

2018

# INDIAN REAL ESTATE

Moving towards new frontier



# INDIAN REAL ESTATE

## Scaling new trajectories

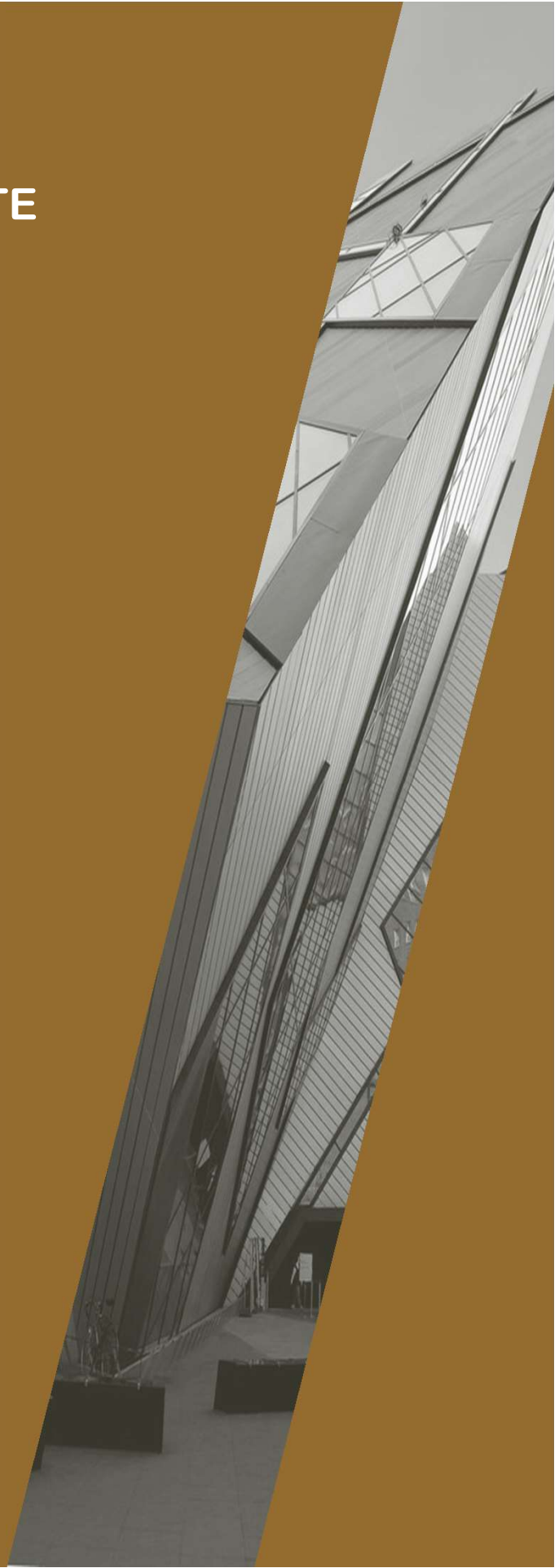
2017 has been a year of policy consolidation for Indian Real Estate sector. The implementation of GST and RERA have begun to shape up the sector with new standards of delivery, accountability and transparency.

2018 is expected to be a year of consolidation of products and services for Real Estate sector with impact of policy reforms beginning to take shape in the coming year. In 2018, completion of existing projects will be prioritised over launching new ones. Developers are remodelling their business processes to streamline delivery and allied services, to capitalise the market potential. Market sentiments will see substantial improvement with better supply of real estate products and affordability.

The Government's efforts to boost "affordable housing" by conferring "infrastructure status" to this segment and announcing various tax incentives will continue to attract more prominent developers to this category.

Overall, 2018 is predicted to be positive year for Real Estate sectors with policy reforms driving the market sentiments.

**Pawan Agarwal**  
Chairman, CIRIL





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# INDIAN ECONOMY

## Moving Ahead in 2018

India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by over 20 percent in FY 2017-18. India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years.

According to Assocham, the Indian economy may reach a 7 percent growth in 2018 while recovering from the lingering effects of demonetisation and GST.

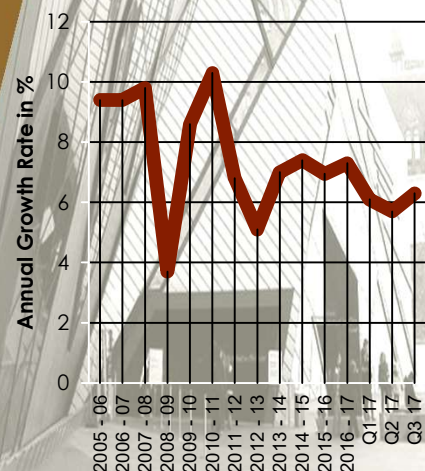
India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitalisation, globalisation, favourable demographics, and reforms.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Indicators	FY17	FY 18 Expectation
GDP	7.10%	7.6% - 7.8%
GFCF (% of GDP)	26.90%	27.50%
Agriculture	4.40%	3% - 4%
Industrial Output	0.4%#	4% - 5%
CPI	4.50%	4.5% - 5%
WPI	3.70%	5%
Credit	4.40%	7% - 8%
Deposits	13%	11% - 12%
Exports	4.70%	8% -10%
Imports	-0.17%	8% -10%
FII/FPI	\$8 bn	\$15 - 12 bn
FDI	\$36 bn*	\$40 - 45 bn

### Annual GDP Growth Rate

Growth Rate of GDP on basis of new definition



source: Mospi

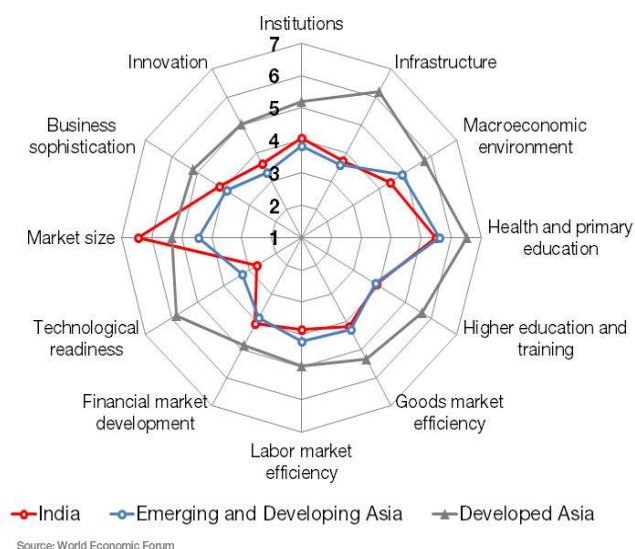
# Economic Restructuring and Competitive Landscape

**India's** economy has been one of the largest contributors to global growth over the last decade, accounting for about 10% of the world's increase in economic activity since 2005, while GDP per capita in PPP (purchasing power parity) terms is today three times as high as in 2000.

India's competitiveness improved notably this year as measured by the Global Competitiveness Report 2015-2016, where the country improves 16 ranks to 55<sup>th</sup> of 140 economies.

Modernizing public institutions has been high on the agenda of reforms in India in recent years, and results are starting to show. In 2015, businesses perceived lower levels of corruption among public officials and showed more trust in government's decisions. Improved public institutions are one of the main drivers of the increase in India's competitiveness.

## India's performance across the 12 pillars of competitiveness



## Reforms Undertaken



- **Make in India** initiative with an aim to boost the manufacturing sector of Indian economy.



- **Digital India** initiative with focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.



- **Goods and Services Tax (GST)** is a proposed system of indirect taxation in India merging most of the existing taxes into single system of taxation. It was introduced by The Constitution (One Hundred and First Amendment) Act 2016.



- **Ease of Doing Business** rankings with target to be in the top 50 by 2017, based on reforms undertaken in areas like construction permits, enforcing contracts and starting business.



- **The Startup India, Standup India** plan and the rollout of the National Investment and Infrastructure Fund (NIIIF) are attracting investment.

# INDIAN REAL ESTATE

## Moving towards new frontiers

Year 2017 was a watershed year for Indian Real Estate in terms of Policy Reforms and its substantial impact on the sector. While business cycles have been affected this year due to wait and watch by investors in anticipation of regulatory changes, but signs of recovery are visible after the triple effects of demonetisation, RERA and GST have begun to shape up the sector with new standards of delivery, accountability and transparency.

Post implementation of these reforms, the following impacts have been observed in the market so far:

- More demand for commercial and affordable housing sector
- Consolidation of land market
- Preference for ready to move-in properties

In 2018, completion of existing projects will be prioritised over launching new ones, hence, 2018 looks promising for a good supply across major Indian markets.

The Government's efforts to boost "affordable housing" by conferring "infrastructure status" to this segment and announcing various tax incentives will continue to attract more prominent developers. 2018 is unlikely to see any price rise in 2018, however sales are likely to pick up in 2018.

The real estate sector is projected to receive Private Equity (PE) investments to the tune of US\$4 billion during this fiscal year. REITs are set to provide investment opportunities to smaller investors next year. India's real estate markets are poised for growth in the medium-to-long term on the back of higher transparency and further consolidation.

## Market Drivers



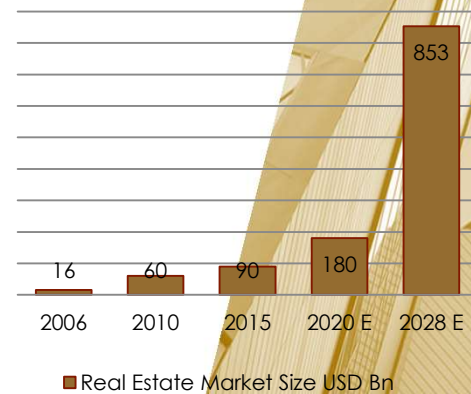
# INDIAN REAL ESTATE

## Market Size

The market size of real estate in India is expected to increase at a CAGR of 15.2 percent during FY2008 – 2028E and is estimated to be worth USD853 billion by 2028. Real estate contribution to India's GDP is estimated to Market size of real estate in India (USD billion) increase to about 13 per cent by 2028.

According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.19 billion in the period April 2000-March 2016. The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, is a prime opportunity for the real estate companies.

Real Estate Market Size USD Bn



### Govt. initiatives for Real estate

- A new public private partnerships (PPP) policy with eight PPP options has been unveiled by the Ministry of Housing and Urban Affairs, Government of India, to push for investments in the affordable housing segment.
- The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies.
- The Reserve Bank of India (RBI) has proposed to allow banks to invest in real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) which is expected to benefit both real estate and banking sector in diversifying investor base and investment avenues respectively.
- The Ministry of Housing and Urban Poverty Alleviation has sanctioned the construction of 84,460 more affordable houses for urban poor in five states under the Pradhan Mantri Awas Yojana (Urban) scheme with a total investment of Rs 3,073 crore (US\$ 460 million).
- Housing for All by 2022 - Under the Sardar Patel Urban Housing Mission, 30 million houses will be built in India by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP) and interest subsidy.
- The Government of India has relaxed the norms to allow Foreign Direct Investment (FDI) in the construction development sector and Township.

# FOREIGN DIRECT INVESTMENT In Indian Real Estate

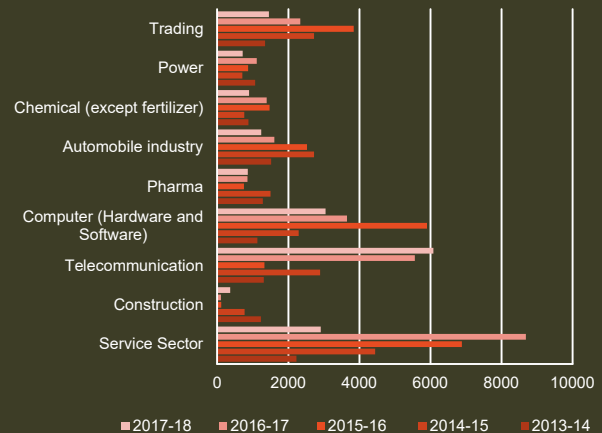
Total FDI in construction development sector, during April 2000– Sept 2017, stood at around USD 24,656 million.

During April 2000–Sept 2017, total cumulative inflows in the construction development sector accounted for 7% of total inflows into the country.

Cumulative equity foreign direct investment (FDI) inflows in India increased 40 per cent to reach US\$ 114.4 billion between FY 2015-16 and FY 2016-17, as against US\$ 81.8 billion between FY 2011-12 and FY 2013-14.

Townships, shopping complexes & business centres – all allow up to 100% FDI under the auto route. FDI policy on Construction Development sector has been liberalised by relaxing the norms pertaining to minimum area, minimum capitalisation and repatriation of funds or exit from the project.

