

INDIAN REAL
ESTATE OUTLOOK



2019



INDIAN REAL ESTATE

A changing market dynamics

While the year 2018 has been a year of brisk activities in the Indian Real Estate sector, the year 2019 is expected to bring in both challenging and opportunistic with upcoming elections, changing dynamics of credit growth and focus on infrastructure improvement driving the markets. The short term impact of elections in terms of slowdown of policy clearances and infrastructure projects critical to real estate might affect the market sentiments, but stable government at the Centre is expected to boost growth of the sector.

The NFDC crisis and lack of credit off take has been an area of concern for stakeholders in the sector, but positive economic indicators with India's GDP growth rate pegged at 7.5% and controlled inflation rate at 4.8% have kept the markets stable. The effort to continue this momentum should be prioritized for all encompassing growths of this sector.

Last year market consolidation and adjusting to the new policy requirements became the main focus of the development. The increased transparency, accountability and core structural reforms have boosted ease of doing ranking of India and has created a conducive business environment for both domestic and institutional investors. The enforcement of RERA has phased out non serious players ensuring that only credible developers drive the market. Further consolidation of the market is expected to continue in 2019 with established names further capitalize on their brand.

Affordable housing and massive infrastructure augmentation by the Government of India (GOI), including significant capital expenditure for roads, railways, development of smaller airports and expansion of schools and hospitals are expected to drive Real Estate Market in the future. Concepts such as co-working and co-living spaces have emerged as new market segments for investments. The commercial market segment is expected to continue buoyant. After being inferred industry status, Indian Warehousing and logistic market are seeing good space transaction and investment. Residential and retail segment will continue the brisk momentum. Overall 2019 is expected to be a good year for the Indian Real Estate sector.

Chairman, CIRIL

OUR SERVICES



INDIAN ECONOMY

Looking ahead with hope in 2019

According to Moody's Investment Services, economic growth of approximately 7.5% is expected for 2019 and will remain robust. The expected growth is reflective of strong demand for goods and services and increasing industrial activity among the eight core sectors: coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity. 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 the USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

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 digitization, globalization, favorable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to the Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

The World Bank has stated that private investments in India are expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19. India is expected to retain its position as the world's leading recipient of remittances in 2018, with total remittances touching US\$ 80 billion, according to the World Bank's Migration and Development Brief.

India: Demand, Output and Process

Different Economic Indicators

	2015	2016	2017	2018	2019	2020
	Current prices INR trillion	Percentage changes, volume (2012/2013 prices)				
GDP at market prices	137.6	7.1	6.7	7.5	7.3	7.4
Private consumption	80.9	7.3	6.6	7.2	7.4	7.4
Government consumption	14.3	12.2	10.9	7.0	7.3	5.3
Gross fixed capital formation	39.2	10.1	7.6	6.2	6.0	8.6
Final domestic demand	134.4	8.6	7.3	6.9	7.0	7.5
Stockbuilding ¹	6.4	-1.2	0.0	0.1	0.0	0.0
Total domestic demand	140.8	6.9	8.1	8.3	6.9	7.5
Exports of goods and services	27.3	5.0	5.6	8.9	4.5	6.3
Imports of goods and services	30.4	4.0	12.4	12.0	3.4	6.9
Net exports ¹	-3.2	0.1	-1.5	-0.9	0.1	-0.3
Memorandum items						
GDP deflator	-	3.5	3.1	4.9	4.7	4.3
Consumer price index	-	4.5	3.6	4.5	5.0	4.5
Wholesale price index ²	-	1.7	2.9	4.8	4.6	4.3
General government financial balance ³ (% of GDP)	-	-7.0	-6.6	-6.4	-6.2	-6.0
Current account balance (% of GDP)	-	-0.6	-1.9	-2.1	-2.8	-3.0

Note: Data refer to fiscal years starting in April.

1. Contributions to changes in real GDP, actual amount in the first column.

2. WPI, all commodities index.

3. Gross fiscal balance for central and state governments.

Source: OECD Economic Outlook 104 database.

Economic Restructuring and Competitive Landscape

India ranks 58th, up five places from 2017 out of 140 economies, according to the Global Competitiveness Report 2018 of the World Economic Forum. Further, India's rank in the World Bank's Ease of Doing Business 2019 survey climbed 23 places to 77 among 190 countries surveyed, making it the only country to rank among the top 10 improvers for the second consecutive year.

Modernizing public institutions have been high on the agenda of reforms in India in recent years, and results are starting to show. The six reforms recognized in this year's report are starting a business, getting electricity, dealing with construction permits, getting credit, paying taxes and trading across borders.



Market Drivers



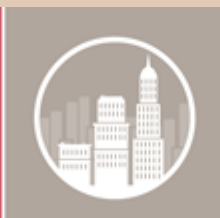
URBANISATION

India's urban population as a percentage of the total population was around 32.7 percent in 2015 and is expected to rise to 40.0 percent by 2030



POLICY SUPPORT

Government initiatives, urban development policies and programs (Smart City, AMRUT) are expected to contribute to demand for real estate infrastructure



GROWING ECONOMY

The demand for commercial property is being driven by the country's economic growth



INCREASING HOUSEHOLD INCOME

India's per capita increasing year on year, making an investment in Real Estate easier



EASIER FINANCING

Easy availability of project finance by the Bank have increased demand for better and affordable infrastructure

INDIAN REAL ESTATE

Moving towards transparent regime

The year 2018 was year of numerous policy and statutory compliance for Indian Real Estate. The big bang reforms such as RERA and GST improved the transparency and answerability in the sector have brought about an imperative change in the tax, regulatory and business environment, thereby catching the attention of institutional investors who are now looking at the Indian real estate with renewed dynamism.

With affordable housing accorded infrastructure status and announcement of Credit Linked Subsidy Scheme (CLSS) has benefited both buyers and developers. In the long term, these reforms will have a positive impact on markets. Today's market is very much steady for buyers; choices are accessible, making it a good time to capitalize on investment.

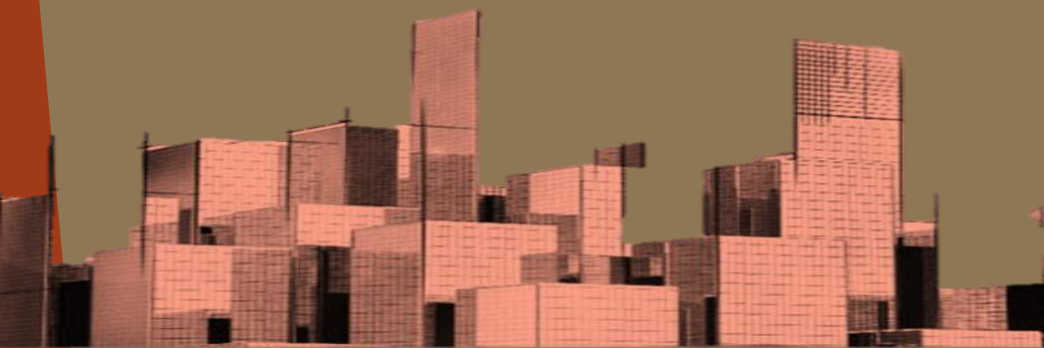
The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which allows investors to invest in the Indian realty industry. This would aid increase of the cash flow in the sector and create openings worth billions over the years. Likewise, the liberalization of the FDI norms will further improve the cash flow into the sector and encourage a robust environment

In year 2019, investment scenario may remain slow and stable owing to the upcoming locations. Players will remain conscious about investing in new ventures. Completion of existing projects will be prioritized.

Business models such as co-working space have emerged as new market segments. Overall, Commercial market segment will continue to perform better than retail and residential segments in 2019. Gross office space absorption in 2018 has grown by more than 20 percent since last year owing to renewed interest from banking tenants and further expansion by technology companies.

Many developers plan to build affordable housing, with residential units in the price range of INR 1.5 – 3 mn (USD 21,000 – 42,000). This will target the lower and upper middle income group.

Overall, in 2019 the market will continue its steady run but at a slower rate. Even with a rise in demand in most of the major cities, the year-on-year price increase has remained low, ranging between 0 – 2% during the past years. We can expect a similar trend in the coming years.



INDIAN REAL ESTATE

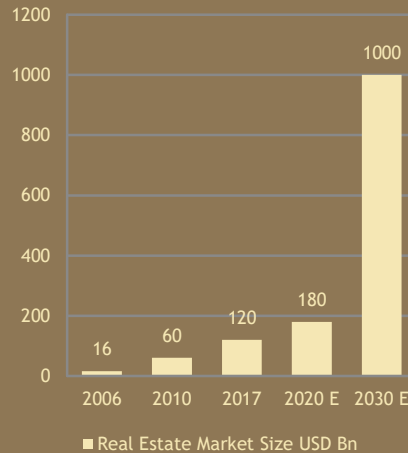
Market Size

Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth Rs 1.25 trillion (US\$ 19.65 billion) in the Indian market over the years.

Private Equity and Venture Capital investments in the sector have reached US\$ 4.1 billion between Jan-Nov 2018. Private Equity and Venture Capital investments in the sector have reached US\$ 4.1 billion between Jan-Nov 2018. Institutional investments in India's real estate are expected to reach US\$ 5.5 billion for 2018, the highest in a decade.

Real Estate Market Size USD Bn



POLICY OVERHAUL 2018



Insolvency and Bankruptcy Code 2018

This gave more power to homebuyers by treating them at par with banks and other institutional creditors for recovering dues from realty firms that turned bankrupt



Affordable Housing Fund

Govt. has set up dedicated Affordable Housing Fund under National Housing Bank for priority sector lending to build 1 Crore house in rural areas under PMAY this year



Enhanced Carpet Area for MIG Houses

To attract buyers, The Govt. has enhanced the carpet area of MIG Houses from 120 sq.m to 160 sq.m under MIG – I category and from 150 sq.m to 200 sq.m under MIG – II category



Ease of Doing Business

India through its effort in improving transparency has climbed 23 places in World Bank's latest rankings and now stands at 77th position among 190 nations boosting the confidence of investors



Repo Rates

RBI hiked Repo Rates by 50 basis points during this year, a back – to – back revision of 25 basis points in June and then in August. This has a positive impact on Markets.



Foreign Direct Investments

Govt. allowed 51% FDI in multi-brand retail and 100% FDI in single-brand retail under the automatic route. It also plan to tweak norms for retail trade in similar lines to SEZ

FOREIGN DIRECT INVESTMENT In Indian Real Estate

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments in India April-June 2018 stood at US\$ 12.75 billion, indicating that government's effort to improve the ease of doing business and relaxation in FDI norms is yielding results.

Data for April-June 2018 indicates that the services sector attracted the highest FDI equity inflow of US\$ 2.43 billion, followed by trading – US\$ 1.63 billion, telecommunications – US\$ 1.59 billion and computer software and hardware – US\$ 1.41 billion. Most recently, the total FDI equity inflows for the month of June 2018 touched US\$ 2.89 billion.

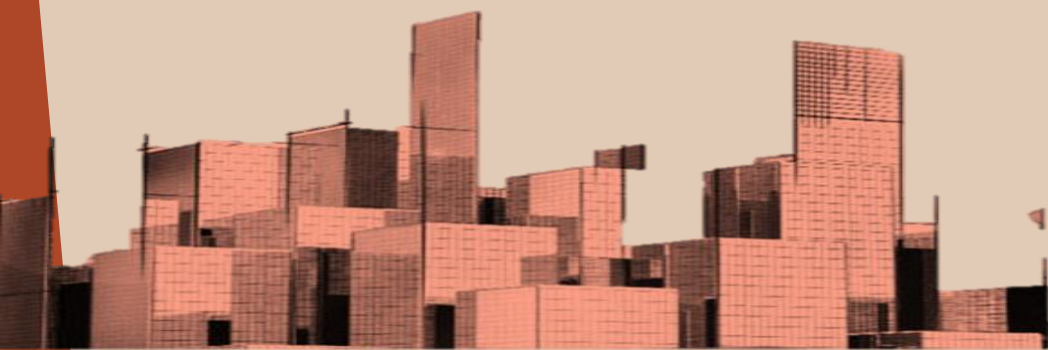
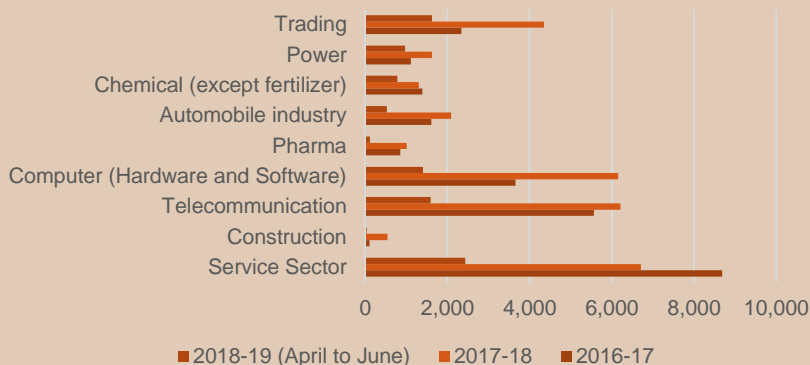
The construction, development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.87 billion in the period April 2000-June 2018.

