Pulse
Monthly Real Estate Monitor

NOVEMBER 2019

Get city Pulse by clicking on the map

OFFICE INDEX

Office space leasing increased in all cities, with IT/ITeS sector contributing to a large share followed by co-working operators.

RETAIL INDEX

Most of the leasing recorded in the high streets followed by increased activity in malls.

RESIDENTIAL INDEX

The residential launches remained moderate in most cities.

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

Understanding India's Data Centre Industry

The information technology sector has been a huge opportunity in India for years. Currently the country's 578 mn mobile phone (wireless) data users is the world's second largest digital population group that has been growing annually at 20% since 2014. This has led to an unprecedented growth of data generation and consumption, creating the need for data centres to store and maintain this huge resource.

We're seeing an increasing interest for data centre facilities from enterprises and investors, both domestic and international. While a significant share of this demand and opportunity is coming from investors, greenfield acquisitions for co-location and hyper-scale players, and rack migration for corporates offer tremendous business potential.

Lower real estate cost and skilled manpower, improving quality of power supply and adequate linkages globally with cable landing stations are some of the key factors driving multi-national players to the country. This industry is set to register a threefold growth in revenue to US$ 3.2 bn by 2024 and is likely to propel the development of additional real estate space of 7.8 mn sq for setting up data centre facilities.

In December 2019, JLL released a report titled India's Data Centre Industry- Poised at the tipping point to examine the prospects of this new investment avenue in the country. Here are a few highlights:
The sector registered a CAGR of 22% in revenue during 2013-14 to 2018-19.
The Indian data centre sector is expected to see 431 MW (IT power load) capacity additions during 2020-24 which would require an investment of USD 4.1 billion over the next five years.

For details, download the complete report here.

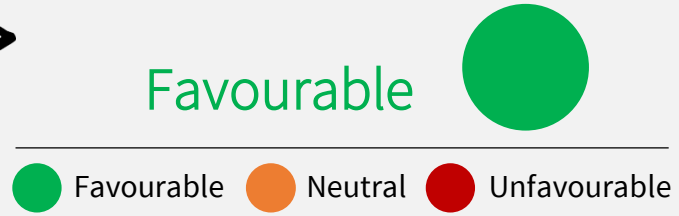
Happy reading!

Ramesh Nair
CEO & Country Head, India, JLL

REALESTONOMICS

Bengaluru based Janaadhar India Pvt. Ltd. has partnered with UK-based affordable housing impact investor, Reall, to build budget housing projects in the country. Janaadhar aims to fill the shortage of 10 mn units in the affordable housing sector.

MARKET SENTIMENT



WHAT'S NEW

Realty developer K Raheja Corp and US private equity firm Blackstone Group have finalised a plan to raise about USD 500 mn (more than INR 3,500 cr) by listing their jointly owned income-producing commercial portfolio as a real estate investment trust (REIT).

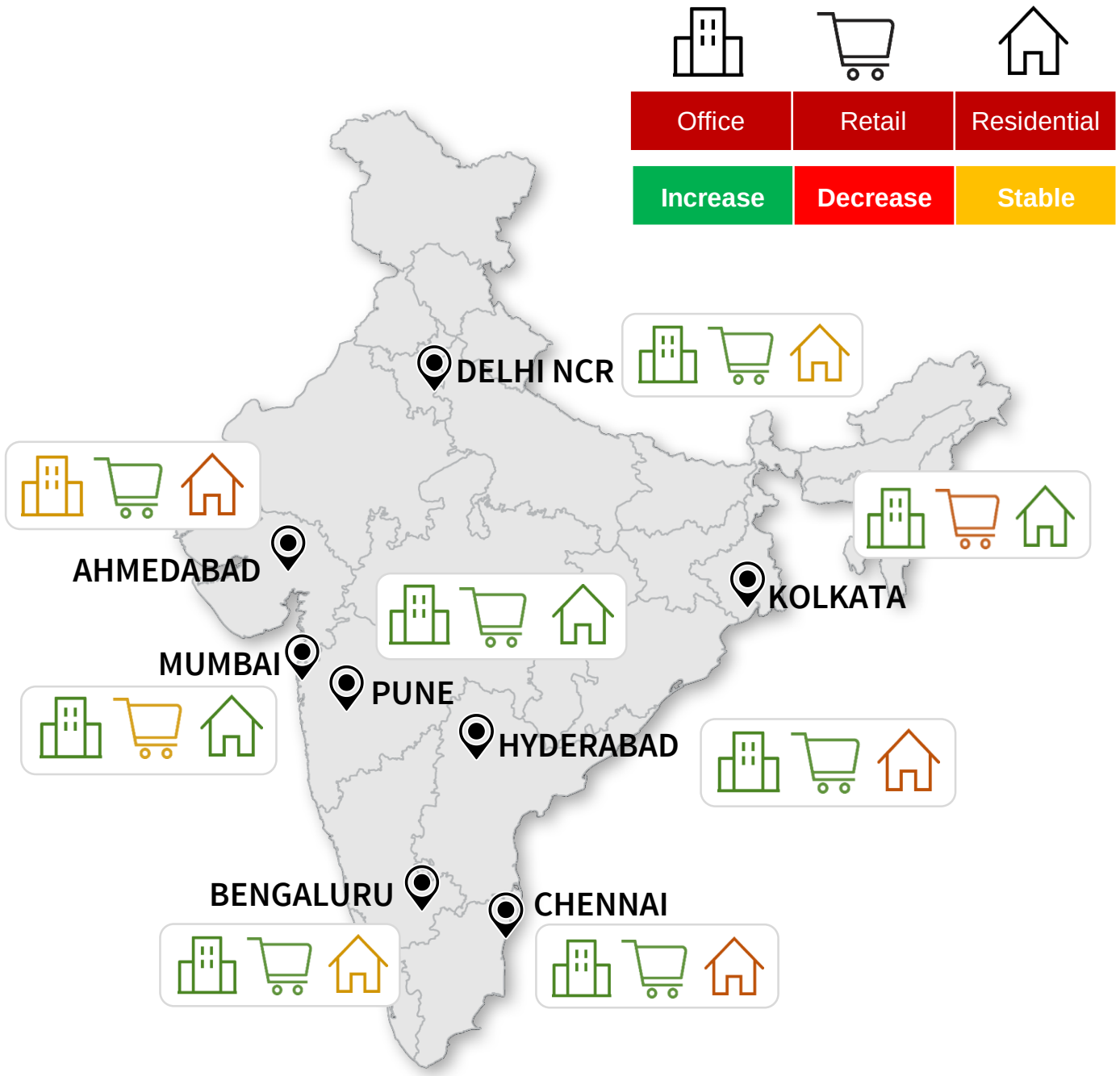
POLICY UPDATE

The Reserve Bank of India is likely to consider proposals from Finance ministry and Prime Minister's Office to let the banks take the decisions of not classifying the stressed assets with NBFCs as default or special mention accounts (SMA) and go for one time recast of selective real estate companies' loans.