Sector attracting highest FDI equity inflow in US\$ million



- In September 2017, 15 Japanese companies including Moresco, Toyoda Gosei, Topre and Murakami, signed memorandums of understanding (MoUs) with an intention to invest in the state of Gujarat.
- Singapore's Temasek will acquire a 16 per cent stake worth Rs 1,000 crore (US\$ 156.16 million) in Bengaluru based private healthcare network Manipal Hospitals which runs a hospital chain of around 5,000 beds.
- France-based energy firm, Engie SA and Dubai-based private equity (PE) firm Abraaj Group have entered into a partnership for setting up a wind power platform in India.
- US-based footwear company, Skechers, is planning to add 400-500 more exclusive outlets in India over the next five years and also to launch its apparel and accessories collection in India.
- The government has approved five Foreign Direct Investment (FDI) proposals from Oppo Mobiles India, Louis Vuitton Malletier, Chumbak Design, Daniel Wellington AB and Actoserba Active Wholesale Pvt Ltd, according to Department of Industrial Policy and Promotion (DIPP).
- Walmart India Pvt Ltd, the Indian arm of the largest global retailer, is planning to set up 30 new stores in India over the coming three years.
- US-based ecommerce giant, Amazon, has invested about US\$ 1 billion in its Indian arm so far in 2017, taking its total investment in its business in India to US\$ 2.7 billion.
- International Finance Corporation (IFC), the investment arm of the World Bank Group, is planning to invest about US\$ 6 billion through 2022 in several sustainable and renewable energy programmes in India.
- Warburg Pincus, a Private Equity firm based in New York, has invested US\$ 100 million in CleanMax Solar, a rooftop solar development firm, which will be utilised to fund growth opportunities outside India and to improve product offerings.
- Morganfield Group, a Malaysian restaurant and bar chain, is planning to enter India by launching three of its brands, Morganfield's, Mocktail Bar and Snackz It, by the end of 2017. The company expects to open 250 outlets in India over the next five years.
- SAIC Motor Corporation is planning to enter India's automobile market and begin operations in 2019 by setting up a fully-owned car manufacturing facility in India.
- Toronto-based Canada Pension Plan Investment Board (CPPIB) made investments worth Rs 9,120 crore (US\$ 1.41 billion) in India during FY 2016-17, taking their total investment in India to Rs 22,560 crore (US\$ 3.50 billion).
- SoftBank is planning to invest its new US\$ 100 billion technology fund in market leaders in each market segment in India as it seeks to begin its third round of investments.

Source: ibef, Dec 2017



# FOREIGN INSTITUTIONAL INVESTMENT In Indian Real Estate

Buoyed by strong support from the government, FII investments have been strong and are expected to continue to improve going forward.

India received net investments of US\$ 17.412 million from FIIs between April-October 2017. FII's net investments in Indian equities and debt have touched record highs in the past financial year, backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FIIs net investments in Indian equities and debt stood at US\$ 7.46 billion in 2016-17 (upto April 14, 2017). Cumulative value of investments by FIIs during April 2000-December 2016 stood at US\$ 183.69 billion.

In move to encourage more investment, the Securities and Exchange Board of India (SEBI) has relaxed norms for registered FPIs in India, allowing them to operate through the International Financial Services Centre (IFSC) without any additional documentation or prior approval process.

The RBI has also allowed a number of foreign investors to invest, on repatriation basis, in non-convertible/redeemable preference shares or debentures issued by Indian companies listed on established stock exchanges in India. The investment should be within the overall limit of US\$ 51 billion allocated for corporate debt. Long-term investors registered with SEBI will also be deemed as eligible investors.

- **Omkar Realtors and Developers Pvt Ltd raised Rs 125 crore (US\$ 19.52 million) in debt from KKR India Asset Finance Pvt Ltd, which will be used towards construction of two residential projects in Mumbai.**
- **Blackstone Group LP, the largest alternative asset manager in the world, is set to enter India's distressed asset space by investing US\$ 150 million in International Asset Reconstruction Co Pvt Ltd (IARC) to acquire a large minority stake, which will gradually be increased to a majority stake over a couple of years.**
- **South Korea's Mirae Asset group is planning to expand its Indian operations and enter the real estate sector in the country and will invest US\$ 500 million in commercial leased properties.**
- **Softbank Vision Fund is planning to invest US\$ 2 billion in Indian e-commerce major, Flipkart, half of which will go to Tiger Global Management, which is looking to sell part of its Flipkart stake, while the remaining funds would be invested in Flipkart's operations to help its battle against Amazon.**
- **Indian budget hotels chain, FabHotels, has raised US\$ 25 million from Goldman Sachs and existing investor Accel Partners in a Series B funding round, which will be focused on tripling the technology team and doubling the number of rooms from the current 5,000.**
- **Microsoft Corp might invest US\$ 50-100 million in ANI Technologies Pvt Ltd, the parent company of Ola Cabs, in a bid to increase the market share of its Azure cloud platform in India.**
- **UrbanClap, an Indian home services start-up, has raised US\$ 21 million in a series C funding round led by Vy Capital, an internet investment fund. The company will use the funds for expansion to more cities, investment in technology and addition of vendors.**
- **DMI Finance Pvt Ltd, a Delhi-based non-banking financial company (NBFC), is planning to raise a fund of up to Rs 1,000 crore (US\$ 155.11 million), which will be focused on special opportunities situations in the real estate sector and distressed assets space.**
- **International Finance Corporation (IFC) will invest US\$ 200 million in Housing Development Finance Corporation Ltd (HDFC) via five-year non-convertible debentures (NCDs) or masala bonds which will be used by HDFC to provide loans for affordable housing projects across India.**
- **DMI Finance Pvt Ltd, a Delhi-based non-banking financial company (NBFC), is planning to raise a fund of up to Rs 1,000 crore (US\$ 155.11 million), which will be focused on special opportunities situations in the real estate sector and distressed assets space.**

Source: ibef, Sept 2017

# PRIVATE EQUITY INVESTMENT

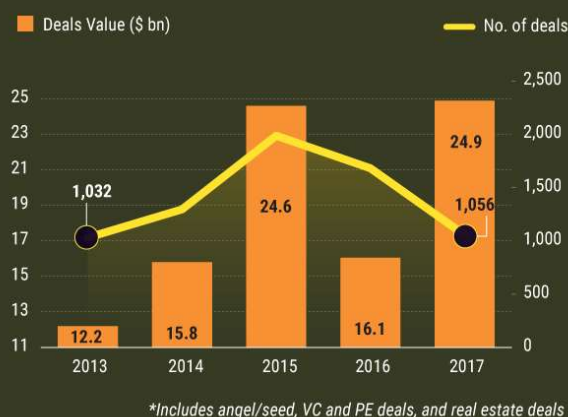
The Indian PE landscape has developed significantly over the last 10 years, and is in a considerably mature phase now with two full investment cycles behind it.

Year 2017 went down as one of strongest years for Private Equity funds and VC investments. PE & VC investors have pumped in a record \$24 billion through approximately 500+ deals in 2017. 2018 seems to be poised for topping the previous year figures as more than 20 India based funds have in principle secured and closed cumulative fund raising of approximately USD 3 Billion. Additionally, more than 80 funds in the process of road shows to raise approximately USD 15 Billion.

During 2017, India witnessed record private equity investments worth US\$ 24.4 billion. Private equity (PE) investments in the logistics industry grew at 9 per cent to US\$ 501.71 million during 2016-17 and are expected to grow at 8.6 percent annually from 2015-2020 on the back of increased opportunities resulting from low entry barriers and Goods and Services Tax (GST).

Venture capital (VC)-backed firms in India raised a record US\$ 9.6 billion of fresh capital between January-September 2017, which is more than twice the amount of capital raised during the same period in the previous year.

A PricewaterhouseCoopers India report based on a survey of 40 PE firm partners has projected that the country has the potential to get PE funding of US\$ 40 billion by 2025.



## ANALYSIS BY TYPE OF DEAL



## PE/ VC INVESTMENTS AND EXITS

### Investments

Year	No. Of Deals	Amount \$ (M)
2006	396	7,420
2007	532	14,567
2008	487	10,028
2009	310	3,974
2010	421	8,382
2011	549	10,605
2012	535	9,549
2013	497	7,645
2014	566	11,239
2015	785	16,608
2016	672	15,329
2017	639	24,700

### Exits

Year	No. Of Deals	Amount \$ (M)	As % of Investment
2006	96	2,753	37.1%
2007	152	3,865	26.5%
2008	88	1,807	18.0%
2009	132	2,358	59.3%
2010	204	6,310	75.3%
2011	144	3,814	36.0%
2012	170	5,574	58.4%
2013	160	4,880	63.8%
2014	228	5,314	47.3%
2015	276	9,767	58.8%
2016	238	8,123	53.0%
2017	259	12,500	50.6%

Source: Venture Intelligence

# Indian Real Estate Macro Market Trends



## Commercial Office space

- The office market witnessed over 37 million sq.ft. in 2017, registering a growth of 5% on a y-o-y basis.
- Rents saw appreciation in most major markets with growth of 5% Y-o-Y
- At a pan-India level, total office stock across the seven major cities is forecast to reach around 600 million square feet by end of 2019
- Vacancy levels remained largely unchanged through 2017, hovering at around 14% pan India



## Retail Sector

- 2016 saw supply of 6.5 million sq. ft of retail space across major markets
- Shopping mall stock is projected to be around 20 million square feet in next 3 to 4 years of which around 11 million square feet of supply is expected in 2018
- Fashion, F&B and entertainment dominated leasing scenario



## Industrial and Warehousing sector

- The warehouse industry in India is worth INR 560 billion and is growing at a rate of 10- 12 percent every year.
- Industrial and warehousing saw upward momentum with total absorption of 25 million sq. ft
- E-commerce sector continues to be the major demand drive in this segment
- With the implementation of the GST reputed developers are entering warehousing sector.

## Policy Reforms in Real estate

1. Real Estate (Regulation and Development) Act, 2016
2. The Benami Transactions (Prohibition) Amendment Act, 2016
3. 100% deduction in profits for affordable housing construction
4. Interest subsidy for first-time homebuyers
5. Change in arbitration norms for construction companies
6. Service tax exemption on construction of affordable housing
7. Dividend Distribution Tax exemption for SPVs to REITs
8. Implementation of Goods and Services Tax structure (GST)
9. Currency demonetisation
10. Permanent Residency Status for foreign investors

# MUMBAI

## REAL ESTATE TRENDS

**Mumbai** is India's largest city (by population) and is the financial and commercial capital of the country. It generates 6.16% of the total GDP of India. The key sectors contributing to the city's economy are: finance, gems & jewellery, leather processing, IT and ITES, textiles, and entertainment. Nariman Point and Bandra Kurla Complex (BKC) are Mumbai's major financial centres.



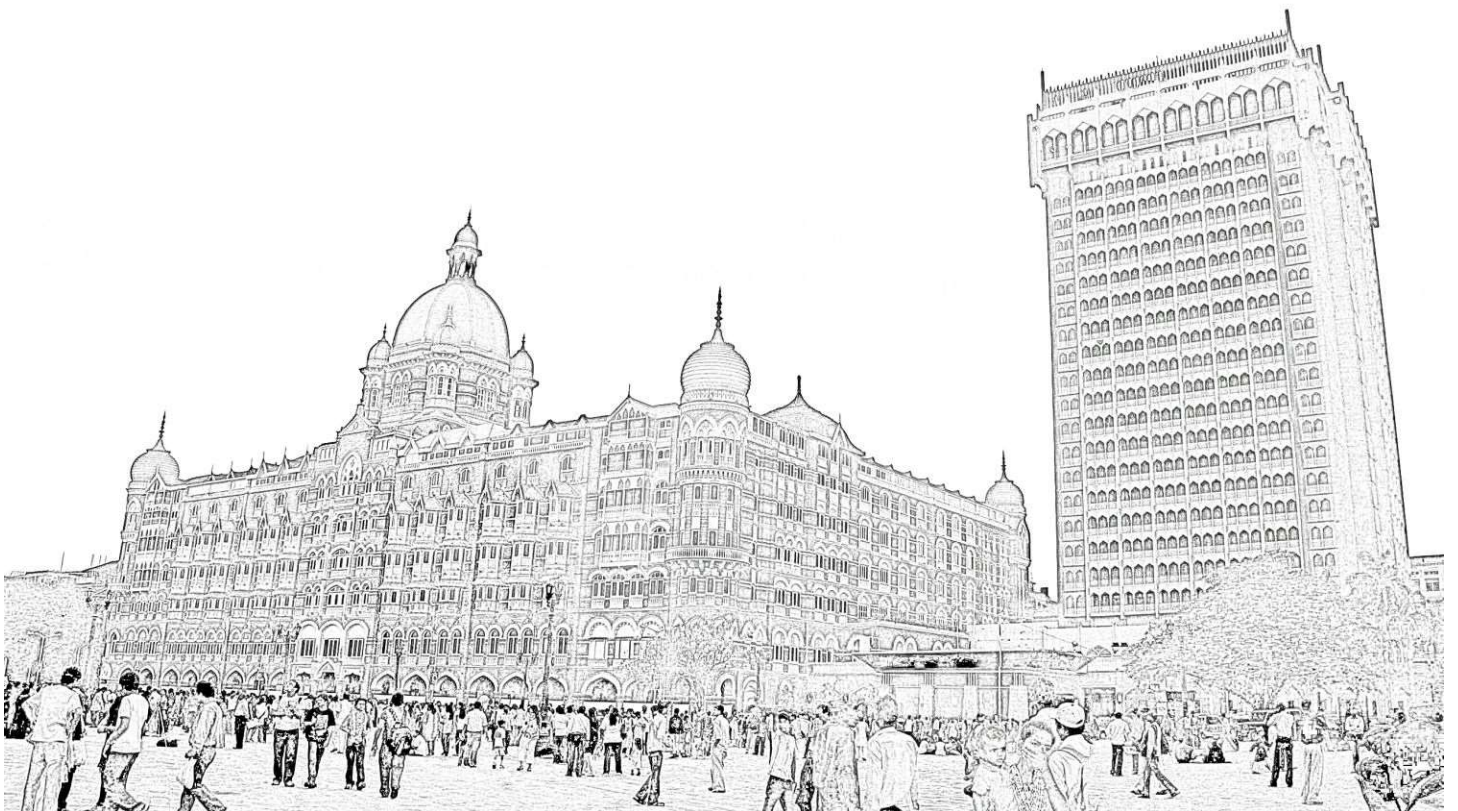
Commercial



Retail



Ind. & Warehousing



# Mumbai Commercial Real Estate Trends

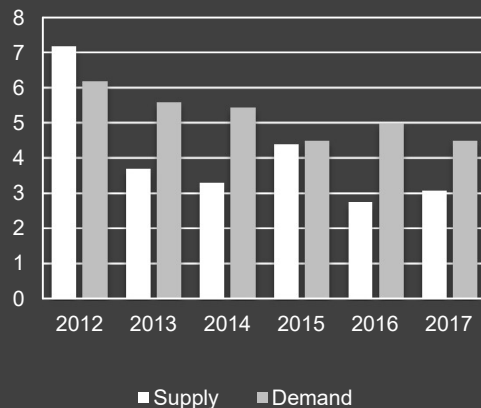
Leasing activity was stable across all micro-markets of Mumbai in year 2017. Mumbai's property market started with a positive note in early 2017, but witnessed slowdown mid year and stabilised by year end.

