

# Pulse: Monthly Real Estate Monitor

February 2024

 JLL SEE A BRIGHTER WAY



## Overview



### Office Index

Demand for office space increased in most cities



### Retail Index

Retail space take-up in shopping malls increased in most cities



### Residential Index

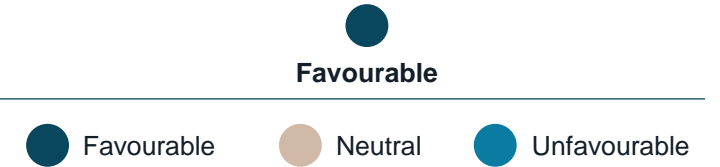
New launches went up in most cities



## Realeconomics

ASK Property Fund, the real estate private equity arm of Blackstone-backed ASK Asset & Wealth Management Group, will invest INR 120 cr in TREVOC's luxury residential project in Gurugram. TREVOC will be investing INR 80 cr in the project

## Market sentiment



## What's new

The Haryana government has approved the proposal for equal ownership of the upcoming Gurugram Metro Rail Limited with the Government of India. The Gurugram Metro Rail project, encompasses a 26.65-km metro extension loop from Huda City Metro station to Cyber Hub. This INR 5,452 cr initiative is designed to cover the entire old Gurugram region, including a strategic 1.85 km spur to the Dwarka Expressway.

## Policy update

The Karnataka Budget for the financial year 2024-25 has outlined plans to expand the Namma Metro. The state government has decided to expand the metro route to Tumakuru and Devanahalli covering approximately 15 km in north Bengaluru.

# Land transactions in India

The year 2023 stands out as a record-breaking year for real estate across all asset classes reflected by the strong performance indicators of both demand and supply. As the real estate sector continues its journey on a steep growth curve, developers are building a robust supply pipeline by investing in acquisition of land across the country. A total of 1,947 acres of land valued at INR 32,203 crore in 111 separate deals were acquired by real estate developers in 2023 as compared to 1,603 acres in 2022 (valued at INR 18,112 crore), up by 21% Year-on-Year (Y-o-Y). The land acquired has a development potential of ~176 million sq. ft.

The average transacted value of land has touched INR 16.5 crore per acre in 2023, up by 46% as compared to the previous year. This staggering increase is attributable to higher land transactions in Tier 1 cities and established prime micro markets. In addition, Mumbai Metropolitan Region (MMR), the most expensive real estate market in the country doubled its share in total land area transacted in India from 7% in 2022 to 15% in 2023 and contributed significantly to this increase in per acre transacted value.

In 2023, Delhi NCR led both in terms of number and area of land deals, with 415 acres acquired across 36 separate transactions valued at approximately INR 9,120 crore. Select established players acquired multiple land parcels across Delhi NCR. Bengaluru followed Delhi NCR, with close to 305 acres of land acquisitions across 14 separate transactions valued at INR 3,412 crore.

MMR saw 24 separate land deals spread over 289 acres valued at INR 11,222 crore – the highest in the country. This translates into average transacted value of INR 39 crore per acre, which is 2.3 X of the average pan India land value. In Chennai, a total of 209 acres of land was acquired valued at INR 1,220 crore across 8 separate deals.

Out of the 1,947 acres acquired in 2023, 1,365 acres (~70%) was acquired for proposed residential projects with a development potential of around 130 million sq. ft. These residential developments would likely have an estimated sales potential of INR 138,750 crore.

Going forward in 2024, we expect land transactions to remain steady with developers expanding their land banks on the back of expected moderation in interest rates, growing demand for housing and support from institutional funding agencies. Infrastructure changes, specially enhanced metro connectivity between various micro-markets, will throw up new pockets of growth within each city.

Take care and stay safe.

**Dr. Samantak Das**

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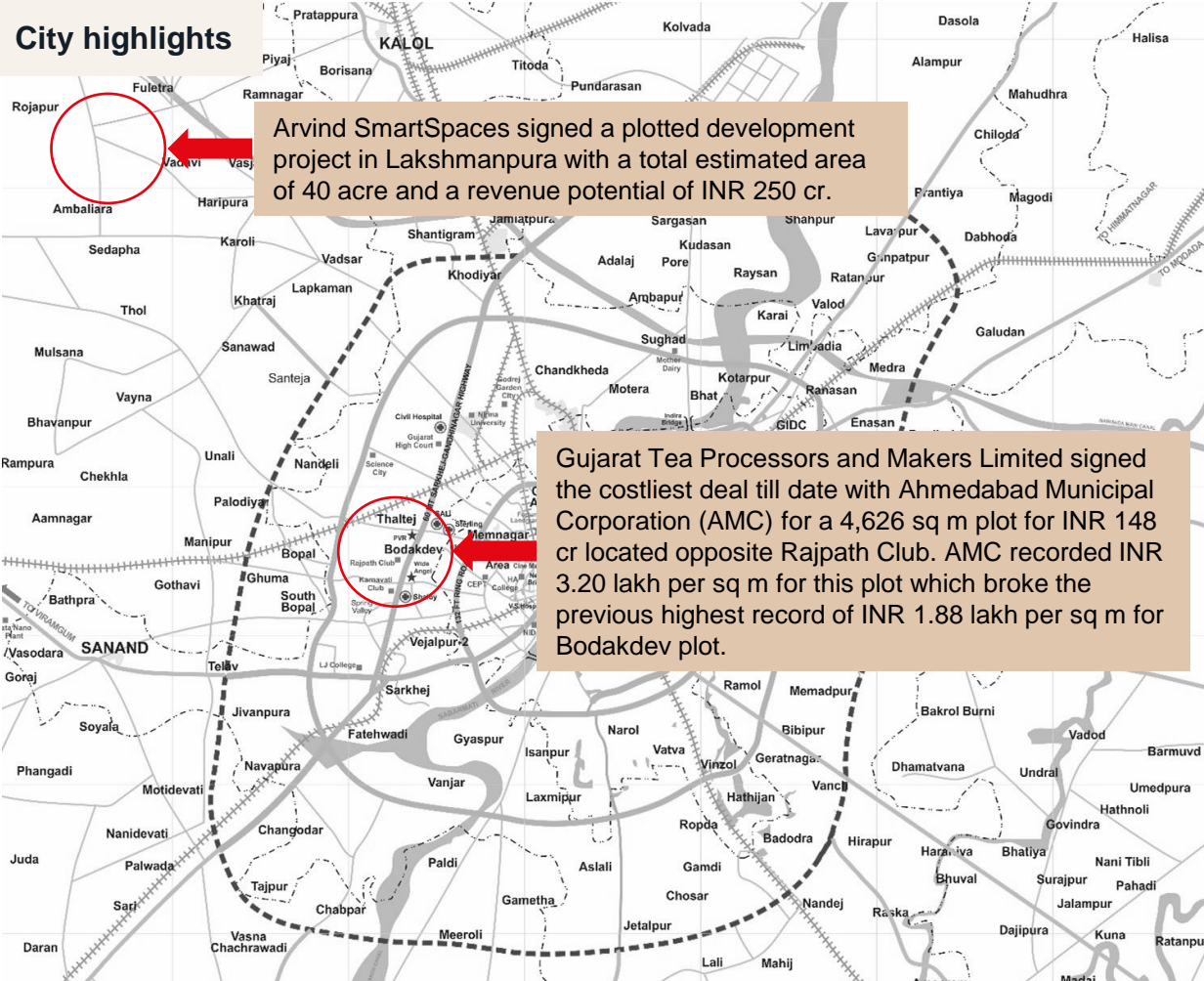
# Weather map


