

Pulse: Monthly Real Estate Monitor

October 2023



Overview



Office Index

Demand for office space increased in most cities



Retail Index

Retail space take-up in shopping malls remained stable



Residential Index

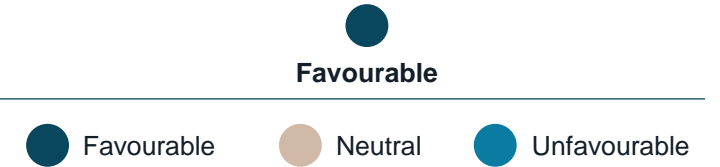
New launches remain stable in most cities



Realeconomics

Strong demand for infrastructure investment, attractive returns, and favorable government policies have pushed fund mobilization through listed REITs and InvITs to INR 18,658 cr in the April-September period of the current fiscal.

Market sentiment



What's new

Backed by strong residential sales and collections from customers, real estate developers are not utilising credit lines sanctioned by their lenders including banks, housing finance companies and non banking finance companies (NBFCs) for construction finance. Top developers are not utilising 70 to 80 % of credit lines sanctioned by banks and other finance companies as they are posting record residential sales.

Policy update

The land disposal policy for the Sabarmati Riverfront Development Corporation (SRFDCL) has been approved and according to which developers will be able to purchase land development rights in the divided eight value zones, and the value of the land will be evaluated according to the building's footprint on respective plots.

Unlocking Opportunities with Infrastructure Development

In keeping with the winds of change around the country, Maharashtra has taken remarkable strides towards rapid economic development through its extensive infrastructure development plan. The impact of these infrastructure initiatives extends significantly to the real estate sector, benefiting all major asset classes. In particular, increased economic activity, driven by infrastructure investments, has led to a growing demand for housing. Against this backdrop, this report explores the major infrastructure projects being implemented in Maharashtra and analyzes their economic benefits by focusing on its two biggest economic centres – Mumbai and Pune.

In Mumbai, average travel time is expected to reduce by 50% over the next 5 years. The realization of the infrastructure development plan can herald a new era for public transportation in Mumbai. The upcoming developments will improve east west connectivity, connect areas not served by the suburban rail and reduce travel time between residential and commercial hubs by driving a modal shift away from motorized vehicles. The modal share of public transport is expected to increase from 65% in 2016 to 75% in 2030. Resultantly, the average travel time within the city is expected to reduce by 50% over the next five years. The Mumbai market witnessed a strong recovery in sales, with 2022 surpassing 2018, both in terms of sales value and sales volume. In 2023, sales of residential units in Mumbai is expected to increase further and residential sales value is likely to breach the INR 1 lac crore mark.

In Pune, massive push towards establishing an integrated multi-modal transportation system. Currently, only about 20% of the population of Pune City uses public transit. In order to propel Pune into the next phase of growth, the focus needs to be on enhancing the city's urban infrastructure. In the coming years, substantial investments are slated to be made towards the construction of metro rail links, a new airport terminal, and a ring road. The main objectives are to alleviate traffic congestion, encourage the use of public transport, develop last-mile connectivity, and establish an integrated multi-modal transportation system. In 2023, Pune residential market is expected to cross INR 40,000 crore in sales value terms. The Pune market witnessed a strong recovery in sales in 2022. In 2023, sales of residential units in Pune is expected to increase further and residential sales value is likely to cross INR 40,000 crore.

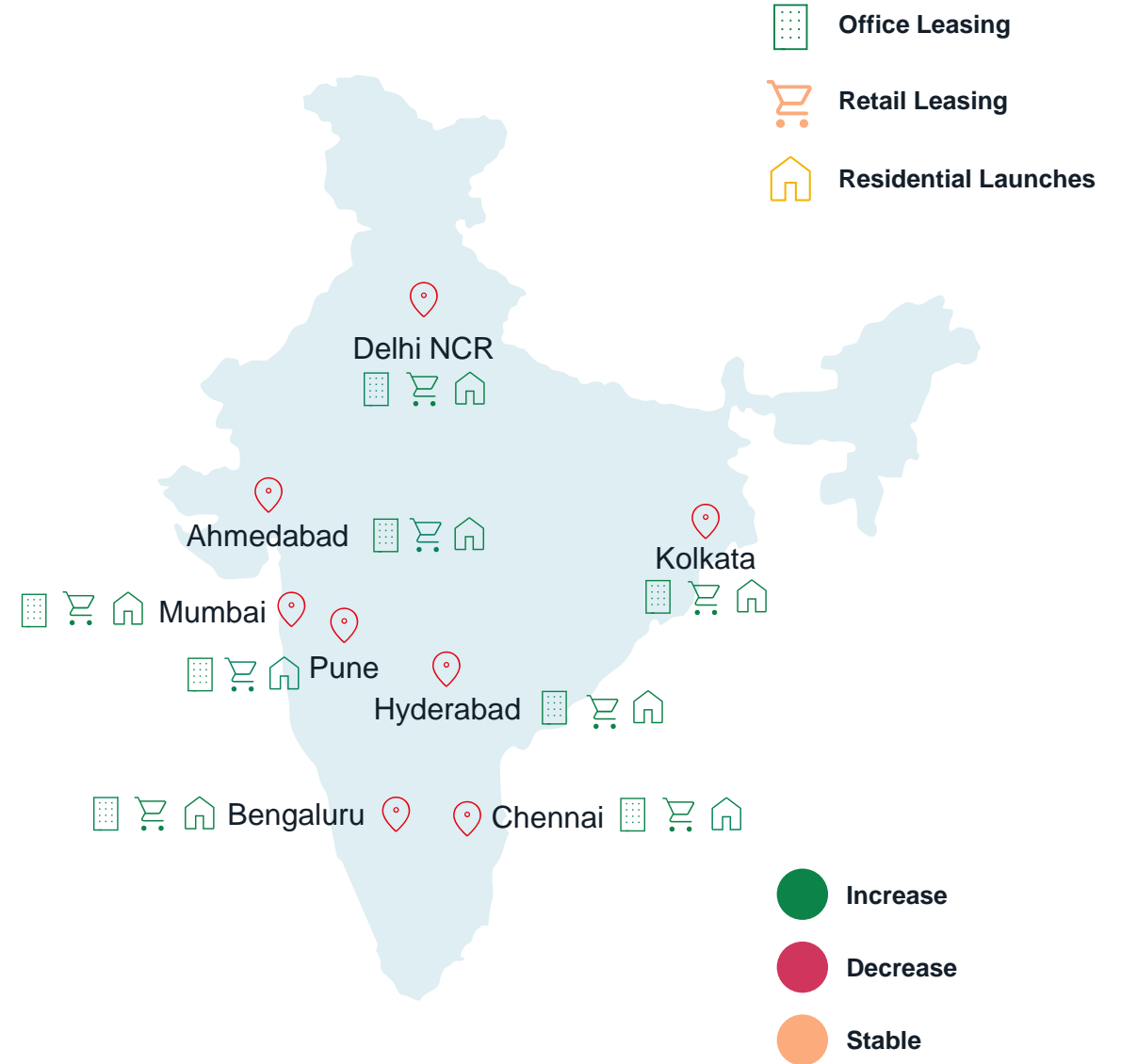
Take care and stay safe.

