

HALF YEARLY REPORT

2016

REVIEW OF INDIAN REAL
ESTATE DYNAMICS



From Chairman's Desk

The Indian real estate sectors is gradually strengthening its position as a transparent investment market. With the real estate regulatory amendments it is adding credibility and positivity, and is building up confidence in the minds of investors. The overall market sentiments have improved and we certainly expect market to consolidate in next 6 months paving way for end of cyclic era of slowdown that has plagued the real estate industry since last 3 years.

Government of India, supported by the World Bank and various industry associations has adopted ease of doing business reforms which is expected to be the game changer in clearing road blocks faced by investors in infrastructure sector.

Proactive policy reforms along with several campaigns and initiatives, such as Make in India, Digital India, Skill India, Start-up India and Swachh Bharat Abhiyan (Clean India Mission), are likely to transform the extent and the quality of rural and urban infrastructure.

Key initiatives and policy thrust such as 'Housing for All' and 'Smart Cities' have already revived the markets and are expected to be the key drivers for future sustenance of the Real Estate Industry. Recently announced Real Estate Regulatory Act (RERA) is pegged as biggest reform in real estate sector which ensures timely delivery of projects and safeguards interest of buyers.

With approval of The Goods and Services Tax (GST), we are looking forward to transparency in the functioning of the real estate sector and cost reduction for homes buyers, especially if the GST rate is lower than all the current rates put together. We are very hopeful that with the monsoon and GST (goods and services tax) coming in, the real estate market is going to do better and by end of year should stabilize.



**CIRIL Chairman
Pawan Agarwal**

NK REALTORS PVT . LTD
Kolkata

pawan@nkrealtors.com

Visit Us: www.cirilnetwork.com

Contact Us: coordinator@cirilnetwork.com



PANKAJ JAIN
REALISTIC REALTORS PVT. LTD
NCR Delhi
pjain@rpl.net



PRAVIN BAVADIYA
CITY ESTATE MANAGEMENT
AHMEDABAD
pravin@cityestate.co.in



RAJU MAHTANI
PROPERTY TERMINUS
PUNE
raju@propertyterminusindia.com



SANJAY PURI
SURE SHOT
SUGGESTIONS(I)PVT.LTD
MUMBAI
sanjay@sureshotsuggestions.com



VIJAY SARATHI
TRINITY PARTNERS
HYDERABAD
vijay@trinitypartners.co.in



ZAHED MAHMOOD,
SILVERLINE REALTY PVT. LTD
BANGALORE
zahed@silverlinerealty.com

From CIRIL Team

Indian Real estate is experiencing renewed investor's confidence with most major markets witnessing brisk activity. Indian Real estate is poised to enter the second growth cycle driven by expanding e-commerce and e-retailing demand. The renewed thrust on manufacturing through 'Make in India' initiative has received a positive response from MNCs around the Globe. This policy impetus is expected to drive Indian Real estate in future.

CIRIL, membership-based premier owner operated network of Real Estate Consultants' Companies in India, takes pleasure in presenting its Second quarterly report for period April to June, 2015 covering 8 major markets and tracking markets trends of Commercial, Retail, Industrial and Logistic Sectors.

With a strong local presence and seamless networking, CIRIL envisages creating local knowledge platforms across major Real Estate markets. CIRIL network now has 16 offices and works in 280+ locations across India i.e Delhi, Gurgaon, Mumbai, Bengaluru, Kolkata, Pune, Hyderabad, Ahmedabad, Surat, Noida, Chandigarh, Jaipur, Indore, Lucknow, Patna & Bhubaneswar.

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For any queries E-Mail: coordinator@cirilnetwork.com
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Indian Economy – Mid year performance

Economic Overview

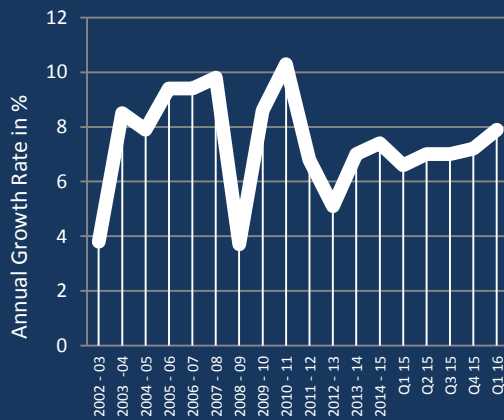
India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Economic Survey 2015-16 had forecasted that the Indian economy will grow by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

The Indian economy expanded 7.9 percent year-on-year in the first three months of 2016, higher than a downwardly revised 7.2 percent growth in the previous quarter and much better than market expectations of a 7.5 percent increase. It is the best performance in six quarters as the farm sector rebounded and grew 2.3 percent and manufacturing jumped 9.3 percent. Considering full 2015/2016 year (April to March), the GDP in India advanced 7.6 percent, higher than 7.2 percent in the previous year.

The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.

According to UNCTAD's World Investment Report 2015, India ranks third among most prospective host economy for 2015-17 (after China and the US) in the world, as per a survey among Multi National Enterprises.

ANNUAL GDP GROWTH



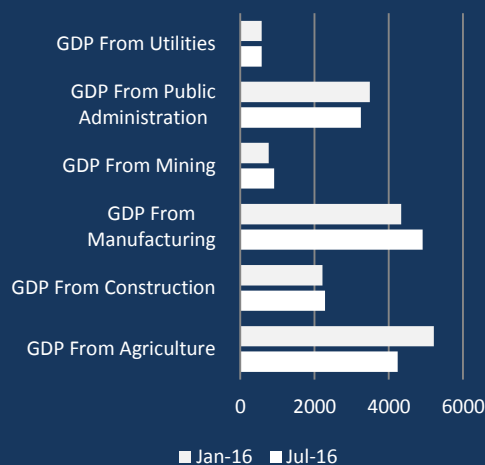
Growth of GDP on basis of new definition, Q4,2015 on advance estimates source: Mospi

Performance indicators

- Foreign direct investment (FDI) inflows have increased 29 per cent during April 2015 – March 2016 to reach US\$ 40 billion, as compared to same period last year.
- India's foreign exchange reserves were US\$ 360.90 billion in the week up to May 20, 2016, as compared to US\$ 361.02 billion in the previous week.
- Mutual Funds asset base of equity funds and Equity Linked Saving Scheme (ELSS) has increased to Rs 3.57 trillion (US\$ 53.23 billion) in April 2016 from Rs 3.45 trillion (US\$ 51.74 billion) in March 2016.
- India's Index of Industrial Production (IIP) declined to 0.1 per cent in March 2016, as compared to 2 per cent in February 2016.
- The eight key infrastructure sectors rose by 6.4 per cent year-on-year in March 2016 as against 5.7 per cent expansion in February 2016, with fertiliser sector exhibiting the maximum growth of 22.9 per cent.
- India continued to remain at the top of Nielsen's global consumer confidence index for the seventh quarter in a row. The country's confidence score was 134 in the three months ended March 2016, up by three index points from the last quarter.
- India's Wholesale Price Index (WPI) inflation rate rose to 0.34 per cent in April 2016 as against negative 0.85 per cent in the previous month.
- India's Consumer Price Index (CPI) inflation rate rose to 5.39 per cent in April 2016 as compared to 4.83 per cent in March 2016.
- The total Mergers and Acquisitions (M&A) transaction value during January-March 2016 stood at US\$ 8.2 billion. Domestic M&A during April 2016 stood at US\$ 3.6 billion.
- Private Equity (PE) investments for the January-March 2016 quarter stood at US\$ 2.96 billion as compared with US\$ 3.9 billion during October-December 2015 quarter. PE investments during April 2016 stood at US\$ 1.89 billion across 63 transactions.

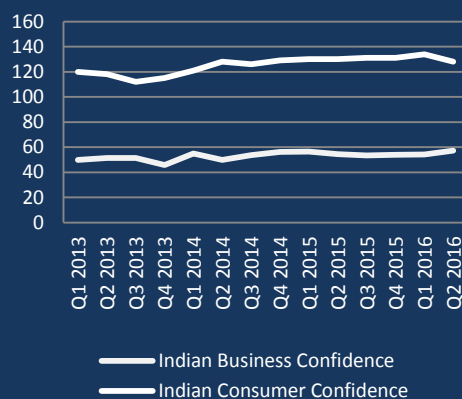
India scored 4.31 points out of 7 on the 2015-2016 Global Competitiveness Report published by the World Economic Forum. Competitiveness Index in India averaged 4.32 Points from 2007 until 2016.

