total of about 2,950 small scale industries present in Chandigarh, about 40% are ancillary units producing components for tractors¹³
- **Tourism:** Chandigarh Capitol Complex, a government compound spread over 100 acres in the city, is a UNESCO World Heritage Site and a prime example of the city's planned architecture



INVESTOR INTEREST

- In February 2022, Sushma Group raised INR 100 crore from Motilal Oswal to fund the construction of its 10.8-acre residential project in Zirakpur¹²
- In August 2021, Stellar Value Chain Solutions launched a 0.5 million sq. ft. warehousing facility in Banur near Chandigarh¹²



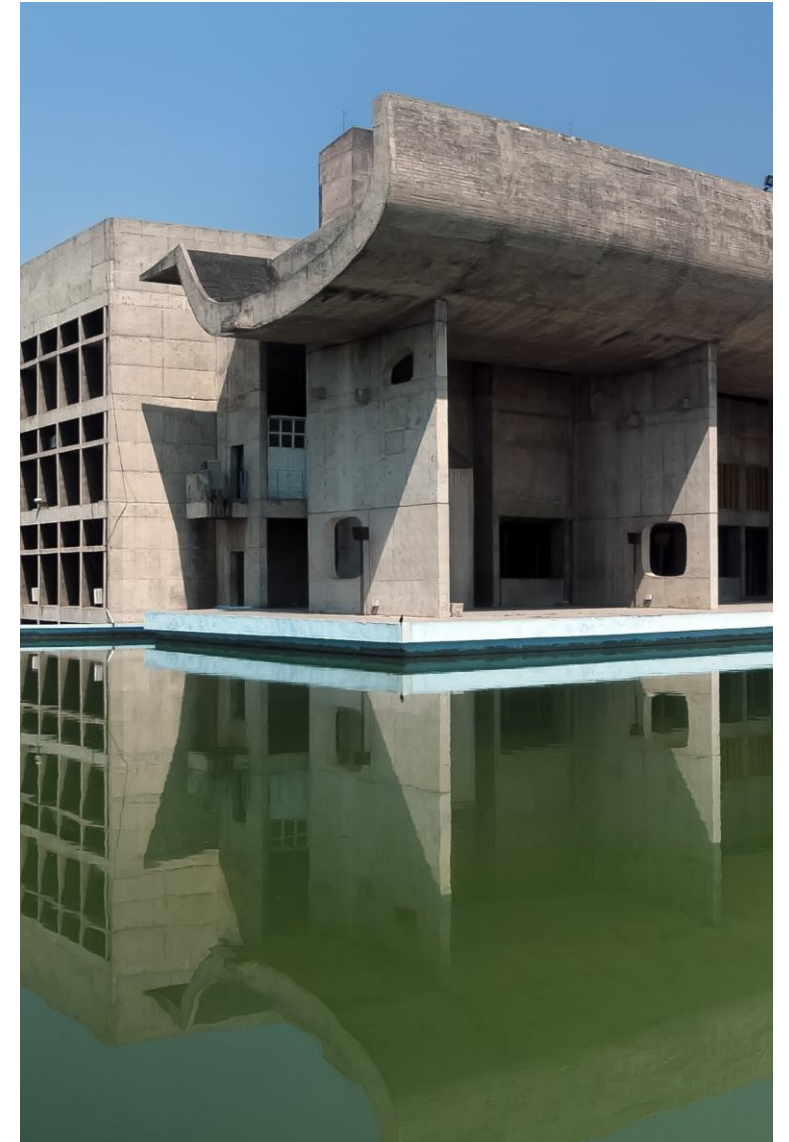
MANPOWER

- The UT has numerous professional colleges offering courses in medical science, engineering, management, commerce and research. A few key institutions include Panjab University, Chandigarh University and Post Graduate Institute Of Medical Education & Research
- Chandigarh is ranked first in Niti Aayog's India Innovation Index 2021¹⁴



REAL ESTATE DYNAMICS

- In July 2022, cargo-partner opened its first office in Chandigarh¹²
- In September 2021, Wooden Street opened its first store in Chandigarh in Sector 17¹²
- In April 2021, Birkenstock opened its first exclusive brand outlet in Chandigarh¹²



¹² Media articles, 2021-22; ¹³ Chandigarh District Website; ¹⁴ Released by Niti Aayog, 2021; the index is a tool to evaluate the innovation capacity of Indian cities
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 1.4: Chandigarh - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Chandigarh EV Policy, 2022 (draft)	✔	⊖	✔	✔	⊖	✔	✔
Chandigarh Start-up Policy, 2019 (draft)	✔	⊖	✔	✔	✔	✔	✔
Chandigarh Industrial Policy, 2015	✔	✔	✔	⊖	⊖	⊖	✔
Chandigarh IT & Electronics Policy, 2013	✔	✔	✔	✔	✔	✔	✔

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Department of Science & Technology and Renewable Energy, GoC, 2022; Ministry of Commerce and Industry, GoI 2019; CBRE Research, Q4 2022

02

Jaipur

Jaipur (formerly known as Jeypore) is the capital of Rajasthan. It is the largest city in the state and is also known as the 'Pink City'²¹ due to the dominant color scheme of its buildings. A gateway of tourism in Rajasthan, it is a part of the 'Golden Triangle Tourist Circuit'²², along with Delhi-NCR and Agra.

²¹Jaipur District's Official Website, Government of Rajasthan (GoR); ²²A 700-km tourist circuit that connects Delhi-NCR, Agra and Jaipur

Jaipur Office Dynamics

Table 2.1 (a): Key office micro-markets as of H1 2022

Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	C-Scheme, MI Road	50 - 65* 125 - 175**	3 - 10	<ul style="list-style-type: none">A key office micro-market with excellent connectivityHouses older developments, mostly occupied by BFSI and retail firms
SBD	Civil Lines, Tonk Road, JLN Marg, Vaishali Nagar	40 - 55* 130 - 300**	5 - 17	<ul style="list-style-type: none">A well-connected micro-market, characterised by a host of stand-alone multi-storey buildingsMost developments are strata sold
PBD 1, 2 & 3	Sitapura, Vishwakarma Industrial Area, Durgapura	25 - 35	3 - 8	<ul style="list-style-type: none">Houses several stand-alone, low-rise buildings with large floor plates; most assets have individual ownerships
Mahindra World City SEZ	NH 8 (Jaipur-Ajmer Highway) / Ajmer Road	45 - 50	~15	<ul style="list-style-type: none">An SEZ jointly developed by Mahindra Group and RIICO^{2,3}, spread across 3,000 acresLocated in the city suburbs and houses large corporates

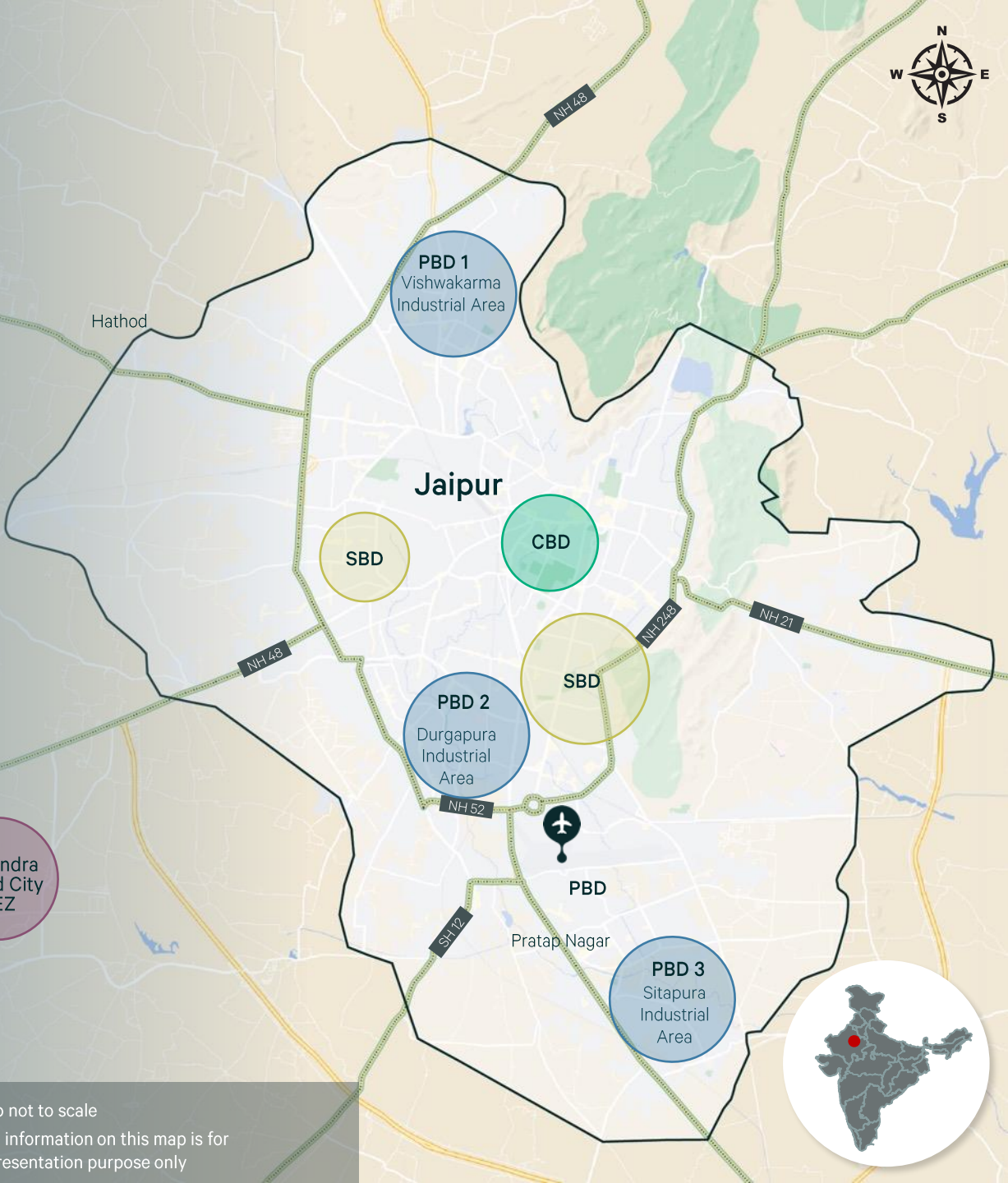
Source: CBRE Research, Q4 2022

Note: CBD – Central Business District; SBD – Secondary Business District; PBD – Peripheral Business District
*Upper floor rents; **Ground floor rents; ^{2,3} Rajasthan State Industrial Development and Investment Corporation



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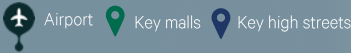


Jaipur Retail Dynamics

Table 2.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
Malviya Nagar	JLN Marg	175 - 250 (MC) 200 - 300 (HS)	<ul style="list-style-type: none">Houses malls such as World Trade Park (WTP) Mall and GT General Mall and key high streets with several global car showrooms	Zara, Lifestyle, Shoppers Stop, Marks & Spencer, Starbucks, Mango, Forest Essentials
C-Scheme	Ashok Nagar	180 - 250 (HS)	<ul style="list-style-type: none">Houses Man Upasana – a premium mixed commercial complexIt is one of the most premium high streets with the presence of several fine dining restaurants and luxury brands	Fabindia, Firstcry, Zudio, Westside, Biba, White Crow, Shoppers Stop
M.I Road	M.I Road	300 - 450 (HS)	<ul style="list-style-type: none">Houses various stores for gemstones, jewellery and handicraft	Adidas, Skechers, Rare Rabbit, Blackberrys, UCB, Nykaa, Tanishq, Manyavar, Bluestone
Vaishali Nagar	Gautam Marg, Amrapali Marg	150 - 250 (HS)	<ul style="list-style-type: none">Houses several big box retailers	Croma, Shoppers Stop, Reliance Smart, Reliance Trends, Nike, Adidas, Puma, Skechers, Lifestyle, Zudio, Westside,

Source: CBRE Research, Q4 2022
Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS – High street, MC – Mall cluster



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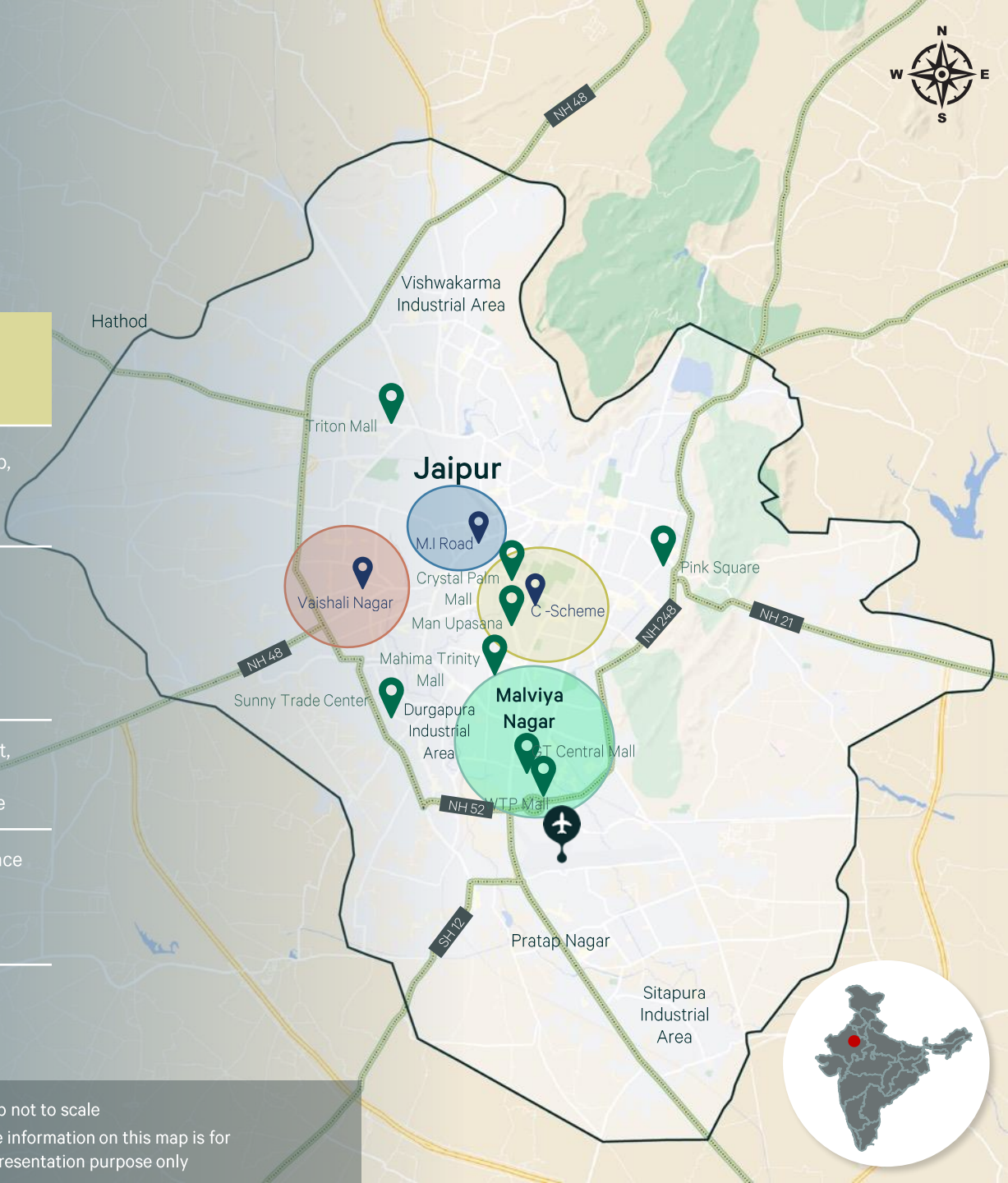


Figure 2.1: Regional connectivity



Source: Urban Portal, GoR, 2022; CBRE Research, Q4 2022

Table 2.2: Key infrastructure initiatives in Jaipur

Project	Location	Status	Completion year	Project details
Jaipur Metro Phase 1A	Mansarovar to Chandpole	Completed	2015	<ul style="list-style-type: none">A 9.6-km long rail connecting office locations such as Jaipur Junction in CBD and Vivek Vihar and Shyam Nagar in SBD
Jaipur Metro Phase 1B	Chandpole to Badi Chaupar	Completed	2020	<ul style="list-style-type: none">A 2.4-km long rail connecting the core locations within CBD, thereby easing commute for tourists
Jaipur Ring Road Project – I & II	Ajmer Road, Tonk Road and Agra Road	Completed	2020	<ul style="list-style-type: none">A 47-km ring road connecting Ajmer Road, Tonk Road and Agra Road; supports I&L activity in the peripheral locations of South Jaipur
Industrial Corridor	Delhi-Mumbai Industrial Corridor via Jaipur	Under construction	-	<ul style="list-style-type: none">Jaipur-Dausa Industrial Area forms a part of the industrial corridor; on completion likely to attract global / domestic investments to establish industrial units along the corridor
Jaipur Ring Road Project – III	Agra Road, Delhi Road, Sikar Road and Ajmer Road	Proposed	-	<ul style="list-style-type: none">A 97-km ring road connecting Agra Road, Delhi Road, Sikar Road and Ajmer Road; planned to support I&L activity in the peripheral locations of North Jaipur
Jaipur Metro Phase II	Sitapura to Amba Bari	Proposed	-	<ul style="list-style-type: none">Planned to connect key nodes such as Jaipur International Airport and Sitapura Industrial Area with central parts of the city
Suburban Transport System	Dausa, Phulera, Chomu and Chaksu	Proposed	-	<ul style="list-style-type: none">Planned to extend railway tracks to upcoming satellite towns such as Dausa, Phulera, Chomu and Chaksu; likely to boost real estate activity in the city peripherals

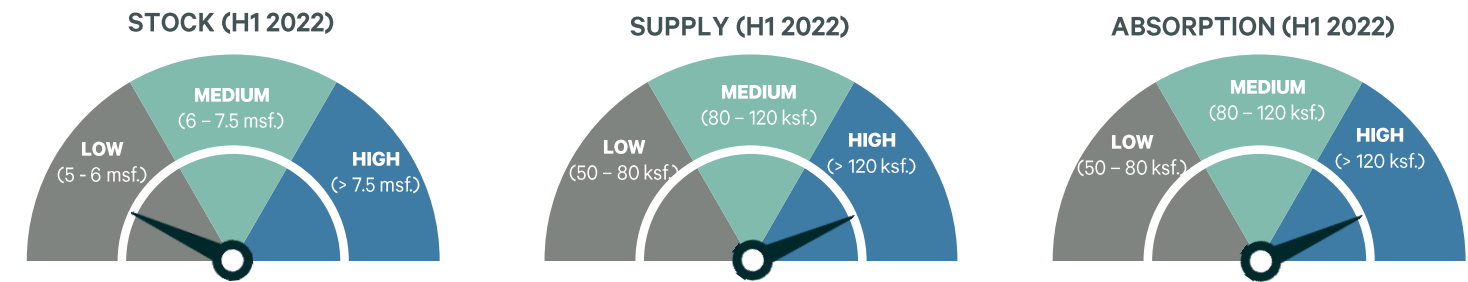
Source: Jaipur metro rail official website; Media articles, 2022;GoR; CBRE Research, Q4 2022

Figure 2.2: Real estate dynamics as of H1 2022



Source: CBRE Research, Q4 2022

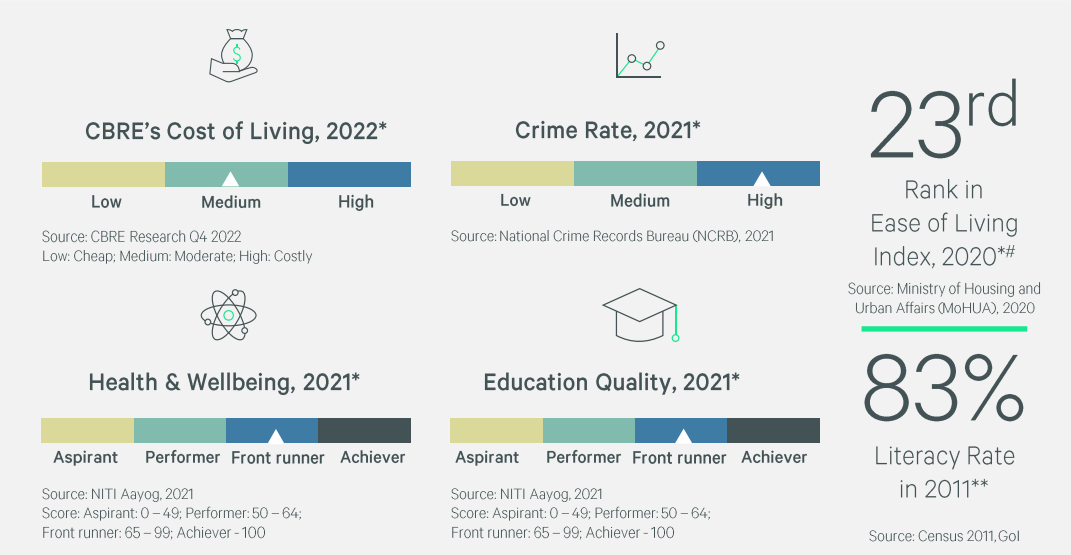
Figure 2.3: Grade A office variables as of H1 2022



Source: CBRE Research, Q4 2022



Figures 2.4: Jaipur - Quality of life parameters



Advantage Jaipur



ECONOMIC DRIVERS

- **Technology:** Mahindra World City in Jaipur is India's largest Special Economic Zone (SEZ) with a total area of 3,000 acres. It has a dedicated IT / ITeS zone spread over 750 acres in the SEZ²⁴
- **Engineering & manufacturing:** Houses a few leading manufacturing companies such as National Engineering Industries, Jaipur Rugs, Nandani Creation, Jaipur Watch Company and Talisman
- **Tourism:** In 2021, Jaipur was ranked 3rd in the 'Best Cities in Asia' listing released by Travel + Leisure magazine²⁵



INVESTOR INTEREST

- In August 2022, Wipro Infrastructure Engineering announced plans to set up a manufacturing plant for hydraulic cylinders and allied products with an investment of about INR 200 crore²⁶
- In February 2022, BlueStone.com launched a jewellery manufacturing unit in Jaipur with a capacity to process over 250 kilograms of gold per month²⁶
- In February 2022, HOP Electric Mobility launched its megaplex units with a production capacity of 100 e-scooters per day²⁶



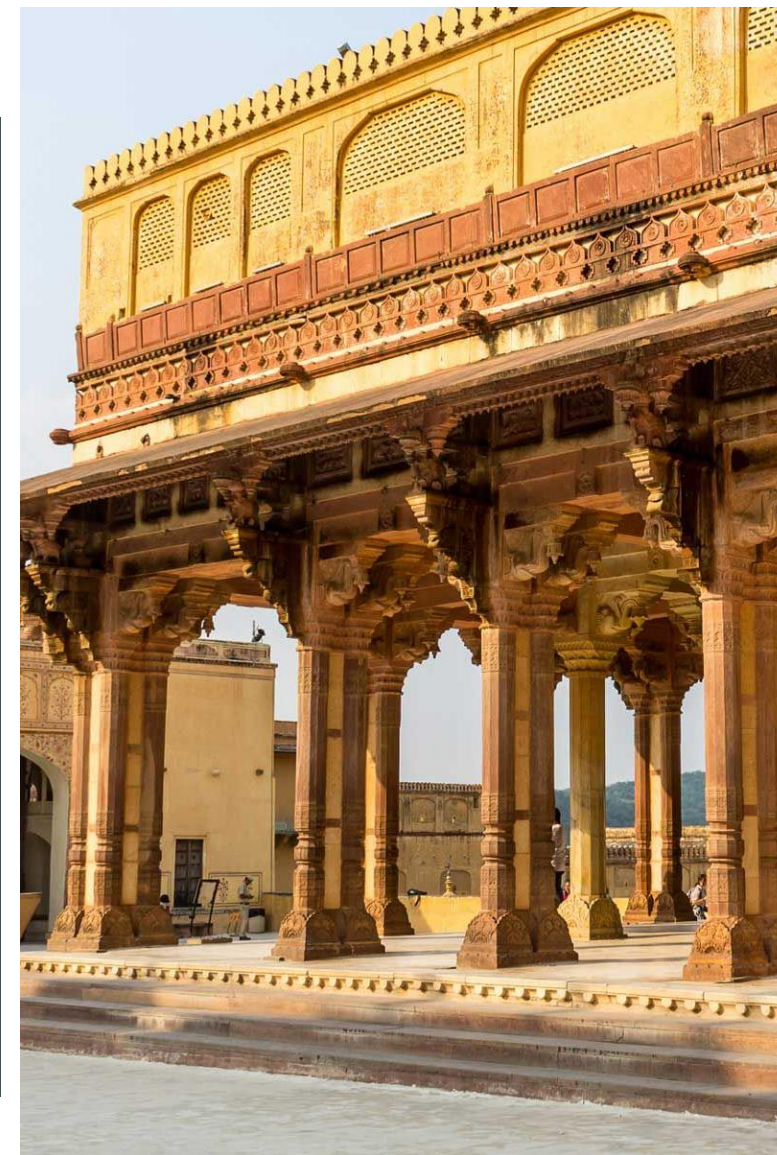
MANPOWER

- Jaipur houses 606 colleges; second highest (next to Bangalore) among Indian cities²⁷
- The number of incubation centres / skill development centres per one lakh population in Jaipur stood at 0.5 in 2021 against the national target of 1.93²⁸



REAL ESTATE DYNAMICS

- In June 2022, AGS Health opened its new office in Jaipur with the intention to attract local talent from the city²⁶
- In April 2022, PwC opened its new office in Jaipur; targets creation of 10,000 new jobs over the next five years in India²⁶
- In December 2021, Biba opened its 300th store in the country in Jaipur²⁶



²⁴ Department of Industries, GoR; 2021; ²⁵ Travel + Leisure Magazine, 2021; ²⁶ Media articles, 2021-22; ²⁷ All India Survey on Higher Education (AISHE) 2019-20; ²⁸ Niti Aayog, 2021
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 2.4: Rajasthan - State policy initiatives*

Policy	Special incentives / initiative for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Rajasthan E-Governance IT & ITeS Policy, 2015-25	✔	✔	✔	✔	✔	✔	✔
Rajasthan Investment Promotion Scheme, 2019 – 26	–	✔	✔	✔	✔	✔	✔
Rajasthan Startup & Innovation Policy, 2019 (Draft)	–	–	✔	✔	–	✔	✔
Rajasthan Electric Vehicle Policy, 2021	✔	✔	✔	✔	✔	✔	✔
Rajasthan MedTech and Bulk Drug Policy, 2021	–	✔	✔	✔	✔	✔	✔
Rajasthan Industrial Development Policy, 2019	✔	✔	✔	✔	✔	✔	–
Rajasthan MSME Policy, 2015	–	✔	✔	✔	✔	✔	✔
Rajasthan Electronics Manufacturing Policy, 2021 (draft)	–	✔	✔	✔	✔	✔	✔

*In a few cases though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Department of Information Technology & Communication, GoR, 2015-2019; Department of Finance, GoR, 2019; GoR, 2021; CBRE Research, Q4 2022

03

Lucknow

Lucknow is the capital and the largest city of Uttar Pradesh. It is known as the 'City of Nawabs'³¹ and is an important centre of governance, administration, education, commerce, culture, tourism, music and poetry in North India.