Moreover, no government approval will be required for FDI up to an extent of 100 per cent in Real Estate Broking Services.

Some of the major investments and developments in this sector are as follows:

- New housing, launches across top seven cities in India are expected to increase 32 per cent year-on-year by 2018 end to 193,600 units.
- In September 2018, Embassy Office Parks announced that it would raise around Rs 52 billion (US\$ 775.66 mn) through India's first Real Estate Investment Trust (REIT) listing.
- New housing, launches across top seven cities in India increased 50 per cent quarter-on-quarter in April-June 2018.
- In May 2018, Blackstone Group acquired One Indiabulls in Chennai from Indiabulls Real Estate for around Rs 900 crore (US\$ 136.9 mn).
- In February 2018, DLF bought 11.76 acres of land for Rs 15 billion (US\$ 231.7 mn) for its expansion in Gurugram, Haryana.
- In February 2018, Ikea announced its plans to invest up to Rs 4,000 crore (US\$ 612 mn) in the state of Maharashtra to set up multi-format stores and experience centers.

Sector attracting highest FDI equity inflow in US\$ mn



FOREIGN INSTITUTIONAL INVESTMENT In Indian Real Estate

Foreign Portfolio/Institutional Investors (FPI/FII) have been one of the biggest drivers of India's financial markets and have invested around Rs 12.51 trillion (US\$ 171.81 billion) in India between FY02-18.

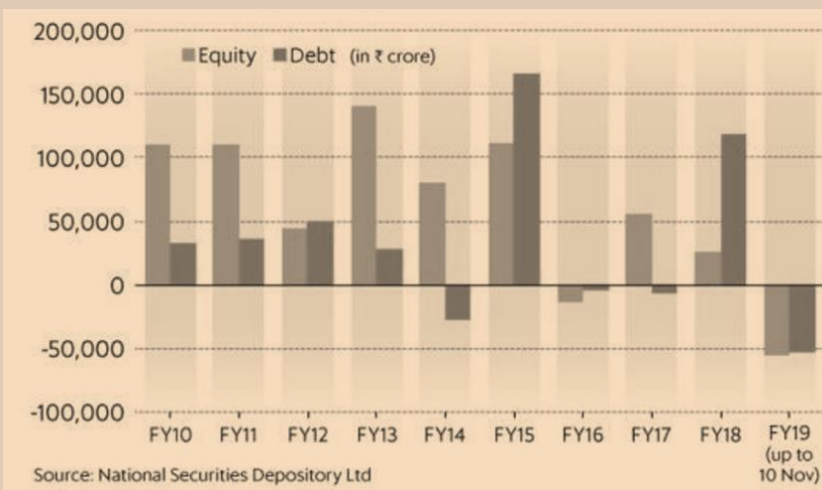
In 2018-19 (up to December 31, 2018), FIIs have pulled Rs 94,070 crore (US\$ 13.48 billion) from the Indian financial markets. Investments by foreign portfolio investors (FPIs) in Indian capital markets have reached Rs 6,310 crore (US\$ 904.11 mn) in November 2018 (up to November 22, 2018). Embassy Office Parks filed the papers for India's first Real Estate Investment Trusts (REIT) paving way for more FII investment in coming years.

Institutional investments in real estate sector touched \$5.5 billion in 2018, the highest since 2009, on the back of transformative policy reforms and a growing risk appetite of foreign and domestic institutional investors. Buoyed by strong support from the government, FII investments have been strong and are expected to continue to improve going forward. Further, in a move to encourage more investment, the Securities and Exchange Board of India (SEBI) has relaxed norms for registered FPIs in India.

Government/Regulatory Initiatives

- Securities and Exchange Board of India (SEBI) on December 04, 2018 has proposed direct overseas listing of Indian companies and other regulatory changes.
- In September 2018, SEBI has relaxed the Know-Your-Client (KYC) requirement for Foreign Portfolio Investors (FPIs).
- In September 2018, SEBI allowed Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) to start commodity derivative segments.
- SEBI has also allowed foreign entities to participate in the commodity derivatives segment of Indian stock exchanges, to help them hedge their exposures. It has also proposed to allow Non Resident Indians (NRIs) to invest through FPI route after meeting specific KYC norms.
- In August 2018, SEBI reduced the timeline for public issue of debt securities from 12 days to six days.
- Foreign Portfolio Investors are also allowed to invest up to 25 percent in Category III Alternative Investment Funds (AIF) in India. Different types of funds such as hedge funds, Private Investment in Public Equity (PIPE) funds, etc. are operating in India as Category III AIFs.
- Investments by FPIs have also been allowed in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trust (InvITs).

Investment by Foreign Institutional Investors in India



PRIVATE EQUITY INVESTMENT

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

In 2018, investments increased by 35% in value terms compared to 2017 (US\$35.1 billion vs US\$26.1 billion in 2017) and deal volume increased by 28% (761 deals compared to 594 deals in 2017). There were 76 deals of value greater than US\$100 mn in 2018, aggregating to US\$25.9 billion and accounting for 74% of total PE/VC investments made in 2018.

Financial Services continued to be the top sector receiving US\$7.5 billion in investments across 141 deals followed by Real Estate (US\$4.5 billion across 49 deals) and E-commerce (US\$4.3 billion across 83 deals).

2018 was the best year ever for exits. In 2018, PE/VC exits, at US\$26 billion, increased by almost 100% compared to 2017 and are almost equal to the value of exits in the previous three years combined.

The sharp rise was mainly on account of a single large deal that saw Walmart acquire controlling stake in Flipkart for US\$16 billion from a clutch of investors including Softbank, Tiger Global and others. This is the largest deal in the Indian PE/VC market ever.

E-commerce (US\$16.4 billion across 10 exits), Technology (US\$1.8 billion across 24 exits), Financial Services (US\$1.5 billion across 34 exits) were the top sectors for PE/VC exits in 2018.

Largest PF Investment - 2018

Company	Investor	Amount
Toll Road Project	Macquarie	\$ 1,487 M
UPL	TPG, ADIA	\$1,200 M
HDFC	KKR, GIC, Others	\$1,062 M
Swiggy	Nasper, Tencent, Others	\$1,000 M
OYO	SoftBank Corp, Others	\$1,000 M
Vivtera	Warburg Pincus	\$1,000 M
RCOM Enterprise Bix	I-Squared Capital	\$1,000 M
Star Health Insurance	WestBridge, Rare Enterprises, Others	\$1,000 M

PE/ VC INVESTMENTS AND EXITS

Investments

Year	No. Of Deals	Amount \$ (M)
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
2018	761	35,100

Exits

Year	No. Of Deals	Amount \$ (M)	As % of Investment
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%
2018	260	26,000	35.0%

Indian Real Estate Macro Market Trends



Commercial Office space

- Office space leasing touches a record high, at 46.8 mn sq ft in 2018 to 15% increase in transactions Y-o-Y.
- Rents show 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 mn square feet by the end of 2019
- Co-working has emerged as a major driver in most micro-markets with 15% share in space absorption.
- Vacancy witnessed a marginal improvement in the last year, settling at approximately 12% at the end of 2018



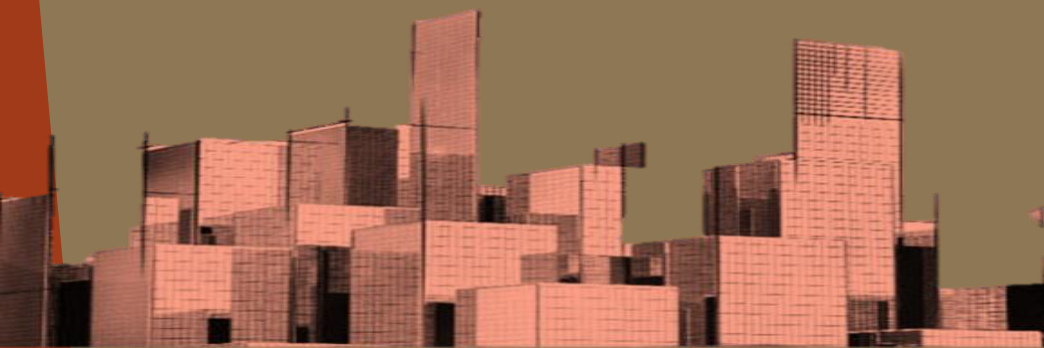
Retail Sector

- The Indian retail estate is expected to witness addition of 13.5 mn sq ft of mall in 2019 across major cities apart from tier II and III cities.
- Shopping mall stock is projected to be around 20 mn square feet in next 3 to 4 years, of which around 11 mn square feet of supply are expected in 2018
- Fashion, F&B and entertainment dominated leasing scenario



Industrial and Warehousing sector

- In 2018, the total absorption in Industrial and Warehousing segment, 23 mn sq.ft of space.
- The warehouse industry in India is worth INR 560 billion and is growing at a rate of 10- 12 percent every year.
- 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.



MUMBAI

REAL ESTATE TRENDS

Mumbai is India's largest city (by population) and is the financial and commercial capital of the country. It is also one of the world's top ten centres of commerce in terms of global financial flow, accounting for 6.16% of the total GDP, 25% of industrial output, 70% of maritime trade in 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.

Statistics

Area (Metropolitan Region)	4,355 km2 (1,681.5 sq mi)
Population (Census 2011) (Extended UA)	18,414,288 20,748,395
GDP (PPP)	\$310 billion



Commercial



Retail



Ind. & Warehousing



Mumbai Commercial Real Estate Trends

Mumbai office market saw total absorption of around 4.8 mn sq. ft in the year 2018.

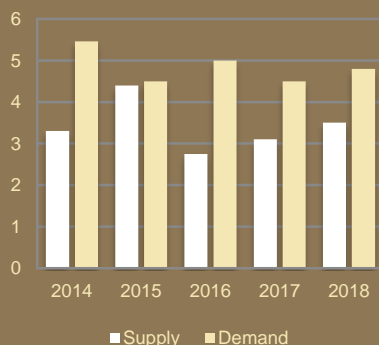
Leasing activity was stable across all micro-markets of Mumbai in the year 2018. Co-working has emerged as a new demand segment in Mumbai with frantic expansion by new and established players. Almost 15% of the space absorption in the commercial market are by Co-working space.

Overall, Powai, Vikhroli, Kurla, Andheri and Goregaon remained a favored 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.

IT-BPM continued to witness strong demand with a 27% share. The major transactions (greater than 100,000 sq. ft.) seen during the quarter were Accenture in Eastern Suburbs, We Work in Thane-Belapur micro market and Google in SBD (BKC) micro market.

Mumbai witness supply of around 3.5 mn sq. ft in the year 2018. Demand is expected to improve, backed by leasing activity in select corridors such as Thane-Belapur Road and the Malad-Goregaon stretch where a healthy supply pipeline is anticipated during 2019-2020. Rental prices largely remain unchanged in 2018.