Sectoral contribution to GDP at constant Price at INR Bn



Source: <http://www.tradingeconomics.com>

Indian Business and Consumer confidence



Source: <http://www.tradingeconomics.com>

Indian Real Estate – Mid Year Review

Sector Overview

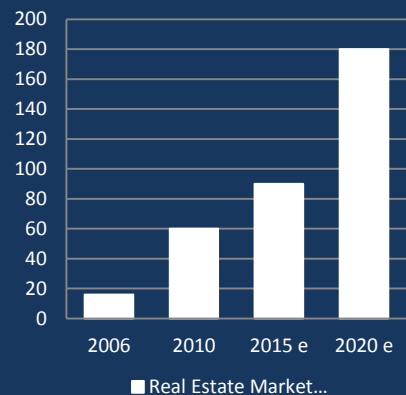
Real estate is currently the fourth-largest sector in the country in terms of Foreign Direct Investment (FDI) inflows. The real estate sector is one of the most globally recognised sectors and is the second largest employer after agriculture.

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. The Government of India has been supportive to the real estate sector with initiatives such as Smart City and Housing for all envisaged as the major drivers in future.

The Government has also raised FDI limits for townships and settlements development projects to 100 per cent. Real estate projects within the Special Economic Zone (SEZ) are also permitted 100 per cent FDI. In Union Budget 2015-16, the government allocated US\$ 3.72 billion for housing and urban development. The government has also released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment.

According to a study by ICRA, the construction and real estate industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

Real Estate Market Size US\$ Bn



Source: Investment commission of India, ASSOCHAM & CREDAI

Foreign Direct Investment

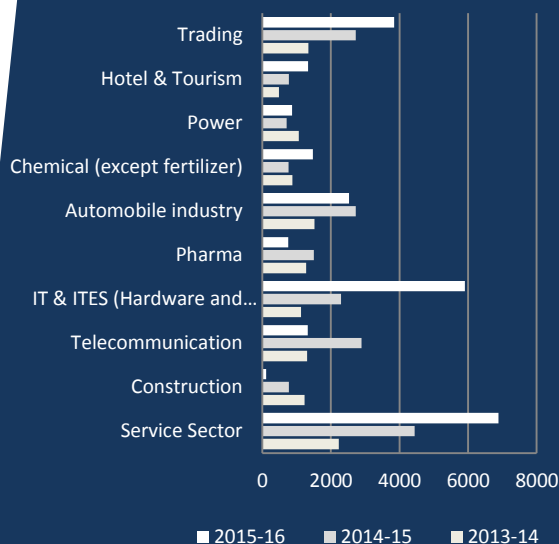
According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received in FY 2015-16 (April 2015-March 2016) was US\$ 40 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Foreign Direct Investment in India increased by 1547 USD Million in May of 2016. Foreign Direct Investment in India averaged 1153.89 USD Million from 1995 until 2016, reaching an all time high of 5670 USD Million in February of 2008 and a record low of - 60 USD Million in February of 2014.

Data for FY 2015-16 indicates that the services sector attracted the highest FDI equity inflow of US\$ 6.9 billion, followed by the computer hardware and software sector (US\$ 5.9 billion). Most recently, the total FDI equity inflows for the month of March 2016 touched US\$ 2.47 billion as compared to US\$ 2.12 billion in the same period last year. Healthy inflow of foreign investments into the country helped India's balance of payments (BoP) situation and stabilised the value of rupee.

FDI in India witnessed an increase of 29% and reached US\$ 40 billion during April 2015-March, 2016 as compared to US\$ 30.93 billion in the same period last year.

Sector attracting highest FDI equity inflow in US\$ million



Some of the recent significant FDI announcements are as follows:

- Honeywell International Inc, has unveiled a new refining technology in Gurgaon, which will be dedicated to helping Indian refiners get more clean transportation fuel, reduce imports of crude oil and produce environmentally preferable diesel fuels
- Apple Inc has started its first development centre outside the US in Hyderabad, which will employ over 4,000 people and focus on Apple Maps, the company's digital maps and navigation service. Apple Inc has come up with 50,000 sft of development centre @ Galleria at Yelahanka in Bangalore.
- Panasonic Corporation plans to set up a new manufacturing plant for refrigerators in India with an investment of Rs 250 crore (US\$ 37.28 million)
- Vital Paper Products plans to set up a packaging product unit in the special economic zone (SEZ) of Sri City, Andhra Pradesh, at an investment of Rs 60 crore (US\$ 8.95 million), which will be operational from April 2017.
- Vistra Group Ltd has acquired IL&FS Trust Company Ltd, which will enable Vistra to expand the platform to provide a broader suite of corporate and fiduciary services
- Banana Republic, an American fashion brand owned by GAP, plans to open its first store in India by early next year by entering into a partnership with Arvind Retail.
- Silver Spring Capital Management, plans to invest over 2,000 crore (US\$ 298 million) in Hyderabad-based infrastructure developer Transstroy India Ltd, for construction of highways in the country.
- E-commerce giant Amazon plans to set up its second largest global delivery centre outside the United States, in Hyderabad, which will be 2.9 million square feet in size and employ 13,500 people, compared to 1,000 Amazon employees across different offices currently.
- Global beverage company Pepsi plans to invest Rs 500 crore (US\$ 74.56 million) to set up another unit in Buldhana district of Maharashtra.
- Japan has won the right to construct India's first bullet train, while offering a loan of US\$ 8.11 billion to India for the same
- Indian Railways has issued a Letter of Award (LoA) to US-based General Electric (GE) for a Rs 14,656 crore (US\$ 2.19 billion) diesel locomotive factory project at Marhowra, and to French transport major Alstom for Rs 20,000 crore (US\$ 2.98 billion) electric locomotive project in Madhepura, Bihar.
- Foxconn has signed a Memorandum of Understanding (MoU) with Maharashtra state government to invest US\$ 5 billion over the next three years for setting up a manufacturing unit between Mumbai and Pune.
- ThyssenKrupp Elevator, plans to invest EUR 44 million (US\$ 50.5 million) to set up a manufacturing plant in Chakan, Pune.

Foreign Institutional Investors (FIIs)

India, continues to be the most preferred investment destination for FIIs. 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 stood at Rs 18,106 crore (US\$ 2.65 billion) in March 2016, out of which Rs 16,731 crore (US\$ 2.45 billion) was invested in equities and Rs 1,375 crore (US\$ 201 million) was invested in debt. Cumulative value of investments by FIIs during April 2000- December 2015 stood at US\$ 179.32 billion..

India companies signed Merger and Acquisition (M&A) deals worth US\$ 30.43 billion in 2015 across 600 deals. The total M&A transaction value for the month of February 2016 was US\$ 1.83 billion involving a total of 37 transactions.

Total Private Equity (PE) deals increased by 62 per cent year-on-year to US\$ 1.19 billion in February 2016 through 94 deals, whereas PE investments during the October-December 2015 period totalled US\$ 3.9 billion, leading to total PE investments for 2015 to hit record highs of US\$ 19.5 billion through 159 deals

According to a poll conducted by Bank of America Merrill Lynch (BofA-ML) recently, in which 50 investors participated, India was the most favourite equity market for the global investors for the year 2015 at 43 per cent, followed by China at 26 per cent.

Investments

- ReNew Power Ventures Pvt Ltd, a renewable energy producer, has signed a debt financing agreement of US\$ 250 million with Overseas Private Investment Corporation (OPIC), the US government's development finance institution, which will be used to construct up to 400 megawatts (MW) of new solar power projects in India across multiple states.
- Godrej Fund Management (GFM), the real estate fund management arm of Godrej Properties, has raised US\$ 275 million from Netherlands-based APG Asset Management NV, which will be used to invest in residential projects in India.
- DriveU, an on-demand driver provider operated by Humble Mobile Solutions Private Limited, has raised about US\$ 1 million from Unitus Seed Fund and Silicon Valley-based angel investors.
- Canada Pension Plan Investment Board (CPPIB), an investment management company, has bought a large stake in Kotak Mahindra Bank Ltd from Japan-based Sumitomo Mitsui Banking Corporation, which earlier held a 3.58 per cent stake in the private-sector lender.
- Global investment banking major Goldman Sachs has invested Rs 441 crore (US\$ 64.703 million) to acquire an equity stake in Gurgaon-based hotel development and investment start-up SAMHI Hotels which will help fund SAMHI's expansion plans.
- Singapore-based investment firm, Temasek Holding, has acquired 73 per cent stake in Hyderabad-based Care Hospitals, India's fifth largest private healthcare network, for Rs 1,800 crore (US\$ 264.09 million).
- Macquarie Infrastructure and Real Assets (MIRA), the realty investment arm of Australian Macquarie Group Ltd, plans to invest in real estate projects in India and is in talks with Tata Housing Development Co. to jointly set up an investment platform to invest in luxury residential projects.

Private Equity Fund

In terms of attracting PE investments, India remains the most attractive market in Asia-Pacific, followed closely by China. India boasts strong GDP growth, a vibrant entrepreneurship ecosystem and a positive outlook, making it one of the most attractive of the emerging economies for PE investments in 2016.