Dr. Samantak Das

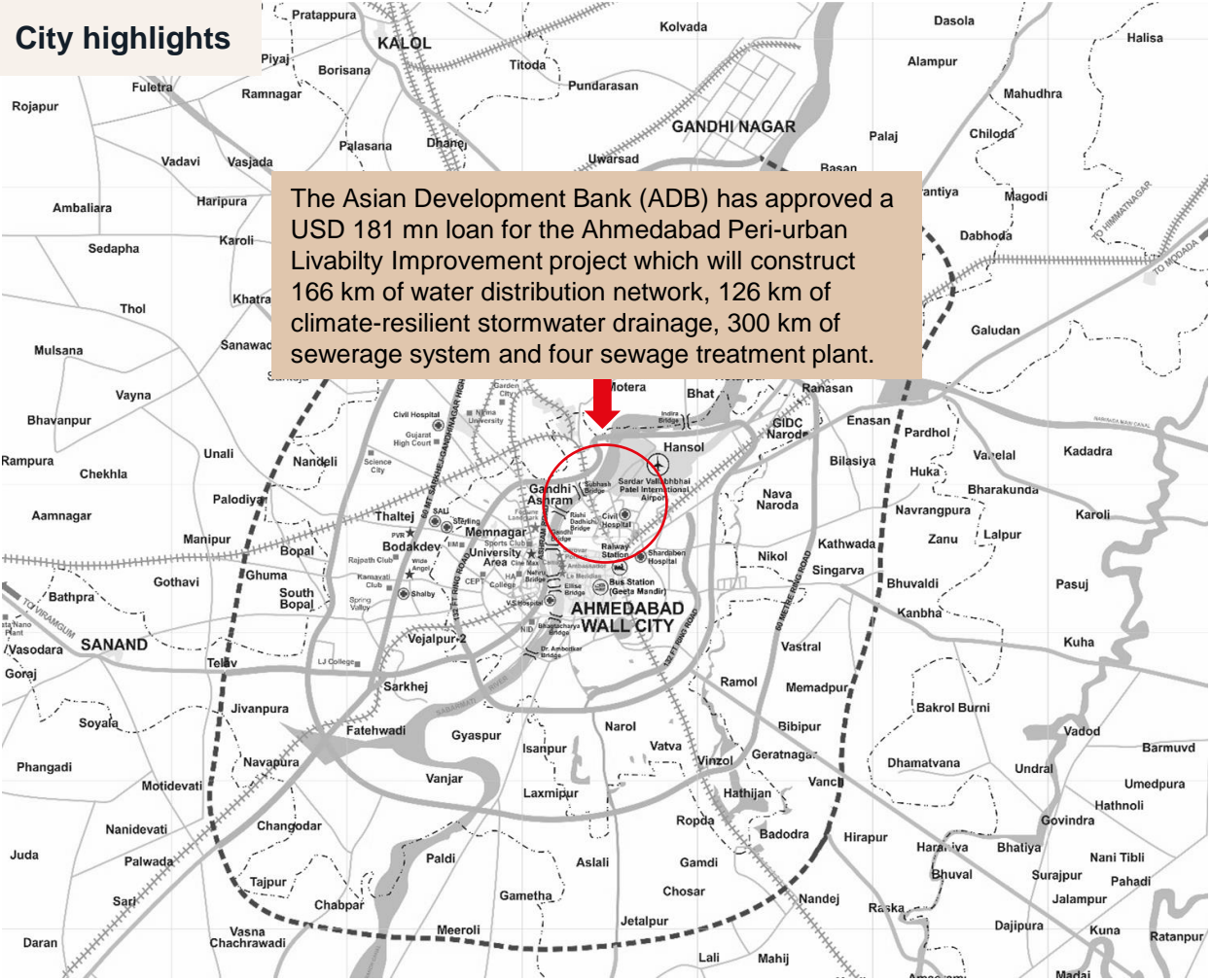
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Weather map

Cities	Office rent	Retail rent	Residential capital value
Ahmedabad	☀️	☀️	☀️
Delhi NCR	☀️	☀️	☀️
Mumbai	☀️	☀️	☀️
Pune	☀️	☀️	☀️
Bengaluru	☀️	☀️	☀️
Chennai	☀️	☀️	☀️
Hyderabad	☀️	☀️	☀️
Kolkata	☀️	☀️	☀️
Legend			
Growing	Stable	Stagnant	Falling
☀️	☀️ ☁️	☁️	☁️ *



Ahmedabad



Office 


Demand for office space remain stable.

