



# Pulse

Monthly Real Estate Monitor

OCTOBER  
2019

Get city Pulse by clicking on the map

## OFFICE INDEX



Office space take up remained positive in most cities, with IT/ITeS sector contributing to a large share.

## RETAIL INDEX



Most of the leasing recorded in the high streets with F&B dominating the leasing activity.

## RESIDENTIAL INDEX



The residential launches remained stable in most cities.



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

# Deconstructing India REITs



The listing of India's first REIT this year is a sign that the country's real estate market is maturing. This key event marked the opening of a fresh investment avenue bringing in more opportunities for investors and developers. Investors, domestic and global play a key role in the growth of any market and Indian real estate is no exception. The increase in platform funds over the years coupled with investment in emerging alternative asset classes like co-living highlight the improving investor confidence.

On the investment side, it is extremely important to understand the interest of overseas investors who account for a major chunk of real estate investments. With a slew of reforms in the overall economy and progressive modifications in the REIT regulations, we expect this investment avenue to traverse on a sustainable growth trajectory.

In October 2019, JLL released a report titled [Deconstructing India REITs](#) to examine the prospects of this new investment avenue in the country.

## Here are a few highlights of the report:

- The Indian real estate sector is close to reaching a cumulative institutional investment mark of USD 50 bn by the end of 2019 which includes both foreign and domestic investments.
- Approximately 294 sq ft of office stock would be eligible for REIT which would translate to a potential investment of USD 35 bn.
- Bengaluru, followed by Mumbai will lead the reitable office space share.

For details, download the complete report [here](#).

Happy reading!

**Ramesh Nair**

CEO & Country Head, India, JLL

## REALESTONOMICS



The \$13 bn Adani Group announced a partnership with San Francisco based Digital Realty to jointly develop and operate data centers and cultivate undersea cable provider communities of interest across the country.

## MARKET SENTIMENT



Favourable



● Favourable ● Neutral ● Unfavourable

## WHAT'S NEW



Realty major Lodha group is constructing commercial real estate projects worth INR 13,000 cr and may monetise these assets through REIT after completing them in the next three years.

## POLICY UPDATE



The government announced that it will pump in INR 10,000 cr into an Alternative Investment Fund (AIF). Meanwhile, the State Bank of India (SBI) and Life Insurance Corporation (LIC) will contribute INR 15,000 cr to the fund for completion of stalled affordable and mid income housing projects.