Deal volume in India grew by 31%, driven by the consumer technology sector; the banking, financial services and insurance (BFSI) sector; and the real estate sector.

The average deal size across all deals increased by 15%, from \$19 million in 2014 to \$22 million in 2015. Excluding deals smaller than \$10 million, the average deal size increased from \$55 million in 2014 to \$63 million in 2015. The majority of GPs we surveyed expect average deal sizes to continue to rise over the next two to three years. They feel that healthcare and financial services will be the most attractive sectors in the next two years.

GPs expect valuations to slightly temper in the future. SWFs have increased participation in India, especially in larger deals. Funds expect global PE firms, LPs and SWFs to remain the biggest threats in 2016.

The revival in private equity in India comes at a time when share markets have outperformed other emerging markets such as Brazil, as investors remain hopeful about economic reforms from Prime Minister Narendra Modi's government.

Top Investment Banks (2015) - Private Equity

Rank #	Company Name	Deal Value (\$ mm)	# Of Deals
1	Avendus Capital Pvt. Ltd.	1,212.97	17
2	Morgan Stanley & Co. International plc	1,200.00	1
2	Arpwood Capital Pvt. Ltd.	1,200.00	1
3	JM Financial Institutional Securities Ltd.	700.00	1
4	Jefferies India Pvt. Ltd.	627.01	3
5	Ernst & Young Pvt. Ltd.	554.27	11
6	KPMG India Pvt. Ltd.	449.19	6
7	Deloitte Touche Tohmatsu India LLP	436.11	7
8	Barclays Capital	394.43	3
9	Credit Suisse Securities (India) Pvt. Ltd.	378.60	2
10	Investec Bank Plc	377.04	2
11	JP Morgan Chase and Co.	344.00	1
11	Morgan Stanley	344.00	1
12	Citigroup Global Markets India Pvt. Ltd.	300.00	1
12	Deutsche Equities India Pvt. Ltd.	300.00	1

Source: <http://www.vccedge.com/>

Major Real Estate Markets in India

Major markets



Commercial Office space



- Total office space absorption during H1 - 2016 stood at 14.5 million sq ft.
- Rentals rose across Indian cities
- The first half of the year was marked by unavailability of quality Grade A
- Demand is expected to remain stable for next half of the year

Retail Sector



- H1, 2016 saw limited retail space demand and supply in major markets
- With relaxed FDI norms, retail saw entry of institutional investors
- In H2, 2016, more mature investors is expected to enter and buy built-up retail space
- Private equity investment in retail real estate is expected to double this year to nearly \$80 million

Industrial and Warehousing sector



- Industrial and warehousing supply is expected to reach 116 million sq ft in 2016
- E-commerce sector is the major demand driver in this segment
- Make in India initiative have triggered off industrial growth across the country
- Major PE funds have invested in this sector

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.



Market Outlook



Commercial



Retail



Ind. & Warehousing



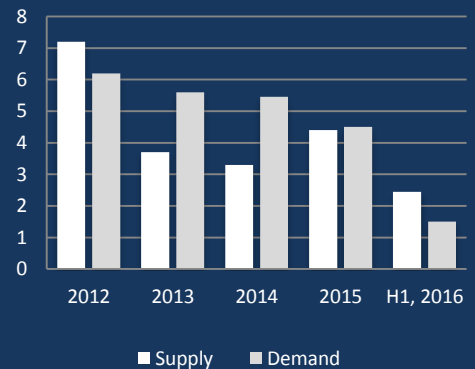
Mumbai Commercial Trends

Mumbai Commercial markets in H1, 2016 continues to be stable in terms of demand and supply. The first half of the year witnessed an influx of about 2.45 million sq. ft. of office space and all of it was contributed by Grade A developments. Maximum supply is witnessed in Andheri-Kurla sub market (55%), followed by Thane (20%) and Malad/ Goregaon (10%).

Due to absence of large sized deals, Mumbai witnessed total net absorption of 1.5 million sq. ft in H1 2016. Absorption activities is mostly concentrated in the micro markets of Thane (30%) and in Andheri-Kurla (20%) characterized by uptake of small and mid- sized companies. Grade A leasing contributed to about 80% of the total leasing.

Rentals across most submarkets remained at similar levels as in last year of 2015 except in Thane, BKC and Powai submarkets which witnessed a 5-7% quarterly increase due to demand for quality space. The vacancy levels marginally increased and stood at 15.5% at the end of H1 2016 on the back of relatively slower net absorption amidst fresh supply.

Demand and Supply in Mumbai Commercial market in million sft



Major Deals in Commercial Market, H1 2016

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Quintiles	G Corp	1,17,000	Thane	Lease
Deloitte	Lotus Corporate Park	1,00,000	Malad /Goregaon	Lease
Transunion Cibil	One Indiabulls Centre	50,000	Lower Parel	Lease
Tata Consultancy	Hiranandani Estate	19,00,000	Thane	Lease
RMZ Crop	Equinox Business Park	5,72,000	Kurla	Sale
Amazon	One BKC	30,000	Bandra	Lease
IDBI Federal Life Insurance Companies	Marathon Futurex	62,000	Lower Parel	Sale

Major Upcoming Projects in 2017- 18

				Completion
Kanakia Developers	Kanakia Wall Street	10,00,000	Andheri	July'17
Seawood Grand Central -Phase 1		1,600,000	Thane-Belapur Road	Sept 2016

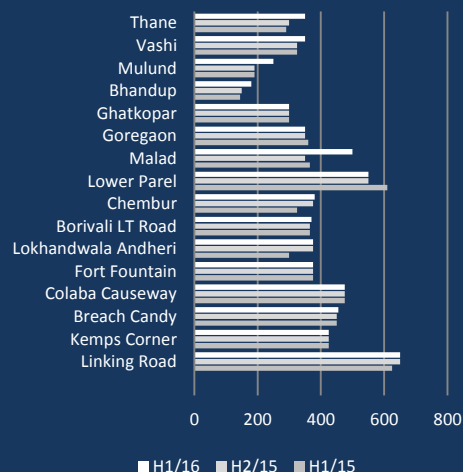
Mumbai Retail Trends

Mumbai retail markets continued the phase of consolidation in H1, 2016. Most markets saw marked recovery in leasing activity across both malls and main streets. F&B continued its healthy streak this quarter as well with majority of the transactions concentrated on main streets in and around Lower Parel.

Mall rentals largely remained stable, it increased by 6-7% in Lower Parel and Goregaon during H1 2016 on the back of sustained demand from existing retailers. Leasing activity remained robust as retailers across segments such as groceries, entertainment, furnishing and food & beverage expanded their footprint across malls and main streets.

Major submarkets saw marginal decline in mall vacancies with no addition in mall inventory. The space demand by global lifestyle retailers particularly in malls is expected to drive retail market in next two quarters. With expected entry of lifestyle and F&B outlets, leasing activity is likely to continue its healthy pace in 2016.

Average Retail Rental Rates in Mumbai in INR / sq.ft



Major Deals in Retail Market				
CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
GAP	Infiniti 2	10,000	Malad	Lease
GAP	Oberoi Mall	10,000	Goregaon	Lease
Pepe Jean	Standalone	5,000	Khar Linking Road	Lease
Major Upcoming Projects in 2016- 17				Completion
Grand Central		1,100,000	Seawoods Navi Mumbai	Q3 2016
Viva Swastik		300,000	Vasai	Q4 2016

Mumbai Industrial and Warehousing Trends

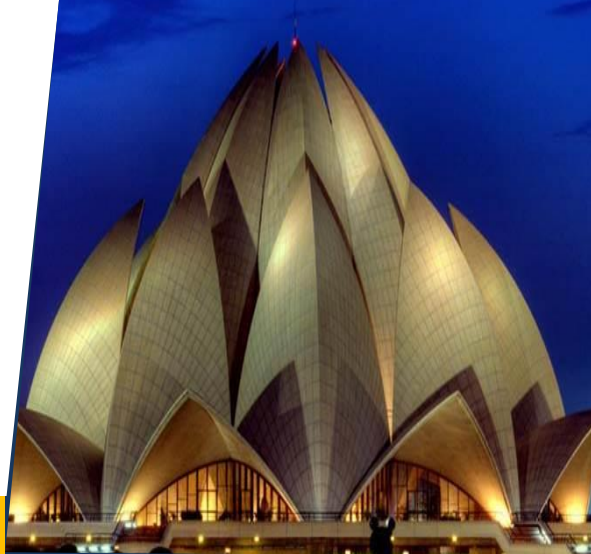
Industrial and warehousing is steadily emerging as the major demand segment in Mumbai RE market. Being a port based economy, the demand for warehousing has traditional been high. Mumbai houses Multiple ICDs and free trade warehousing zones (FTWZs).