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





# Ahmedabad



**Office** 


Improved demand witnessed for office space.

**Key transaction:** GoDigit Insurance leased space in CBD.

**Retail** 


Sustained demand witnessed for malls and Highstreet.

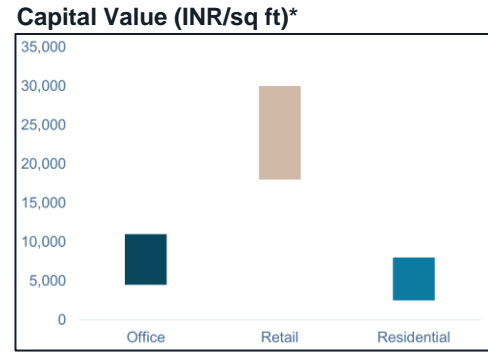
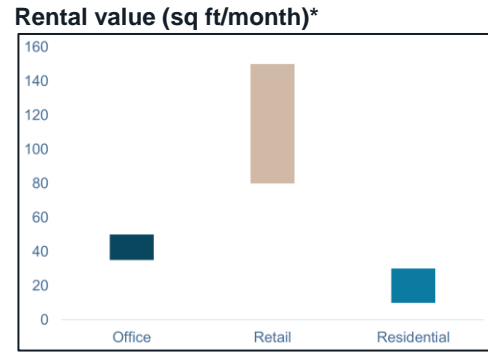
**Key transaction:** Zara leased space in SBD.

**Residential** 

Sales and launches remained stable.

**Key launch:** Green Garnet launched in Shela.

 No major transaction was recorded.