Demand and Supply in Mumbai Commercial market in mn sft



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

Area	2016	2017	H1 2018	H2 2018
Worli/Prabhadev	100 -190	100-180	125-190	110-190
Lower Parel	90-180	90-180	110-180	100-190
BKC	165-285	155-275	150-300	150 -300
Kalina	100-175	100-175	125-200	125-250
Goregaon / JVLR	90-110	90-110	80-125	80-125
Andheri East	70-140	70-140	60-145	60-155
Malad	75-100	75-100	70-120	70-120
Powai	120-200	125-225	110-145	110-160
Navi Mumbai	40-80	40-80	40-75	40-90
Thane / LBS	60-120	65-125	60-125	60-125

Major Deals in Mumbai Commercial Market - 2018

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Accenture	Godrej IT Park	2,50,000	Vikhroli	Lease
Trent Ltd.	New Cuff Parade	1,20,000	Wadala	Lease
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Google India Private Ltd.	First International Financial Centre	1,00,000	Bandra	Lease
Inox	Skycity Mall	1,00,000	Borivali	Lease
We Work India	Zenia	94,200	Thane	Lease
Nirlon Ltd.	Nirlon Knowledge Park	78,429	Goregaon	Lease
Puma Energy Processing	Godrej BKC	71,262	Bandra	Lease
Dusk Properties P.Ltd.	I Think Techno Campus	61,604	Thane	Sale
ICICI Lombard General Insurance Company Ltd.	247 Park	35,690	Vikhroli	Lease
Access healthcare services P. Ltd.	Empire Tower	34,100	Airoli	lease
Smart work Business Centre P. Ltd.	Fleet House	26,976	Andheri	Lease
EFC Ltd.	Reliable Plaza	21,762	Rabale	Lease
Times of India	Wallstreet	20,000	Andheri	Lease
International SOS Services India P. Ltd.	The Qube	15,900	Andheri	Lease
Tata Asset Management Ltd.	Parinee Crescenzo	15,028	Bandra	Lease
Phonepe Private Ltd.	Boston House	13,000	Andheri	Lease
Vijay Holdings	MBC Infotech Park	10,402	Thane	Sale

Mumbai Retail Real Estate Trends

The Mumbai retail market witnessed supply of nearly 2 mn sq. ft of leasable space. Due to healthy leasing activity, the total absorption was around 1.2 mn sq.ft.

The vacancy level remained low at 13.5% in Mall segment. Retail rentals remained stable across most micro markets. Key mall transactions included Westside and Splash leasing 37,000 SF and 11,000 SF, respectively - both in Phoenix Market City in Kurla and Miniso leasing 5,500 SF in Inorbit Mall, Vashi. F&B remained the main demand driver in high street locations. Around 1 mn sq.ft of Mall space is expected to be available in 2019. This is expected to drive the retail demand.

In 2019 is expected to see sustained demand across malls in particularly in Lower Parel and the main street on Linking Road. Prominent main street locations like Bandra, Juhu, Powai etc. continue to see good inquiries from retailers and are expected to see transaction activity going forward as well.

Rental prices will largely remain unchanged in 2019. Selected main street locations are expected to see rental growth in the near future as they continue to see sustained demand from retailers.

Significant Leasing Transaction in Retail Market- 2018

Property	Location	Tenant	Square feet	Lease/ Sale
Pheonix Market City	Kurla	Westside	37,000	Lease
Inorbit Mall	Vashi	Miniso	5,500	Sales
The Point	Bandra	IDFC Bank	2,000	Lease
Business Square	Andheri	Vijay Sales	7,512	Sales
Shree Ganesh	Vashi	Kaya Skin	2,500	Lease
Vivarea	Mahalaxmi	Nature's Basket	2,000	Lease
MICASA Bldg	Bandra - West	Starbucks	3,000	Lease
Maker Tower	Cuffe Parade	Andhra Bank	3,004	Lease
Parul	Juhu	Theobrama	2,200	Lease

Major Upcoming Projects in 2018

	Location	Year
Maker Maxity Mall	BKC	Q1 2019
Oberoi Oasis Mall	Worli	Q4 2019
Reliance Mall	BKC	2020

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

	2016	2017	2018
Main Street			
Linking Road	350 - 650	350 - 650	350-800
Kemps Corner	350 -450	350 -450	350-600
Breach Candy	375 - 500	375 - 500	350-600
Colaba Causeway	300-600	300-600	300-600
Fort Fountain	250-450	250-450	250-550
Lokhandwala Andheri	225-350	225-350	250-500
Borivali LT Road	250-400	250-400	250-500
Chembur	250-350	250-350	250-500
Vashi	275-400	275-400	250-500
Thane	150-250	150-250	125-400
Malls			
Lower Parel	250-450	250-450	400-600
Link Road (Andheri W)	500	500	200-400
Malad	350	350	150-400
Goregaon	350	350	150-400
Ghatkopar	350	350	150-300
Bhandup	175	175	125-275
Mulund	200	200	200-400
Vashi	350	350	300-500
Thane	300	300	125-300

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; Pepper fry (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 restricting in land usage (mostly in the green zone) have restricted the development of warehouses.

Industrial and warehousing segment will continue its robust performance in 2018.

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	9 - 25
Thane Belapur Road	25-35	35-45	20-30
Taloja Industrial Estate	20-30	30-40	20-35
Panvel	25-35	40-60	14 - 30
JNPT & Uran Road	8 -15	25-40	22 - 35
Rasayani Patalganga	8-12	22-25	14 - 20
Pen-Khopoli Road	8-12	22-25	14- 20

Significant Leasing Transaction in Industrial and Warehousing in 2018

Property	Location	Tenant	Square feet	Lease/ Sale
Shubham Space	Bhiwandi	Hitachi	1,00,000	Lease
Antariksh	Bhiwandi	20 Cube	5,50,000	Lease
Sahib Warehousing	Bhiwandi	Big Basket	1,00,000	Lease
Saidhara Complex	Bhiwandi	Haier India	30,000	Lease
BGR	Bhiwandi	Yusen	2,00,000	Lease
BGR	Bhiwandi	DHL	2,50,000	Lease
BGR	Bhiwandi	Kuenhe Nagel	2,50,000	Lease
Shubham Space	Bhiwandi	Avvashya CCI Supply Chain	1,00,000	Lease
Sagar Complex	Bhiwandi	Dexters Logistics	12500	Lease
Global Infra	Bhiwandi	CITI Solutions	3,00,000	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.

Statistics

Area	54,984 km ² (21,229 sq mi)
Population (Census 2011)	46,069,000
GDP (PPP)	\$293.6 billion



Commercial



Retail



Ind. & Warehousing



NCR Delhi Commercial Real Estate Trends

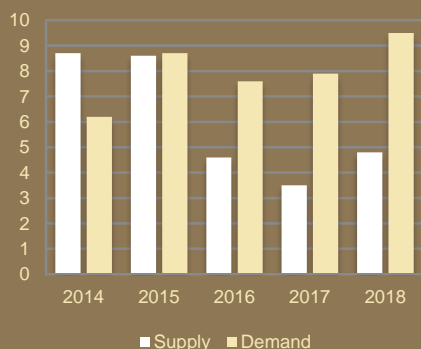
NCR Delhi office real estate segment emerged as a second most prominent market in terms of space demand with around 9.5 mn sq.ft of space leased out in the year 2018. Gurugram continue to remain the most preferred market accounting for 60% of the total absorption. The IT-ITes accounted for 50% of leasing volume followed by Engineering and Manufacturing, Banking, Financial Services and Insurance (BFSI) sector.

NCR Delhi witnessed supply of around 4.8 man sq ft of Grade A office space in 2018 as opposed to 3.5 man sq ft in 2017. Around 15 men sq.ft of office space is in different stages of construction with Gurugram accounting for 9 mn sq.ft of future supply. This is expected to keep the vacancy rates as high as 34% all across the micro-markets.

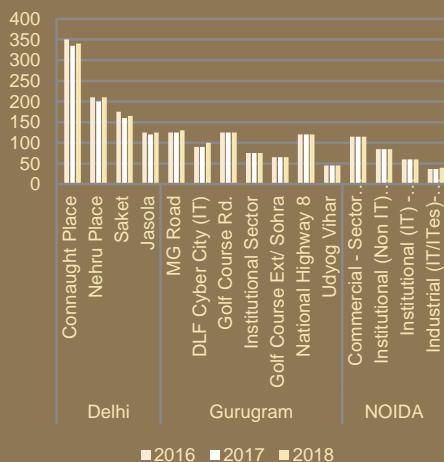
Rental remained stable in most micro markets. New Delhi and NOIDA witnessed marginal appreciation in few commercial pockets due to restrictive supply while Gurugram saw a correction of base price in few locations.

We expect the commercial office market to remain stable and favourable towards developers owning to the new supply that would be available by H2 2019. Vacancy levels are expected to increase further. Rental prices will largely remain unchanged in 2019. Overall commercial markets will remain robust till year end 2020.

Demand and Supply in commercial Market of NCR in mn sft



Average Rental Trends in NCR-Delhi Commercial Market in INR/sq.ft/ month



Major Deals in Commercial Market - 2018

CLIENT	Building Name	Area (SF)	Location	Lease/Sale
HDFC Ergo	Eros Corporate tower	11,000	Nehru Place	Lease
Mosaic Digital	Building No. 17	15,000	Okhla Phase 3	Lease
Dr. Oatker	Building No. 211	14,500	Okhla Phase 3	Lease
Hero Fincorp	A-44	80,000	Mohan Co-operative	Lease
DCM Sriram	Bharti Worldmark	50,000	Aerocity	Lease
TVS Logistics	B-1/J-1A	12,000	Mohan Co-operative	Lease
widex	A-25	10,000	Mohan Co-operative	Lease
Data Flow Services	Prius Global	25000	Sector-125, Noida	Lease
Vivo India		30000	Sector-59, Noida	Lease
Mastech Digital	ETT-2	50000	Sector-132, Noida	Lease
Intergreon	Tech Boulevard	20000	Sector-127, Noida	Lease
ACS Group	Arihant Tower	60000	Sector-126, Noida	Lease
Pragyawan Group	B-12	10000	Sector-1, Noida	Lease
Eccosphere Coworking Pvt. Ltd	B-61 & B-70	25000	Sector-67, Noida	Lease
FabAlley	C-5	25000	Sector-1, Noida	Lease
Office Beanz (Coworking)	5th & 9th Floors, Unitech Cyber Park, Tower C	54,000	Sector 39, Gurugram	Lease
Sita Aeronotics	ASF Towers	70,000	Udyog Vihar - 4, Gurugram	Lease
Fujifilm	Unitech Cyber Park	25,000	Sector - 39, Gurugram	Lease
Biba	Capital Cyber Scape	54,000	Extn. Golf Course Road	Lease
Tech Mahindra	Capital Cyber Scape	1,25,000	Extn. Golf Course Road	Lease
Wework (Coworking)	Galaxy Hotel	1,00,000	NH-8	Lease
Wework (Coworking)	Forum	2,84,000	DLF Cyber City, Phase III	Lease
Mobikwik	Good Earth Business Bay	35,000	Extn. Golf Course Road	Lease
SE2	Brookfield Sez, Tikri	57,000	Sector 48	Lease
Innov8 (Coworking)	Orchid Centre	40,000	Golf Course Road	Lease
Gohive (Coworking)	Technopolis	12,000	Golf Course Road	Lease
Garage Society (Coworking)	Plot No. 270	1,25,000	Phase 2, Udyog Vihar	Lease
SE2	Brookfield Sez, Tikri	57,000	Sector 48	Lease
Cvent	Brookfield Sez, Dundaheera	90,000	Old Delhi Gurgaon Road	Lease
Spark Minda	Plot No. 404-405	30,000	Phase 3, Udyog Vihar	Lease
Urbanclap	Plot No. 416	35,000	Phase 3, Udyog Vihar	Lease
Optimint	Plot No. 270	30,000	Phase 2, Udyog Vihar	Lease
Yatra.com	Plot No. 272	80,000	Phase 2, Udyog Vihar	Lease

NCR Delhi Retail Real Estate Trends

NCR - Delhi Retail market witnessed healthy transaction in the year 2018 with total leasing of 1.5 men sq.ft. Delhi NCR recorded new mall supply of 150,000 SF in Sector 29, Gurugram – Tata Trilium - the only addition of mall space in 2018. Limited availability of quality space and corresponding low demand resulted in deferment of mall developments. Apparel and lifestyle segments where the predominant demand driver.

In 2018, mall rentals remained stable across submarkets. Apparel and lifestyle retailers like Central, Max, Forever 21, Mango, W, Frontier Raas leased spaces in malls, while F&B brands like Starbucks, Chaayos, Nik Baker's expanded their retail footprint in main streets.

Italian luxury fashion retailer, Love Moschino, launched its flagship store in the city in DLF Promenade mall, while Korean retailer, Ximi Vogue made its foray in Delhi NCR with a store in the Kamla Nagar high street. Robust demand and limited availability led to rentals appreciation by 3% - 5% of the main street locations.

Retail markets of NCR Delhi are expected to witness sustained demand for quality retail space in 2019. An additional 2 ms of supply are likely in H2 2019, a substantial part of which is released and finding healthy traction from retailers.