Mumbai office market saw total absorption of around 4.5 million sq. ft in year 2017. Overall, Powai, Vikhroli, Kurla, Andheri and Goregaon remained favoured investment destination accounting for 60% of total absorption. Navi Mumbai and BKC, with a 15% share each, while Worli, Prabhadevi and CBD represented the remaining 9% of gross absorption.

Mumbai witness supply of around 3.1 million sq. ft. in year 2017. Another 9-10 million sq ft of new supply are expected to be added by 2020 leading to a 7-8% increase in total stock. Flexible space demand has gained acceptance due to efficiency and affordability. Coworking operators are in expansion mode due to steady demand.

***We expect that the office leasing market will remain buoyant in 2018. Rental prices will largely remain unchanged in 2018. Flexible office space is likely to flourish further given their inherent advantage of affordability.***

**Demand and Supply in Mumbai Commercial market in million sft**



**Rental Trends Deals in Mumbai Commercial Market in INR/sq.ft/month**

Area	2015	2016	H1 2017	H2 2017
Worli/Prabhadev	110 - 200	100 -190	100 -180	100 -180
Lower Parel	80 - 170	90 - 180	90 - 180	90 - 180
BKC	170 - 300	165 -285	155 -275	155 -275
Kalina	110 - 180	100 -175	100 -175	100 -175
Goregaon / JVLR	85 - 110	90-110	90-110	90-110
Andheri East	70 - 120	70-140	70-140	70-140
Malad	70 - 90	75-100	75-100	75-100
Powai	110 - 180	120-200	125-225	125-225
Navi Mumbai	40 -70	40-80	40-80	40-80
Thane / LBS	60 -110	60-120	65-125	65-125

**Major Deals in Mumbai Commercial Market - 2017**

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Essar Oil	Godrej Bkc	80,000	Bandra	Lease
Bharti Axa	Crescenzo	65,000	Bandra	Sale
Bureau Veritas	72 Business Park	1,00,000	Andheri	Lease
GE	Kensington	39,900	Andheri	Lease
Tata Projects	Transocean Agastya	58,000	Andheri	lease
Empire Business Centre	Fulcrum	14,000	Andheri	lease
Citibank	Nirlon It Park	25,000	Goregaon	lease
Accenture, Atos	Gigaplex	2,00,000	Navi Mumbai	Lease
Teva Pharma	Grand Central	1,50,000	Seawoods	Lease
TBSS	Reliable Tech Park	30,000	Airoli	lease
Cipla	Empire Tower	80,000	Airoli	lease
Innov8	Piramal Agastya	50,000	Kurla	lease
LafargeHolcim	Gigaplex	50,000	Airoli	lease
Aditya Birla Management Services	Empire tower	40,000	Airoli	lease
Apotex Research	Godrej One	40,000	Vikhroli	Lease

# Mumbai Retail Real Estate Trends

Mumbai retail market witnessed supply of nearly 1.5 million sq. ft of leasable space. Over 1 million square feet of supply was added with opening of the Seawoods Grand Central Mall. Being the first Mall in this area, it saw healthy absorption by retail brands such as Big Bazaar, PVR Cinemas, Reliance Digital, etc.

Retail rentals remained stable across most micro markets. Leasing was mainly concentrated in the newly opened malls in apparel, sportswear, and food and beverages (F&B) segments. Kandivali and Malad also witnessed significant takeup in the F&B, apparel and accessories categories.

In 2018, demand is expected to remain robust across malls in particularly in Lower Parel and the main street of Linking Road. Malls in Kurla, Ghatkopar and Malad will continue to witness significant churn, as retailers rationalize stores and mall owners after tenant mix. Leasing activity was driven by domestic F&B operators and foreign retailers from various segments.

**Rental prices will largely remain unchanged in 2018. The governments decision to grant 100 per cent FDI for single brand retail would boost demand for retail space from foreign brands looking to set up stores**

## Significant Leasing Transaction in Retail Market- 2017

Property	Location	Tenant	Square feet	Lease/ Sale
Grant Central	Navi Mumbai	H & M	15,000	Lease
Growels	Kandivali	Croma	12,000	Lease
Nand Nandan Bhavan	Borivali	Janata Sahakari Bank	2,000	Lease
Ashok Chambers	Mumbai Central	Bank of Baroda	6000 'c'	Lease
Rajdoot	Khar	BIBA	1085'c'	Lease
Backbay View	Charni Road	Sankalp Restaurant	2500'c'	Lease
Spenta	Juhu	Nature Basket	2500	Lease
-----	Bhiwandi	Walmart	45,000	Lease

## Major Upcoming Projects in 2018

Project Name	Location	Year
Unimont Empire	Khopoli	Jan'18
The Walk	Thane	Dec'18
Global -1	Kurla	Mar'18

## Prime Retail Rents in Mumbai in INR/sq.ft/month

	2015	2016	2017
<b>Main Street</b>			
Linking Road	350 - 700	350 - 650	350 - 650
Kemps Corner	350 -475	350 -450	350 -450
Breach Candy	375 - 500	375 - 500	375 - 500
Colaba Causeway	300-600	300-600	300-600
Fort Fountain	250-450	250-450	250-450
Lokhandwala Andheri	225-350	225-350	225-350
Borivali LT Road	250-400	250-400	250-400
Chembur	250-350	250-350	250-350
Vashi	275-390	275-400	275-400
Thane	150-220	150-250	150-250
<b>Malls</b>			
Lower Parel	250-450	250-450	250-450
Link Road (Andheri W)	500	500	500
Malad	350	350	350
Goregaon	350	350	350
Ghatkopar	350	350	350
Bhandup	175	175	175
Mulund	200	200	200
Vashi	350	350	350
Thane	300	300	300

# Mumbai Industrial and Warehousing Trends

There was a strong increase in demand for warehousing space across the Mumbai particularly in Bhiwandi, Mankoli and Padgha along NH 3 and State Highway 35 (SH 35). Demand for industrial space picked up with leasing activity concentrated across the Trans Thane Creek (TTC) industrial area.

E-commerce players and 3PL companies continued to be the prominent occupiers of warehousing space in the region accounting for 70% of the total space take-up during 2016. Engineering and manufacturing firms and electronics companies were other major demand drivers.

Major lease transaction witnessed are; Pepperfry (260,000 sq.ft.) and Hopscotch (120,000 sq.ft.) at Bhiwandi. Jaguar (125,000 sq. ft.), at Panvel, and Jindal Steels (50,000 sq.ft.) at Taloja. Linde Group (11,000 sq.ft.) at Mahape and NRB Bearings (20,000 sq. ft.) at Rabale.

Due to the strong demand levels, rental values increased across most micro markets. However, high costs of land and restriction in land usage (mostly in green zone) have restricted the development of warehouses.

***Industrial and warehousing segment will continue its robust performance in 2017.***

## Mumbai Industrial and Warehousing Trends

Submarkets	Land rates in INR Mn/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Bhiwandi	6-9	15-25	14 -25.
Thane Belapur Road	25-35	35-45	60-80
Taloja Industrial Estate	20-30	30-40	25-40
Panvel	25-35	40-60	30-45
JNTP & Uran Road	15-35	18-20	30-50
Rasayani Patalganga	25-30	20-25	50-60
Pen-Khopoli Road	15-20	20-24	20-30

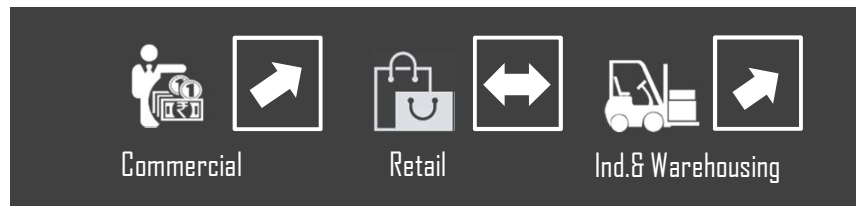
## Significant Leasing Transaction in Industrial and Warehousing in 2017

Property	Location	Tenant	Square feet	Lease/ Sale
Jairaj Complex	Bhiwandi	TP Link	65,000	Lease
Harihar Corporation	Bhiwandi	TVS Logistics	60,000	Lease
Acron Warehousing	Bhiwandi	YCH Logistics	60,000	Lease
Saidhara Complex	Bhiwandi	Amazon	1,25,000	Lease
United Park	Mahape	Amazon	3,000	Lease
Shreerang Engineering	Nerul	Hilti India Pvt Ltd	4,060	Lease

# NCR DELHI

## REAL ESTATE TRENDS

The **National Capital Region (NCR)** in India is the designation for the conurbation or metropolitan area which encompasses the entire National Capital Territory of Delhi, which includes New Delhi and urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan. NCR is India's largest and one of the world's largest urban agglomeration with a population of over 47,000,000 at the 2011 Census.





# NCR Delhi Commercial Real Estate Trends

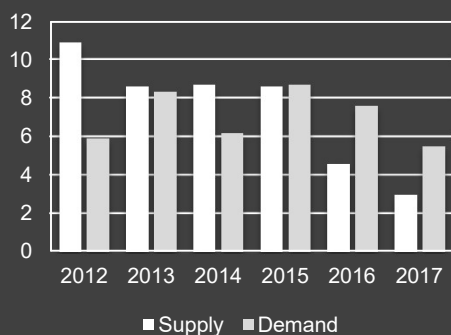
NCR Delhi office real estate segment has remained positive and is expected to grow steadily in year 2018. Total net absorption in 2017 seen in NCR Delhi micro-markets is in approximately 5.5 million sq. ft. continue to remain the most preferred market accounting for 60% of the total absorption. The IT-ITeS accounted for 50% of leasing volume followed by Engineering and Manufacturing, Banking, Financial Services and Insurance (BFSI) sector.

The supply remained restrictive in most micro-markets of NCR Delhi. Around 3 mn sq ft of Grade A office space entered the office market in 2017 as opposed to 4.6 mn sq ft in 2016. Around 20 mn sq.ft of office space are in different stages of construction with Gurugram accounting for 11 mn sq.ft of future supply.

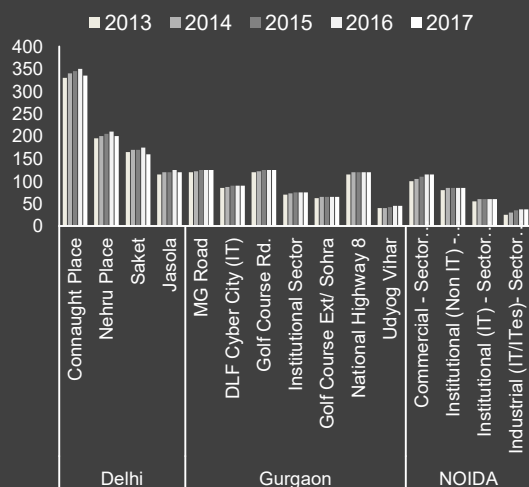
Rental remained stable in most micro markets. New Delhi and NOIDA witnessed marginal appreciation in few commercial pockets due to restrictive supply while Gurugram saw correction of base price in few locations. Vacancy level remained stable in all micro-markets in range of 15% - 19%.

**We expect the commercial office market to remain stable and slightly favourable towards developers. Vacancy levels are expected to increase further owing to future supply projection. Rental prices will largely remain unchanged in 2018**

Demand and Supply in commercial Market of NCR in million sft



Average Commercial Rental Rates in NCR Delhi In INR/ Sft/ Month



Major Deals in Commercial Market - 2017

CLIENT	Building Name	Area (SF)	Location	Lease/Sale
Call 2 Connect India Pvt Ltd.	C-28 (Standalone)	22,000	Sec-58 Noida	Lease
Pearl Apparel Inc.	A-61 (Standalone)	30,000	Sec-57 Noida	Lease
E4e Healthcare Pvt. Ltd.	Logix Cyber Park, Tower-B	30,000	Sec-62 Noida	Lease
Atlas Shipping Services Pvt. Ltd.	A-25 (Standalone)	36,000	Sec-136 Noida	Purchase
Sastasundar.com	A-94 (Standalone)	50,000	Sec-58 Noida	Lease
OVT India Private Ltd.	C-45 (Standalone)	55,000	Sec-57 Noida	Lease
Amazon India	Candor TechSpace	120,000	Sec-62 Noida	Lease
Ameriprise Financial	A-112 (Standalone)	150,000	Secr-65 Noida	Lease
Sita Aeronotics	ASF Towers	70,000		
Fab Hotels		25,000		Lease
Casa2 Stays	Plot No. 53-54	22,000	Udyog Vihar - Gurugram	Lease
Indiabulls	ASF Towers	60,000		Lease
Nestle	ASF Towers	20,000		Lease
ALT F	Global Foyer mall	11,000	Golf Course Extension Road, Gurugram	Lease
Corning India	Pioneer Urban Square	15,000		Lease
Fujifilm	Unitech Cyber Park	25,000	Sec - 39, Gurugram	Lease
Toto India	Building No. 63	10000	Lajpat Nagar	Lease
AWFIS	Gesco Ryder House	21000		Lease
91 Springboard Business Hub Pvt Ltd	Chandra Bhawan	11300	Nehru Place	Lease
Carlzeiss	Building No. 26/6	26000		Lease
Presto	A-32	15000		Lease
AWFIS	Building No. 24/9	22000		Lease
Alivenet	Building No. FB/B-1 Extn	11000	Mohan Co-operative Area	Lease
Faro Business	Building No. 32	12000		Lease
Andritz	Building No. 24/3	44000		Lease
AWFIS	Allied House	10000	Vasant Kunj	Lease

# NCR Delhi Retail Real Estate Trends

NCR - Delhi Retail market witnessed healthy transaction in year 2017. The micro markets saw leasing of around 0.5 mn sq.ft. This year saw addition of around 0.8 million sq. ft of retail space to NCR market. Limited availability of quality space and corresponding low demand resulted in deferment of mall developments. Apparel and lifestyle segments were the predominant demand driver.

