



Pulse

Monthly Real Estate Monitor

**APRIL
2019**

Get city Pulse by clicking on the map

OFFICE INDEX



Office space demand increased in most cities, especially for IT/ITes sector.

RETAIL INDEX



Retail space leasing activity continues to be high in most cities.

RESIDENTIAL INDEX



Residential launches showed an increase in all cities except Ahmedabad where it remained stable.

INDUSTRIAL INDEX



Industrial demand remained positive across all cities.



*The details mentioned in the document are for the month of December

JLL Home Purchase Affordability Index



Affordability has been a key issue for homebuyers in India and a vast majority of our population still strive to own a house. The government is committed to achieving the objective of providing houses to all and has taken multiple steps towards the same. To help the government achieve this goal and for the overall advancement of the sector, developers need to realign their strategies not only to take benefit of the government incentives but also address the challenges faced by prospective homebuyers.

From a homebuyer's perspective, a purchase decision is based on multiple factors like choice of city, number of members in the family, household income, residential property prices etc. However, affordability is the cornerstone of this decision. It hence becomes very important to scrutinize this concept and factors that influence it and a homebuyer's overall financial appetite. Analysing affordability involves in-depth knowledge of multiple elements and as of today there is no one index that helps developers understand this concept. To bridge this gap we have introduced JLL Home Purchase Affordability Index - A dynamic tool which takes into account household income, property price and home loan rates to determine the affordability of homebuyers across India's key cities. The results from the first such study, reveal that the key seven cities in India have witnessed increased affordability between 2014 and 2018. Marginal increase in home prices, declining home loan rates and steady income growth have helped bolster affordability from 2014 onwards. Household income growth has been higher than the increase in residential price, bursting the myth that incomes have not kept pace with residential price increase.

[Read more](#) about JLL's views on Home Purchase Affordability Index.

Ramesh Nair
CEO & Country Head
JLL India

REALESTONOMICS






India-based private equity (PE) and venture capital (VC) fund managers now hold \$28 billion in assets under management (AUMs) as of June 2018 (the latest data available), up from just \$10 billion at the end of 2008.

MARKET SENTIMENT



Favourable



 Favourable  Neutral  Unfavourable

WHAT'S NEW



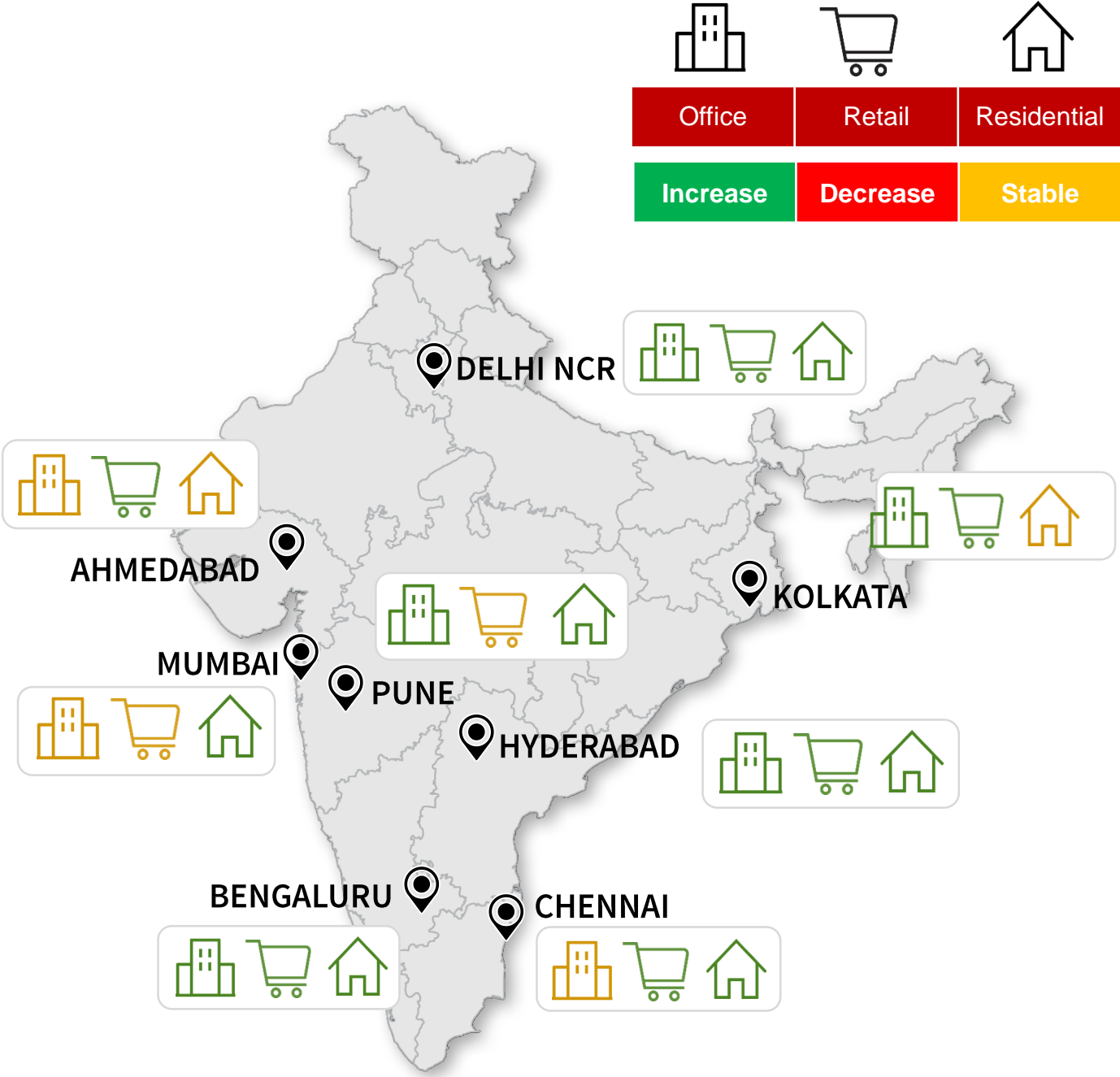
Oyo Hotels and Homes to invest INR 1,400 cr in India in 2019 as part of its efforts to increase infrastructure, strengthen technology and internal capability. Currently, the company is present in over 259 Indian cities, with over 8,700 buildings (hotels and homes) and more than 173,000 rooms.

