



Pulse

Monthly Real Estate Monitor

JULY
2020

Get city Pulse by clicking on the map

OFFICE INDEX



Office leasing demand remained moderate.

RETAIL INDEX



Overall leasing activity for shopping malls remained weak.

RESIDENTIAL INDEX



Residential launches improved in most cities.



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

Home ownership takes centre stage amidst the pandemic



The Indian economy is likely to face a recession owing to the COVID-19 pandemic. Consumer confidence is at an all-time low. Residential real estate, like many other sectors has received a major blow by the health crisis. It has triggered dramatic changes in consumer behaviour, particularly amongst homebuyers. These events over the past few months provide food for thought.

Prospective homebuyers are re-evaluating their purchase decisions basis need, budget and timing. At the same time, the residential market is providing several lucrative opportunities for those with high intent. Mindful of the prevailing quandary in the residential market, JLL recently conducted a [Homebuyer Preference Survey](#) to understand the preferences of prospective homebuyers and their outlook on purchasing a residential property amidst the pandemic. The responses are extremely interesting and indicate optimism for all stakeholders.

Recovery in the residential market is imminent and its green shoots would first emerge in the affordable and mid segments across top cities in the country. More than 50% of the prospective homebuyers surveyed are likely to buy their dream house within the next six months. Even though a significant proportion of the respondents want to work from office, there is a sizeable populace who does not mind working from home partially. They indicated definitive changes in the layout of apartments to make working from home a seamless experience.

The pandemic has also accelerated the pace of digital transformation amongst developers and intermediaries. An impressive one-fifth of the homebuyers are digital-ready to affect their transaction online end-to-end.

Take care and stay safe.

Ramesh Nair
CEO & Country Head, India, JLL

REALESTONOMICS






CapitaLand India, part of Singapore-based CapitaLand, Asia's largest diversified real estate group, will be investing around INR 1,500 crore in developing a 2.3 million sq ft Tech Park in Chennai.

MARKET SENTIMENT



Neutral



 Favourable  Neutral  Unfavourable

WHAT'S NEW



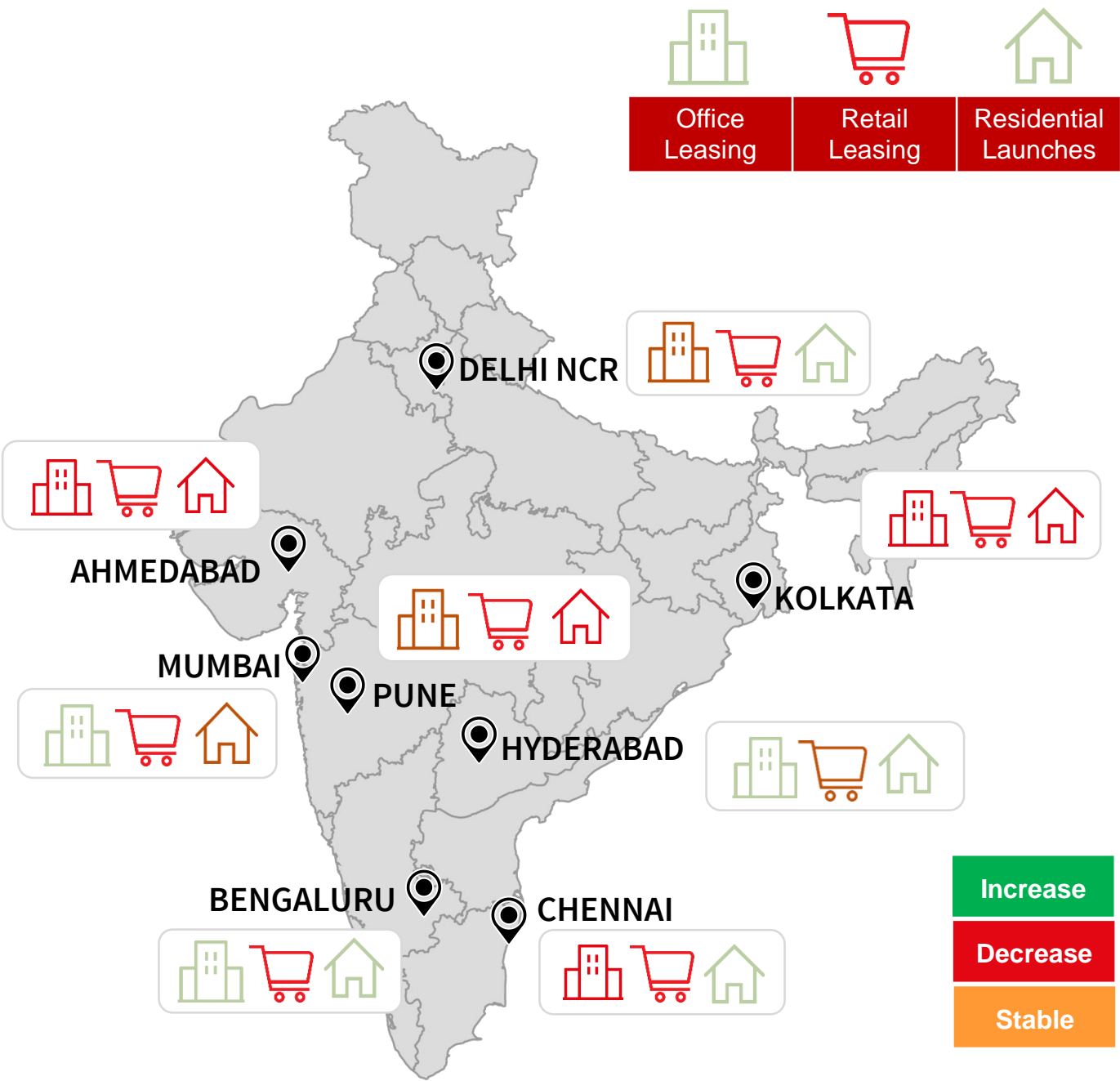
Amazon has leased about 2.8 million square feet of space in Bengaluru, Chennai and Mumbai to expand its offices in India.