NCR Delhi Markets	2015	2016	2017	H1/18	H2/18
Khan Market	1250	1250	1350	1375	1375
South Extension I&II	755	755	770	775	775
Connaught Place	810	810	820	825	825
Greater Kailash I, M Block	555	555	560	570	570
Rajouri Garden	210	210	215	225	225
Karol Bagh	380	380	390	400	400
Kamla Nagar	455	455	455	455	455
DLF Galleria (Gurgaon)	705	705	705	710	710
Sector 18 (NOIDA)	230	230	230	230	230
South Delhi	505	505	505	515	515
West Delhi	330	330	330	330	330
Gurgaon	380	380	380	380	380
NOIDA	385	385	385	385	385
Ghaziabad	210	210	210	210	210

Significant Leasing Transaction in Retail Market			
Property	Location	Tenant	Square Feet
Defense Colony	Defence Colony	Dominos	2,000
Main Market	ModelTown	UCB	1,200
GK 1 M-block	GK	MINI Su	6,000
Sec 3	Rohini	Cantabil	1,400
BOI	Khan Market	Hamleys	750
Main Market	Sarjni Nagar	Peter England	850
Jawahar Rd	Kamla Nagar	BlackBerrys	1,000
Dwarka Sec 5	Dwarka Sec 5	Kiasa	250
Jwalaheri market	Pachim Vihar	MINI SU	1,500
Main Market	Rajouri Garden	MINI SU	5,000
M Block	GK 1 Delhi	Marks & Spencer	1,200
Khan market	Khan market Delhi	Marks & Spencer	1,000
D Block	CP Delhi	Oneplus	3,600
Kamla Nagar	Kamla Nagar	H & M	6,000
Vikas Marg, next to nexa Showroom	Vikas Marg	FBB	8000
Jwalaheri market	Pachim Vihar	Vision Express	1400

NCR Delhi Industrial and Warehousing Trends

19

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

Leasing activity remained robust in the NCR, with close to 3 mn 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, Tara 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 Flipkart 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 the Delhi NCR market with sustained demand from FMCG, 3PL and e-Commerce players.

Major Deals in NCR Delhi Ind. & Warehousing Market - 2018

Industrial and warehousing Submarkets	Land rates in INR Mn/acre	Industrial Rents INR/sft/m	Warehousing Rents INR/sft/m
Mundka	20 -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
NOIDA	390 - 395	35 - 40	16 - 30
Greater Noida	38-40	15-22	16-26
Faridabad		18-25	18 - 20
Gurgaon(Pataudi - Bilaspur)		18-22	10 - 18
Hasangarh			10 - 13
Kundali/Sonepat/ Barota			11 - 20
Palwal		15-20	13 -15
Ballabhgarh		16-18	20 - 22
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 2018

Property	Location	Tenant	Area in sq.ft
Warehouse	Sohna Road,Gurgaon	Udaan	80,000
Warehouse	Bhora kalan(Gurgaon)	VRL Logistics	2,00,000
Warehouse	Tauru Road (Gurgaon)	Delivery	90,000
Warehouse	Tauru Road (Gurgaon)	Amazon	20,000
Warehouse	sihi Gurgaon(Gurgaon)	Royal enfield	20,000
Warehouse	Khaintawas (Gurgaon)	Spencers	58,000
Warehouse	Faridabad	Emirates	10,000
Warehouse	Piyala road (Faridabad)	Proconnect	91,500
Warehouse	Palwal (Haryana)	Hellman logistics	90,000
Warehouse	Tauru Road (Gurgaon)	Apollo Tyres	90,000
Warehouse	Kataria chowk (Gurgaon)	Udaan	18,000
Warehouse	Rajokri (Delhi)	Udaan	38,000
Warehouse	Faridabad	Udaan	22000
Warehouse	ecotec-2 Noida	Maintu	21000
Warehouse	narsinghpur	Udaan	12000
Warehouse	Ghaziabad	LG	85,000
Warehouse	Ghaziabad	Yusen logistics	52,000
Warehouse	Ghaziabad	TVS Logistics	33,000
Warehouse	NH-24 Lal khaw(Gahziabad)	Metro	50,000
Warehouse	Firni Road, Mundka	Britannia	1,07,000
Warehouse	Hiran Kudna, Mundka	Blue Dart	22,000
Warehouse	UER II, Mundka	Safari	22,000
Warehouse	Mundka	Ecom Express	18,000
Warehouse	Firni Road, Mundka	Spoton	20,000
Warehouse	NH-9, Mundka	Finetech	2,00,000

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 the year 2010. It is the third most populous city and fifth most populous urban agglomeration in India.

Statistics

Area (Metropolitan Region)	8,005 km ² (3,091 sq mi)
Population	10,576,167 (2013)
GDP (PPP)	\$110 billion



Commercial



Retail



Ind. & Warehousing

Bengaluru Commercial Real Estate Trends

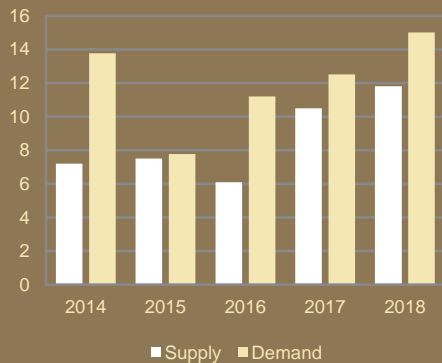
Bengaluru remained the most preferred investment destination in terms of leasing activity with total absorption of around 15 mn sq. ft in 2018. Outer Ring Road submarket accounted for almost 60% of the total Grade A leasing, followed by Suburban East (25%) and Peripheral submarkets (15%). The technology occupiers, contributing 40% of the total demand followed by the BFSI sector (25%), flexible workspace operators (15%), the engineering and manufacturing sector (10%) and other sectors accounting for 10%.

A new supply of 11.8 mn square was added to the city's inventory in 2018.

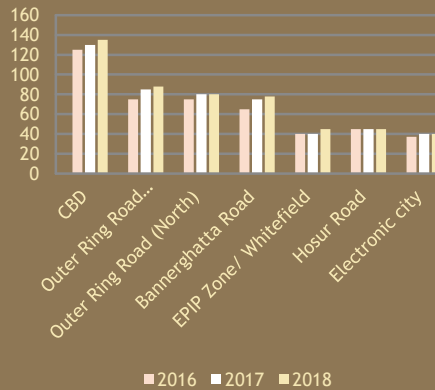
The city recorded an average rental increase of 6% YoY in 2018, highest in India. Vacancy remained stable at 10%. Around 24.4 mn sq.ft of space is expected to be added over 2019-2021. More than 60% of the total upcoming space is concentrated in ORR and Whitefield. Vacancy remaining anchored to single digits

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 2019 due to sustained demand.

Demand and Supply in Bengaluru commercial Market in mn sft



Bengaluru Commercial Market Rental Trends in INR/sft/month



Major Deals in Commercial Market - 2018

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Uber	RGA tech park	4,75,000	Sarjapur Road	Lease
Unisys	RGA tech park	4,00,000	Sarjapur Road	Lease
Pay Pal	RGA tech park	1,65,000	Sarjapur Road	Lease
JP Morgan	Embassy Tech Village	11,00,000	ORR	Lease
We Work	Embassy Tech Village	3,00,000	ORR	Lease
CoWorks	Purva Premiere	1,10,000	Residency Road	Lease
HP	Maruthi Concorde park	4,50,000	Electronic City	Lease
Keystone	SJR prime co towers	80,000	Koramangala	Lease
Zynka logistics	Vasvani presidio	18,000	ORR Kadubesanahalli	Lease
Cowrks	Salarpuria Arena	55,000	Hosur Road Main Road	Lease
DXC Technology	RGA tech park (SEZ)	20,000	Sarjapur Road	Lease

Bengaluru Retail Real Estate Trends

Bengaluru saw a revival of retail demand in the year 2017 with the absorption of around 1.0 mn sq. ft. Of prime retail space. Around 1.8 mn sq.ft of new retail space was added in 2018. Additionally, a healthy supply of over 3.88 mn SF in Bengaluru, expected by the end of 2020.

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

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

Rental prices will largely remain unchanged in 2019. International lifestyle retailers and E-commerce demand will continue to be the major demand drivers in the Bengaluru commercial office space.

Major Deals in Bengaluru Retail Market - 2018

Property	Location	Tenant	Square feet	Lease/ Sale
RMZ Galleria	Yelahanka	Toys'Rus	10,000	Lease
Standalone	off Commercial Street	Koskii	12,000	Lease
Standalone	SBD	Mall of IMA	60,000	Lease

Bengaluru Retail Market Rental Trends in INR/sft/month

High Street	2014	2015	2016	2017	2018
MG Road	240	240	150-250	125 - 275	150-300
Brigade Road	325	310	175-350	175 - 350	150-400
Commercial Street	300	300	300	300	200-300
Indiranagar 100 feet Rd.	200	190	175-200	150 - 200	150-250
Jayanagar	255	255	150-250	150 - 250	150-250
Sampige Road, Malleswaram	120	120	125	125	125-150
Koramangala 80 ft Rd.	125	115	100-150	100 - 150	100-150
Vittal Mallay Rd.	280	270	200-300	150 - 300	150-300
New BEL Rd.	142	145	125-175	125 - 175	125-175
Marathahali Jn.	125	125	125	125	100-150
Kamanahalli Main Rd.	125	125	125-150	125	100-150
Malls					
Koramangala	420	420	420	420	Full
Magrath Rd.	375	375	375	325 - 350	300-350
Cunningham Rd.	100	90	100	120	100-150
Mysore Rd.	75	65	100-125	100 - 125	100-200
Vittal Mallay Rd.	400	400	400-500	400-500	full
Whitefield	120	120	100-175	100 - 175	125-250
Rajarajeshwarinagar	90	80	100	100	125-400
Malleswaram	280	280	250-300	25-300	150-225
Bannerghatta Rd.	195	195	125-175	125 - 200	150-300

Bengaluru Industrial and Warehousing Trends

Bengaluru Industrial and Warehousing market is mainly driven by demands from E-commerce players followed by third-party logistics and FMCG firms. In a 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 centers (such as Hyderabad, Chennai, Cochin and Mangalore).

The total warehousing space requirement in the city is estimated to be around 80 mn sq. ft. During the next two years while upcoming supply is around 60 mn sq. ft. The manufacturing sector is the biggest demand drivers with absorption of 55 mn sq. ft

Bengaluru's warehousing clusters are located along its chief peripheral nodes like Tumkur Road (north-west), Old Madras Road (east), Hosur Road (south) and Mysore Road (south-west). The warehousing clusters in the eastern and the north-western corridors are home to large occupiers from the e-commerce segment such as Amazon, Flipkart, Myntra, Aditya Birla, Madura Garments and Decathlon.

Bengaluru Industrial and warehousing market will continue its robust performance in the year 2019. Rentals may appreciate owing to healthy demand in certain micro-markets, particularly in eastern and western part of Bengaluru

Bengaluru Industrial and Warehousing Trends

Industrial & warehousing Submarkets	Land rates in INR Cr/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Narsapura	1.0 to 1.75 Crores	15 - 19	15-19
Bommasandra	4 to 6 Crores	20 - 28	18 - 27
Bidadi IDA	3 to 6 crores	15 - 20	15-20
Dabaspet	1 to 2 Crores	12 - 18	12 - 16
Harohalli	1.5 to 2.5 Crores	12 - 18	12 - 22
Peenya IDA	6 to 12 Crores	25 - 35	20 - 30
Attibele	2 to 3 Crores	20-30	18 - 26
Nelamangala	1.2 to 2 Crores	13 -25	13 - 20
Hoskote	1 to 2 Crores	15-20	14-20

Significant Leasing Transactions in Industrial and warehousing Market 2018

Property	Location	Tenant	Area
RKV Developers	Attibele	Aditya Birla	5,00,000 sft
RKV Developers	Attibele	Amazon	3,00,000 Sft
Prestige Group	Narsapura	Flipkart	2,25,000 Sft

Significant Project under construction	Area	Completion
Soukhya Road	2,50,000 sqft	Jan- Feb
Jigani- Bommasandra	1,50,000 sqft	feb- March
Hosur	2,00,000 sqft	Jan- Feb
Makali - Nelamangala	6,00,000 sft *	feb- March
Hoskote - Narsapur	500,000 sft *	feb- March

* 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 the 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.