\*The above graphs show the values in ranges

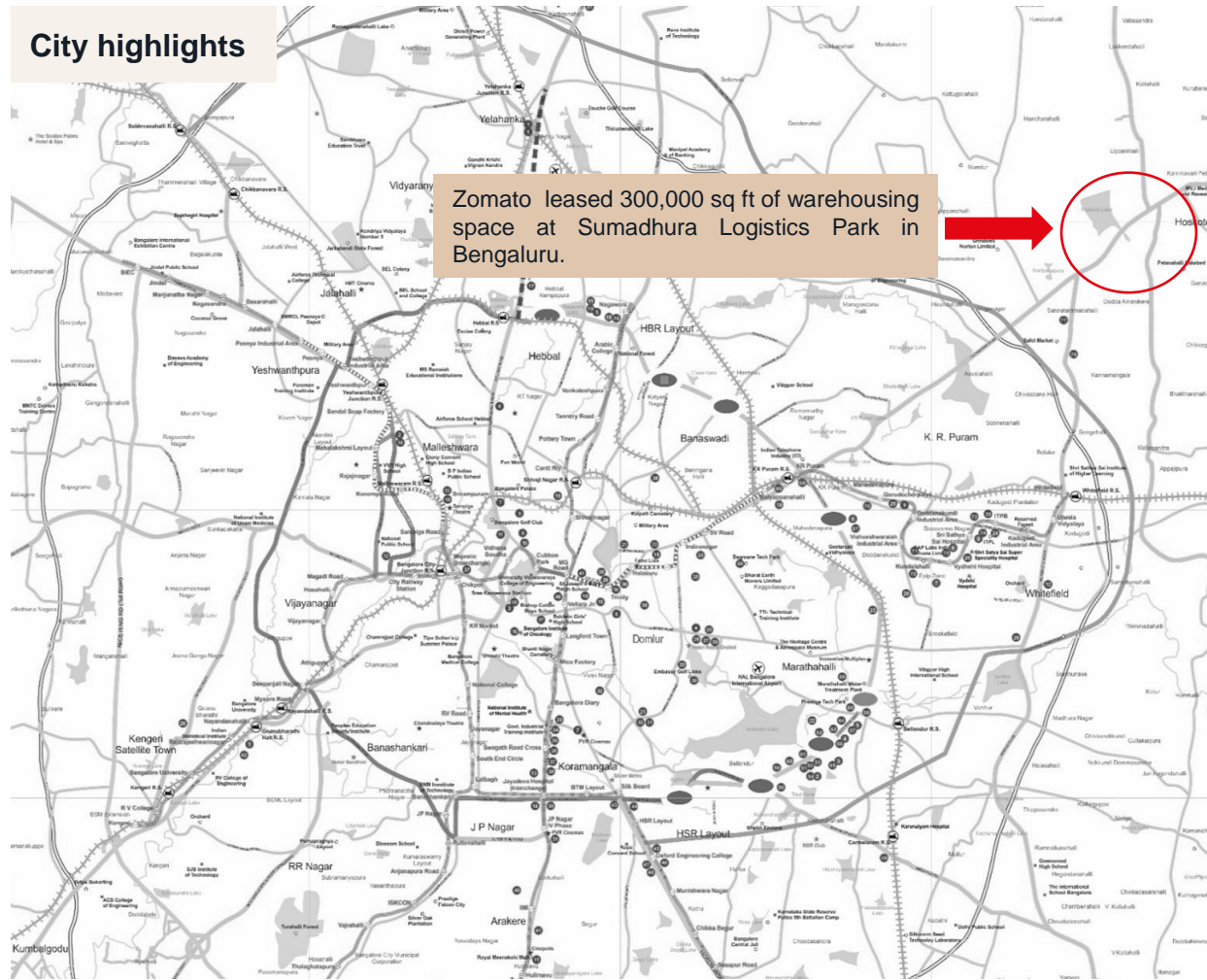
**Infrastructure / policy update**

No major infrastructure or policy were recorded.

# Bengaluru

## City highlights

Zomato leased 300,000 sq ft of warehousing space at Sumadhura Logistics Park in Bengaluru.



### Office



Office spaces in prime markets witness sustained demand.

**Key transaction:** Atlassian leased space in Doimur.

### Retail



High street leasing activity in the secondary submarket continued to remain active.

**Key transaction:** Wooden Street leased space at KIA Airport Road.

### Residential



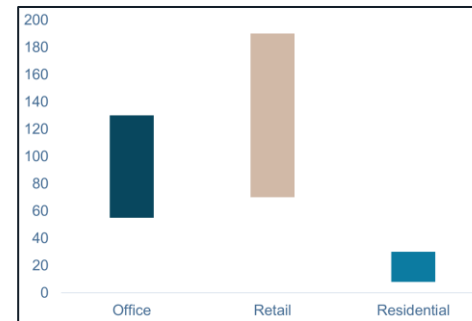
Residential launches by reputed developers remained healthy.

**Key launch:** SNN Estates Felicity launched in Jakkur.



Brigade Group plans to develop more than 6.5 million sq ft of residential projects in Bengaluru and Chennai with an investment of INR 2,700 Cr.

### Rental value (INR/ sq ft/ month)\*



### Capital value (INR/ sq ft/ month)\*



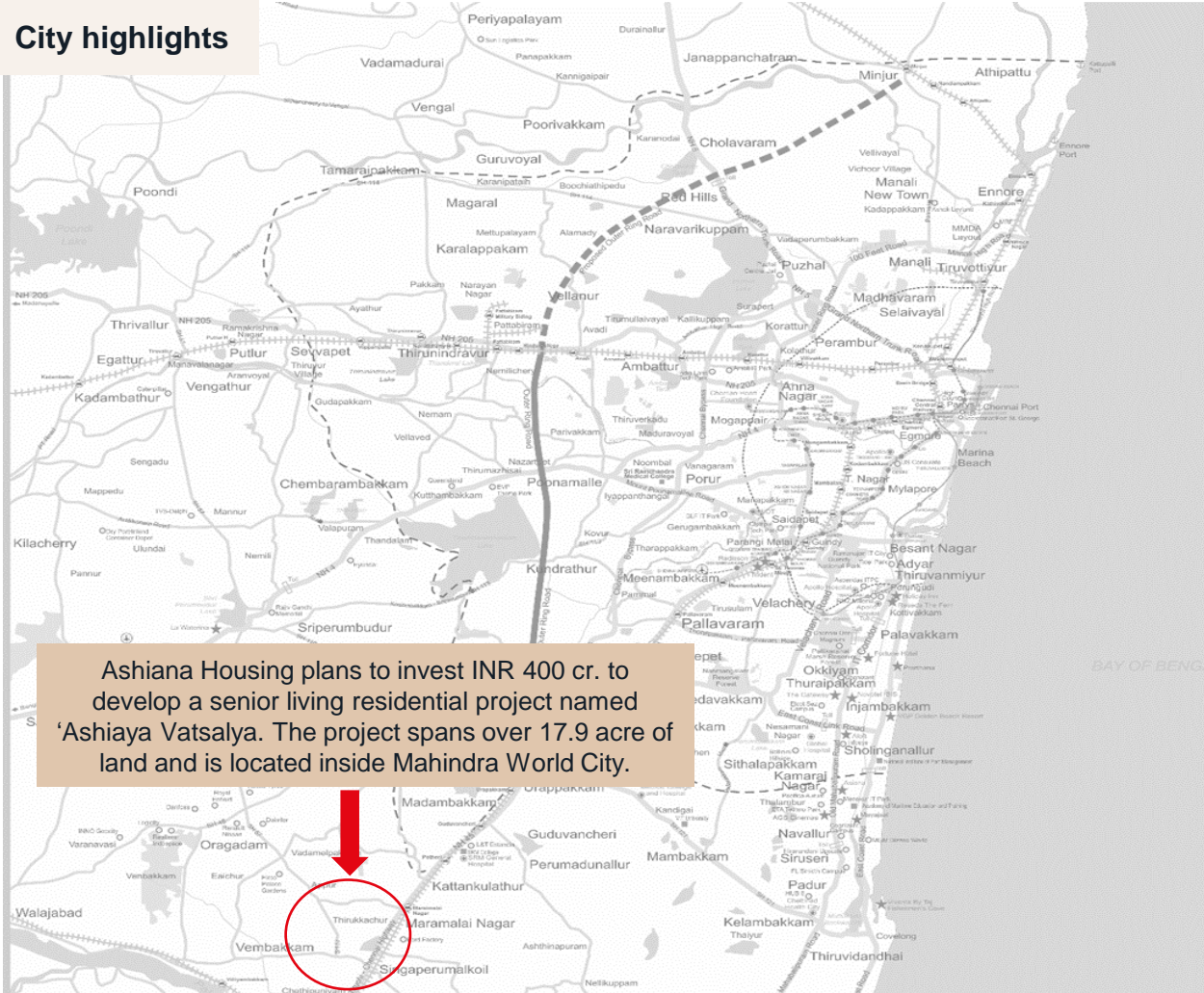
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### Infrastructure / policy update