Warehousing locations in Bhiwandi, Mankoli and Padgha along NH 3 and State Highway 35 (SH 35) are the most vibrant and largest warehousing areas in Mumbai. Rentals across all submarkets remain stable. However, high costs of land and restriction in land usage (mostly in green zone) have restricted the development of warehouses.

Mumbai Industrial and Warehousing Trends			
Submarkets	Land rates in INR	Industrial Rents INR/sq.	Warehousing Rents INR/sq.
	Mn/acre	ft/ month	ft/ month
Bhiwandi	8	15	12
Thane Belapur Road	15	40	30
Taloja Industrial Estate	10	25	25
Panvel	10	28	22
JNTP & Uran Road	10	25	20
Rasayani Patalganga	9	22	18
Pen-Khopoli Road	10	24	18

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, as well as 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 agglomeration with a population of over 47,000,000 at the 2011 Census.



Market Outlook



Commercial

Retail

Ind. & Warehousing

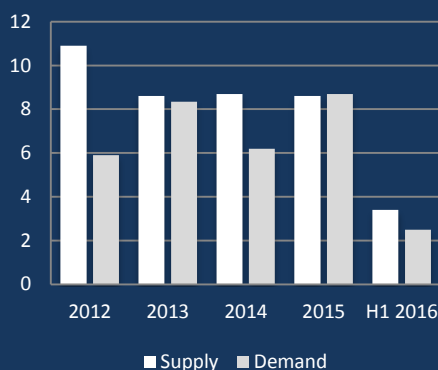
NCR Commercial Trends

NCR Delhi (New Delhi, Gurgaon and NOIDA) witnessed approximately 2.5 mn sq. ft. of office space transactions in H1, 2016. NCR Delhi has emerged as the most preferred office location in India in first half of this year.

All the three zones of Gurgaon and NOIDA and New Delhi have witnessed activities during the period. NOIDA accounted for 35% of total grade A net absorption in Delhi-NCR followed by Gurgaon (32%) and Others submarket (Sohna Road, Golf Course Road, Udyog Vihar, NH8, Golf Course Extension Road, Dhundahera, excludes Manesar). The IT-SEZs accounted for 85% of this new supply, followed by commercial developments with 10% share.

Rental values remained largely stable across micro-markets. Average asking rental per sq. ft per month varies between INR 35 – INR 70 in NOIDA, INR 60 – INR 125 in Gurgaon and INR 150 – INR 250 in Delhi CBD and SBD areas.

Demand and Supply in commercial Market of NCR in million sft



Major Deals in NCR Delhi Commercial Market - H1, 2016

COMPANY	Building Name	Area (SF)	Location	Lease/ Sale
Tech Mahindra	Building No. 248	18000	Okhla Ph – III, New Delhi	Lease
Cube 26	Building No. 15	21000	Okhla Ph – III, New Delhi	Lease
McCann Erickson	B-35, Lado Sarai	20000	Lado Sarai, New Delhi	Lease
Power Finance Corportion India Ltd	Statesmen House	18000	Connaught Place, New Delhi	Lease
International Monitory Fund	Worldmark II	30000	Aerocity, New Delhi	Lease
Sumitomo Corporation	Worldmark II	15000	Aerocity, New Delhi	Lease
Regus Business Centre	Pullman	15000	Aerocity, New Delhi	Lease
Aakash Educational services	SEWA Towers	9000	Gurgaon	Lease
Boston Scientific Services	Bestech Business tower	27500	Gurgaon	Lease
APL logistics India	SEWA Tower	17000	Gurgaon	Lease
Authorgen Technologies	JMB Megapolis	8300	Gurgaon	Lease
DOON consulting	Unitech ciberpark	7000	Gurgaon	Lease
OPPO Mobiles	Standalone	1,60,000	Sec-63, NOIDA	Lease
Microsoft	ETT	24,000	Sec-16A, NOIDA	Lease
Lava Mobiles	Standalone	1,50,000	Sec-63, NOIDA	Lease
Genpact	Stellar 135	85,000	Expressway, NOIDA	Lease
Karvy Data Management	Standalone	19,500	Sec-58, NOIDA	Lease
Tavant technologies	Okaya Business Centre	30,000	Sec-62, NOIDA	Lease

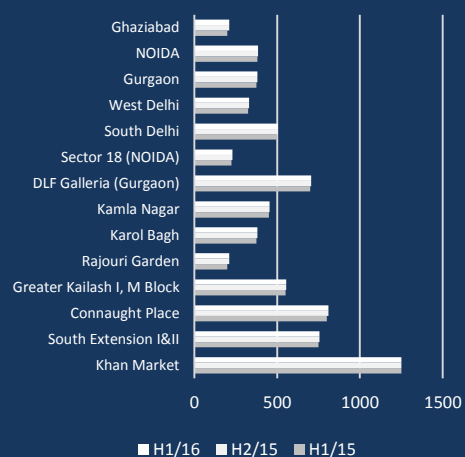
NCR Delhi Retail Trends

H1, 2016 was addition of around 3.3 million sq. ft of retail space to NCR market which lead to increase in vacancy levels. NCR - Delhi Retail market witnessed healthy transaction in H1, 2016 driven by the food & beverage and apparel segments.

Main street locations of South Delhi continued to witness high demand with Greater Kailash I and Lajpat Nagar witnessing the highest number of transactions. Trepid demand and increased space availability led to rentals decreasing by 3% - 5% in the main street locations of Connaught Place, Rajouri Garden and Khan Market. Average rentals vary between Rs. 800 – Rs. 450 per sft/ month for main streets while for Mall the asking price is between Rs. 500 – Rs. 200 per sft/ month.

Retail markets of NCR Delhi are expected to witness sustained demand for quality retail space in 2016. Demand for quality space by international brands will drive the retail market.

Average Retail Rental Rates in NCR Delhi in INR / sq.ft



Significant Leasing Transaction in Retail Market

Property	Location	Tenant	Square Feet
High Street	Rajouri Garden	Max Lifestyle	10,000 sq.ft
High Street	Lajpat Nagar	Soch	1,800 sq.ft
High Street	Ambedkar Road	The Arvind Store	2,200 sq.ft
Mall	Metropolis Mall, Gurgaon	Pantaloons	20,000 sq.ft
High Street	South Ex	Nalli Sarees	16,000 sq.ft
High Street	NIT, Faridabad	Louis Phillpe	1,500 sq.ft

NCR Delhi Industrial and Warehousing Trends

Matured consumer and manufacturing ecosystem is the biggest advantage of Delhi NCR for being one of the largest warehousing nodes in India. Delhi NCR commanding a huge catchment area, observed strong demand for Industrial and Warehousing space in H1 2016. Consistent demand levels ensure a 15% – 20% increase in rental across all micro - markets within this region during the past few months. Almost all major warehousing national-level developers are present in Delhi NCR, including IndoSpace, NDR Warehousing, AS Cargo, Acorn and Arshiya.

Delhi NCR's submarkets like Dwarka, Mundka, Tauru Road, Bilaspur, Patuadi Road, Sohna Road, NH-8 witnessed new supply of quality industrial and warehousing sheds. The rentals saw appreciation in most industrial and warehousing submarkets due to healthy demand by FMCG and e-commerce players.

Significant Land Transactions in Industrial and warehousing Market H1, 2016

Property	Location	Tenant	Area in sq.ft	Lease/ sale
Warehouse	Mundka	Vulcan Express	1 Lakh	Lease
Warehouse	Mundka	LG	90,000	Lease
Warehouse	Alipur	Videocon	1 Lakh	Lease
Warehouse	Alipur	Panasonic	60,000	Lease
Warehouse	Gurgaon	Akzo Nobel	80,000	Lease
Warehouse	Dwarka	Grofers.com	20,000	Lease
Warehouse	Kapriwas, Gurgaon	MRF	85,000	Lease
Warehouse	Dasna, Ghaziabad	Croma	30,000	Lease
Warehouse	Dasna, Ghaziabad	Godrej	35,000	Lease

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 8.42 million and a metropolitan population of about 8.52 million, making it the third most populous city and fifth most populous urban agglomeration in India.



Market Outlook



Commercial

Retail

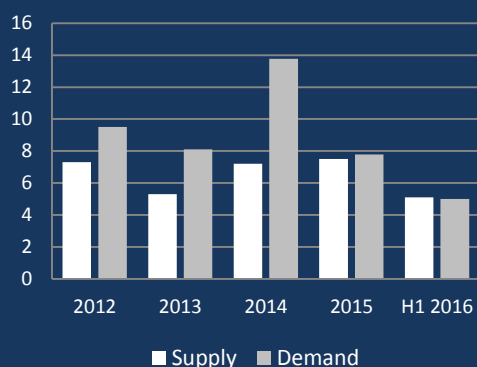
Ind. & Warehousing

Bengaluru Commercial Trends

The city's office market clocked a total transaction space of 5.0 mn sq. ft. during the period January–June 2016. Bengaluru retained the top slot for the highest office space transactions in the country in the first half of 2016 (H1 2016) due to substantial occupier interest driven primarily by the IT/ITeS sector, with big players such as Google, Infosys, HP and TCS occupying large spaces.

