



# Pulse

Monthly Real Estate Monitor

## OCTOBER 2020

Get city Pulse by clicking on the map

### OFFICE INDEX



Office market witnessed signs of recovery as cities recorded good demand.

### RETAIL INDEX



Mall leasing remained sluggish.

### RESIDENTIAL INDEX



Residential launches improved in most cities.



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

## Indian office and residential market update: Q3 2020



India's office market has seen increased activity in Q3 2020 according to our [Q3 Office Report](#) on the segment. As the economy gradually opened, occupiers reassessed their real estate portfolios and commitments. Net absorption increased by 63%, while new completions grew by 59% when compared to the preceding quarter. Increased office space consolidation and optimisation strategies of corporate occupiers resulted in subdued net absorption levels, which could not keep pace with new completions. This resulted in overall vacancy increasing from 13.1% in Q2 2020 to 13.5% in Q3 2020. Landlords are taking into account the current situation and have become more accommodating to the demands of occupiers. Strong market fundamentals, sustained IT sector growth and the increasing presence of institutional investors will continue to drive the office market in the times to come.

The residential market is showing initial signs of revival as per our [Q3 Residential Report](#). Residential sales increased by 34% in Q3 2020 as compared to Q2 2020. Sales of residential units in Q3 2020 improved in all the residential markets, except for Bengaluru and Kolkata. As sales outpaced new launches, unsold inventory at various stages of construction across the seven markets under consideration decreased marginally from 4,59,378 units to 457,427 units. An assessment of years to sell reveals that the expected time to liquidate this stock has increased from 3.6 years in Q2 2020 to 4 years in Q3 2020 because of a slowdown in average sales velocity. In the backdrop of structural issues like job security and fall in income levels, the uptick in sales is a significant achievement. It directs towards a better than expected recovery in 2021.

Opening up of the economy and government aid packages will support faster recovery of the realty market amidst the pandemic.

Take care and stay safe.

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### REALESTONOMICS






Global Investment firm Blackstone is set to acquire few commercial, retail and hotel assets of realty firm Prestige Estate Projects for INR 120 bn.

### MARKET SENTIMENT



Neutral



 Favourable  Neutral  Unfavourable

### WHAT'S NEW



Bengaluru based Embassy Group has forayed into the senior living space along with American firm Columbia Pacific Group, and will invest INR 10 bn into projects that are expected to come up in Bengaluru, Chennai and Mumbai, among others, over the next three to five years.