The 2024 – 25 Karnataka state budget includes plans to expand the Bengaluru metro to Tumakuru and Devanahalli.

# Chennai

## City highlights



### Office



Sustained leasing activity, driven by SBD OMR sub-market.

**Key transaction:** Table Space leased space in SBD OMR.

### Retail



Leasing activity across major malls and highstreets remain muted.

**Key transaction:** No major transactions recorded.

### Residential

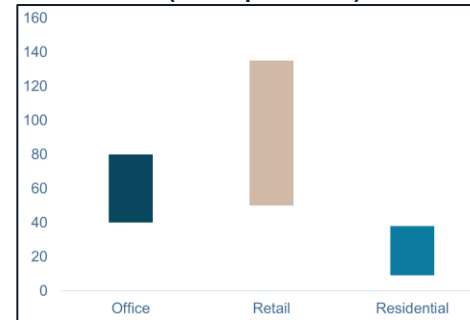


Sales and new launches remained stable.

**Key launch:** Casagrand Sun City Phase 1 launched in Vandalur.

No major transaction was recorded.

Rental value (INR/sq ft/month)\*



Capital value (INR/sq ft)\*



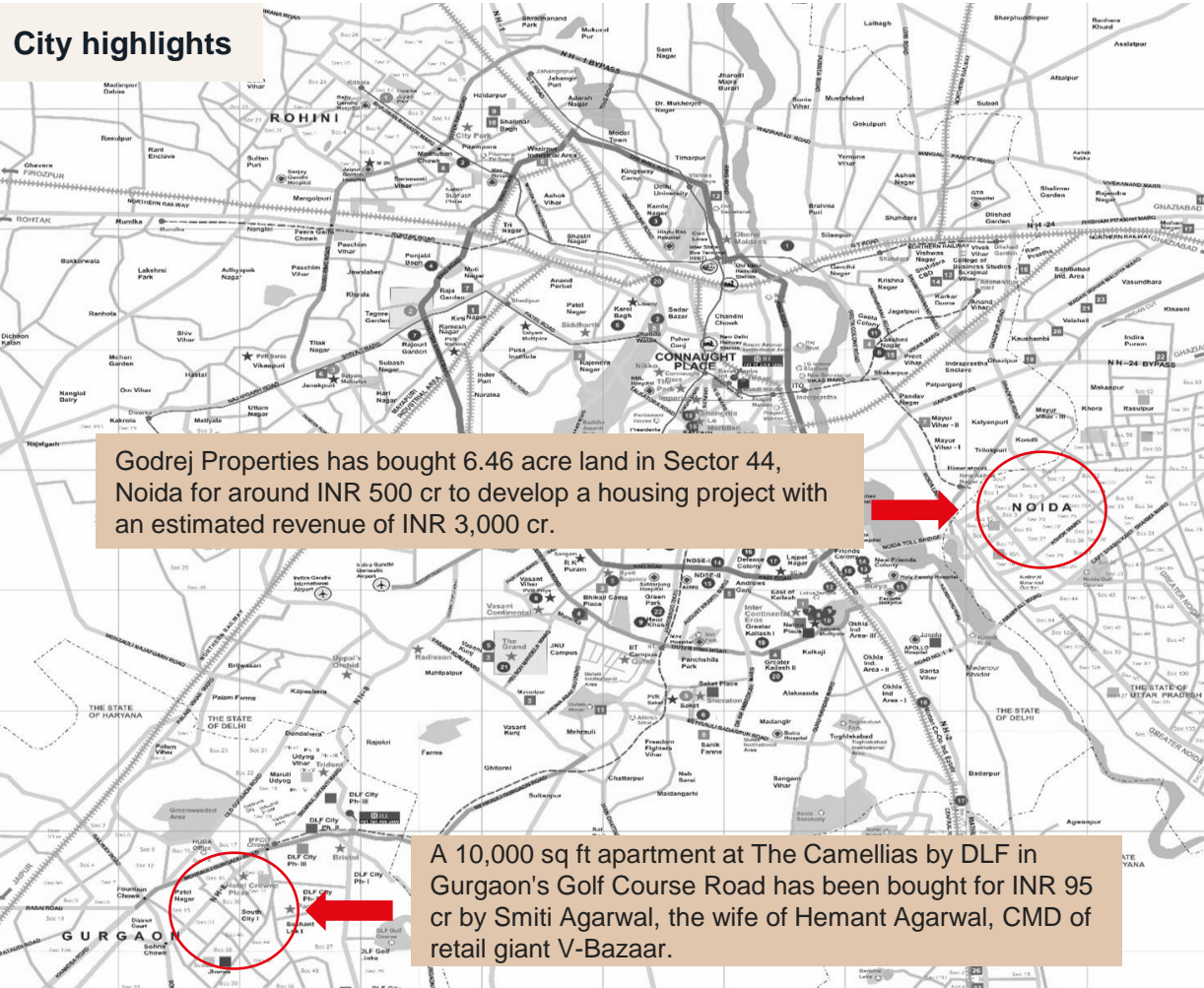
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### Infrastructure / policy update

No major infrastructure or policy update were recorded.