# WEATHER MAP

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

  
Office

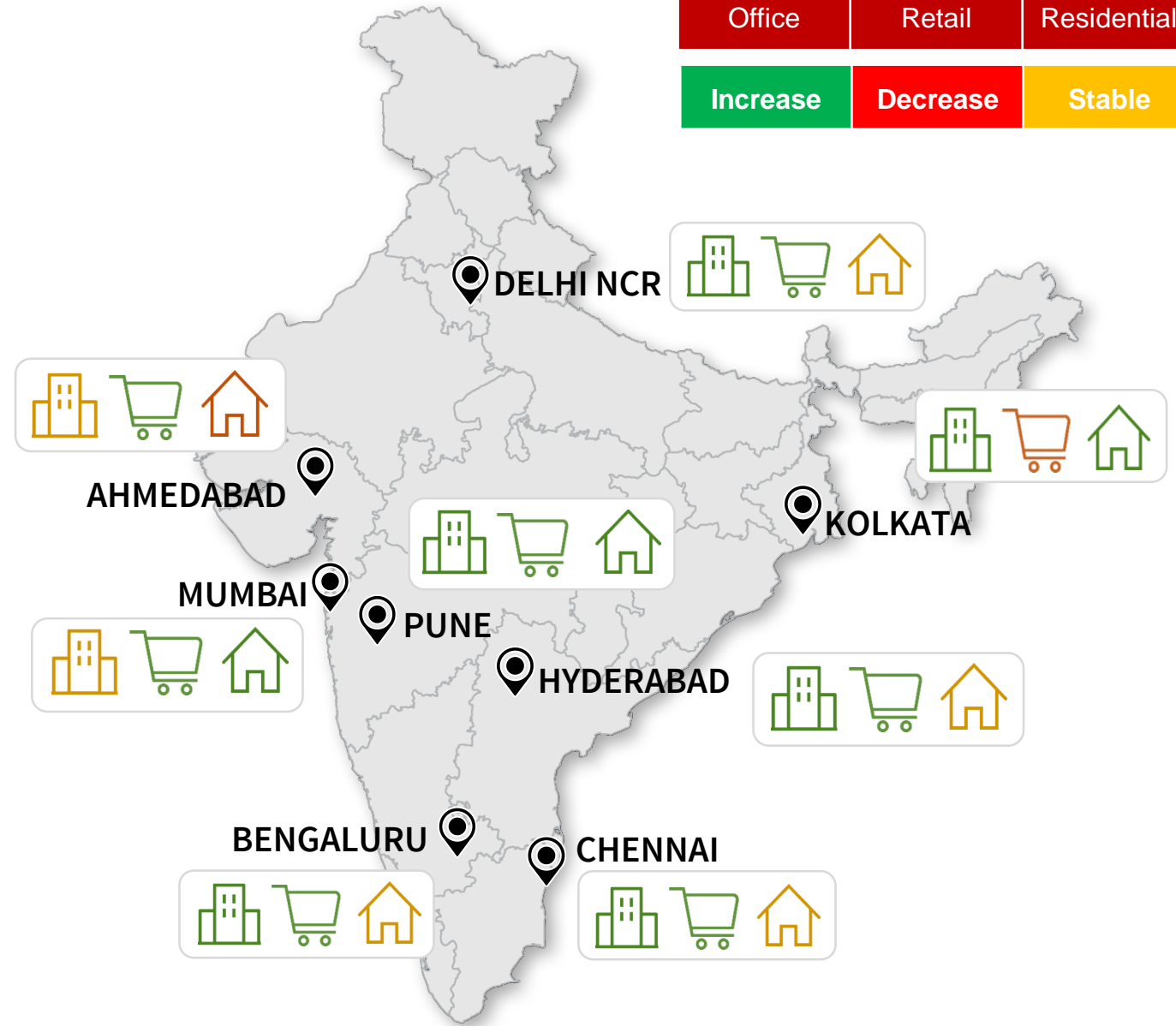
  
Retail

  
Residential

Increase

Decrease

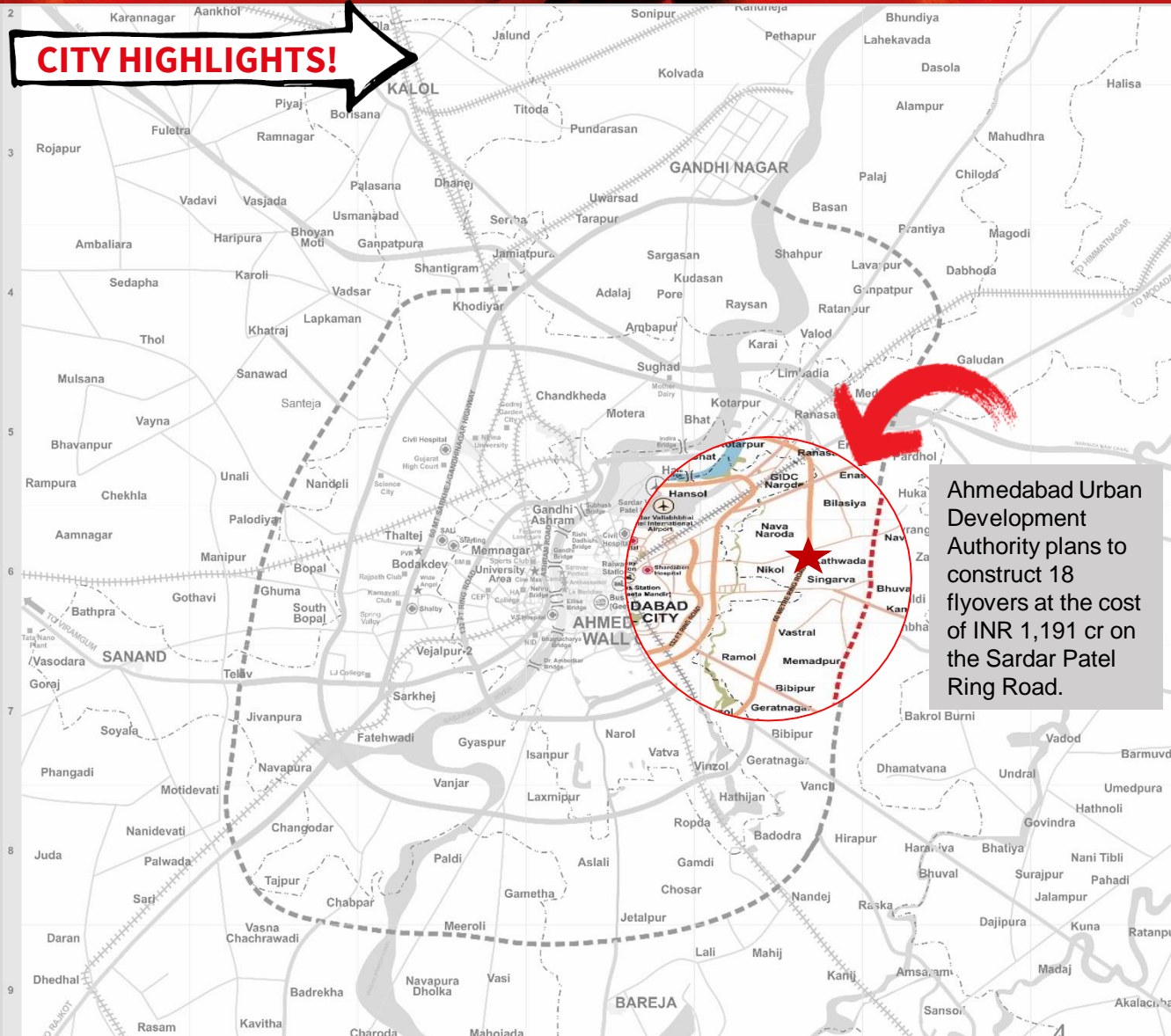
Stable



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



### CITY HIGHLIGHTS!



### OFFICE

Office space witnessed moderate demand.

**Key transaction:** No major transaction was recorded.

### RETAIL

High-streets continued to see strong demand.

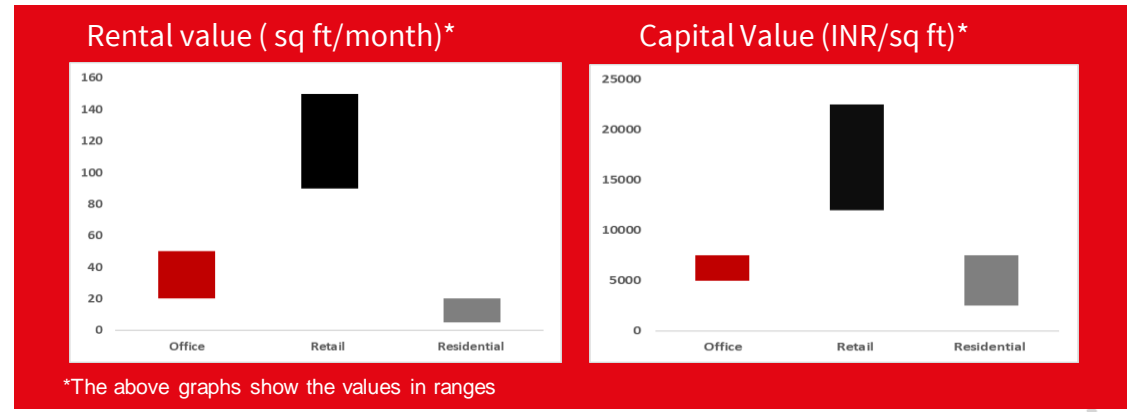
**Key transaction:** Westside leased space at Bapunagar.

### RESIDENTIAL

New launches remained low due to weak market conditions.