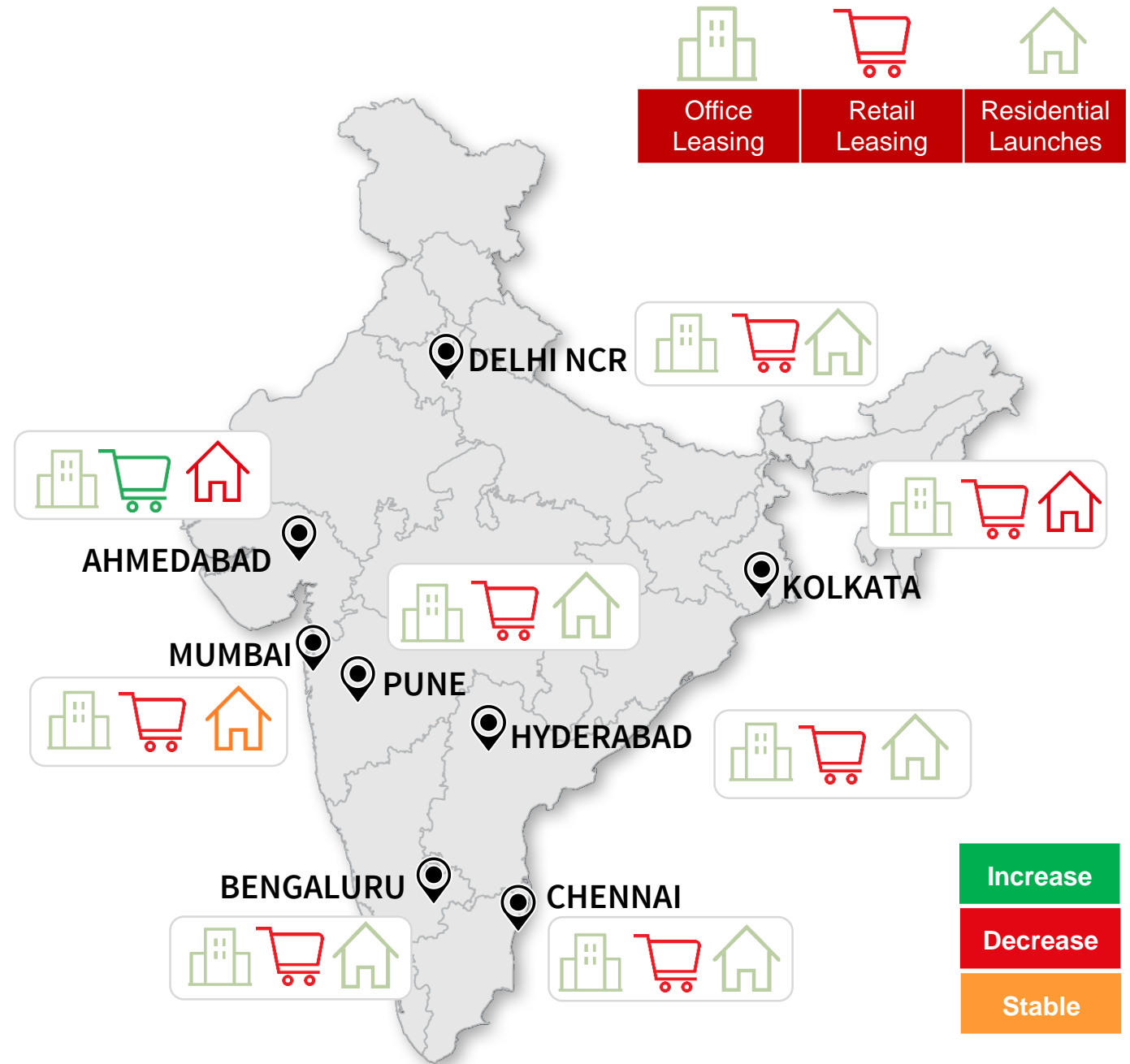
### POLICY UPDATE



The Government of India is reviewing its FDI policy in the real estate sector to see if 100% overseas investments can be allowed in completed projects. This policy change will allow real estate companies to monetise completed strata assets amid the ongoing liquidity crisis aggravated by the COVID-19 pandemic, thus helping to revive the real estate 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

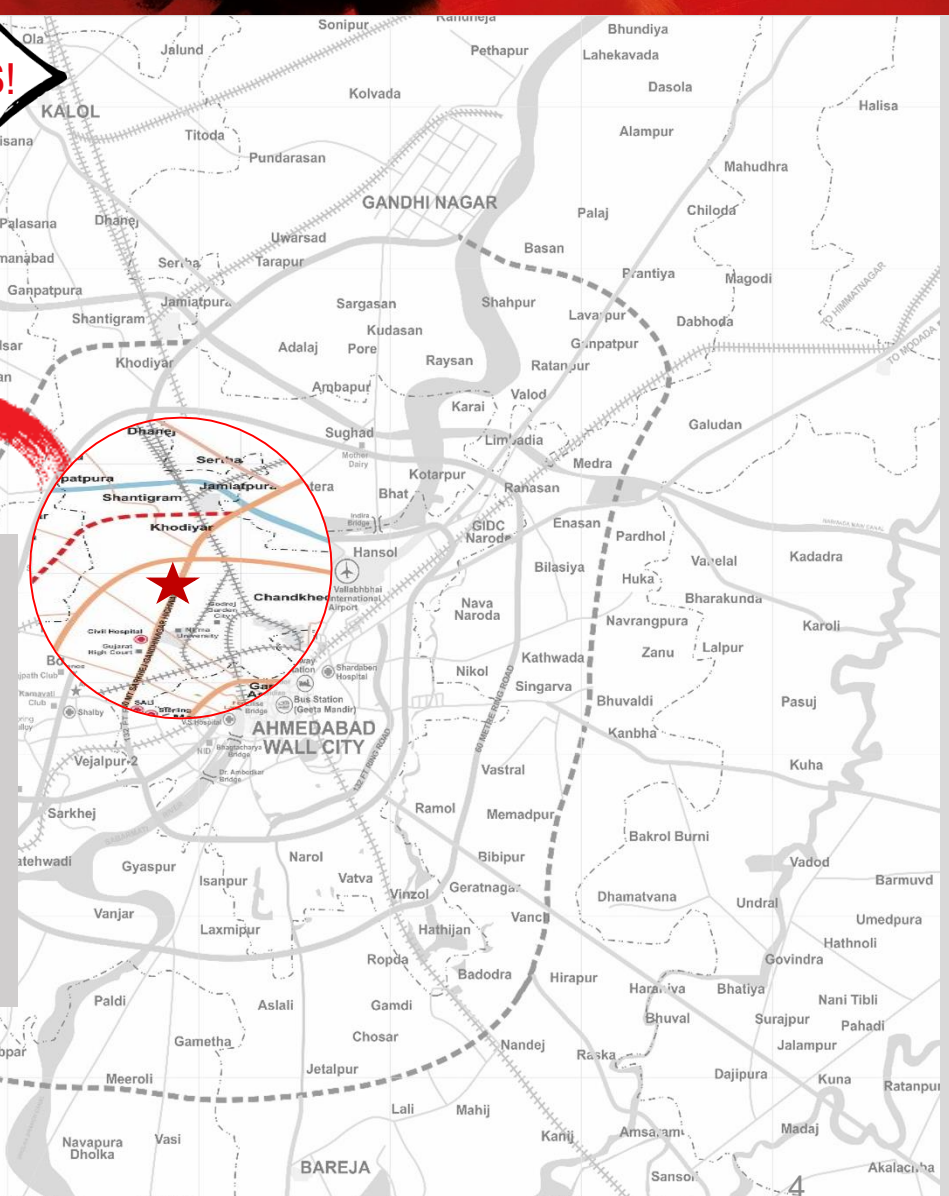


\*All the office rentals and retail rentals mentioned are for warm shell spaces



### CITY HIGHLIGHTS!

- The National High-Speed Rail Corporation (NHSRCL) invited bids for preparatory works for the construction of Sabarmati Maintenance Depot for bullet trains.
- L&T has offered to execute the 237-km stretch of the bullet train corridor at INR 24,985 Cr, emerging as the lowest bidder for India's largest infrastructure project.



### OFFICE

Sector witnessed increased demand.  
**Key transaction:** Krishaweb Technologies leased space at Elisbridge.



### RETAIL

Malls and high-streets witnessed increased traction.  
**Key transaction:** USPA leased space in Bopal.



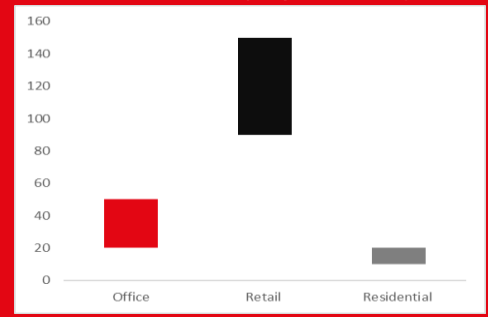
### RESIDENTIAL

New launches remained negligible due to weak market conditions.  
**Key launch:** Safal Riviera Springs launched in Shela.