WEATHER MAP

CITIES	OFFICE RENT	RETAIL RENT	RESIDENTIAL CAPITAL VALUE
AHMEDABAD			
DELHI NCR			
MUMBAI			
PUNE			
BENGALURU			
CHENNAI			
HYDERABAD			
KOLKATA			

LEGEND			
GROWING	STABLE	STAGNANT	FALLING

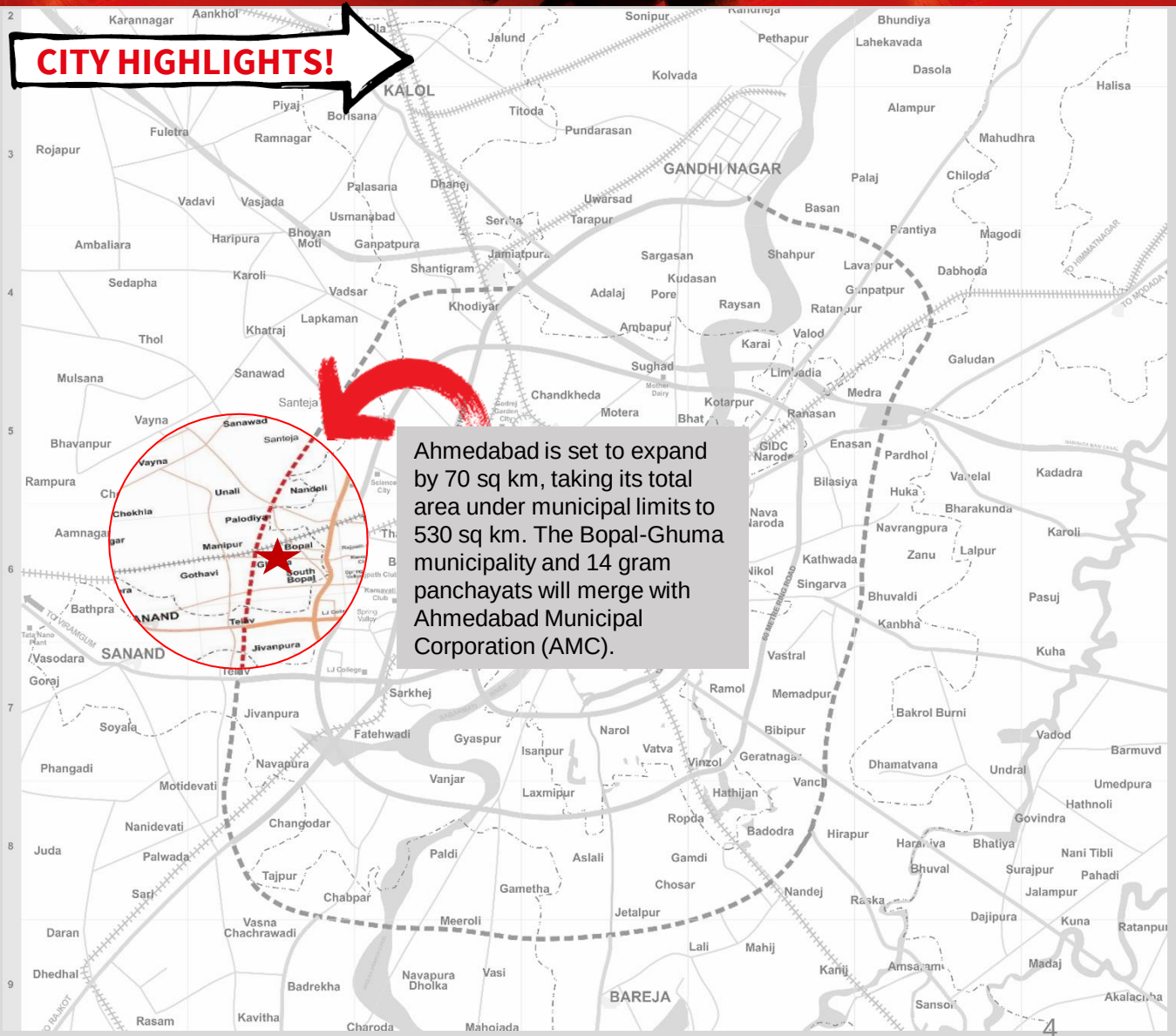


*All the office rentals and retail rentals mentioned are for warm shell spaces

JLL Pulse Monthly Real Estate Monitor

AHMEDABAD
NOVEMBER 2019

CITY HIGHLIGHTS!



Ahmedabad is set to expand by 70 sq km, taking its total area under municipal limits to 530 sq km. The Bopal-Ghuma municipality and 14 gram panchayats will merge with Ahmedabad Municipal Corporation (AMC).

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

OFFICE

Office space witnessed moderate demand.

Key transaction: Bank of America leased office space at GIFT city.

RETAIL

High-streets continued to see strong demand.

Key transaction: Mukta leased space at Bopal.

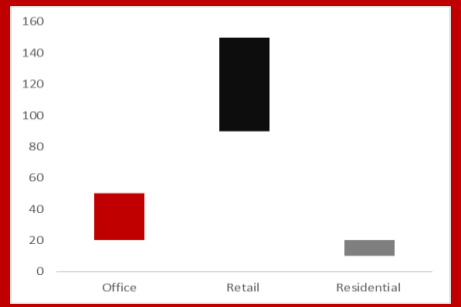
RESIDENTIAL

New launches remained low due to weak market conditions.