POLICY UPDATE



India's first Real Estate Investment Trust (REIT), Embassy Office Parks REIT, opened its initial public offering (IPO) on Monday and closed on 20th March. At a price band of INR 299 to INR 300, Embassy REIT issued units aggregating up to INR 4,750 cr.

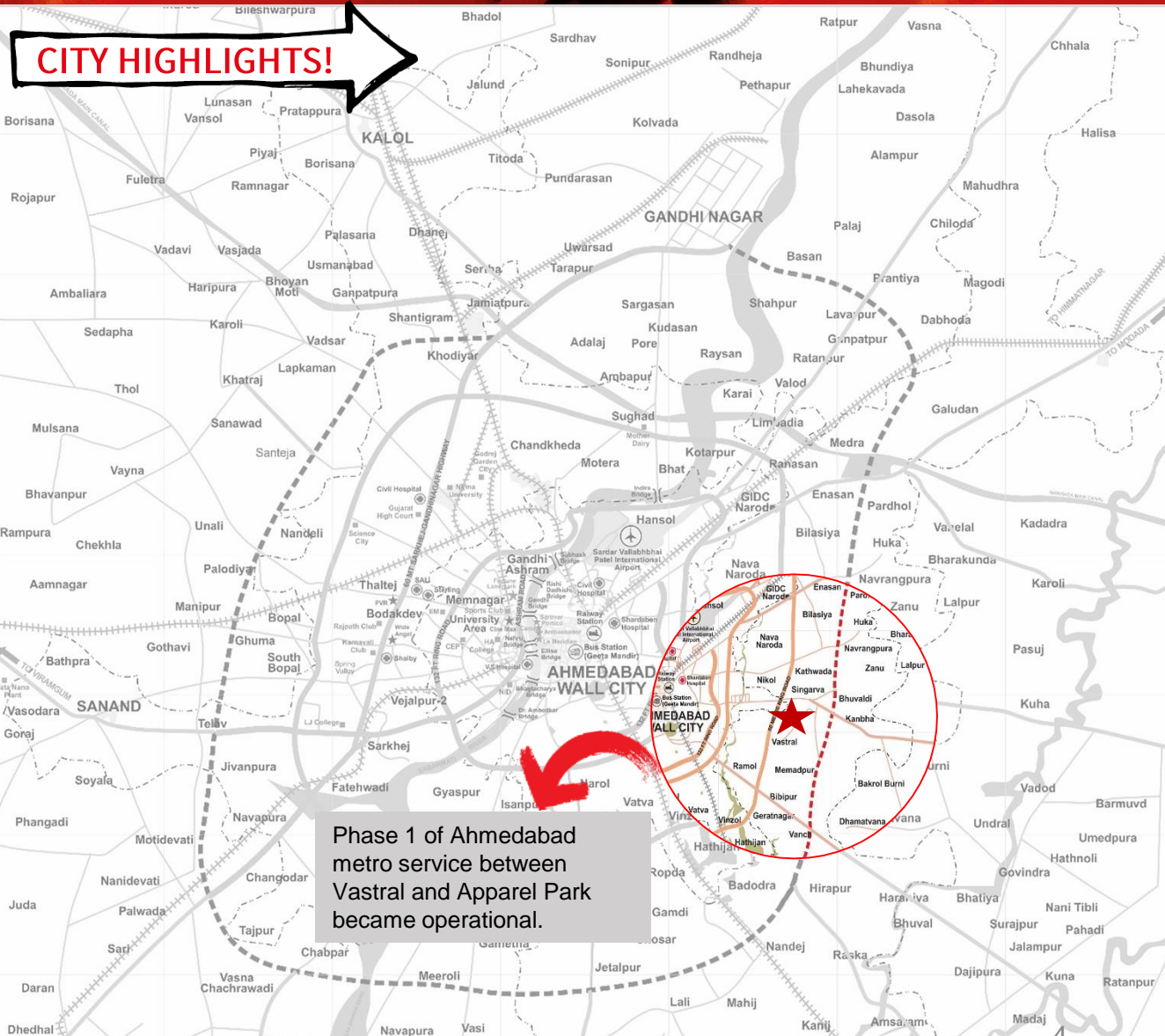
WEATHER MAP			
CITIES	OFFICE RENT	RETAIL RENT	RESIDENTIAL CAPITAL VALUE
AHMEDABAD			
DELHI NCR			
MUMBAI			
PUNE			
BENGALURU			
CHENNAI			
HYDERABAD			
KOLKATA			
LEGEND			
GROWING	STABLE	STAGNANT	FALLING