The city saw supply of around 5 million sq.ft. Vacancy level remained constant at 8%. About 65% of this new supply was located in Outer Ring Road and the remaining in Peripheral North. The new supply was almost equally split between Information Technology-Special Economic Zones (IT-SEZ) (52%) and commercial developments (48%). Greater demand and limited availability can keep an upward pressure on rents in the next quarter.

Demand and Supply in Bengaluru commercial Market in million sqft



Major Deals in Commercial Market, H1 2016

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
IBM	Bhartiya City	1,50,000	Kannur - Thanisandra	Lease
Awfis space solutions	HM Vibha	30,000	Koramangala	Lease
HP	MaruthiConcorde Tech park	4,00,000	Electronic City	Lease
Accenture	K Raheja CommerZone	1,75,000	Whitefield	Lease
RelianceGroup	Salarpuria Mindcomp	1,20,000	Whitefield	Sale
Apple	Galleria	50,000	Yelahanka	Lease
Atkins	Galleria	50,000	Yelahanka	Lease
NASDAQ	Office Space	60,000	CBD	Lease
ABB	Office Space	140,000	BIAL Road, Hebbal	Lease

Significant project under construction in 2017- 18

Project Name	Area (SF)	Location	Completion
Mantri Jupiter	2,40,000	Koramangala	2017
Bagmane Constallation Business Park	5,00,000	Outer Ring Road	2017
Bhoruka Tech Park ii	3,25,000	Mahadevapura	2017
Sattva Magnifica	2,80,000	Old Madras Road	2017
Sattva Eminence	2,43,000	Outer Ring Road	2017
RGA Tech Park	5,00,000	Sarjapur Road	2017

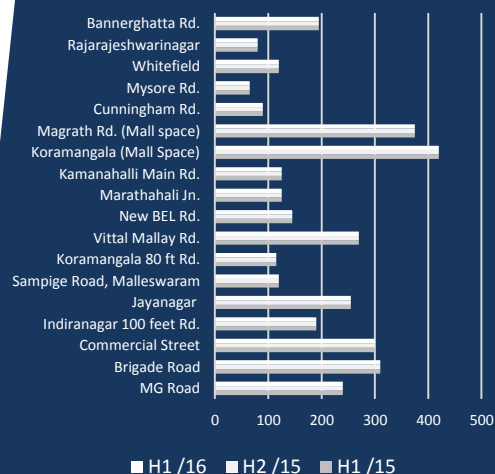
Bengaluru Retail Trends

Bengaluru saw moderate transaction activities in H1 2016. Bengaluru saw mall supply 0.27 million square feet (sf) in the first quarter of 2016. Overall vacancy level in the city was recorded at 13.5%.

Majority of leasing activity in the malls was driven by food & beverage (F&B) and apparel brands in H1 2016. The rentals have remained stable in all major micro - markets. Average rentals of Mall vary between INR 125 – 450 per sq. ft per month in prime locations while rentals are between INR 80 – 200 per sq. ft. per month in outskirts.

The average rentals of High street vary between INR 125 – 325 per sq. ft. per month. Main Street saw to high demand from apparels and F&B brands. Brands including Flying Machine, Jockey, Gap, Dominos and Beer Café, to name a few, took up space in main street locations.

Average Retail Rental Rates in Bengaluru in INR / sq.ft



Significant Leasing Transaction in Retail Market			
Property	Location	Tenant	Square Feet
independent property	Jayanagar	Arvind	17000
Siroya Sunshine	R T Nagar	D Mart	32,000
independent property	Jayanagar	Kandalaa jewellers	12,000
independent property	Brigade Road	Bata	7,000
Aisswarya	Indiranagar	Nature Basket	8,000
Significant Project under construction			
Spectrum Mall	Bannerghatta Road	940,000 sft	Q -1 2017
Kalpana Mall	K G Road	2,00,000 sft	Q - 3 2016

Bengaluru Industrial and Warehousing Trends

Bengaluru has emerged as the most vibrant industrial and warehousing hub in India due to sustained demand driven by major e- retailers and e- commerce giants . Proximity to high-demand centres (such as Hyderabad, Chennai, Cochin and Mangalore) has helped the warehousing industry in the city to grow. Most of the warehousing zone is located in eastern and north-eastern quadrants of Bengaluru, namely Old Madras Road (OMR) and areas in its vicinity such as Soukya Road, Siddhalghatta Road and Chintamani Road.

Bengaluru saw brisk demand for Industrial Land and Warehousing space in first half of 2016. Many small companies from sectors like pharmaceutical, automotive and textile also showed interest in these locations due to availability of good quality industrial space and its strategic location.

Significant Land Transactions in Industrial and warehousing Market H1, 2016				
Property	Location	Tenant	Area	Lease/ sale
I- Log	Hosur	Fine Components	8 Acres	Lease
I - Log	Hosur	First Steps	5 Acres	Lease
Private	Dabasapet	ITC	100,000 sft	Lease
Significant Project under construction				
Soukhya Road			500,000 sft *	
Jigni-Bommasandra			1,000,000 sft *	
Hosur			500,000 sft *	
Makali - Nelamangala			1,00,000 sft *	
Hoskote - Narsapur			500,000 sft *	

* 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.



Market Outlook



Commercial



Retail



Ind. & Warehousing



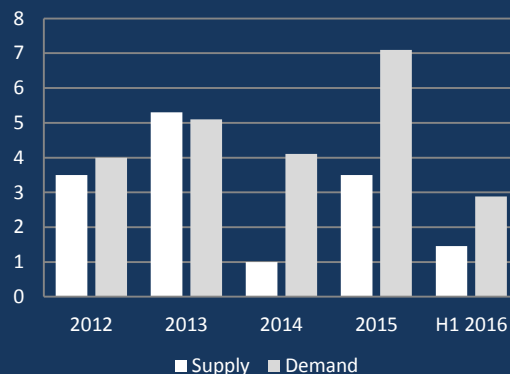
Chennai Commercial Trends

The city's office market clocked a total transaction space of 2.88 mn sq. ft. during the period January–June 2016. The main demand continues to be driven by IT/ ITeS sectors followed by BFSI and Pharma. Chennai witnessed substantial in absorption due to stable macroeconomic fundamentals coupled with pent-up demand which led occupiers to execute expansion strategies in the city. OMR Pre – Toll remained the most preferred micro market and accounted for 43% share in total leasing volume followed by CBD and Mount Poonamalle Road sharing 21% and 17% respectively.

Around 1.46 million square feet (msf) of Grade A supply, catering to the IT-ITeS sector become operational in the H1, 2016 in the micro-markets of Taramani and Anna Salai.

Rentals remain stable across most micro markets. In next quarter, there may be appreciation of rentals owing to limited supply of Grade A office space. Limited new supply in the short term, coupled with a strong pipeline of pre-committed spaces set for absorption and continual occupier interest, may bring down vacancy rates.

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



Major Deals in Commercial Market, H1 2016

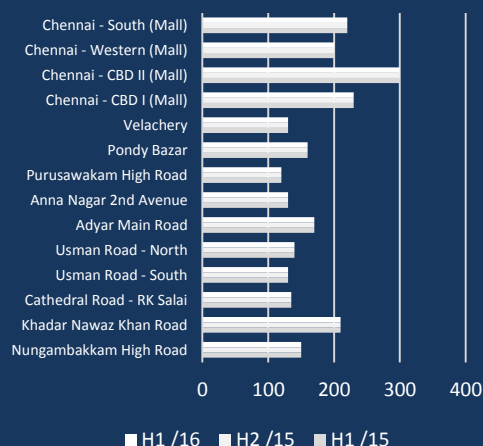
CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Accenture	Divyasree Point	3,00,000	Sholinganallur - Siruseri	Lease
Renault Nissan	Ascendas Cybervale	104,600	Sholinganallur - Siruseri	Lease
SaravannaStores	Kalpathi Rantech IT Park	180,000	Sholinganallur - Siruseri	Lease

Chennai Retail Trends

Chennai retail market saw limited transaction due to non availability of quality retail space. The rentals remained stable due to low demand and the limited number of new transactions. The prime reason behind limited leasing transactions was the modest availability of quality retail spaces.