**Key launch:** No major launches.

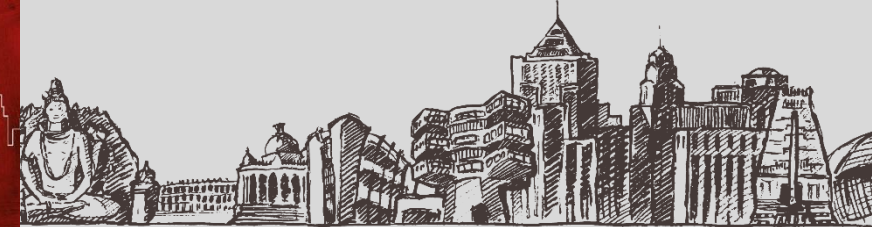
The China Association of Small and Medium Enterprises has signed an MoU with Dholera Industrial City Development Limited to set up a China Industrial Park at Dholera Special Investment Region. The MoU will attract INR 10,500 cr in investments by Chinese SME units.



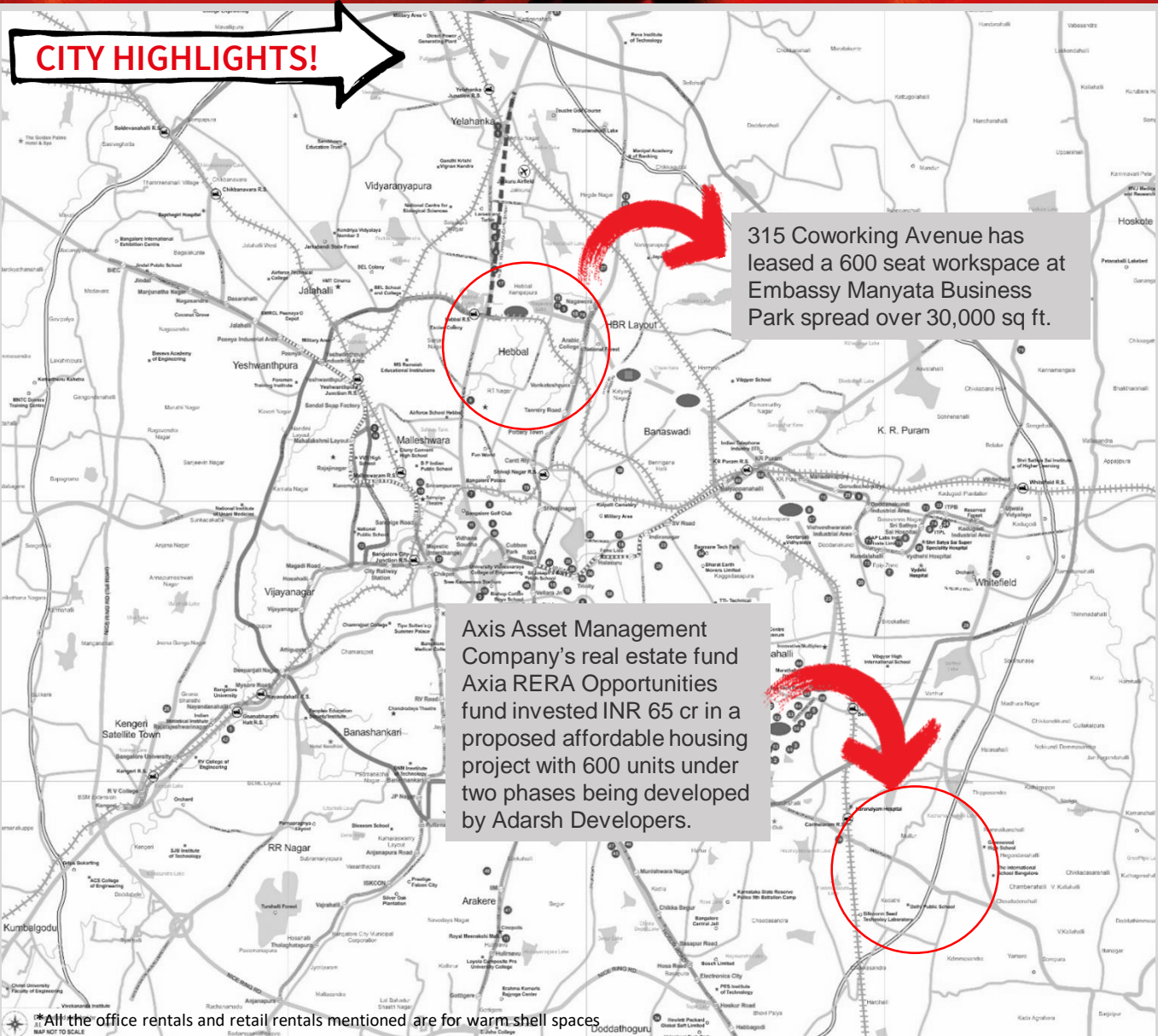
### Infrastructure/ policy update

The Gujarat cabinet approved a draft ordinance to amend the Micro, Small and Medium Enterprises Act. The amendment will allow entrepreneurs to start production without waiting for approvals from government agencies and secure clearances.

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



### CITY HIGHLIGHTS!



### OFFICE

SBD sub market was the most active. IT/ITeS and BFSI companies closed numerous deals.  
**Key transaction:** MBRDI at Brigade Tech Gardens and Fiserv at Bren Optimus.

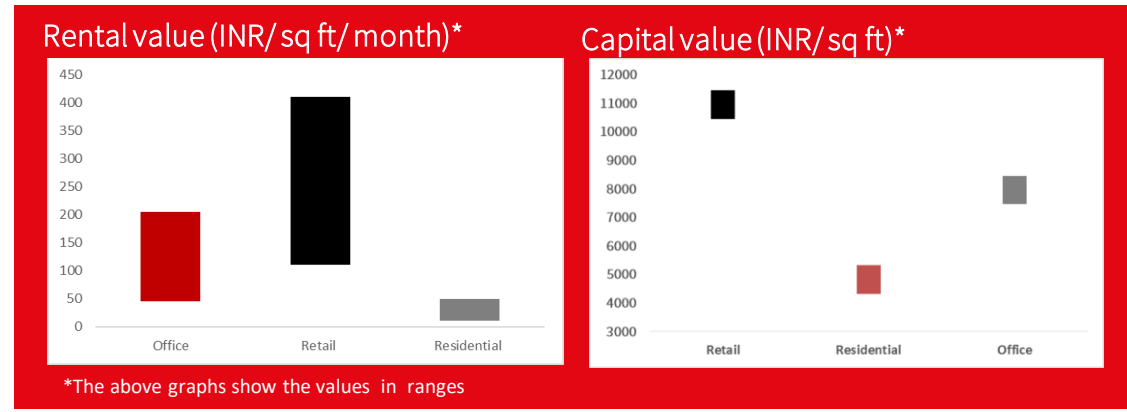
### RETAIL

Indiranagar witnessed good leasing.  
**Key transaction:** Tanishq at Vijayanagara, T-Café and Waffle stories at Indiranagar.