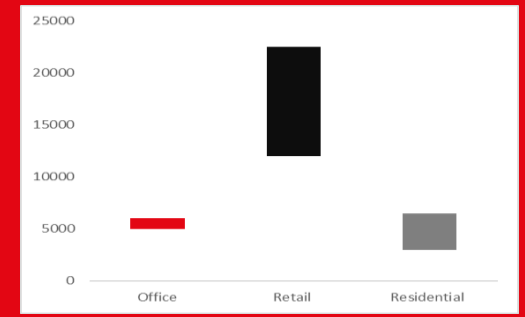


Essar group plans to invest around INR 35,000 Cr for a steel manufacturing project in Gujarat. Vedanta group and the state government signed a MOU to set up INR 10,000 Cr zinc smelter plant in Tapi district. This will be world's largest zinc smelting plant providing direct employment to over 5,000 people.

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



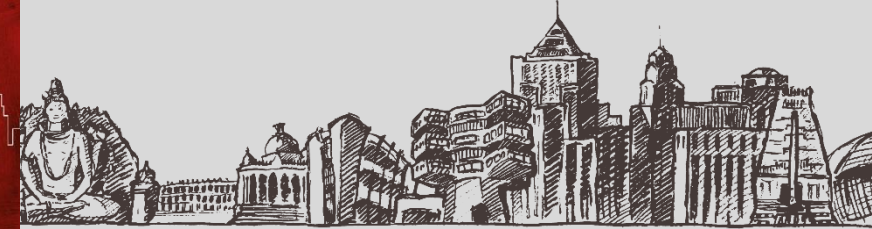
### Capital Value (INR/sq ft)\*



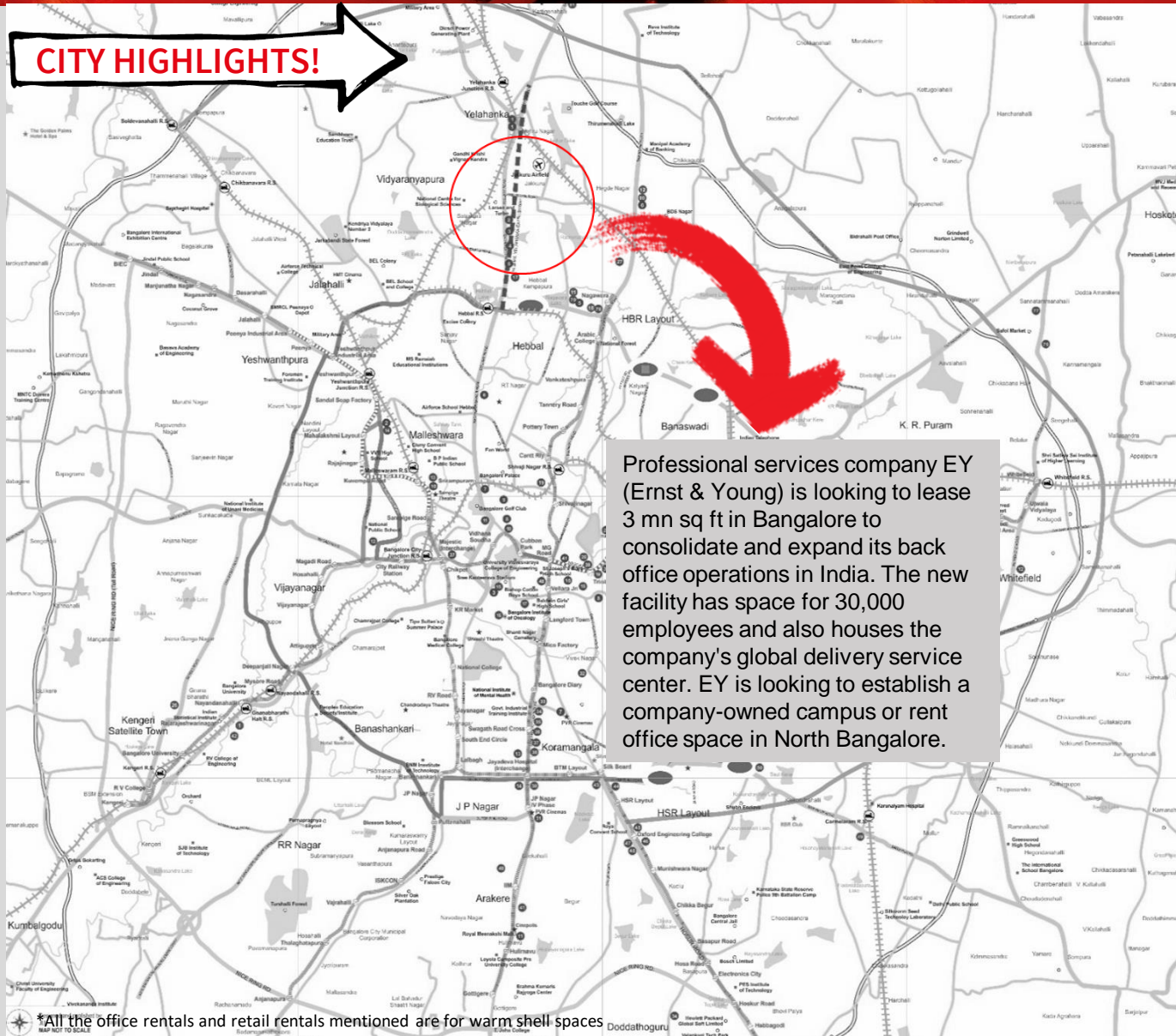
\*The above graphs show the values in ranges

### Infrastructure / policy update

Real estate developers will be allowed to purchase agricultural land for affordable housing and industrial purposes under section 63AAA of the Gujarat Tenancy Act. Ahmedabad Municipal Corporation (AMC) decided to lease out 4,835 commercial properties to existing tenants at Jantri rates (Ready Reckoner rates).