During year 2017, mall rentals remained stable across submarkets. Apparel and lifestyle retailers like Pantaloons, Skechers, Blackberrys, Decathlon and Geetanjali Salon were the key occupiers of mall spaces. Main street locations of South Delhi and Gurugram sector 29 continued to witness high demand.

Robust demand and limited availability led to rentals appreciation by 3% - 5% in the main street locations. Select main streets such as Khan Market, Connaught Place, DLF Galleria, and Sector 29 in Gurugram showed an increase in rents owing to the higher traction witnessed in these micro-markets. Mall rents remained stable across all submarkets because of steady demand and adequate availability of space.

**Retail markets of NCR Delhi are expected to witness sustained demand for quality retail space in 2018. Demand for quality space by international brands will drive the retail market. South Delhi, Gurugram and NOIDA is expected to continue as most preferred retail destinations**

NCR Delhi Markets	H1/15	H2/15	H1/16	H2/16	H1/17	H2/17
Khan Market	1250	1250	1250	1350	1375	1375
South Extension I&II	750	755	755	770	775	775
Connaught Place	800	810	810	820	825	825
Greater Kailash I, M Block	550	555	555	560	570	570
Rajouri Garden	200	210	210	215	225	225
Karol Bagh	375	380	380	390	400	400
Kamla Nagar	450	455	455	455	455	455
DLF Galleria (Gurgaon)	700	705	705	705	710	710
Sector 18 (NOIDA)	225	230	230	230	230	230
South Delhi	500	505	505	505	515	515
West Delhi	325	330	330	330	330	330
Gurgaon	375	380	380	380	380	380
NOIDA	380	385	385	385	385	385
Ghaziabad	200	210	210	210	210	210

Significant Leasing Transaction in Retail Market			
Property	Location	Tenant	Square Feet
Sindhi House, Connaught Place	New Delhi	Wok to Walk	1600
A Block, Connaught Place	New Delhi	Anytime Fitness	6000
Janpath, Connaught Place	New Delhi	Fab India	3500
GIP Mall, Noida	NCR	Miniso	2000
Mall of India, Noida	NCR	Miniso	3600
Defence Colony	New Delhi	Joyalukas	2000
Sec-18, Noida	NCR	Joyalukas	2000
Element One Mall, Gurugram	NCR	Burger King	2000
Element One Mall, Gurugram	NCR	First Cry	2000
Najafgarh Road, Janakpuri	New Delhi	Westside	15000
Golf Course Road, Gurugram	NCR	Cultfit	3000
Rajouri Garden	New Delhi	P.C. Jeweller	3500
Crown Interiorz Mall, Faridabad	Haryana	Bata	3500
Karol Bagh, New Delhi	New Delhi	Kasir	7500
DLF Grand Mall, M.G Road	Gurugram	Barbeque Nation	4500
DLF Grand Mall, M.G Road	Gurugram	Johnny Rockets	3000
Vikasmarg	New Delhi	Westside	15000
Lajpat Nagar	New Delhi	Patanjali	3600
Kailash Colony	New Delhi	Cultfit	3500
Inner Circle, Connaught Place	New Delhi	Biba	1600

# NCR Delhi Industrial and Warehousing Trends

NCR Delhi is one of the largest warehousing nodes in India due to presence of large consumer and manufacturing base.

Leasing activity remained robust in the NCR, with close to 3 million sq. ft. of modern warehousing space being leased across the region. Demand continued to shift towards modernized Pre-engineered Building (PEB) facilities along the NH-8 in areas such as Pataudi, Tauru Road and Binola, followed by the industrial areas of Mundka (Delhi), Dadri (Ghaziabad) and Greater Noida. E-commerce continues to be the main demand drivers.

Rental values in Delhi witnessed a growth of 5%-7% during 2017 due to sustained interest from 3PL and e-Commerce players. In notable transaction, approx. 2,70,000 sq.ft. was leased by major Indian Ecommerce at Tauru Road and Hero Motor Corp leased 1,00,00 sq.ft.near Jamalpur, Gurgaon

**Industrial and warehousing will be the major demand drivers in Delhi NCR market with sustained demand from FMCG, 3PL and e-Commerce players.**

Industrial and warehousing Submarkets	Land rates in INR Mn/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
<b>DELHI</b>			
Mundka	30 -60	20 -30	15 - 30
Alipur	25-50	18-25	13 - 20
Near Airport/ Dwarka	50 -100		20 - 30
Okhla / Mohan Cooperative		30 -100	30 - 50
Central Delhi		40 -120	
<b>NCR-UP</b>			
Noida	390-395	35-40	16-30
Greater Noida	38-40	15-22	16-22
<b>NCR-Haryana</b>			
Faridabad		18-25	18-20
Gurgaon(Pataudi - Bilaspur)		18-22	10-18
Hasangarh			10-13
Sonepat			11-20
Palwal		15-20	13 -15
Ballabgarh		16-18	20-22
<b>NCR-Rajasthan</b>			
Bhiwadi	35-40	15-17	15-17
Khushkhera	22-25	14-15	14-15
Neemrana	39-42	14-16	14-16

## Significant Transactions in Industrial and warehousing Market 2017

Property	Location	Tenant	Area in sq.ft
Warehouse	Tauru Road, Gurgaon	Flipkart.com	2,37,000
Warehouse	Tauru Road, Gurgaon	Proconnect Logistics	65,000
Warehouse	Tauru Road, Bilaspur, Gurgaon	Damco Logistics	77,000
Warehouse	Tauru Road, Bilaspur, Gurgaon	Micromax	70,000
Warehouse	Jamalpur, Gurgaon	Hero Motor Corp	1,00,000
Warehouse	Farukhnagar , Gurgaon	20 cube	20,000
Warehouse	Patudi Road, Gurgaon	Aryan Wellness	50,000
Warehouse	Patudi Road, Gurgaon	Holisol Logistics	50,000
Warehouse	Sikri, faridabad	Exide Batteries	60,000
Warehouse	Gerater Noida	Vivo	70,000
Warehouse	Greater Noida	Spoton Logistics	30,000
Warehouse	Lalkuna, Ghaziabad	Nerolac	60,000
Warehouse	Barota, Soneapt	Haldiram	90,000
Warehouse	Hassangargh	Reckit Benkizer	50,000

# BENGALURU

## REAL ESTATE TRENDS

**Bengaluru** is known as the "Silicon Valley of India" because of its role as the nation's leading information technology (IT) exporter. With an economic growth of 10.3%, Bangalore is the second fastest-growing major metropolis in India. *Forbes* considers Bangalore one of "The Next Decade's Fastest-Growing Cities" as per its survey carried out in year 2010. It has a population of about 12.34 Million, making it the third most populous city and fifth most populous urban agglomeration in India.



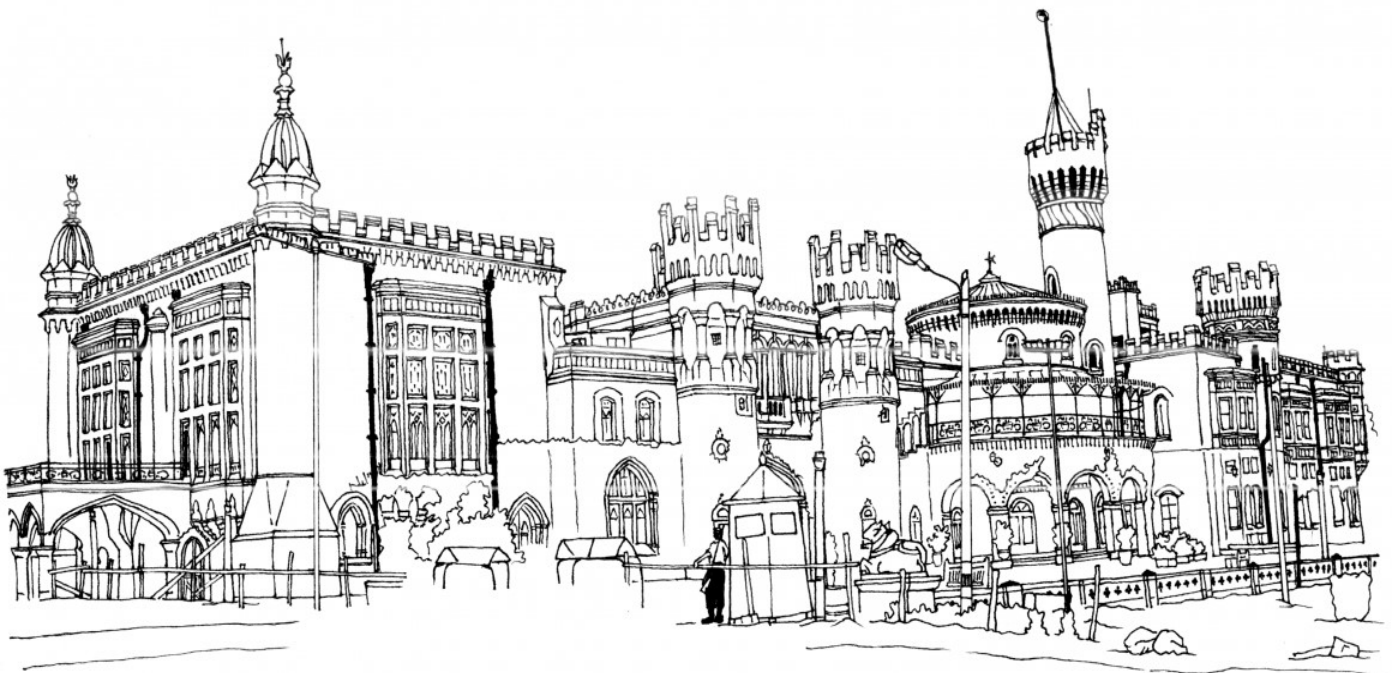
Commercial



Retail



Ind. & Warehousing



# Bengaluru Commercial Real Estate Trends

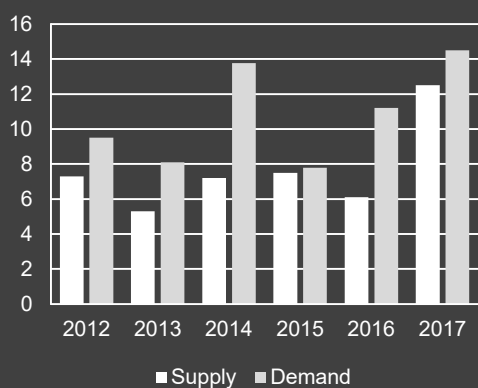
Bengaluru saw highest leasing activity with total absorption of around 14.5 million sq. ft in 2017. Outer Ring Road submarket accounted for almost 60% of the total Grade A leasing, followed by Suburban East (25%) and Peripheral submarkets (15%). The technology occupiers, contributing 56% of the total demand. Banking, financial services; insurance (BFSI) and engineering; manufacturing followed with 11% and 9% share

New supply of 12.5 million square was added to the city's inventory in 2017, recording a 30% increase from 2016.

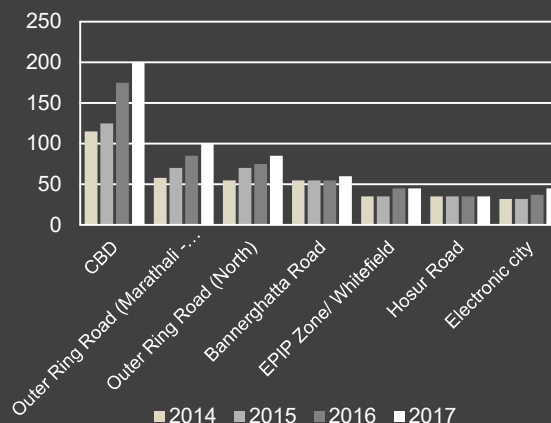
The city recorded an average rental increase of 13.7 percent YoY in 2017, highest in India. Vacancy remained stable at 9.9%. About 26 million square feet (2.4 million square metres) of Grade A office space is scheduled for completion in Bengaluru by 2020. More than 60% of the total upcoming space is concentrated in ORR and Whitefield.

**Besides Ecom, IT, ITES, the Co-Working Space office requirement will contribute to the demand commercial office space in Bengaluru. Rental prices will see northward movement in 2018 due to sustained demand.**

**Demand and Supply in Bengaluru commercial Market in million sft**



**Bengaluru Commercial Market Rental Trends in INR/sft/month**



## Major Deals in Commercial Market - 2017

Client	Building Name	Area (SF)	Location	Lease/ Sale
Awfis	H M Vibha	35,000	Koramangala	Lease
WeWorks	RMZ Lattitude	60,000	BIAL Road	Lease
Regus	The Fairway	35,000	Domlur Inner ring Road	Lease
Flexera Software	Salarpuria Tech Point	37,674	Koramangala	Lease
Analog Devices	Salarpuria Nova	1,65,364	Old Madras Road	Lease
Zapr	Salarpuria Sattva Magnificia	20,734	Old Madras Road	Lease
Power School	Embassy Tech Village	45,000	Devarabisanahalli, ORR	Lease
Flipkart	Mantri Commercio	70,800	Outer Ring Road	Lease
Manipal	SJR I Park	11,000	Whitefield	Lease
Amazon	Tech Park	6,00,000	NA	Lease
Lows	Tech Park	5,00,000	NA	Lease
KPMG	Tech Park	4,60,000	NA	Lease
Qual Comm	Tech Park	4,42,000	NA	Lease
Workfella	Al Habib	42500	Infantry Road	Lease

# Bengaluru Retail Real Estate Trends

Bengaluru saw limited transaction activities in year 2017 due to restrictive supply. Bengaluru saw absorption of around 0.75 million sq.ft. of prime retail space while the supply was approx. 42.8 million sq. ft. The first half of 2018 is expected to witness a total supply of about 2 msf.