Statistics

Area **1,189 km²**
(459.07 sq mi)

Population **8,653,521**
(Census 2011) **8,917,749**
(Extended UA)

GDP (PPP) **\$78.6 billion**



Commercial



Retail



Ind. & Warehousing

Chennai Commercial Real Estate Trends

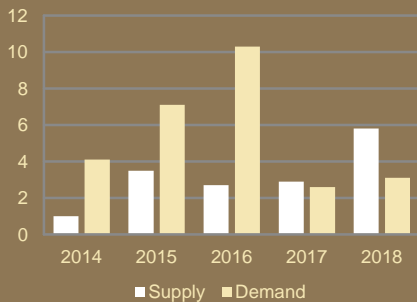
Chennai saw total absorption of 3.1 mn sq. ft in 2018. In percentage growth terms, Chennai witnessed a 20% increase in office absorption from last year with various activities seen in demand for office space. The SBD, PBD OMR and GST business districts have seen the most transactions in Chennai markets.

The market witnessed supply of around 5.8 mn sq.ft of Grade A office space. SEZ space accounted for nearly 80% of the new supply and half of the leasing activity this year. Upcoming supply in the suburban and peripheral markets of the city in 2019 will cater to the future demand providing carried options for expansion and consolidation.

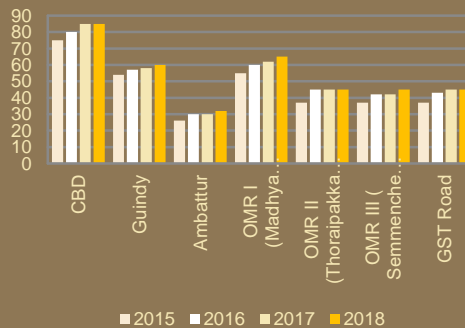
Rents have remained stable across micro markets. Few submarkets may witness slight appreciation due to rebound demand. Co-working has emerged as a major demand segment in Chennai office market accounting almost for 20% of total space demand. On an annual basis, flexible space operators leased nearly 0.24 msf. And we expect the momentum to continue in 2019.

The Chennai office market is expected to continue its sustained demand in the year 2019. IT & ITeS, e-commerce, Co-working 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.



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



Major Deals in Chennai Commercial Market - 2018

CLIENT	Building Name	Area (SF)	Location	Lease/ Sale
Siesta Hospitality	Star city	24000	T Nagar	Lease
Husqvarna	Unipunch	6100	Ambattur	Lease
Citi Bank	Ramanujan IT City	62000	Taramani	Lease
Mphasis	DLF Cybercity	1, 41,000	Manapakkam	Lease
Valeo	CEE DEE YES Phase II	1,80,000	OMR	Lease
Ensono	Chennai One SEZ	32,000	Thoraipakkam	Lease
Blackstone Group	One India Bulls Park	1.9 million	Ambattur	Lease
Paragon Digital Service	CEE DEE YES	77,000	Pallikaranai	Lease
Archipelago	SKCL Tech Square	60,500	Guindy	Lease
HDFC	MD Towers	47,000	Vadapalani	Lease
Yamaha	AKDR Tower	34,000	OMR	Lease
Star Vijay	Kochar Jade	44,000	Guindy	Lease

Chennai Retail Real Estate Trends

Chennai witnessed the launch of 1-mn-sq-ft VR Mall in Chennai in 2018 which revived the retail transaction sector. In 2018 owing to sustain retail demand. Chennai saw absorption of 1.5 mn sq.ft of retail space in 2018. Increase in mall supply is expected to intensify transaction activity owing to a steady demand from retailers.

Significant leasing activities were noted in the areas of Velachery and Mount Poonamallee road. Demand for retail space in main streets remained strong as international brands. Domestic retailers in the F&B, Electronics and apparel segment were keen on expanding their presence in other submarkets such as Mogappiar, Kattupakkam, Sholinganallur (OMR), Ambattur and Tambaram.

Rentals show appreciation by 5% - 8% in retail high streets. Mall rentals are likely to remain stable with new leases expected to close at prevailing rates and new malls scheduled for completion in the next quarter. Main street rentals are also expected to remain largely stable in areas of Adyar, T. Nagar, Purasawalkam and Alwarpet.

Marina Mall in OMR which would be operational by 3rd quarter of this year. We expect retail segment to perform well in 2019 owing to sustained space demand.

Major Deals in Chennai Retail Market - 2018

Property	Location	Tenant	Square feet	Lease/ Sale
Doubleton	OMR	Purple Food Company	4299	Lease
Nawazish	K.N.K Road	Cold Stone Creamery	1134	Lease
Gentle Tides	ECR	Cold Stone Creamery	4,930	Lease
Pub	Kodambakkam	Off the Record	7000	Lease
Spectra	OMR	Ziss Foods	3200	Lease
Independent	T.T.K Road	Revoke Gym	8000	Lease
Independent	Dr.Radhakrishnan Salai	Helvetica	7300	Lease

Chennai Retail Market Rental Trends in INR/sft/month

High Street Area	2015	2016	2017	2018
Nungambakkam High Road	150	150 - 175	150 - 180	150 - 200
Khadar Nawaz Khan Road	210	210 - 230	210 - 250	200 - 225
Cathedral Road - RK Salai	135	135 - 150	135 - 150	150 - 175
Usman Road - South	130	130	130	125-150
Usman Road - North	140	140	140	140
Adyar Main Road	170	170	170	150-175
Anna Nagar 2nd Avenue	130	130	130 - 150	130 - 150
Purusawakam High Road	120	120	120	125-150
Pondy Bazar	160	160 - 185	160 - 200	160 - 200
Velachery	100	100	120 - 150	120 - 150
Malls				
Chennai - CBD I (Mall)	230	230 -260	230 -275	230 -275
Chennai - CBD II (Mall)	300	250 -300	250 -325	250 -325
Chennai - Western (Mall)	200	180 - 200	180 - 200	180 - 200
Chennai - South (Mall)	220	200 - 230	200 - 230	200 - 230

Chennai Industrial and Warehousing Trends

Chennai saw sustained activity in warehousing and industrial segment. Singapore-based Ascendas-Singbridge Group, through its logistics and warehousing joint venture with First Space Realty, has acquired two assets in Chennai. The two assets include a greenfield project, a piece of land in Oragadam, Chennai, for an industrial and logistics park of 2.8 mn sq. ft and an over 120-acre industrial park at Periyapalayam, of which 1.2 mn sq. ft has already been developed.

Chennai saw close to 2.0 mn sq. ft of leasing Industrial and warehousing segment. Leading occupiers leasing space during 2018 were e-Commerce, engineering and manufacturing, and 3PL companies.

Rental values were largely stable during 2018. 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 a 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 2019.

Chennai Industrial and Warehousing Trends

Industrial and warehousing Submarkets	Land rates in INR Mn/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
NH 4 - Sriperumbudur - Oragadam SIPCOT	15 – 30	27-32	25-30
Sriperumbudur – Tiruvallur	13-25	22-25	20 - 22
NH 5 - Gummidipoondi SIPCOT	8 - 10	18-20	15-18
NH 5 - Red Hills - Gummidipoondi	15 - 18	18-22	18-20
Tada	8 - 10		
Ambattur	200-220	28-32	23-28
Poonamallee	45-65	28-32	25-30
Maraimalai		25-27	22-25

Major Deals in Chennai Ind. & Warehousing Market - 2018

Property	Location	Tenant	Square feet
Standalone	Puchiathipedu	Stellar Value	3,00,000
NDR Warehouse	Puchiathipedu	FSC	2,00,000
Standalone	Bandikavanoor	ITC	1,87,000
Standalone	Mahindra World City	Nexteer Autimotive	1,00,000

HYDERABAD

REAL ESTATE TRENDS

Hyderabad, the capital of the newly formed state of Telangana is historically known as the “City of pearls”. With an output of US\$74 billion, Hyderabad is the 5th 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, Google, Dell, Facebook, and major Indian firms such as Infosys, TCS, Polaris and Wipro. The city and its suburbs contain the highest number of special economic zones of any Indian city.

Statistics

Area	7,257 km ² (2,802 sq mi)
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Population (Census 2011)	6,809,970 7,749,334 (Extended UA)
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GDP (PPP)	\$75.2 billion
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Commercial



Retail



Ind. & Warehousing



Hyderabad Commercial Real Estate Trends

Hyderabad is to record the second-highest absorption levels in 2018 with nearly 7.3 mn sq ft of office space transacted, making it one of leading investment destinations. The prime office corridors of Hitech City and Gachibowli continued to dominate in terms of space take-up. Nearly 60% of the upcoming supply for 2019, has already been pre-leased reflecting the strong business sentiment which is translating into such robust demand.

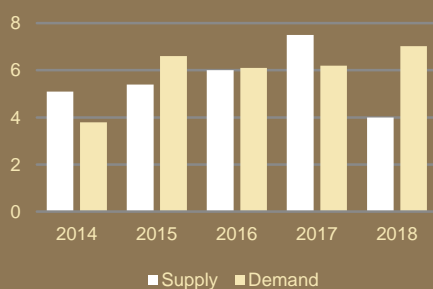
Around 4.0 mn sq.ft of Grade A office space was added to the Hyderabad commercial market in 2017. A Large share of new completions are witnessing furious pre-leasing activity with most of the space already pre-committed.

Due to sustained demand since last two years, the rentals in most micro markets have seen appreciation. Rentals in Madhapur and Gachibowli have gone up by 10-13% y-o-y on the back of robust occupier demand.

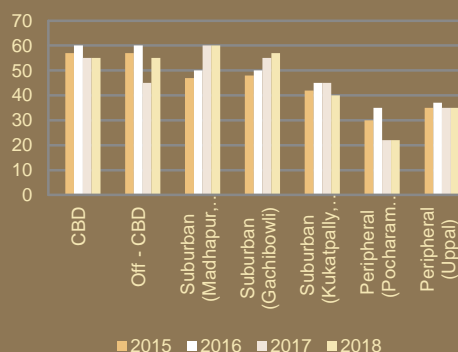
Emerging locations such as Kokapet and Gachibowli – ORR extension has also seen rentals breaching the INR 50 per SF per month levels during the year. The IT/ITeS sector continues to be the largest consumer in the Hyderabad office space market with a share of almost 70%

The Hyderabad office market is expected to continue its sustained trends in the year 2019

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 2018

CLIENT	Building Name	Area (SFT)	Location	Lease/Sale
AWFIS	N Heights	37,632	Hitec city	Revenue Share
Ace Urban Infocity Limited	Laxmi Infobahn	50,000	Kokapet	Lease
Celkon	Incor9	10,000	Kavuri Hills	Lease
PWC	Salarpuria Sattva	40,000	Hitec city	Lease
Sanya Technologies	Park View	12,500	Madhapur	Lease
Table Space	Western Aqua	100000	Hitec city	Lease
State Street Corporation	Salarpuria Sattva	200000	Hitec city	Lease
Service Now	Salarpuria Sattva	650000	Hitec city	Lease
JP Morgan	Salarpuria Sattva	850000	Hitec city	Lease
Shure InfoTech	RMZ- The Sky View	40000	Hitec city	Lease
Infor	RMZ- The Sky View	275000	Hitec city	Lease
Eastmen chemicals	RMZ- The Sky View	150000	Hitec city	Lease
Clean Harbors	RMZ- The Sky View	45000	Hitec city	Lease
Facebook	RMZ- The Sky View	300000	Hitec city	Lease
F5 Networks	RMZ- The Sky View	200000	Hitec city	Lease
E&Y	RMZ- The Sky View	90000	Hitec city	Lease
Vsoft	DSR Inspire	70000	Madhapur	Lease
Conneqt Business Solutions	Lala-1 Landmark	30000	RaniGanj	Lease

Hyderabad Retail Real Estate Trends

The Hyderabad retail market witnessed the brisk transactions of around 1.1 mn sq.ft of retail space. Around 2.3 mn sq, ft, of retail space was added in 2018 with the addition of two new malls– one in Kondapur (Sarath City Capital) and the other in Erramanzil (L&T), supplying nearly 1.8 msf of retail space.

Robust growth in office and residential markets is driving retail activity across all main streets. Rents in all malls in the city may see short term correction due to oversupply. Main street rents were also flat, amid healthy leasing activity and sufficient availability of spaces.