POLICY UPDATE



India is reviewing its Foreign Direct Investment (FDI) policy for the real estate sector to see if 100% overseas investment can be allowed in completed projects. If implemented, this will allow real estate companies to monetise completed projects amid the ongoing liquidity crisis aggravated by the COVID-19 pandemic, thus helping to revive an economically critical sector.

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!

The proposed INR 300 cr IT/ITES park at GIFT City is expected to be deferred as interested companies have put their plans on hold and government is holding back investments until substantial bookings are received.



OFFICE

Due to lockdown, office space witnessed weak demand.

Key transaction: No major leases recorded.



RETAIL

High Streets saw weak demand due to the lockdown.

Key transaction: IDFC Bank leased space at Sindhu Bhavan.



RESIDENTIAL

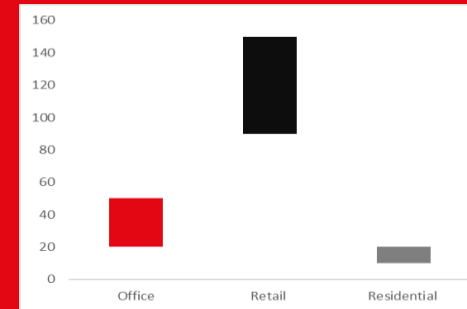
New launches remained low due to weak market conditions caused by the lockdown.

Key launch: There were no major launches.



In the upcoming industrial policy, Gujarat government will give more emphasis on setting up turnkey projects, give incentives to reduce land costs for industries and give more importance to industries like electric machinery and equipment, auto and auto components, ceramics and pharmaceutical.