Retailers from multiple categories such as apparel, food and beverage (F&B), beauty, travel, etc. are driving the demand in submarkets. The majority of leasing activity in the malls was driven by e-commerce, food & beverage and apparel retailers,

Due to good leasing activity and limited supply, overall mall vacancy levels remained low at 11%. Hosur-Sarjapur Road has emerged as the new retail destination and has gained significant interest from retailers witnessing high volume of transactions. The rentals have remained stable in all major micro - markets.

**Rental prices will largely remain unchanged in 2018. E-commerce and international departmental stores will continue to be the major demand drivers in the Bengaluru commercial office space.**

## Significant Leasing Transactions in Retail Market - 2017

Property	Location	Tenant	Area (Sft)
Independent Building	CBD	Oppo Mobiles	8,000 sft
Eva Mall	CBD	Decathlon	35,000 sft
Gopalan Mall	Mysore Road	Dmart	40,000 sft
Eva Mall	CBD	Shakes Beer	12,000 sft
Independent Property	Electronic city	Arvind - unlimited	13000 sft

Significant Project under construction	Location	Area	Completion
Arena Mall	Domlur	900,000	H2, 2018
Forum Shantiniketan Mall	Whitefield	600,000	H2, 2018
Bren Star Centre	Bannerghatta Road	500,000	H1, 2018

Bengaluru Retail Market Rental Trends in INR/sft/month					
High Street	2013	2014	2015	2016	2017
MG Road	240	240	240	150-250	125 - 275
Brigade Road	330	325	310	175-350	175 - 350
Commercial Street	300	300	300	300	300
Indiranagar 100 feet Rd.	200	200	190	175-200	150 - 200
Jayanagar	255	255	255	150-250	150 - 250
Sampige Road, Malleswaram	120	120	120	125	125
Koramangala 80 ft Rd.	125	125	115	100-150	100 - 150
Vittal Mallay Rd.	290	280	270	200-300	150 - 300
New BEL Rd.	140	142	145	125-175	125 - 175
Marathahali Jn.	125	125	125	125	125
Kamanahalli Main Rd.	125	125	125	125-150	125
Malls					
Koramangala	420	420	420	420	420
Magrath Rd.	375	375	375	375	325 - 350
Cunningham Rd.	100	100	90	100	120
Mysore Rd.	80	75	65	100-125	100 - 125
Vittal Mallay Rd.	400	400	400	400-500	400-500
Whitefield	120	120	120	100-175	100 - 175
Rajarajeshwarinagar	90	90	80	100	100
Malleswaram	280	280	280	250-300	25-300
Bannerghatta Rd.	200	195	195	125-175	125 - 200

# Bengaluru Industrial and Warehousing Trends

Bengaluru has emerged as major market for investment by e-commerce players. The total warehousing space requirement in the city is estimated to be around 80 mn sq.ft. in next two years while upcoming supply is around 60 mn sq.ft.

Manufacturing sector is the biggest demand drivers with absorption of 55 mn sq.ft. In warehousing segment e- retailers and e-commerce giants have consolidated their presence in this market due to availability of quality warehouse at reasonable costs and relative proximity to high-demand centres (such as Hyderabad, Chennai, Cochin and Mangalore.

Nelamangala – Dabaspete cluster and T Begur to Dabaspete region is emerging as new Industrial and warehousing corridor. Rents across micro-markets remained largely stable. Going forward, sustained occupier demand is likely to keep rents across the prominent industrial and warehousing clusters under pressure in the coming 6-12 months.

***Bengaluru Industrial and warehousing market will continue its robust performance in year 2018. Rentals may appreciate owing to healthy demand in certain micro-markets particularly in eastern and western part of Bengaluru***

<b>Bengaluru Industrial and Warehousing Trends</b>			
<b>Industrial &amp; warehousing Submarkets</b>	<b>Land rates in INR Mn/acre</b>	<b>Industrial Rents INR/sft/month</b>	<b>Warehousing Rents INR/sft/month</b>
Bengaluru Hardware Park	25- 30	--	--
Narsapura	18 - 22	16 - 18	15 - 20
Bommasandra	45 - 65	25 - 30	23 - 28
Bidadi IDA	20 - 30	18 - 25	17 - 25
Dabaspeta	20 - 25	17 - 22	17 - 22
Harohalli	15 - 20	--	--
Peenya IDA	150 - 170	25 - 35	25 - 35
Hosur Rd.	50 - 150	23 - 35	20 - 35
Whitefield	- -	25 - 35	25 - 35
Nelamangala	- -	15 -22	18 -25

<b>Significant Leasing Transactions in Industrial and warehousing Market 2017</b>			
<b>Property</b>	<b>Location</b>	<b>Tenant</b>	<b>Area</b>
Private	Off Hosur Road	Aditya Birla	1,50,000
Private	Attibele	DHL	1,20,000
RKV Logistic Park	Anekal - Attibele Road	DHL	3,00,000
RKV Logistic Park	Anekal - Attibele Road	Adithya Birla	1,50,000
RKV Logistic Park	Anekal - Attibele Road	Puma	1,00,000

<b>Significant Project under construction</b>	<b>Area</b>	<b>Completion</b>
Attibele - Anekal Road	20,00,000 sft *	Mar-18
Huskur Road	3,00,000 sft *	Dec-17
Harohalli	5,00,000 sft	Apr-18
Nelamangala-Dabaspeta Road	5,00,000 sft *	Mar-17
Around Hoskote	7,00,000 sft *	Feb-18

\* Total combined development

# CHENNAI

## REAL ESTATE TRENDS

**Chennai** is known as the “Detroit of India” for its automobile industry. It is the fifth-largest city and fourth-most populous metropolitan area in the country. Chennai has a broad industrial base in the automobile, computer, technology, hardware manufacturing and healthcare sectors. The city is base to around 30 percent of India's automobile industry and 40 percent of auto components industry. According to the Confederation of Indian Industry (CII), Chennai is estimated to grow to a US\$100–billion economy, 2.5 times its present size, by the year 2025.



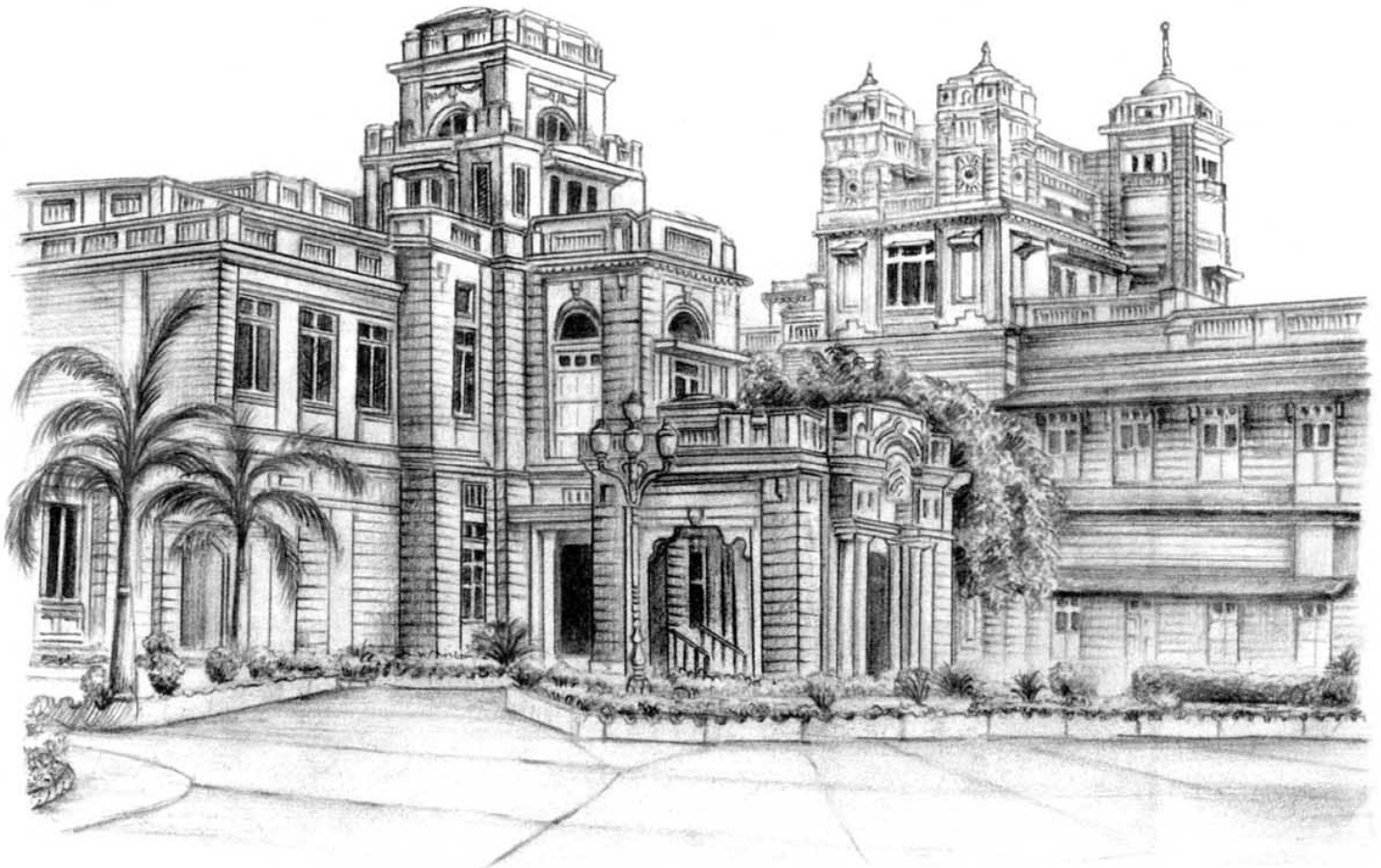
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Retail



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# Chennai Commercial Real Estate Trends

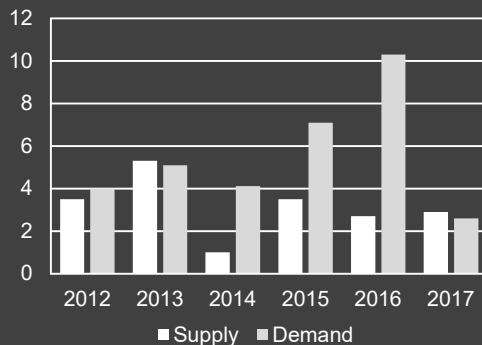
Chennai market saw furious leasing activity despite space crunch in 2017. Chennai saw a growth of net absorption of 60 per cent year on year (y-o-y), registering total absorption of 2.6 mn sq. ft. The SBD, PBD OMR and GST business districts have seen the most transactions in Chennai markets.

The Chennai market witnessed addition of around 2.9 mn sq.ft of Grade A office space. Absorption in the city has been led by sectors such as e-commerce, IT/BPM and BFSI for processing units. As a result, Chennai has seen a significant drop in vacancy bringing it down from 15 per cent in 2015 to 9 per cent in 2017

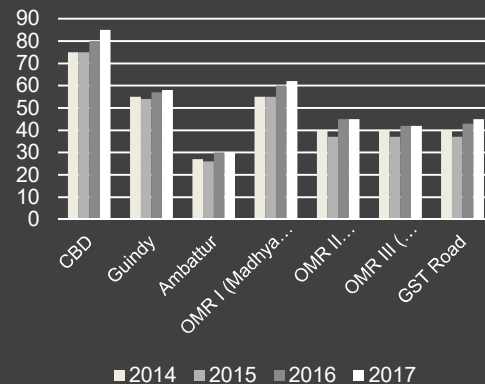
Rentals have remained stable across micro markets. The Chennai market witnessed robust activities in the last few quarters, registering a steady growth quarter on quarter (q-o-q) due an increase in interest from occupiers. Availability of quality office space as well as lower rental values.

**Chennai office market is expected to continue its sustained trends in year 2018. Due to low available inventory, the rentals may see appreciation. IT & ITeS, e-commerce and manufacturing will continue to be the major demand drivers in the Chennai commercial office space.**

Demand and Supply trends in Chennai commercial Market in MN sft.



Chennai Commercial Market Rental Trends in INR/sft/month



## Major Deals in Chennai Commercial Market - 2017

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
International Justice Mission		10,000	Egmore	Lease
Ziss Enterprises		10,000	Guindy	Lease
Wells Fargo	Chennai One Magnum	123,000	OMR-Post Toll	Lease
Renault Nissan	Ascendas Cybervale	120,000	GST Road	Lease
Amazon	SP Info City	67,200	OMR-Pre Toll	Lease
IBM	DLF IT SEZ	61,466	MPH Road	Lease
Shriram Value	Independent Building	40,000	CBD	Lease
Valeo India	Cee Dee Yes IT Park	200,000	Navalur	Lease
XM Software	DLF IT SEZ	63,000	Manapakkam	Lease
Kone Elevators	One India Bulls	50,000	Ambattur	Lease
HDFC Bank Ltd.	Nelson Tech Park	50,000	Aminjikarai	Lease
Paragon Digital	Tyche Towers	46,000	Taramani	Lease
Amazon	Ramanujam IT Park	1,48,000	Taramani	Lease
Astra Zeneca Pharma	Ramanujam IT Park	1,00,000	Taramani	Lease
Westminister	Independent building	58,000	Nungambakkam	Lease

# Chennai Retail Real Estate Trends

Chennai retail market saw robust transaction in 2017 owing to sustained retail demand. Chennai saw absorption of 1 mn sq.ft of retail space in 2017.