### RESIDENTIAL

City has witnessed a stable sales majorly in affordable and mid segment in festive season.  
**Key launch:** Helio Tower at Brigade Eldorado was launched at Devanahalli.

Singapore based, Keppel Land has invested US \$25 mn in Smartworks coworking space across nine cities for expansion.



### Infrastructure/policy update

NITI Aayog accepts the proposal of suburban railways for Bengaluru City which is planned for 148 km, connecting the four corridors - Kengeri-Whitefield, KSR Bengaluru City-Rajanukunte, Nelamangala-Baiyappanahalli and Heelalige-Devenahalli.

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



### CITY HIGHLIGHTS!

The land acquisition for construction of Chennai Peripheral Ring Road which runs from Ennore port to Mamallapuram has been completed at a cost of INR 5700 cr. The six-lane road is expected to be completed in 2022.



Tablez opened its first Build-A-Bear Indian store in Marina Mall.



### OFFICE

IT/ITES dominates office leasing followed by healthcare, coworking & manufacturing sector.  
**Key transaction:** Cognizant in Navalur in PBD OMR.



### RETAIL

Quality malls as well as highstreets witnessed surge in demand.  
**Key transaction:** NewU in Express Avenue Mall in Egmore.



### RESIDENTIAL

New launches decreased and sales remained stable.  
**Key launches:** Radiance Sapphire was launched in Sholinganallur in Southern suburb.



No new major transactions.

Rental value (INR/sq ft/month)\*



Capital value (INR/sq ft)\*



\*The above graphs show the values in ranges

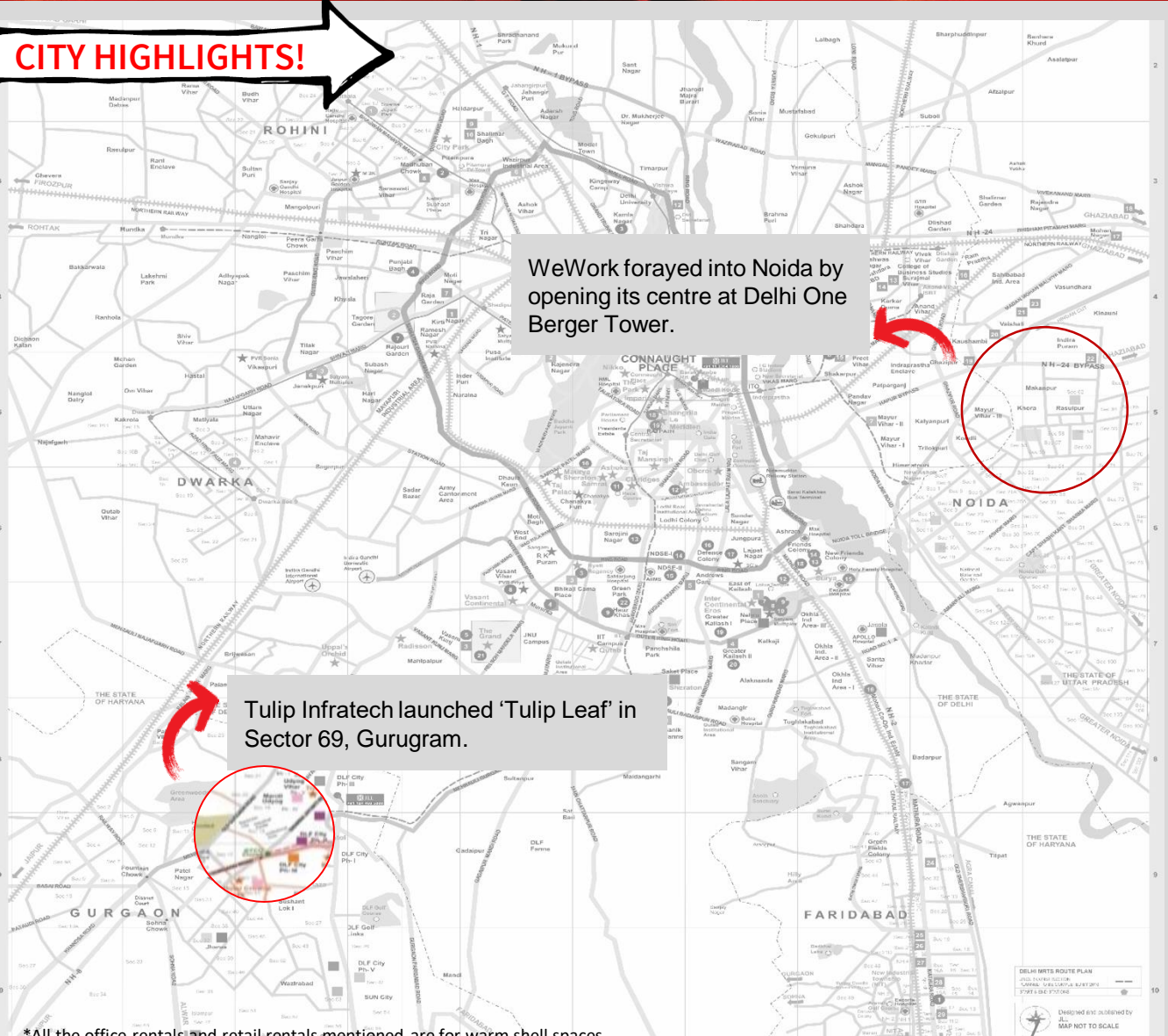
### Infrastructure/ policy update

The Government in Tamil Nadu recently launched several infrastructure projects for Chennai which includes several bridges, rail over bridge, Eco park and water supply scheme for areas facing water scarcity.