Key transaction: Simpolo leased space in SBD.

Retail 


Sustained demand witnessed for malls and Highstreet.

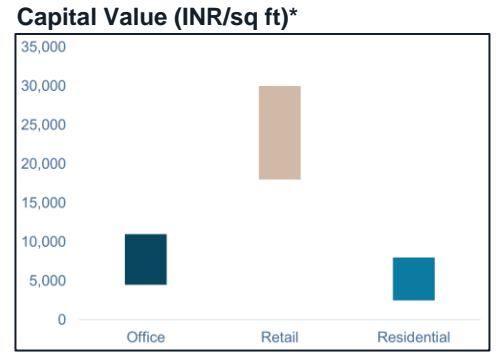
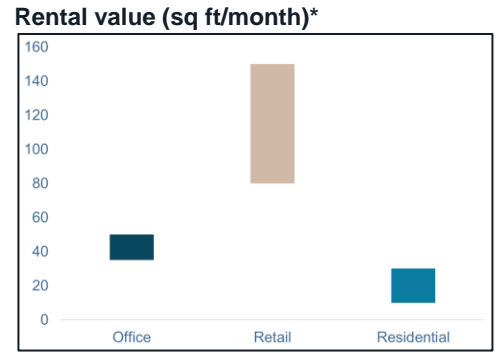
Key transaction: Hamleys Play leased space in SBD.

Residential 

Sales decreased while launches remained stable.

Key launch: Trinity Sky launched in Bopal.

 Infibeam Projects Management Pvt Ltd, a subsidiary company of Infibeam Avenues Ltd, has bought Sintex Group corporate house from an Aditya Birla Group finance company having 7000 sq mt of plot and 4.20 lac sq ft of constructed property for between INR 90 – 100 cr.



*The above graphs show the values in ranges

Infrastructure / policy update

The land disposal policy for the Sabarmati Riverfront Development Corporation (SRFDCL) has been approved and according to which developers will be able to purchase land development rights in the divided eight value zones, and the value of the land will be evaluated according to the building's footprint on respective plots.

Bengaluru

City highlights

Urban Vault, a managed office space provider, plans to expand its presence in Bengaluru by adding 10,000 co-working seats in various micro-markets.

Qualcomm has leased 6.21 lac sq ft of office space in Bagmane Capital in Bengaluru.

Office



Demand for office space remained strong in prime submarkets.

Key transaction: Mphasis absorbed space at SBD South

Retail



The Phoenix Mall of Asia has become operational in Hebbal.

Key transaction: Time Zone opened at Hebbal

Residential



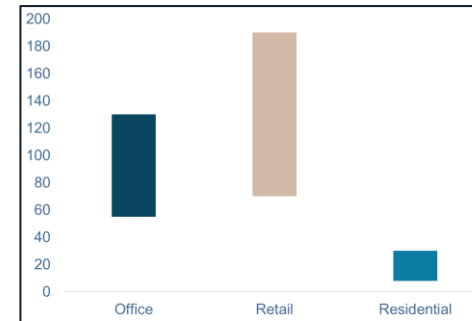
New launches are improved.

Key launch: Sobha Neopolis launched at Whitefield.



No new major transaction recorded.

Rental value (INR/ sq ft/ month)*



Capital value (INR/ sq ft/ month)*



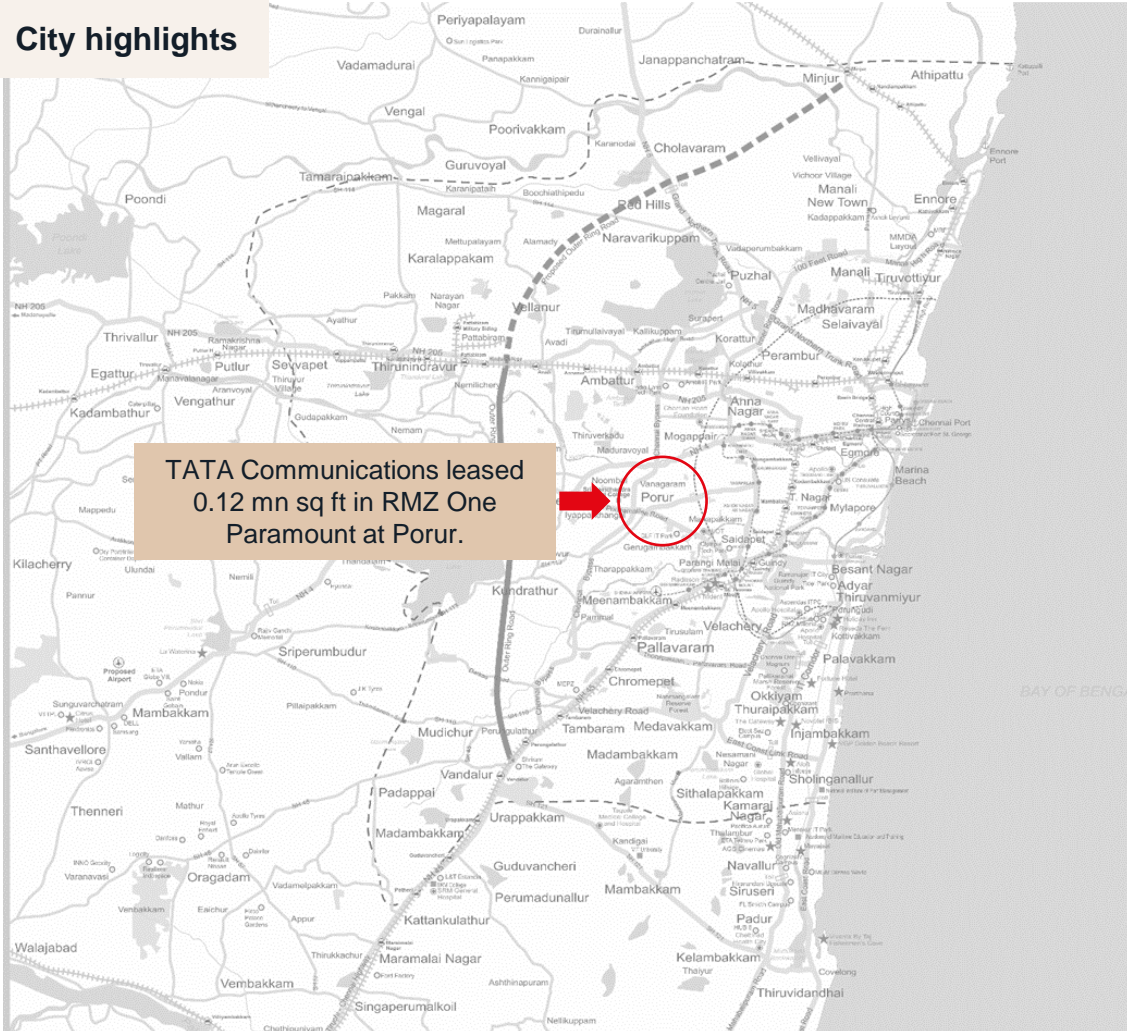
*The above graphs show the values in ranges