The rentals remained stable due to limited supply of quality retail space. Main streets saw healthy leasing activity at key locations such as Anna Nagar, TTK Road, Nungambakkam, and Thoraipakkam. Both domestic and international brands like Café Coffee Day, Fabindia, Nike, Tea Trails, Ramraj, Limelite, etc. leased spaces at main streets during 2017.

Rentals saw appreciation by 8% - 12% in retail high streets. Most under-construction mall projects are expected to be completed in H1, 2018. All of this new supply is located in the peripheral micro-markets of Velachery and Sholinganallur.

**Around 4 Malls are in different stages of construction which is expected to add 1.2 mn sq.ft of quality retail space. We expect retail segment to perform well in 2018 owing to sustained demand by international brands.**

## Significant Leasing Transaction in Retail Market

Property	Location	Tenant	Square Feet
White Rose	Thuraipakkam	Gunashekar Hospitals	3350
Dowlani Tower	R.K. Salai	HNS Hotels P. Ltd.,	7600
Standalone	Annanagar	Fipola	1600
Standalone	TTK Road, Alwarpet	Gympac	1300
Express Avenue Mall	Royapettah	Adidas	10,100
Express Avenue Mall	Royapettah	Forever 21	10,100
Standalone	Adyar	Ritu kumar	3000
Brigade Vintage	Perungudi OMR	Decathlon	25,000

## Chennai Retail Market Rental Trends in INR/sft/month

High Street Area	2014	2015	2016	2017
Nungambakkam High Road	150	150	150 - 175	150 - 180
Khadar Nawaz Khan Road	210	210	200 - 225	200 - 225
Cathedral Road - RK Salai	135	135	135 - 150	135 - 150
Usman Road - South	130	130	130	130
Usman Road - North	140	140	140	140
Adyar Main Road	170	170	170	170
Anna Nagar 2nd Avenue	130	130	130	130 - 150
Purusawakam High Road	120	120	120	120
Pondy Bazar	160	160	160 - 185	160 - 200
Velachery	75	100	100	120 - 150
<b>Malls</b>				
Chennai - CBD I (Mall)	230	230	230 - 260	230 - 275
Chennai - CBD II (Mall)	300	300	250 - 300	250 - 325
Chennai - Western (Mall)	200	200	180 - 200	180 - 200
Chennai - South (Mall)	220	220	200 - 230	200 - 230

# Chennai Industrial and Warehousing Trends

Chennai saw sustained activity in warehousing and industrial segment. Being a traditional industrial and manufacturing base, it houses some of the biggest names in automobile and manufacturing industry. NH-5, Sriperumbudur - Oragadam and Sriperumbudur - Tiruvallur are the main industrial and logistic corridor in Chennai.

Chennai saw close to 1.5 mn sq.ft of leasing Industrial and warehousing segment. Leading occupiers leasing space during 2017 were e-Commerce, engineering and manufacturing, and 3PL companies. Leasing activity was largely concentrated across projects such as Indospace and Kailash Logistics.

Rental values were largely stable during 2017. NH - 5 (Red Hills – Gummidipoondi), Tada and Sriperumbudur – Tiruvallur stretch remained the most vibrant industrial and warehousing market seeing an appreciation of 8% - 12% year on year. Demand for Grade A & B warehousing have led to rental appreciation in most micro – markets. Manufacturing rents will remain steady across submarkets.

***Industrial and warehousing demand will continue to grow in along major industrial and warehousing corridors of Chennai in 2018.***

## Chennai Industrial and Warehousing Trends

Industrial and warehousing Submarkets	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
NH 4 - Sriperumbudur - Oragadam SIPCOT	22 - 29	22 -29
Sriperumbudur - Tiruvallur	22 – 29	22 - 29
NH 5 - Gummidipoondi SIPCOT	15 - 18	18 - 20
NH 5 - Red Hills - Gummidipoondi	16 - 20	15 - 17
Ambattur	24 -26	23 - 25
Poonamallee	25 - 30	
Maraimalai	23 - 25	20 - 23

# HYDERABAD

## REAL ESTATE TRENDS

**Hyderabad**, the capital of newly formed state of Telengana is historically known as the “City of pearls” . With an output of US\$74 billion, Hyderabad is the 5<sup>th</sup> contributor to India's overall gross domestic product. The city is home to more than 1300 IT and ITES firms, including global conglomerates such as Microsoft (operating its largest R&D campus outside the US), Google, IBM, Yahoo!, Dell, Facebook, and major Indian firms including Tech Mahindra, Infosys, Tata Consultancy Services (TCS), Polaris and Wipro. The city and its suburbs contain the highest number of special economic zones of any Indian city.



Commercial



Retail



Ind. & Warehousing



# Hyderabad Commercial Real Estate Trends

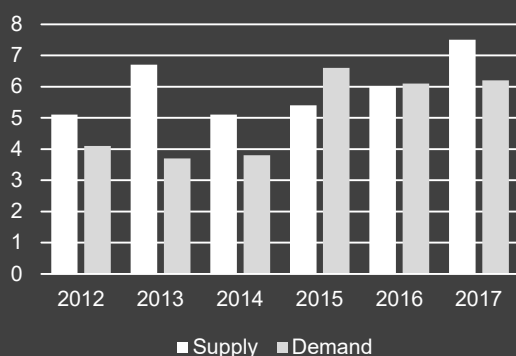
Hyderabad to record the second-highest absorption levels in 2017 with nearly 6.2 mn sq. ft. of office space transacted, making it one of leading investment destinations. In Hyderabad, IT-BPM, pharmaceuticals and healthcare companies were the demand drivers, with Madhapur and Gachibowli submarkets continuing to see majority of the leasing activity..

Around 7.5 mn sq.ft. of Grade A office space was added to Hyderabad commercial Market in 2017. A large share New completions are witnessing furious pre-leasing activity with most of the space already pre-committed.

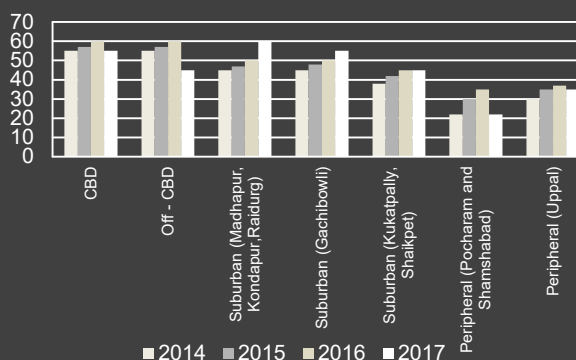
Due to sustained demand since last two years, the rentals in most micro markets have seen appreciation. Steady demand, has pushed weighted average rentals in the Hyderabad office space market to INR 47 per sq.ft. per month at the end of 2017. The IT/ITeS sector continues to be the largest consumer in the Hyderabad office space market with share of almost 85%

**Hyderabad office market is expected to continue its sustained trends in year 2018. The rentals may see further appreciation due to sustained demand by IT & ITeS sector.**

**Demand and Supply Trend in Hyderabad Commercial Market in MN sft**



**Hyderabad Commercial Market Rental Trends in INR/sft/month**



## Major Deals in Commercial Market 2017

CLIENT	Building Name	Area (SFT)	Location	Lease/Sale
GAP	Waverock	84000	Gachibowli	Lease
Purple Yo	Independent Building	30000	Gachibowli	Lease
AWFIS	SS Tech Park	20000	Gachibowli	Lease
EPAM	Salarpuria IT Park	250000	Madhapur	Lease
Karvy	APSFC	100000	Gachibowli	Lease
Synchrony	Salarpuria IT Park	250000	Madhapur	Lease
ZF India	Independent Building	125000	Gachibowli	Lease
GE	Salarpuria IT Park	32000	Madhapur	Lease
AWFIS	N Heights	38000	Hi-Tech City	Lease
Amazon	Phoenix SEZ	600000	Madhapur	Lease
Microsoft	Knowledge City	166000	Hi -Tech City	Lease
Capgemini	Laxmi Infobahn	1000000	Gachibowli	Lease
HDFC Ltd	Meghna Infratech	105000	Himayatnagar	Lease
Xininx	Salarpuria Knowledge City	350000	Madhapur	Lease
Ness Technologies	Divyasree Orion - SEZ	102500	Raidurg	Lease
Axis Bank	Raheja Mindspace- East	50000	Pocharam	Lease
E & Y	Purva Summit	42000	Whitefield	Lease
Digital Domain	Waverock	40000	Financial District	Lease
Sykes	Mantri Cosmos - SEZ	34000	Financial District	Lease
DHFL	Imperial Towers	11000	Ameerpet	Lease
Amity	L & T Building	50000	Punjsgutta	Lease
GSPANN Technologis	N Heights	38000	Hi-Tech City	Lease
Smart Work	Purvankara Building	42000	Kondapur	Lease

# Hyderabad Retail Real Estate Trends

Hyderabad retail market witnessed brisk transaction activity in 2017. Hyderabad market saw absorption of 0.7 mn sq.ft. of retail space. With no new supply, the vacancy rate declined to 4.5 % in 2016. Prominent malls at Banjara Hills, Madhapur and Kukatpally, currently have no vacancy and most other malls have under 5% of vacant spaces.

Rents in all malls in the city remained stable due to demand keeping pace with the limited availability of quality spaces. Main street rents were also flat, amid healthy leasing activity and sufficient availability of spaces.

Lack of availability in preferred malls, coupled with brisk demand kept mall rents largely stable during the year. There is surge in demand from supermarkets, who are seeking expansion opportunities across major residential colonies in the city.

*Hyderabad will see completion of 11 malls by 2020 adding around 3.0 mn sq.ft. of space. Rentals may appreciate in few micro markets owing to demand driven by supermarkets and F&B. Retail markets of Hyderabad is expected to see healthy growth of pre-leasing activities in 2018.*

Significant Leasing Transactions in Retail Market			
Property	Location	Tenant	Area
Individual	GVK Mall	Harmony	700 Sft
Individual	GVK Mall	Manyavar	700 sft
Individual	GVK Mall	Varmoda	700 Sft
Individual	Banjara Hills Road No 2	Collective	15000 Sft
Individual	Punjagutta	Lalitha Jewellers	130000 Sft
Individual	L.B Nagar	Maruthi Showroom	30000 Sft
Individual	Ameerpet	Chennai Shopping Mall	65000 Sft
Individual	Parklane	Westside	40000 Sft

Hyderabad Retail Market Rental Trends in INR/sft/month					
High Street	2014	2015	2016	H1 2017	H2 2017
M.G Road	110	110	110	105 - 115	100 - 110
S.P Road/ Begumpet	110	110	110	100 - 125	100 - 120
Raj Bhavan Road/ Somajiguda	90	90	90	90- 100	90 - 100
Banjara Hills	130	130	130	120 - 130	120 - 130
Abids/ Koti	110	110	110	95 - 115	90 - 110
Himayathnagar	135	135	135	110 - 135	110 - 130
Punjagutta	155	155	155	150 - 165	140 - 160
Ameerpet	125	125	125	100 - 120	100 - 125
Jubilee Hills	130	125	125	100 - 120	100 - 120
Kukatpally	140	140	140	110 - 130	110 - 130
A.S.Rao Nagar	120	120	120	90-100	90 - 110
Madhapur	100	100	100	100 - 110	100 - 120
Malls					
NTR Gardens	125	125	125	120	120
Himayathnagar	150	150	150	140	145
Banjara Hills/ Jubilee Hills	160	160	160	170	165
Madhapur	140	140	140	150	145
Punjagutta	140	140	140	140	140
Somajiguda	130	130	130	120	130
Kukatpally	100	100	100	100	100

# Hyderabad Industrial and Warehousing Trends

The major industrial and warehousing corridors in Hyderabad are Shamshabad, Mahabubnagar and Medchal. These areas have the presence of almost all major FMCG and e-retail players.

The Hyderabad logistics market witnessed strong increase in leasing activity in 2017. Besides a few large scale transactions, the leasing activity during 2017 was driven by small to medium sized space take-up by 3PL, FMCG, e-Commerce and pharmaceutical companies. Majority of the leasing activity was concentrated across independent warehouses.

Shamshabad has emerged as a preferred e-commerce destination due to proximity to airport. Rentals have remained stable across micro markets. The Medchal area saw appreciation of rentals due to steady demand and sustained leasing activities. Industrial and warehousing demand will continue to grow in along major industrial and warehousing corridors of Hyderabad in 2018 particularly in Medchal, Shamshabad and Kothur areas

***GST reforms and political stability has triggered off growth in Hyderabad Industrial and warehousing markets.***

Hyderabad Industrial and Warehousing Rentals in INR/sft/month

Submarkets	Industrial	Warehousing
Jeedimetla	15 - 18	15 - 18
Gunda-Pochampally	12 - 14	12 - 14
Kandlakoya	10 - 13	10 - 15
Kompally	15 - 20	15 - 20
Bowrampet	12 - 15	12 - 15
Gajularamaram	10 - 12	10 - 12
Medchal	18 - 22	18 - 25
Turkapally	11 - 14	11 - 14
Dandupally	12 - 14	12 - 14

# KOLKATA

## REAL ESTATE TRENDS

**Kolkata** is the main commercial and financial hub of East and North-East India and home to the Calcutta Stock Exchange. Kolkata is home to many industrial units operated by large public and private-sector corporations; major sectors include steel, heavy engineering, mining, minerals, cement, pharmaceuticals, food processing, agriculture, electronics, textiles, and jute. Information technology became a high-growth sector in Kolkata starting in the late 1990s; the city's IT sector grew at 70% per annum—a rate that was twice the national average.