Rental value (sq ft/month)*



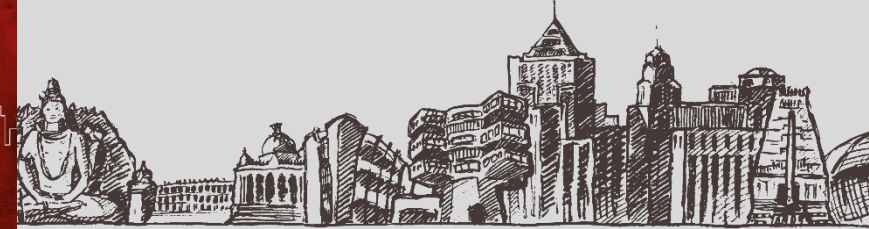
Capital Value (INR/sq ft)*



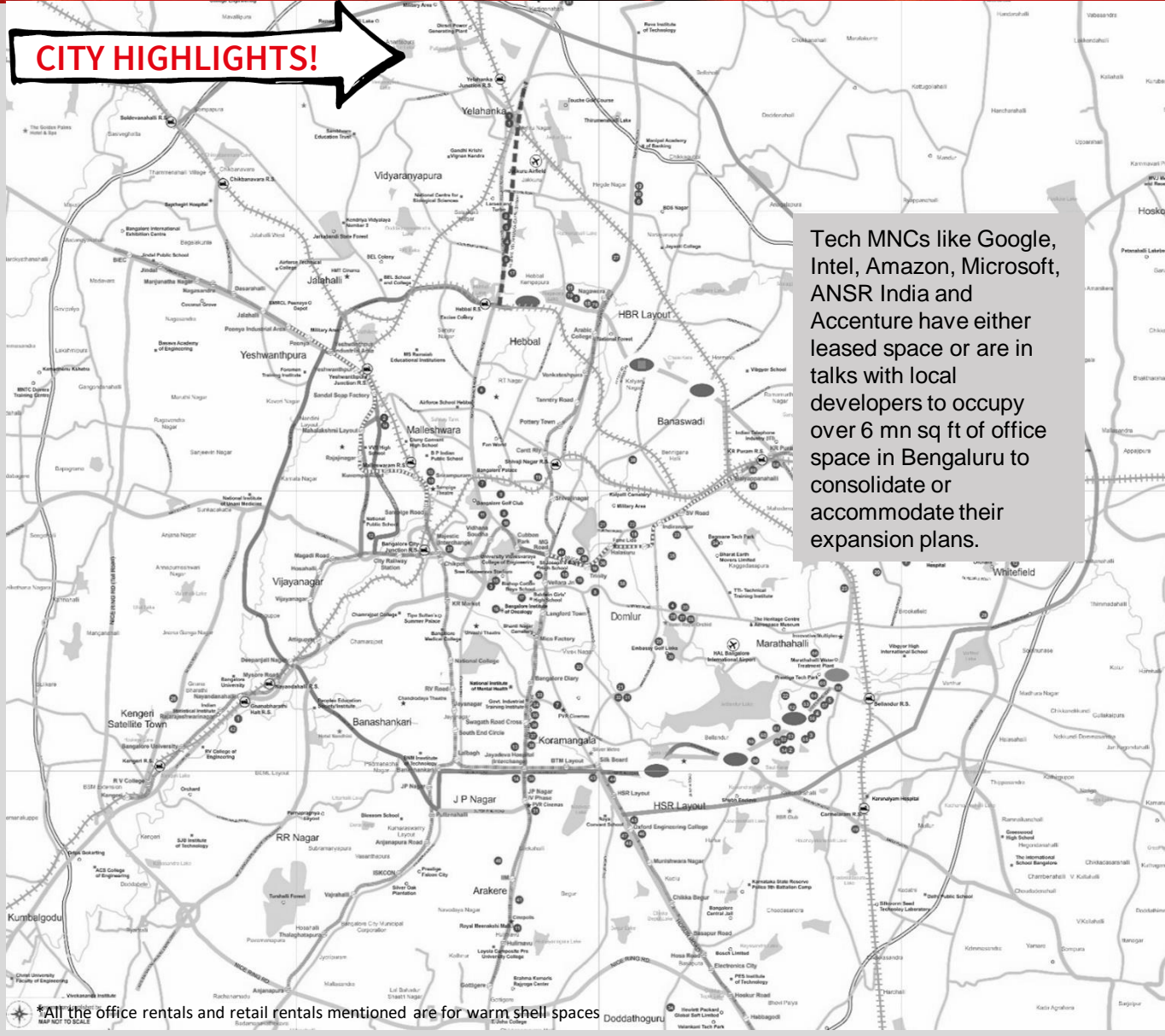
*The above graphs show the values in ranges

Infrastructure / policy update.

- Gujarat RERA has deferred till further orders, the launch of its new portal called RERA 2.0, due to the pandemic and also to incorporate the suggestions from real estate stakeholders.
- Ahmedabad Municipal Corporation (AMC) has temporarily suspended key infrastructure projects worth INR 360 cr from the budgetary spending for 2020-21 due to the drop in AMC's income caused by the Pandemic.



CITY HIGHLIGHTS!



Tech MNCs like Google, Intel, Amazon, Microsoft, ANSR India and Accenture have either leased space or are in talks with local developers to occupy over 6 mn sq ft of office space in Bengaluru to consolidate or accommodate their expansion plans.