# Delhi NCR



**Office**

Office leasing momentum remained strong

**Key transaction:** Stashfin leased space in Golf Course Extension Road

**Retail**

Healthy retail leasing recorded.

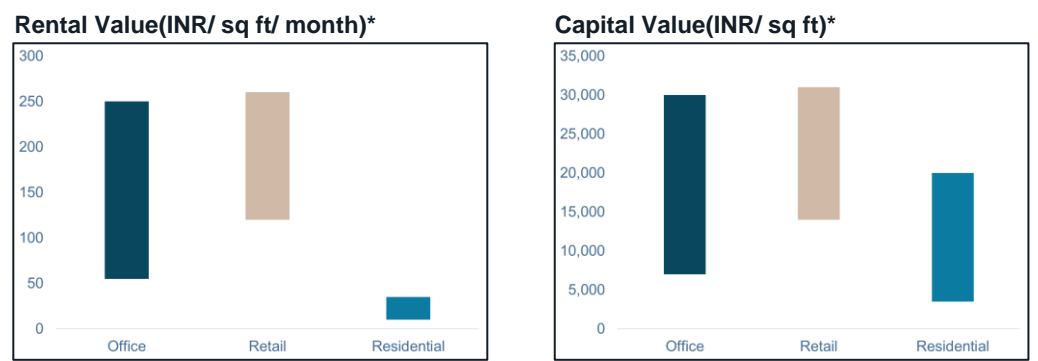
**Key transaction:** The Game Palacio leased space at Noida

**Residential**

New launches continued to outperform.

**Key launch:** Signature Global De Luxe DXP at Sector 37D, Gurugram

ASK Property Fund, the real estate private equity arm of Blackstone-backed ASK Asset & Wealth Management Group, will invest INR 120 cr in TREVO's luxury residential project in Gurugram. TREVO will be investing INR 80 cr in the project



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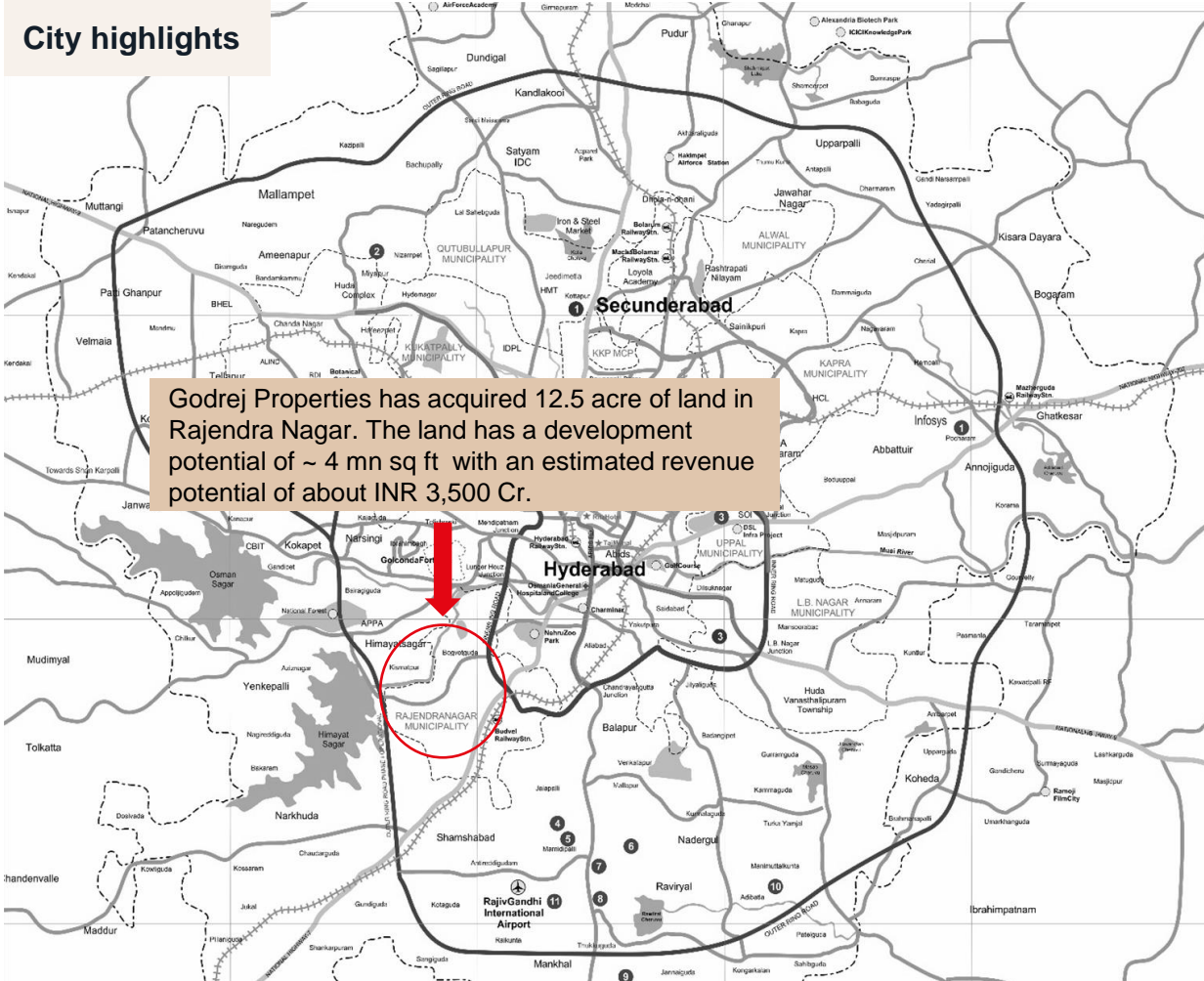
**Infrastructure / policy update**

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# Hyderabad

## City highlights



## Office



Office space leasing picked up momentum, led by Engineering and Healthcare sector

**Key transaction:** Technip leased space at Hitec City.

## Retail



Sustained demand is witnessed in malls and high streets.