*All the office rentals and retail rentals mentioned are for warm shell spaces



CITY HIGHLIGHTS!



Phase 1 of Ahmedabad metro service between Vastral and Apparel Park became operational.

*All the office rentals and retail rentals mentioned are for warm shell spaces



OFFICE

Demand for office space continued to remain stable.

Key transaction: IndusInd Bank leased space at Chandkheda.



RETAIL

Demand for high-streets continued to remain strong.

Key transaction: Skechers leased space at Sindhu Bhavan Marg.



RESIDENTIAL

New launches remained tepid due to weak market conditions.

Key launch: No new launches recorded during the month.



No new major transactions recorded during the month.

Rental value (sq ft/month)*



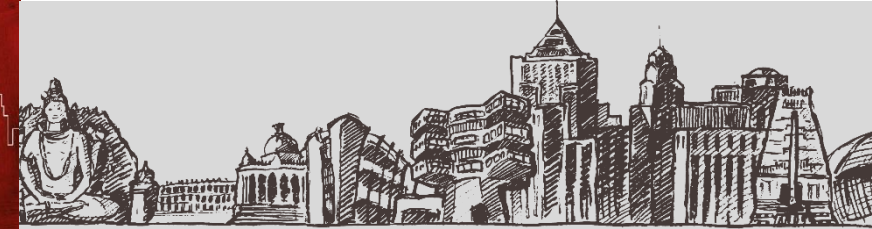
Capital Value (INR/sq ft)*



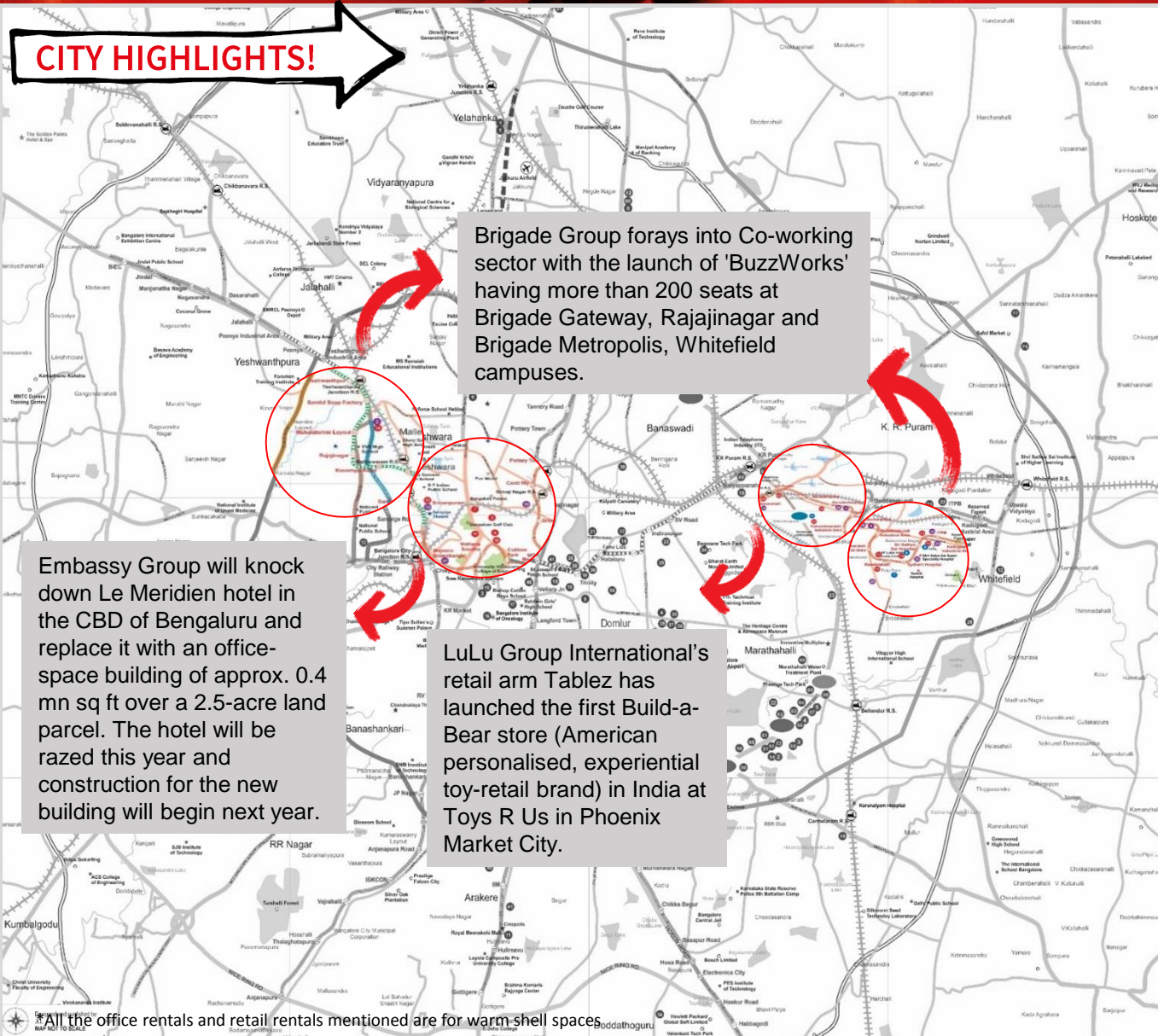
*The above graphs show the values in ranges