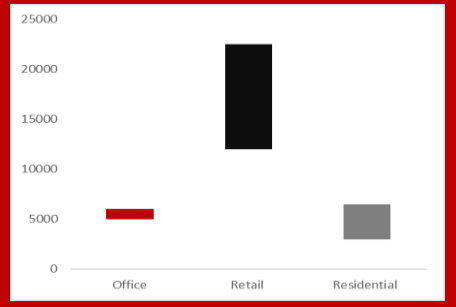
Key launch: No major launches witnessed.

The Ahmedabad Municipal Corporation(AMC) engaged JLL to sell 500 acres of prime land that has been reclaimed on the Sabarmati riverfront. The AMC expects to earn INR 3,500 cr from the sale of the reclaimed land.

Rental value (sq ft/month)*



Capital Value (INR/sq ft)*



*The above graphs show the values in ranges

Infrastructure/ policy update

- Government approved a proposal of UK-headquartered Foresight group and city's Padmanabh Group to construct a new port adjacent to Bhavnagar port with an investment of INR 1900 cr
- Bonafide industry status was granted to logistics, information technology (IT) and IT-enabled Services (ITeS) and mining sectors.

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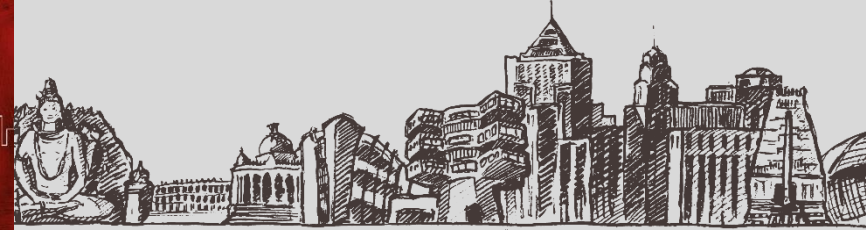
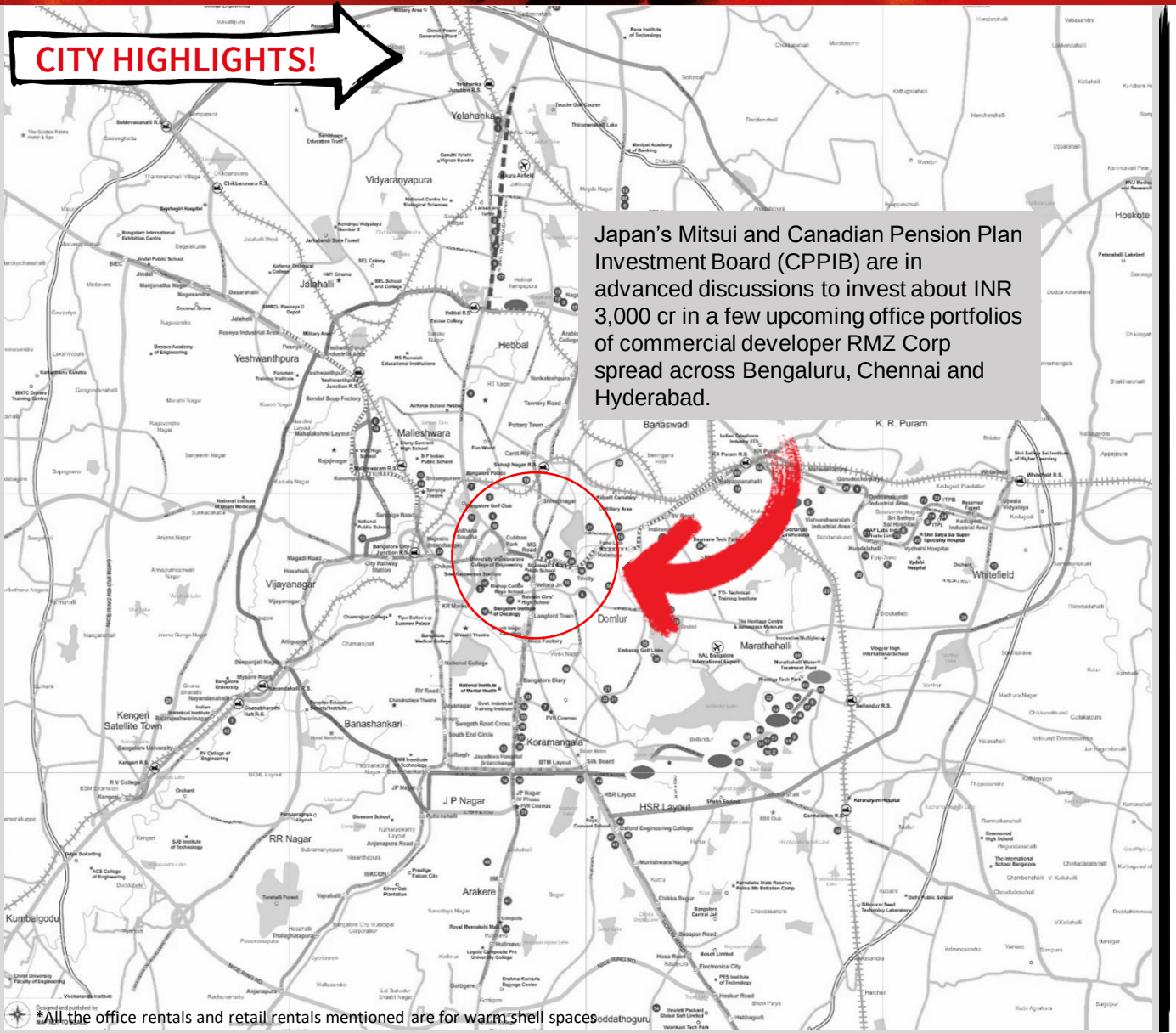
BENGALURU
NOVEMBER 2019



CITY HIGHLIGHTS!



Japan's Mitsui and Canadian Pension Plan Investment Board (CPPIB) are in advanced discussions to invest about INR 3,000 cr in a few upcoming office portfolios of commercial developer RMZ Corp spread across Bengaluru, Chennai and Hyderabad.