Supply of quality retail space remained low throughout the H1, 2016 with total supply of approx. 0.5 million sq. ft. Main streets continued to witness good demand from retailers across the apparels, jewelry and food & beverage segments. Most under-construction mall projects are expected to be completed by end of 2016 and 2017. Vacancy remained stable at 8.0%. Rental remained stable in all micro markets

Average Retail Rental Rates in Chennai
in INR / sq.ft



Significant Leasing Transaction in Retail Market			
Property	Location	Tenant	Square Feet
independent property	Velachery	Prince Jewellers	17000
independent property	TTK	Sony Centre	
Express Avenue	Club House Road, Royapettah	Children's Place	
independent property	Anna Nagar	Double Roti	
Significant Project under construction			
Marg junction mall	Marg group	Karapakkam, OMR	1.83 mn
Gold souk grande	AGS group	Vandalur	0.8 million

Chennai Industrial and Warehousing Trends

The **Chennai-Bangalore Industrial Corridor Project** is pegged as the driving force behind the growth of Industrial and warehousing demand in Chennai. Known as Detroit of Asia, Chennai has been home to biggest names in automobile and manufacturing industry. NH-5, Sriperumbudur - Oragadam and Sriperumbudur - Tiruvallur are the main industrial and logistic corridor in Chennai.

Low availability/ supply of warehouses in these locations have pushed the rentals high in these corridors. NH - 5 (Red Hills – Gummidipoondi), Tada and Sriperumbudur – Tiruvallur stretch remained the most vibrant industrial and warehousing market seeing an appreciation of 5% - 8% 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 2016.

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 fifth-largest 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.



Market Outlook



Commercial



Retail



Ind. & Warehousing

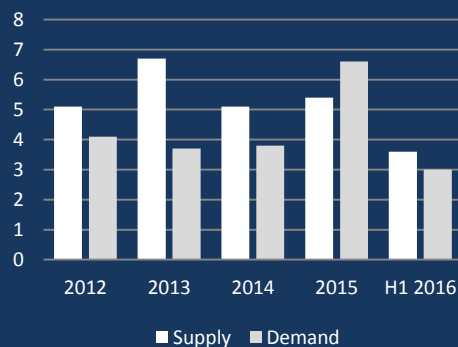


Hyderabad Commercial Trends

Hyderabad has re-established itself as an attractive investment destination with resurgence of investment activity backed by new government initiatives. H1, 2016 saw absorption of approx. 3.0 million sq.ft. Hyderabad market added new supply of around 3.6 million sq. ft mainly concentrated in Hyderabad's IT and Extended Corridors in the form of IT and SEZ developments.

Competitive rentals in the city, quality infrastructure and a proactive government have been attracting global companies to increasingly prefer to set up offices in the city. Hyderabad continues to witness a strong demand for office space from the IT-ITeS sector. The top three transactions during the first half of 2016 in Hyderabad included Amazon (3.5 lakh sqft in Madhapur), Value Labs (2.25 lakh sqft in Gachibowli) and JP Morgan (2.14 lakh sqft in Madhapur).

Demand and Supply Trend in Hyderabad Commercial Market in MN sqft



Major Deals in Commercial Market, H1 2016

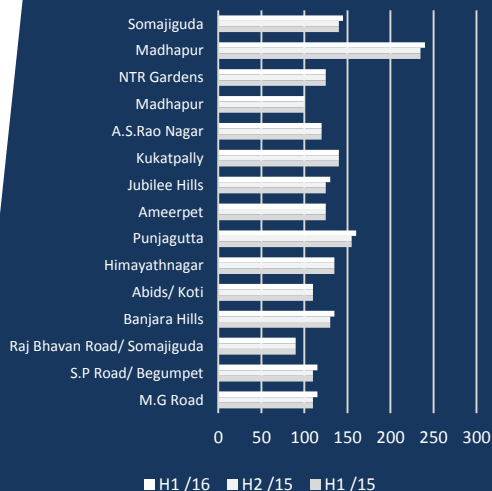
CLIENT	Area (SF)	Location	Lease/ Sale
Apple	2,50,000	Nanakramguda	Lease
Salesforce	2,00,000	Nanakramguda	Lease
MAA TV	65,000	Banjara Hills, Road No. 2	Lease
Star Hospitals	1,25,000	Raidurg	Lease
Google	5,00,000	Nanakramguda	Lease
Amazon	3,50,000	Madhapur	Lease
Value Labs	2,25,000	Gachibowli	Lease
JP Morgan	2,14,000	Madhapur	Lease

Hyderabad Retail Trends

Hyderabad has a higher organised retail penetration than most of the major cities with almost 60% people shopping in organised retail outlets. Total organised retail space in Hyderabad city stood at 2.7 million sq. ft. as of June 2016, the majority of which is concentrated in Western and Central Hyderabad. The H1, 2016 saw negligible supply of retail space which lead to low vacancy rates in major retail streets and Malls. Due to low availability of spaces at the desired location, rentals have remained flat during H1, 2016.

The state has introduced a formal retail policy which offers more flexibility in operating hours, access to human resources and ease of doing business within the retail sector. This is expected to have great impact of growth of retail sector in the state. The government has plans to allot land to set up distribution centers and warehouses under the commercial category for a period of 33 years. Large format retailers such as Walmart, Future Group, Spencers and Arvind have already signed a memorandum of understanding (MoU) to invest INR1,500 crores (US\$226 million) in the state.

Average Retail Rental Rates in Hyderabad in INR / sq.ft



Significant Leasing Transactions in Retail Market

Property	Location	Tenant	Area
Independent Building	Banjara Hills	US Polo	8,000
Independent Building	Banjara Hills	Schullers	1,500
Independent Building	Madhapur	Burger King	2,500
Upcoming Mall	Kondapur	Big Bazar	40,000

Hyderabad Industrial and Warehousing Trends

Hyderabad also has huge industrial base located in peripheral areas such as Jeedimetla, Kothur, Uppal, Shamshabad, Kompally and Gundlapochampally. Due to good demand Shamshabad and Kothur recorded a decent appreciation in industrial shed rentals. In Kompally and Gundlapochampally, warehousing rentals have increased due to the high demand and existing low rental base. Proximity to the airport, lower rentals and availability of land parcels have led to large, organized warehousing development in the Mahabubnagar area. Warehousing rentals are expected to hold steady in all submarkets.

Significant Leasing Transactions in Industrial and Warehousing Market - 2015

Property	Location	Tenant	Area
Existing Building	Kondlakoya	Dabur India	75,000
Existing Building	Kompally	Ratnadeep	80,000
Existing Building	Kondlakoya	Airtel	67,000
Existing Building	Kondlakoya	Nestle	70,000

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.



Market Outlook



Commercial

Retail

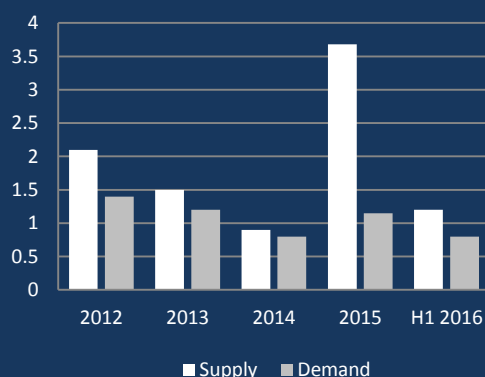
Ind. & Warehousing

Kolkata Commercial Trends

Kolkata office absorption remained weak due to gloomy response from the occupiers and only Kolkata 0.8 msf of transactions were seen in H1, 2016, keeping the average levels of activities similar to that of last year.

Major transactions during the H1, 2016 included the lease of 30,000 sq ft office space by “Fosma Meritime” in Godrej Water Side and the lease of 26,000 sq ft by “ICFAI Business School” in an Individual Building. Rentals remained stable / negligible movement due to increase in supply. Sector V / New Town remained the preferred micro market among occupiers, with 95% share in the total absorption. The city witnessed completion of “Srijan Corporate Park II” by Srijan Group admeasuring 0.92 million sq ft, located at Sector V. In Kolkata, more than 3.8 million sq ft of vacant office space was available for fit-out

Demand and Supply Trends in Kolkata Commercial Market in Mn sft



Major Deals in Commercial Market, H1 2016

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
ICFAI B. School	Plot No Y – 1	26,000	Sector V	Lease
Nestle	DLF IT Park	16,000	Rajarhat	Lease
Oracle	Martin Burn	9,000	Sector V	Lease
Karvy Stock Broking Ltd	Apeejay House	11,000	Park street	Lease
Janlaxmi Financial Services Ltd	Diamond Heritage	3,485	Dalhousie	Lease
Liberty Videocon	Metro Tower	2,743	CBD	Lease
United Breweries	Acropolis	13,600	Rashbehari Connector	Lease
Fosma Meritime	Godrej Waterside	30,350	Sector V	Sale
Destimoney	Sugam Business Park	14,000	Sector V	Lease
ATO India Pvt Ltd.	Srijan Corporate Park	10,700	Sector V	Lease
Quick Heal	Diamond Heritage	8,000	Dalhousie	Sale