³¹Lucknow District's Official Website; Government of Uttar Pradesh (GoUP)

Lucknow Office Dynamics

Table 3.1 (a): Key office micro-markets as of H1 2022

Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	Hazratganj	55 - 80	8 – 10	<ul style="list-style-type: none">• Largely comprises of standalone buildings, with the presence of government offices and media companies
SBD	Vibhuti Khand	45 - 62	8 – 10	<ul style="list-style-type: none">• Houses several new developments with large floor plates; preferred by various global corporates

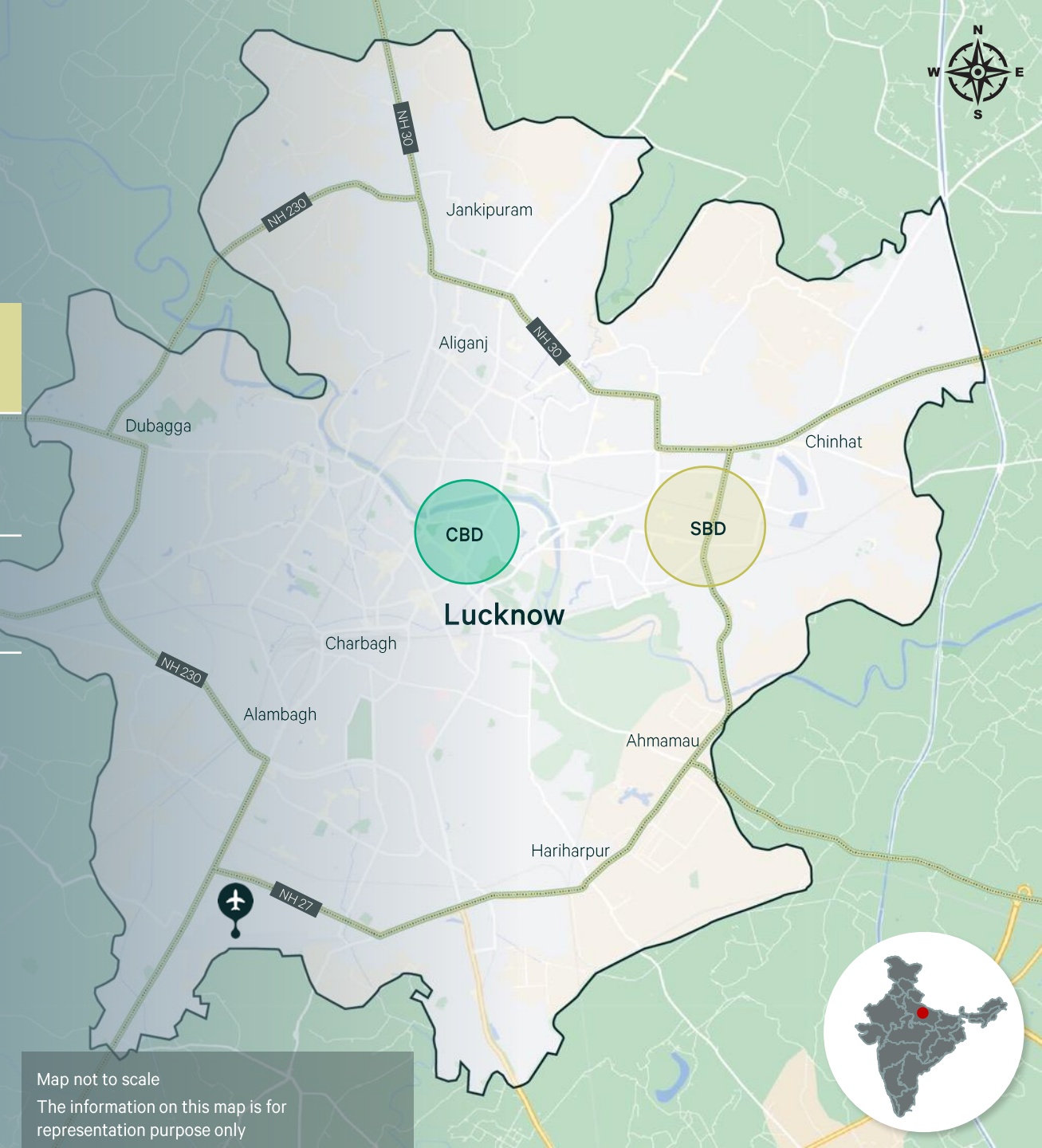
Source: CBRE Research, Q4 2022

Note: CBD – Central Business District; SBD – Secondary Business District



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Lucknow Retail Dynamics

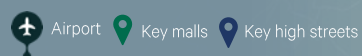
Table 3.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
Gomti Nagar	Vibhuti Khand, Viraj Khand, Shaheed Path, Faizabad Road, Patrakarpuram	110 - 220 (MC) 130 - 160 (HS)	<ul style="list-style-type: none">Houses Fun Mall, Lulu Mall and Phoenix PallasioIt is also one of the most prominent retail destinations with a mix of F&B, electronics, and fashion & apparel brands	Uniqlo, Decathlon, Lulu Hyper, Shoppers Stop, Spencer's, PVR, Reliance Trends, Max, Tanishq, Kalyan Jewellers, Croma
Hazratganj	Sapru Marg, Shahnajaf Road, Hazratganj, MG Road	150 - 200 (MC) 120 - 140 (HS)	<ul style="list-style-type: none">One of the prime high streets of Lucknow; houses Saharhganj MallKey categories here include fashion & apparel, jewellery and athleisure	Forever 21, Pantaloons, Reliance Digital, Skechers, Manyavar, Puma, Blackberry
Ashiyana & Alambagh	Kanpur Road, LDA Colony	90 - 150 (MC) 90 - 110 (HS)	<ul style="list-style-type: none">Located close to the airport; houses mostly value formats and domestic players	Lifestyle, Westside, Marks & Spencer, Max, Pantaloons, Skechers, Nike, Croma

Source: CBRE Research, Q4 2022

Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area

HS – High street, MC – Mall cluster



Map not to scale

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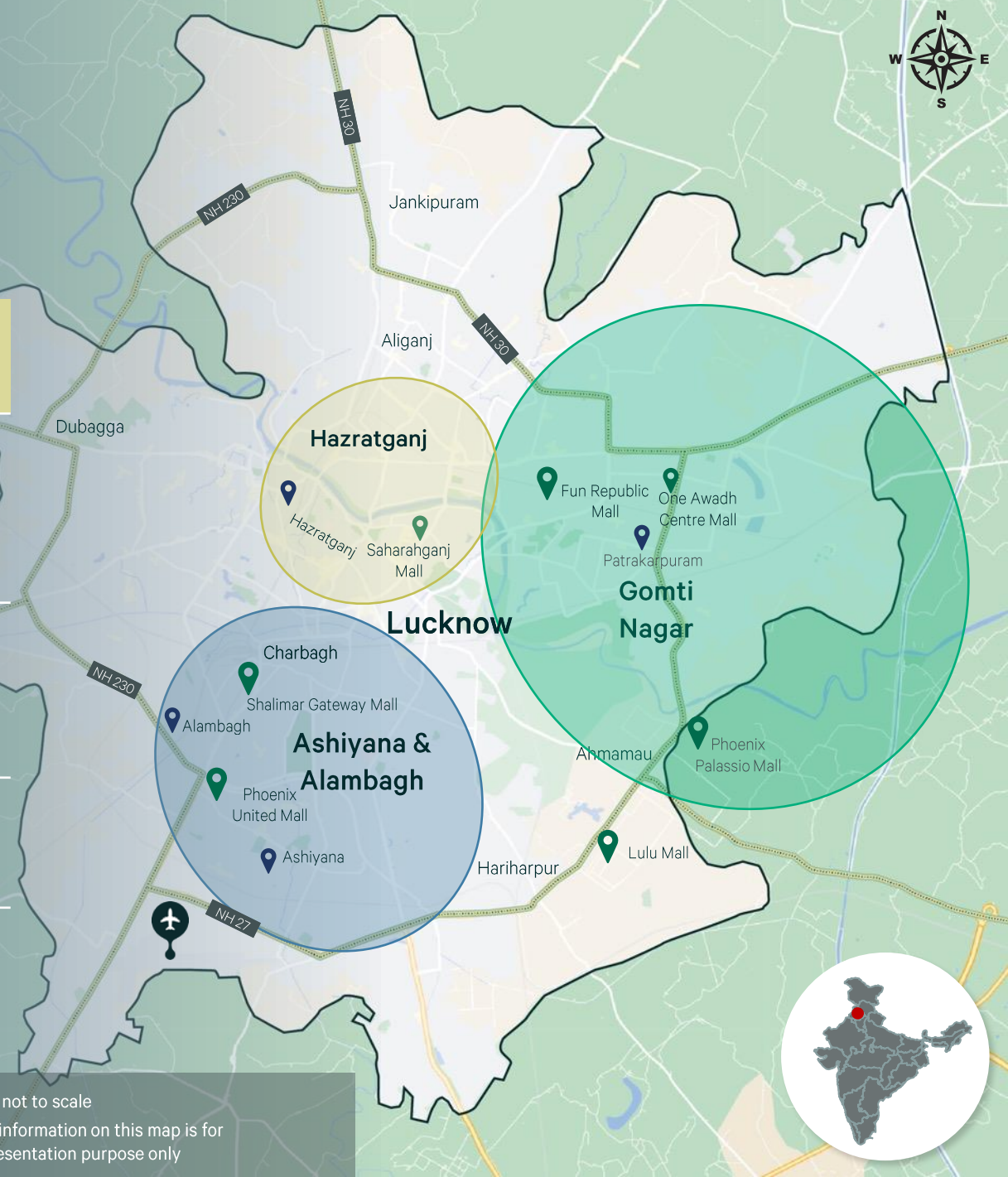
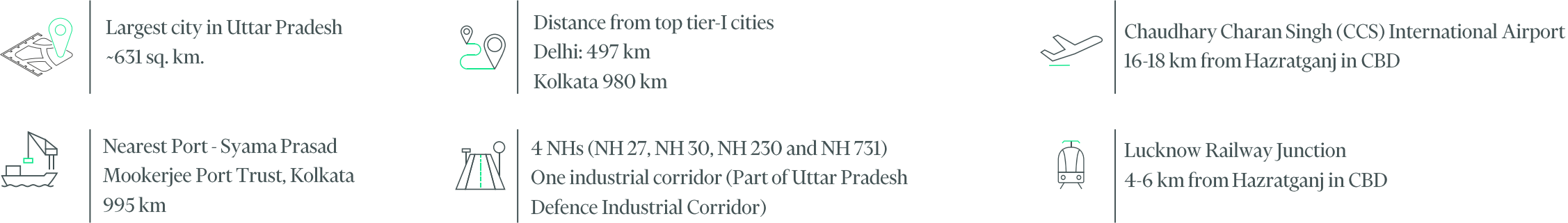


Figure 3.1: Regional connectivity



Source: Lucknow District Official Website, GoUP, 2022; CBRE Research, Q4 2022

Table 3.2: Key infrastructure initiatives in Lucknow

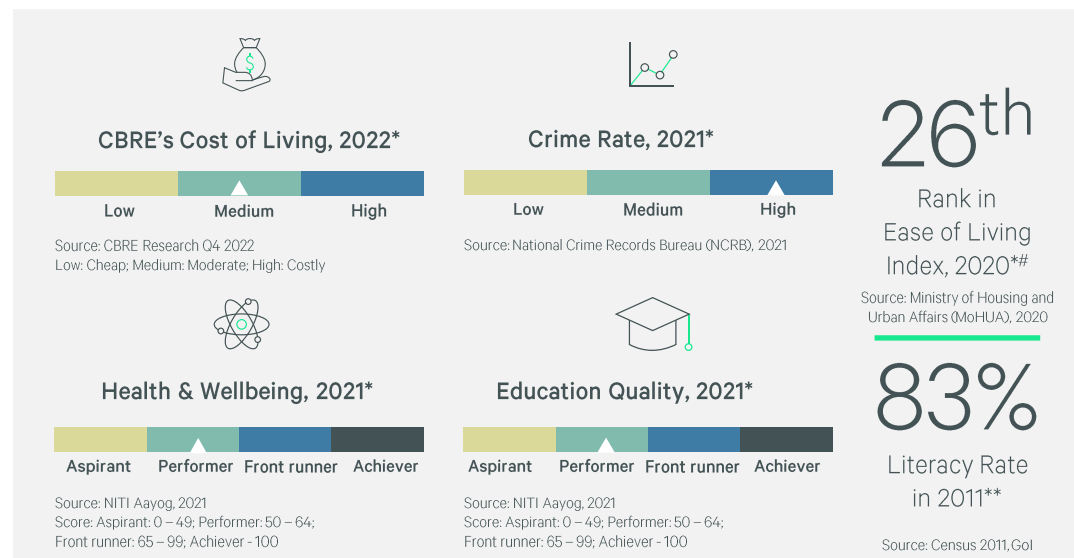
Project	Location	Status	Completion year	Project details
Lucknow Metro Rail: North-South Corridor	CCS Airport to Munshi Pulia	Completed	2019	<ul style="list-style-type: none">A 23-km rail line covering 21 stations that connects the international airport to key locations of the city such as Charbagh, IT Chauraha, Indira Nagar, etc.
Purvanchal Expressway	Chand Sarai	Completed	2021	<ul style="list-style-type: none">A 340-km, six-lane, access-controlled expressway that connects Lucknow to Ghazipur; supports I&L and commercial activities in East Uttar Pradesh
Outer Ring Road	Periphery of Lucknow	Under construction	2024E	<ul style="list-style-type: none">A 104-km ring road, aims to improve inter-city connectivity and also emerge as a growth node in the city peripherals, supporting I&L activity
Lucknow Metro Rail: East-West Corridor	Vasant Kunj to Durgapuri	Proposed	-	<ul style="list-style-type: none">An 11-km rail line covering 12 stations, planned to improve the connectivity of West Lucknow to the central parts of the city
Industrial Corridors	Uttar Pradesh Defence Industrial Corridor and Kanpur-Lucknow Industrial Corridor	Proposed	-	<ul style="list-style-type: none">Uttar Pradesh Defence Industrial Corridor is anticipated to reduce the foreign dependency of Indian aerospace and defence sectorsThe Kanpur-Lucknow Industrial Corridor is expected to attract I&L investments from global / domestic players

Source: Uttar Pradesh Metro Rail Corporation, GoUP, 2022; Uttar Pradesh Expressways Industrial Development Authority, GoUP, 2022; Media articles, 2022; Invest India website, 2022; CBRE Research, Q4 2022

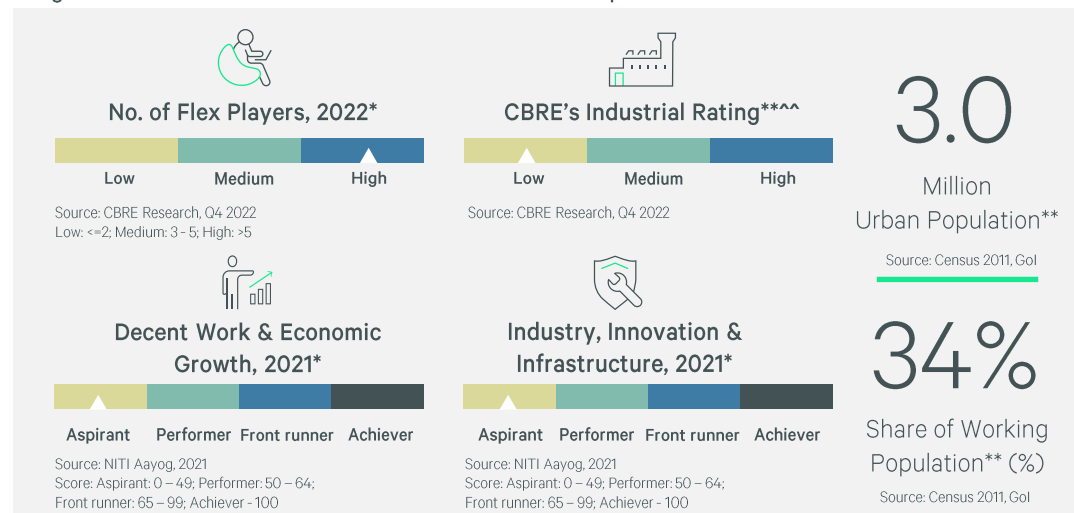
Figure 3.2: Real estate dynamics as of H1 2022



Figures 3.4: Lucknow - Quality of life parameters



Figures 3.5: Lucknow - Real estate and infrastructure parameters



*Represents city-level data; **Represents district-level data; ^^Rating denotes presence of industrial areas, registered MSMEs and SSI industrial units and registered medium & large units #More than Million category rankings in Ease of Living Index

Figures 3.6: Lucknow - Sustainability parameters

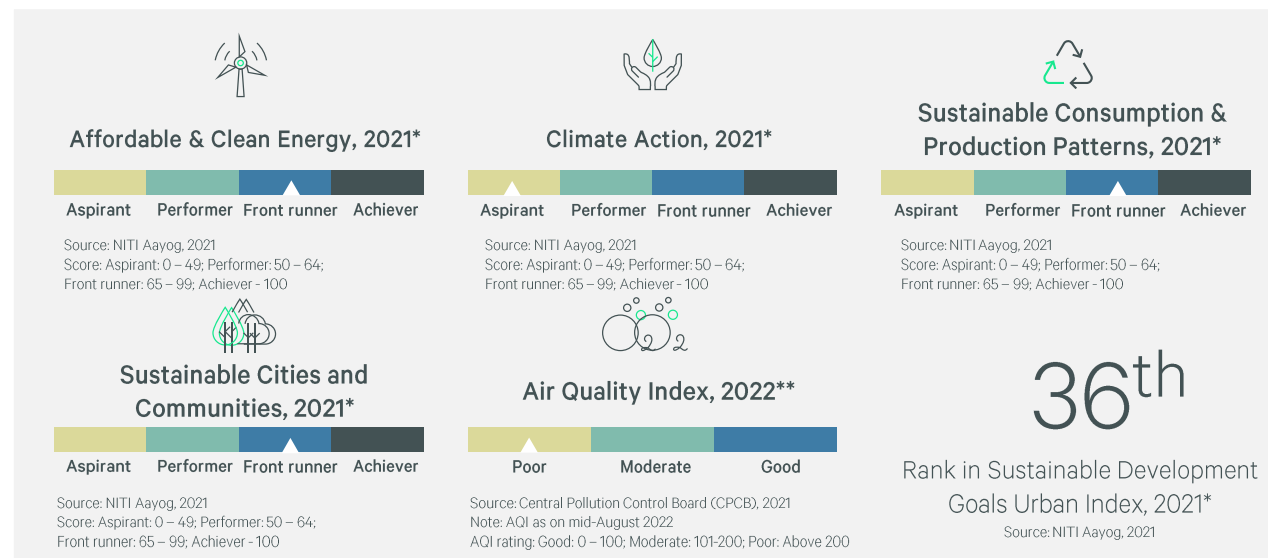


Table 3.3: Uttar Pradesh - State parameters

Parameters	Data
Population, 2011	199.8 million
Literacy rate, 2011	67.7%
Total student enrollment, 2020-21	139,087
Labour force participation rate / worker population rate, 2021	30%
Domestic tourist visits, 2019-20	622.0 million
Foreign tourist visits, 2019-20	5.6 million
Score in State Energy Index, 2020	35.5 (Contender)
Rank in India Innovation Index, 2021	7 th

Source: Census 2011; All India Council for Technical Education (AICTE), 2021; MOSPI, 2021; Ministry of Tourism, GoI, 2021; State Energy Efficiency Index, 2020; NITI Aayog, 2022; State Government websites; CBRE Research, Q4 2022

Advantage Lucknow



ECONOMIC DRIVERS

- **Engineering & manufacturing:** Has a strong industrial base with several registered MSMEs. Also houses large-scale industries such as HAL, Scooter India, Tata Motors, etc.
- **R&D:** Houses key government R&D centres such as Central Drug Research Institute, National Dairy Development Board, Industrial Toxicology Research Centre, National Handloom Development Corporation, etc.
- **Tourism:** Houses over 63 monuments (46 sites under Archeological Survey of India) for tourist engagements³²



INVESTOR INTEREST

- In August 2022, Berger Paints announced plans to operationalize a fully-automated manufacturing plant near Lucknow with an investment of INR 1,000 crore³³
- In July 2022, the state government approved a proposal for a Mega Textile Park across 1,000 acres in Malihabad. The project is expected to create 5 lakh jobs in the city³³
- In June 2022, the state government approved proposals to set up four Data Centre (DC) parks* with an investment of INR 15,950 crore³³



MANPOWER

- Hosts a premier management graduate school – Indian Institute of Management (IIM)
- Lucknow scored 35.1 against the target of 63.6 in National Achievement Survey Score, 2021³⁴



REAL ESTATE DYNAMICS

- In July 2022, Lulu Group opened its first mall in North India in Lucknow³³
- In July 2022, Uniqlo announced the launch of its new store in Lucknow³³
- In April 2022, Pyramid Consulting announced the opening of its new office in Lucknow³³



*Four DC parks include one development each by Hiranandani Group and NTT Global; and two developments by Adani Group;³² Archeological Survey of India, GoI; ³³Media articles, 2022; ³⁴Ministry of Education and National Council for Educational Research and Training, Niti Aayog, 2021; National Achievement Survey Score is a nation-wide assessment to evaluate the effectiveness of school education in every city
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 3.4: Uttar Pradesh - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Uttar Pradesh Information Technology & Start-Up Policy, 2017	✓	✓	✓	✓	✓	—	✓
Uttar Pradesh Warehousing and Logistics Policy, 2018 - 23	✓	✓	✓	✓	✓	✓	✓
Uttar Pradesh Electronics Manufacturing Policy, 2020 – 25	✓	✓	✓	✓	✓	—	✓
Uttar Pradesh Pharmaceutical Industry Policy, 2018 - 23	✓	✓	✓	✓	✓	✓	✓
Uttar Pradesh Data Centre Policy, 2021 – 26	—	✓	✓	✓	✓	—	✓
Uttar Pradesh Electric Vehicle Manufacturing Policy, 2019	✓	✓	✓	✓	✓	✓	✓
Uttar Pradesh Startup Policy, 2020	✓	—	✓	✓	—	—	—
Uttar Pradesh Industrial Investment and Employment Promotion Policy, 2017	✓	✓	✓	✓	✓	✓	✓

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Information Technology and Electronics Department, GoUP, 2017; Department of Infrastructure and Industrial Development, GoUP, 2018; GoUP 2019-21; CBRE Research, Q4 2022

04 Coimbatore

Coimbatore (also known as Kovai) is the second largest city in Tamil Nadu after Chennai and the 16th largest urban agglomeration in India^{4.1}. It is a key commercial hub for textile industries, engineering & manufacturing companies and technology firms in the state. The city is known as the 'Manchester of South India' due to the significant presence of cotton and textile industries^{4.2}. It is also referred to as the 'Pump City of India' as it meets nearly half of India's requirement of motors and pumps^{4.3}.

^{4.1,4.2 & 4.3} Coimbatore City Municipal Corporation's Website, Government of Tamil Nadu (GoTN), 2022

Coimbatore Office Dynamics

Table 4.1 (a): Key office micro-markets as of H1 2022

Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	RS Puram, Gandhipuram, Avinashi Road till Lakshmi Mills	50 - 70	Non IT Buildings: 4 - 8	<ul style="list-style-type: none"> Houses small and mid-sized developments; primarily hosts corporate offices and client-facing centres
SBD 1	Avinashi Road, TIDEL ^{4,4} Park and Airport	45 - 55	IT Buildings: 10 - 12 Non IT Buildings: 4 - 8	<ul style="list-style-type: none"> The most preferred micro-market among technology occupiers Has developments with small- to mid-sized floor plates, except TIDEL Park which hosts large technology corporates
SBD 2	Trichy Road	35 - 50	Non IT Buildings: 4 - 8	<ul style="list-style-type: none"> Predominantly consists of residential neighbourhoods, with small-sized commercial establishments and retail outlets
PBD 1	Saravanampatti	35 - 45	IT Buildings: 10 - 12 Non IT Buildings: 4 - 8	<ul style="list-style-type: none"> Key IT location in the city with non SEZ and SEZ campuses (including occupier-owned campuses)
PBD 2	Pollachi Road	30 - 40	IT Buildings: 10 - 12 Non IT Buildings: 4 - 8	<ul style="list-style-type: none"> Predominately houses MSMEs. Rathinam IT Park is a large office space in the micro-market

Source: CBRE Research, Q4 2022

Note: CBD – Central Business District; SBD – Secondary Business District; PBD – Peripheral Business District

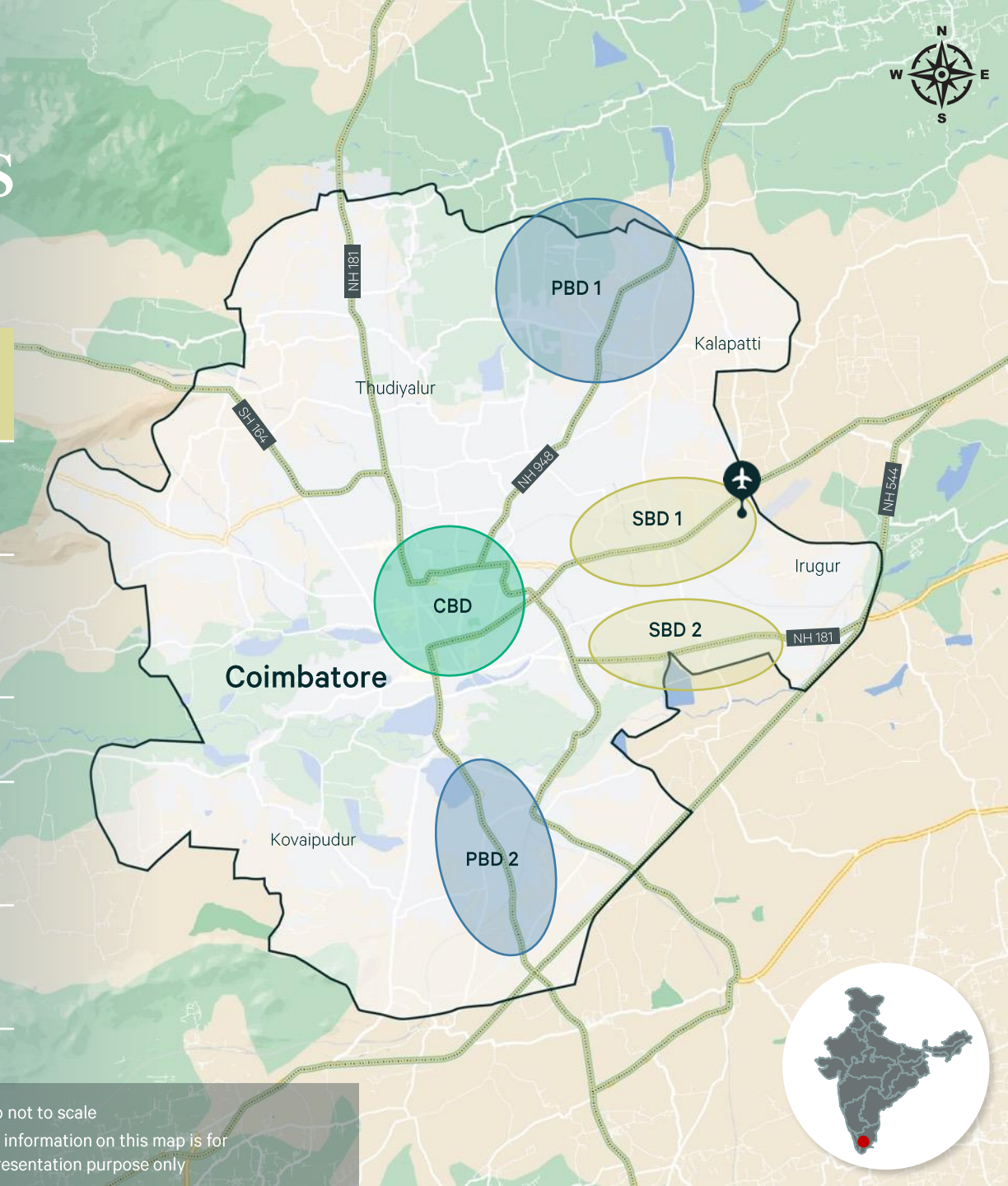
^{4,4} The name TIDEL is a portmanteau of Tamil Nadu Industrial Development Corporation (TIDCO) and Electronics Corporation of Tamil Nadu Limited (ELCOT)