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



### CITY HIGHLIGHTS!



### OFFICE

Strong pre-commitments witnessed in upcoming office supply.

**Key transactions:** Microsoft in Noida, Google in Gurugram.



### RETAIL

Anchors and F&B drove leasing momentum.

**Key transactions:** Shoppers Stop in Gurugram, Haldiram in Noida.



### RESIDENTIAL

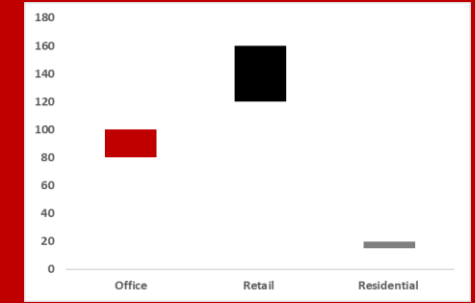
Key launch witnessed in Gurugram.

**Key launch:** Tulip Infratech launched 'Tulip Leaf' in Gurugram.



Smartworks, a Noida-based-co-working space, has raised USD 25 mn from Singapore's Keppel Land Limited.

Rental Value(INR/sq ft/ month)\*



Capital Value(INR/sq ft)\*



\*The above graphs show the values in ranges

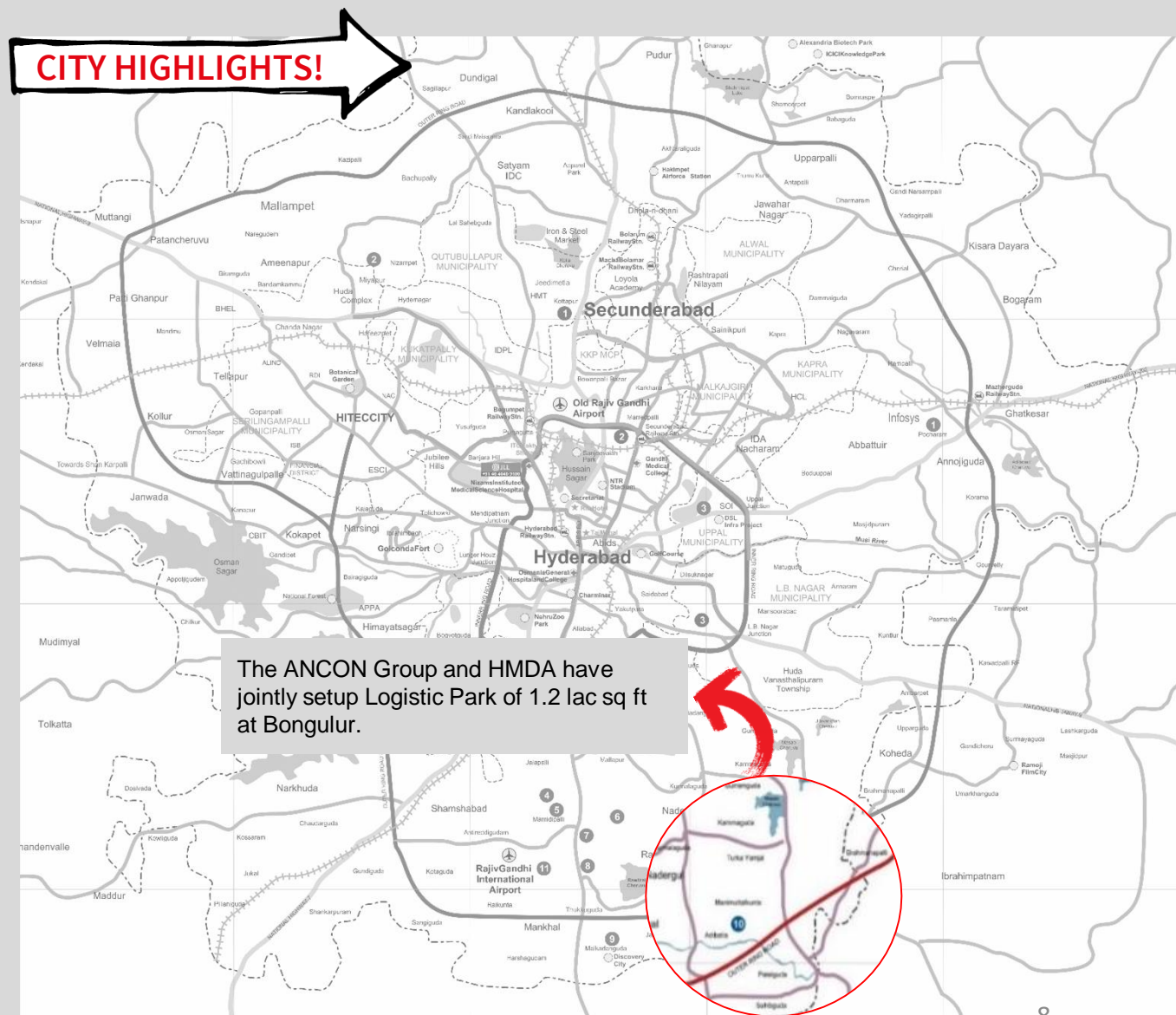
### Infrastructure/ Policy update

Delhi Metro's Dwarka-Najafgarh corridor became operational, the over 4.2 km-long Grey line will connect Najafgarh to Dwarka on the blue line section of Delhi metro.

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



### CITY HIGHLIGHTS!



The ANCON Group and HMDA have jointly setup Logistic Park of 1.2 lac sq ft at Bongalur.

### OFFICE

IT/ITES and Co-working absorbed major share of office space in the city.

**Key transaction:** Tablespace leased space at Gachibowli.

### RETAIL

Newly operational malls along with highstreets witnessed healthy leasing by Fashion.