Infrastructure / policy update

The Krishnarajapuram – Baiyappanahalli and Kengeri–Challaghatta stretches of Bangalore Metro's Purple Line have become fully operational.

Chennai

City highlights



Office



Leasing activity remained strong, with SBD leading the way.

Key transaction: Valeo leased space in PBD OMR.

Retail



Healthy traction was observed in few prominent main street.

Key transaction: Shoppers Stop sets up store at Vadapalani

Residential



Launches and Sales remained healthy.

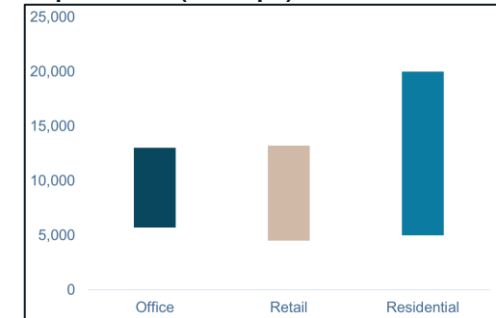
Key launch: Casagrand Palm Springs launched in Southern suburbs.

No new major transaction.

Rental value (INR/sq ft/month)*



Capital value (INR/sq ft)*

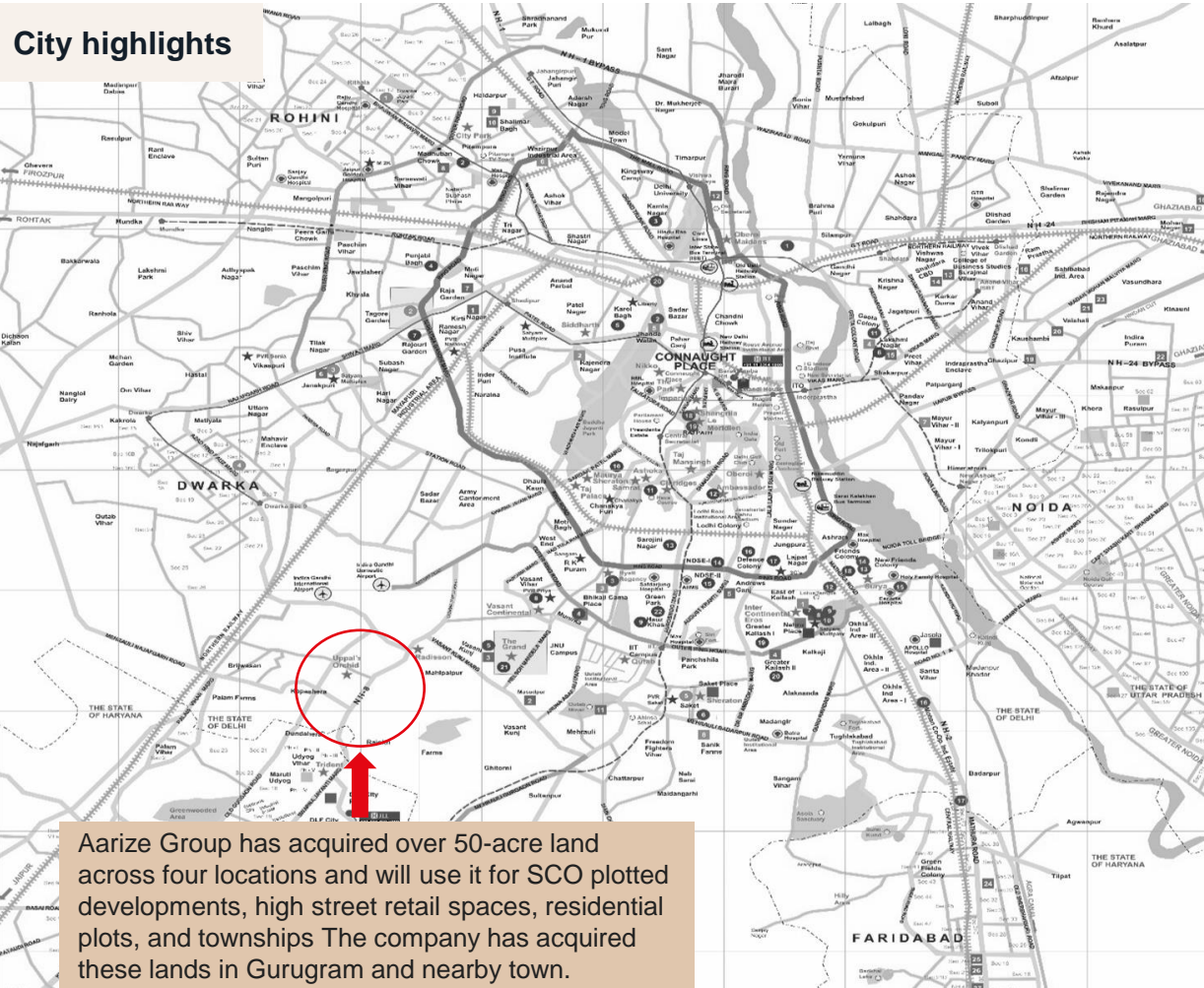


*The above graphs show the values in ranges