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

OFFICE

Leasing remained strong in Outer Ring Road driven by the IT & ITeS sector. Fintech and BFSI are also expanding.

Key transaction: Fidelity National Financial at Brigade Tech Gardens.

RETAIL

Prime submarket and Indiranagar in secondary market witnessed good leasing.

Key transaction: Chumbak at 100ft Indiranagar and Vittal Mallya Road.

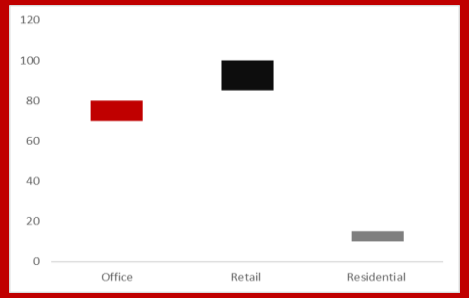
RESIDENTIAL

New Launches were slow and sales remained stable.

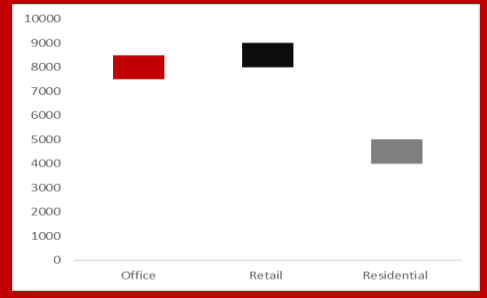
Key launch: Century Horizon was launched at Jakkur.

The Asian Infrastructure Investment Bank (AIIB) plans to invest USD 350 mn for Metro project phase 2 in Bengaluru.

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) along with Bengaluru Traffic Police has announced a 17 km dedicated bus lane from KR Puram to Silk board which is operational and expected to reduce the traffic congestion along the corridor.

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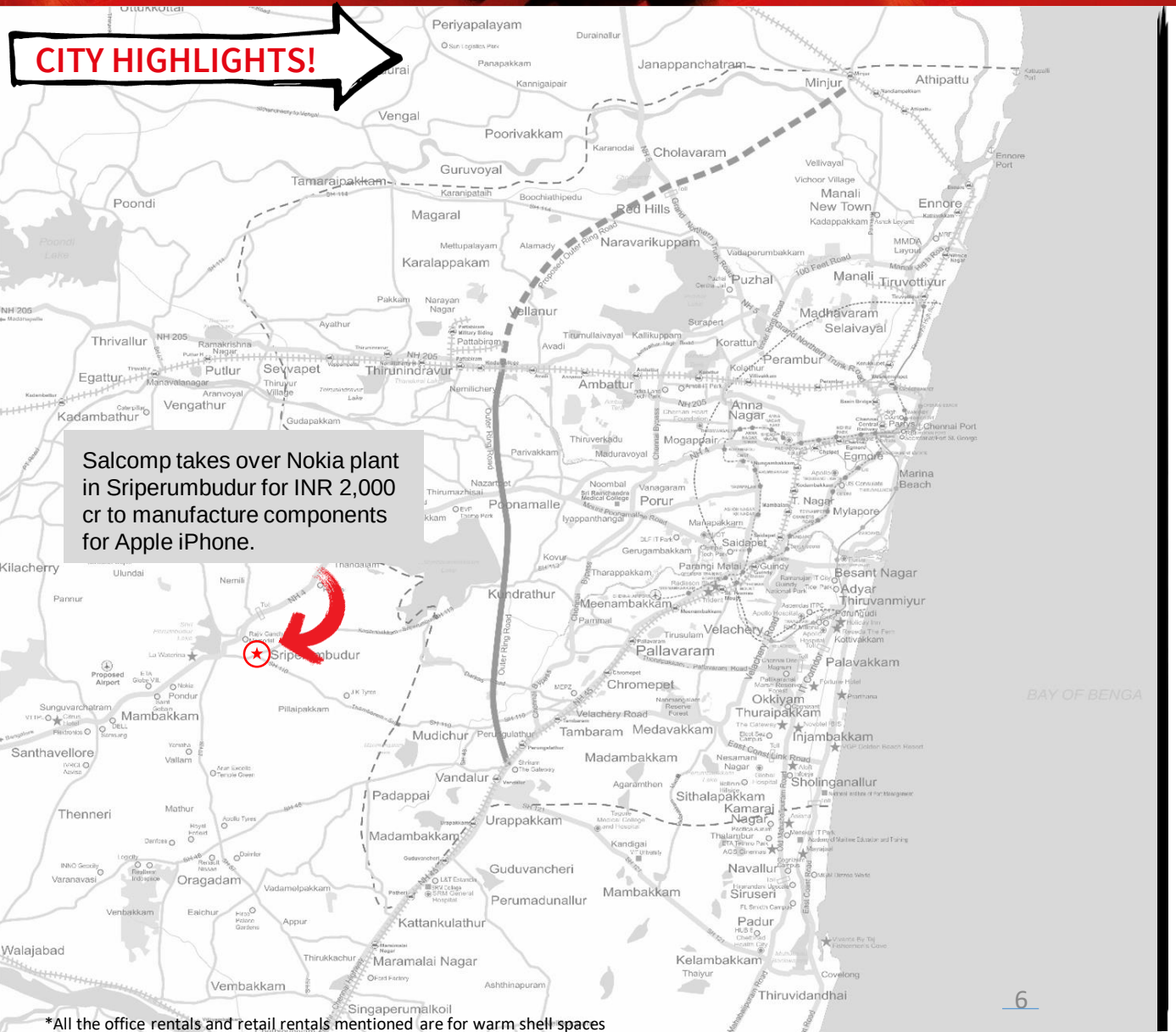
CHENNAI
NOVEMBER 2019

CITY HIGHLIGHTS!



Salcomp takes over Nokia plant in Sriperumbudur for INR 2,000 cr to manufacture components for Apple iPhone.

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

OFFICE

IT/ITES dominated office leasing followed by healthcare, coworking & manufacturing sector.

Key transaction:
Toyota Connect in SBD.

RETAIL

Quality Malls witnessed good demand.