Infrastructure / policy update

The first phase of Ahmedabad metro service between Vastral and Apparel Park became operational. Work for the second phase that will link Gandhinagar with Ahmedabad, has commenced.



CITY HIGHLIGHTS!



Brigade Group forays into Co-working sector with the launch of 'BuzzWorks' having more than 200 seats at Brigade Gateway, Rajajinagar and Brigade Metropolis, Whitefield campuses.

Embassy Group will knock down Le Meridien hotel in the CBD of Bengaluru and replace it with an office-space building of approx. 0.4 mn sq ft over a 2.5-acre land parcel. The hotel will be razed this year and construction for the new building will begin next year.

LuLu Group International's retail arm Tablez has launched the first Build-a-Bear store (American personalised, experiential toy-retail brand) in India at Toys R Us in Phoenix Market City.



OFFICE

CBD submarket witnessed medium to large scale transactions in both existing and under construction buildings.
Key transaction: Altair at Prestige Trade Tower



RETAIL

Suburbs submarket continues to record majority of its leasing activity in RMZ Galleria and Forum Shantiniketan mall.
Key transaction: Daniel Wellington at RMZ Galleria Mall.



RESIDENTIAL

An increase in new launches with prominent projects by reputed developers.
Key launch: Purva Zenium at International Airport Road.



Canadian alternative asset management company Brookfield has bought the assets of Hotel Leelaventure comprising key hotel properties in Delhi, Bangalore, Udaipur and Chennai for INR 3,950 cr.

Rental value (INR/ sq ft/ month)*



Capital value (INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / policy update

The BBMP has issued an official notification to widen Begur road linking Bannerghatta road to Electronics City where the breadth of the road will be increased from existing 30 ft to 80 ft.



CITY HIGHLIGHTS!

TVS Emerald Housing bought 6.5 acres of land parcel in the IT Corridor for INR 150 cr from SNP Infrastructure.



OFFICE

Majority share of space was taken up by the IT/ITES and Co-working.

Key transaction: Workafella leased space in CBD Submarket.



RETAIL

F&B and apparel brands expanded the most in highstreets.

Key transaction: Tanishq leased space in Sembakkam.



RESIDENTIAL

New launches and residential sales have seen growth in the overall city.

Key launches: Savoye by Casagrand Builders in Alandur.



Motilal Oswal Real Estate (MORE) invested INR 83 cr in three projects being developed by the Radiance group.

Rental value (INR/sq ft/month)*



*The above graphs show the values in ranges

Capital value (INR/sq ft)*



Infrastructure / policy update

No new policy/infrastructure updates.



CITY HIGHLIGHTS!

ABA Corp launched 'Cleo Gold' in sector-121, Noida.

Godrej properties launched 'Habitat' in Sector-3, Gurugram.



OFFICE

Demand from Co-working segment remains strong.

Key Transactions: Oyo Power Station in Gurugram.



RETAIL

Strong leasing activity by F&B, Fashion and Lifestyle stores.

Key Transactions: Ralph Lauren in Delhi.



RESIDENTIAL

Key launches witnessed in Gurugram and Noida.
Key Launch: ABA Corp launched 'Cleo Gold' in Noida and Godrej properties launched 'Habitat' in Gurugram.



DLF Ltd. has formed a joint venture with Hines to develop a high-end commercial project on 11.76 acres of land in Udyog Vihar, Gurugram at an investment of INR 1900 cr.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

Two flyovers and an underpass became operational between Aerocity and Vasant Kunj, Delhi. These will help to decongest traffic on Mahipalpur main road and also reduce travel time between Vasant Kunj and Airport.



CITY HIGHLIGHTS!

Lakeshore India Advisory acquires U/C retail mall from Phoenix group at Kukatpally for INR 1000 cr.



OFFICE

IT/ITeS firms recorded majority of the transactions.

Key transaction: L&T leased space at Raidurg.



RETAIL

Highstreets recorded major transactions mainly in Fashion & Apparel brands.

Key transaction: Homelane leased space in Banjara hills.