### CITY HIGHLIGHTS!



Professional services company EY (Ernst & Young) is looking to lease 3 mn sq ft in Bangalore to consolidate and expand its back office operations in India. The new facility has space for 30,000 employees and also houses the company's global delivery service center. EY is looking to establish a company-owned campus or rent office space in North Bengaluru.

### OFFICE

Peripheral markets like Electronic City witness traction in terms of leasing due to affordable rents.  
**Key transaction:** Siemens Technology precommitted 7.27 lac sq ft at Gold Hill Excelsior in Electronic City.

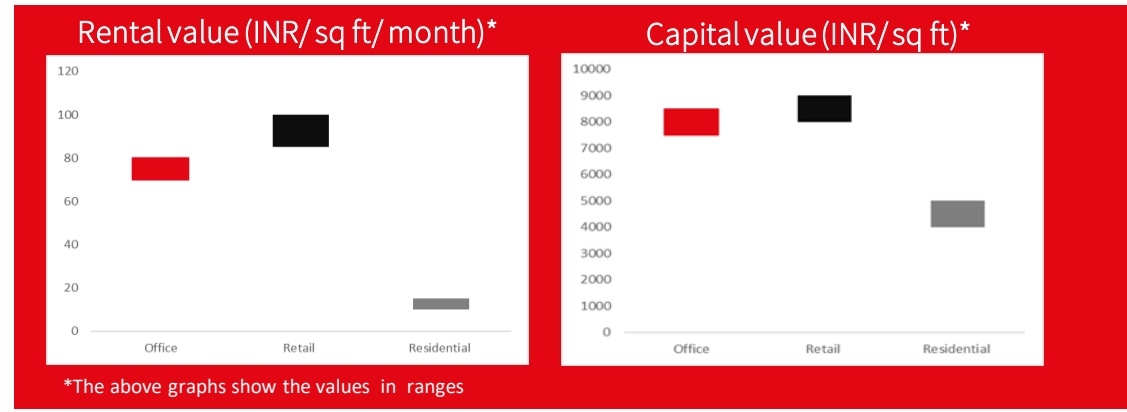
### RETAIL

Retail activity remained sluggish this month.  
**Key transaction:** No new major transaction has been recorded.

### RESIDENTIAL

New launches improved while sales showed positive momentum.  
**Key launch:** Shirram Codename Yuva was launched at Budigere cross Whitefield.

Godrej Properties has purchased 15 acres of land to develop a residential project in the sarjapur area of Bengaluru. The purchase price is estimated to be around INR 225 Cr, as prices in the area hover around INR 15 Cr per acre.