Key transaction: Under Armour in Express Avenue Mall in Egmore.

RESIDENTIAL

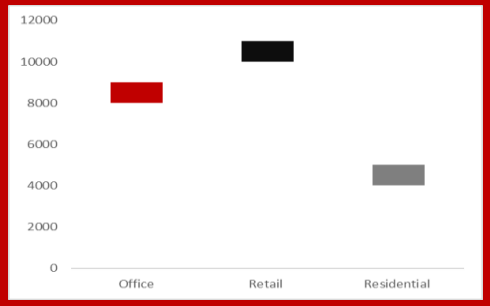
New launches and sales slowed down.

Key launches: Ruby Royal Tower was launched in Tambaram in Southern suburb.

₹ Asian Infrastructure Investment Bank is planning to invest USD 800 bn in Chennai Metro rail project and Ring Road project.

Rental value (INR/sq ft/month)*

Capital value (INR/sq ft)*



*The above graphs show the values in ranges

Infrastructure/ policy update — Phase 1 of Chennai airport expansion is expected to be completed by 2020.

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DELHI
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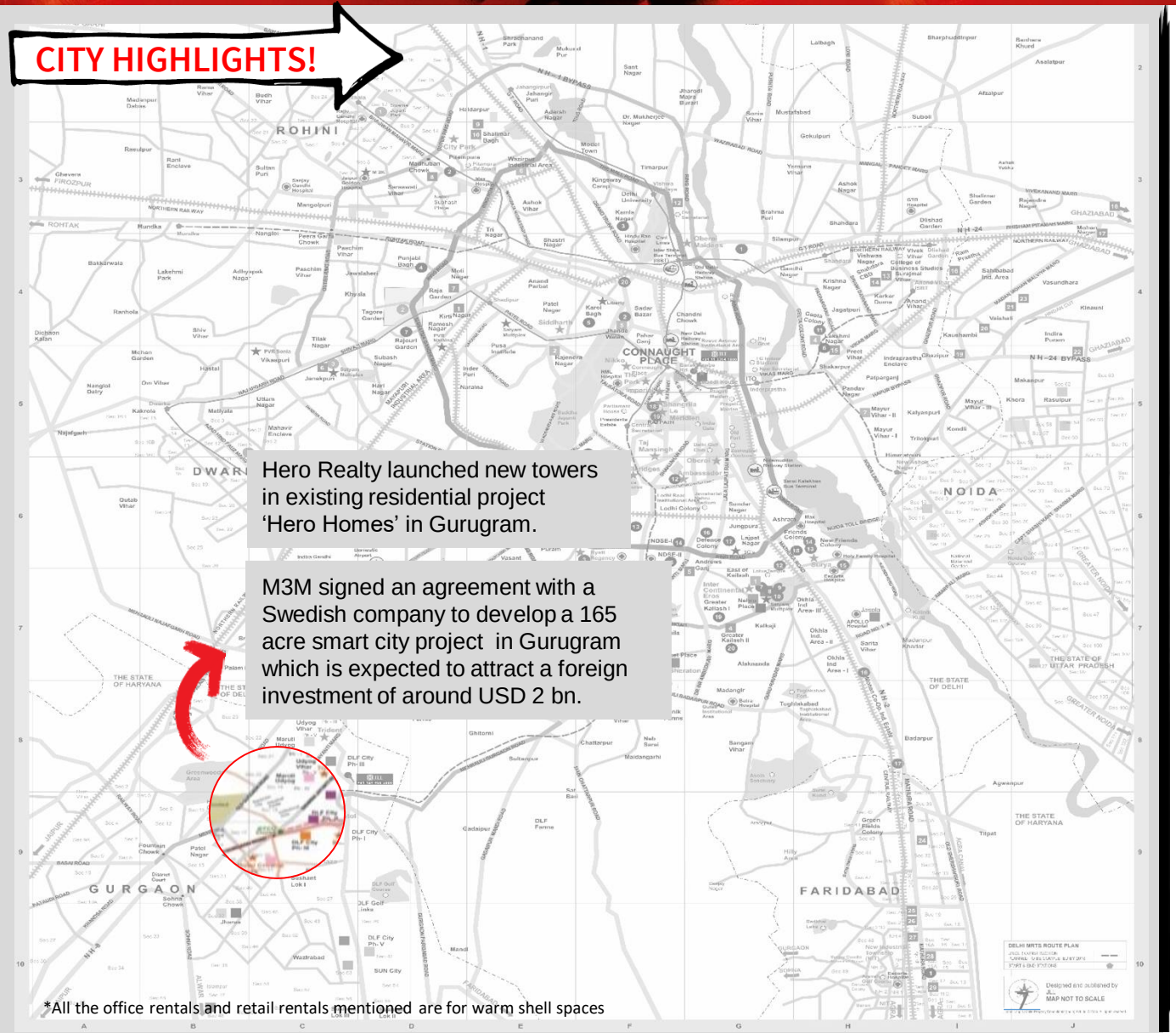
CITY HIGHLIGHTS!



Hero Realty launched new towers in existing residential project 'Hero Homes' in Gurugram.

M3M signed an agreement with a Swedish company to develop a 165 acre smart city project in Gurugram which is expected to attract a foreign investment of around USD 2 bn.

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

OFFICE

Co-working operators continued to expand.

Key transactions: GoWork at Logix TechnoPark in Noida; Morneau Global in Gurgaon.

RETAIL

Two prominent mall developments got operational at Dwarka.
Key transactions: ECCO at Ambience Mall in Gurgaon, Lifestyle at Pacific D21 mall in Dwarka.

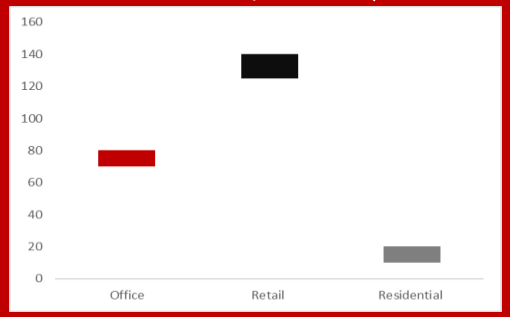
RESIDENTIAL

Demand remained subdued.