Airport

Map not to scale

The information on this map is for representation purpose only



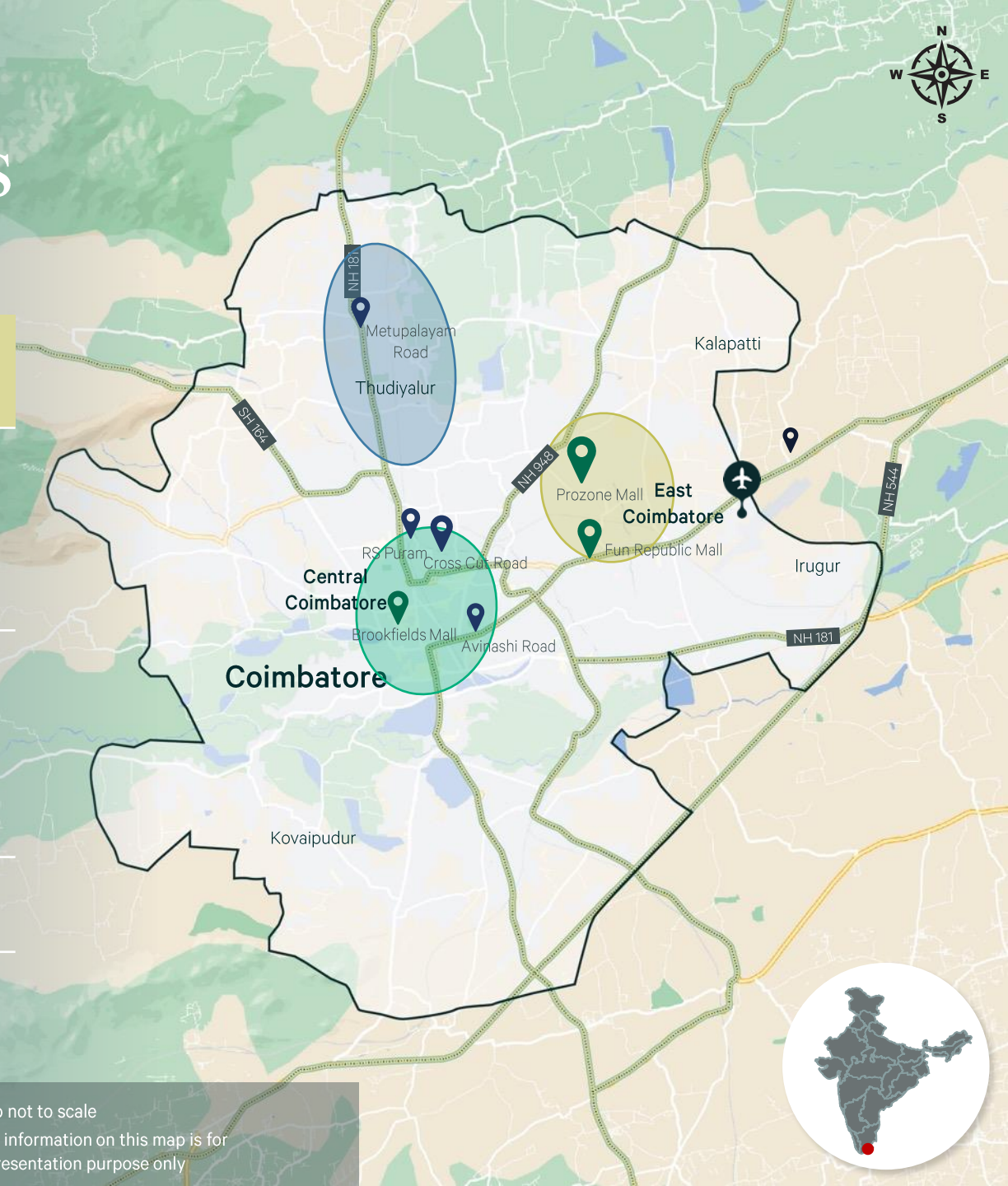
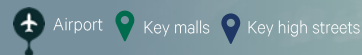
Coimbatore Retail Dynamics

Table 4.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
Central Coimbatore	Avinashi Road Peelamedu (Central), RS Puram, Cross Cut Road	180 - 200 (MC) 110 - 160 (HS)	<ul style="list-style-type: none"> Houses Brookfield Mall - the most prominent mall in the city RS Puram, Avinashi Road and Peelamedu mostly include fashion & apparel brands while Cross Cut Road houses several jewellery brands 	Tanishq, Manyavar, Fabindia, Nike, Puma, Adidas, Crocodile, Biba, Marks & Spencer, Lifestyle, Westside, PVR Cinemas,
East Coimbatore	Avinashi Road Peelamedu (East), Saravanapatti	140 - 160 (MC) 80 - 100 (HS)	<ul style="list-style-type: none"> Houses Prozone Mall, another key retail development in the city Owing to the presence of several technology companies, the zone of Avinashi Road and Peelamedu houses many F&B outlets along with fashion & apparel brands 	H&M, Shoppers Stop, Fun Unlimited, Westside, Pantaloons, Inox, Spar, Cinepolis
Thudiyalur	Metupalayam Road	90 - 110 (HS)	<ul style="list-style-type: none"> An emerging high street in the city which primarily houses fashion & apparel players 	Reliance Trends, Reliance Digital, Zudio, Pantaloons, Reliance Smart

Source: CBRE Research, Q4 2022

Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS - High street, MC - Mall cluster



Map not to scale

The information on this map is for representation purpose only

Figure 4.1: Regional connectivity



Source: Coimbatore City Municipal Corporation Website, GoTN, 2022; CBRE Research, Q4 2022

Table 4.2: Key infrastructure initiatives in Coimbatore

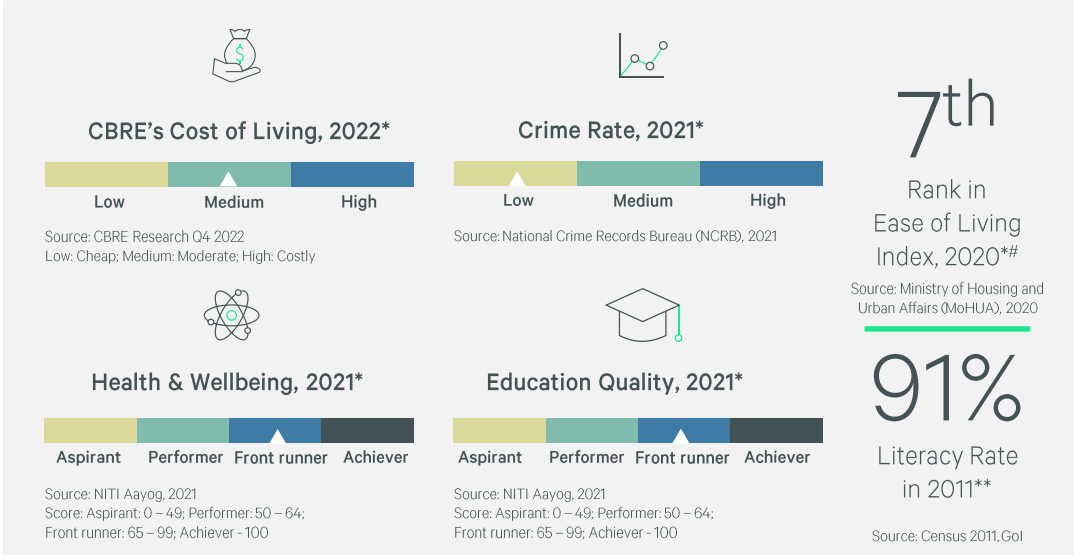
Project	Location	Status	Completion year	Project details
Coimbatore Metro Rail Line	Phase 1: Collectorate to Valiyampalayam and Vellalore to PSG Foundry Phase 2: Coimbatore Railway Junction to Pappampatti and Coimbatore Railway Junction to Periyanaickenpalayam Phase 3: PSG Foundry to Kaniyur, Valiampalayam to Ganesapuram, Pappampatti to Carltonpet, Periyanaickenpalayam to Bilichi and Town Hall to Karunya Nagar	Proposed	Phase 1 – 2027E	<ul style="list-style-type: none">A 139-km rail line to be developed in three phasesOn completion, the project is expected to reduce traffic bottlenecks and enhance connectivity between key commercial micro-markets in the city
Western Ring Road	Madukkarai on Coimbatore – Palakkad Road to Narasimhanaickenpalayam on Mettupalayam Road	Proposed	-	<ul style="list-style-type: none">A 32.4-km long, four-lane road proposed to reduce traffic congestion in the city, especially along the stretch that connects Madukkarai with Mettupalayam, Nilgiris and Mysore
Industrial Corridors	Defence Industrial Corridor and Kochi-Bangalore Industrial Corridor	Proposed	-	<ul style="list-style-type: none">The two industrial corridors are likely to enhance the connectivity of Coimbatore with other key cities, promote industrial cluster developments in the peripheral areas of the city and attract global / domestic investments

Source: Media articles, 2022; Make in India website, GoI, 2022; GoTN; CBRE Research, Q4 2022

Figure 4.2: Real estate dynamics as of H1 2022



Figures 4.4: Coimbatore - Quality of life parameters



Advantage Coimbatore



ECONOMIC DRIVERS

- **Textile:** A leading industrial hub for textile production and manufacture of spinning machinery, spare parts and textile by-products in Tamil Nadu. The textile industry in the city is largely led by MSMEs
- **Engineering & manufacturing :** An important outsourcing destination for auto components manufacturing. It is also a key manufacturing hub for pumps, wet grinders, jewellery and gems



INVESTOR INTEREST

- In May 2022, the Tata Group and the government of Tamil Nadu announced plans to set up a semiconductor chip plant in Coimbatore^{4,5}
- In March 2022, Lulu Group International announced plans to start its first hypermarket in Tamil Nadu in Coimbatore^{4,5}



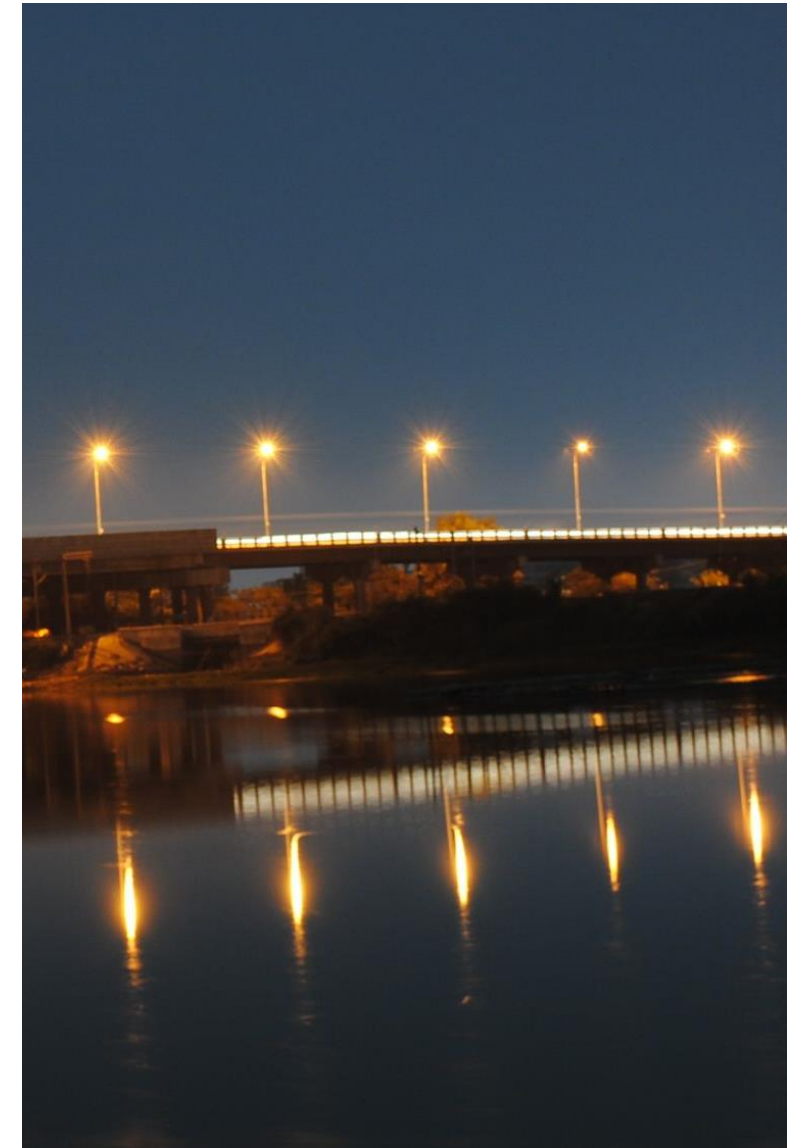
MANPOWER

- Coimbatore is a key education hub in Tamil Nadu and houses state-owned as well as private universities; a few important institutions include state-owned campuses such as Tamil Nadu Agricultural University, Bharathiar University, Anna University and private campuses such as Karunya University, Avinashilingam University, Amrita University and Karpagam University
- The number of incubation centres / skill development centres per one lakh population in Coimbatore stood at 0.64 in 2021 against the national target of 1.93^{4,6}



REAL ESTATE DYNAMICS

- In July 2022, Accenture opened its new Advanced Technology Centre in Coimbatore, as part of the company's expansion of its global delivery network^{4,5}
- In June 2022, Infosys announced plans to expand its offices in four tier-II cities including Coimbatore^{4,5}
- In April 2022, Deloitte announced plans to expand its India operations in tier-II cities including Coimbatore^{4,5}



^{4,5}Media articles, 2022; ^{4,6}Niti Aayog, 2021
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 4.4: Tamil Nadu - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Tamil Nadu Information Communication Technology Policy, 2018	✓	✓	✓	✓	✓	✓	✓
Tamil Nadu Industrial Policy, 2021	✓	✓	✓	✓	✓	✓	✓
Tamil Nadu Life Sciences Policy, 2022	✓	✓	✓	✓	✓	✓	✓
Tamil Nadu Data Centre Policy, 2021	✓	✓	✓	✓	✓	✓	✓
Tamil Nadu FinTech Policy, 2021	✓	⊖	✓	✓	⊖	✓	✓
Tamil Nadu Startup & Innovation Policy, 2018 - 2023	✓	✓	✓	⊖	⊖	✓	⊖
Tamil Nadu Electric Vehicle Policy, 2019	✓	✓	✓	✓	✓	✓	✓
Tamil Nadu MSME Policy, 2021	✓	✓	✓	✓	✓	⊖	✓

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Information Technology Department, Go TN, 2018, 2021; Industries Department, GoTN, 2019, 2021; Industries, Investment Promotion and Commerce Department, GoTN, 2022; Micro, Small and Medium Enterprises Department, GoTN, 2018, 2021; CBRE Research, Q3 2022.

05 Kochi

Kochi (also known as Cochin) is a port city situated on the south-western coast of India in the state of Kerala. The city includes areas of Fort Kochi, Mattancherry, mainland Ernakulam, the suburbs in the north-east (Edappally, Kalamassery and Kakkanad) and Tripunithura in the south-east. It is the second largest urban agglomeration⁵¹ in Kerala and a key commercial destination.

⁵¹Government of Kerala (GoK), 2022; CBRE Research, Q4 2022.



Kochi Office Dynamics

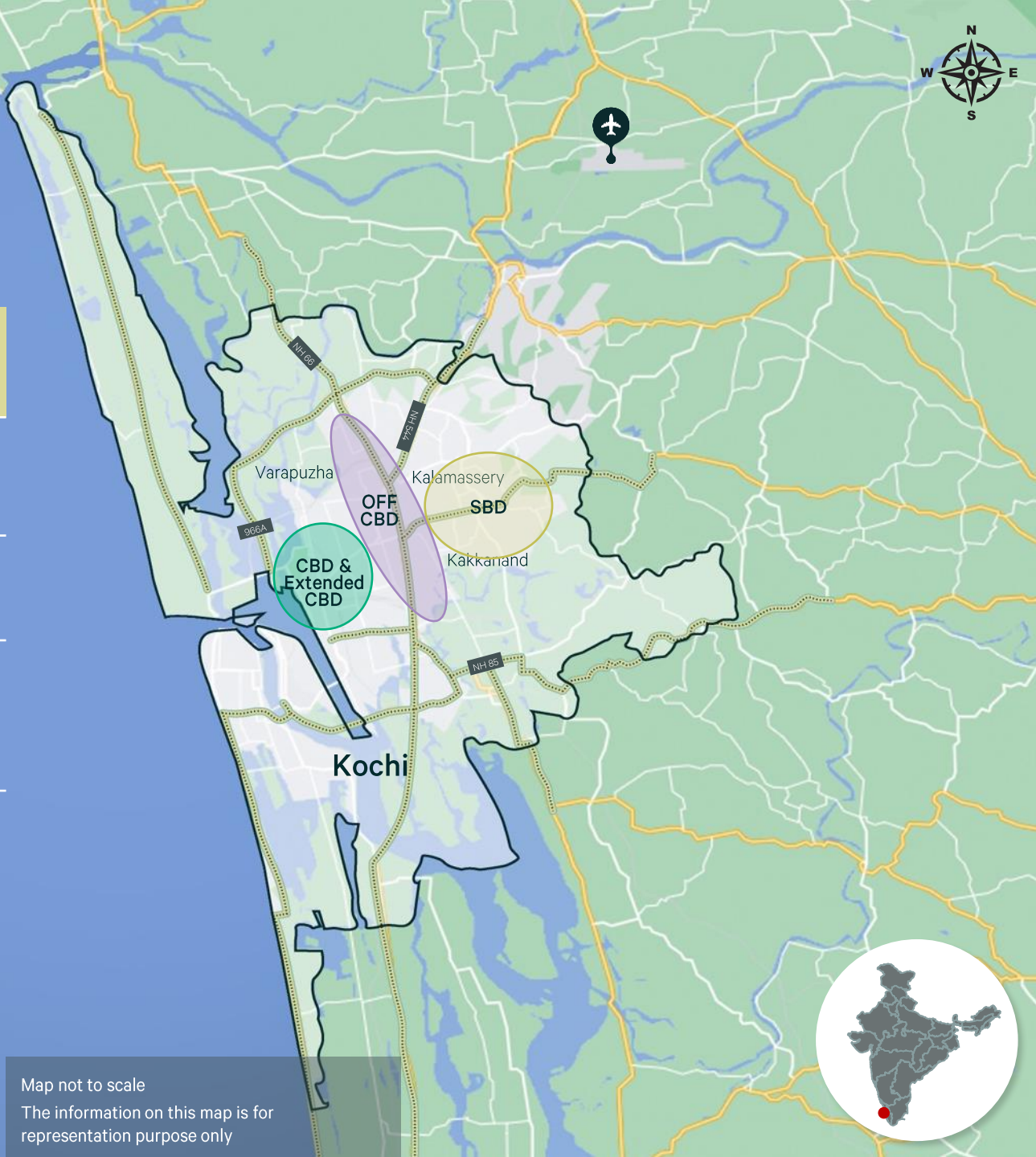
Table 5.1 (a): Key office micro-markets as of H1 2022

Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD & Extended CBD	MG Road, Kaloor, Kadavanthura, Panampilli Nagar, Thevara	55 – 75	7 - 10	• Primarily houses client-facing corporate offices, flex providers and retail
Off CBD	Vyttila, Palarivattom, Edappally	50 – 65	7 - 10	• An emerging office micro-market along the NH 66 bypass
SBD	Kakkanad, Seaport-Airport Road	Non SEZ: 38 – 50 SEZ: 33 – 45	7 - 10	• A well-established office destination in the city; hosts mostly technology firms and corporate occupiers

Source: CBRE Research, Q4 2022
Note: CBD – Central Business District; SBD – Secondary Business District



Airport



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The information on this map is for representation purpose only

Kochi Retail Dynamics

Table 5.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
MG Road	MG Road	200 - 300 (MC) 100 - 120 (HS)	<ul style="list-style-type: none">Houses jewellery and fashion & apparel brands	Cinepolis, Tanishq, Kalyan Jewellers, Malabar Gold Raymond, McDonald's Allen Solly, Pothys, Seemati
Marine Drive	Shanmugham Road	100 - 150 (HS)	<ul style="list-style-type: none">A prominent residential hub which also houses several electronics playersBroadway – a prime high street is also located here	Realme, Samsung, One Plus, Domino's
Vytilla Bypass	Vytilla – Palarivattom-Edappally	250 - 350 (MC) 90 - 110 (HS)	<ul style="list-style-type: none">Houses Lulu Mall and Oberon Mall – the two key malls in the cityAlso houses key global brands and value formats	PVR, H&M, Zudio, Starbucks, Avantha By Trends
Kakkanad	Seaport – Airport Road	80 - 100 (HS)	<ul style="list-style-type: none">Known as the 'IT Corridor' of Kochi, Kakkanad is a major industrial and residential hubKey categories include fashion & apparel, along with department stores	Westside, Max, Zudio, Reliance Digital, Reliance Trends, Louis Phillipe, Fabindia

Source: CBRE Research, Q4 2022

Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS – High street, MC – Mall cluster



Airport



Key malls



Key high streets

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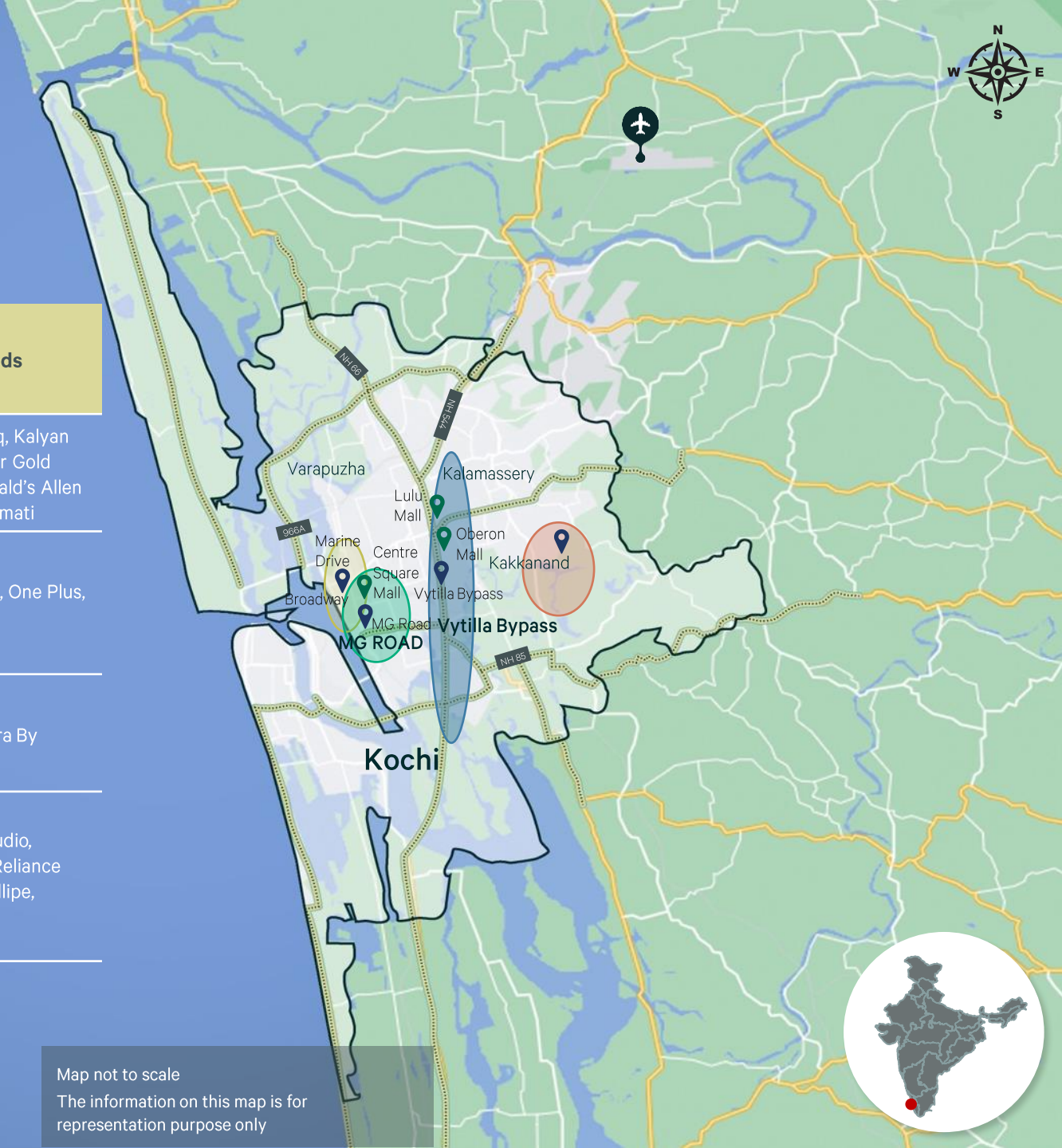


Figure 5.1: Regional connectivity



Source: Kochi Municipal Corporation Website, GoK, 2022; CBRE Research, Q4 2022

Table 5.2: Key infrastructure initiatives in Kochi

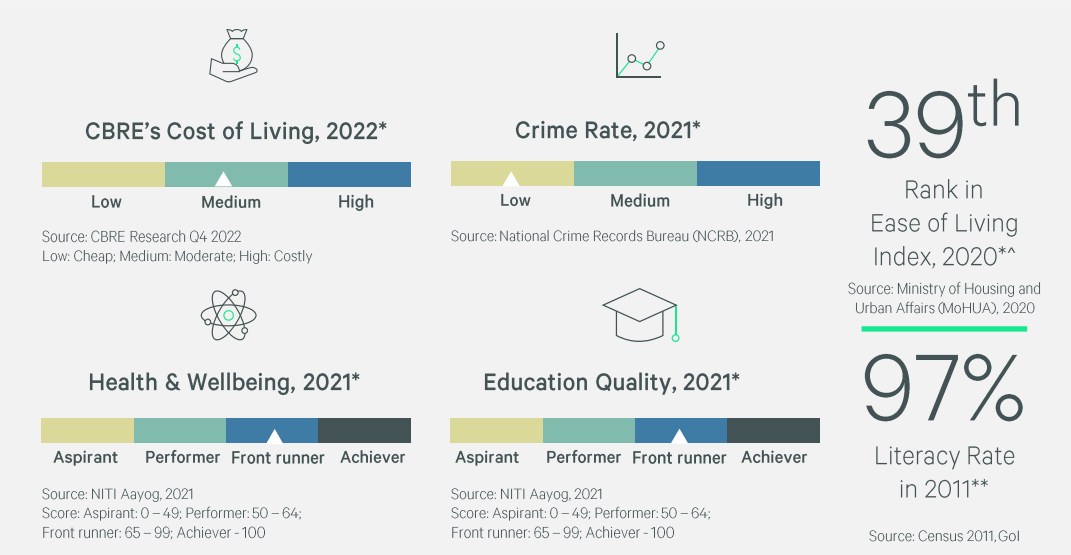
Project	Location	Status	Completion year	Project details
Kochi Metro Rail (KMR) Phase I, IA & IB	Aluva to Petta Petta to Tripunithura terminal	Completed*	2020	<ul style="list-style-type: none">Phase I - A 25.2-km fully elevated rail line with 23 operational stationsPhase IA & IB - A 3.2-km rail line that connects Petta with the Tripunithura terminal through SN JunctionThe project enhanced connectivity and eased commute in CBD and Extended CBD
Kochi Water Metro	Vytilla, Thykoodam and Kumbalam	Under construction	2022E	<ul style="list-style-type: none">The Kochi Water Metro project is the first of its kind in India; planned to be developed as a feeder service for the Metro Rail, connecting 15 routes in KochiThis is expected to ease commute within the city by providing last-mile connectivity
Kochi Metro Rail Phase II	Jawaharlal Nehru International Stadium to Kochi Infopark	Proposed	-	<ul style="list-style-type: none">A 11.2-km rail line planned to connect 11 stationsOn completion, it would improve connectivity between CBD and SBD
Vyttila Mobility Hub	Vyttila	Proposed	-	<ul style="list-style-type: none">An integrated transit hub with a regional bus terminal and MLCP** facility, 42 kiosks, supermarket and auditorium. It is expected to improve inter-state connectivity and provide a hassle-free transportation experience
Industrial Corridor	Kochi-Bangalore Industrial Corridor	Proposed	-	<ul style="list-style-type: none">The proposed corridor would promote trade between Kerala, Tamil Nadu and Karnataka and thereby boost the I&L activity in the region