Commercial



Retail



Ind. & Warehousing





# Kolkata Commercial Real Estate Trends

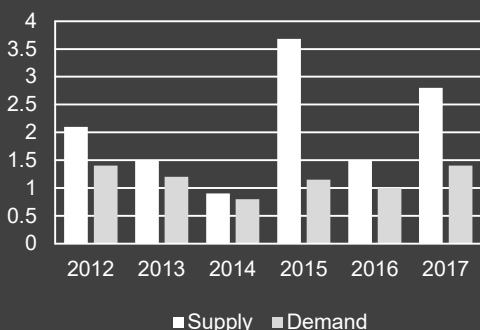
Year 2017 saw revival of Kolkata commercial markets with healthy absorption of approx. 1.5 million sq. ft. Salt Lake submarket accounted for 60% of the total Grade A net absorption, followed by Rajarhat (25%). The IT-BPM sector led transaction activity, with a share of 64.0% in overall leasing.

The city saw supply of around 2.8 million sq. ft of grade A office space in 2017. The supply is primarily concentrated in the peripheral submarkets of Rajarhat and Salt Lake. IT developments constitute about 85% of this new supply. The city is expecting an addition supply infusion of about 2.2 million sqft by 2020 resulting in 10% increase in total office stock

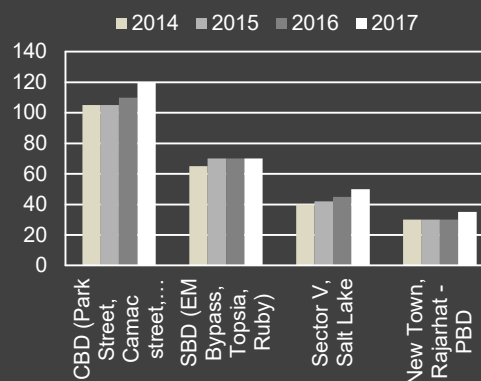
Due to surge of supply, the commercial rentals saw marginal decline in most micro - markets. Vacancy level remained high at 30% and likely to increase upto 35% with further increase in supply. Considering the moderate demand and increase in enquiry level in the market, net absorption is expected to improve going forward. Rentals are likely to remain stable due to increase in supply in the next quarter.

***We anticipate that the rents will remain stable in 2018 as demand to surge in upcoming period at the back of increased enquiries especially in Sec V and Peripheral areas. However CBD area may see rental correction as several companies are relocating to peripheral areas.***

**Demand and Supply Trends in Kolkata Commercial Market in Mn sft**



**Kolkata Commercial Market Rental Trends in INR/sft/month**



## Major Deals in Kolkata Commercial Market - 2017

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Foster Wheeler	Infinity Benchmark	42000	Sec V	Lease
Samsung Electronics	DLF IT Park	40000	New Town	Lease
Reliance Capital	Thapar House	40000	Rashbehari	Lease
Times Group	Rudramani	20000	EM Bypass	Lease
Eicher Motors	Acropolis	6000	Kasba	Lease
Khadims India	Kankaria Estate	10000	Russel Street	Lease
AWFIS	Biowonder	12000	SBD	Lease
Supreme Pipe	Bio Wonder	12000	SBD	Lease
Ganesh Grain	Trinity Tower	10000	Topsia	Outright
Mansa BPO	Megatherm	30000	Salt Lake, Sec V	Lease
Tata Business Support Service Ltd.	Srijan Tech park	12500	Salt Lake, Sec V	Lease
Telematics	Eco Space	7500	Rajarhat	Lease
Nomura Infotec	PS Srijan Corporate Park	33000	Salt Lake, Sec V	Lease
Sun Knowledge	Megatherm	30000	Salt Lake, Sec V	Lease

# Kolkata Retail Real Estate Trends

Kolkata Retail markets saw revival with addition of new supply in 2017. Kolkata that witnessed 55 per cent rise in transaction activity with leasing of around 0.75 mn sq ft of retail space. Kolkata witnessed numerous store openings during 2017 particularly driven by high street transactions due to non availability of mall space. Anchors Like Future Group, Spencer's, ABRL and Reliance have floated their massive expansion plan under different formats for the city and surroundings for 2018.

Most transactions on high streets were by retailers belonging to the apparel, jewellery and QSR segments. 3 mid size shopping malls are expected to start its construction phase in 2018.

Rental rates in the H2, 2017 were stable and similar to H1, 2017. It ranges from Rs. 40/sqft – Rs. 350 /sqft for the High Street properties in and around the city. Several non performing old Single Screen Cinema Halls are in the process of Conversion into Retail Projects with the whole land parcel. Behala, BT Road and Tollygunge-Garia area are demarcated as most potential locations for Malls In the city. Some of the leading developers are coming up with Medium Size Shopping Malls in these locations.

**Healthy Retail space transaction is expected to continue in year 2018. Demand for high street properties will drive the retail markets in Kolkata.**

Significant Transactions in Retail Market			
Property	Location	Tenant	Area
Standalone Property	Hatibagan	V2 Fashion	4800
Metro Commercial Property	Esplanade	Central	45000
Standalone Property	Dumdum	Brand Factory	20000
PS Aviator	Newtown	Big Bazaar	35000
Pataka House Commercial Complex	Rafi Ahmed Kidwai Road	Westside	35000
Globsyn Crystal	Sec 5, Salt Lake	Lxry Restaurant Come Bar	8200
Standalone Property	Sec 3, Salt Lake	BM & RM Confectionery Chain	3000
Standalone Property	New Town	More Hyper Market	40000
Standalone Property	Alipore Area	More Hyper Market	44000

Average Retail Rentals in Kolkata in INR/ sft/ month				
High Street	2014	2015	2016	2017
Kankurgachi	200	200	180 -200	180 -200
VIP Road	175	175	150 -175	150 -175
Hatibagan	185	200	180 -200	160 - 175
Shyambazar	140-160	200	180-200	150-170
Theatre Road	220	230	250-300	250-300
Gariahat	300	280	250-280	250-280
Elgin Road Zone	315	285	250-300	250-300
Lindsey Street	300	285	250	250
Camac Street	390	285	250-300	250
Park Street	400	350	300-350	300-350
Malls				
Park Circus	600	600	350-400	350-400
South Kolkata	300	300	250-350	250-350
East Kolkata	400	410 – 420	200-250	250-400
Elgin Road Zone	600	450 – 460	350-400	350-400
New Town, Rajarhat	100	110 – 115	175-200	200-225

# Kolkata Industrial and Warehousing Trends

Kolkata's strategic location as a gateway to North-east India and its proximity to the Kolkata port has made the city a major warehousing location in India. Kolkata warehousing segment saw absorption of around 2 mn sq.ft in 2017.

Kolkata industrial and warehousing market witnessed an appreciation of 5% -10% in most micro markets due to increased demand from warehousing developers/ landlords. The micro market of Dankuni, Dhulagarh, Sankrail and Uluberia along NH-6 witnessed close to 70% of overall transaction activity. Domestic companies from the electronics, 3PL, e-Commerce and media sectors were the major occupiers of space.

Srijan Industrial Logistic Park saw healthy transaction activity in 2017. around 1 mn sq. ft of warehousing space was added to Kolkata micro markets in 2017. Few notable transactions during 2017 included Whirlpool (170,000 sq. ft.), Voltas (90,000 sq. ft.) and Reliance (80,000 sq. ft.). Bombay Road emerged as the most vibrant micro market for warehousing and logistics sector.

**Industrial and warehousing demand will continue to grow in along major industrial and warehousing corridors of Kolkata in 2018**

Submarkets	Land rates in INR per acre	Warehousing Rents INR/sft/month
Dankuni – Delhi Road	3 Cr – 6 Cr	16 – 21
Dhulagarh – Bombay Road	1.8 Cr – 6 Cr	15 – 20
Taratala – Maheshtala	6 Cr – 9 Cr	17 – 22
Madhyamgram, Barasat	1.8 Cr – 3 Cr	18 – 25

Significant Leasing Transactions in Industrial and Warehousing 2017				
Property	Location	Tenant	Area	Lease / Sale
Standalone	Dhulagarh	Bengal Logistics	27,000	Lease
Standalone	Dhulagarh	Voltas	90,000	Lease
Srijan Industrial Logistic Park	Bombay Road	Rishav Commercial	10,000	Outright
Srijan Industrial Logistic Park	Bombay Road	Avery Denninson	30,000	lease
Standalone	Bombay Road	Whirlpool	170,000	Lease
Sankrail Industrial Complex	Dhulagarh	Reliance	80,000	Lease
Sankrail Industrial Complex	Dhulagarh	Panasonic	70,000	Lease
Srijan Industrial Logistic Park	Bombay Road	Philips	25,000	lease
Srijan Industrial Logistic Park	Bombay Road	Punjab Hydraulics	17,000	Lease
Srijan Industrial Logistic Park	Bombay Road	Cryogenic Fire Securities	10,000	Lease
PJR	Dhulagarh	CNF - Cement	13,000	Lease
Abakash Industrial Park	Basanti Highway	Individual - Leather	28,000	Lease
Standalone	Dhulagarh	Exide Industries	37,000	Lease

## Kolkata Land Deals

Significant Transactions in Land 2017			
Client	Location	Sft/ Acre/ Cottah	Type
Unimark Meridian (DM)	Rajarhat	3.25 Acres	DM Model
Greenply	Ashoka Road Alipore	32 Cottah / 0.53 Acre	Outright
Sunil Bansal	Belair Bungalow Plot	7 Cottah / 0.12 Acre	Outright
Not Disclosed	Belvedere Road	8.5 Cottah / 0.14 Acre	Outright
Maruti Suzuki	Narendrapur	51 Cottah	Outright
Diamond-Sugam	Tollygunge / BL Shah Road	317 Kottah	JV
Alcove-Salarpuria	New Town	400000 sqft	Outright
Vedic Village Resort	Rajarhat	Not Known	Outright
Urbana (Resi Plot)	Ruby	20-24 Cottah	Outright
Bhawanipur Education Society College	Heysham Road	10 Cottah	Outright

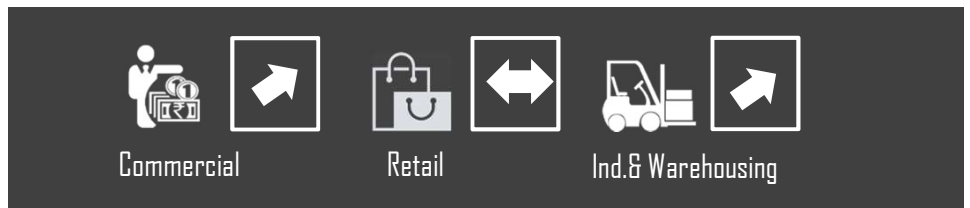
## Kolkata Investment Deals

Significant Transactions in Investments 2017			
Client	Location	Sft/ Acre/ Cottah	JV/ Outright/ ROI
MAX	Elgin Rd	14273 sft	31-32 Cr approx with 8 % ROI
Standard Chartered Bank	Netaji Subhas Chandra Rd	Full Building	65 Cr. Approx
India Bulls Investor Advisory	Strand Road	4110 sft	6.25Cr with 8% ROI
Reliance Trends	Belur- Howrah	10335 sft	6.15 Cr. Approx with 9% ROI
Black Stone	Bhubaneswar, Esplanade Forum Mall	415000 sft	Outright
Hooda –Ramada Group of Hotels	Bhubaneswar, Esplanade Forum Mall	37500 sft	Outright

# PUNE

## REAL ESTATE TRENDS

**Pune** is considered the cultural capital of Maharashtra. Pune is one of the fastest growing cities in the Asia-Pacific region. The 'Mercer 2016 Quality of Living rankings' evaluated local living conditions in more than 440 cities around the world where Pune ranked at 144, second in India after Hyderabad(139). It also highlights Pune among evolving business centres and emerging 9 cities around the world with citation "Hosts IT and automotive companies".



# Pune Commercial Real Estate Trends

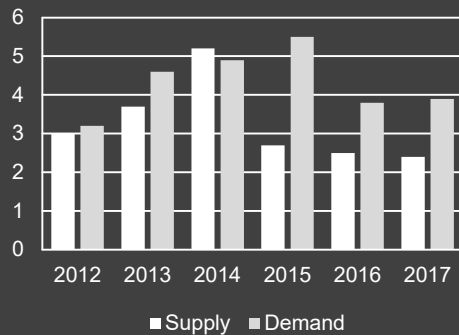
Pune commercial real estate continued in robust performance in 2017 with total transaction of 3.9 mn sq.ft of Grade A office space. SBD-East submarket (includes Kalyani Nagar, Kharadi, Mundhwa, Yerwada, Nagar Road, Viman Nagar, Hadapsar and Kondhwa) continued to be the most sort after location by IT-BPM and BFSI.

Pune witnessed supply of 2.4 mn sq.ft of office space in 2017. Owing to limited supply and healthy demand, the vacancy levels has fallen to 7% - 8%, which is at its historic low for the Pune office market. The sub-markets of SBD East and the CBD recorded a major drop in vacancy levels, which led to a 2.0% rise in weighted average rentals compared to the previous three quarters.