RESIDENTIAL

City observed an increase in launches of new projects and sales.

Key launch: Mangala by My Home Constructions at Kondapur.



No new major transaction during the month

Rental value (INR/ sq ft/ month)*



Capital value (INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / policy update

Metro Operations to IT Corridor commence operations, connecting Ameerpet with Hitec city. This adds up to the total operational metro length to 55 km in the city.



CITY HIGHLIGHTS!



Bengal government has decided to amend the Thika Tenancy Act which has the potential to unlock over 2,500 acres of land for real estate development in Kolkata and Howrah.

The quantum of land within the city limits translates to 8 sq km or 2,000 acres comprising core city locations like Burrabazar, Ahiritola, Kasba, Tangra, Topsia, Chetla, Beliaghata, Kalighat, garden Reach and Metiabruz to name a few.

After a prolonged delay over acquisition of land, construction work at Joka Metro Depot finally flagged off when the boundary wall of the depot was erected.

Scheduled to be built in one-and-a-half years, the rake maintenance depot is required to run the truncated services of the Joka-Esplanade corridor between Joka and Majherhat by early 2021.

*All the office rentals and retail rentals mentioned are for warm shell spaces



OFFICE

Large sized transactions dominate, with Salt Lake Sector V submarket recording most of such transactions.

Key transaction: PwC SDC in Godrej Genesis



RETAIL

Lifestyle and accessory brands and hypermarkets have mainly taken up medium sized spaces in suburban high streets.

Key transactions: Tata Chroma at Rajarhat



RESIDENTIAL

Launch of medium ticket size residential projects by reputed developers recorded across the city.

Key launch: Merlin Urvan at Nagerbazar, Dum Dum



No transaction recorded.

Rental value (INR/ sq ft/ month)*



Capital value (INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / policy update

The Kolkata Municipal Corporation (KMC) has decided to follow the twin systems for property tax calculation where both rent-based valuation and unit area assessment would run in parallel, giving house owners the option to either stay on with the former or shift to the latter.



CITY HIGHLIGHTS!

The second phase of Mumbai Monorail connecting Sant Gadge Chowk (Jacob Circle) to Wadala will commence its operations. With this the entire 19.5 km route (Chembur to Jacob Circle) of country's first monorail system being implemented.



OFFICE

Moderate leasing across submarkets.

Key transaction:

FedBank Financial Services Limited leases space in SBD North



RETAIL

Moderate leasing witnessed in the month.

Key transaction:

PepperFry leases space in Suburbs



RESIDENTIAL

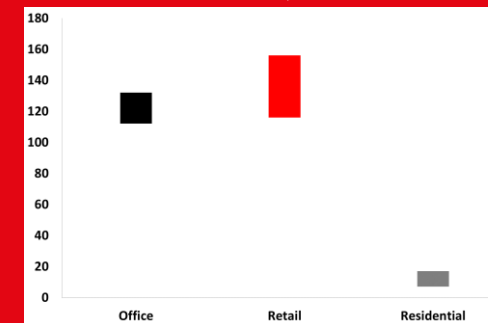
Increased momentum witnessed in new launches. Sales growth has been robust.

Key launch: SD Corp launches Northern Lights at Pokhran Road, Thane



HDFC Capital Advisors, wholly-owned subsidiary of mortgage lender HDFC, has invested INR 500 cr in realty developer Runwal Groups 115-acre township project in the Dombivli suburb of Mumbai.