OFFICE

Pre-commitment of 0.38 mn sq ft in Whitefield. Enquiries for office spaces by key IT occupiers continued.
Key transaction: WPP leases 16,500 sq ft in Bren Optimus.



RETAIL

Demand remained low due to lower footfalls as malls re-opened.
Key transaction: One Plus leases at RMZ Galleria Mall Yelahanka.



RESIDENTIAL

The market saw only pre-launches by reputed developers.
Key launch: Assetz Canvas and Cove were pre-launched at Begur Road.



Canada's Brookfield Asset Management is planning to invest USD 500 – 800 Million (INR 4000 – 5600 Cr) in RMZ Corp to purchase a 50% stake in Bengaluru business parks.

Rental value (INR/sq ft/month)*



Capital value (INR/sq ft)*



*The above graphs show the values in ranges

Infrastructure/ policy update

The Bruhat Bengaluru Mahanagara Palike (BBMP) will increase the property tax from April 2021 due to the change in the methodology of their property tax calculation from the traditional 'unit area value' to the 'guidance value'.



CITY HIGHLIGHTS!



Adani Group is planning to setup a data center at a cost of INR 23 bn in SIPCOT Siruseri IT park.



OFFICE

Commercial leasing in Grade A office spaces remained muted due to the lockdown.

Key transaction: Bharat Heavy Electricals Limited (BHEL) leased space in PBD OMR.



RETAIL

Retail activity remained muted.

Key transaction: No major transaction.



RESIDENTIAL

Developers began to launch new projects.

Key launch: Casagrand's 'Utopia' and Ruby's 'Prakrithi' was launched in Manapakkam and Keelkatalai respectively.



CapitaLand to invest INR 10.5 bn for set up a 4.6 million sq ft of IT park in Pallavaram-Thoraipakkam Radial Road.

Rental value (INR/sq ft/month)*



Capital value (INR/sq ft)*



*The above graphs show the values in ranges

Infrastructure / policy update

The Indian Railway along with National Highway Authority of India to begin the process of acquiring land shortly for constructing the Mysuru-Bengaluru-Chennai bullet train corridor.



CITY HIGHLIGHTS!

Housing and Urban Development Corporation (HUDCO) signed a memorandum (MOU) with the Yamuna Expressway Development Authority (YEIDA) to lend the authority INR 4,000 cr over a period of three years. This amount will be utilized for land acquisition in areas around the upcoming Jewar airport on both sides of the Yamuna Expressway.

To attract more ridership when the Gurugram city metro starts its journey around 2025, Gurugram Metropolitan Development Authority (GMDA) has tweaked the proposed route to include a station near the upcoming IKEA store in Sector 47.



OFFICE

Moderate leasing activity witnessed across Delhi NCR.

Key transaction: Sberbank of Russia leased space in CBD.



RETAIL

Slow leasing activity across Delhi NCR.

Key transaction: Decathlon leased space at Select Citywalk in Delhi.



RESIDENTIAL

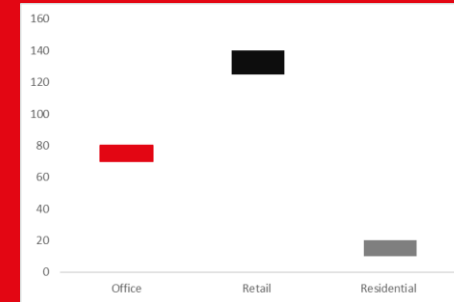
Few new launches recorded.

Key launch: M3M Icon at Merlin and M3M Sky Walk in Gurugram.

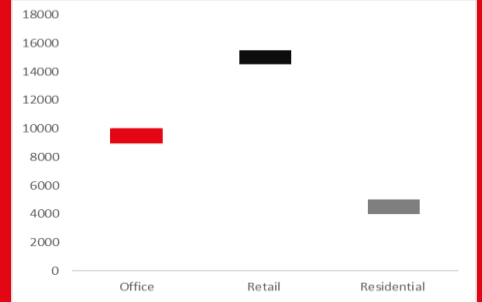


M3M India raised INR 570 cr debt from Oaktree Capital Management to fund its ongoing projects.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

The Delhi Metro has reached a major milestone in the Phase-4 work as it cast its first pier on the under construction Janakpuri West-RK Ashram Marg Metro corridor.