* 1 A& 1 B – under construction, expected completion in 2022; **Multi-level car parking
Source: Kochi Metro Rail Limited (KMRL); Asian Development Bank, 2021; KMRL, DPR by Urban Mass Transit Company, 2015; KMRL, 2022; Ernakulam District’s Official Website, Kerala State Industrial Development Corporation, GoK, 2022; CBRE Research, Q4 2022

Figure 5.2: Real estate dynamics as of H1 2022



Figures 5.4: Kochi - Quality of life parameters



Advantage Kochi



ECONOMIC DRIVERS

- **Technology:** Kochi Infopark is the second largest IT hub in Kerala after Technopark in Thiruvananthapuram⁵²
- **Chemicals:** Eloor, a suburb in Kochi, is the largest industrial belt in the state with more than 200 chemical and petrochemical industries⁵³
- **Shipbuilding:** Cochin Shipyard is the largest shipbuilding facility in India⁵⁴



INVESTOR INTEREST

- In April 2022, KINFRA announced plans to set up an INR 1,200 crore petrochemical industrial park at Amabalamugal. The project is expected to create nearly 11,000 job opportunities in the city
- In April 2022, Cochin Shipyard announced plans to invest INR 50 crore in setting up maritime start-ups in the city
- Kochi is the only tier-II city in India with three submarine cable landings* – thereby making it a preferred destination for DC investments



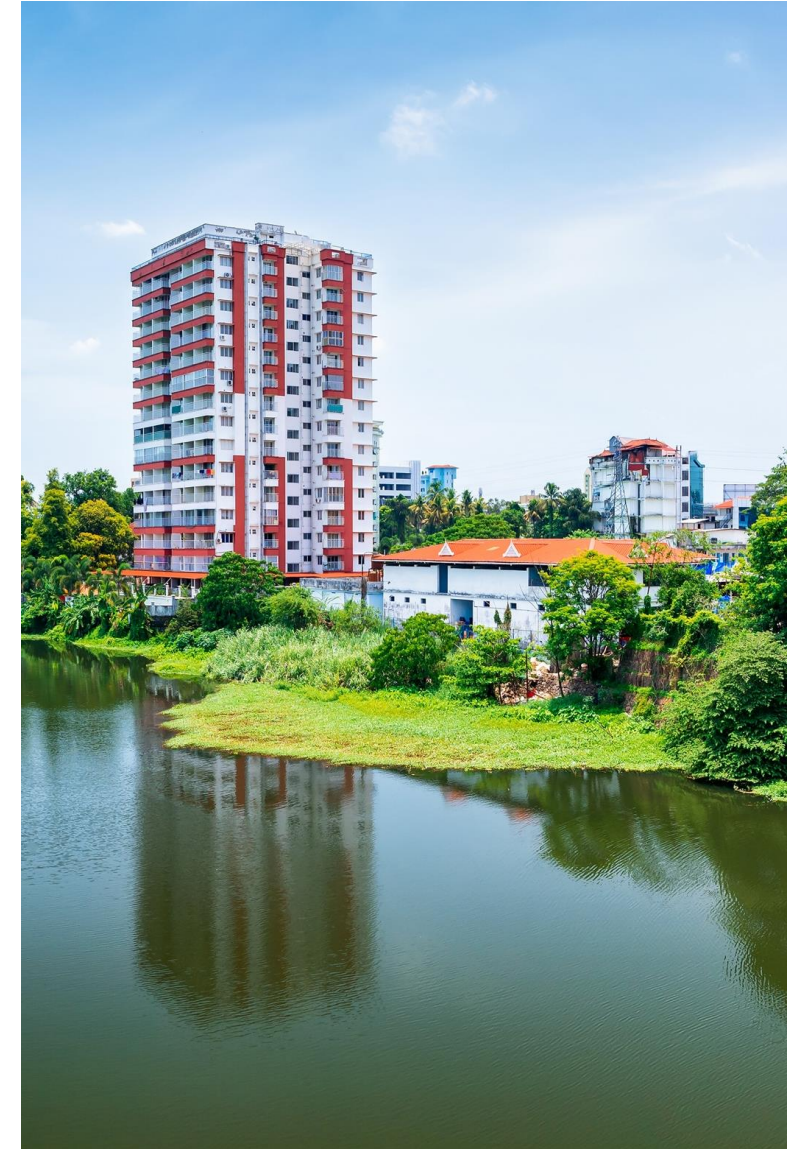
MANPOWER

- Kochi is an established destination for education in Kerala with numerous schools, professional colleges and institutes. A few key educational institutions in Kochi include the Cochin University of Science and Technology (CUSAT), various colleges affiliated to the Mahatma Gandhi University and Government Ayurveda Medical College
- Kochi scored 50.1 against the target of 63.6 in National Achievement Survey Score, 2021⁵⁵



REAL ESTATE DYNAMICS

- In August 2022, Kloudpad announced plans to set up the world's largest centre for automated business processes in Kochi with an investment of INR 750 crore⁵⁶
- In September 2021, TCS announced setting up of 'Innovation Park' in KINFRA Electronics Manufacturing Cluster in Kakkanad⁵⁶



⁵²Economic Review, GoK, 2021; ⁵³GoK, 2022; ⁵⁴Ernakulam District's Official Website; ⁵⁵Ministry of Education and National Council for Educational Research and Training, Niti Aayog, 2021; National Achievement Survey Score is a nation-wide assessment to evaluate the effectiveness of school education in every city; ⁵⁶Media articles, 2021-22;

*As per Submarine Cable Networks India, 2022; Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 5.4: Kerala - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Kerala I.T. Policy, 2017	✔	✔	✔	✔	✔	✔	✔
Kerala Industrial & Commercial Policy, 2018	✔	✔	✔	✔	✔	⊖	✔
Kerala Electric Vehicle Policy (Draft), 2018	⊖	✔	✔	✔	✔	✔	✔
Kerala Technology Startup Policy, 2014	⊖	⊖	✔	✔	✔	✔	⊖

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Department of Electronics & Information Technology, GoK, 2017; Directorate of Industries and Commerce, Gok, 2018; Transport Department, GoK, 2018; CBRE Research, Q4 2022

06

Thiruvananthapuram

Thiruvananthapuram (also known as Trivandrum) is the capital and the most densely populated city in Kerala^{6.1}. Located at the southern end of the state's coastal line, it is popularly known as 'The Evergreen City of India'^{6.2}. The city is a key hub for ayurvedic research in the country and well known for its educational institutions, information technology firms, mineral-based industries, commerce and tourism.

^{6.1}Economic Review, GoK, 2021. ^{6.2}Thiruvananthapuram District's Official Website, GoK



Thiruvananthapuram Office Dynamics

Table 6.1 (a): Key office micro-markets as of H1 2022

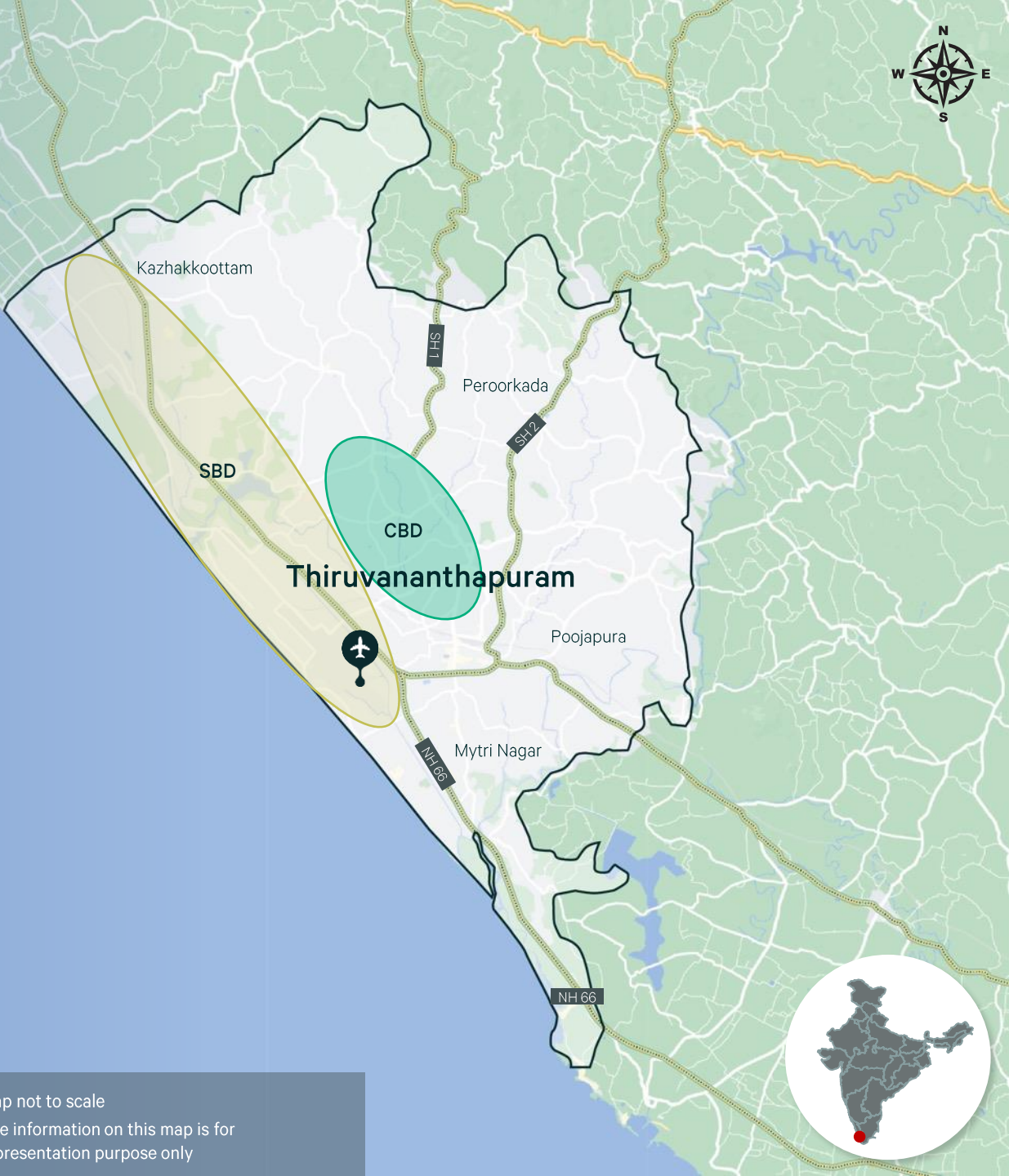
Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	MG Road, Pattom, Palayam, Thampanoor	70 – 80	7 - 10	<ul style="list-style-type: none">Primarily houses client-facing offices, banks and retail outlets
SBD	Kazhakoottam, Chacka, Pallippuram	35 – 58	7 - 10	<ul style="list-style-type: none">A key office destination for technology corporatesAccounts for majority of real estate activity

Source: CBRE Research, Q4 2022
Note: CBD – Central Business District; SBD – Secondary Business District



Airport

Map not to scale
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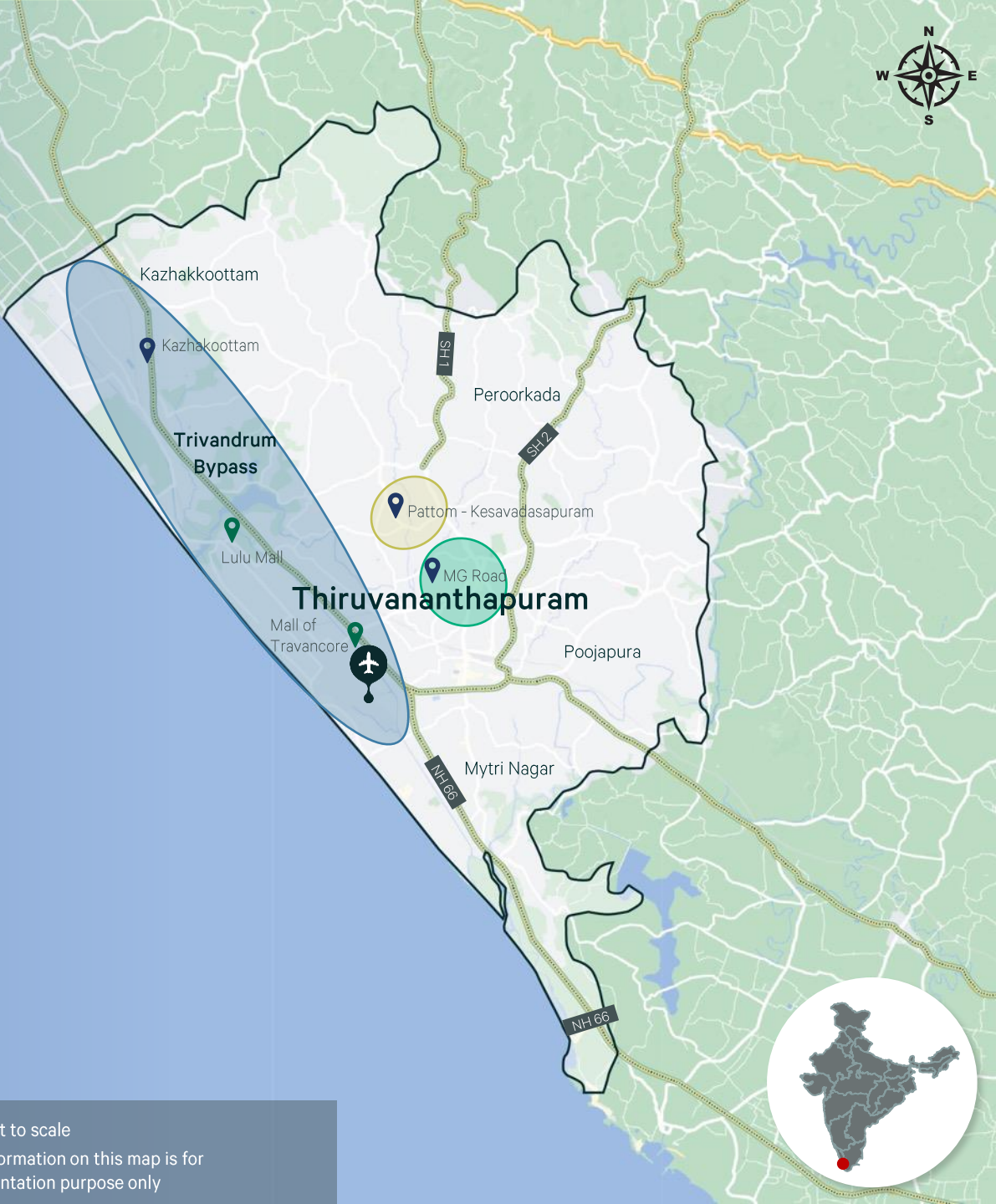
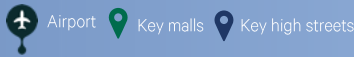
Thiruvananthapuram

Retail Dynamics

Table 6.1 (b): Key retail micro-markets as of H1 2022

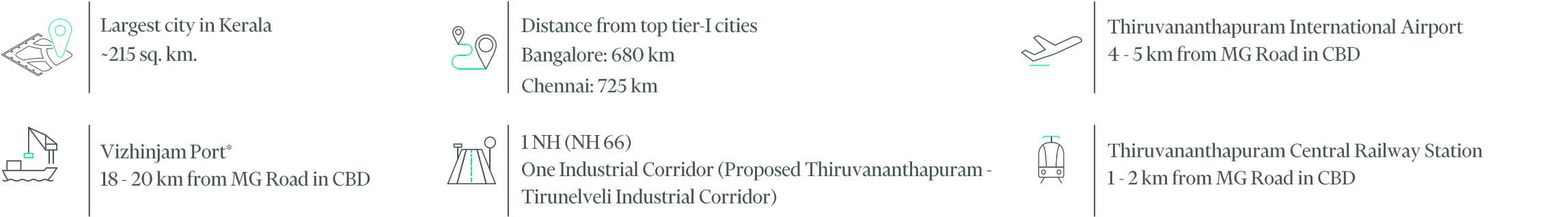
Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
MG Road	MG Road	120 - 150 (HS)	<ul style="list-style-type: none">A prominent high street with leading global and domestic brands, primarily housing fashion & apparel players	Reliance Smart Bazaar, Malabar Gold, Westside,
Pattom Kesavadasapuram	Pattom - Kesavadasapuram	100 - 120 (HS)	<ul style="list-style-type: none">Another prominent high street with several F&B outlets and fashion & apparel brands	Zudio, Max, Raymond, Domino's
Thiruvananthapuram Bypass	Kazhakoottam	80 - 100 (HS) 250 - 350 (MC)	<ul style="list-style-type: none">A well-known IT hub, housing two leading operational malls - Lulu Mall and Mall of TravancoreKey categories include F&B along with fashion & apparel brands	Shoppers Stop, Carnival Cinema, Pizza Hut, KFC, Domino's

Source: CBRE Research, Q4 2022
Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS - High street, MC - Mall cluster



Map not to scale
The information on this map is for representation purpose only

Figure 6.1: Regional connectivity



*under-construction
Source: Thiruvananthapuram District's Official Website, GoK, CBRE Research, Q4 2022

Table 6.2: Key infrastructure initiatives in Thiruvananthapuram

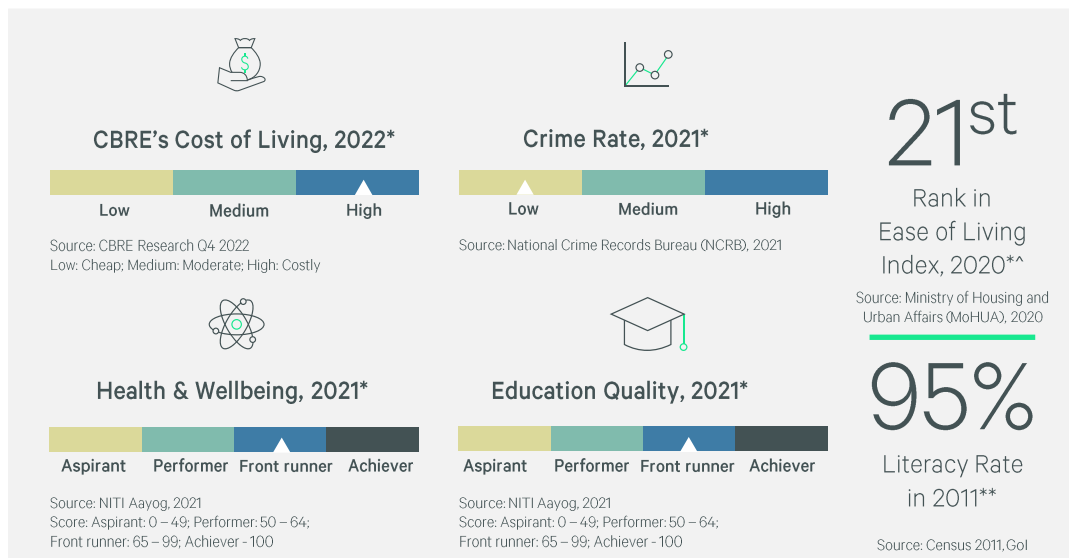
Project	Location	Status	Completion year	Project details
Vizhinjam International Trans-shipment Deepwater Multipurpose Seaport	Vizhinjam	Under construction	2024E	<ul style="list-style-type: none">A deep sea water port to be developed at Vizhinjam, which would be India's first Mega Trans-shipment Container TerminalThe project would give a significant boost to the I&L sector in the city and attract global / domestic investments
SilverLine (Semi High Speed Rail)	Thiruvananthapuram to Kasaragod	Under construction	2025E	<ul style="list-style-type: none">A 529.5-km rail line with 11 stations, expected to connect Thiruvananthapuram to KasaragodIt is likely to enhance connectivity between these two nodes and reduce the travel time from 10-12 hours to about less than four hours
Light Metro Rail Phase I	Pallipuram, Karamana, Technopark campus	Proposed	-	<ul style="list-style-type: none">A 21.8-km long rail line with 19 stations, planned to connect Technopark in Pallipuram to KaramanaAn additional 5.4-km rail line is planned to connect all phases of Technopark in ThiruvananthapuramOnce completed, it is likely to ease commute between SBD and other parts of the city
Industrial Corridor	Thiruvananthapuram - Tirunelveli Industrial Corridor	Proposed	-	<ul style="list-style-type: none">The proposed corridor would promote trade between Tamil Nadu and Kerala and thereby boost I&L activity in the region

Source: Media articles, 2022; Vizhinjam International Seaport Limited, 2022; Kerala Rail Development Corporation Limited, 2022; Kerala State Industrial Development Corporation, GoK, 2022; Kerala Rapid Transit Corporation, GoK, 2022; CBRE Research, Q4 2022

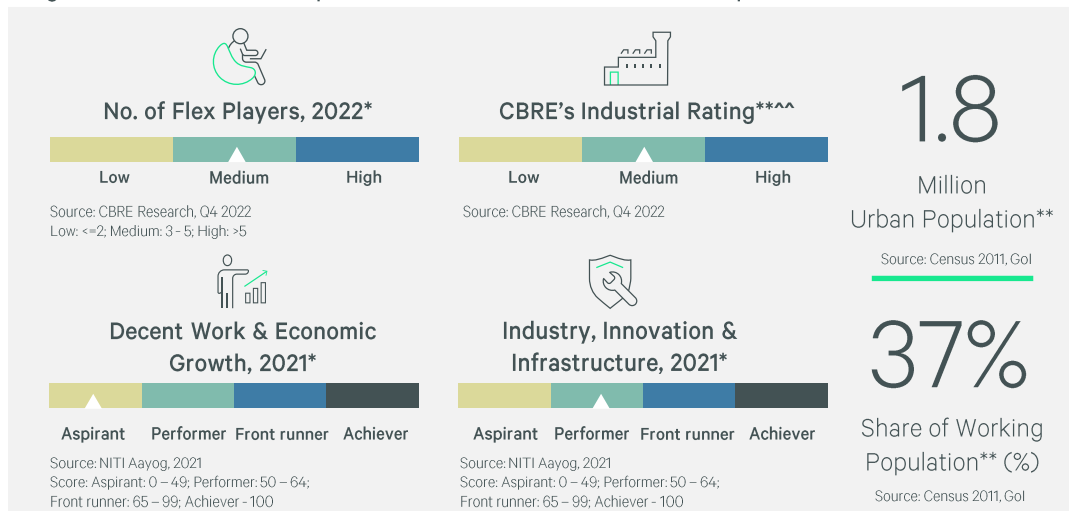
Figure 6.2: Real estate dynamics as of H1 2022



Figures 6.4: Thiruvananthapuram - Quality of life parameters



Figures 6.5: Thiruvananthapuram - Real estate and infrastructure parameters



*Represents city-level data; **Represents district-level data; *Less than Million category rankings in Ease of Living Index; **Rating denotes presence of industrial areas, registered MSMEs and SSI industrial units and registered medium & large units

Figures 6.6: Thiruvananthapuram - Sustainability parameters

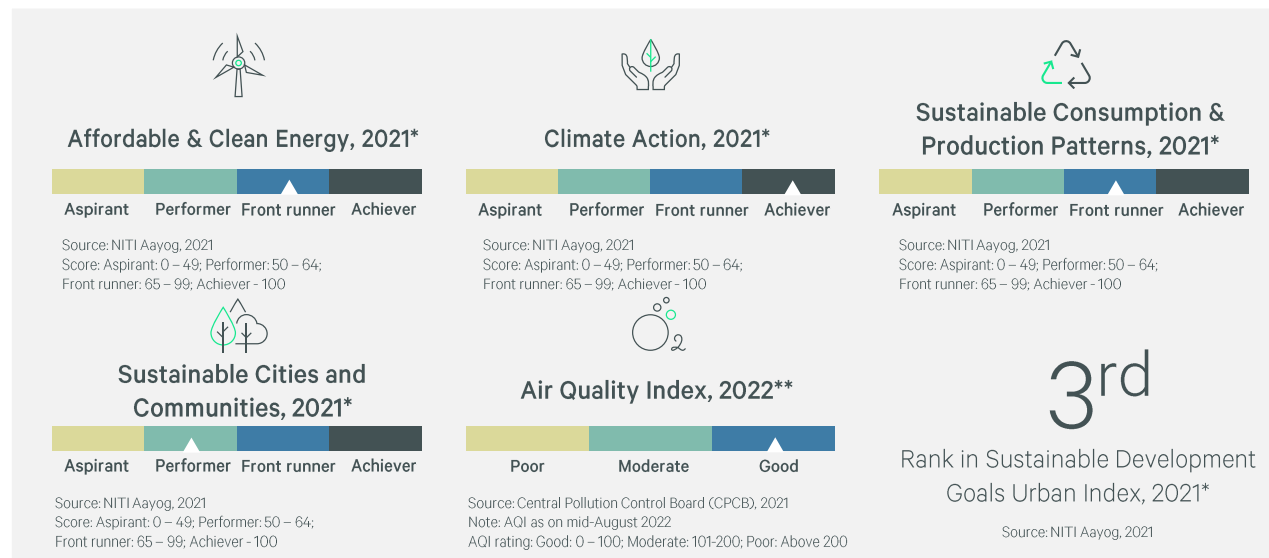


Table 6.3: Kerala - State parameters

Parameters	Data
Population, 2011	33.4 million
Literacy rate, 2011	94%
Total student enrollment, 2020-21	64,940
Labour force participation rate / worker population rate, 2021	30.6%
Domestic tourist visits, 2019-20	23.4 million
Foreign tourist visits, 2019-20	1.5 million
Score in State Energy Index, 2020	53 (Achiever)
Rank in India Innovation Index, 2021	8 th

Source: Census 2011; All India Council for Technical Education (AICTE), 2021; MOSPI, 2021; Ministry of Tourism, GoI, 2021; State Energy Efficiency Index, 2020; NITI Aayog, 2022; State Government websites; CBRE Research, Q4 2022

Advantage Thiruvananthapuram



ECONOMIC DRIVERS

- **Technology:** The city is a key information technology hub in Kerala. Technopark in Thiruvananthapuram accounted for about INR 8,500 crore of the state's export revenues during FY 2020-21, growing by about 7.7% annually^{6,3}
- **Minerals:** Thiruvananthapuram reported the highest revenue collection in the state from mineral-based industries in FY 2020-21^{6,4}
- **Medical tourism:** A key destination for medical tourism in India as it is well known for ayurvedic treatments and naturopathy



INVESTOR INTEREST

- In June 2022, Tata Elxsi signed an agreement to invest INR 75 crore in KINFRA park in Thiruvananthapuram^{6,3}
- In Feb 2021, TCS announced plans to invest INR 1,500 crore in Technocity^{6,3}