Infrastructure / policy update

No new policy or infrastructure updates.

Delhi NCR



Office

Office leasing momentum remained strong

Key transaction: Smartworks leased space in NH8.

Retail

Healthy leasing activity in malls

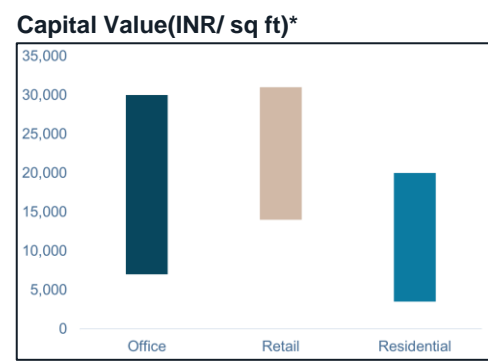
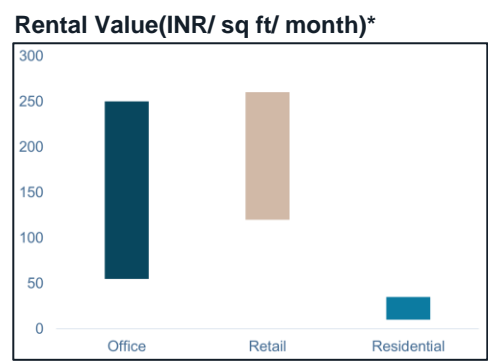
Key transaction: Uniqlo leased space at NIT in Faridabad

Residential

Growth in sales supported by increased launches

Key launch: Godrej Arista in Sector 79, Gurugram

Hero Realty Pvt Ltd has entered a new joint venture (JV) agreement with Gurugram-based Saheb Enterprise to embark on the development of a premium residential complex in sector 104, Gurugram.



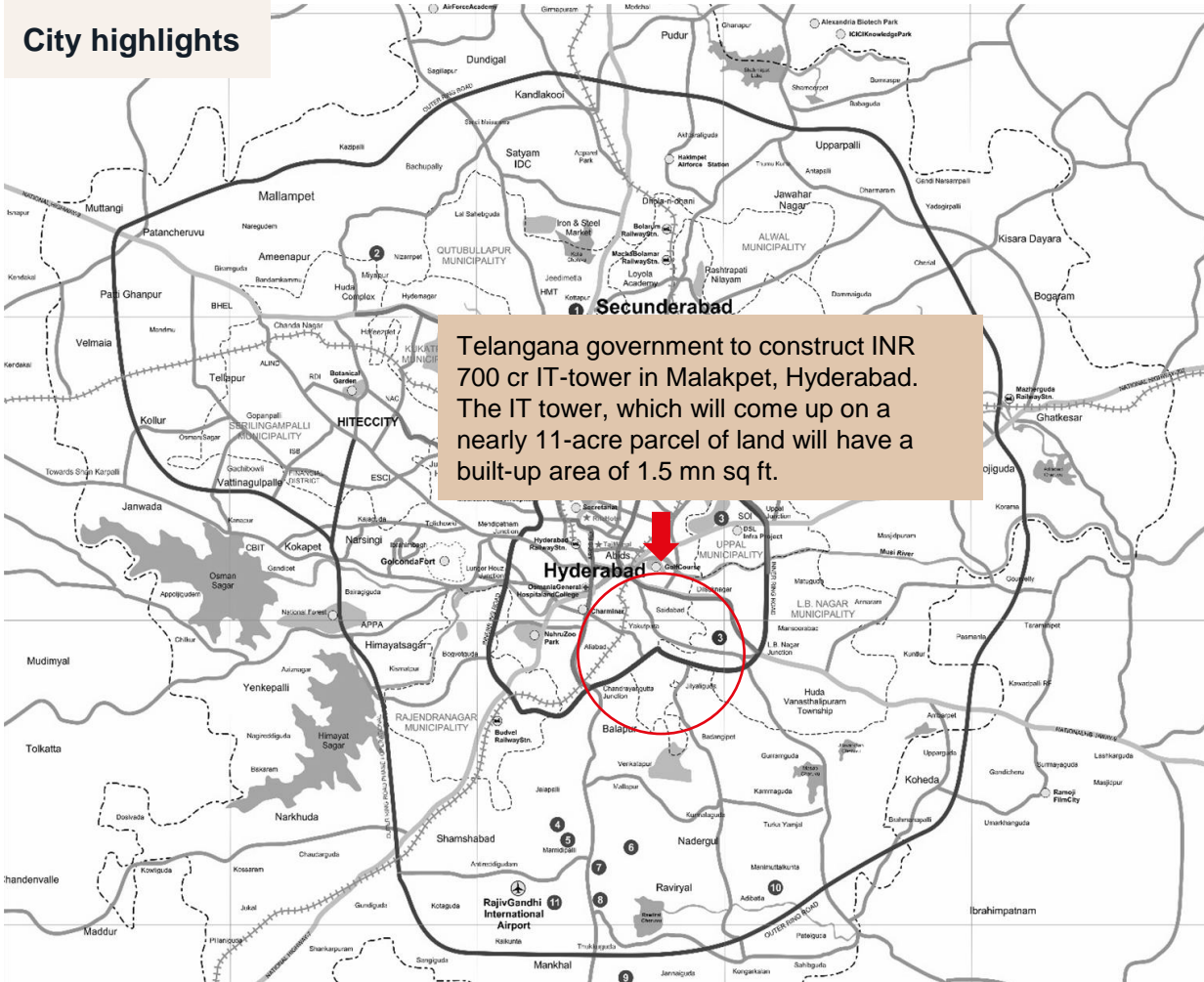
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Infrastructure / policy update