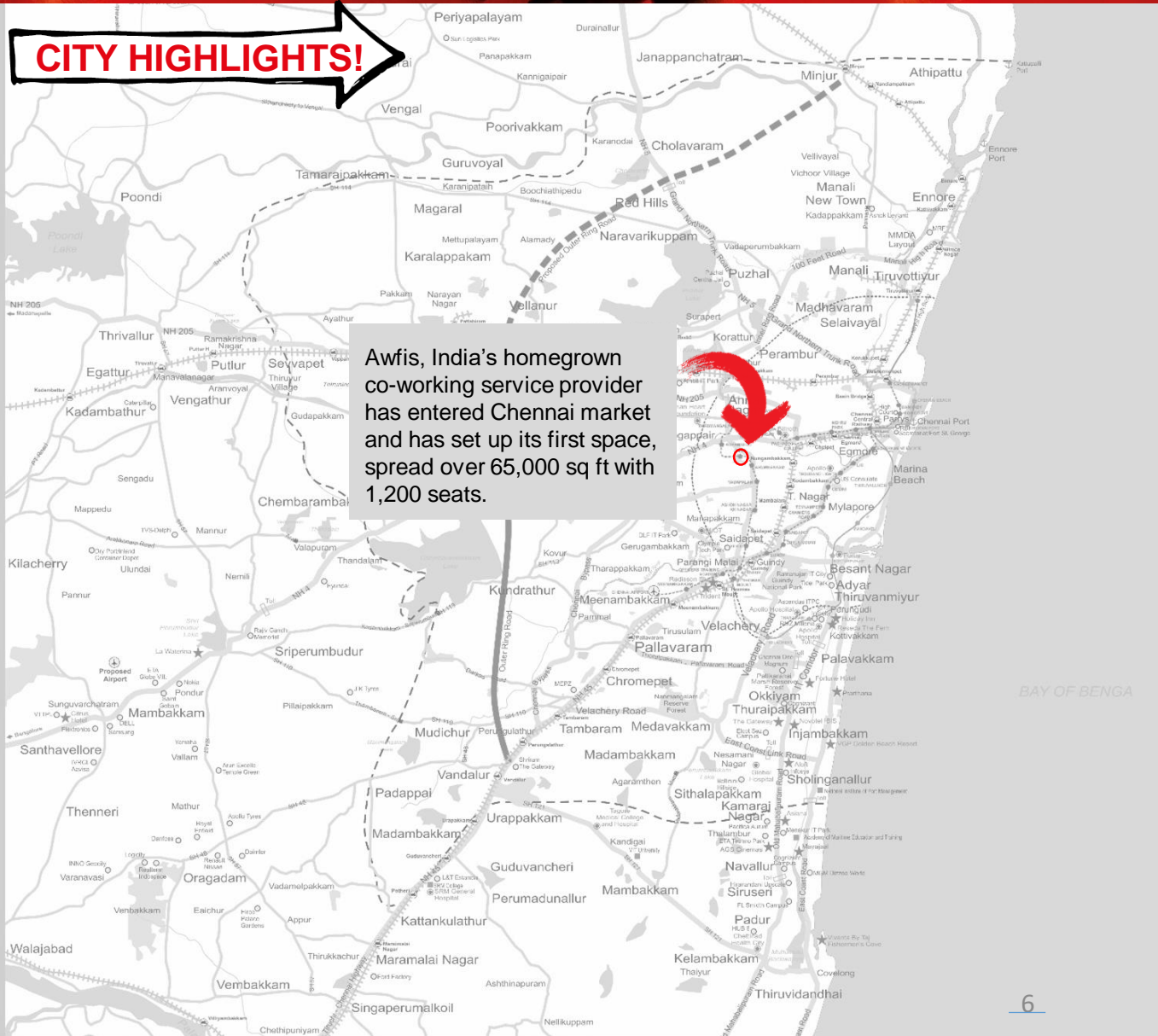
### Infrastructure/ policy update

The approval of the CCEA (Cabinet Committee of Economic affairs), the railway board sanctioned the 148 km suburban rail project for Bengaluru with an estimated cost of INR 13,926 Cr and a completion cost of INR 15,767 Cr.

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



### CITY HIGHLIGHTS!



Awfis, India's homegrown co-working service provider has entered Chennai market and has set up its first space, spread over 65,000 sq ft with 1,200 seats.



### OFFICE

Leasing activity continues to improve.  
**Key transaction:** Comcast and Hermes I Ticket leased space in PBD OMR and SBD submarkets respectively.



### RETAIL

Retail leasing activity remains muted in malls while it picked up momentum in High streets.  
**Key transaction:** No major transaction.



### RESIDENTIAL

Launches and Sales continues to aid the recovery of residential sector.  
**Key launch:** Casagrand launches 'Firstcity' and 'Millenia' in Sholinganallur and Mogappair.

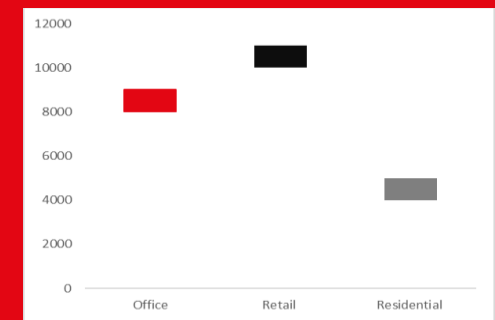


No new major transaction recorded.

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



Capital value (INR/sq ft)\*



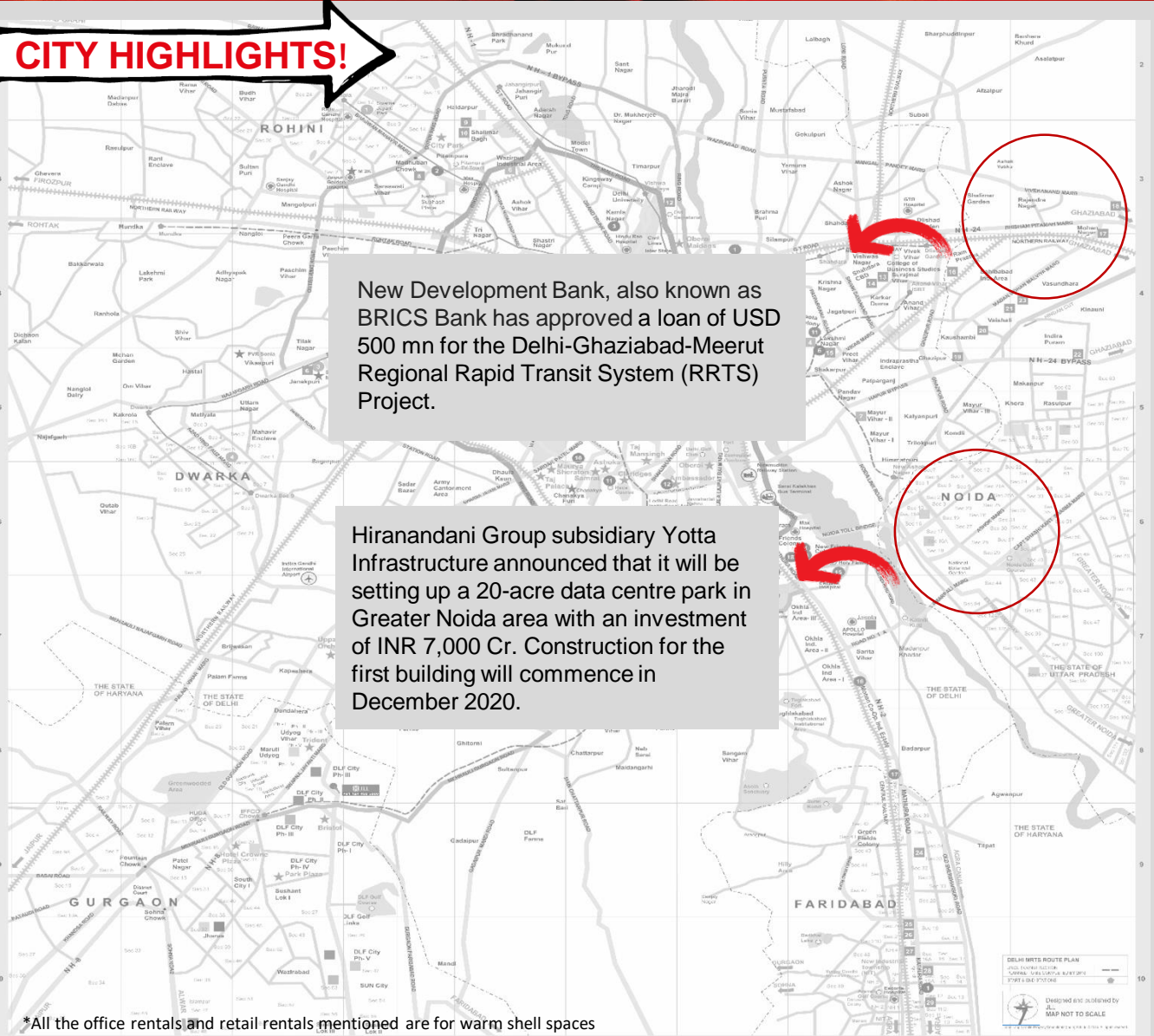
\*The above graphs show the values in ranges