Rental value (INR/ sq ft/ month)*



*The above graphs show the values in ranges

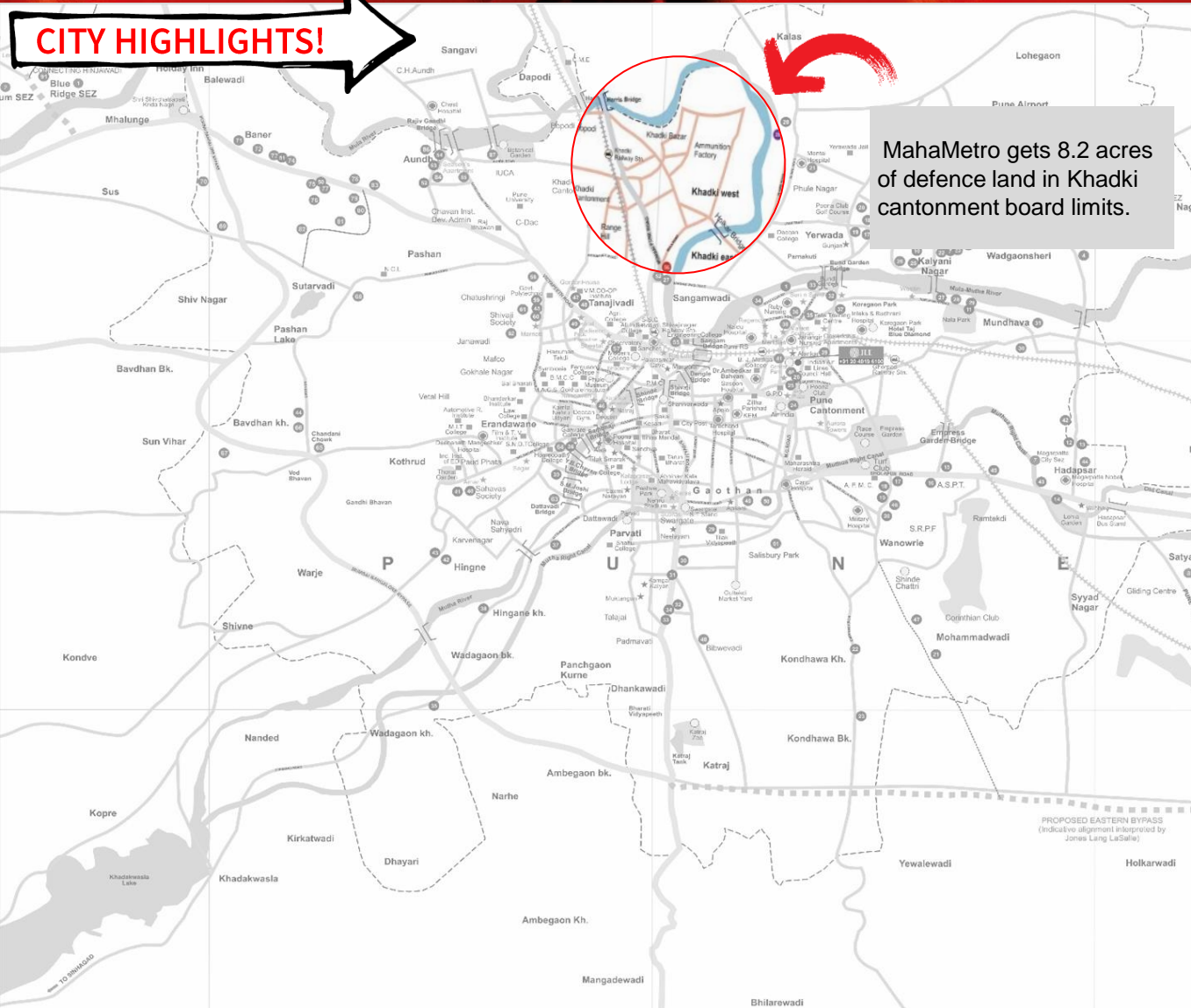
Capital value (INR/ sq ft)*



Infrastructure/ policy update

The Central Government's Cabinet Committee of Economic Affairs (CCEA) approved sub urban railway infrastructure projects worth INR 33,690 cr which are part of Mumbai Urban Transport Project 3A (MUTP 3A).

CITY HIGHLIGHTS!



MahaMetro gets 8.2 acres of defence land in Khadki cantonment board limits.



OFFICE

The office space demand showed a rise during the month.

Key Transaction: XPO Logistics leased space at Kharadi.



RETAIL

Overall demand for the retail space remain stable during the month.

Key Transaction: Smaash leased space at Hadapsar.



RESIDENTIAL

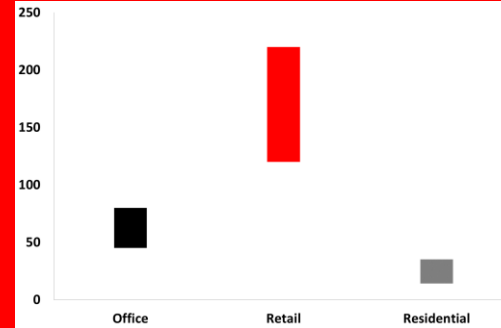
New launches rise significantly. The demand for residential units rises exponentially during the month.

Key Launch: Adani Atelier Greens in Mundhwa.



No new major transaction during the month

Rental Value(INR/sq ft/ month)*



*The above graphs show the values in ranges

Capital Value(INR/sq ft)*



Infrastructure/ Policy update

The defence estates office of the Pune circle has handed over about 8.2 acres of defence land in the Range Hills area of the Khadki cantonment to the Maharashtra Metro Rail Corporation Limited.