Lieutenant-Governor V.K. Saxena has approved the acquisition of land parcels for long-pending and critical Delhi Metro lines in the city, such as the Aerocity-Tughlakabad, Janakpuri West-R.K. Ashram, and Rahat Ganj-Roshanara Road-Pul Bangash corridors.

Hyderabad

City highlights



Office



Office leasing remains buoyant, Hitec City dominates the leasing activity.

Key transaction: HSBC leased space at Hitec City.

Retail



Retail leasing in malls and high streets continued to witness higher traction.

Key transaction: H&M leased space in Next Premia Mall in Prime Central.

Residential



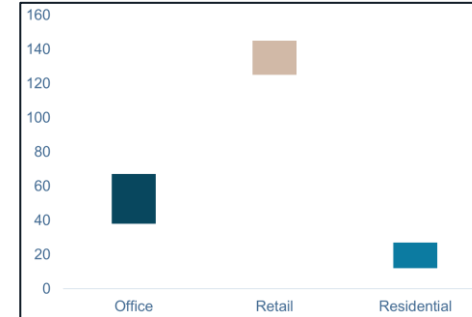
Launches and sales remained stable.

Key launch: Brick Marvella at Tellapur.



Brigade Enterprises acquired 9.71 acres of land in Hyderabad for INR 660.28 cr via an e-auction conducted by the Hyderabad Metropolitan Development Authority (HMDA). The Brigade Enterprises will be developing residential on this land parcel with an overall development of nearly 1 mn sq ft with an overall revenue potential of INR 800 cr.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*