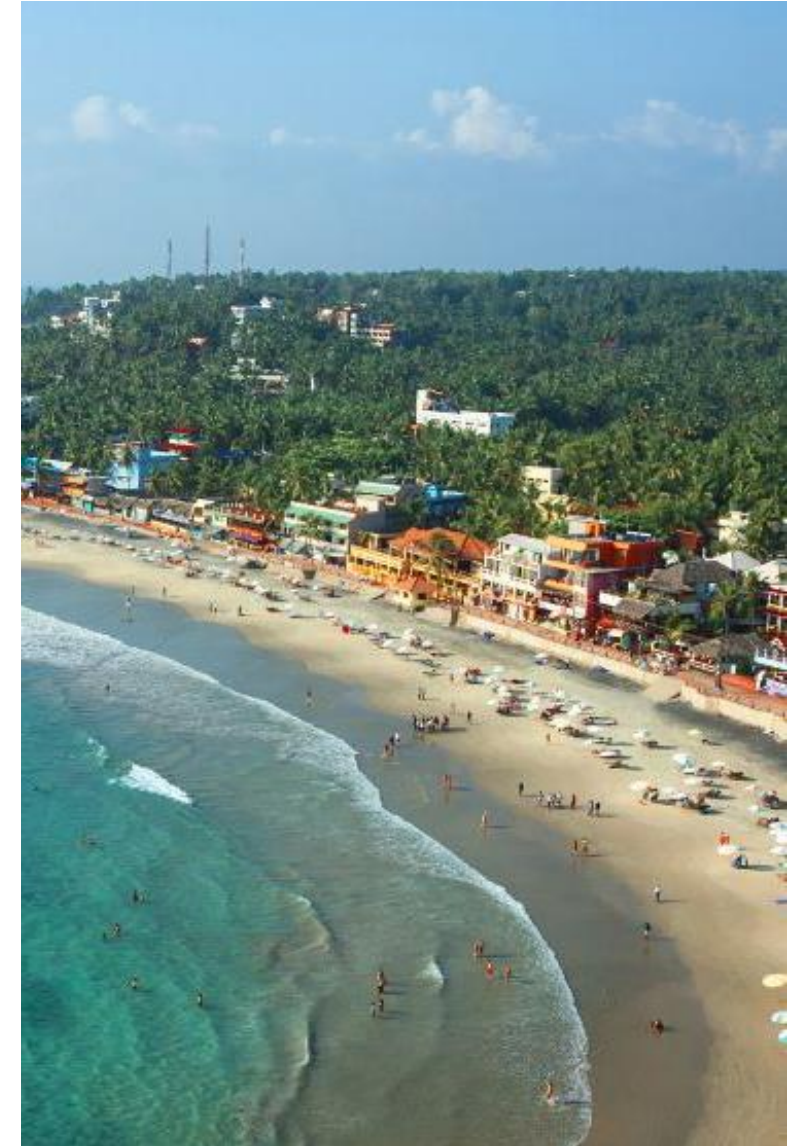
MANPOWER

- The Government Ayurveda College in Thiruvananthapuram is the oldest classical ayurvedic education, research and treatment institution in the world
- The number of incubation centres / skill development centres per one lakh population in Thiruvananthapuram stood at 0.61 in 2021 against the national target of 1.93^{6,5}



REAL ESTATE DYNAMICS

- In June 2022, Techvantage Systems opened its new office space in Accel Infinium^{6,3}
- In April 2022, Acsia Technologies leased 85,000 sq. ft. of office space in Embassy Taurus Techzone^{6,3}
- In January 2022, Allianz Group leased about 0.5 million sq. ft. of office space in Embassy Taurus Techzone^{6,3}



^{6,3} Media articles, 2021-22; ^{6,4} Economic Review, GoK, 2021; ^{6,5} Niti Aayog, 2021
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 6.4: Kerala - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Kerala I.T. Policy, 2017	✔	✔	✔	✔	✔	✔	✔
Kerala Industrial & Commercial Policy, 2018	✔	✔	✔	✔	✔	✖	✔
Kerala Electric Vehicle Policy (Draft), 2018	✖	✔	✔	✔	✔	✔	✔
Kerala Technology Startup Policy, 2014	✖	✖	✔	✔	✔	✔	✖

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Department of Electronics & Information Technology, GoK, 2017; Directorate of Industries and Commerce, Gok, 2018; Transport Department, Gok, 2018; CBRE Research, Q4 2022

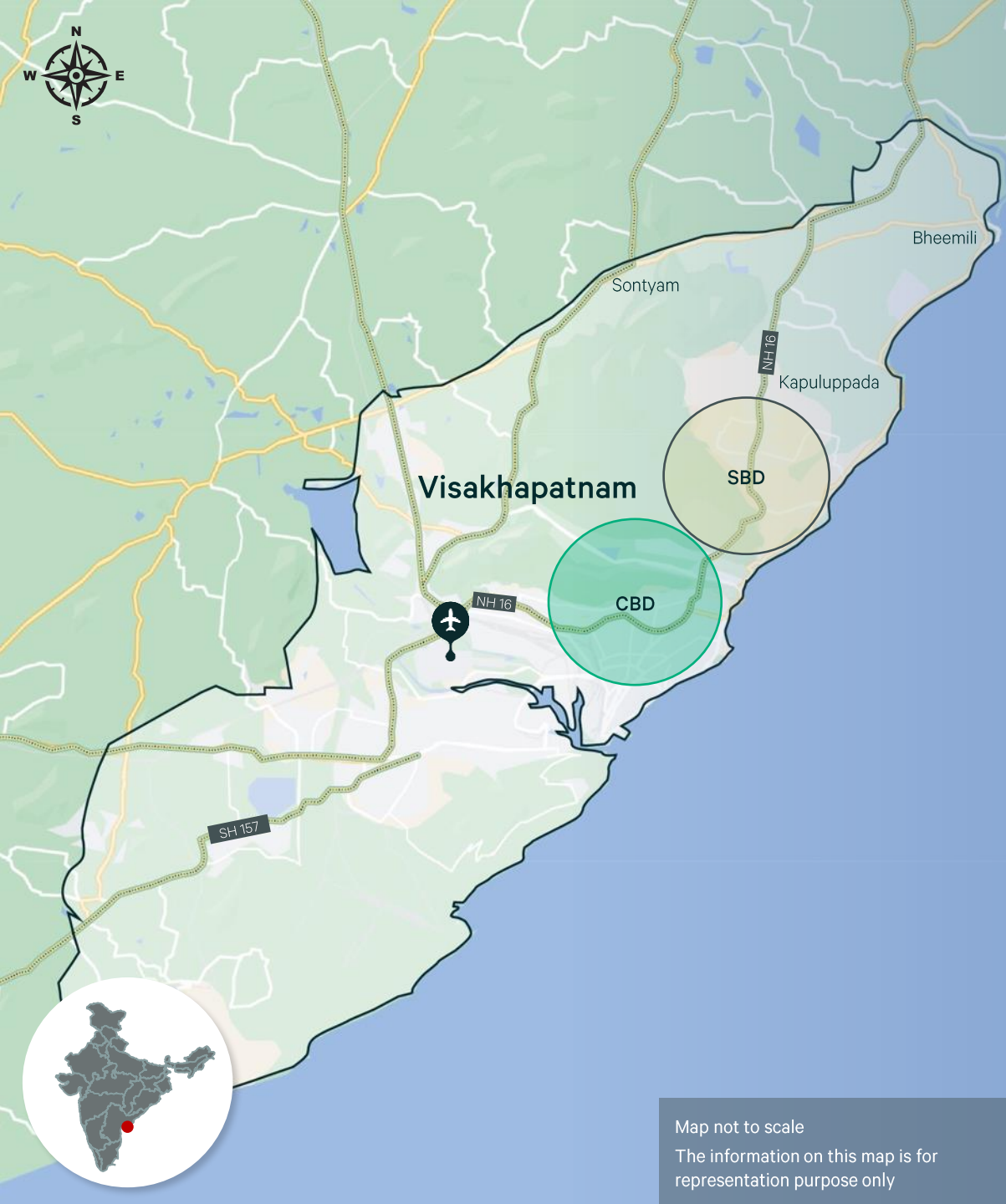


07

Visakhapatnam

Visakhapatnam (also known as Vizag), is a port city located on the south-eastern coast of India and the largest city in Andhra Pradesh⁷¹. The Visakhapatnam Port is the headquarters of India's Eastern Naval Command and is the only protected harbour⁷² on the south-eastern coast. It is also a key administrative centre and a commercial hub, well-known for heavy industries, ship-building and fishing.

⁷¹Commissioner & Director of Municipal Administration, Government of Andhra Pradesh (GoAP) 2022. ⁷²A harbour considered safe for a ship, as in wartime or during a storm at sea



Visakhapatnam Office Dynamics

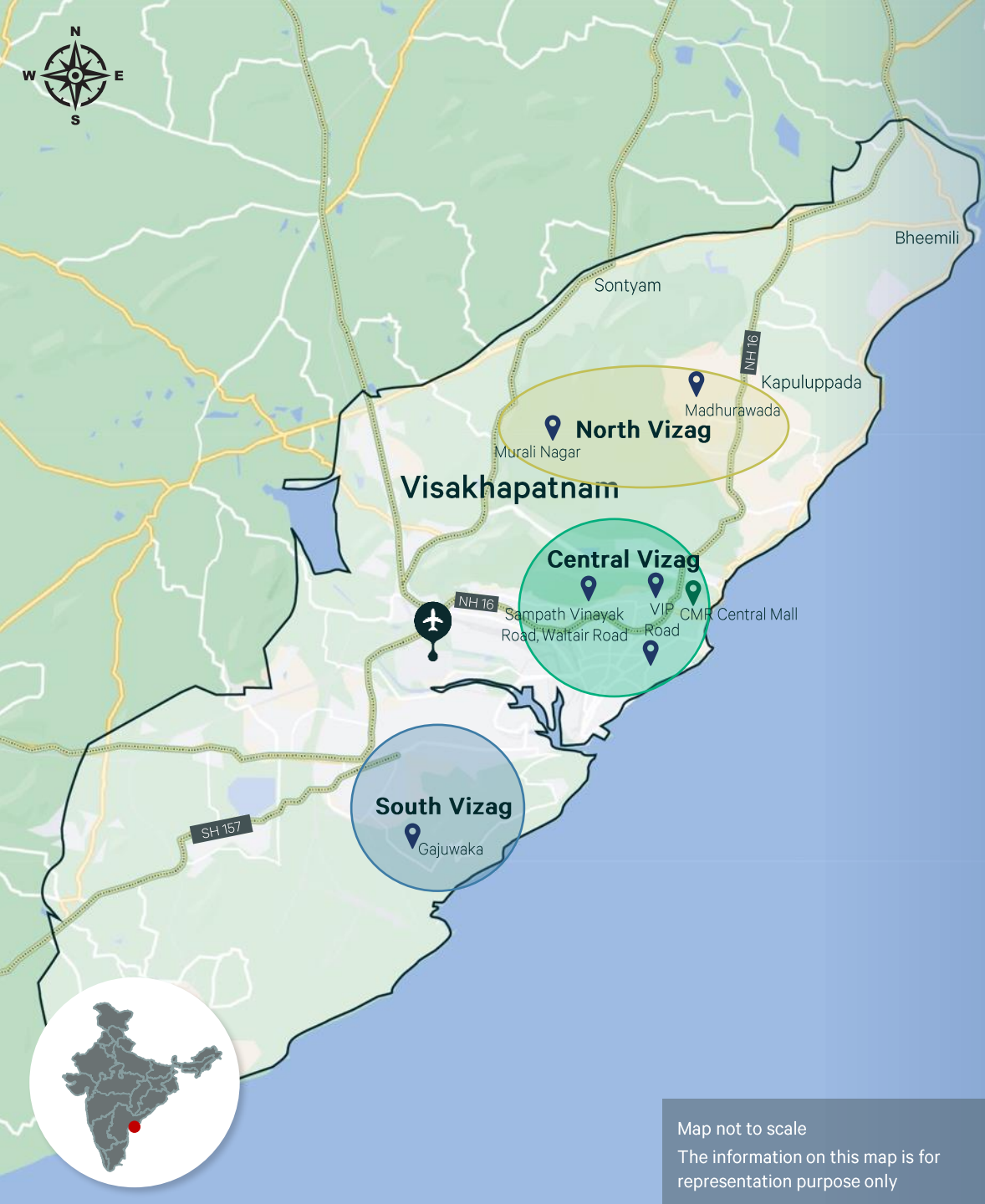
Table 7.1 (a): Key office micro-markets as of H1 2022

Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	Dwaraka Nagar, Jail Road, Sampath Vinayaka Temple Road, Siripuram, Waltair Uplands, VIP Road, MVP Colony, Dr. NTR Beach Road, Asilmetta Junction	48 – 55	5 – 10	<ul style="list-style-type: none">Houses a large number of independent office buildings
SBD	Rushikonda	35 – 50	5 - 10	<ul style="list-style-type: none">A well-established micro-market, preferred by technology firmsHouses prominent developments such as Vizag IT Park and several corporate campuses

Source: CBRE Research, Q4 2022
Note: CBD – Central Business District; SBD – Secondary Business District



Map not to scale
The information on this map is for representation purpose only



Visakhapatnam Retail Dynamics

Table 7.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
Central Vizag	Sampath Vinayak Road, VIP Road, Waltair Road	150 - 180 (HS) 140-150 (MC)	<ul style="list-style-type: none">Houses a few prominent high streets and is dominated by fashion & apparel brands	Westside, Inox, Shoppers Stop, Pantaloons, BlueStone, Superdry, Tommy Hilfiger, Puma
North Vizag	Madhurawada, Murali Nagar	130 - 150 (HS)	<ul style="list-style-type: none">Houses several leading retail players	Westside, Max, Reliance Trends, Decathlon, Croma
South Vizag	Gajuwaka	100 - 120 (HS)	<ul style="list-style-type: none">Primarily houses domestic brandsKey categories include jewellery along with fashion & apparel	Lifestyle, Tanishq, Reliance Trends

Source: CBRE Research, Q4 2022
Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS - High street, MC - Mall cluster

Airport Key malls Key high streets

Map not to scale
The information on this map is for representation purpose only

Figure 7.1: Regional connectivity



Source: Commissioner & Director of Municipal Administration, Government of Andhra Pradesh (GoAP) 2022; CBRE Research, Q4 2022.

Table 7.2: Key infrastructure initiatives in Visakhapatnam

Project	Location	Status	Completion year	Project details
Industrial Corridor	Visakhapatnam – Chennai Industrial Corridor	Under construction	2023E*	<ul style="list-style-type: none">An 800-km road that forms a part of the East Coast Economic Corridor and would traverse through nine districts of Andhra PradeshOn completion, the project is likely to promote industrial clusters at key nodes along the corridor and support port-centric developments on the eastern coast
Economic Corridor	Raipur – Visakhapatnam Economic Corridor	Under construction	2024E	<ul style="list-style-type: none">A 464-km, six-lane, access-controlled road passing through three states - Chhattisgarh, Odisha and Andhra PradeshOn completion, the project is likely to reduce travel time between Raipur and Visakhapatnam from 12-14 hours to about seven hoursThe economic corridor would boost real estate activity along the region and thereby attract global / domestic investments
Visakhapatnam Light Metro Rail	Kommodi to Steel Plant Jn. Gurudwara to Old Post Office Thatichetlapalem to Chinna Waltair Kommodi to Bhogapuram Airport	Proposed	-	<ul style="list-style-type: none">An 80-km rail line covering 31 stations; equipped with smart systemsThe project is expected to ease commute within the city and promote real estate activity along the corridor

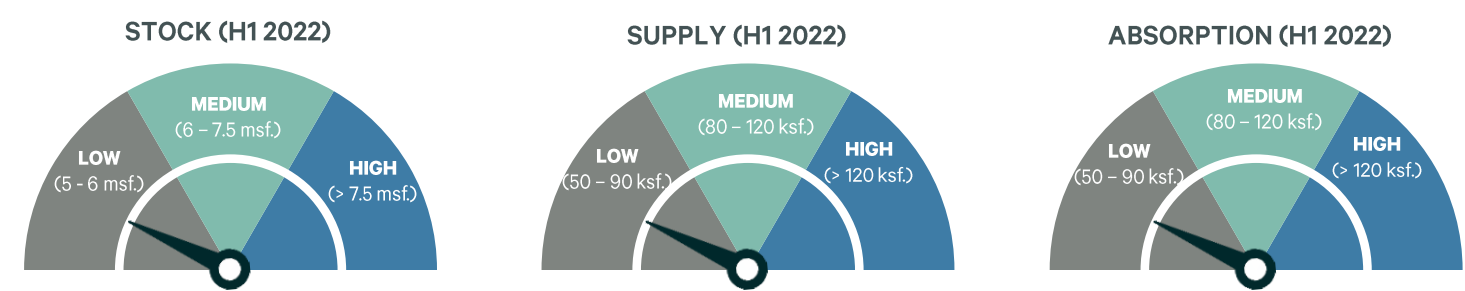
*Phase 1
Source: Andhra Pradesh Industries Department, GoAP, 2022; AP Metro Rail Corporation, 2022; CBRE Research, Q4 2022

Figure 7.2: Real estate dynamics as of H1 2022



Source: CBRE Research, Q4 2022

Figure 7.3: Grade A office variables as of H1 2022



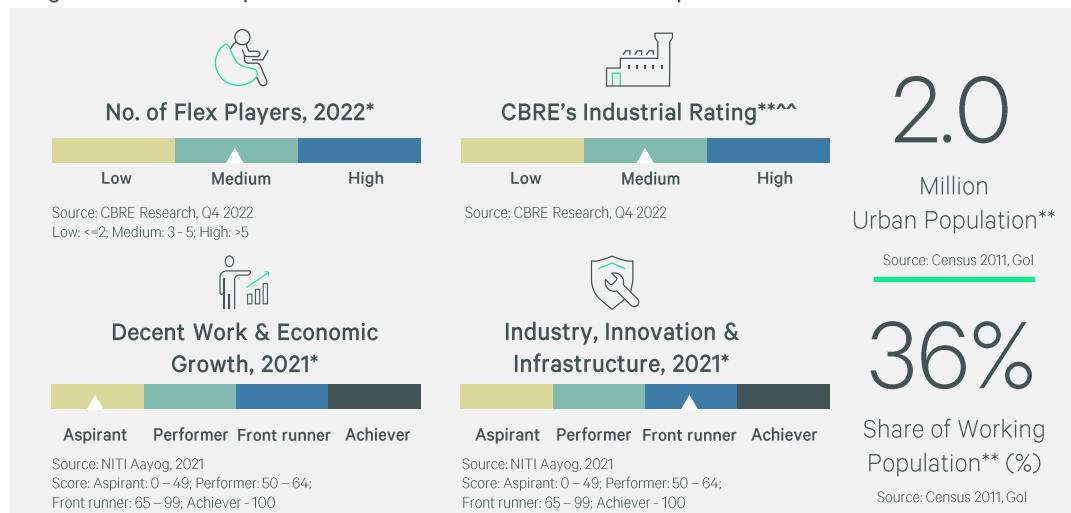
Source: CBRE Research, Q4 2022



Figures 7.4: Visakhapatnam - Quality of life parameters



Figures 7.5: Visakhapatnam - Real estate and infrastructure parameters



*Represents city-level data; **Represents district-level data; ^^Rating denotes presence of industrial areas, registered MSMEs and SSI industrial units and registered medium & large units #More than Million category rankings in Ease of Living Index

Figures 7.6: Visakhapatnam - Sustainability parameters

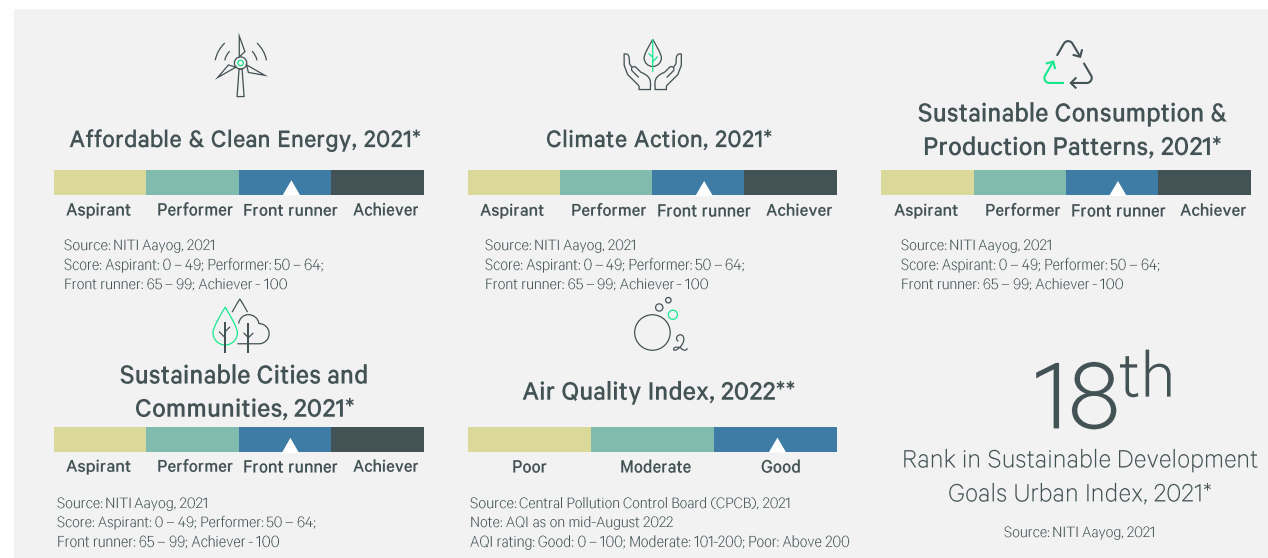


Table 7.3: Andhra Pradesh - State parameters

Parameters	Data
Population, 2011	84.6 million
Literacy rate, 2011	67%
Total student enrollment, 2020-21	179,968
Labour force participation rate / worker population rate, 2021	37.2%
Domestic tourist visits, 2019-20	307.9 million
Foreign tourist visits, 2019-20	0.3 million
Score in State Energy Index, 2020	50.5 (Achiever)
Rank in India Innovation Index, 2021	9 th

Source: Census 2011; All India Council for Technical Education (AICTE), 2021; MOSPI, 2021; Ministry of Tourism, GoI, 2021; State Energy Efficiency Index, 2020; NITI Aayog, 2022; State Government websites; CBRE Research, Q4 2022

Advantage Visakhapatnam



ECONOMIC DRIVERS

- **Port:** The oldest shipyard in India, it handled about 69.8 million tons of goods in FY 20-21; stood third among major ports in India in terms of cargo volume^{7.3}
- **Textiles:** The state ranks seventh in cotton production in India and ranks second in raw silk production; Visakhapatnam has a dedicated SEZ for textiles^{7.4}
- **Tourism:** The tourism capital of the state^{7.5}, Visakhapatnam is known as the 'Goa of East Coast'. About 1.7 crore tourist visits recorded in the city during 2021^{7.5}



INVESTOR INTEREST

- In June 2022, Adani Enterprises formed a Special Purpose Vehicle (SPV) - Vizag Tech Park to launch its first Data Park project in the city with an investment of INR 14,634 crore^{7.5}
- In May 2022, Nippon Steel India announced an investment of INR 1,000 crore towards brownfield expansion of its Visakhapatnam pellet plant. The planned expansion is likely to increase pellet production capacity in Vizag by 37%^{7.5}
- In October 2021, Kinetic Greens announced plans to set up an EV manufacturing facility in Visakhapatnam with an investment of about INR 1,750 crore^{7.5}



MANPOWER

- The city houses premium national universities such as Indian Institute of Management and National Institute for Vocational and Technical Education
- Visakhapatnam scored 44.7 against the target of 63.6 in National Achievement Survey Score, 2021^{7.6}



REAL ESTATE DYNAMICS

- In July 2022, K Raheja Corp leased 17 acres of land at Saligramapuram to set up a new mall in Visakhapatnam; the lease agreement was signed with the port authorities for INR 125 crore^{7.5}
- In July 2022, Infosys announced plans to set up its campus in Visakhapatnam, likely to commence operations with a 1,000-seater facility and later expand to 3,000 seats^{7.5}
- In June 2022, Randstad India announced plans to set up a 150-seater office in Visakhapatnam^{7.5}



^{7.3}Visakhapatnam Port Trust, 2021; ^{7.4}Invest India (AP), 2022; ^{7.5}Media articles, 2021-22; ^{7.6}Niti Aayog, 2021; National Achievement Survey Score is a nation-wide assessment to evaluate the effectiveness of school education in every city
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 7.4: Andhra Pradesh - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Andhra Pradesh IT Policy, 2021	✔	✔	✔	⊖	⊖	⊖	✔
Andhra Pradesh Industrial Development Policy, 2020	✔	✔	✔	✔	✔	✔	✔
Andhra Pradesh Electric Mobility Policy, 2018	✔	✔	✔	✔	✔	✔	⊖
Andhra Pradesh Electronics Policy, 2021	⊖	✔	✔	✔	✔	✔	✔
Andhra Pradesh Innovation & Start-up Policy, 2014-2020	⊖	✔	✔	⊖	⊖	⊖	✔
Andhra Pradesh MSME, 2015 - 2020	✔	✔	✔	✔	✔	✔	✔

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Information Technology, Electronics and Communication Department, GoAP, 2021; AP Industries, GoAP, 2020; GoAP, 2018; AP Economic Development Board, GoAP, 2021; CBRE Research, Q4 2022



08

Ahmedabad

The largest and most populous city in Gujarat⁸¹, Ahmedabad is an important manufacturing and trading hub in western India. The city is known for its excellent infrastructure and favorable policy environment - attracting investments across pharmaceutical, textile, automobile and technology sectors.