CITY HIGHLIGHTS!

Co-working operator iSprout Business Centre has leased 0.1 mn sq ft in Nanakramguda.



OFFICE

Office space demand continued to remain healthy. Co-working dominated the leasing activity along with IT/ITES.

Key transaction: Wipro leased space at Nanakramguda.



RETAIL

Retail space demand remained stagnant.

Key transaction: No new transaction recorded.



RESIDENTIAL

Launches improved while sales show positive momentum.

Key launch: Vasavi Lakecity West at Hafeezpet.

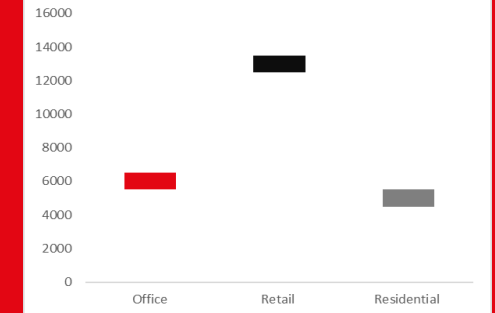


No new major transaction recorded.

Rental value (INR/ sq ft/ month)*



Capital value (INR/ sq ft)*



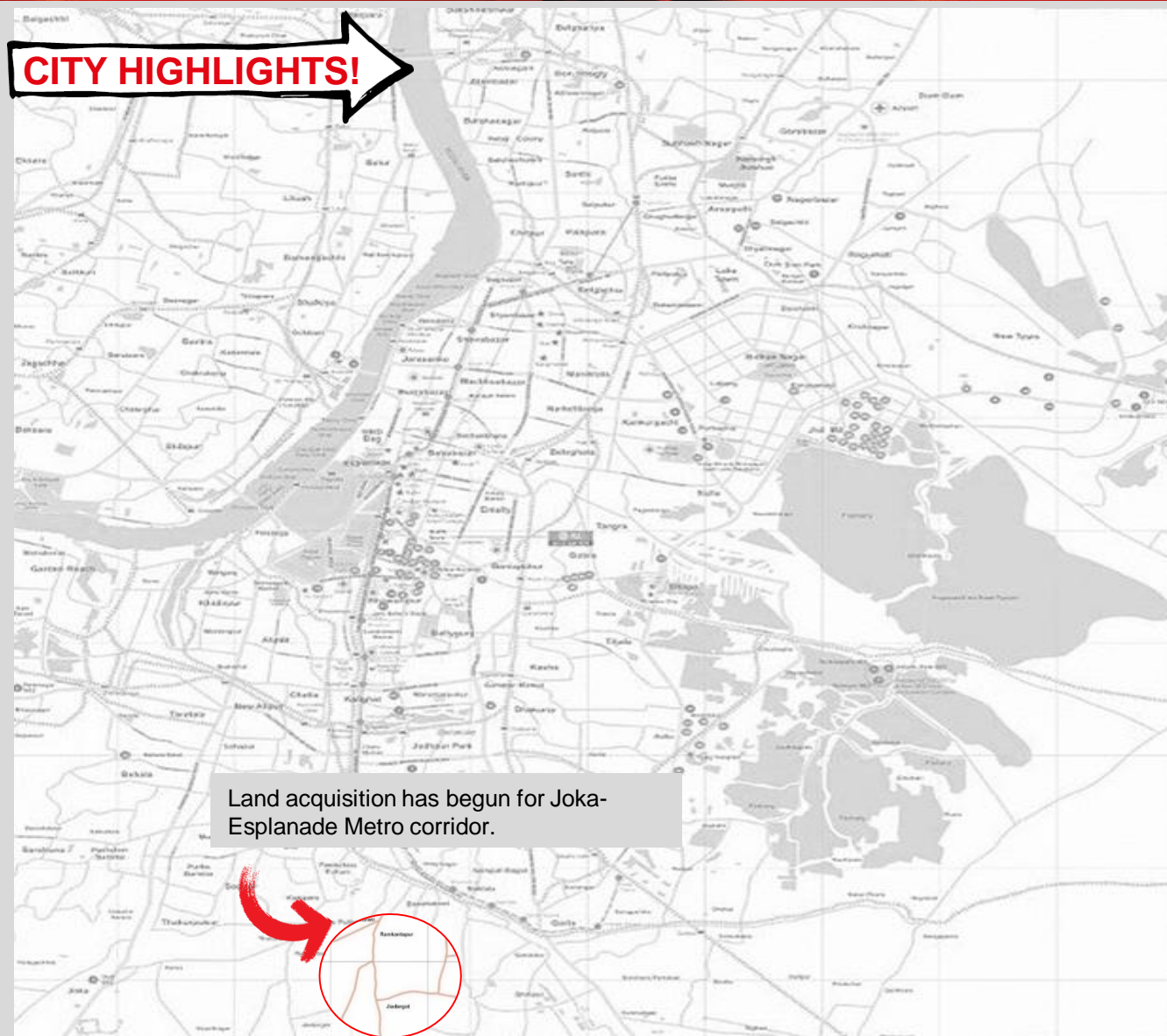
*The above graphs show the values in ranges