### Infrastructure / policy update

No new policy update.



### CITY HIGHLIGHTS!



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

### OFFICE

Leasing momentum was primarily driven by renewals.  
**Key transaction:** NTT Data in Gurugram.

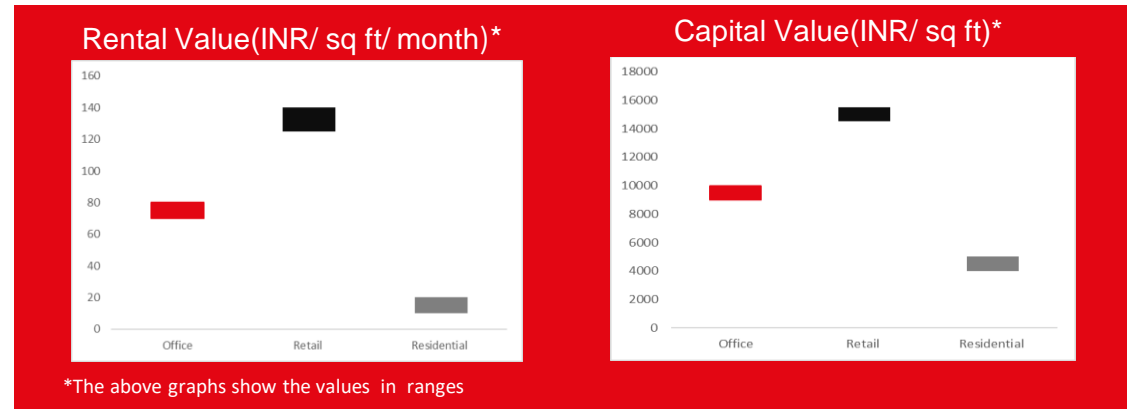
### RETAIL

Leasing activity remained low for shopping malls and high streets.  
**Key transaction:** No major transaction was recorded.

### RESIDENTIAL

Key plotted developments launched in Gurugram and Faridabad.  
**Key launch:** Godrej Properties launched "Retreat" a plotted development project in Sector-83, Faridabad.

State-run NBCC (India) Ltd has sold premium office space worth INR.214 Cr in an auction to the Pension Fund Regulatory and Development Authority (PFRDA) and the National Internet Exchange of India (NIXI) at the upcoming World Trade Centre (WTC) at Nauroji Nagar.