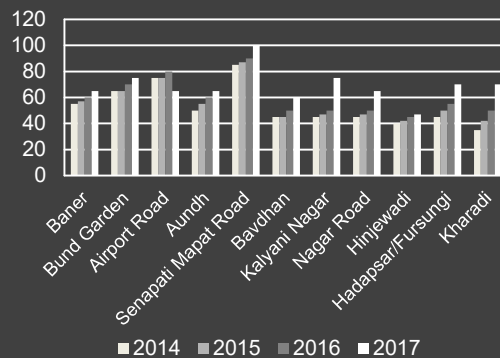
The rental values are likely to strengthen due to sustained demand for quality spaces. Rental values have been rising steadily since 2013 driven by healthy demand outstripping the supply. New supply of 1.6 mn sq.ft are expected to become operational in H1, 2018 in Pune. Pre-committed by IT-BPM occupiers dominated the market. The city's vacancy levels are expected to decline further.

**Going forward, we expect 2018 to be in a similar situation as no major new supply has been lined up at present. Rentals are expected to appreciate further due to supply constraints.**

**Demand - Supply Trends in Pune Commercial Market in MN sft**



**Pune Commercial Market Rental Trends in INR/sft/month**



## Major Deals in Commercial Market - 2017

CLIENT	Location	Area (SF)	Lease/Sale
Emerson	Wakdewadi	1,50,603	Lease
Hoerbiger	Kharadi	9,500	Lease
Vyom Labs	Balewadi	20,000	Lease
Fiserv India	Nagar Road	2,55,000	Lease
TIAA Global Business	Kharadi	1,32,000	Lease
Red Brick Offices	Magarpatta	40,000	Lease
Consultadd Services	Magarpatta	30,000	Lease
Awfis	Baner	20,000	Lease
Awfis	Vimannagar	20,000	Lease
Ferrero India	Kharadi	50,000	Lease
Ujivan Small Finance Bank	Kharadi	26,000	Lease

# Pune Retail Real Estate Trends

Pune retail market witnessed limited leasing activity in year 2017 particularly in Mall segment. Pune saw leasing of around 0.4 mn sq.ft of retail space. Major retail destination such as Koregaon Park, Hadapsar, Pimple Sudagar and Vishrantwadi the leasing activity was dominated by lifestyle and food & beverage (F&B) retailers.

Pune witnessed 0.6 million square feet (msf) of supply. The main streets of Aundh and Pimpri-Chinchwad in Pune recorded moderate leasing activities, driven mainly by lifestyle retailers. F&B operators were the prominent occupiers of space across high streets in Koregaon Park and Kalyani Nagar.

Rental values were largely stable across prominent micro-markets in the city such as Koregaon Park, Aundh, JM Road and MG Road. Owing to the stable demand, few pockets of Pune retail markets may see rental appreciation in 2018

***Demand for high street properties will drive the retail markets in Pune. In terms of transactions, retail market will see robust leasing activity in 2018 due to continued interest from lifestyle retailers. Limited availability of quality supply may cause rentals to appreciate in short term.***

## Major Deals in Retail Market 2017

CLIENT	Location	Area ( SF)	Lease/ Sale
Carnival	Dolphin Mall, Solapur Road	40,000	Lease
PVR	Pavilion Mall, SB Road	30,000	Lease
Pantaloons	Westend Mall, Aundh	6,000	Lease
Men's Avenue	Hadapsar	6,000	Lease
Be My Guest	Amanora Mall, Hadapsar	6,000	Lease
Bombay Brasserie	Nitesh Hub Mall, Koregaon Park	3,500	Lease
Van Heusen	Aundh	3,000	Lease
Shaw Motors	S B Road	12,000	Lease
Dmart	Kothrud	40,000	Sale
Croma	Kothrud	13,000	Lease
Pantaloons	Kothrud	13,000	Lease
Sky Moto	SB Road	10,000	Lease
Brand Factory	Solapur Road	20,000	Lease

## Pune Retail Market Rental Trends in INR/sft/month

High Street	2014	2015	2016	2017
MG Road	300 - 320	300 - 320	250 - 275	300 - 320
JM Road	350 - 375	350 - 375	265 - 290	325 - 370
FC Road	220 - 260	220 - 260	220 - 260	220 - 260
Koregaon Park	120 - 160	120 - 160	220 - 250	190 - 220
Aundh	150 - 185	150 - 185	180 - 200	150 - 180
Bund Garden Road	120 - 140	120 - 140	180 - 200	140 - 170
<b>Malls</b>				
Camp	150	150	175	215
Koregaon Park	98	98	110	135
Nagar Road	150	150	165	180
Hadapsar	130	130	150	180
PCMC	180	180	180	190

# Pune Industrial and Warehousing Trends

Pune has emerged as the most vibrant industrial and warehousing market in Western India. The large consumer and manufacturing base and affordable prices have helped Pune become a major warehousing location.

Pune's total requirement for warehousing space is estimated to be 45 million sq ft, of which more than 80 per cent or 36 million sq ft is from the manufacturing sector. Pune witnessed strong demand for warehousing space during 2017 driven by engineering and manufacturing sector companies and 3PL operators.

Chakan, Sanaswadi and Hinjewadi continues to be the most preferred micro markets for investment in warehousing. Rental values continued to remain stable across micro-markets. Notable leasing transactions included leasing by JCB and Pokhalkar Engg.

**Industrial and warehousing demand will continue to grow in along major industrial and warehousing corridors of Pune in 2018 particularly along Chakan -Talegaon area.**

## Pune Industrial and Warehousing Trends

Industrial and warehousing Submarkets	Land rates in INR Mn/acre	Industrial & Warehouse Rentals in INR/ sq.ft /month
Telegaon	1- 1.25 Cr/ acre	16-24
Chakan	1.8 -2.5 Cr/ acre	16-26
Pimpri Chinchwad	8-10 Cr/acre	25-35
Pirangut	3 Cr/acre	16-22
Hinjewadi	6-7 Cr/acre	25-35
Lonikand	2 Cr/ acre	14-20
Sanaswadi	2.5 Cr/acre	14-20
Ranjangaon	1.5- 2 Cr/acre	18-22
Khed City	1.7 Cr/acre	17-26
Shirwal	1.5 Cr/acre	12-16
Wagholi	3.5 Cr/acre	18-25

## Major Deals in Industrial and Warehousing Market 2017

CLIENT	Location	Area (SF)	Lease/ sale
Pokhalkar Engg	Chakan	40,000	Lease
Brihans Animal Health	Chakan	20,000	Lease
Bosch	Chakan	25,000	Lease
Manuli Hydraulic	Chakan	25,000	Lease
Minda Industries	Chakan	20,000	Lease
Soltech Industries	Chakan	10,000	Lease
Atlas Copco	Lonikand	36,000	Lease
JCB	Talegaon	51,000	Lease



# AHMEDABAD

## REAL ESTATE TRENDS

**Ahmedabad** has emerged as an important economic and industrial hub in India. It is the second largest producer of cotton in India, and its stock exchange is the country's second oldest. Two of the biggest pharmaceutical companies of India — Zydus Cadila and Torrent Pharmaceuticals – are based in the city. The Nirma group of industries, which runs a large number of detergent and chemical industrial units, has its corporate headquarters in the city. The city also houses the corporate headquarters of the Adani Group, a multinational trading and infrastructure development company.



Commercial



Retail



Ind. & Warehousing



# Ahmedabad Commercial Real Estate Trends

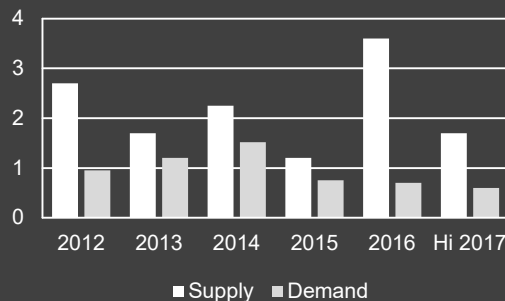
Ahmedabad real estate saw limited transaction of around 0.6 mn sq. ft of commercial space in year 2017. Grade A leasing activity was dominated by the banking, financial services and insurance (BFSI) sector with a 50% share. Majority of the leasing activity was concentrated in the SBD of S.G. Highway (55%).

Ahmedabad witnessed supply of approx. 1.7million sq. ft, in 2017. The supply addition, coupled with moderate leasing activity, led to a increase in Grade A vacancy levels, which was noted at 40.0%.

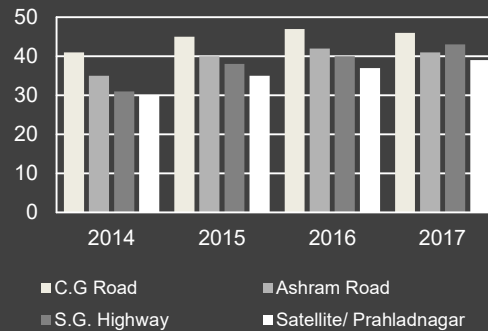
Rentals remained stable in most micro markets with price correction in few locations due to oversupply scenario especially in the submarkets of S.G. Highway and Satellite/ Prahladnagar. Nearly 1.2 million square feet (msf) of Grade A offices are expected to become operational in the 2018

**We Expect 2018 to be positive for the commercial market with good leasing demand & addition of new supply infusion. Rentals are expected to decline further due to demand - supply mismatch.**

**Demand - Supply Trends of Ahmedabad Commercial Market in Mn sft**



**Average Commercial Rental Rates in Ahmedabad in INR / sq.ft/month**



## Major Deals in Ahmedabad Commercial Market - 2017

CLIENT	Building Name	Area (SFt)	Location	Lease/ Sale
Tata Motors	Westgate	6,000	SG Highway	Lease
Carpenter Gym	Dev Aditya	15,000	Thaltej	lease
L& T Finance	Sheetal Varsha	7,500	Vijay Cross Road	lease
Foreign Education Institute	Satya One	14,000	Drive in Road	Lease
Fitness Point	Time Square	18,000	Thaltej	lease
HDFC Bank	Shivalik 3	8,000	Drive in road	Lease
Income Tax department	Satya One	30,000	Drive in Road	Lease
Contis Techno	Iscon Elegance	4500	S.G Highway	Lease
Mascot Events Pvt Ltd	Dev Arc	7000	S.G Highway	OT
Nodib Software	Shapath II	5000	S.G Highway	Lease
Swiggy	BBC	5500	C.G Road	Lease
Brisk Star Techno	IFFCo Bhavan	17800	Shivranjani	Lease
Global Garner Techno	IFFCo Bhavan	9500	Shivranjani	Lease
La Renon	Individual House	40000	Rajpath club Road	Lease
Devx (Co-Working Space)	The First	15000	Vastrapur	Lease
Kalapur bank HO	Maradiya Plaza	12500	CG Road	Lease
Australian University	Kala House	12000	Prahladnagar	Lease
Amneal Pharma	Iscon Elegance	26000	S.G Highway	Lease
GST Div.	Span House	30000	Gulbai tekra	Lease

# Ahmedabad Retail Real Estate Trends

Ahmedabad retail real estate saw healthy transaction of around 0.7mn sq. ft in year 2017. High street at S.G. Highway witnessed robust leasing activity during the year, primarily by retailers from the apparel category. Mall leasing activities were largely driven by the food and beverage (F&B) and apparel segments., which continued to strengthen their presence across various locations such as C.G. Road and S.G. Highway.

On supply front, the market witnessed supply of around 0.2 mn sq. ft of retail space. Due to robust transaction activities, vacancy rate declined to 29%. The vacancy may further decline in 2018 as no major supply is expected in this market.

Owing to steady demand and limited supply in majority submarkets, the rents in the main streets of S.G. Highway and Prahlad Nagar increased by 5% and 7% respectively. However, malls at other locations may witness stable rental values. High street locations are witnessing increasing level of enquiries and are expected to healthy transactions in coming quarters

*Retail transactions are expected to remain healthy in 2018. Demand for high street properties will drive the retail markets in Ahmedabad.*

## Significant Transactions in Retail Market - 2017

Property	Location	Client	Area	Lease/Sale
Venus Atlantis	Prahladnagar	Skechers Shoes	2000	Lease
Shoppers Plaza	C.G Road	Arvind Clothes	2500	Lease
Safal Pegasus	Prahladnagar	Biba	1500	Lease
Timber Woods	Prahladnagar	Blue Buddha	1500	Lease
SOBO Center	South Bopal	Jockey	1400	Lease
Individual House	Jodhpur	Jinaam	9000	Lease
Circle P	S.G Highway	Hilti	3500	Lease
Mondeal Square	Prahladnagar	Monte Carlo	4000	Lease
Sarthik Annexe	Satellite	Just in Time	3500	Lease
Dev Aurum	Prahladnagar	ICICI Bank	5500	Lease
Vivan Square	Satellite	Forever 21	15,000	Lease
Iscon Emporio	Satellite	H&M	18,000	Lease
Venus Atlantis	Prahladnagar	Burger King	4000	Lease
Individual Building	Chandkheda	Decathlon	35,000	Lease
North Palza	Chandkheda	Max/ Lifestyle	12,000	Lease
Satyam 64	S.G Highway	Croma	10,800	Lease
Shilp Zaveri	Shyamal	West Side	16,000	Lease

## Ahmedabad Retail Market Rental Trends in INR/sft/month

High Street	2014	2015	2016	2017
CG Road	150	125-150	125-150	130 - 160
S.G Highway	60 - 100	80-120	80-120	90 - 130
Satellite	60 - 100	80-110	80-110	90 - 120
Ashram Road	70 -90	80-110	80-110	100 - 120
Law Garden	90- 100	100-120	100-120	100-120
Prahladnagar	60 - 100	80-110	80-110	80-115
Vastrapur	60 - 100	90-130	90-130	90-135
Drive in Road	60 - 100	80-120	80-120	80-125
<b>Malls</b>				
Alphaone Mall, Vastrapur	110- 120	120 -140	120 -140	120 -145
Gulmohar Mall, Iscon Circle	60 -80	60 -80	60 -80	80 - 100
Himalaya Mall, Drive in Road	100	100-150	100-150	100-150
CG Square, CG Road		100-130	100-130	100-130



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