**Key transaction:** New Balance leased new space in Kondapur.

## Residential



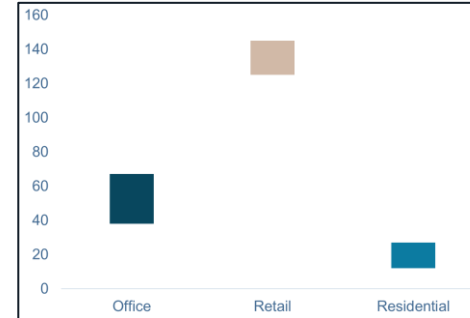
New launches and sales activity remained stable.

**Key launch:** Ramky Nextown launched in Isnapur.



No major transactions were recorded.

## Rental Value(INR/ sq ft/ month)\*



## Capital Value(INR/ sq ft)\*

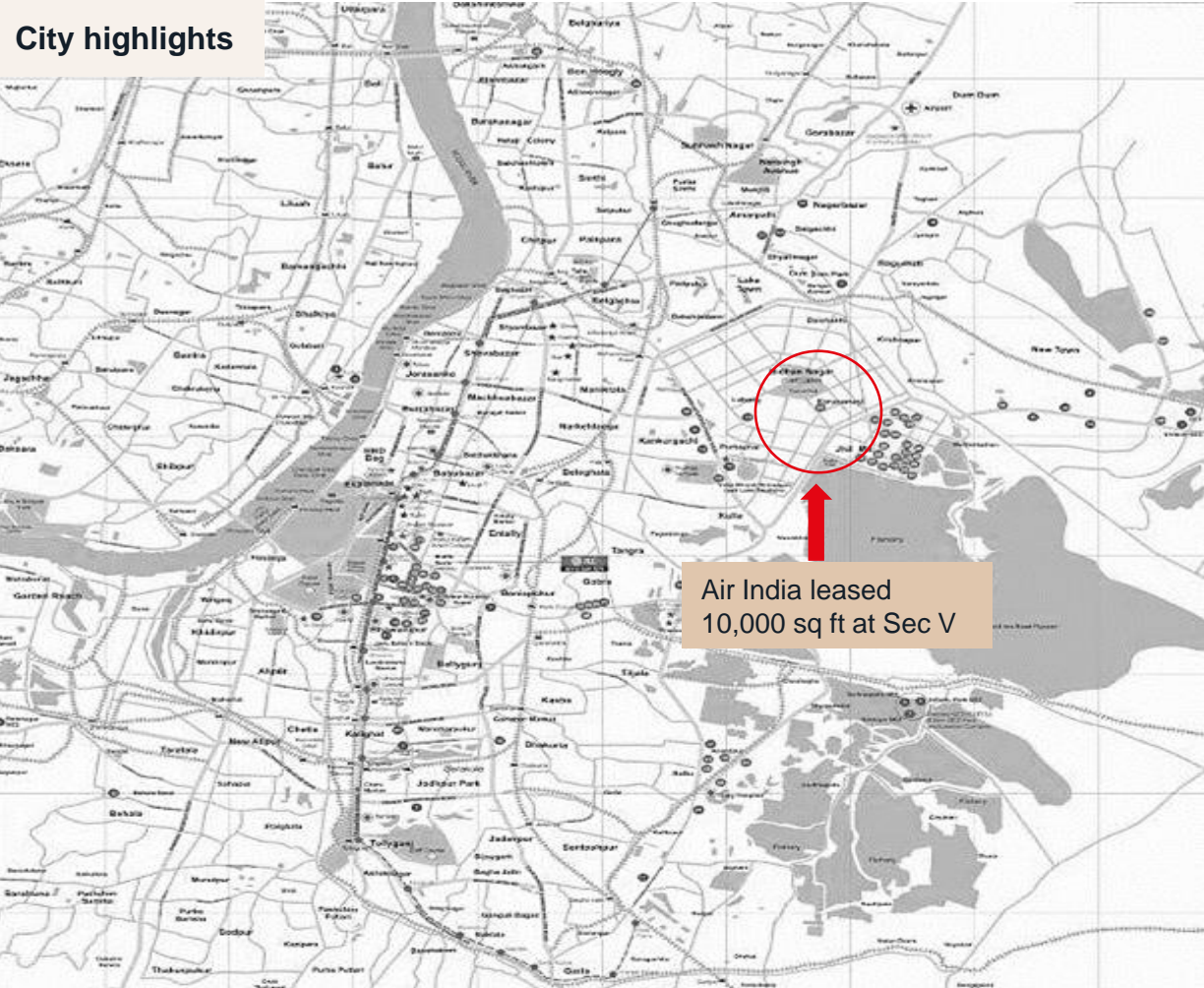



\*The above graphs show the values in ranges

## Infrastructure / policy update

No new policy/infrastructure update.


# Kolkata



**Office** 


Moderate leasing activity

**Key transaction:** Air India at Godrej Genesis, at Salt Lake Sector V.

**Retail** 

Moderate leasing in malls. High street was preference.