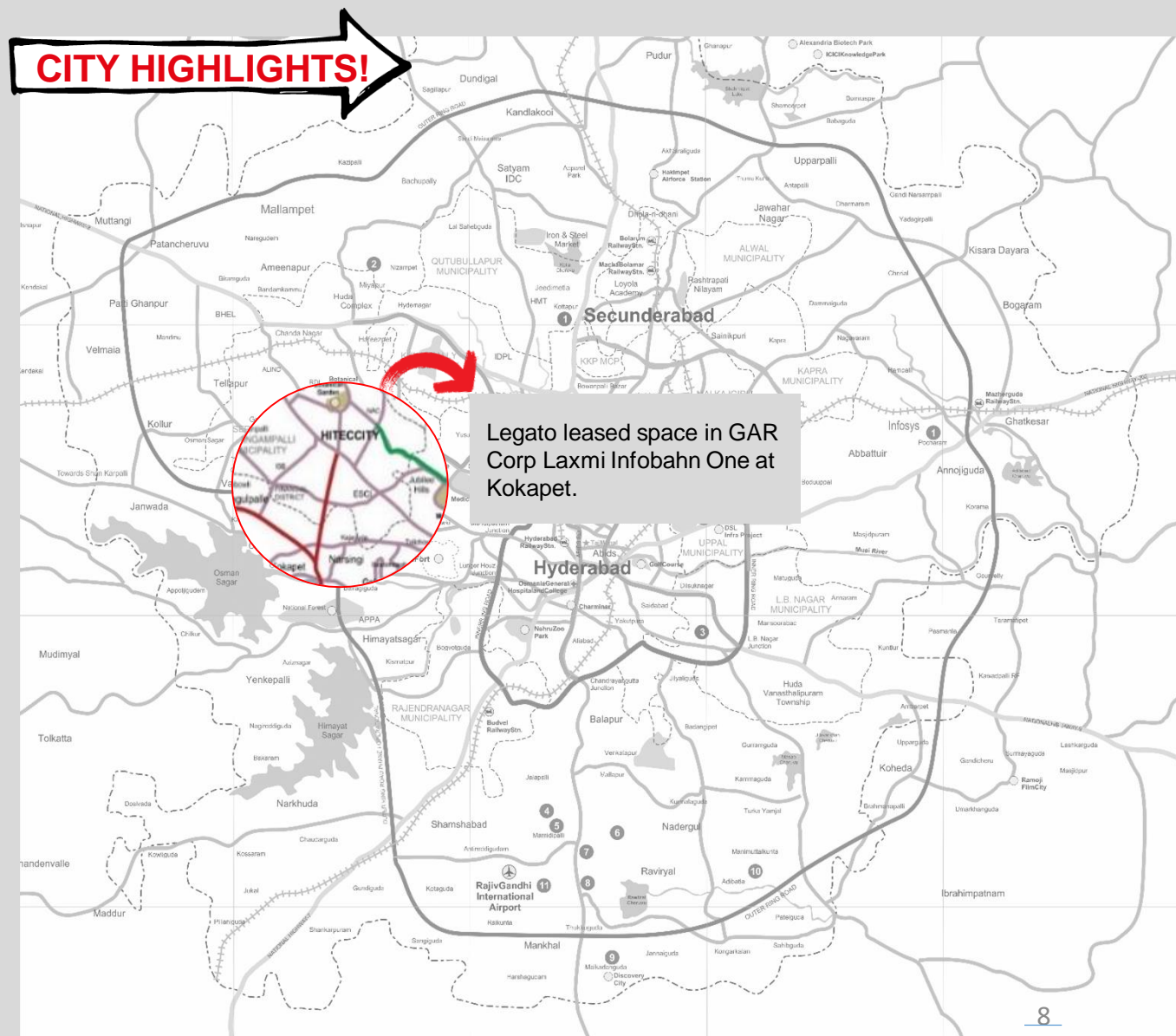


### Infrastructure / Policy update

The Delhi metro rail corporation (DMRC) will monetise about 2 lac sq ft of commercial space at Karkarduma and Anand Vihar metro stations In a bid to increase revenue which has been hit badly due to covid-19. It has invited tenders for leasing of approximately 9,563 sqm area at Karkarduma metro station.



### CITY HIGHLIGHTS!



### OFFICE

Demand for Office space continues to show positive momentum.

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

### RETAIL

Retail space demand continues to remain downside.

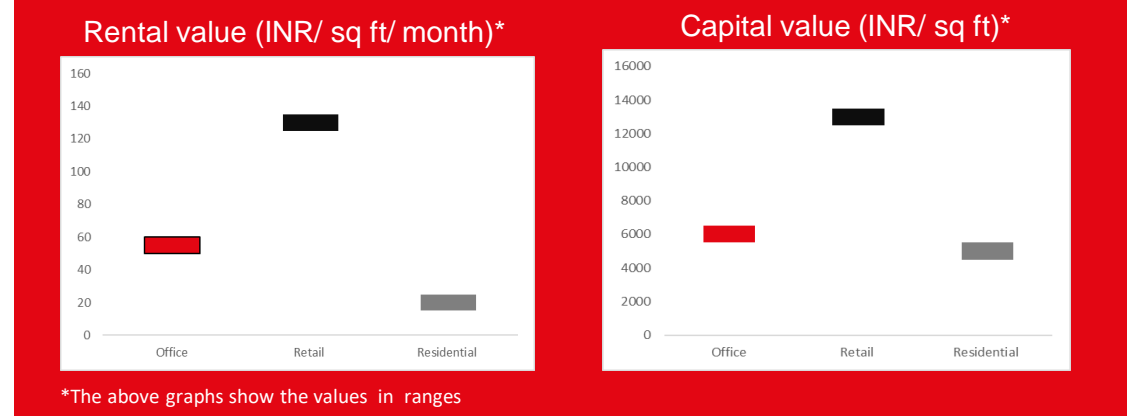
**Key transaction:** No new transaction recorded.

### RESIDENTIAL

Significant growth in new launches.

**Key launch:** Vasavi Urban at Bachupally.

No new major transaction recorded.



**Infrastructure / policy update**

Government of Telangana launches land web portal “DHARANI” to establish and manage a new Integrated Land Records Management Systems. This portal is expected to serve as a one-stop solution for matters related to land properties including mutations and instant registrations.



**CITY HIGHLIGHTS!**

Phoolbagan station of Kolkata's East-West Metro started operations.



**OFFICE**

Office leasing improved in CBD and Saltlake.

**Key transaction:** AWFIS and ICAR leases space.

**RETAIL**

Retail activity remained slow.

**Key transactions:** No major transactions recorded.

**RESIDENTIAL**

Residential launches remain slow. Construction activity resumes but remains slow.

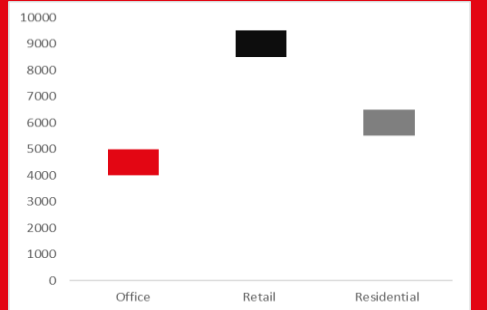
**Key launch:** No major launches.

**₹** 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**

Dashineswar Metro station starts operations on Noapara-Dakshineswar line. The station architecture is inspired by the famous Dakshineswar Kali Temple which is a major tourist and religious attraction.



### CITY HIGHLIGHTS!

87% of tunneling work and 60% of civil work of Metro Line 3 (Bandra-Colaba-Seepz corridor) completed.



### OFFICE

Sector witnessed increased leasing activity.  
**Key transaction:** Reliance Jio Infratel leased space in SBD BKC.



### RETAIL

The leasing activity remained sluggish.  
**Key transaction:** No major transaction recorded.



### RESIDENTIAL

Residential launches remained stable.  
**Key launch:** Bhoomi Samarth B wing launched in Goregaon.