Upcoming Supply in 2017-18

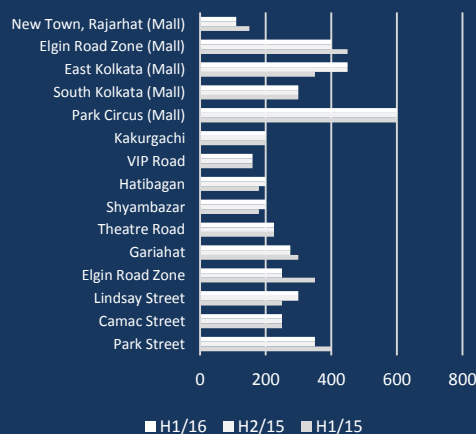
Mani Casadona	New Town	13,00,000	Q3 of 2016
Ideal Unique Centre	EM Bypass	6,00,000	Q3 of 2016
Rudramani	EM Bypass	1,00,000	Q3 of 2016

Kolkata Retail Trends

H1, 2016 witnessed healthy demand for retail space across both main streets and Mall space. Central and North Kolkata remained the most preferred investment markets. Jewellery and telecom were the major segments which witnessed comparatively higher leasing activity H1, 2016. Traditional High such as Street Camac Street and Park Street saw consolidation and expansion of existing retailers

Rental values during H1, 2016 remained stable across all main streets, primarily due to high rents and limited supply. During the second half of 2016, approximately 350,000 sq. ft is anticipated to become operational in Howrah. Leasing activity is expected to pick up looking at the enquiries by major retailer. However, overall vacancy in malls may increase marginally owing to new supply. Mall rentals are likely to remain stable across malls and submarkets.

Average Retail Rental Rates in Kolkata in INR / sq.ft



Significant Leasing/Outright Transactions in Retail Market

Property	Location	Tenant/ Purchaser	Area
Standalone	Triangular Park	Manyavar	7,000
Standalone	Baruipur	Pantaloons	12,000
Standalone	R.B. Avenue	Khazana Sarees	7,700
Standalone	Maniktala	Maruti One Auto	6,400
Standalone	Salt Lake	Kalyan Jewelers	10,000
Standalone	Camac Street	D'DECOR (Furnishing)	4,200
Standalone	Sec 5, Salt Lake	Pantaloons	9,000
Standalone	Woodburn Park	Indian Terrain	2,250
Standalone	Camac Street	Mochi and Crocs	3,700
Standalone	Sodepur	Reliance Digital	6,885
Significant Project under construction		SQ. FT	Completion
Forum Rangoli	Howrah	3,00,000 sqft	Q4 16

Kolkata Industrial and Warehousing Trends

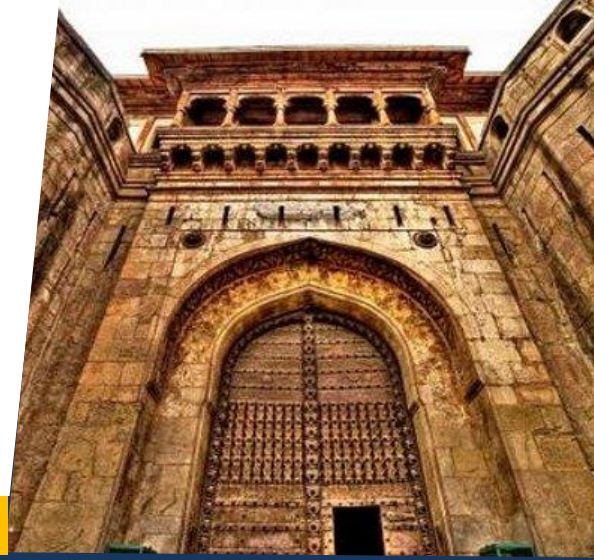
Dankuni and Old Delhi Road along NH-2 continued to witness healthy enquiries (largely for medium sized warehouses) and witnessed transaction closures in H1 2016. Transaction activity was largely concentrated across locations such as Dhulagarh, Sankrail and Uluberia along NH-6. Notable transactions concluded during H1 2016 included Aditya Birla Group leasing approximately 60,000 sq. ft. and American Tourister leasing around 80,000 sq. ft. in Dankuni. Rentals remain stable across all major markets

Major Deals in Industrial and Warehousing Markets, H1 2016

Location	Client	Area (SF)	Lease/ Sale
Dankuni	Aditya Birla Group	60,000	Lease
Dankuni	American Tourister	80,000	Lease
Upcoming Supply in 2017-18			
Srijan Industrial Logistic Park (SILP)	Bombay Road	24,00,000	End of 2016
Respect Industrial Hub	Andul, Howrah	114,75,200	Phase II – 2017

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 2015 Quality of Living rankings' evaluated local living conditions in more than 440 cities around the world where Pune ranked at 145, second in India after Hyderabad(138). It also highlights Pune among evolving business centers and emerging 9 cities around the world with citation "Hosts IT and automotive companies".



Market Outlook



Commercial



Retail



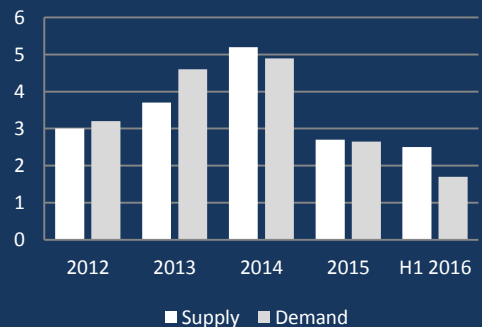
Ind. & Warehousing



Pune Commercial Trends

Pune witnessed total absorption of 1.7 million sq. ft and supply of around 2.5 million sq. ft. Majority of supply is concentrated in western locations of Suburban West (35%) and Off-CBD West (30%) submarkets. Almost 89% of the total net absorption was noted in Grade A developments. Consulting, Banking, Financial Services and Insurance (BFSI) and the Information Technology and Information Technology enabled Services (IT-ITeS) together constituted 55 % of the leasing activity, mostly concentrated in Magarpatta City. Average rentals largely remained stable across all submarkets, except in Off-CBD West, where they appreciated by 3% year on year due to healthy leasing activity. Vacancy levels increased to 15.2% due to supply of Grade A office space.

Demand - Supply Trends in Pune Commercial Market in MN sft



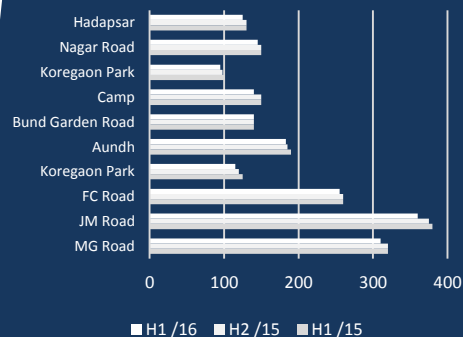
Major Deals in Commercial Market, H1 2016

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Yash Technologies	Magarpatta	35,000	Hadapsar	Lease
Markets & Markets	Magarpatta	50,000	Hadapsar	Lease
Amdocs	Magarpatta	1,00,000	Hadapsar	Lease
Eaton	Magarpatta	3,50,000	Hadapsar	Lease
System Plus	Tower 8, Magarpatta City	20,000	Hadapsar	Lease
QED Baton	Cerebrum	30,000	Kalyaninagar	Lease
True Connect	Suzlon Campus	23,000	Hadapsar	Lease
Vodafone	Business @ Mantri	45,000	Nagar Road	Lease
I CERTIS	ICC Tech Tower	21,000	S B Road	Lease
Redknee	Commerzone	44,000	Yerwada	Lease
Infosys	Ascendas	5,00,000	Hinjewadi	Lease
Hitachi	Magarpatta	35,000	Hadapsar	Lease
Allstate	S P Infosity	21,882	Phurshungi	Lease
Huff India	Eon Free Zone	27,500	Kharadi	Lease
Valance Health Care	Panchshil	22,000	Ganeshkhind Road	Lease
Fiserve	Cerebrum	33,000	Kalyani Nagar	Lease
Amazon	Trion IT Park	50,000	Nagar Road	Lease
The Rotary	Muttha Towers	23,000	Yerwada	Lease
City Bank	EON	80,000	Kharadi	Lease
Axis Securities	Next Gen Avenue	6,500	Off SB Road	Lease

Pune Retail Trends

H1, 2016 witnessed sustained demand for retail space across both main streets and mall space in Pune. Around 0.1 million sq. ft of retail space was leased out in first half of 2016. Majority of leasing activity was concentrated in malls at Nagar Road and prime main streets at F.C. Road, and was driven by F&B and apparel brands. Rental values during H1, 2016 remained stable across all main streets except in Old Mumbai-Pune Highway in Pimpri-Chinchwad Municipal Corporation (PCMC), where they appreciated by 4.3% quarter-on-quarter due to limited quality supply amidst growing enquiries from apparel retailers.. Pune saw addition of around 0.5 million sq. ft with opening of two Malls. Overall vacancy in malls may increase marginally owing to new supply. Mall rentals are likely to remain stable across malls and submarkets.