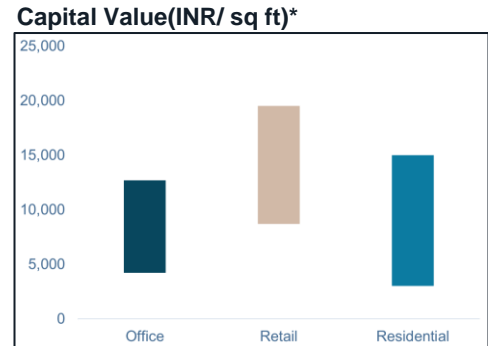
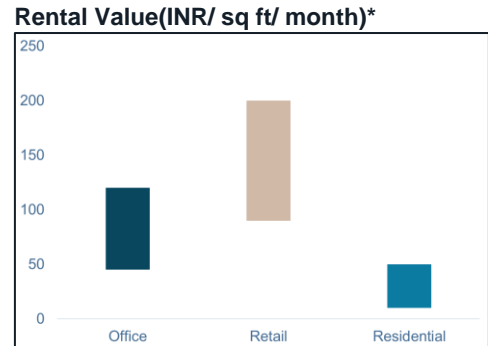
**Key transaction:** Nature's Basket at Alipore.

**Residential** 

Moderate launches and sales.

**Key launch:** Merlin Azure at CBD.

 No Investments reported

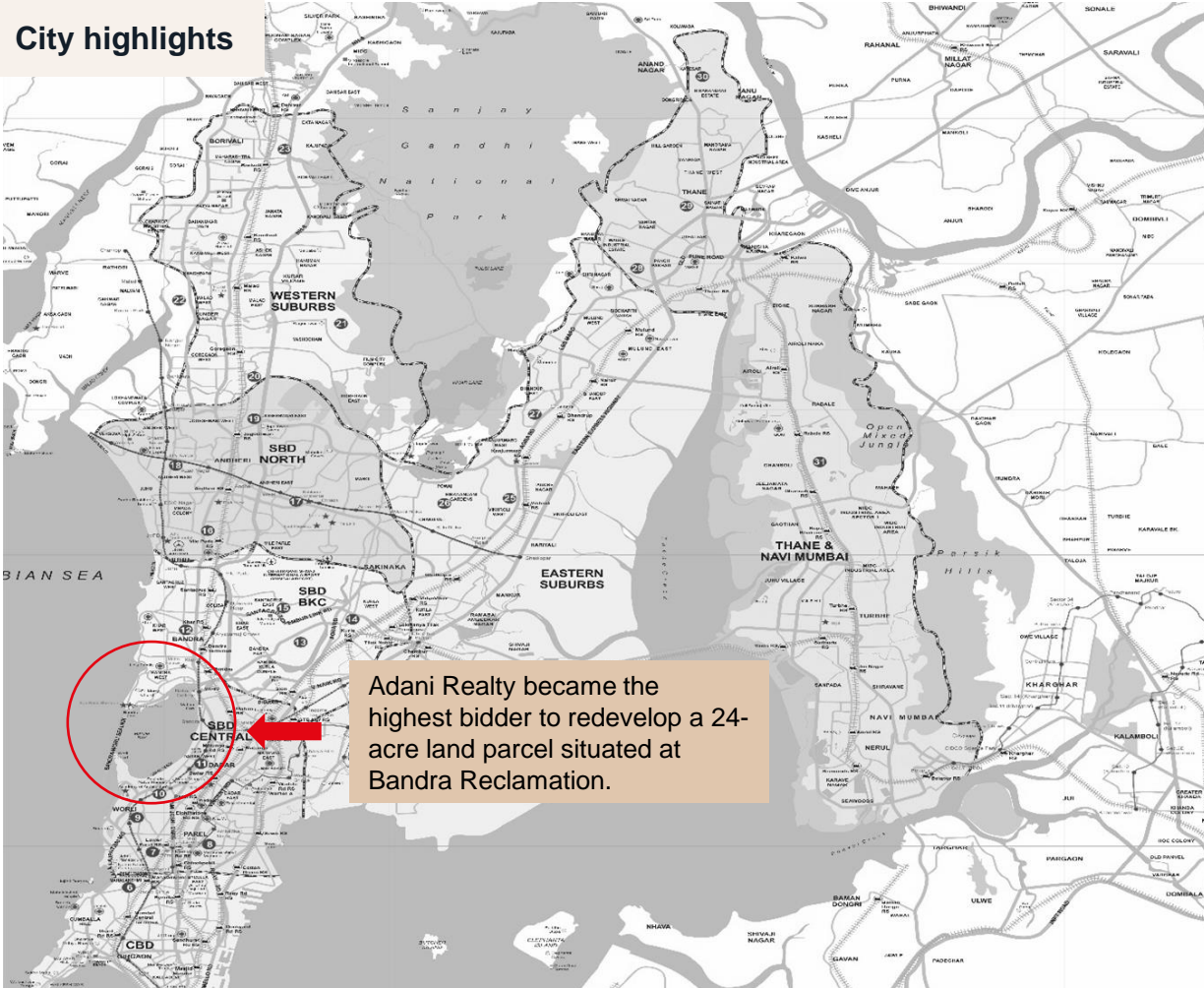



\*The above graphs show the values in ranges

**Infrastructure / policy update**

India's first underwater metro route, part of the Howrah Maidan-Esplanade section of the Kolkata Metro's East-West corridor, spanning 16.6 km commenced operations, with a 520-meter stretch under the Hooghly river.

# Mumbai



**Office** 


Demand for office space remained stable.

**Key transaction:** Hitachi Payment Services leased space at Thane.

**Retail** 


Demand for malls and high streets remained stable.