⁸¹ Ahmedabad District's Official Website, Government of Gujarat (GoG)

Ahmedabad Office Dynamics

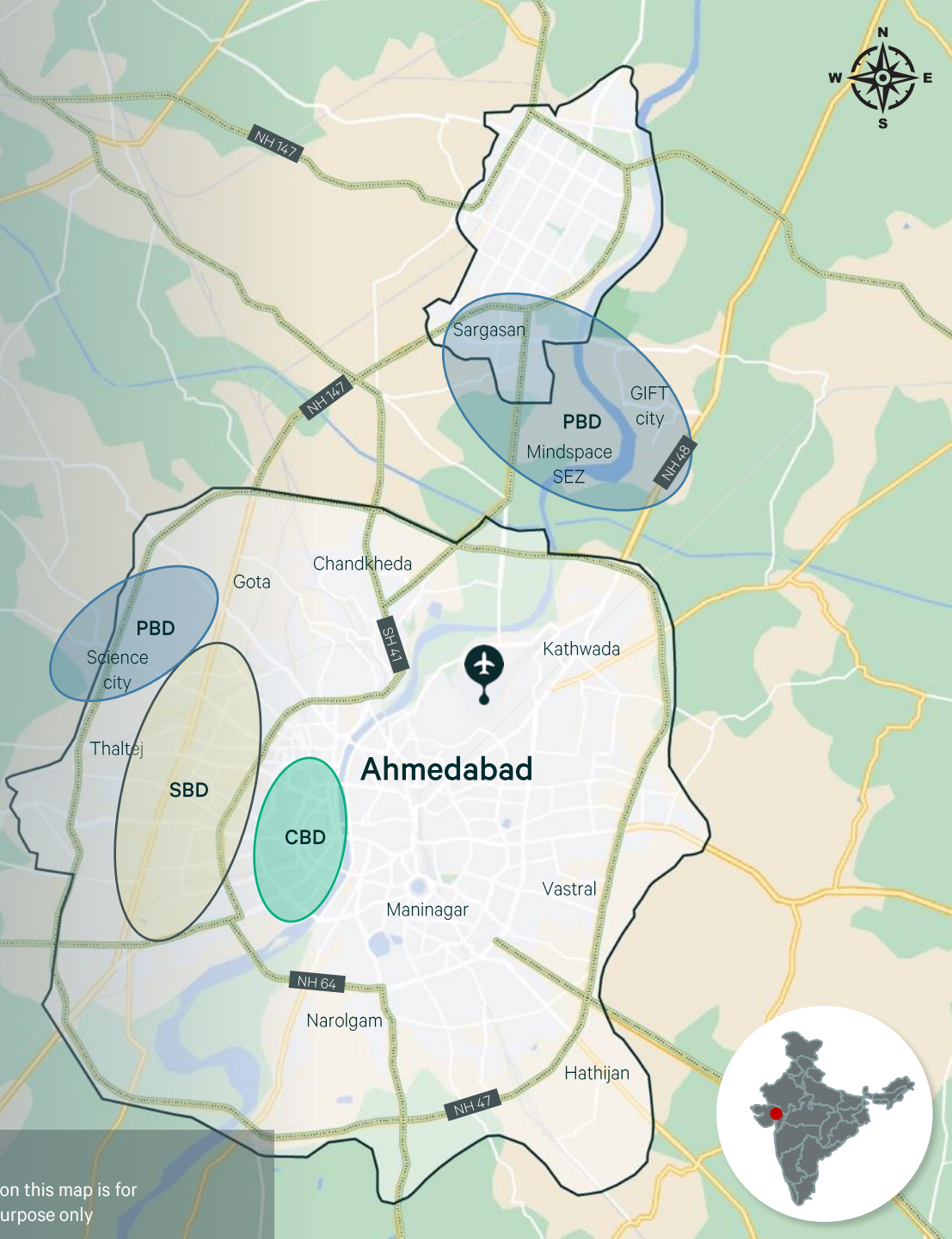
Table 8.1 (a): Key office micro-markets as of H1 2022

Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	Ashram Road, Chimanlal Girdharlal Road	45 – 50	3 – 5	• Well-established office market; houses largely independent buildings
SBD	SG Highway, Pralhad Nagar, Corporate Road, Iscon Ambli	40 – 50	3 – 5	• Most preferred micro-market among technology occupiers
PBD	GIFT City, Mindspace SEZ, Sargasan, Science City	35 - 50	3 – 5	• Emerging office micro-market; houses various global technology and BFSI occupiers

Source: CBRE Research, Q4 2022
Note: CBD – Central Business District; SBD – Secondary Business District; PBD – Peripheral Business District



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The information on this map is for representation purpose only



Ahmedabad Retail Dynamics

Table 8.1 (b): Key retail micro-markets as on H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
Central Ahmedabad	Navrangpura, Vastrapur	200 - 300 (HS) 200 - 300 (MC)	<ul style="list-style-type: none"> Houses Ahmedabad One Mall Navrangpura – one of the most prominent high streets in Gujarat, well-known for ethnic fashion & apparel players Satellite Market houses leading domestic jewellery brands 	Tanishq, Manyavar, Jade Blue, Fabindia, Bestsellers, Shoppers Stop, Westside, Cinepolis, Fun City, Aldo, Charles & Keith, Rolex, Sephora, Armani Exchange
West Ahmedabad	Prahlad Nagar, Bodakdev	200 - 300 (HS)	<ul style="list-style-type: none"> Bodakdev is one of the city's leading high streets, housing premium global and domestic brands. Prahladnagar is a secondary high street and an office destination that houses several F&B outlets and fashion & apparel brands 	One Plus, Zudio, Digital, Sales India, Starbucks, Pantaloons, Croma, Westside, Hamleys, W, Aurelia, Biba, Realme, Mr. DIY, Tasva, Raymond,
East Ahmedabad	Maninagar	150 - 250 (HS)	<ul style="list-style-type: none"> Houses several domestic players and is dominated by fashion & apparel brands, especially in the athleisure category 	Croma, Westside, Trends, Pantaloons, Max, Tanishq, Jade Blue, Adidas, Puma, W, Aurelia, Raymond
North Ahmedabad	Chandkheda, Gota	150 - 200 (HS)	<ul style="list-style-type: none"> Chandkheda is known for value formats while Gota houses several F&B brands 	Brand Factory, Max, Zudio, Westside, Croma, Digital, GAP, Biba, Decathlon, Tanishq, Bluestone, Caratlane, Bestsellers

Source: CBRE Research, Q4 2022

Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS – High street, MC – Mall cluster

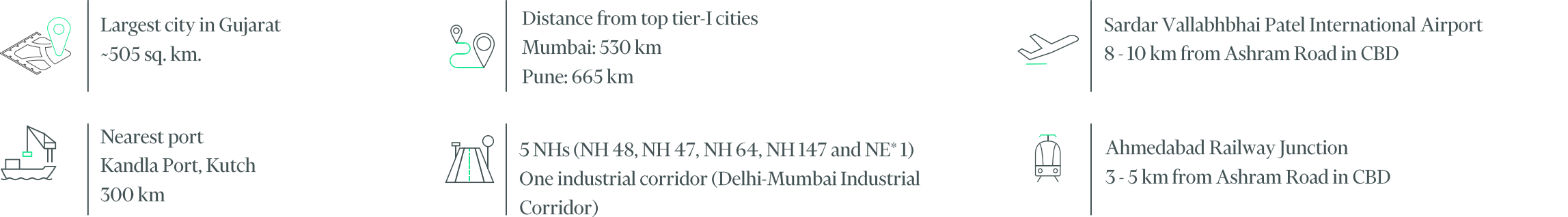


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Figure 8.1: Regional connectivity



* National Expressway
Source: Ahmedabad District Website; Ministry of Road Transport & Highways (MORTH), Got CBRE Research, Q4 2022

Table 8.2: Key infrastructure initiatives in Ahmedabad

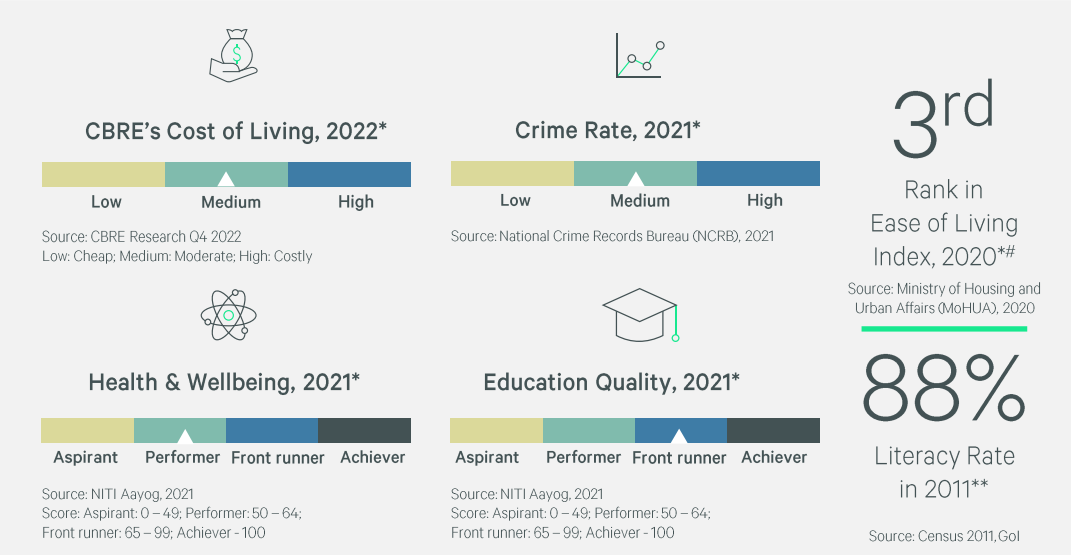
Project	Location	Status	Completion year	Project details
Ahmedabad-Mumbai High Speed Rail (MAHSR)	Sabarmati, Ahmedabad, Anand, Vadodara, Bharuch, Surat, Bilimora, Vapi, Boisar, Virar, Thane and Mumbai	Under construction	2028E*	<ul style="list-style-type: none">India’s first high-speed rail project; a 500-km rail line planned to connect Mumbai and Ahmedabad via Surat and VadodaraOn completion, the project is likely to reduce travel time between Mumbai and Ahmedabad from seven hours to about three hours
Ahmedabad Metro Rail Phase I	Line 1 - Vastral Gam – Thaltej Gam Line 2 - Motera – APMC	Under construction	2023E	<ul style="list-style-type: none">Two rail lines covering a 39-km stretch with 32 stationsOn completion, the project is expected to connect the city’s CBD with SBD
GIFT City (Phase II & III)**	Between Ahmedabad and Gandhinagar	Under construction**	-	<ul style="list-style-type: none">An integrated development across 886 acres; India’s first notified IFSC# with incentives such as corporate tax, capital gains tax and GST exemption for occupiers; IFSC Authority acts as a single regulator to boost investmentsThe project is expected to create a holistic walk-to-work community and act as a key real estate node in the city
Dholera International Airport	Navagam	Planned	2025 - 26E	<ul style="list-style-type: none">A greenfield international airport with a multi-phase master plan to handle 50 million passengers per annumPlanned to have an Aerocity spread over ~185 acres with offices, retail developments and cargo handling facilities
Industrial Corridor	Delhi-Mumbai Industrial Corridor	Under construction	-	<ul style="list-style-type: none">Dholera Special Investment Region (SIR) near Ahmedabad is expected to be the most important node of the corridor; on completion likely to attract global / domestic investments to establish industrial units in the region

*Phase 1; ** Partially operational; *** Gujarat International Finance Tec-City; #International Financial Services Centre; Source: National High-Speed Rail Corporation Limited; Gujarat Metro Rail Corporation; GIFT City Gujarat State Official Website; Gujarat Infrastructure Development Board; CBRE Research, Q4 2022

Figure 8.2: Real estate dynamics as of H1 2022



Figures 8.4: Ahmedabad - Quality of life parameters



Advantage Ahmedabad



ECONOMIC DRIVERS

- **Pharmaceuticals and bulk drugs:** Ahmedabad is a key hub for 'Active Pharmaceutical Ingredients', formulation, biologics and pharma contract manufacturing in Gujarat; the state accounted for about one-third of the Indian pharma market as of 2021⁸²
- **Textiles:** The city is well-known for its cotton production and is popularly called the 'Manchester of the East'; Gujarat accounts for about 30% of India's cotton fabric exports as of 2022⁸³
- **Auto and auto components:** Sanand in Ahmedabad is a key destination for auto and auto components manufacturing in the state



INVESTOR INTEREST

- In June 2022, Phoenix Mills announced plans to open its new mall Phoenix Palladium in Ahmedabad before the end of the year; Similarly, Lulu Group announced plans to expand its mall portfolio in India by setting up a new mall in Ahmedabad⁸⁴
- In December 2021, IDEX Corporation announced plans to invest INR 500 crore in India, which involved setting up a paint dispenser manufacturing plant in Sanand, Ahmedabad⁸⁴
- In November 2021, Amneal Pharmaceuticals announced plans to set up a 150,000 sq. ft. greenfield biologics manufacturing plant in Ahmedabad⁸⁴



MANPOWER

- Ahmedabad and Gandhinagar are home to leading national institutes such as Indian Institute of Management, National Institute of Pharmaceutical Education and Research, National Institute of Design, Indian Institute of Technology, National Institute of Fashion Technology, Mudra Institute of Communications and Gujarat National Law University
- Ahmedabad scored 52.9 against the target of 63.6 in National Achievement Survey Score, 2021⁸⁵



REAL ESTATE DYNAMICS

- In June 2022, Analytix Solutions opened its new office in Ahmedabad with two-shift operations accommodating 1,200 employees in each⁸⁴
- In July 2022, India International Bullion Exchange, the first of its kind in the country was launched in GIFT city⁸⁴
- In 2022, several global banks set up their IFSC Banking Units (IBUs) in GIFT City⁸⁴



⁸²Vibrant Gujarat, June 2021; ⁸³Invest in Gujarat, Government of Gujarat (GoG), 2022; ⁸⁴Media articles, 2021-22; ⁸⁵Niti Aayog, 2021; National Achievement Survey Score is a nation-wide assessment to evaluate the effectiveness of school education in every city
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 8.4: Gujarat - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Gujarat IT / ITeS Policy, 2022-27	⊖	✓	✓	✓	⊖	⊖	⊖
Gujarat Industrial Policy, 2020-25	✓	✓	✓	✓	⊖	✓	✓
Gujarat Integrated Logistics and Logistics Parks Policy, 2021-26	✓	⊖	✓	✓	✓	✓	✓
Gujarat Biotechnology Policy, 2022-27	⊖	✓	✓	✓	✓	⊖	✓
Gujarat State Electric Vehicles Policy, 2021-25	⊖	⊖	✓	✓	⊖	⊖	⊖
Student Startup and Innovation Policy, 2022	⊖	⊖	✓	✓	⊖	⊖	✓

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Department of Science & Technology, GoG, 2022; Industries Commissionerate, GoG, 2020; Gujarat Infrastructure Development Board, GoG, 2021; Gujarat State Biotechnology Mission, GoG, 2022; Education Department, GoG, 2022; CBRE Research, Q4 2022

09 Indore

Indore is the largest and the most populous city in the state of Madhya Pradesh⁹¹. It functions as the financial capital of the state and is a key education hub as it houses premium national colleges. Indore was one of the first 25 cities to be developed under the central government's 'Smart City Mission'.

⁹¹ Indore Municipal Corporation's Official Website, Government of Madhya Pradesh (GoMP)

Indore Office Dynamics

Table 9.1 (a): Key office micro-markets as of H1 2022

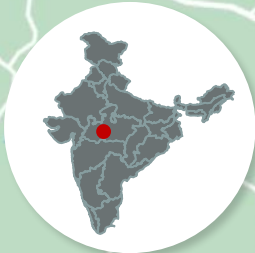
Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	MG Road	45 – 60	4 – 8	<ul style="list-style-type: none">Houses traditional businesses, client-facing and administrative offices
SBD	Vijay Nagar	40 – 60	5 - 10	<ul style="list-style-type: none">A well-established office micro market; primarily houses technology occupiers

Source: CBRE Research, Q4 2022
Note: CBD – Central Business District; SBD – Secondary Business District



Airport

Map not to scale
The information on this map is for representation purpose only



Indore Retail Dynamics

Table 9.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
AB Road	AB Road, Vijay Nagar, New Palasia, Old Palasia, Race Course Road	100 - 250 (HS) 150 - 200 (MC)	<ul style="list-style-type: none">A well-established high street that houses premium global and domestic brandsAB Road is a 15-km stretch that houses a few retail pockets and two operational malls - C21 Mall and Malhar Mega Mall	Westside, Pantaloons, The White Crow, Bluestone, Tanishq, Tasva, Farzi Café, H&M, Fabindia, Starbucks
Central Indore	MG Road	100 - 200 (HS) 100 - 200 (MC)	<ul style="list-style-type: none">Houses Nexus Indore Central Mall and TI MallAlso one of the key high streets housing jewellery and fashion & apparel brands	Bluestone, Tanishq, Kalyan Jewellers, Manyavar, Inspire by Apple, Malabar Gold, TBZ, Mia by Tanishq, Manyavar, PVR, Forever 21, Sephora
Sapna Sangeeta	Sapna Sangeeta	100 - 200 (HS)	<ul style="list-style-type: none">Key categories include fashion & apparel, jewellery and F&B	Inox, Reliance Digital, Titan, Mia by Tanishq, Biba, W, Max, Style up

Source: CBRE Research, Q4 2022
Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS – High street, MC – Mall cluster



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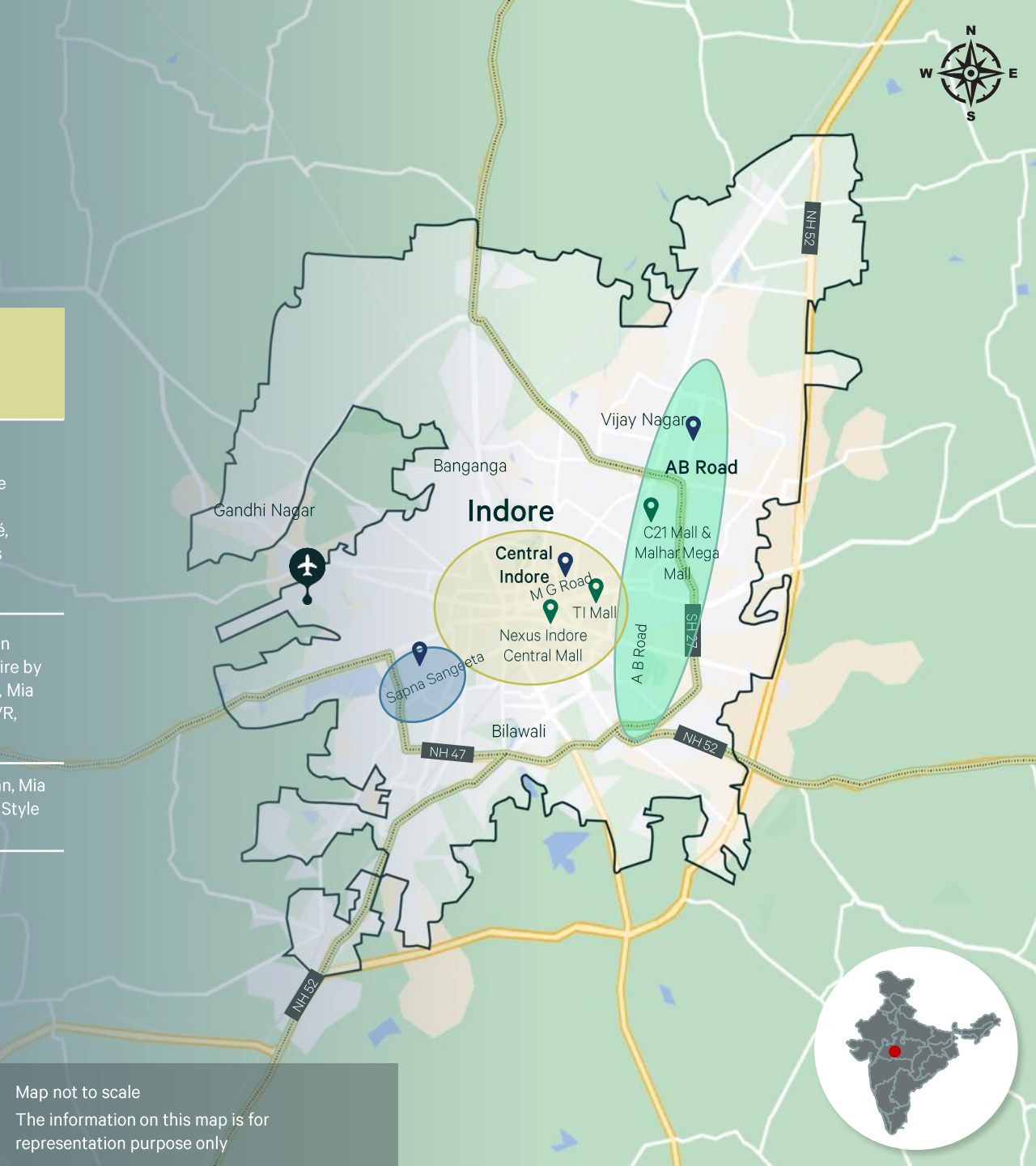
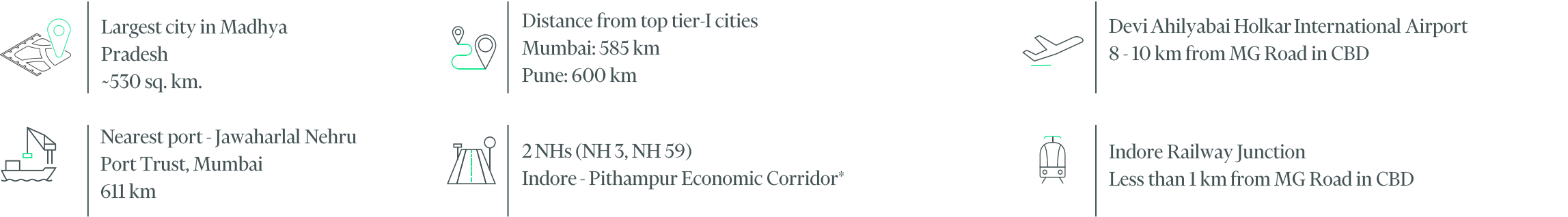


Figure 9.1: Regional connectivity



* proposed
Source: Indore Municipal Corporation Website, Government of Madhya Pradesh (GoMP); CBRE Research, Q4 2022

Table 9.2: Key infrastructure initiatives in Indore

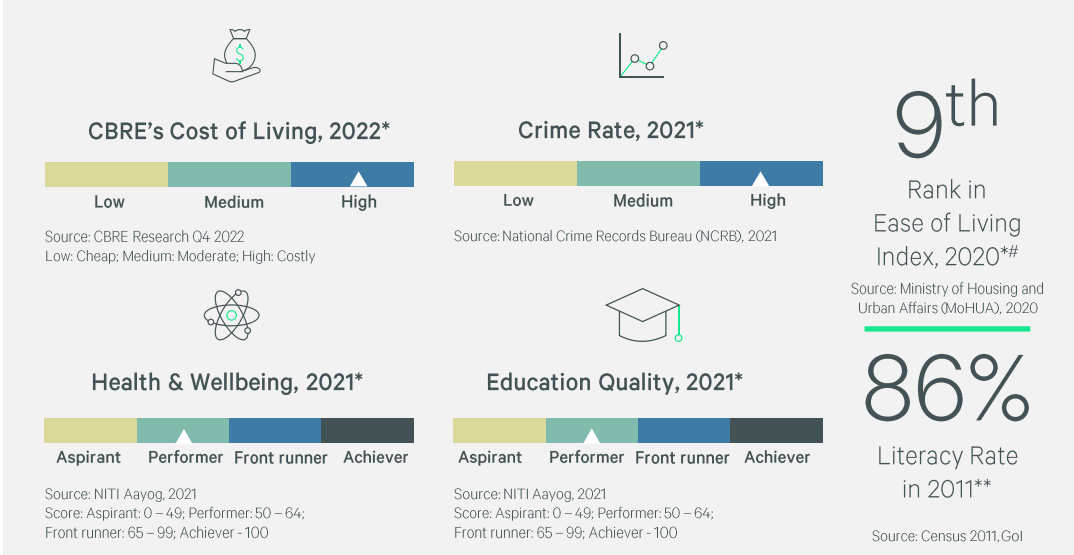
Project	Location	Status	Completion year	Project details
Indore Metro Rail Project - Phase 1	Palasia, Indore Railway Junction, Rajwara, Devi Ahilyabai Holkar International Airport, Bhawarsala, MR10, Palasia (Ring Line)	Under construction	2023E	<ul style="list-style-type: none">A 33.5-km rail line covering 30 stations, expected to ease congestion across the key nodes in the city
Economic Corridor	Indore – Pithampur Economic Corridor	Proposed	-	<ul style="list-style-type: none">An 18-km economic corridor from Indore airport to Tihi and PithampurArea on either side of the corridor is planned to be developed as an ‘Investment Region’ for office spaces, retail outlets, green industries, DCs and hotelsThe ‘Investment Region’ is also likely to house a Fintech City and an AerocityOn completion, the corridor is expected to attract global / domestic investments and boost real estate activity across sectors

Source: Madhya Pradesh Metro Rail Corporation Limited, GoMP, Invest Madhya Pradesh Website, GoMP; CBRE Research, Q4 2022

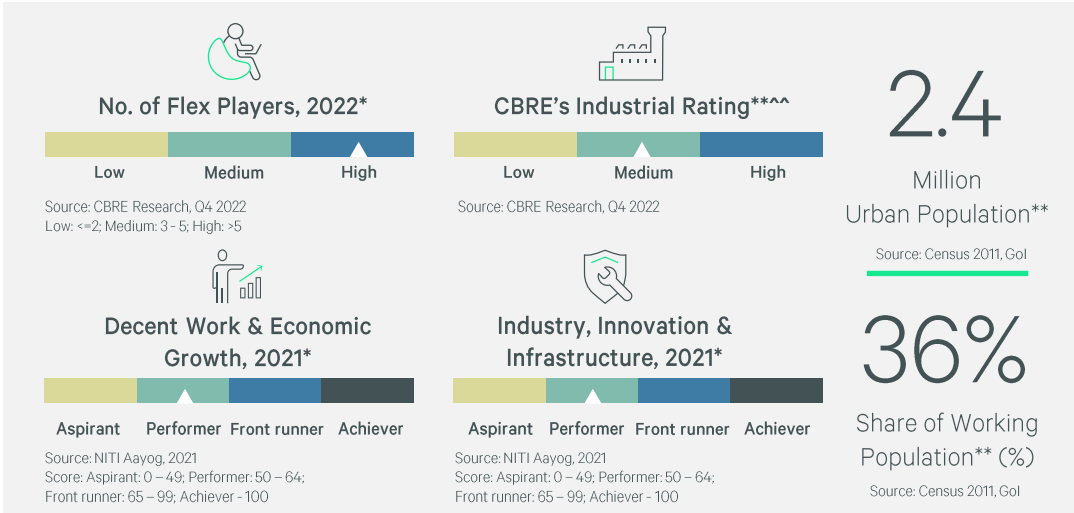
Figure 9.2: Real estate dynamics as of H1 2022



Figures 9.4: Indore - Quality of life parameters



Figures 9.5: Indore - Real estate and infrastructure parameters



*Represents city-level data; **Represents district-level data; ***Rating denotes presence of industrial areas, registered MSMEs and SSI industrial units and registered medium & large units ^More than Million category rankings in Ease of Living Index

Figures 9.6: Indore - Sustainability parameters

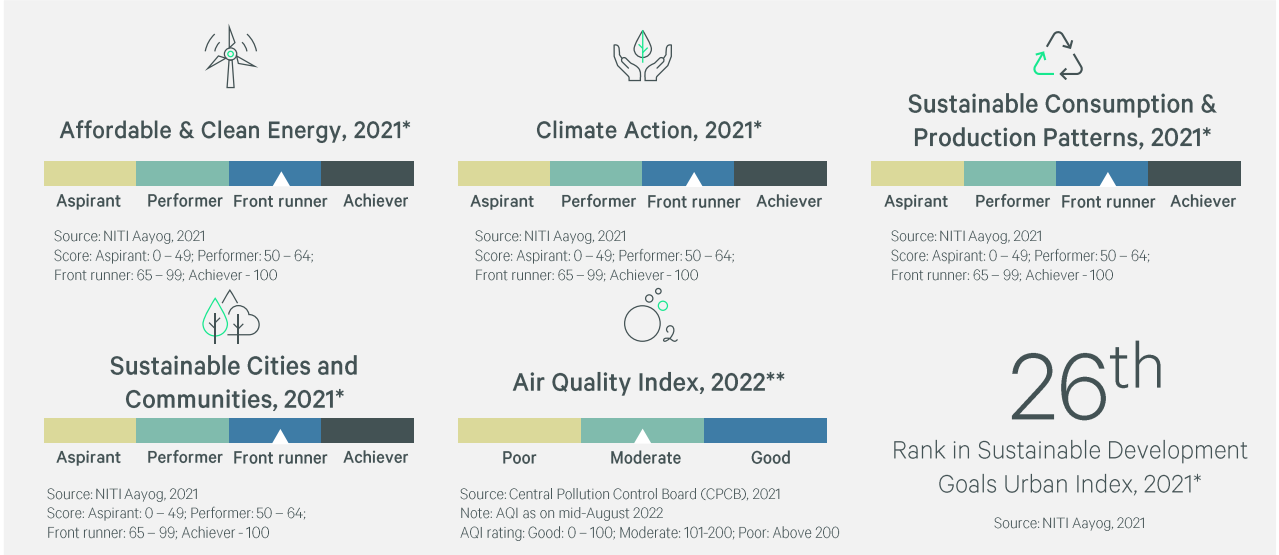


Table 9.3: Madhya Pradesh - State parameters

Parameters	Data
Population, 2011	72.6 million
Literacy rate, 2011	69.3%
Total student enrollment, 2020-21	125,961
Labour force participation rate / worker population rate, 2021	32.3%
Domestic tourist visits, 2019-20	112.2 million
Foreign tourist visits, 2019-20	0.4 million
Score in State Energy Index, 2020	31 (Contender)
Rank in India Innovation Index, 2021	13 th

Source: Census 2011; All India Council for Technical Education (AICTE), 2021; MOSPI, 2021; Ministry of Tourism, Gol, 2021; State Energy Efficiency Index, 2020; NITI Aayog, 2022; State Government websites; CBRE Research, Q4 2022

Advantage Indore



ECONOMIC DRIVERS

- **Automobile:** Pithampur, a part of the Indore Metropolitan Region is one of the key auto clusters of India and is spread across 11,000 acres. The cluster houses over 100 large-scale industries and 2,500 MSME units with a combined investment of more than USD 20 billion as on 2022^{9,2}
- **Textiles:** Indore is strategically located in the core cotton belt of India. Thus, textiles is the traditional agro-based industry in the city
- **Metals:** The metals industry which includes alloy, automobile and steel plays a pivotal role in Indore's economy. The city has more than 400 metal-based MSME units^{9,3}



INVESTOR INTEREST

- In June 2022, Phoenix Mills announced plans to open its new mall Phoenix Citadel in Indore before the end of the year^{9,2}
- In April 2022, Omaxe raised INR 440 crore from Vårde Partners to expedite the construction of its ongoing projects across multiple cities including Indore^{9,2}
- In March 2022, Pinnacle industries announced plans to launch EV manufacturing plants in Indore and Pune with an investment of about INR 2,000 crore^{9,2}