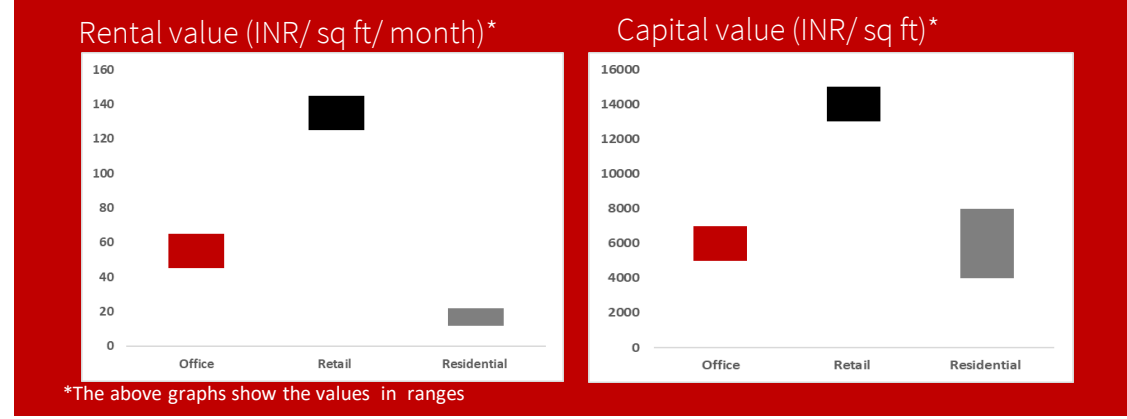
**Key transaction:** Max leased space at Kompally.

### RESIDENTIAL

Launches and sales remained moderate.

**Key launch:** Namitha 360 Life at Izzatnagar.

### No new major transactions



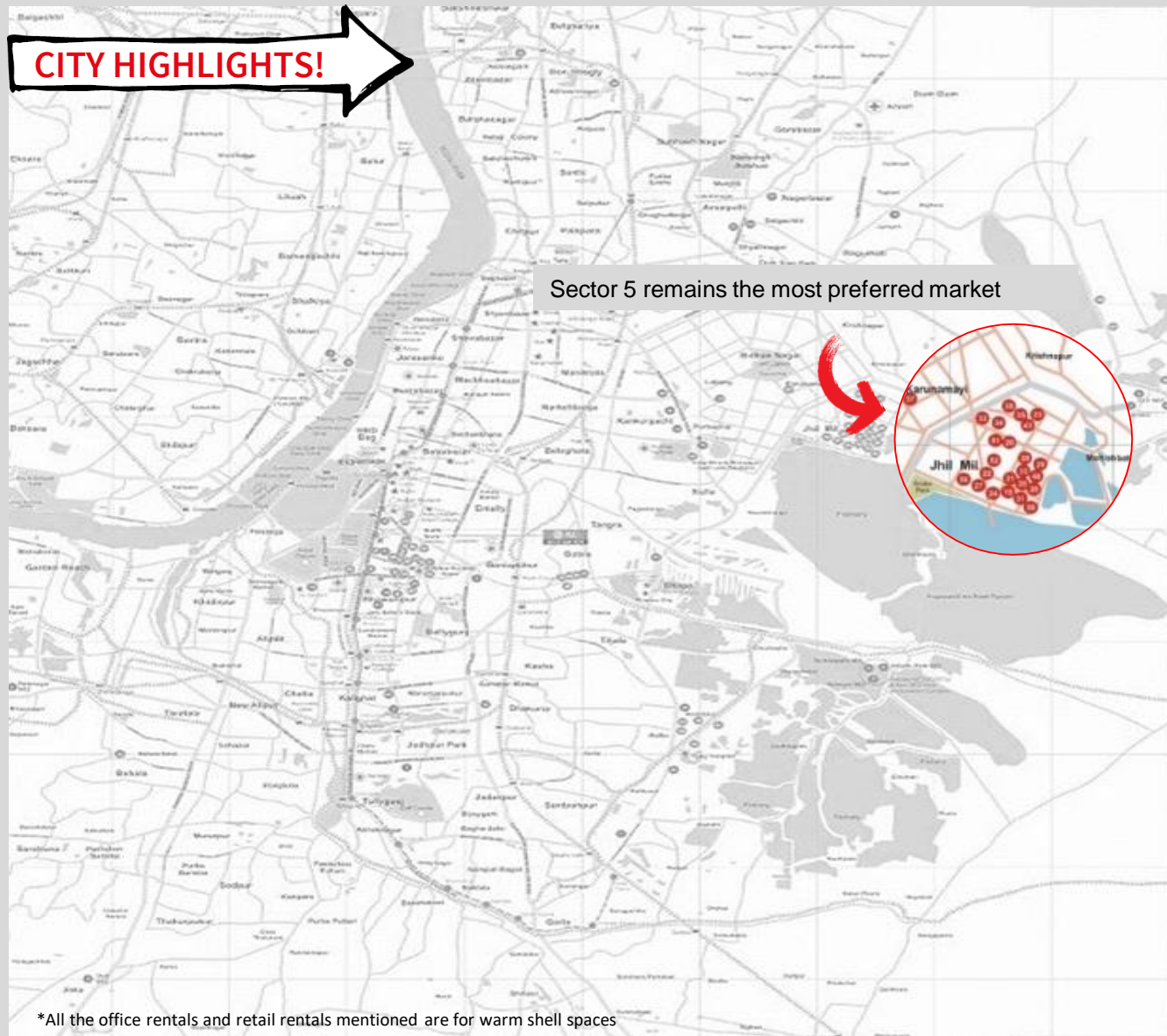
### Infrastructure/ policy update

Corridor II (Green Line) of Hyderabad Metro from JBS to MGBS is likely to be operational from December. Opening of this new route will improve connectivity in central parts of the city.

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



### CITY HIGHLIGHTS!



**OFFICE**

Office leasing mostly focused in Salt Lake and Rajarhat.

**Key transaction:** Accenture leased space in Newtown Rajarhat.

**RETAIL**

Leasing slowed down over the month.

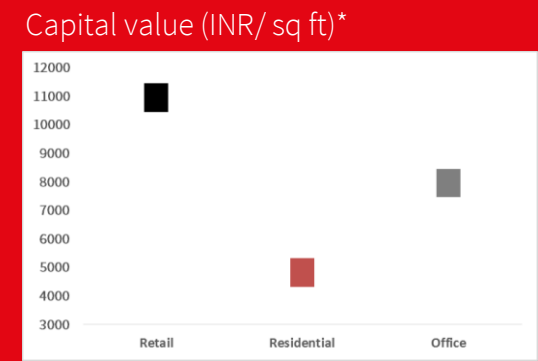
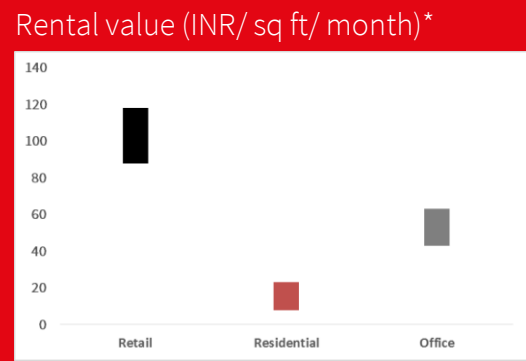
**Key transactions:** No prominent transaction.