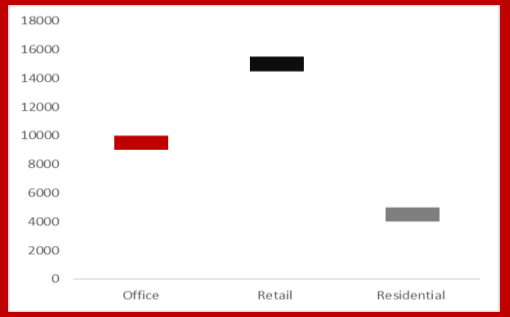
Key launch: Hero Homes launched new towers in existing residential project' Hero Homes' in Gurgaon.

₹ Co-working platform myHQ raised USD 1.5 mn in its pre-series A round from investors including India Quotient to fund expansion plans.

Rental Value(INR/sq ft/ month)*



Capital Value(INR/sq ft)*



*The above graphs show the values in ranges

Infrastructure / Policy update

Switzerland's Zurich Airport International AG won the contract to build the proposed Noida International Greenfield Airport in Jewar. It has also received the approval from UP's Project Monitoring and Implementation Committee. The Jewar International Airport is expected to become operational by late 2023 or early 2024.

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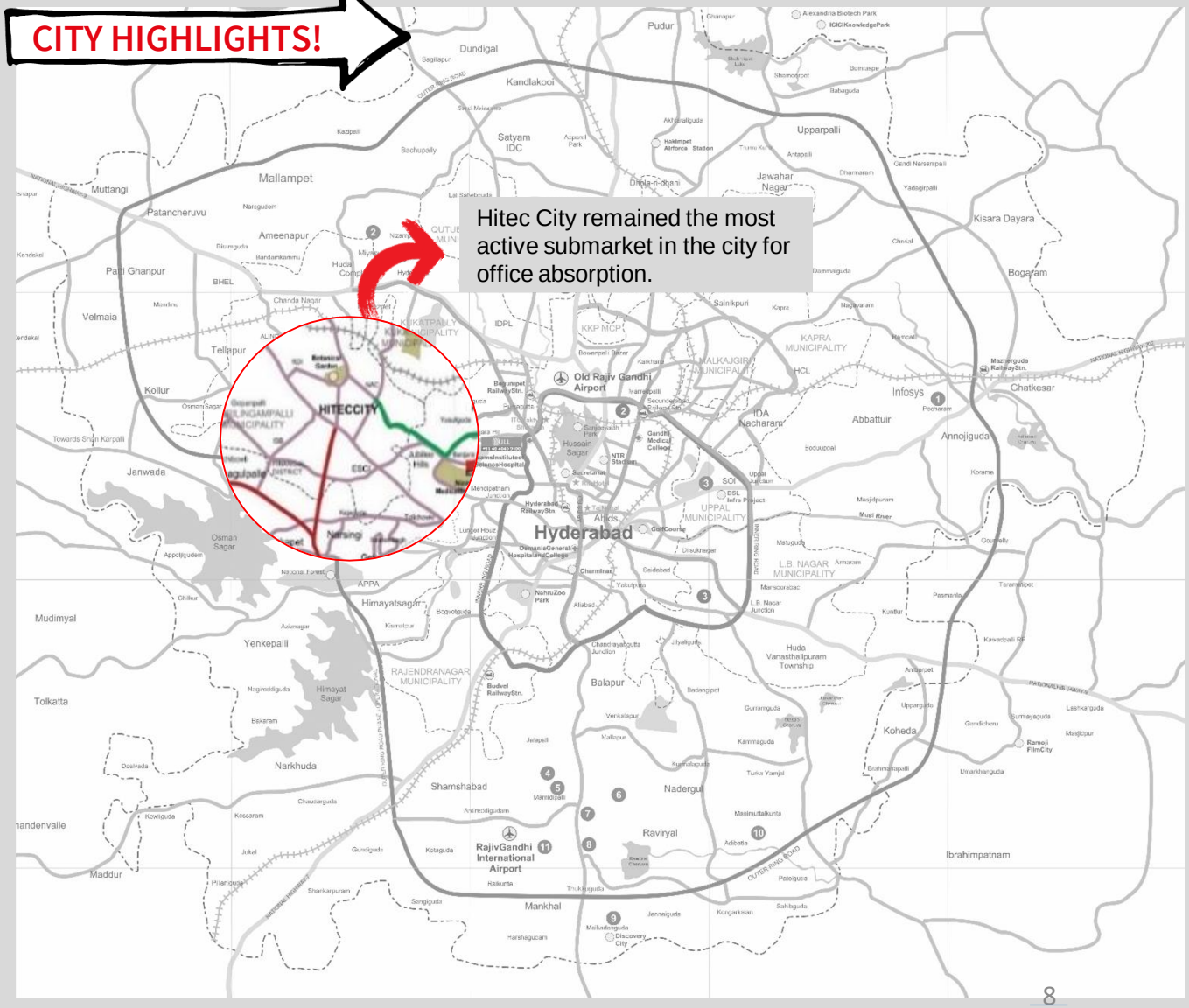
HYDERABAD
NOVEMBER 2019

CITY HIGHLIGHTS!



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OFFICE

IT/ITES generated major demand for office space in western part of the city.

Key transaction: Schneider leased space at Hitec City.

RETAIL

Highstreets contributed to a major share of leasing.

Key transaction: Homelane leased space at Banjara hills.

RESIDENTIAL

While launches have decreased, sales remained moderate.

Key launch: Vivanta Central Court at Mokila.

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

HMRL flags off last station of blue line at Mindspace junction. This station is expected to cater majority of IT employees of Hitec City and likely to add 40,000 – 50,000 passengers per day.

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KOLKATA
NOVEMBER 2019

CITY HIGHLIGHTS!

New Town, Rajarhat witnessed good residential launches.

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OFFICE

Office leasing mostly focused in Salt lake.

Key transaction: AWFIS leased space in Salt lake.

RETAIL

Leasing slows down over the month.

Key transactions: No prominent transaction.