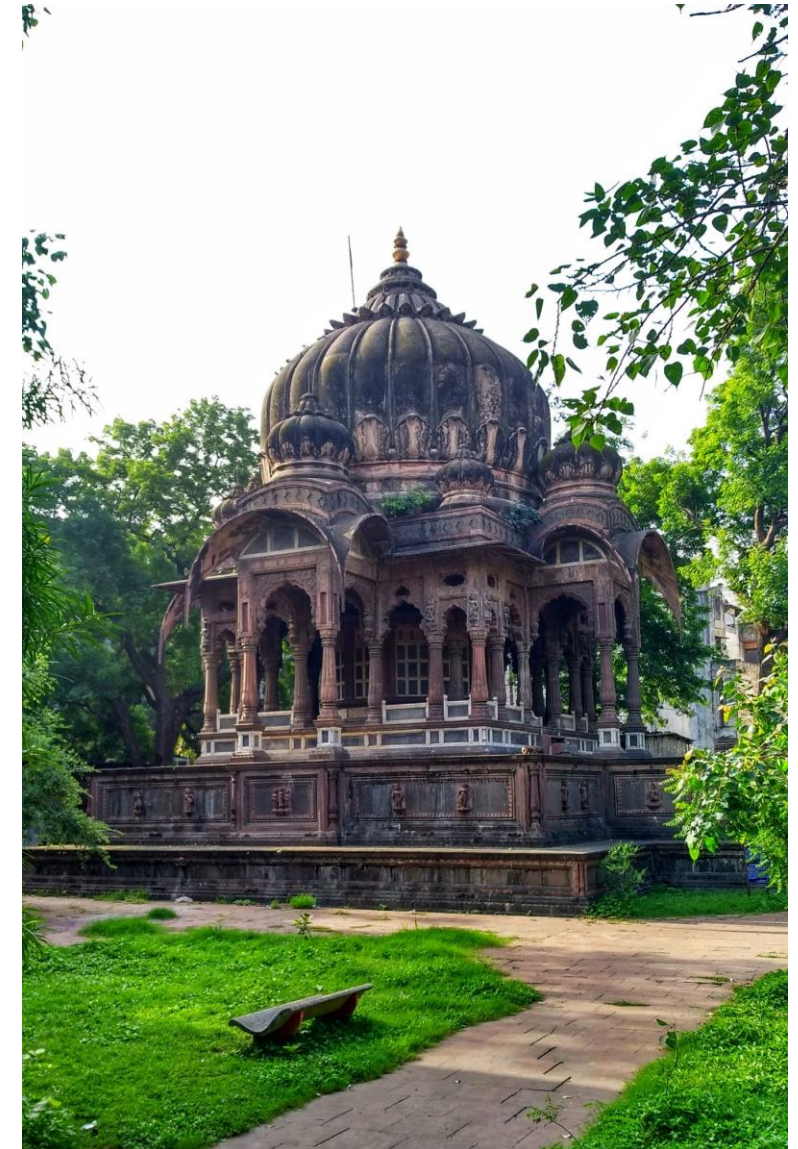
MANPOWER

- Indore is known as the 'educational hub' of the state as it has two of the country's premium institutions – IIT and IIM
- Indore scored 41.8 against the target of 63.6 in National Achievement Survey Score, 2021^{9,4}



REAL ESTATE DYNAMICS

- In June 2022, Accenture opened its new office in Indore^{9,2}
- In June 2022, Calsoft announced plans to set up a new office in Indore. The company highlighted excellent infrastructure and talent pool as the key drivers for its move^{9,2}
- In April 2022, Aditya Birla Fashion's TASVA launched its maiden brand outlet in Indore^{9,2}



^{9,2} Media articles, 2022; ^{9,3} Ministry of MSMEs, Govt; ^{9,4} Niti Aayog, 2021; National Achievement Survey Score is a nation-wide assessment to evaluate the effectiveness of school education in every city
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 9.4: Madhya Pradesh - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Madhya Pradesh IT, ITeS, & ESDM Promotion Policy, 2016 (amended in 2019)	⊖	✓	✓	✓	✓	⊖	✓
Madhya Pradesh Industrial Promotion Policy, 2014 (amended in 2018)	✓	✓	✓	✓	✓	✓	✓
Madhya Pradesh Warehousing & Logistics Policy, 2012	⊖	✓	✓	✓	✓	⊖	✓
Madhya Pradesh EV Policy, 2022 (draft)	⊖	✓	✓	✓	⊖	✓	⊖
Madhya Pradesh MSME Policy, 2021	⊖	✓	✓	✓	✓	⊖	⊖
Madhya Pradesh Startup Policy, 2022	✓	⊖	✓	✓	⊖	✓	✓

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Department of Science & Technology, GoMP, 2019; Department of Industrial Policy & Investment Promotion, GoMP, 2018; GoMP, 2012 and 2022; Department of MSMEs, GoMP, 2021; Department of MSMEs, GoMP 2022; CBRE Research, Q4 2022

10

Bhubaneswar

Bhubaneswar, a part of the Khorda district, is the capital city of Odisha^{10.1}. Known as the 'Temple City of India', it is home to unique cultural and heritage centres and handicraft industries. The city is also emerging as an IT and education hub in eastern India over the recent years.

^{10.1} Bhubaneswar Municipal Corporation's Official Website, Government of Odisha (GoO), 2022



Bhubaneswar Office Dynamics

Table 10.1 (a): Key office micro-markets as of H1 2022

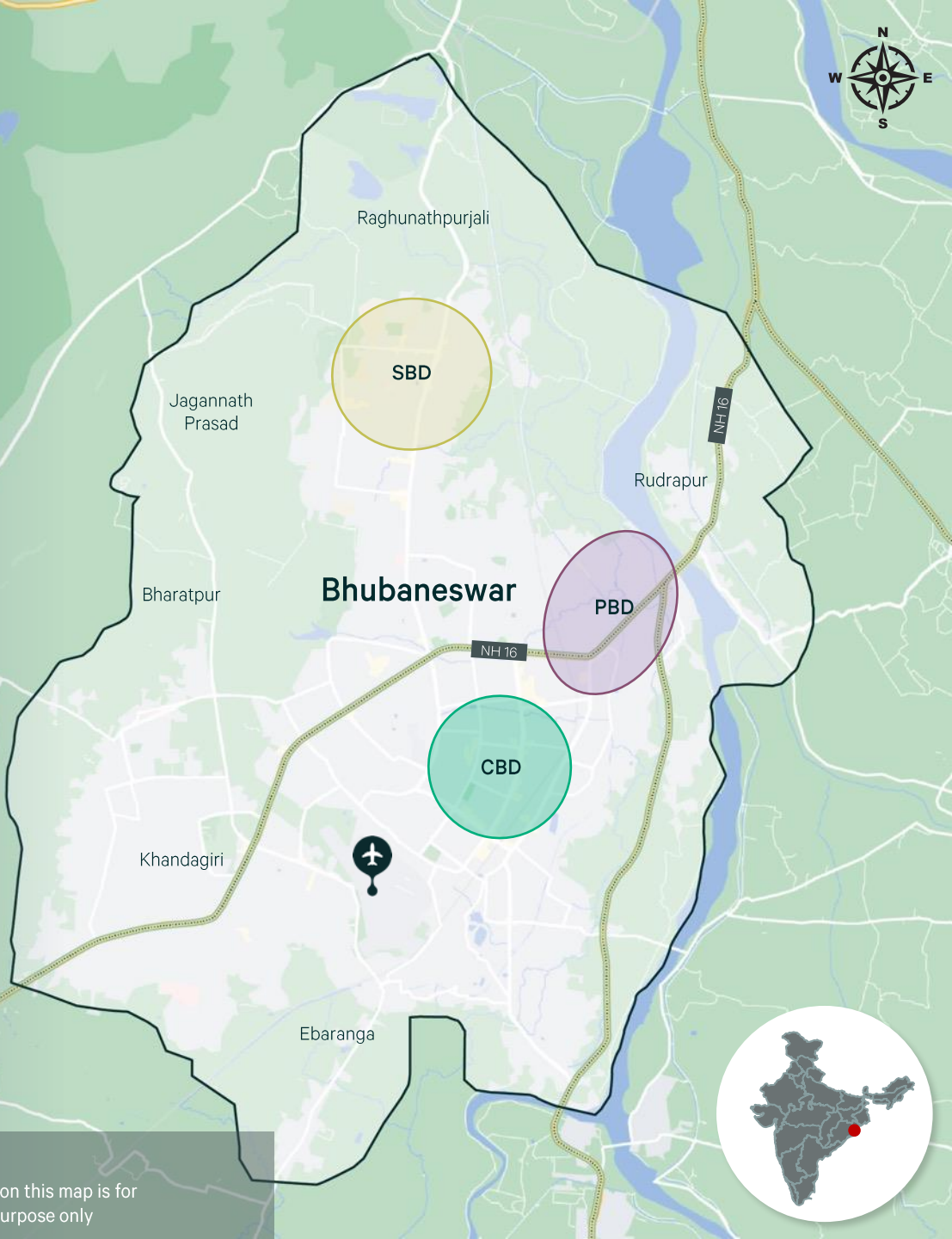
Micro-market	Locations	Average office rents (INR / sq. ft. / month)	CAM charges (INR / sq. ft. / month)	Details
CBD	Saheed Nagar and Janpath	70 – 90	5 – 7	• Hosts a large number of FMCG companies and non-technology occupiers
SBD	Patia	40 – 60	5 – 7	• Preferred micro-market for technology occupiers
PBD	Rasulgarh	35 - 55	5 – 7	• Emerging office micro-market that predominantly houses I&L developments

Source: CBRE Research, Q4 2022
Note: CBD – Central Business District; SBD – Secondary Business District; PBD – Peripheral Business District



Airport

Map not to scale
The information on this map is for representation purpose only



Bhubaneswar Retail Dynamics

Table 10.1 (b): Key retail micro-markets as of H1 2022

Micro-market	Locations	Average retail rents* (INR / sq. ft. / month)	Details	Key Brands
Central Bhubaneswar	Janpath Road	200 - 300 (MC) 300 - 400 (HS)	<ul style="list-style-type: none">Forum Mall – one of the first malls in Odisha is located hereOne of the most prominent high streets with key brands of jewellery and fashion & apparel categories	Pantaloons, Westside, H&M, Tanishq, Caratlane, Kalyan Jewellers, Malabar Gold, Joyalukkas, Inox, KFC,
East Bhubaneswar	Cuttack Puri Road – Rasulgarh, NH 5	100 - 500 (MC)	<ul style="list-style-type: none">Located along the Cuttack Puri Road, Nexus Esplanade Mall is one of the prime malls in BhubaneswarSymphony Mall on NH 5 is another major mallBoth malls house several global and domestic brands	Lifestyle, Max, Pantaloons, Reliance Smart Bazaar, Iconic, Starbucks, Chili's, Cinepolis, Nykaa, Reliance Digital
West Bhubaneswar	Patrapada	100 - 250 (MC)	<ul style="list-style-type: none">DN Regalia Mall is a neighbourhood mall, dominated by domestic brands	Reliance Smart Bazaar, Max, Zudio, Pantaloons, Inox
North Bhubaneswar	Patia Road	150 – 200 (HS)	<ul style="list-style-type: none">Another prime high street primarily housing domestic brands	Pantaloons, Croma, Reliance Digital Tanishq, Malabar Gold, Louis Philippe
South Bhubaneswar	Kalpana Square	200 - 300 (MC)	<ul style="list-style-type: none">Utkal Kanika Galleria Mall is located here	Shoppers Stop, PVR, MAC Cosmetics

Source: CBRE Research, Q4 2022
Note: *Indicative average rent for ground floor - 1,000 sq. ft. on carpet area
HS – High street, MC – Mall cluster

Airport Key malls Key high streets

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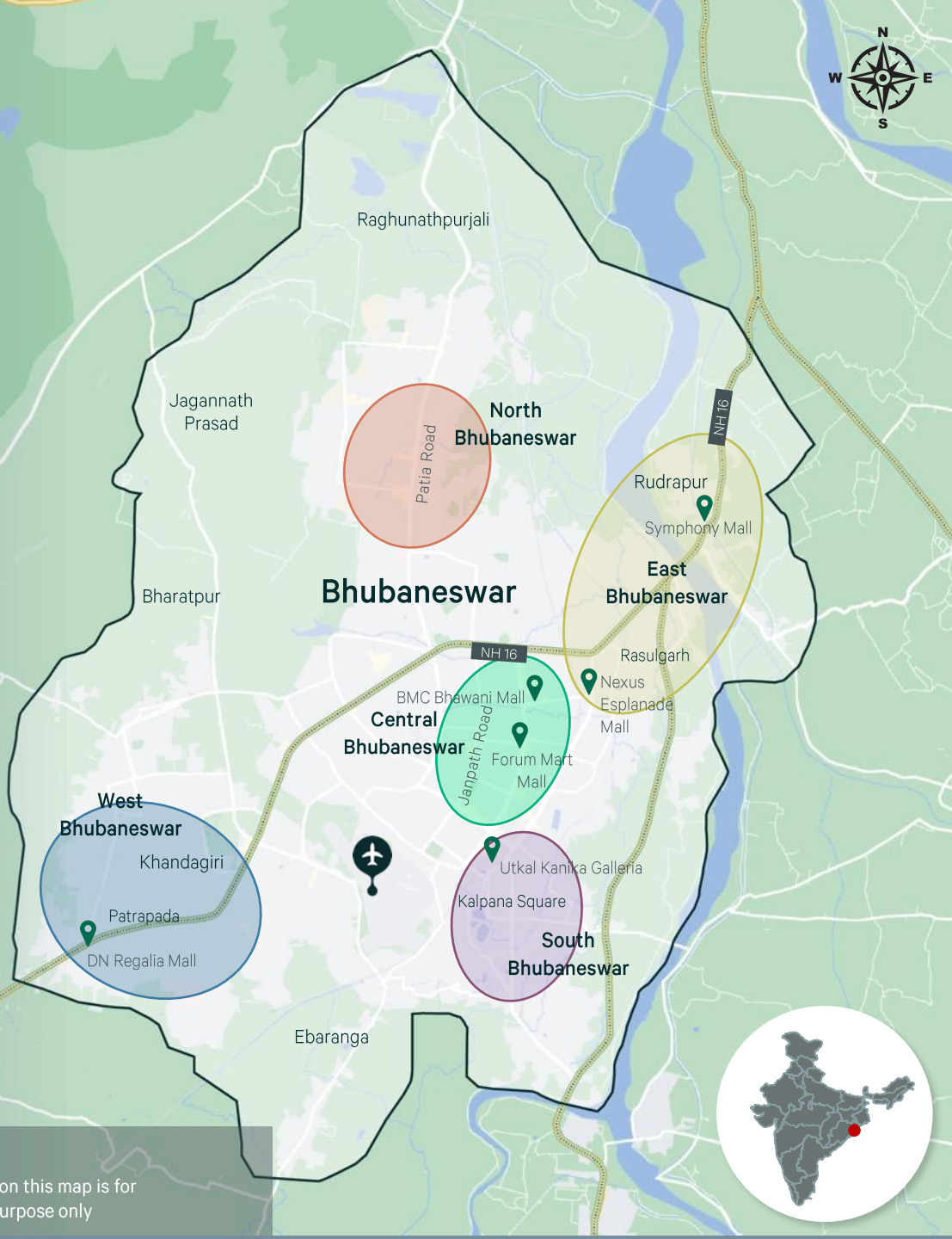


Figure 10.1: Regional connectivity



Source: Bhubaneswar Municipal Corporation Website, GoQ, CBRE Research, Q4 2022

Table 10.2: Key infrastructure initiatives in Bhubaneswar

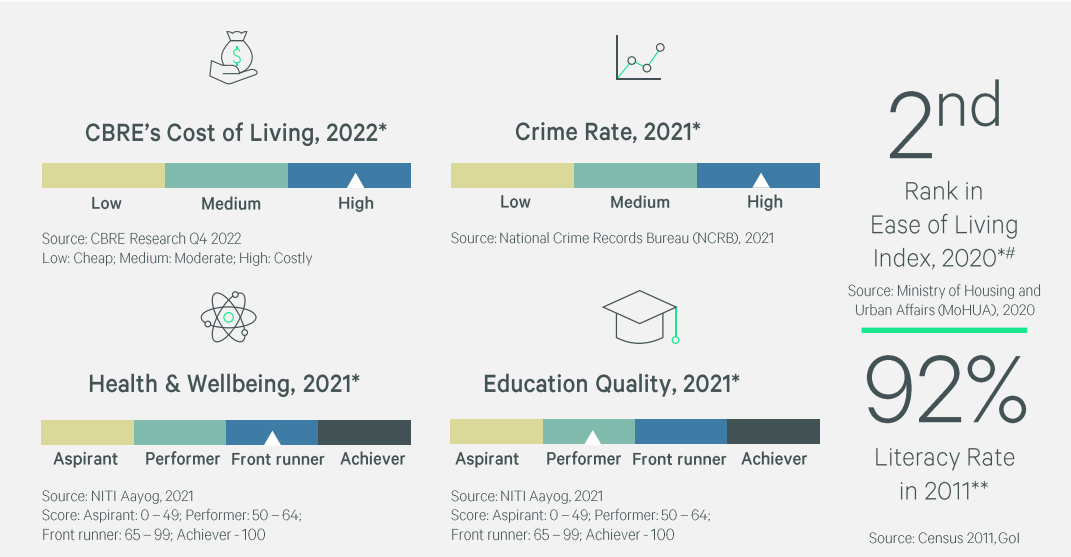
Project	Location	Status	Completion year	Project details
Bhubaneswar Town Centre Project	Master Canteen Square	Under construction	-	<ul style="list-style-type: none">The city's first planned Transit Oriented Development (TOD) as well as the first smart building projectThe development is likely to be a multi-modal hub that would ease connectivity between Master Canteen Square and the city's commercial spine viz., Janpath Road
Inter-state Bus Terminal – Baramunda	Baramunda	Under construction	2022E	<ul style="list-style-type: none">Spread across 15.5 acres and planned to be the biggest bus terminal in the city; to be used for both interstate and intercity operationsThe development is designed to accommodate a commercial development of about 0.2 million sq. ft.
Capital Region Ring Road (CRRR) project	Rameswar, Khurda, Bhubaneswar, Athagarh, Cuttack and Choudwar	Proposed	-	<ul style="list-style-type: none">A 111.2-km, six-lane ring road planned to enhance connectivity between Bhubaneswar and Cuttack and reduce travel time between the two cities
Economic Corridor	Odisha Economic Corridor	Proposed	-	<ul style="list-style-type: none">Forms a part of the northernmost stretch of the East Coast Industrial Corridor and overs 11 industrial clusters spanning across 600 kmOn completion, expected to support trade I&L activity along India's eastern coastal region

Source: Bhubaneswar Development Authority, GoQ, National Highways Authority of India (NHAI); National Industrial Corridor Development Corporation; CBRE Research, Q4 2022

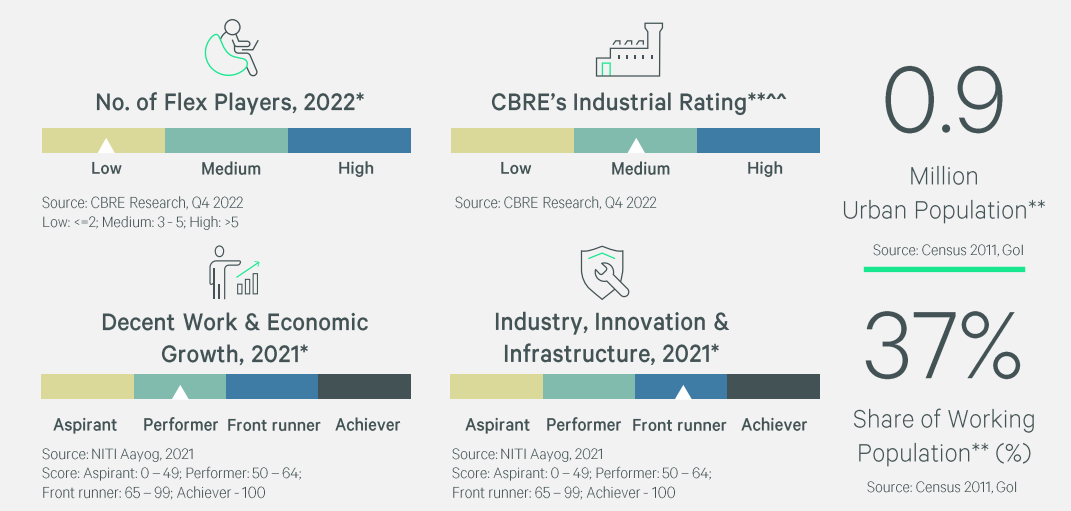
Figure 10.2: Real estate dynamics as of H1 2022



Figures 10.4: Bhubaneswar - Quality of life parameters



Figures 10.5: Bhubaneswar - Real estate and infrastructure parameters



*Represents city-level data; **Represents district-level data; ***Rating denotes presence of industrial areas, registered MSMEs and SSI industrial units and registered medium & large units ^More than Million category rankings in Ease of Living Index

Figures 10.6: Bhubaneswar - Sustainability parameters

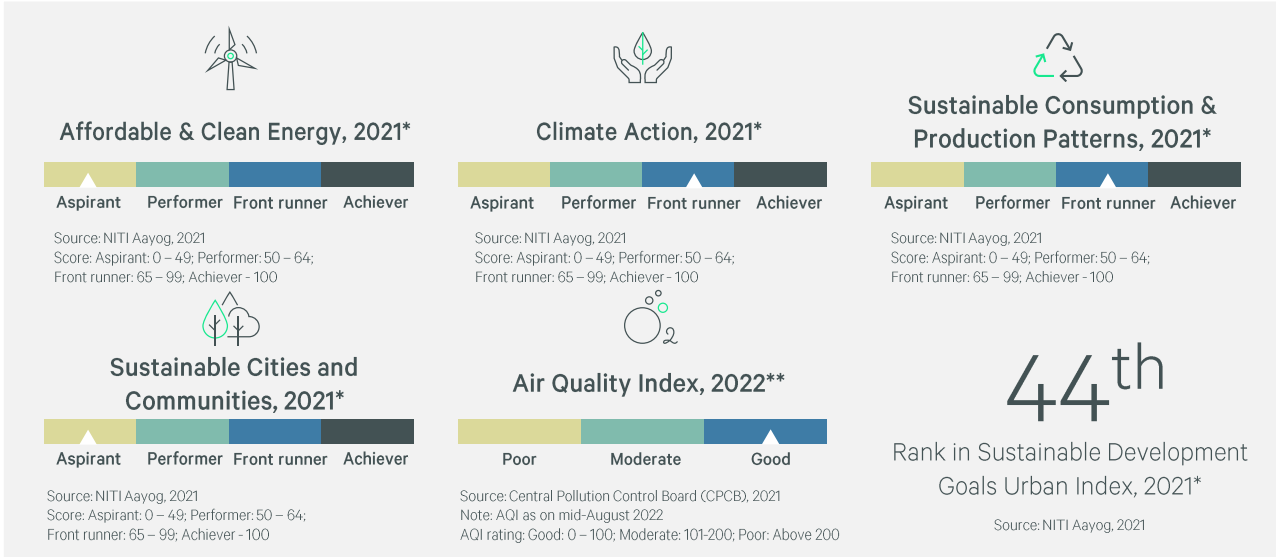


Table 10.3: Odisha - State parameters

Parameters	Data
Population, 2011	42.0 million
Literacy rate, 2011	72.9%
Total student enrollment, 2020-21	67,533
Labour force participation rate / worker population rate, 2021	31%
Domestic tourist visits, 2019-20	19.9 million
Foreign tourist visits, 2019-20	0.1 million
Score in State Energy Index, 2020	29.5 (Aspirant)
Rank in India Innovation Index, 2021	16 th

Source: Census 2011; All India Council for Technical Education (AICTE), 2021; MOSPI, 2021; Ministry of Tourism, Gol, 2021; State Energy Efficiency Index, 2020; NITI Aayog, 2022; State Government websites; CBRE Research, Q4 2022

Advantage Bhubaneswar



ECONOMIC DRIVERS

- **Technology:** Has the 'Priority Sector' status in the state. In FY 2020-21, units under STPI - Bhubaneswar accounted for technology exports worth INR 2,589 crore¹⁰²
- **Steel:** The headquarters of Rourkela Steel Plant (RSP) is based in Bhubaneswar. Increase of production capacity of hot metal, crude steel and saleable steel is planned in the coming years with an investment value of INR 5,000 crore¹⁰³
- **Paper:** The city houses the headquarters of three key paper mills in the country - Orient Paper and Industries, Prashanti Paper Mills and Shree Ganesh Paper Recycling



INVESTOR INTEREST

- In July 2022, the GoI chose Bhubaneswar as one of the 12 tier-II cities for implementation of Next- Generation Incubation Scheme (NGIS) to support innovative enterprises and a start-up ecosystem¹⁰³
- In July 2022, Lulu Group signed an MoU to invest INR 1,500 crore in Odisha to set up hypermarkets, shopping malls and agriculture & seafood sourcing-cum-processing hubs in Bhubaneswar, Cuttack and Rourkela¹⁰³
- In June 2022, Dubai's Tabreed Group expressed an intent to invest INR 1,000 crore in the International Chemical Technology Campus in Bhubaneswar during the Odisha Investors meet¹⁰³



MANPOWER

- The Regional Institute of Education in Bhubaneswar is one of five institutes in the country under National Council of Educational Research and Training. The institute provides academic and technical support to Odisha and several other neighbouring states
- Bhubaneswar scored 41.3 against the target of 63.6 in National Achievement Survey Score, 2021¹⁰⁴



REAL ESTATE DYNAMICS

- In June 2022, PwC opened its new office in Bhubaneswar as part of its expansion in tier-II cities; expected to create 10,000 new jobs in the city¹⁰³
- In April 2022, Deloitte announced plans to expand its India operations in tier-II cities including Bhubaneswar¹⁰³
- In April 2022, BigBasket announced its expansion plans in Bhubaneswar. The company has declared plans to increase its revenue from INR 1.6 crore per month until Q1 2022 to INR 5 crore per month by the end of 2022¹⁰³



¹⁰²Bhubaneswar STPI, 2022; ¹⁰³Media articles, 2022; ¹⁰⁴Niti Aayog, 2021; National Achievement Survey Score is a nation-wide assessment to evaluate the effectiveness of school education in every city
Source: CBRE Research, Q4 2022

Key Policy Initiatives

Table 10.4: Odisha - State policy initiatives*

Policy	Special incentives / initiatives for the city	Land-related incentives	Infrastructure development	Capital subsidies / capital interest subsidies	Stamp duty exemptions	Tax benefits	Single-window clearance / ease of approvals
Odisha Electronics Policy, 2021	✔	✔	✔	✔	✔	✔	✔
Odisha Biotechnology Policy, 2018	✔	✔	✔	✔	✔	✔	✔
Odisha State Data Centre Policy, 2022	✔	✔	✔	✔	✔	✔	✔
Odisha Electric Vehicle Policy, 2021 (Draft)	⊖	⊖	✔	✔	⊖	✔	⊖
Odisha IT Policy, 2022	✔	✔	✔	✔	✔	✔	✔
Odisha MSME Development Policy, 2016	✔	✔	✔	✔	✔	✔	✔
Odisha Industrial Policy Resolution, 2015	✔	✔	✔	✔	✔	✔	✔
Odisha Startup Policy, 2016	⊖	✔	✔	✔	✔	✔	✔

*In a few cases, though the policies do not directly mention about a particular incentive, an indication of indirect initiatives have been considered as a 'tick' mark

Source: Electronics & Information Technology Department, GoO, 2021; Commerce & Transport Department, GoO, 2021; MSME Department, GoO; CBRE Research, Q4 2022

3

A Snapshot of Tier-II Cities in India

- [Real Estate Landscape](#)
- [Work Environment](#)
- [Quality of Life](#)
- [Sustainability](#)

Real Estate Landscape

India's tier-II cities are fast emerging as the next growth frontier for the office sector. As of H1 2022, Ahmedabad, Kochi, Thiruvananthapuram and Chandigarh had an office stock of more than 7.5 mn sq. ft each (refer figure 11.1). Also, most tier-II cities have attracted a high number of flex players over the past few years.