**RESIDENTIAL**

Launches improved in the city.

**Key launch:** No prominent launches.

**₹** No new major transactions.



\*The above graphs show the values in ranges

**Infrastructure/ policy update**

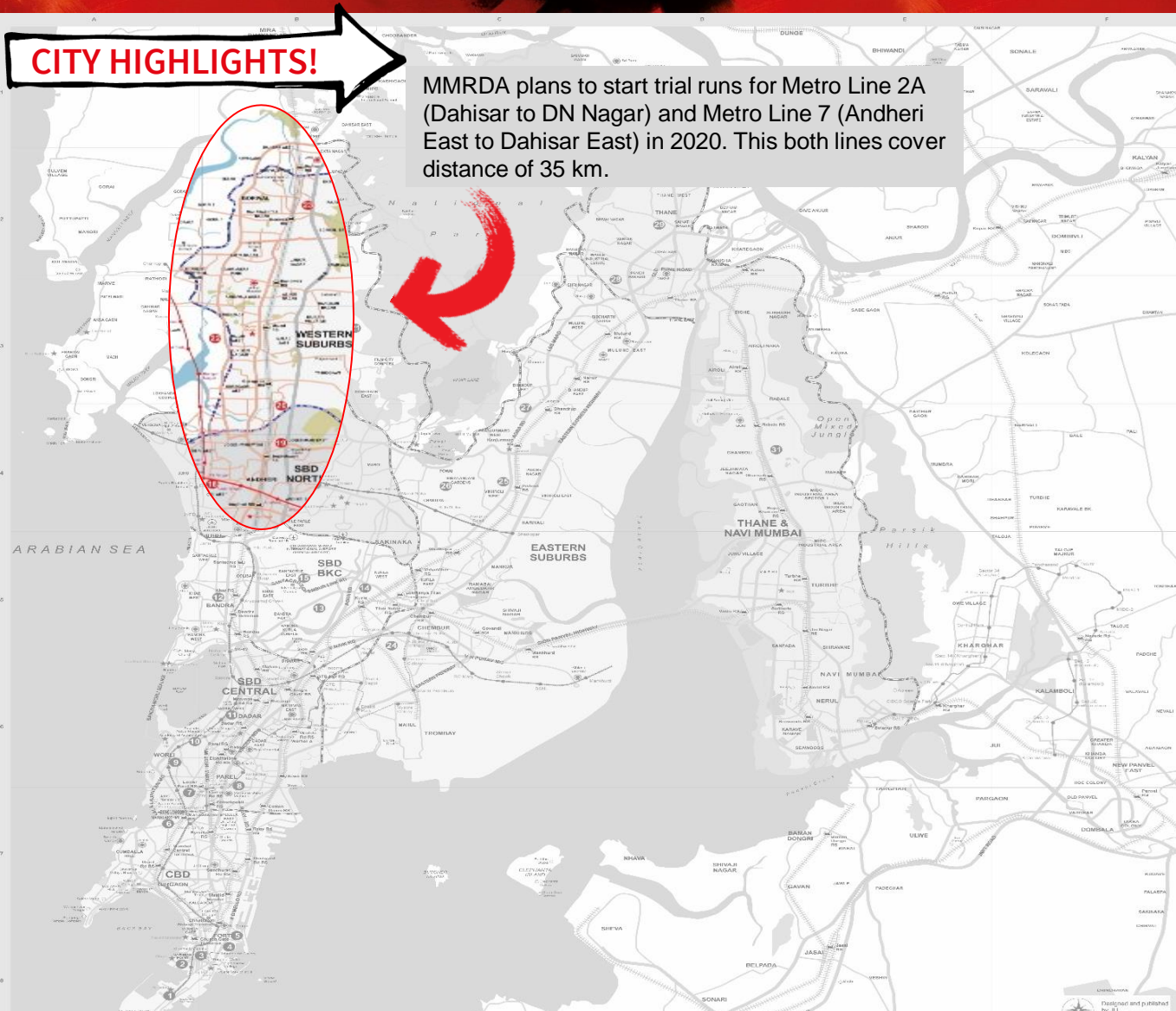
No Policy or Infrastructure update

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



### CITY HIGHLIGHTS!

MMRDA plans to start trial runs for Metro Line 2A (Dahisar to DN Nagar) and Metro Line 7 (Andheri East to Dahisar East) in 2020. This both lines cover distance of 35 km.



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

### OFFICE

Moderate leasing witnessed in the month.

**Key transaction:** Crompton Greaves leased space in SBD BKC.

### RETAIL

Leasing witnessed in select malls and high streets.

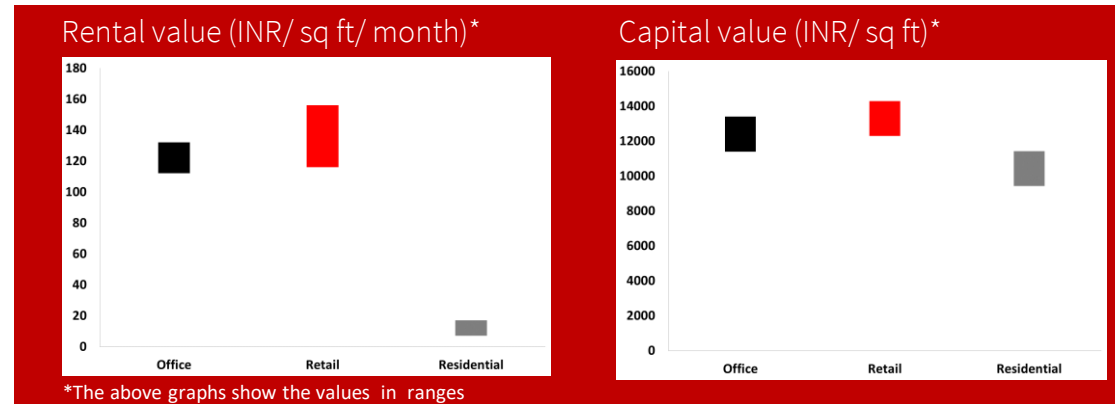
**Key transaction:** Social leased space in Suburbs.