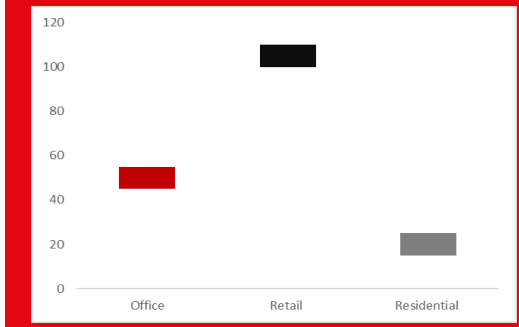
RESIDENTIAL

Launches improved in the city.

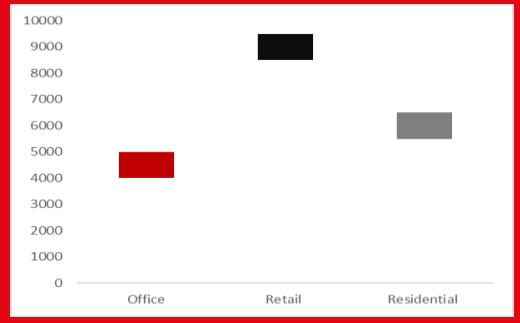
Key launch: Sidda Galaxia 2 and Sidda Happy Villa launched in Rajarhat.

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

No Policy or Infrastructure update

JLL Pulse
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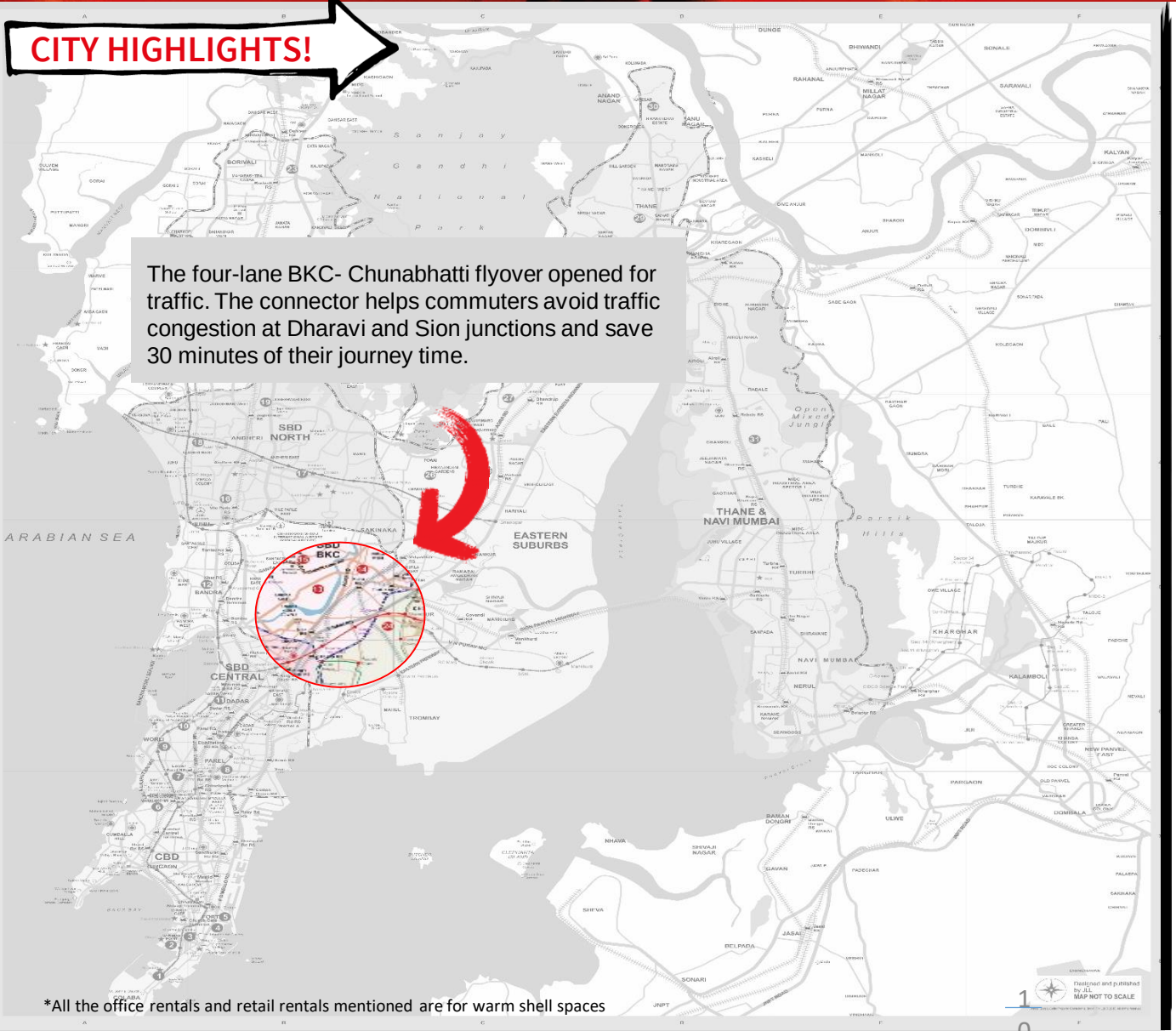
MUMBAI
NOVEMBER 2019

CITY HIGHLIGHTS!



The four-lane BKC- Chunabhatti flyover opened for traffic. The connector helps commuters avoid traffic congestion at Dharavi and Sion junctions and save 30 minutes of their journey time.

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

OFFICE

Healthy leasing.

Key transaction: Power Weave Software leased space in SBD North.

RETAIL

Moderate leasing.

Key transaction: Starbucks leased space in Suburbs.

RESIDENTIAL

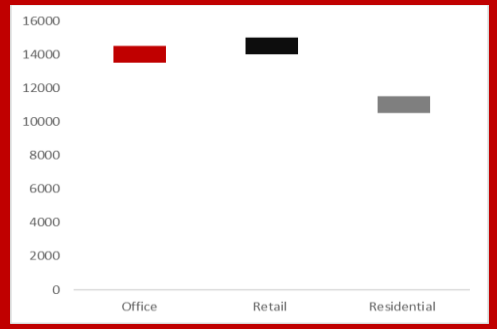
Higher traction witnessed in sales of affordable and mid category homes.