Average Retail Rental Rates in Pune in INR / sq.ft



Major Deals in Retail Market, H1 2016

CLIENT	Area (SF)	Location	Lease/ Sale
Bandhan Bank	1,200	Bhandarkar Road	Lease
HDFC Bank	4,500	Sus Road	Lease
Standard Chartered	1,500	SB Road	Lease
Kotak Mahindra Bank	1,500	Baner, SB Road	Lease
SBI One Touch Bank	1,500	Koregaon Park, Hinjewadi, Kharadi	Lease
Saraswat Bank	1,500	SB Road	Lease
Pantaloons	6,000	Baner	Lease
Baby Oye	1,500	Baner	Lease
Fab India	3,400	Aundh	Lease
Pravin Agencies	2,000	Hadapsar Solapur Road	Sale
Crocs	1,200	JM Road	Lease

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 saw many big investments in H1, 2016 particularly in Industrial and warehousing land transaction in Chakan Area. Fine Automation and Embassy Industrial Park bought land of 5 acres and 52 acres respectively at Chakan. Trent Technologies leased around 1 Lakh sq.ft built to suit facility at Chakan.

Major Deals in Industrial and Warehousing Markets, H1 2016

Client	Area (SF)	Location	Lease/ Sale
Warehousing Deals			
Kuehne Nagal	50,000	Chakan	Lease
Uni Logistics	30,000	Chakan	Lease
Yanchang	58,000	Chakan	Lease
New Holland	10,000	Chakan	Lease
Reliance	10,000	Chimbhli Phata	Lease
Chep Logistics	30,000	Chimbhli Phata	Lease
Future Supply Chain	15,000	Kurli	Lease
Delfingen	80,000	Lonikand	Lease
Fleetguard	80,000	Lonikand	Lease
Atlas Copco	20,000	Lonikand	Lease
Tristone	70,000	Chakan	Lease
Spear Logistics	20,000	Lonikand	Lease
Industrial Sheds			
Trent Technologies	100,000 (Built to suit)	Chakan	lease
ANC Industries	16,000	Chimbhli Phata	Lease
Lasertech	24,000	Chakan	Lease
Faurecia	30,000	Ranjangaon	Lease
Land Deals			
Fine Automation	5 acres	Chakan	Outright
Embassy Industrial Park	52 acres	Chakan	Outright

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.



Market Outlook



Commercial



Retail

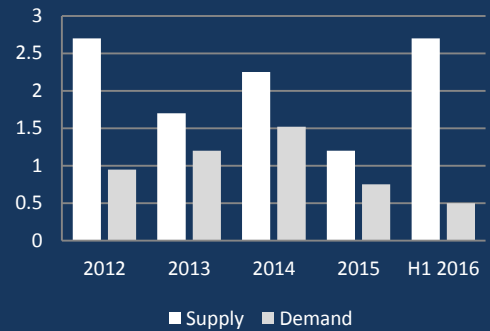


Ind.& Warehousing

Ahmedabad Commercial Trends

Ahmedabad office market witnessed total absorption of around 0.5 million sq. ft in H1, 2016. Majority of the leasing activity was concentrated in the suburban business district of S.G. Highway (80%). The IT-ITeS sector continues to dominate the leasing activity with a 35% share, followed by BFSI (20%) and consulting (20%) sectors. Ahmedabad witnessed supply of approx. 2.7 million sq. ft. The significant supply addition, coupled with moderate leasing activity, led increase in vacancy to 25.0%. Rentals mostly remained stable across all micromarkets with S.G. Highway and Prahladnagar seeing appreciation by 3% and 2% respectively.

Demand - Supply Trends of Ahmedabad Commercial Market in Mn sft



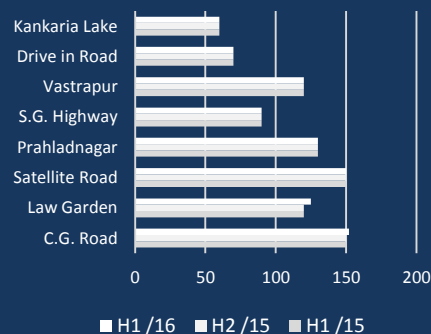
Major Deals in Commercial Market, H1 2016

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Panorama Investor	Sun Square	2,660	C.G Road	Lease
Carlzeiss Investor	Time Square II	25,000	Bodakdev	Sale
Investor	Sun Square	2,200	C.G Road	Lease
Zorion	One World West	15,000	Ambli Bopal Rd	Sale
Swaa Chemicals	West Gate	18,000	SG Highway	Sale
Miraj Cinema	Sigma Gardenview	5,000	Bodakdev	Lease
Dr. Zinjhuviya	10 Acre Mall	40,000	Maninagar	Sale
Investor	Arista	3,000	Bodakdev	Lease
Red FM 93.5	Gala Empire	2,000	Drive in Road	Lease
Investor	Amrapali Lakeview	4,300	Vastrapur	Sale
Abhishree Complex	Patron	20,000	Rajpath Club Road	Sale
Vista Print	State Bank of Bikaner & Jaipur (SBBJ)	2,000	Satellite	Sale
Citrin Cooperman	Commerce House V	36,000	Prahladnagar	Lease
GTPL	Shapath V	10,000	SG Highway	Lease
Axis Clinical Ltd	Individual Building	40,000	Bodakdev	Lease
	Atharwa Complex	38,000	S.G Highway	Lease

Ahmedabad Retail Trends

Ahmedabad saw moderate transaction activities in H1, 2016. Limited availability of quality mall space kept the transaction activity in Ahmedabad low in most micro markets with retail segment witnessing total absorption of approx. 0.35 million sq. ft. The demand was mainly driven by apparel retailers, which continued to strengthen their presence across various locations such as C.G. Road and S.G. Highway. Mall rentals remained stable all across micro markets

Average Retail Rental Rates in Ahmedabad in INR / sq.ft



Major Deals in Retail Market, H1 2016

Property	Location	Client	Area (In Sq.ft)	Lease/Sale
Arista	Satellite	Pantaloons	16,000	Lease
Titanium One	S.G Highway	Sun Heart Tiles	20000	Lease
Abhinav Colony	Drive in Road	Gallops Motor	2200	Lease
Shilp III	Sindhubhavan Road	Xzing Spa	2500	Lease
SOBO Center	South Bopal	Lakme Saloon	2500	Sale
Time Square 1	Thaltej	Investor	3000	Lease
Sobo Center	South Bopal	Skyblue	2500	Sale
Time Square II	Bodakdev	End user	7000	Lease
Maruti Crystal	S.G Highway	Mitsubishi VRF Plants	2,000	Sale
One World West	Ambli Bopal Rd	Investor	35,000	Lease
Sankalp Square	Drive in Road	Airtel	2,000	Sale
Stellar	Sindhubhavan Road	End user	8,000	Lease
Transcube Plaza	Ranip	D Mart	25000	Sale
Shivalik Shilp II	Keshavbaug	End user	1000	Lease
Campus Corner	Prahladnagar	Fitness Point	10000	Lease
Safal Pegasus	Prahladnagar	Dunkin Donuts	3000	Lease
Shivalik Arcade	Prahladnagar	Gini & Jony	2500	Lease
Individual Building	Jodhpur	STEEL	20000	Lease
Shivalik III	Drive in Road	ZUCCHINI	5500	Lease
Zodiac Avenue	S.G Highway	Federal Bank	4,600	Lease

Ahmedabad Industrial and Warehousing Trends

Sanand, Bavla and Changodar along NH 8A have emerged as industrial and warehousing hubs due to saturation of Aslali and Kheda. All major FMCG players have their warehouses in Ahmedabad market. Land capital values as rental value have remained stable across the market due to stable supply by GSIDC. Increased demand from the manufacturing sector has led to industrial shed rentals increasing by 10% - 15% in Sanand and Changodar on a year-on-year (y-o-y) basis. Significant under-construction supply has also kept the warehouse rents stable in Kheda.

Industrial and warehousing demand will remain robust in major industrial and warehousing corridors of Ahmedabad in H2, 2016 particularly along Sanand, Bavla and Changodar corridors.



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www.trinitypartners.co.in
Tel - +91-40-401-500-85 & +91-40-645-245-60
Email - info@trinitypartners.co.in

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