Vacancy levels reached 20% due to availability of supply. Brands like Ritu Kumar, Levis, Pepe Jeans, Fabindia, CK, Reliance Trends and W. Have expanded footprint during 2018. Emerging retail corridors in Film Nagar, Nallagandla. Kompally, Boduppall and Pocharam have seen leasing strengthening this year and are slowly transforming to major high streets.

We expect the upswing in retail expansions to continue in 2019 on the back of robust business sentiments and continued infrastructure developments across the city.

Significant Leasing Transactions in Retail Market			
Property	Location	Tenant	Area
Individual	Jubilee Hills Rd No.36	SUNON Furnitures	12500 Sft
Individual	Madhapur	V2 Retail Ltd	13503 Sft
Individual	Mehdipatnam	Neeru's	15000 Sft
Individual	Jubilee Hills Rd No.36	RITU KUMAR	4200 Sft
Individual	Kukatpally	CROMA	20000 Sft
Individual	Banjara Hills #12	Happi Mobiles	2500 Sft
Individual	Manikonda	Sampoorna Super Market	8900 Sft
Individual	Banjara Hills #12	Spectra Sun Glasses	4000 Sft
Individual	Jubilee Hills #.36	Mugda Studio	3500 Sft
Individual	Boduppall	Heritage	2500 Sft
Individual	Jubilee Hills - 36	Mochi	2800 Sft
Individual	SD Road	Zudio	5200 Sft
Individual	Banjara Hills - 1	Lock N Escape	5000 Sft

Hyderabad Retail Market Rental Trends in INR/sft/month					
High Street	2014	2015	2016	2017	2018
M.G Road	110	110	110	115	110
S.P Road/ Begumpet	110	110	110	110	110
Raj Bhavan Road/ Somajiguda	90	90	90	100	100
Banjara Hills	130	130	130	125	120
Abids/ Koti	110	110	110	110	110
Himayathnagar	135	135	135	135	130
Punjagutta	155	155	155	155	155
Ameerpet	125	125	125	120	120
Jubilee Hills	130	125	125	120	120
Kukatpally	140	140	140	130	125
A.S.Rao Nagar	120	120	120	100	120
Madhapur	100	100	100	110	100
Malls					
NTR Gardens	125	125	125	120	120
Himayathnagar	150	150	150	140	140
Banjara Hills/ Jubilee Hills	160	160	160	160	155
Madhapur	140	140	140	145	145
Punjagutta	140	140	140	140	140
Somajiguda	130	130	130	130	130
Kukatpally	100	100	100	100	100

Hyderabad Industrial and Warehousing Trends

The Hyderabad Industrial and Warehousing market witnessed a strong increase in leasing activity in 2018 with transaction of around 1.5 mn sq.ft. Besides a few large scale transactions, the leasing activity during 2018 was driven by small to medium sized space take-up by 3PL, FMCG, e-Commerce and pharmaceutical companies. The majority of the leasing activity was concentrated across independent warehouses.

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.

Rents have remained stable across micro markets. Shamshabad has emerged as a preferred e-commerce destination due to proximity to airport. 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

GST reforms and political stability have triggered off growth in Hyderabad Industrial and warehousing markets and we expect this trend to continue in 2019

Industrial and warehousing Submarkets	Land rates in INR Mn/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Jeedimetla	25-35	12 to 14	12 to 14
Gunda-Pochampally	20-30	12 to 14	12 to 14
Kandlakoya	20-30	12 to 14	10 to 12
Kompally	30-40	12 to 14	14 to 16
Bowrampet	15-30	10 to 12	10 to 12
Gajularamaram	15-30	10 to 12	10 to 12
Medchal	35-40	12 to 14	12 to 14
Turkapally	30-35	12 to 14	12 to 14
Dandupally	25-30	10 to 12	10 to 12

KOLKATA

REAL ESTATE TRENDS

Kolkata, widely regarded as the "cultural capital" of India, enjoys a strong, diversified economy. As of 2017, estimates indicate that Kolkata Metropolitan Area's economy have ranged from \$60 to \$150 billion (GDP adjusted for purchasing power parity) making it third most-productive metropolitan area in India, after Mumbai and Delhi. The City is a perfect blend of economic strength and dynamism, with a strong consumer base, vibrant industry, large talent pool, transparent governance and social & physical infrastructure development. The city is home to many industrial units operated by large public and private sector corporations. Major sectors include steel, heavy engineering, mining and minerals, pharmaceuticals, food processing, agriculture, electronics and textiles. Prominent companies headquartered in Kolkata are ITC Limited, Exide Industries, Eveready Industries, RP – Sanjiv Goenka Group, Ambuja Neotia Group, Emami, Rupa Industries, Lux Innerwear, Berger Paints, Birla Corporation, Manyavar, SREI, Peerless Group, Coal India Limited, Uco Bank, Allahabad Bank, Bandhan Bank and Damodar Valley Corporation to name a few.

Statistics

Area	1,886.67 km ² (728.45 sq mi)
Population (Census 2011)	14,112,536 14,617,882 (Extended UA)
GDP (PPP)	\$150.1 billion

Kolkata



Commercial



Retail



Ind. & Warehousing

Kolkata Commercial Real Estate Trends

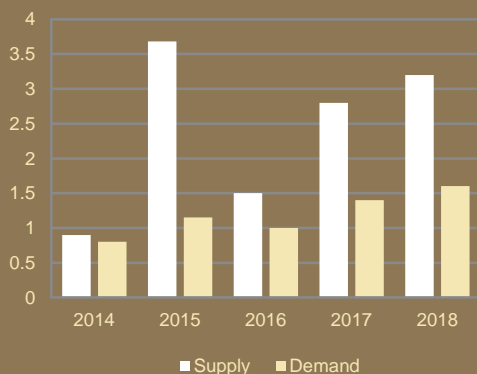
Year 2018 saw robust activity in Kolkata commercial markets with healthy absorption of more than 1 million sq ft. Salt Lake submarket continues to be the major investment market in Kolkata accounting for 60% of the total Grade A net absorption, followed by Rajarhat (25%). The IT-BPM sector led transaction activity, with a share of 65% in overall leasing.

The city saw supply of around 3.2 mn sq. ft of grade A office space in 2018. The supply is primarily concentrated in the peripheral submarkets of Rajarhat and Salt Lake. IT developments constitute about 85% of this new supply.

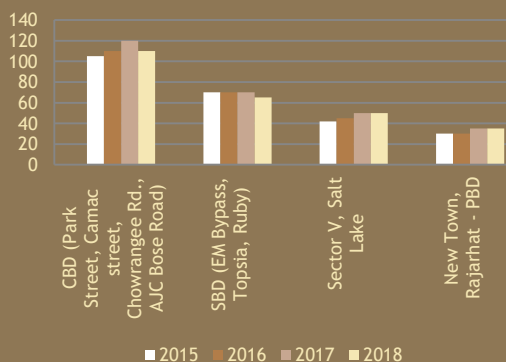
The vacancy level remained high at 35% due to surge of supply. Considering the moderate demand and increase in enquiry level in the market, net absorption is expected to improve going forward. With more than 1 msf of development pipeline scheduled for completion in H1 2019 in peripheral areas, a short-term jump in vacancy is likely. Rents remain stable in most micro markets and are likely to remain stable due to increase in supply in 2019.

We anticipate that the rents will remain at the same levels in CBD locations, however SBD like Salt Lake and New Town may witness correction due to the consistent increase in supply of Grade A office spaces.

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 - 2018

Property	Location	Client	Area (SF)	Type
RDB Boulevard	Sec V	Spaces	43000	Lease
Heritage Central	AJC Bose Road	AWFIS	17000	Revenue sharing
DLF IT Park I	Newtown, Rajarhat	Hiland Software	13400	Lease
DLF IT Park I	Newtown, Rajarhat	Sify Technology	42000	Lease
Biowonder	EM Bypass	Anand Rathi	12000	Lease
DLF IT Park II	Rajarhat	Next Gen	17000	Lease
DLF IT Park II	Rajarhat	Medfin	13000	Lease-expansion
Candor Tech Space	Newtown	Capgemini	45000	Lease
Ecocentre	Sec V	ACC Cement	15962	Lease
Eco Centre	Sec V	APJ Business Centre	16000	Lease
Bombay Mutual Building	BBD Bag	Hemadri Chemical	15000	Lease
Godrej Waterside	Sec V	Tega Industries	40000	Lease
PS Srijan Techpark	Sec V	BYJU	16000	Lease
Avani Signature	Park Street	Federal Bank	20000	Lease
Candor Tech Space	Newtown	Accenture	35000	Lease
Millenium City	Sec V	ZTE	12000	Lease

Kolkata Retail Real Estate Trends

Kolkata Retail markets continue to perform well in 2018 keeping the momentum that started in 2017. Kolkata that witnessed 40% rise in transaction activity leasing of around 0.85mn sq. ft of retail space. Kolkata market saw complete revamp of South City Mall, the largest shopping mall in Kolkata, on its 10th year of operation with introduction of brands like ZARA, FOREVER 21, SEPHORA etc. FORUM GROUP is planning to come up with the largest shopping mall in Kolkata on EM Bypass area. Expected size is approx 12 lakhs sq. ft. About 4-5 Neighborhood Centre Shopping Malls with average size of 1 lakhs to 1.5 lakhs sq. ft would be started with its construction in 2019.

Most transactions on high streets were by retailers belonging to the apparel, jewellery and QSR segments. Conversion of Tram Depot plots into Retail & Mixed use project particularly in areas such as Belgachia, Tollygunge, Galiff Street, Kalighat, Kidderpore etc are reviving the retail segment. Extreme aggressive expansion nature of all the national level super market chains with their smaller formats (1,500 to 2,000 sq ft) are the demand drivers in Kolkata.

The healthy Retail space transaction is expected to continue in the year 2019. Demand for high street properties, neighbourhood Mall will drive the retail markets in Kolkata.

Significant Transactions in Retail Market 2018

Property	Location	Client	Sq. ft	Type
Commercial Project	Behala	Spencers	20000 approx	Lease
PS Qubes	Newtown	Westside	20000 approx	Lease
Standalone	Madhyamgram	Reliance Trends	10000	Lease
Commercial Project	Bura Bazar	Reliance Trends	12000	Lease
Standalone	BT Road	Reliance Trends	9000	Lease
Standalone	Sodepur	Reliance-Trends	10000	Lease
Standalone	Newtown	Reliance-Smart	11000	Lease
Standalone	VIP Road	Reliance-Smart	12000	Lease
Standalone	VIP Road	MP Jewellers	10000	Outright
Standalone	Baruipur	M Baazar-prime Fashion	8500	Lease
Standalone	Uluberia	M Baazar-prime Fashion	9000	Lease
Standalone	Behala, DH Road	FBB	16000	Lease
Standalone	Landsdown	Croma	14000	Lease
Standalone	Sec V, Salt Lake	Croma	9000	Lease
Standalone	Howrah	Croma	8000	Lease
Standalone	Jadavpur, Kolkata	City Life	11000 approx.	Lease
Standalone	Rajdanga Main Road	City Life	8000 approx.	Lease
City Centre 2,	Newtown, Rajarhat	Barbeque Nation	8500 approx.	Lease

Average Retail Rentals in Kolkata in INR/ sft/ month

High Street	2015	2016	2017	2018
Kankurgachi	200	180 -200	180 -200	180 -200
VIP Road	175	150 -175	150 -175	150 -175
Hatibagan	200	180 -200	160 - 175	160 - 175
Shyambazar	200	180-200	150-170	150-170
Theatre Road	230	250-300	250-300	250-300
Gariahat	280	250-280	250-280	250-280
Elgin Road Zone	285	250-300	250-300	250-300
Lindsey Street	285	250	250	250
Camac Street	285	250-300	250	250
Park Street	350	300-350	300-350	300-350
Malls				
Park Circus	600	350-400	350-400	350-400
South Kolkata	300	250-350	250-350	250-350
East Kolkata	410 – 420	200-250	250-400	250-400
Elgin Road Zone	450 – 460	350-400	350-400	350-400
New Town, Rajarhat	110 – 115	175-200	200-225	200-225

Kolkata Industrial and Warehousing Trends

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.

The implementation of GST has made way for cost and operationally efficient 'Hub&Spoke Model' of warehousing and is shifting from the inefficient, low quality redundant warehouses to large box and good quality Grade A warehouses. INR 4300 Cr Investment in Warehouses Estimated for WB by 2020. however, close to 4 msf. of space is currently under construction and is expected to be completed by 2019.