Key launch: L&T Rejuve 360 launched in Mulund.

₹ Blackstone invested INR 1750 cr in Future Lifestyle Fashion.

Rental value (INR/sq ft/month)*

Capital value (INR/sq ft)*

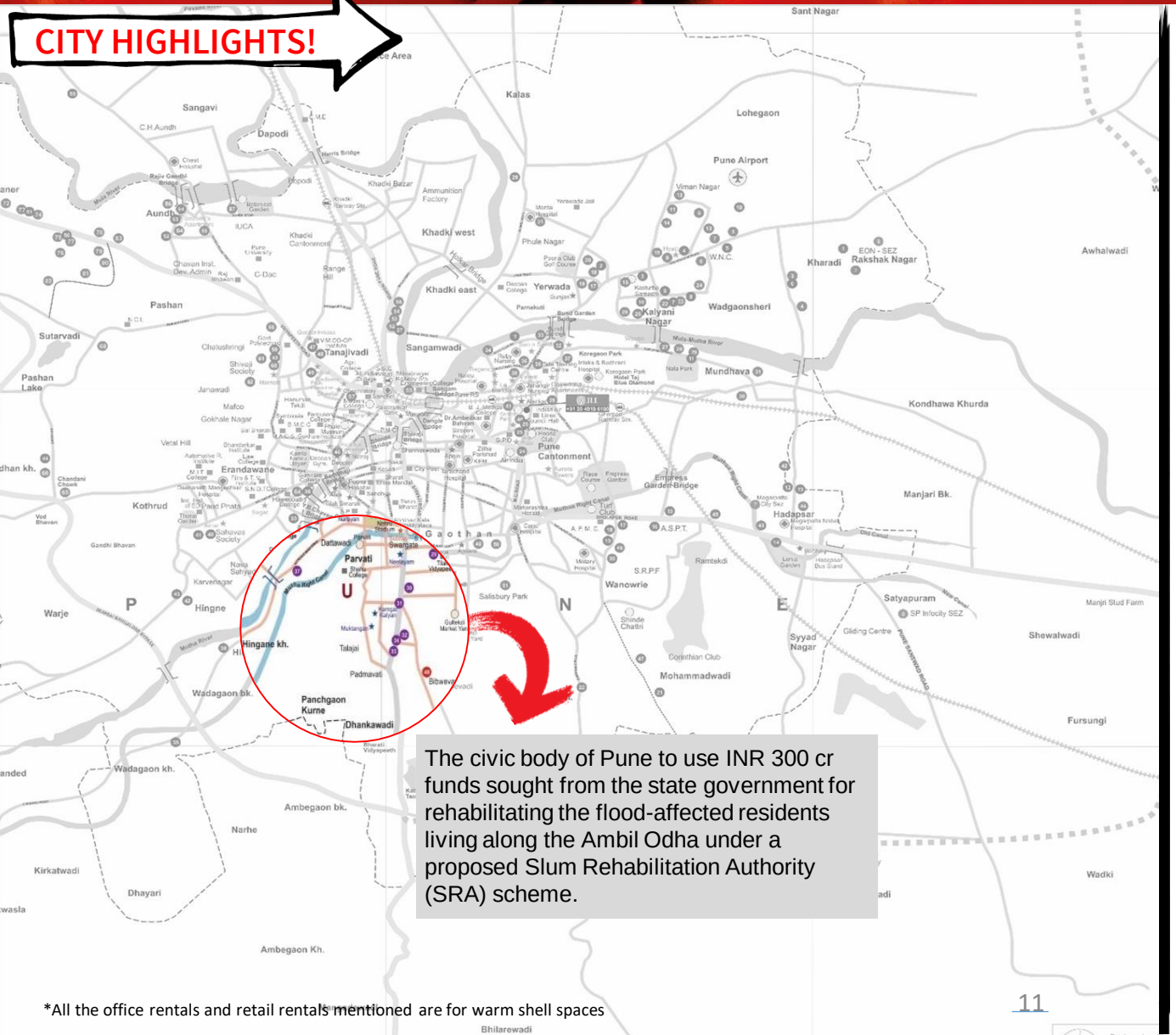


*The above graphs show the values in ranges

Infrastructure / policy update

The Asian Infrastructure Investment Bank will lend USD 500 mn to extend the existing Virar – Dahanu Road Corridor of 68 km and to construct the 28 km new railway corridor between Panvel and Karjat.

CITY HIGHLIGHTS!



The civic body of Pune to use INR 300 cr funds sought from the state government for rehabilitating the flood-affected residents living along the Ambil Odha under a proposed Slum Rehabilitation Authority (SRA) scheme.

OFFICE

The office space demand was on a rise.

Key Transaction: UPS leased space at Kharadi.

RETAIL

Overall demand for the retail space was on a rise.

Key Transaction: Marks and Spencer London leased space at Elpro Campus Mall.

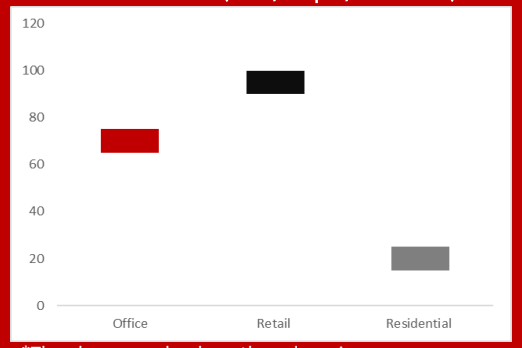
RESIDENTIAL

New launches increased marginally. The demand for residential units rose.

Key Launch: Mahalaxmi Zen Estate launched in Kharadi.

Smartworks, India's leading agile workspace provider for large enterprises has leased 500,000 sq ft space in an upcoming project Amar Pristine Eighty-Three (AP83) in Koregaon Park with Amar Builders, and Pristine Properties

Rental Value(INR/sq ft/month)*



Capital Value(INR/sq ft)*

*The above graphs show the values in ranges

Infrastructure / Policy update

The Pune Cantonment Board (PCB) has hiked the property tax of residential and commercial properties by around 5% and 10% respectively.

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

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

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