### RESIDENTIAL

New launches increased during festive season.

**Key launch:** Lodha Quality Homes project launched in Majiwada, Thane.

Virtuous Retail, the retail arm of private equity firm Xander is set to buy 20 acres of land in Thane for INR 700 cr from Raymond Ltd.

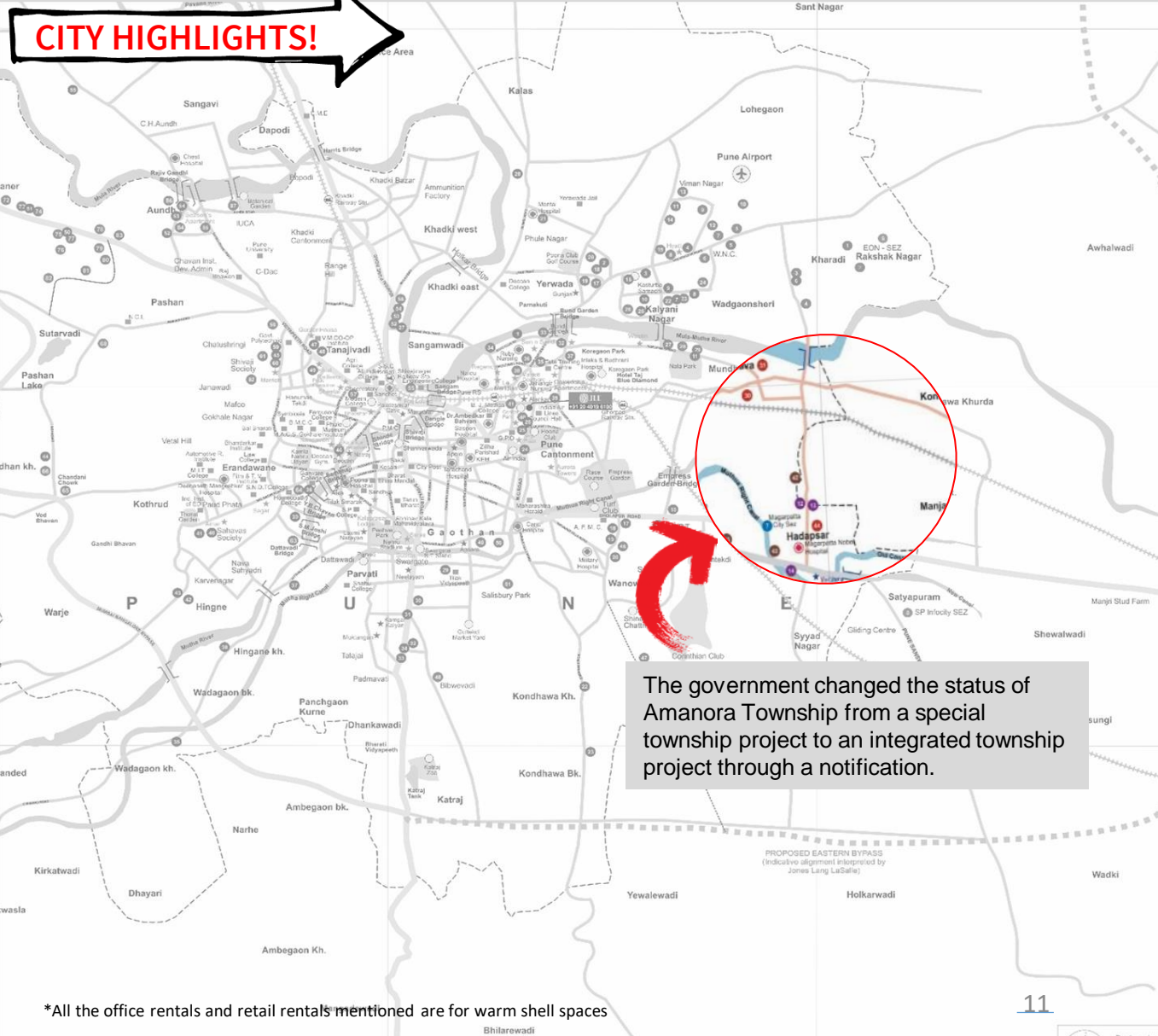


### Infrastructure/ policy update

Mumbai Railway Vikas Corporation (MRVC) finalizes plan for Chikholi station between Ambarnath and Badlapur. The MRVC also finalised plan for two additional 14 km lines between Kalyan and Badlapur to segregate sub-urban and long distance rail services.



### CITY HIGHLIGHTS!



### OFFICE

The office space demand was on a rise.

#### Key Transaction:

VM Ware leased space at Balewadi.



### RETAIL

Overall demand for the retail space was on a rise.

#### Key Transaction:

Beccos leased space at Nagar Road.



### RESIDENTIAL

New launches rose marginally, demand for residential units rose.

#### Key Launch:

VTP Blue Waters in Mahalunge.



No new major transactions.

Rental Value(INR/ sq ft/ month)\*



Capital Value(INR/ sq ft)\*



\*The above graphs show the values in ranges

### Infrastructure/ Policy update

PCMC Chinchwad has denied permissions for fresh construction until the water shortage crisis is resolved. The city corporation has permission to lift 440 mn litres of water per day for its 22 lac residents from the downstream of Pawana river - a per capita outlay of 200 litres, much higher than the corporation's daily target of 135 litres per person.

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



*Pulse*  
Monthly Real Estate Monitor



## 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](http://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](http://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](mailto:samantak.das@ap.jll.com)



**Dr. Subash Bhola**  
Director – REIS Operations  
+91 22 7149 5875 / +91 97693 78766  
[subash.bhola@ap.jll.com](mailto:subash.bhola@ap.jll.com)