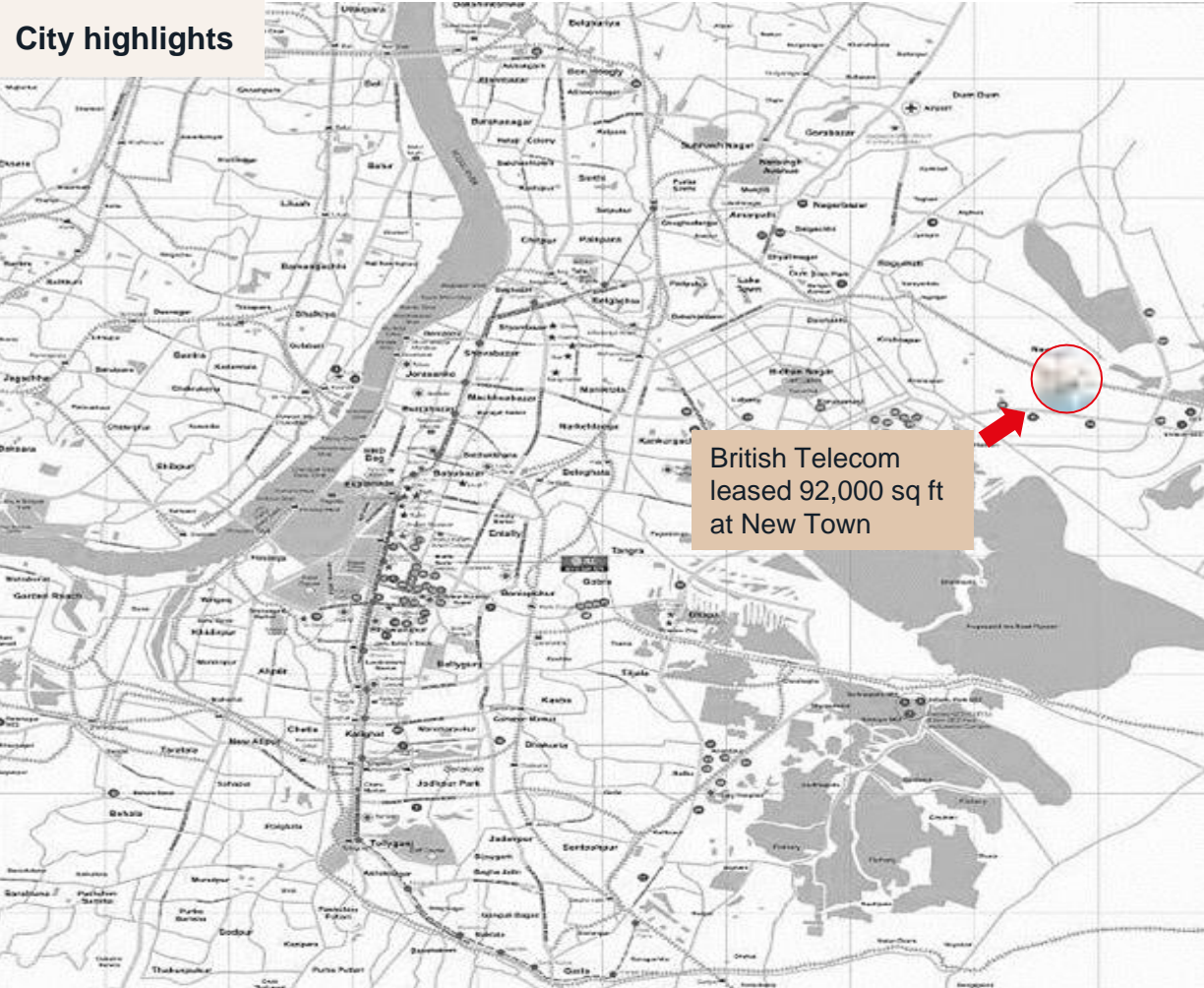


*The above graphs show the values in ranges

Infrastructure / policy update

No new policy/infrastructure update.

Kolkata



City highlights

Office



Healthy leasing offtake.

Key transaction: British Telecom leased space at New Town.

Retail



Moderate leasing in malls. High street was preference.

Key transaction: Melorra inaugurated a store at Camac Street.

Residential



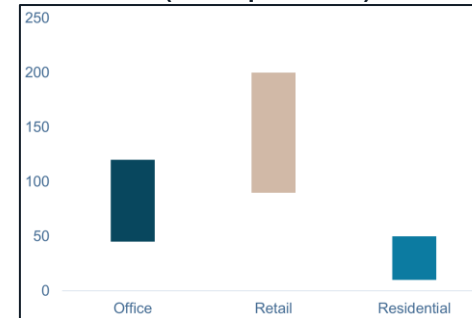
Strong launches and sales.

Key launch: Phase II of Urbana Township near EM Bypass at East Kolkata.



Haldia Petrochemical Limited (HPL) announced investment of INR 3,000 cr on setup of new factories at Haldia in East Midnapore district.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



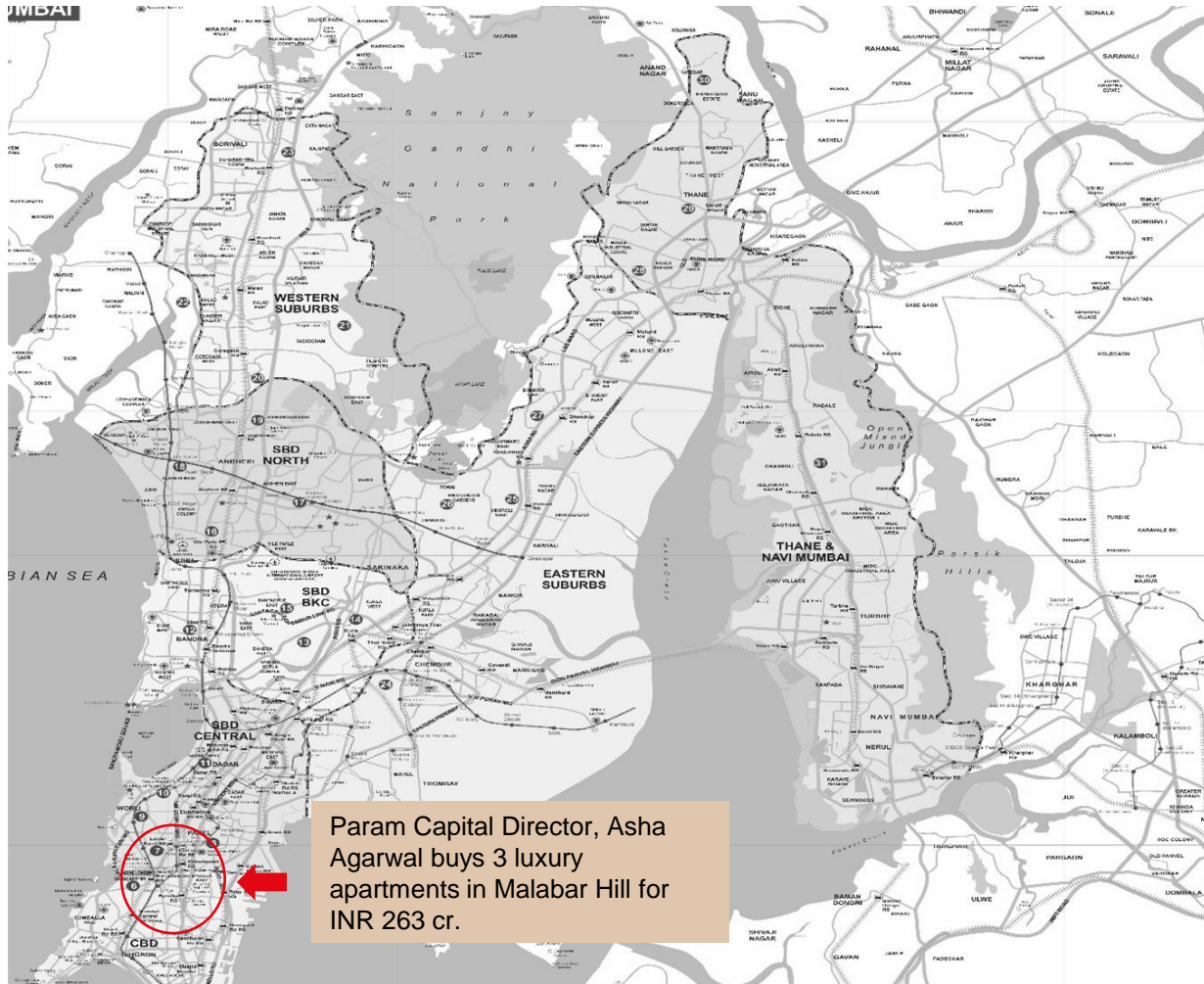
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Infrastructure / policy update

Syama Prasad Mookherjee Port (SMP), announced offering 60 acres of its land in Kolkata for setting up West Bengal's first multi-modal logistics park (MMLP). Located just 2km from the riverine docks..