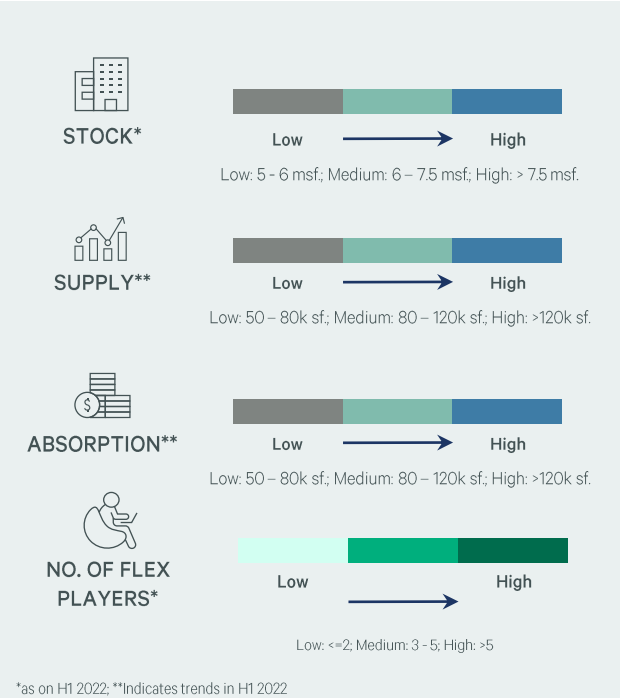
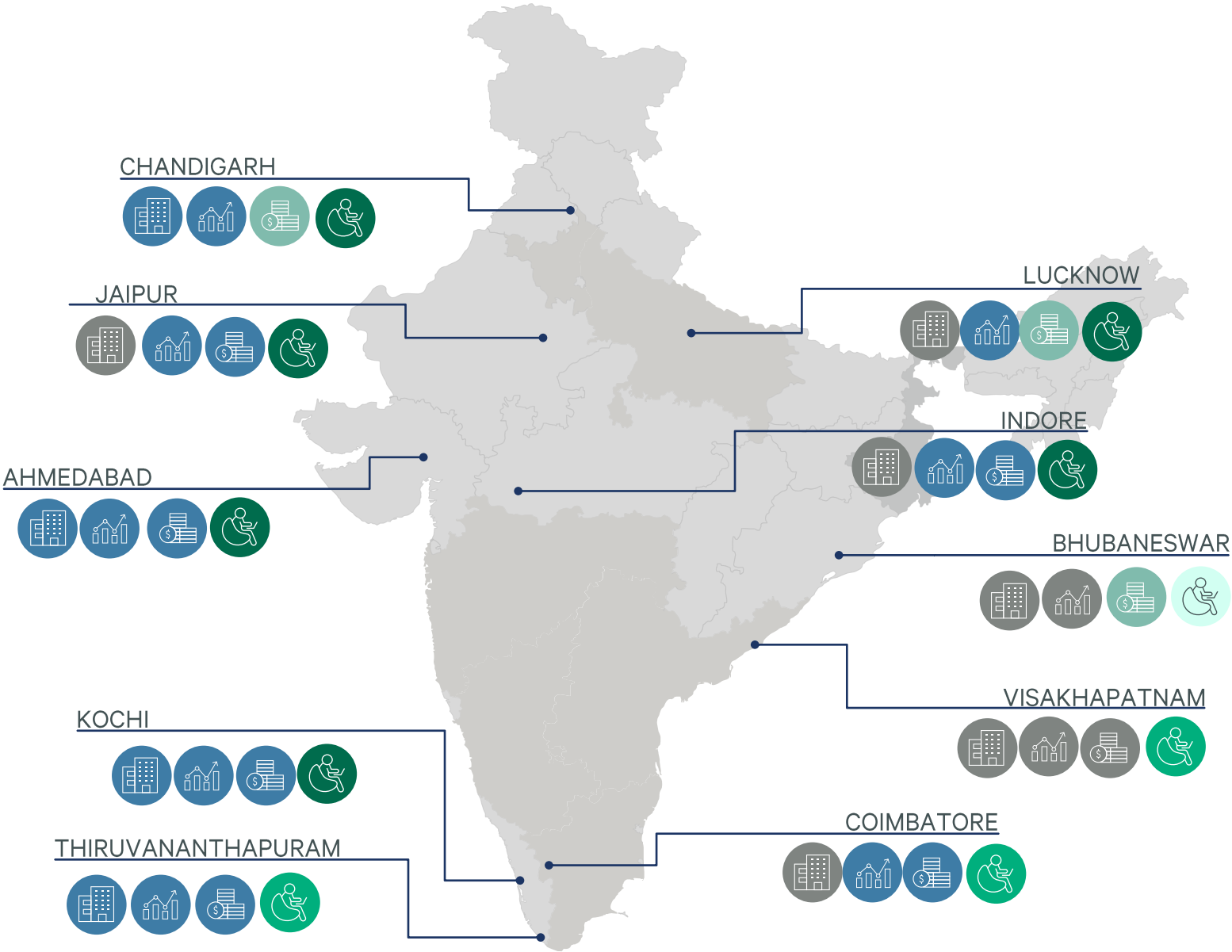


Figure 11.1: Office market in Indian tier-II cities



Source: CBRE Research, Q4 2022

Work Environment

Innovation and resilient infrastructure are key drivers of economic development. That is why, we found Niti Aayog’s ‘Industry, Innovation & Infrastructure’ score, which forms a part of its SDG Index, apt for our assessment of the tier-II cities’ operating environment. The scores in 2021 (refer fig. 11.2) indicated that cities such as Ahmedabad, Bhubaneswar, Visakhapatnam and Coimbatore are ‘Front runners’ on this front and most others are ‘Performers’. A few cities are catching up on ‘Decent Work & Economic Growth’, indicating that heightened focus on job creation would be required in the coming years.

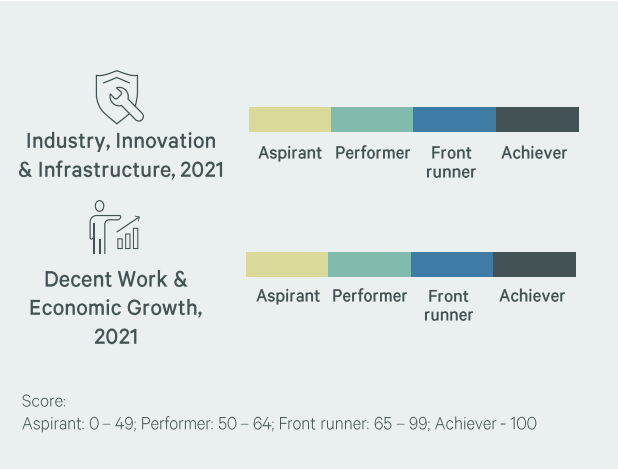
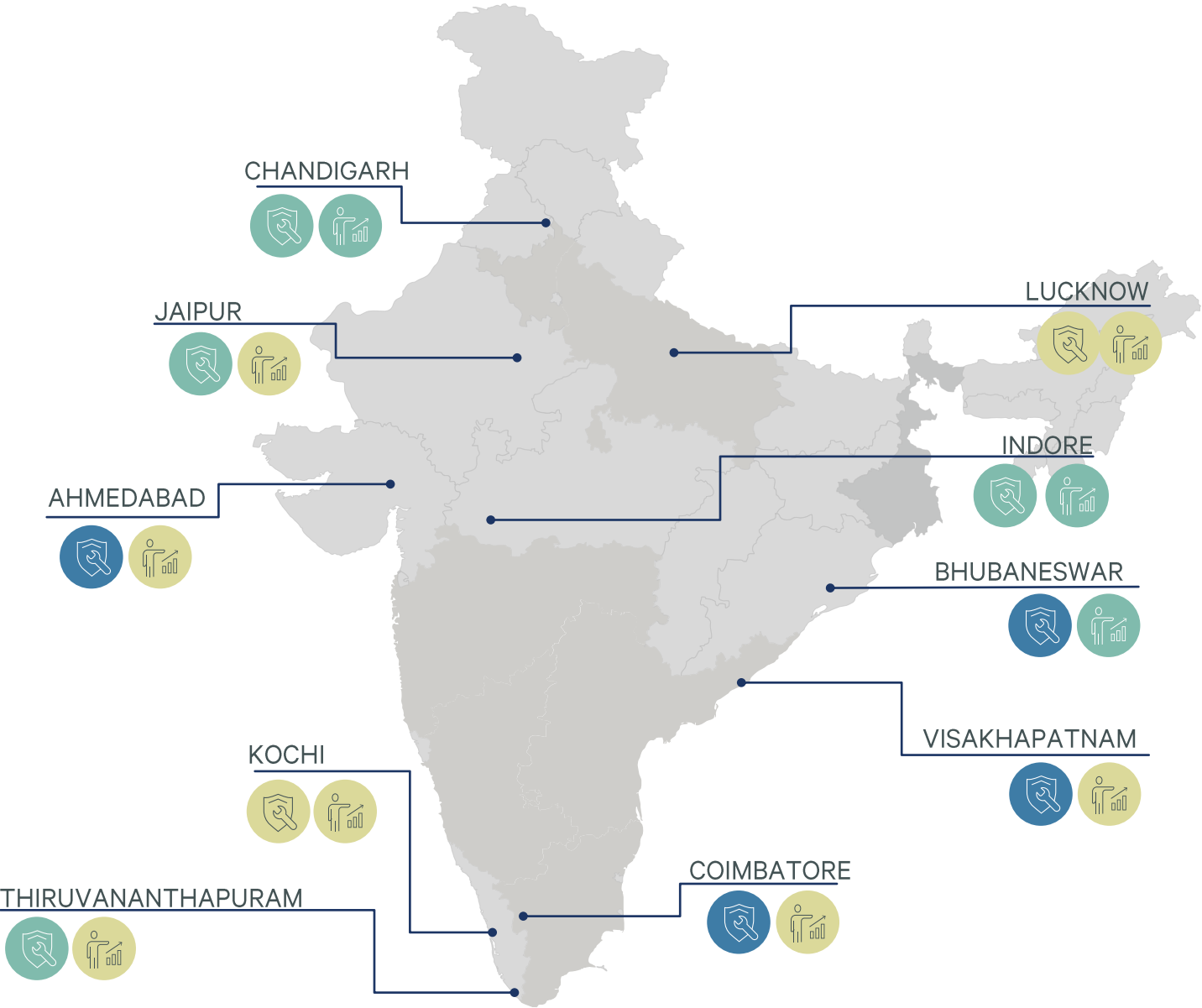


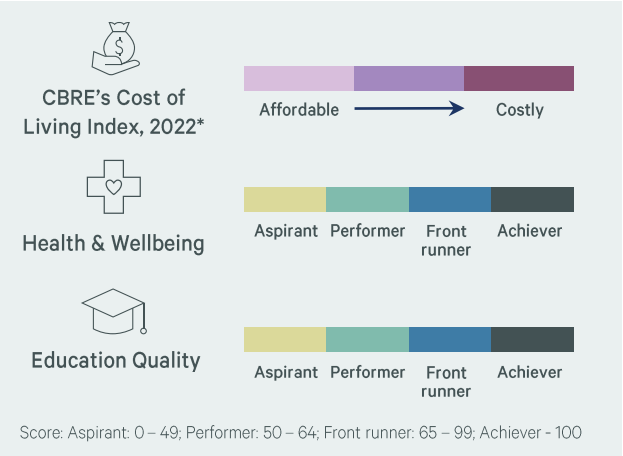
Figure 11.2: Real estate and infrastructure in Indian tier-II cities



Source: [Niti Aayog, 2021](#); CBRE Research, Q4 2022

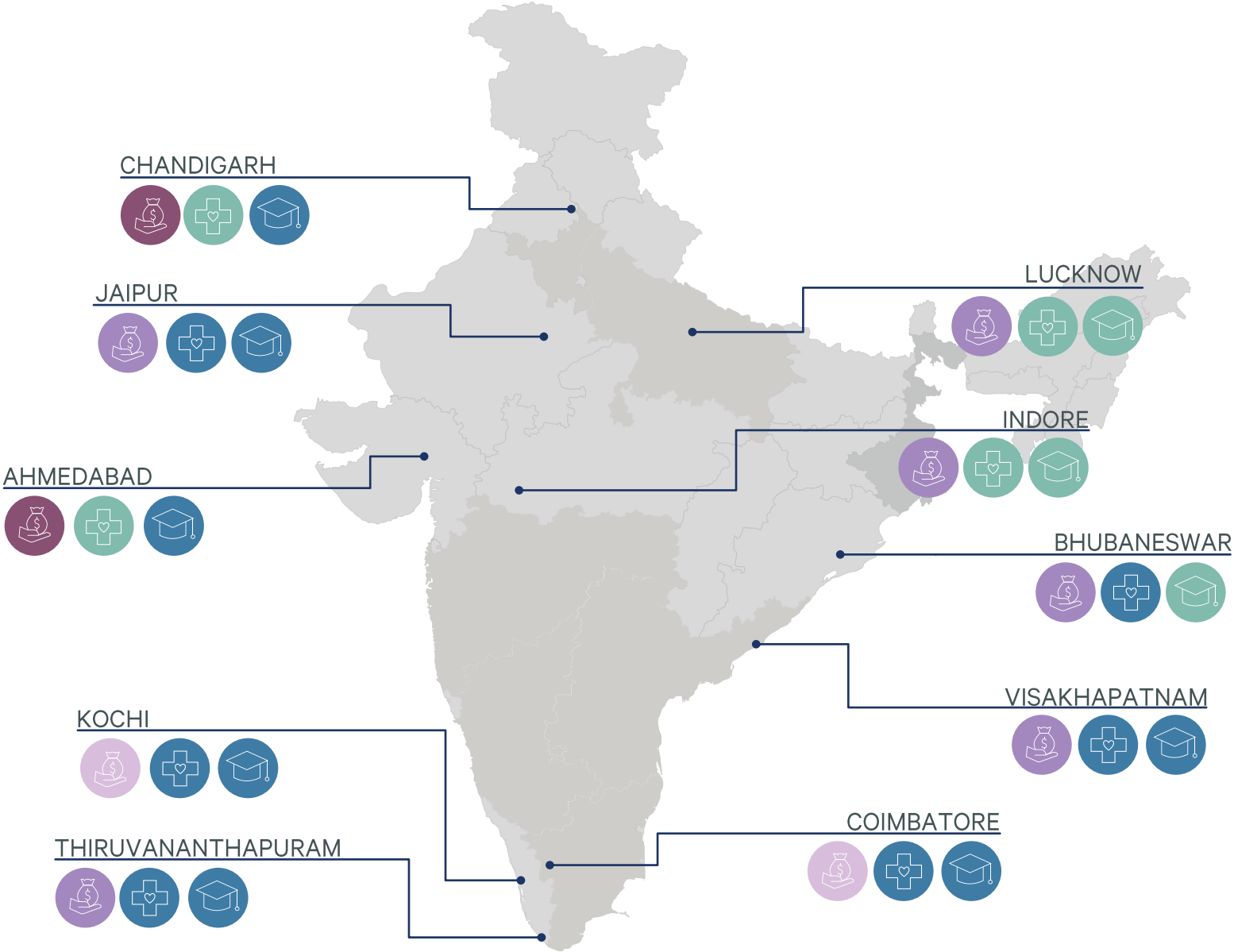
Quality of Life

There are multiple parameters on which quality of life depends. To get a more holistic view of this element in key tier-II cities, we identified three key determinants of quality of life in a city: Cost of Living, Health & Wellbeing, and Education Quality. CBRE’s ‘Cost of Living Index – 2022’* indicates cities such as Kochi and Coimbatore are much more affordable than others. Further, on the other two fronts, most cities either emerged as ‘Front runners’ or ‘Performers’.



*Created internally, CBRE’s ‘Cost of Living Index – 2022’ takes into account 10 parameters including salary, housing, power & fuel prices, cost of essentials such as vegetables, milk, internet, etc., F&B and entertainment expenses

Figure 11.3: Quality of life in Indian tier-II cities



Source: [Niti Aayog, 2021](#); CBRE Research, Q4 2022

Sustainability

Sustainability and climate action have globally become social mores in business circles. Thus, it was important that the cities were assessed on this front. Figure 11.2 is indicative of their performance on several sustainability and climate-related parameters. We found cities such as Coimbatore, Visakhapatnam, Thiruvananthapuram, Indore and Chandigarh to be relatively more sustainable.

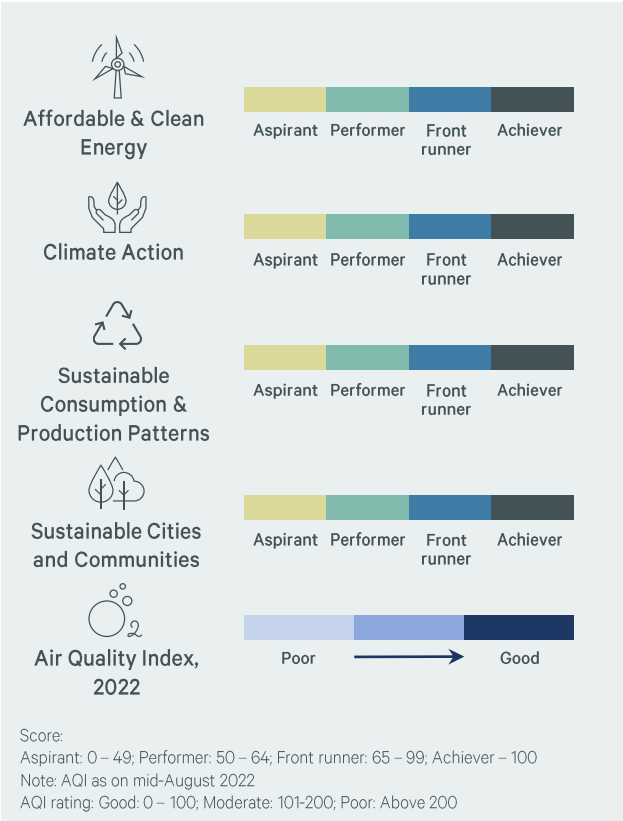
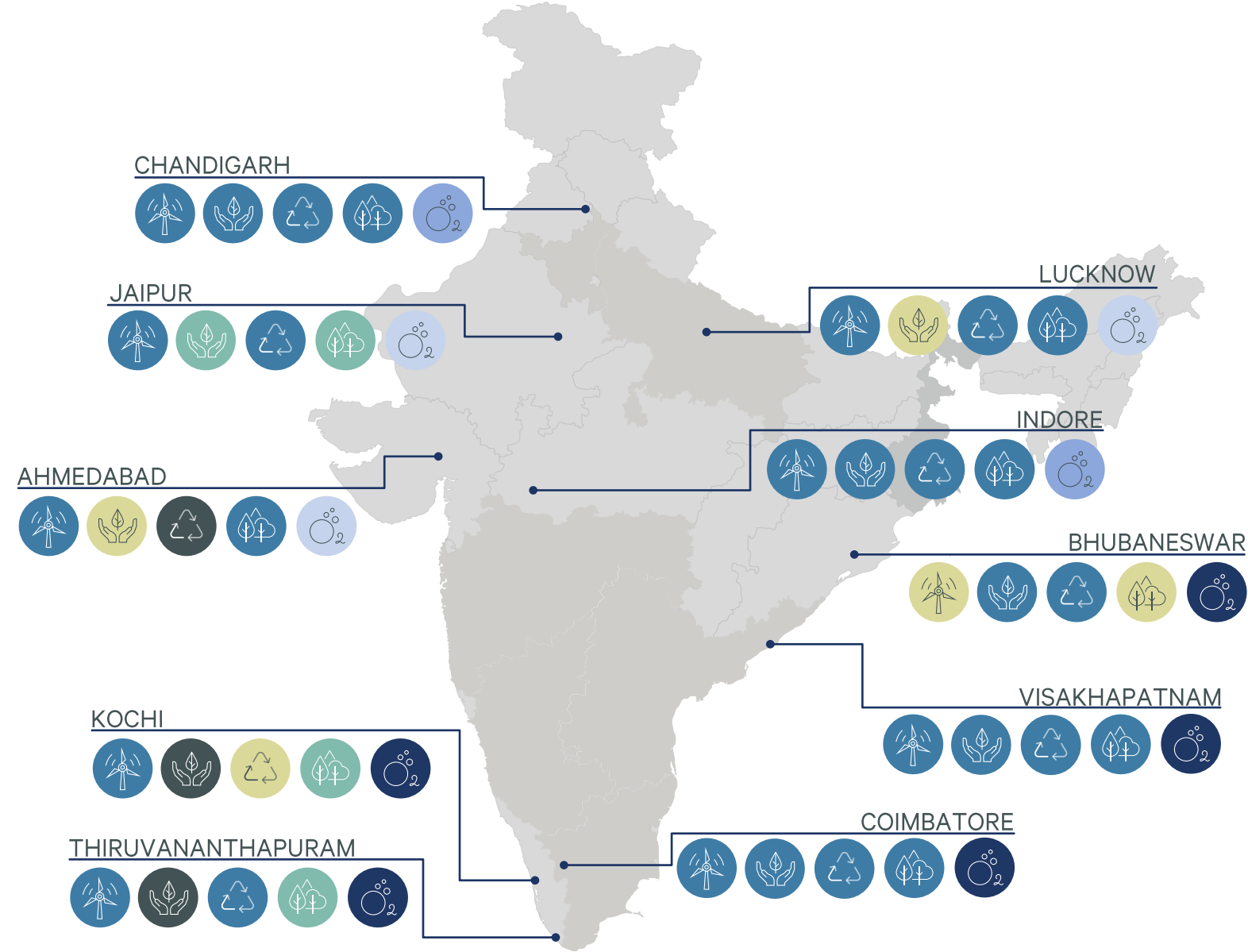


Figure 11.4: Sustainability in Indian tier-II cities



Source: Niti Aayog, 2021; CBRE Research, Q4 2022



4

Way Forward

The Rising Sun in Tier-II Cities

India’s transition into an urban society would be driven by the continued growth of its tier-II cities, in addition to other factors. Thus, we believe that harnessing their economic and development potential is vital for them to take on the mantle of the future. As indicated below, tier-II cities are poised to be the new growth vectors in India in the coming years - driven by their progress in real estate landscape, operating environment, quality of life and sustainability.



Real estate landscape

Several prominent developers such as DLF, Godrej Properties, Mahindra Lifespaces, Brigade, Lulu, Prestige, Embassy, L&T, etc. have a presence across these cities so as to cater to domestic and global occupiers.

The various business clusters in tier-II cities offer a mix of non-SEZ and SEZ establishments, with average quoted rentals ranging from as low as INR 30-40 / sq. ft. / month to about INR 60-80 / sq. ft. / month.

Most cities have also recorded a growing presence of flexible space operators, industrial hubs and malls.



Work environment

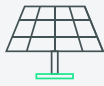
The widening economic base and access to skilled talent pool are prime influencing factors for occupiers to consider expanding in tier-II cities.

There is also rising investor interest over recent years in these cities, with various plans announced by domestic and global firms to establish their footprint in these markets.



Quality of life

Quality of life in these cities is well supported by relatively affordable cost of living as compared to tier-I cities, along with a strong presence of healthcare facilities and educational institutions.



Sustainability

Tier-II cities are gradually moving ahead on the sustainability scale, displaying an appetite for green initiatives and eco-friendly growth.

It is to be noted that most of these cities already have green-certified buildings and are leading the way towards sustainable development.



5

Annexure

Annexure

CBRE's Cost of Living Index, 2022

The focus of CBRE's Cost of Living Index, 2022 is to ascertain the liveability based on average expenses one could incur on basic necessities in the top ten tier-II cities. We considered the fundamental parameters viz., food, shelter, transport, utilities and entertainment based on which the cost of living index has been categorised as low, medium and high. Each parameter has been allocated due weightages.

CBRE's Industrial Presence Index, 2022

The focus of CBRE's Industrial Presence Index, 2022 is to analyse the footprint of industries in the top ten tier-II cities. We considered the number of industrial parks, MSMEs and small scale industries present in each of these cities based on which the index has been categorised as low, medium and high. Each parameter has been allocated due weightages.

NITI Aayog's Sustainable Development Goals (SDG) Urban Index 2021:

The Sustainable Development Goals (SDG) Urban Index 2021 is a progress monitoring tool at the Urban Local Body (ULB) level, designed and developed by NITI Aayog. The index consists of 56 ULBs and 77 indicators. Out of 56 urban units, 44 have a population of above one million. The remaining 12 are capital cities with population of less than a million. The indicators cover the sectors of economic growth, industry, infrastructure, urban development, climate action, clean energy, health, forests, education, poverty reduction, nutrition, women empowerment, water & sanitation, reduced inequalities and governance. The data for these indicators is sourced from various official portals such as National Federation of State High School Associations (NFHS), National Crime Records Bureau (NCRB), Unified District Information System for Education (U-DISE), data portals of ministries and other government data sources.

For this report, we have considered key indicators such as health & wellbeing, education quality, decent work & economic growth, industry innovation & infrastructure, affordable & clean energy, climate action, sustainable consumption & production patterns and sustainable cities & communities to gauge the performance of the top ten tier-II cities.

Disclaimer

- The policy analysis slides for each city are based on CBRE's direct / indirect interpretation of the policy document sourced from the state website and CBRE cannot be held liable for any alternate conclusions. In case of any amendments / updates / changes in the policy/s, CBRE would not be held responsible for any change in interpretations given in the report. We have considered only key instances of state policies which could be facilitators for the office and retail sectors and may not be exhaustive. All city infrastructure updates pertaining to status, timelines and other details are latest facts from secondary sources which we believe to be accurate.
- Details of office buildings, malls, retailers, occupiers, developers, economic drivers, manpower strengths, investment & other announcements / mentions are only instances mentioned in the report and are from secondary sources which we believe to be accurate. CBRE cannot be held liable for any revisions to the aforementioned data in our report. In this report we have covered Grade-A, private developer activity for office and retail sectors in completed assets on best-effort basis only. The rents and CAM charges mentioned in the report are indicative - average quoted micro-market prices and may differ on a case-to-case basis.
- There is a significant risk that COVID-19 may directly or indirectly result in a period of economic uncertainty which could impact the Indian real estate market. The real estate sector has been impacted due to the response by the government and local authorities including home quarantine, restriction on travel and closing of borders. The longer the pandemic continues, the greater (and yet unknown or quantifiable) impact it will have on most, if not all, segments of the real estate sector. However, since the situation remains fluid for now despite the ongoing vaccination drive, it is tough to accurately estimate the extent of impact this will have on the real estate market and will largely depend on both the scale and longevity of the pandemic in India and across the world. This inherent risk factor should be considered before relying on our report. Caution is advised in this regard. We, therefore, recommend that the report be kept under regular review and that specific market advice be obtained should you wish to effect a future transaction.
- Additionally, any regional or sectoral conclusions may differ and may not be fully applicable to individual stakeholders and should be looked upon from a case-to-case perspective. Local dynamics may also result in a difference of results for individual entities due to the type, scale and location of operations. There may also be a change in stakeholder sentiments post discovery of new variants, infection spikes, lockdown restrictions or any other adverse event which may lead to varying results in the future.
- Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short-term impact and long-term structural changes, we recommend that the reader keeps the results of this report under frequent review. Stakeholder sentiments and thereby behavior may change more rapidly and significantly than during standard market conditions in these uncertain times. Consequently, less certainty – and a higher degree of caution – should be attached to our report than would normally be the case. In this environment, we have considered / relooked at several performance parameters and have adopted heuristic / careful analysis of our projected trends based on our view as of this date. For the avoidance of doubt, the inclusion of the above disclaimers does not mean that this report cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the results than would otherwise be the case. This material uncertainty is to serve as a precaution and thus does not invalidate the results.

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