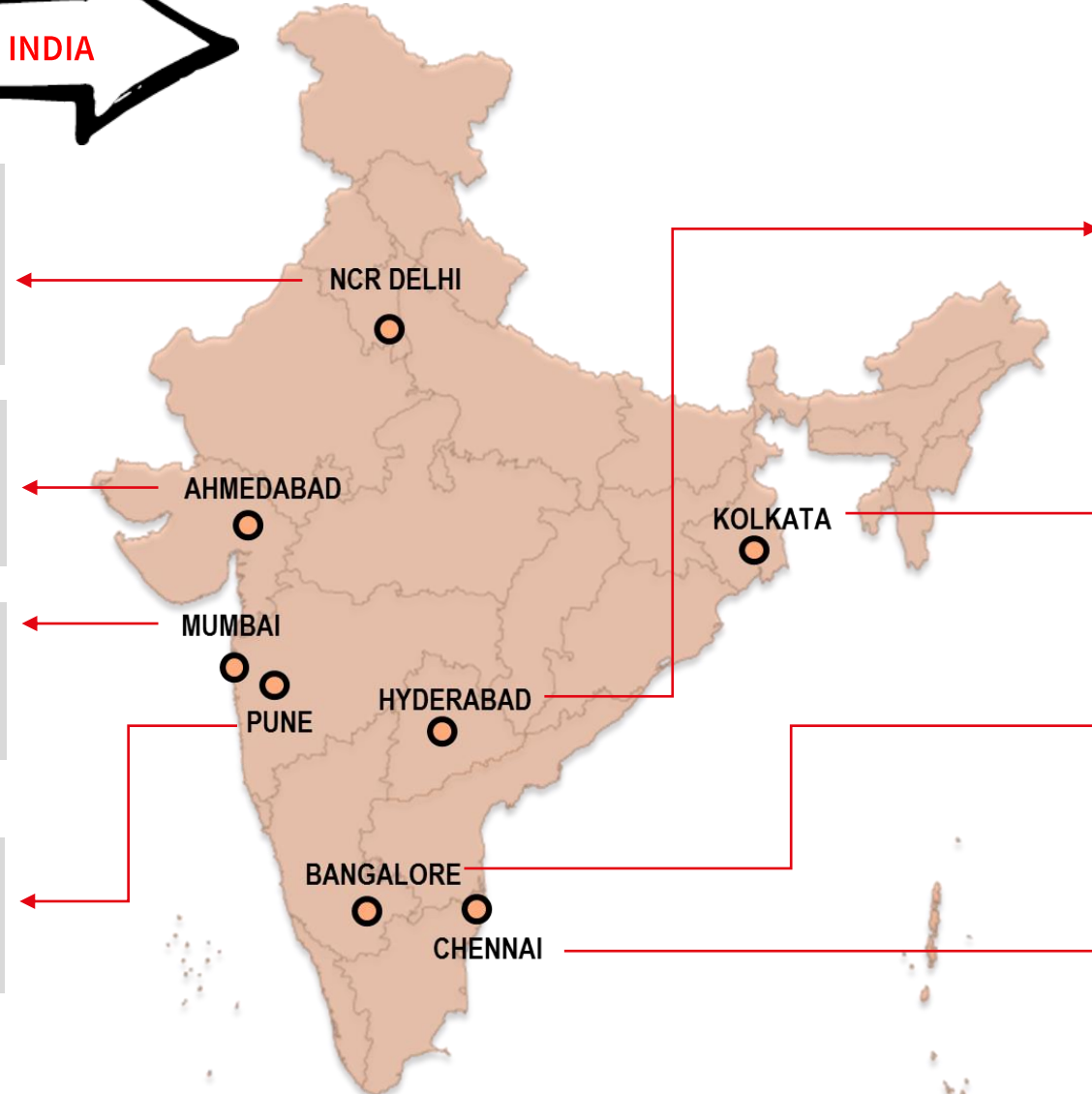
PRIMARY WAREHOUSE LOCATIONS ACROSS INDIA

Key Transaction: Major FMCG company at Barota | Major 3PL players and E-commerce company at Gurgaon.
Select Supply Additions: Standalone developments in Gurgaon and Barota.

Key Transaction : Major auto & ancillary company in Becharaji.
Select Supply Additions: Indraprastha Logistics Park in Aslali.

Key Transaction: Major 3PL/ Logistics and e-commerce companies in Bhiwandi.
Select Supply Additions: Sumeet Logistics and K-Square in Bhiwandi.

Key Transaction: Major 3PL/ Logistics and E-commerce players in Chakan.
Select Supply Additions: Standalone development in Chakan.



Key Transaction: Major 3PL/ Logistics and record management company in Medchal.
Select Supply Additions: Standalone development in Medchal.

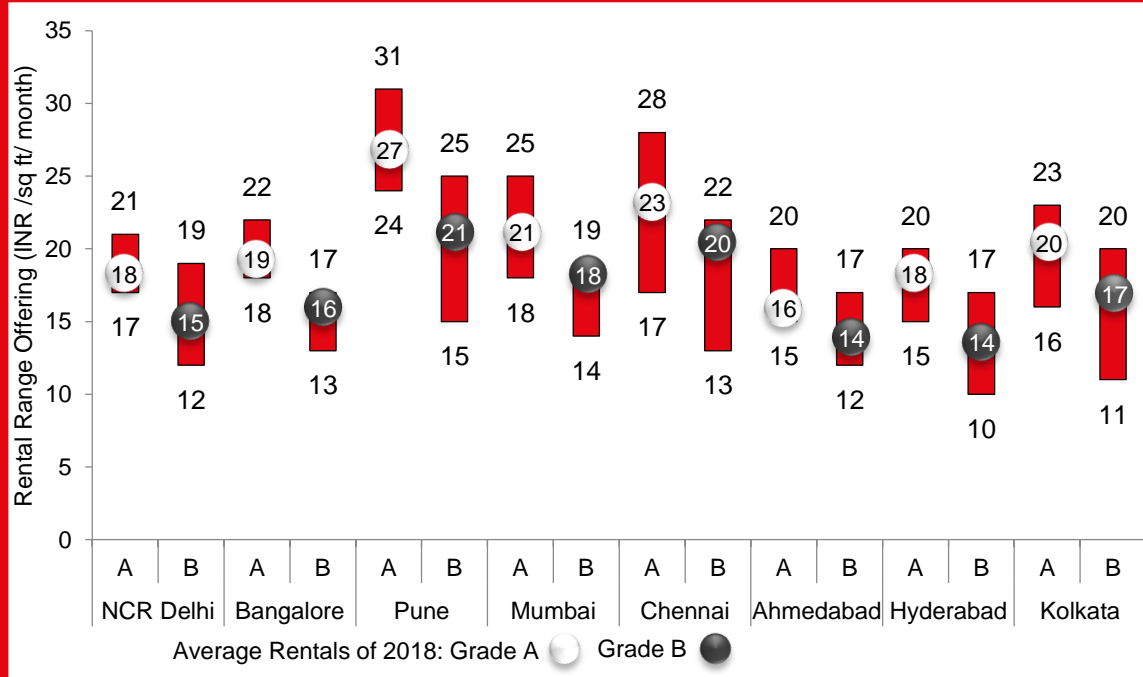
Key Transaction: Major 3PL/ Logistics player in NH-02.
Select Supply Additions: No major supply addition during the quarter.