The state which had 11.6 msf of warehousing space in the beginning of the year is set to go up by CAGR 28% with supply moving upto 22msf by 2020.

Industrial and warehousing demand will continue to grow in along major industrial and warehousing corridors of Kolkata in 2019

Submarkets	Land rates in INR per acre	Warehousing Rents INR/sft/month
Dankuni – Delhi Road	3 Cr – 4.5 Cr	19 - 25
Dhulagarh – Bombay Road	2.1 Cr – 4 Cr	17 - 23
Taratala – Maheshatala	6 Cr – 9 Cr	17 – 24
Madhyamgram, Barasat	1.8 Cr – 3 Cr	18 – 25

Significant Leasing Transactions in Industrial and Warehousing 2018

Property	Location	Tenant	Area in sq. ft	Lease / Sale
Srijan Industrial Logistics Park	Bombay Road	Gold Medal	Approx. 16,000	Outright
Srijan Industrial Logistics Park	Bombay Road	Mittal Technopack	Approx. 60,000	Outright
Srijan Industrial Logistics Park	Bombay Road	R S Enterprise	Approx. 12,000	Outright
Srijan Industrial Logistics Park	Bombay Road	Arvind Garments	Approx.. 7,000	Outright
Bombay Road	Bombay Road	Pepsico	1 ,00,000	Lease
Aarjaw Industrial Park	Delhi Road	Amazon	1,50,000	Lease
Abakash Industrial Park	Basanti Highway	Prabhat Khabar (News Paper)	30,000	Lease
Sankrail Industrial Park	Bombay Road	Great Eastern	65,000	Lease
Individual building	Bombay Road	Flipkart (BTS)	8,00,000	Lease
Individual building	Taratala	Bata	25,000	Lease
Individual building	Dhulagarh	Britannia	80,000	Lease
Individual building	Sankrail	Reliance	50000	Lease
Individual building	Dankuni	Ultra Tech Cement	35000	Lease
Individual building	Dhulagarh	CEAT Tyres	100000	Lease

Kolkata Land Transactions

35

Significant Transactions in Land - 2018				
Client	Location	Tenant	Acre	Type
Merlin Group	Salt lake, Kolkata	NA	1.06	JV
Ganpati Marbles	DH Road, Kolkata	NA	1.57	Outright
Realmark Realty Pvt Ltd	NSC Bose Road, Kolkata	NA	0.57	JV
Salarpuria Group and Eden Group	Kodalia, Kolkata	NA	10	Outright
Rajat Group	Newtown, Kolkata	NA	3.3	JV
Primarc Group	Bye pass, Kolkata	NA	0.94	JV
PS Group	Chowringhee , Kolkata	NA	0.40	JV
Ambuja Group	Canal South Road, Kolkata	NA	7	DM
Shaporji	Newtown	NA	4	JV
Primarc	Belegkata	NA	3.04	JV

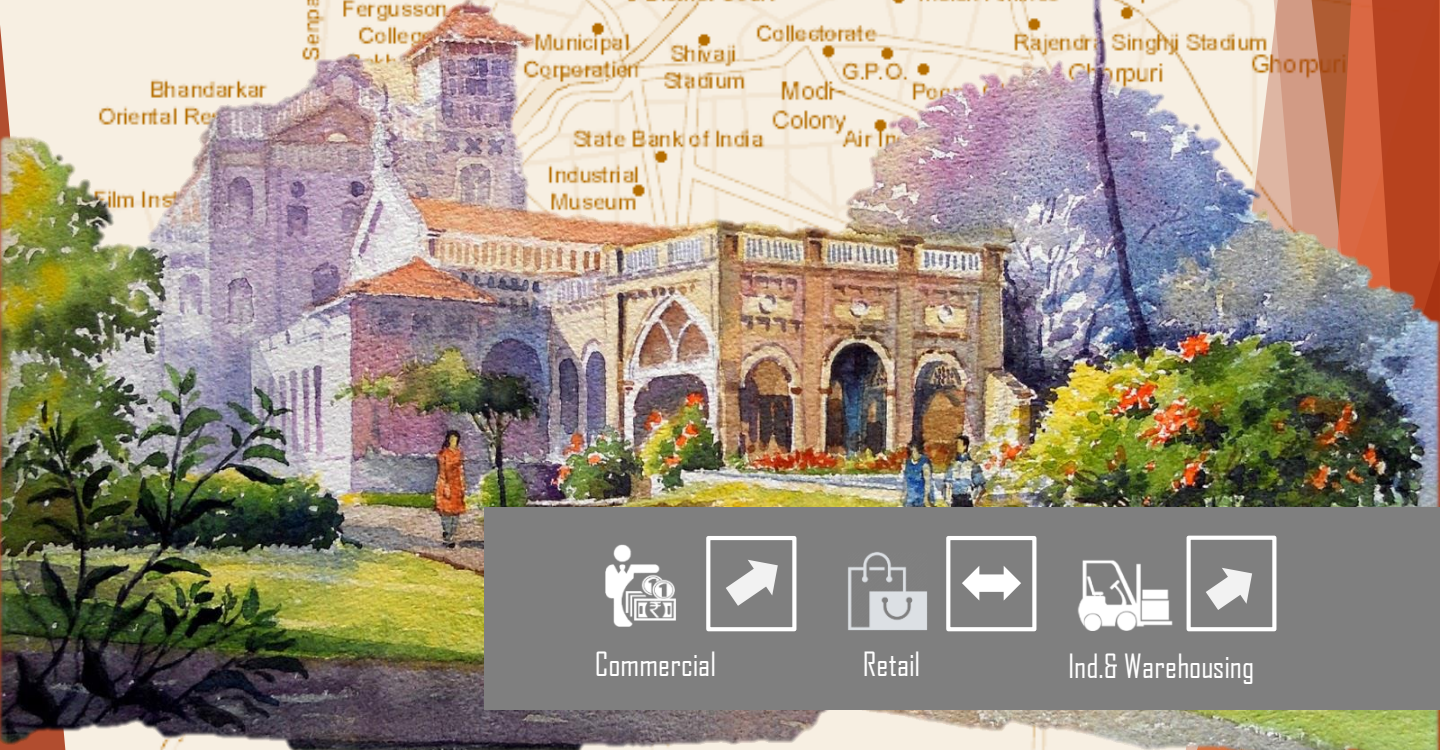
Kolkata Investment deals

Significant Transactions in Investment - 2018				
Property	Location	Clients/Brands	Area (sqft)	Type
D H Road	Kolkata	Mall	275000	Outright
Rangoli Mall	Howrah	Banquet	48000	Outright
Ideal Group	Khanna	Pantaloons	29489	ROI
Ideal Group	D H Road	Reliance Trend	21682	ROI
Sugam Group	Kamalgazi	Brand Factory	20796	ROI
Uniworld	Rajarhat	Spencer's	20000	ROI
Clubtown Heights	B T Road	Max	9956	ROI
Onex Realty	Madhyamgram	City Life	9609	ROI
Sector V	Kolkata	Restaurant	4074	ROI
Orbit Group	Shakespeare Sarani	Ethos	3855	ROI
Individual	Elgin Road	DHI	2555	ROI

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 centers and emerging 9 cities around the world with citation "Hosts IT and automotive companies"

Statistics	
Area	7,256.46 km2 (2,801.73 sq mi)
Population	7,276,000
GDP (PPP)	\$69 billion



					
Commercial		Retail		Ind. & Warehousing	

Pune Commercial Real Estate Trends

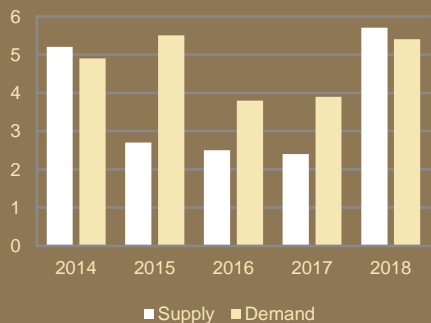
Leasing activities saw growth of 38% with total transaction of 5.4 mn sq.ft of office space. Pune witnessed supply of 5.7 mn sq.ft of office space in 2018. About 13 mn sq ft (1.2 mn sq m) of new supply, an increase of 29% citywide, is due to appear in 2019-2021. Pre-committed by IT-BPM occupiers dominated the market.

More than half of the new supply, 56%, constitutes non-IT developments, coming onstream with rental values higher than the current market average, resulting to increase in average rents for most micromarkets in the city. The majority of the planned supply is concentrated in three micromarkets namely Kharadi (34%), Baner (27%) and Airport Road/Pune Station (20%)

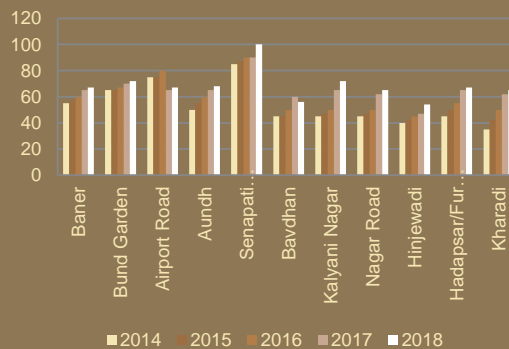
The rental values are likely to strengthen due to sustained demand for quality spaces with average growth of 3% - 4% y-o-y. The key micromarkets of Baner, Bund Garden and Kalyani Nagar are likely to witness the fastest growth. The vacancy levels will remain at 6% - 8% in all micromarkets owing to steady demand

Going forward, we expect 2019 to be in a similar situation with rentals are expected to appreciate further due to supply constraints. Banking and Financial Services Institutions (BFSI), flexible workspace operators and engineering & manufacturing companies will continue to be market drivers.

Demand - Supply Trends in Pune Commercial Market in MN sft



Pune Commercial Market Rental Trends in INR/sft/month



Major Deals in Commercial Market - 2018

CLIENT	Location	Area (SF)	Lease/Sale
Barclays	Kharadi	5,62,881	Lease
Ensono Tech	Hinjewadi	33,496	Lease
Akzo Global	Hinjewadi	31,973	Lease
Rocket Software	Yerwada	29,365	Lease
TVS Electronic	Kharadi	17,150	Lease
AXA	Phursungi	16,545	Lease
Sapience Analytics	F C Road	13,877	Lease
Sydac Simulation	Hinjewadi	12,200	Lease
True Sparrow	Hadapsar	11,133	Lease
FIGMD India	Bavdhan	1,41,700	Lease
V Construct	Magarpatta	63,000	Lease
Ultratech Cement	Hinjewadi	50,000	Lease
Druva Software	SB Road	42,000	Lease

Pune Retail Real Estate Trends

Pune saw leasing of around 0.5 mn sq.ft of retail space while supply remains historically low at only 0.2 mn sq.ft with no major completion.

Healthy leasing activity was seen in Phoenix, Pavillion and Amanora malls located on Nagar road, S.B road and Hadapsar respectively

Demand from International retailers are driving demand for retail space in Pune market. The leasing activity in malls was dominated by food & beverage (F&B) retailers and lifestyle brands such as Forever21, Onitsuka Tiger, Ximivogue, Westside and Sephora expanding their footprint in the city. The moderate supply chain of few F&B outlets witnessed on Koregoan Park main street.

Amidst no fresh mall supply, vacancy rate declined to 9.3%. Upcoming Supply of 0.25 msf will bring more space options to the market in 2019. Rentals remained stable in most micro-markets except Pavillion and Westend Mall, which saw 13% y-o-y appreciation. Rentals are expected to grow marginally across malls in the forthcoming quarter owing to low vacancy levels

Demand for high street properties will drive the retail markets in Pune. In terms of transactions, retail market will see robust leasing activity in 2019 due to continued interest from lifestyle retailers.