Infrastructure / policy update

Telanganana State cabinet approved incentives for IT companies and developers through the Growth in Dispersion (GRID) policy. The decision is aimed to decentralise IT industry through subsidies in electricity and rental prices. IT companies that setup except in western corridor are eligible for the incentives.



CITY HIGHLIGHTS!



Land acquisition has begun for Joka-Esplanade Metro corridor.



OFFICE

Office leasing enquires improved.

Key transaction: No significant leases.



RETAIL

Retail activity remained slow.

Key transactions: No major transactions recorded.



RESIDENTIAL

Residential launches remained low. Construction activity begun at sites but witnessed very slow activity.

Key launch: No major launches.



No new major transaction recorded

Rental value (INR/ sq ft/ month)*



Capital value (INR/ sq ft)*



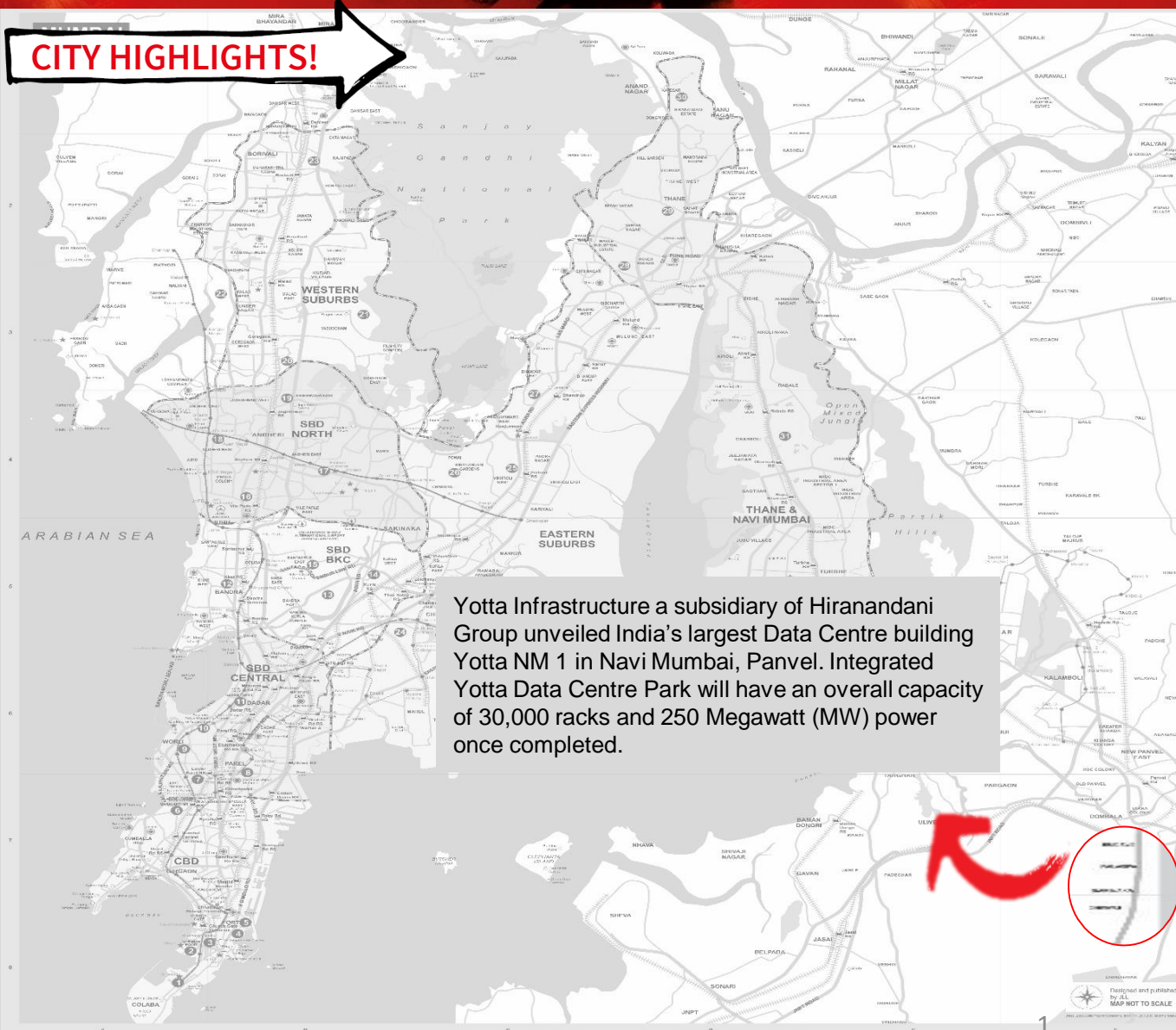
*The above graphs show the values in ranges