Key Transaction: Major 3PL/ logistics Auto & Ancillary player in Tumkur Road.
Select Supply Additions: Stand alone development in Hoskote.

Key Transaction: Major 3PL/ Logistics players across Poonamalle and Cholavaram.
Select Supply Additions: Standalone spaces in Cholavaram and Puduvoyal.



Rental Value(INR/ sq ft/ month)*



Grade A and B rentals represented in dots are the average rentals for the year 2018

POLICY UPDATE



The central government will finalise its ambitious draft national logistics policy by first half of 2019. The objective of the draft policy 2018 is to create a national logistics e-marketplace as a one-stop marketplace for exporters and importers, set up a separate fund for start-ups in the logistics sector and to double employment in the sector.

*In NCR Delhi, warehouse rental can go high up to INR 30/sq.ft. / month because being in commercial areas
In Bangalore the Peenya region is not included.
Rental ranges are indicative with variation / aberrations across different markets in different corridors. Actual rentals would vary as per specifications provided in a specific property.
Rentals are on BUA.

INDUSTRIAL SNAPSHOT

*The data is given as of Q1 2019

- Demand and supply for warehousing remained stable in the quarter.
- There have been multiple instances of medium sized space take-ups across different cities.
- BTS projects were in demand given limited space availability in Grade A spaces.

MARKET SENTIMENT



Investment sentiment
POSITIVE



● Positive ● Stable ● Stagnant

INVESTMENT UPDATE

- IndoSpace has bought a 70-acre logistics park from Orris Infrastructure on the outskirts of Gurgaon approximately at INR 60 cr.
- Real estate developer Puravankara Ltd and an investment fund managed by Morgan Stanley have signed an agreement to set up a warehousing platform that will build industrial parks in South India.

LOGISTICS NEWS



Flipkart has deployed Automated Guided Vehicles (AGVs) at its Soukya sortation center in Bangalore to improve the efficiency at the back of its supply chain network. The AGV setup includes more than 100 self guided bots which can automatically sort assign packages by identifying encoded information. It can process up to 4,500 shipments in an hour. They will enhance the throughput from the existing facility without expanding space or increasing the headcount.



ABOUT JLL

JLL (NYSE: JLL) is a leading professional services firm that specialises in real estate and investment management. Our vision is to reimagine the world of real estate, creating rewarding opportunities and amazing spaces where people can achieve their ambitions. In doing so, we will build a better tomorrow for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$16.3 billion, operations in over 80 countries and a global workforce of over 90,000 as of December 31, 2018. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit www.jll.com

ABOUT JLL INDIA

JLL is India's premier and largest professional services firm specialising in real estate. With an estimated revenue for FY 2018-19 expected to be approx. INR 4,000 crore, the Firm is growing from strength to strength in India for the past two decades. JLL India has an extensive presence across 10 major cities (Mumbai, Delhi NCR, Bengaluru, Pune, Chennai, Hyderabad, Kolkata, Ahmedabad, Kochi and Coimbatore) and over 130 tier II & III markets with a cumulative strength of close to 11,000 professionals.

The Firm provides investors, developers, local corporates and multinational companies with a comprehensive range of services. This includes leasing, capital markets, research & advisory, transaction management, project development, facility management and property & asset management. These services cover various asset classes such as commercial, residential, industrial, retail, warehouse and logistics, hospitality, healthcare, senior living and education.

JLL India won the Five Star Award for 'Best Property Consultancy at the International Property Awards Asia Pacific 2018 -19. The Firm was also recognised amongst the 'Top 100 Best Places to Work in India' in 2017 & 2018 in the annual survey conducted by Great Place to Work® and The Economic Times. It has also been acknowledged as 'Property Consultant of the Decade' at the 10th CNBC-Awaaz Real Estate Awards 2015. For further information, please visit www.jll.co.in

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