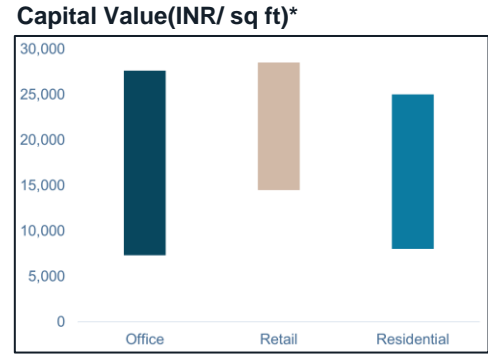
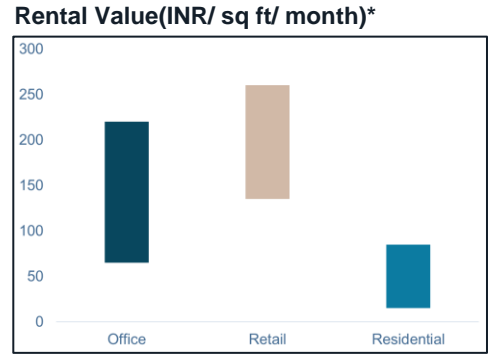
**Key transaction:** Fresh Signature leased space in Andheri.

**Residential** 

New launches and sales continued to be strong.

**Key launch:** Mahindra Vista Phase 1 in Kandivali.

 Adani Realty won a bid to buy a 24-acre land parcel in Bandra for INR 30,000 cr. The project will be a part of the redevelopment of a land parcel located at Bandra Reclamation.



\*The above graphs show the values in ranges

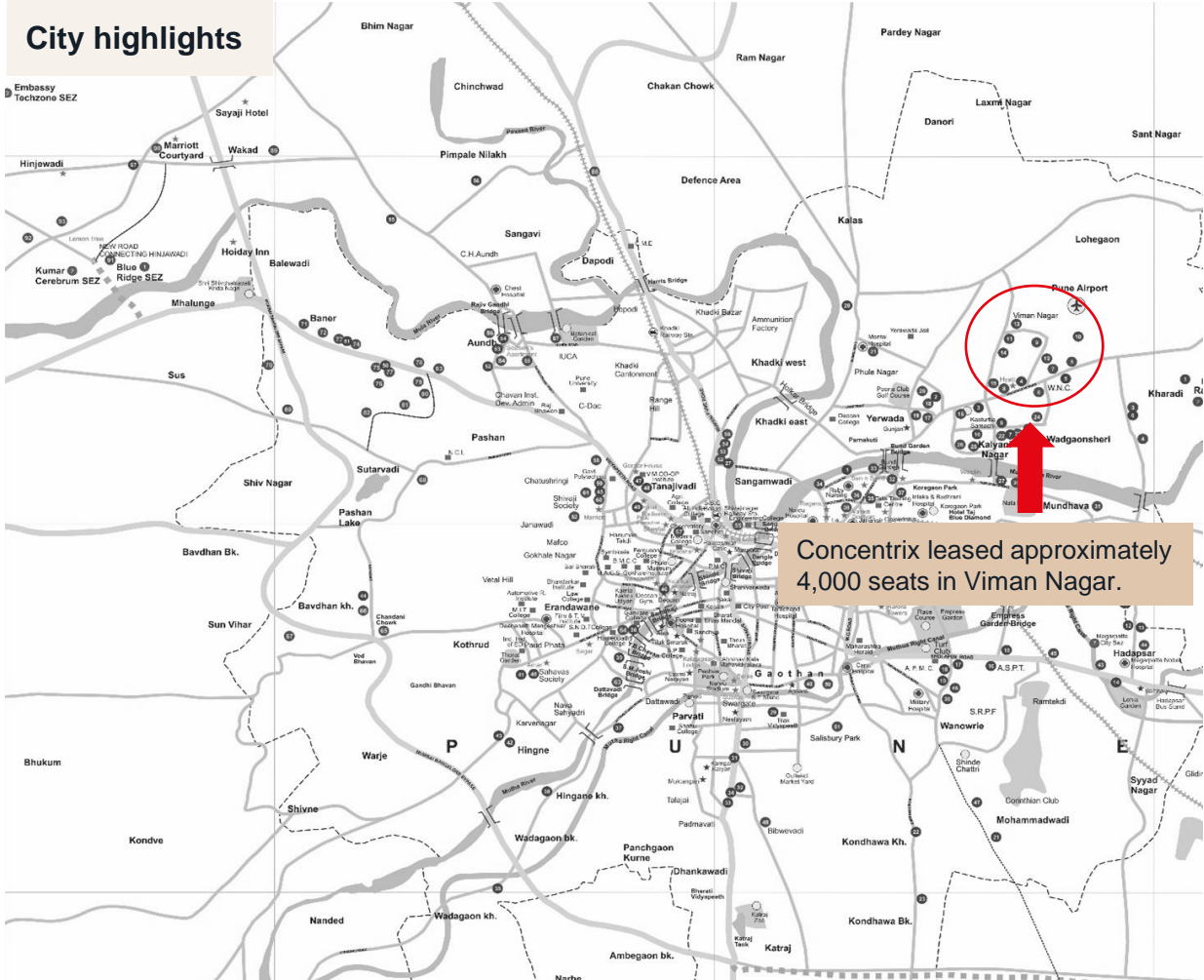
**Infrastructure/policy update**

Mumbai's second underground metro corridor between Wadala and CSMT (Chhatrapati Shivaji Maharaj Terminus) Metro 11 will connect Byculla, Fort, and the Gateway of India.



# Pune

## City highlights



### Office



Office space take-up decreased.

**Key transaction:** Vertiv leased space in Viman Nagar in the SBD sub-market.

### Retail



Demand in retail malls remained stable.

**Key transaction:** Wooden Street opened store in Yerawada in the Secondary sub-market.

### Residential



New launches increased.

**Key launch:** The Gale at Godrej Park World launched in Hinjewadi.



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

(MMRDA) has got the green signal for its proposed connector for the Mumbai Trans Harbour Link (MTHL) at Chirle which will be linked with the Mumbai-Pune Expressway. The new Chirle connector, estimated to cost around INR 1,000 cr, is expected to slash travel time between south Mumbai and Pune by an hour.



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**Pulse** reports from JLL are frequent updates on real estate market dynamics.

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