Mumbai

City highlights



Office



Demand increased on the back of increased leasing volume.

Key transaction: IMCD India leased space in Dadar.

Retail



Increased leasing activity led to healthy demand.

Key transaction: UNIQLO leased space in Kurla.

Residential



The new launches remained stable while sales were moderate.

Key launch: Empire Stella in Borivali.



- Listed real estate developer Macrotech, which operates under the Lodha brand name, has signed a development agreement for development in the free sale component of a slum rehabilitation project in Mumbai's Worli area. The total agreement market value of the deal is INR 359.48 cr.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



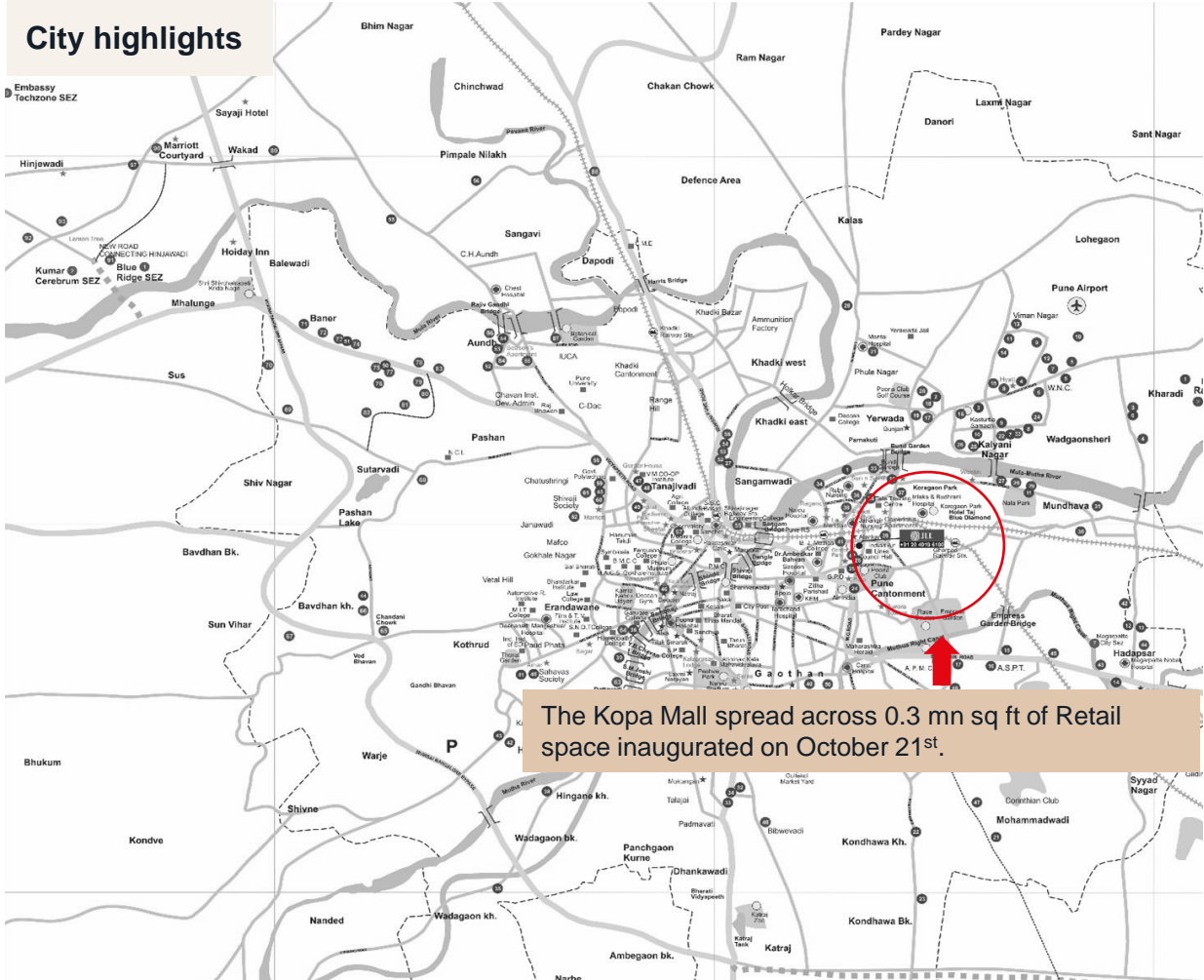
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Infrastructure / policy update

- The trial runs for Phase 1 of Mumbai Metro Line 3 is likely to start in November-2023.

Pune

City highlights



Office



Office space take-up decreased.

Key transaction: Yazaki leased space in Bund Garden in CBD sub-market.

Retail



Demand in retail malls remained stable.

Key transaction: Tata Cliq Palette leased space in Koregaon Park in the Prime city sub-market.

Residential



New launches increased.

Key launch: Godrej River Royale launched in Mahalunge.



No notable transaction

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / policy update

The PMRDA has proposed that areas closer to the third Metro line should be charged 100% additional development charges while those in interior areas should be charged either 75% or 50%, depending on their growth potential.



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