Brookfield REIT plans for USD 600 mn IPO.

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



Capital value (INR/ sq ft)\*



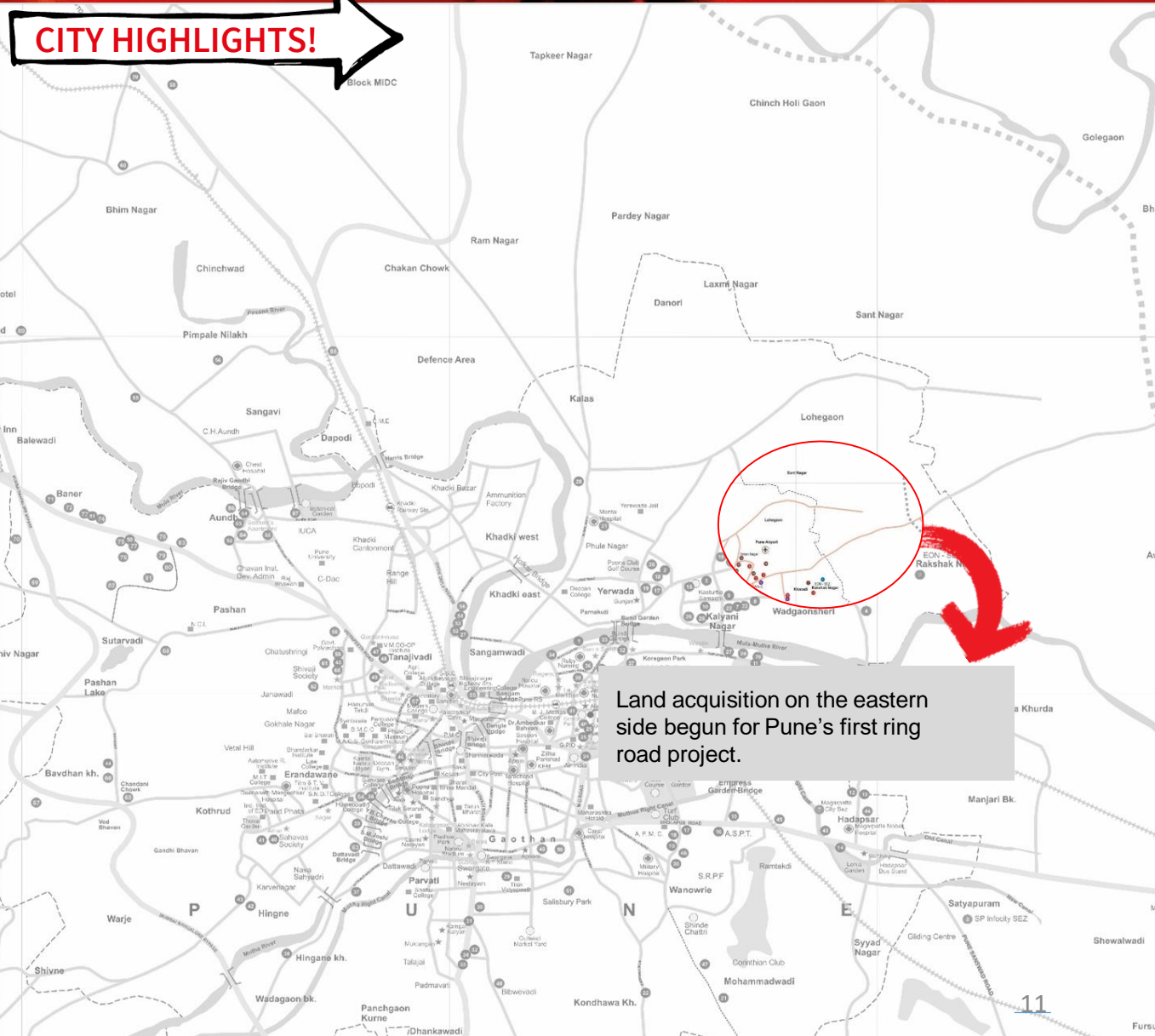
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### Infrastructure / policy update

The Mumbai Metropolitan Region Development Authority (MMRDA) is planning a 45 km metro line from Kanjurmarg to Badlapur, a satellite town in the Thane district.



### CITY HIGHLIGHTS!



### OFFICE

Office space demand was on a rise.

**Key Transaction:** Simpliwork leased space in Viman Nagar.



### RETAIL

Overall demand declined.

**Key Transaction:** No new space leased.



### RESIDENTIAL

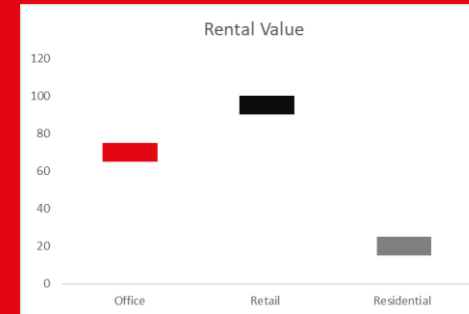
New launches increased. Demand for residential units increased marginally.

**Key Launch:** Shapoorji Pallonji Joyville was launched in Manjri.



No new transaction this month.

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



### Capital Value(INR/ sq ft)\*



\*The above graphs show the values in ranges

### Infrastructure / Policy update

Maharashtra government decided to fund all major infrastructure projects in the state by using one per cent of stamp duty collected from the sale and purchase of property in Mumbai, Pune and Nagpur.



*Pulse*  
Monthly Real Estate Monitor



## ABOUT JLL

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## ABOUT JLL INDIA

JLL is India's premier and largest professional services firm specialising in real estate. With an unaudited revenue in excess of 4,900 crores for FY 2019-20, 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. 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.

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