Major Deals in Retail Market 2018

CLIENT	Location	Area (SF)	Lease/ Sale
Grandma's Café	Koregaon Park	3,500	Lease
JD Café	Camp	2,500	Lease
Raymonds	Laxmi Road	4,500	Lease
Café Peter Donuts	Apte Road	2,500	Lease
Vijay Sales	Bhosari	34,000	Sale
Vijay Sales	Baner	4,000	Sale
Mens avenue , Kajree, Kids Avenue	Baner	10,000	Sale
Star Bazaar	Baner Pashan Link Road	6,000	Lease
Star Bazaar	Swargate	6,000	Lease
Chandu Kaka Saraf	Satara Road	2,000	Lease
Chandu Kaka Saraf	Kothrud	2,000	Lease
Isuzu cars	S B Road	4,000	Lease
Big Bazaar	Kumar Pacific Mall - Swargate	20,000	Lease
Kora	Dhole Patil Road	2,500	Lease
Kerala Café	Baner	2,000	Lease
Penthouze	Royal Heritage Mall- NIBM Road	5,000	Lease
Cinnamon	Royal Heritage Mall - NIBM Road	5,000	Lease
Megamart	Kumar Pacific Mall - Swargate	10,000	Lease

Pune Retail Market Rental Trends in INR/sft/month

High Street	2015	2016	2017	2018
MG Road	300 - 320	250 - 275	300 - 320	300 - 325
JM Road	350 - 375	265 - 290	325 - 370	325 - 375
FC Road	220 - 260	220 - 260	220 - 260	220 - 260
Koregaon Park	120 - 160	220 - 250	190 - 220	190 - 225
Aundh	150 - 185	180 - 200	150 - 180	150 - 190
Bund Garden Road	120 - 140	180 - 200	140 - 170	140 - 175
Malls				
Camp	150	175	215	220
Koregaon Park	98	110	135	140
Nagar Road	150	165	180	180
Hadapsar	130	150	180	185
PCMC	180	180	190	190

Pune Industrial and Warehousing Trends

Pune witnessed strong demand for warehousing space during 2018 driven by engineering and manufacturing sector companies and 3PL operators. 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 4.5 mn sq ft, of which more than 80% or 3.6 mn sq ft is from the manufacturing sector.

Chakan, Sanaswadi and Hinjewadi continue 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 2019 particularly along Chakan -Talegaon area.

Pune Industrial and Warehousing Trends

Industrial and warehousing Submarkets	Land rates in INR Mn/acre	Industrial & Warehouse Rentals in sq.ft/month	Industrial & Warehouse Rentals in sq.ft/month
Talegaon	1.8-2.2 Cr/acre	20 -22	22 - 25
Chakan	1.8 -2.5 Cr/ acre	24 -30	24 -30
Pimpri Chinchwad	8-10 Cr/acre	25-35	25-35
Pirangut	3 Cr/acre	18-22	18-22
Hinjewadi	6-7 Cr/acre	25-35	32-40
Lonikand	2 Cr/ acre	14-20	14-20
Sanaswadi	2.5 Cr/acre	14-20	18-22
Ranjangaon	1.5- 2 Cr/acre	18-22	18-22
Khed City	1.7 Cr/acre	17-26	17-26
Shirwal	1.5 Cr/acre	12--16	15-20
Wagholi	3.5 Cr/acre	18-25	18-25

Major Deals in Industrial and Warehousing Market 2018

CLIENT	Location	Area (SF)	Lease/ sale
Rossenber	Chakan	1,00,000	Lease
IKEA	Chakan	3,00,000	Outright
Belden	Chakan	50,000	Lease
Thyssenkrupp	Chakan	1,20,000	BTS lease
BMW India	chakan	2,50,000	Lease WH
Faurecia	chakan	2,50,000	Lease Assembly / Mfg
India Kawasaki Motors	chakan	1,45,000	Lease Assembly / Mfg
Mahindra Logistics	chakan	1,00,000	Lease WH

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.

Statistics

Area	464.16 km2 (179.21 sq mi)
Population	5,633,927
GDP (PPP)	\$68 billion



Commercial



Retail



Ind. & Warehousing

Ahmedabad Commercial Real Estate Trends

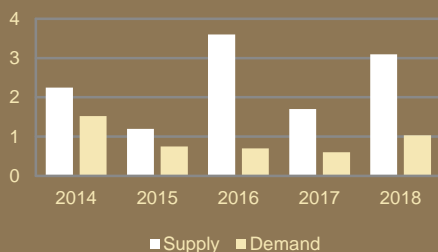
Ahmedabad real estate saw a limited transaction of around 1.03 mn sq. ft of commercial space in the year 2018. The market remained sluggish in terms of transaction activities. Grade A leasing activity was dominated by the banking, financial services and insurance (BFSI) sector with a 50% share. The majority of the leasing activity was concentrated in the SBD of S.G. Highway (55%).

Ahmedabad witnessed supply of approx. 3.1 mn sq. ft, in 2018. The supply addition, coupled with moderate leasing activity, led to an increase in Grade A vacancy levels, which was noted at 35%.

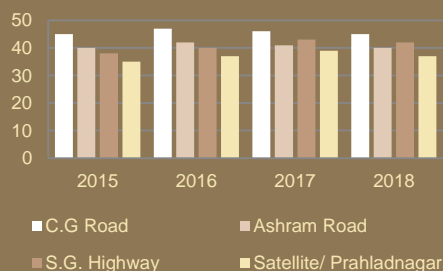
Rentals remained stable in most micro markets with price correction in few locations due to oversupply scenario, especially in the submarkets of S.G. Highway and Satellite/ Prahladnagar. Demand for IT-BPM, financial services, professional services firms, coworking operators and engineering /manufacturing and industrial firms to remain active in the city's office market. SG Highway submarket is likely to remain most attractive micro-market

We Expect 2019 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 - 2018

CLIENT	Building Name	Location	Area (SFT)	Lease/ Sale
Home Credit	Emerald Mercedes	C G Road	36000	Lease
Apcer Pharma	Mondeal Heights	SG Highway	54000	Lease
Lending Kart	The First	Keshav Baug	66000	Lease
IMS Test Prep	Indraprasth Busniess Park	Makarba	75000	Lease
Rao Overseas	Individual	Shilaj	20000	Sale
Rays TechServ Pvt. Ltd.	Shivalik Business Park	Bodakdev	4500	Lease
Molecule Labs	Iconic Tower	SG Highway	4000	Lease
Swiggy	Venus Atlantis	Prahladnagar	5200	Lease
Swiggy	Individual	Rajkot	3250	Lease
Naukri.com	Iscon Elegance	SG Highway	3500	Lease
Netralok	Golden Icon	Shyamal	6500	Outright
IMS Test Prep	Indraprasth Business Park	Makarba	75000	Lease
Concord Biotech	Mondeal Heights	SG Highway	27000	Lease
Lendingkart	The First	Vastrapur	18000	Lease
DevX	The First	Vastrapur	16000	Lease
E&Y	Privilon	Ambli-Bopal	30000	Lease
Future Generali	BVR	Ashram Road	6000	Lease
Cars 24	BVR	Ashram Road	11500	Lease
Piramal Housing Finance	WestGate	SG Highway	12000	Lease

Ahmedabad Retail Real Estate Trends

Ahmedabad retail real estate saw healthy transaction of around 0.85 mn sq. ft in the year 2018. High street at S.G. Highway witnessed robust leasing activity during the year, primarily by retailers from the apparel category.

On the supply front, the market witnessed supply of around 0.3 mn sq. ft of retail space. No new supply of malls is expected in 2019 with retailers being cautious in their expansion plans and developers deferring completions due to the listless leasing levels. Approximately 3.3 msf of upcoming mall supply is expected by 2021. Due to robust transaction activities, the vacancy rate declined to 20%.

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. Retail leasing at main streets remains more robust compared to males. SG Highway and Sindhu Bhavan Road, continue to remain attractive locations for retailers.

Retail transactions are expected to remain healthy in 2019. Demand for high street properties will drive the retail markets in Ahmedabad.

Significant Transactions in Retail Market - 2018				
Client	Building Name	Location	Area	Lease/Sale
Rajhans Multiplex	Ved Arcade	Vastral	5000	Lease
Osia	Dev Arc	SG road	40000	Lease
Star Bazar	Celebrity City Centre	South Bopal	10000	Lease
PVR Multiplex	Swagat	Gandhinagar	40000	Lease
INOX	New Building	Maninagar	70000	Lease
Pantaloons	New Building	Maninagar	30000	Lease
Fun Cinemas	The Retail Park	Bopal	30000	Lease
Fun Cinemas	Rajyash Rise	Vasna	30000	Lease
Reliance Smart	Multiple Outlets	Paldi, Sciencecity	12000	Lease
White Crow	Navratna	Sindhuhawan	14000	Lease
Kia Motors	Westgate Business Bay	S G Highway	10000	Lease
Gambol	The Capital	Science city	15000	Lease
Big Bazaar	Ahmedabad One Mall	Vastrapur	25000	Lease
Go- Sport	Ahmedabad One Mall	Vastrapur	15000	Lease
Marks N Spencer	CG Square Mall	C G Road	15000	Lease
H &M	CG Square Mall	C G Road	15000	Lease
Oyo rooms	Rajyash Rise	Vasna	34000	Lease
Java Bikes	The Address	Vijay Cross Roads	4000	Lease
US Pizza	Maple Trade	Surdhara Circle	5000	Lease
Sam's Pizza	Maple Trade	Surdhara Circle	5000	Lease
Reliance Mart	Yash Arian	Gurukul	15000	Lease
Reliance Mart	Yash Pinnacle	Paldi	15000	Lease
MI Store	Campus Corner	Prahladnagar	2500	Lease
Jockey	Individual	SindhuBhavan	14000	Lease
Kotak Bank	Stellar	SindhuBhavan	2500	Lease
Paridhan (Garment)	Stellar	SindhuBhavan	3000	Lease
LiverPool	Stellar	SindhuBhavan	2500	Lease
Marker	Mallabar	Gota	15000	Lease
Reliance Digital	Dev Aurum	Prahladnagar	11000	Lease
Indus Bank	Ratna High	Naranpura	3000	Lease

Ahmedabad Retail Market Rental Trends in INR/sft/month				
High Street	2015	2016	2017	2018
CG Road	125-150	125-150	130 - 160	130 - 160
S.G Highway	80-120	80-120	90 - 130	90 - 130
Satellite	80-110	80-110	90 - 120	90 - 120
Ashram Road	80-110	80-110	100 - 120	100 - 120
Law Garden	100-120	100-120	100-120	100-120
Prahladnagar	80-110	80-110	80-115	80-115
Vastrapur	90-130	90-130	90-135	90-135
Drive in Road	80-120	80-120	80-125	80-125
Malls				
Alphaone Mall, Vastrapur	120 -140	120 -140	120 -145	120 -145
Gulmohar Mall, Iscon Circle	60 -80	60 -80	80 - 100	80 - 100
Himalaya Mall, Drive in Road	100-150	100-150	100-150	100-150
CG Square, CG Road	100-130	100-130	100-130	100-130

Ahmedabad Industrial and Warehousing Trends

Ahmedabad has a very strong industrial and manufacturing base. Major markets are Sanand, Bavla and Changodar along NH 8A, Aslali and Kheda. Aslali, located on the Ahmedabad – Mumbai National Highway, witnessed the bulk of leasing activity. Close to 1.2 mn sq. ft of industrial and warehousing space was completed in Ahmedabad market.

Warehousing demand was driven by consumer goods sectors, as well as e-commerce and automobile.

Prominent lessors in Kheda include D-Mart and HUL who leased 400,000 sf and 250,000 sf respectively. Rentals in most other submarkets remained stable, but micro markets such as Aslali and Kheda show appreciation of 4% - 12% Y-O-Y

Industrial and warehousing, demand will remain robust in major industrial and warehousing corridors of Ahmedabad in 2017 particularly along Aslali, Sanand, Bavla and Changodar corridors.

Ahmedabad Industrial and Warehousing Trends			
Industrial and warehousing Submarkets	Land rates in INR Mn/per Sq.yard Sale	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Sanand	3000-12000	15 -17	15 -17
Changodar	7500-30000	18-20	18-20
Aslali	5000-25000	15-17	15-17
Kheda	4500-7000	13 -15	13 -15

Major Deals in Ahmedabad Commercial Market - 2018				
Client	Type	Location	Area (sq ft)	Transaction Type
Godrej	Warehouse	Changodar	150000	Lease
Udaan	Warehouse	Aslali	17000	Lease
Udaan	Warehouse	Bavla	130000	Lease
Arvind Mill	Warehouse	Moraiya	200000	Lease
Hyundai	Warehouse	Sanathal	22000	Lease
Amazon	Warehouse	Aslali	40000	Lease
Paytm	Warehouse	Moraiya	100000	Lease
Reliance E- commerce	Warehouse	Matoda	100000	Lease
Sarmico	Warehouse	Moraiya	40000	Lease



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