Infrastructure / policy update

The land acquisition for Joka-Esplanade Metro corridor has begun. The 14.5 km metro line converges at Espalande where a hub is coming up for three corridors.



CITY HIGHLIGHTS!



OFFICE

Demand for office space picked up.

Key transaction: NCR Corporation India Pvt. Ltd. leased space in East Suburbs.



RETAIL

Leasing activity remained muted as malls remained shut.

Key transaction: No major transaction observed.



RESIDENTIAL

Discounts and Incentives by developers driving the demand for housing.

Key launch: Godrej Modella launched in Thane.



Prestige Falcon Realty Ventures acquired 25.64 percent equity stake in DB (BKC) Realtors. Mindspace Business Parks REIT raised INR 4500 cr.

Rental value (INR/ sq ft/ month)*



Capital value (INR/ sq ft)*

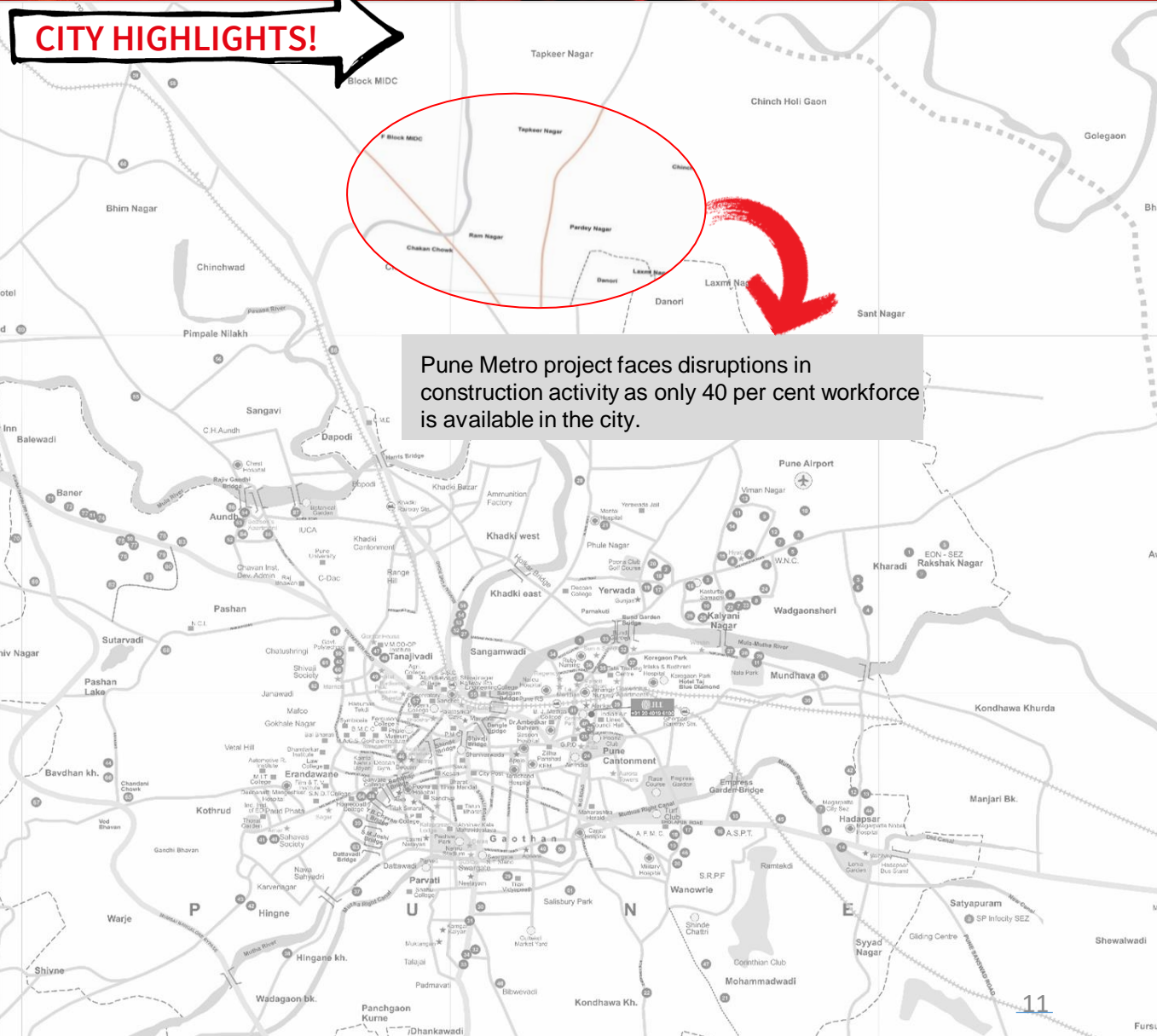


*The above graphs show the values in ranges

Infrastructure / policy update

The State Government approved setting up of a separate Slum Rehabilitation Authority for the Mumbai Metropolitan Region, excluding Mumbai. 27 Realty Projects in MMR to get funding from the SWAMIH Investment Fund. 5 projects already given final clearance.

CITY HIGHLIGHTS!



OFFICE

Office space demand was stable.

Key Transaction: Bootstart leased space in Hadapsar.



RETAIL

Overall demand for the retail was sluggish.

Key Transaction: No new space leased



RESIDENTIAL

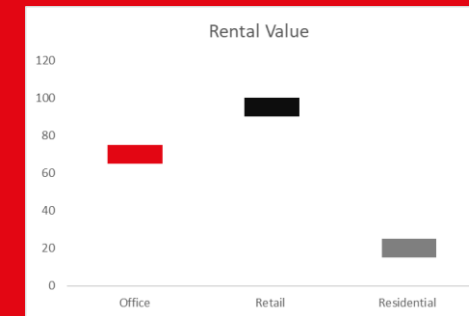
New launches fell. Demand for residential units also declined.

Key Launch: Majestique Marbella Phase 1 launched in Kharadi.



Gera Developments has bought 12 acre land in Pune, Pimpri-Chinchwad for INR 153.5 cr from Dai-Ichi Karkaria Ltd to develop a commercial project.

Rental Value(INR/ sq ft/ month)*



Capital Value(INR/ sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

The trial run for Metro Line 1 having first priority stretch between Sant Tukaram nagar and Phugewadi which was about to commence in June, is yet to finish the station works while the second priority stretch in between Anand Nagar and Garware is yet see the track work to be completed. Shortage of labours hampered the speed of construction.



ABOUT JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$18.0 billion in 2019, operations in over 80 countries and a global workforce of nearly 93,000 as of June 30, 2020. 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 audited revenue in excess of 4000 crores for FY 2018-19, 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 12,000 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, industrial, warehouse and logistics, data centres, residential, retail, 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

ABOUT REAL ESTATE INTELLIGENCE SERVICE

Real Estate Intelligence Service is a subscription based research package by JLL. This package is designed to provide in-depth insight on the real estate market and aims to empower businesses with detailed and timely market data. It also covers forecast and analysis for all real estate indicators and asset classes such as office, retail and residential.

For more information, contact:



Dr. Samantak Das
Chief Economist and Head
Research & REIS
+91 22 6620 7575 / +91 98198 65516
samantak.das@ap.jll.com



Dr. Subash Bhola
Director – REIS Operations
+91 22 7149 5875 / +91 97693 78766
subash.bhola@ap.jll.com