



Gachibowli, Hyderabad

Transformation from an isolated region to a buzzing IT-ITeS and BFSI destination

Micro Market Overview Report

April 2018



About Micro Market



Gachibowli is a 15 km stretch, that begins from Nallagandla-Tellapur along Financial District, Nanakramguda, Kokapet, Narsingi, Raidurg and stretches up to Manikonda. Recognized today as a popular IT-ITeS and BFSI hub of Hyderabad, Gachibowli has emerged as a sought-after destination for commercial office spaces as well as residential developments. Gachibowli falls in the western periphery of Hyderabad and was one of the far-flung regions of the city, where development was minimal and residential activity was almost negligible. However, Gachibowli has witnessed a rapid transformation in terms of commercial and residential real estate spaces due to presence of major IT-ITeS companies.

Gachibowli is 6 km from HITEC city and has presence of companies such as ICICI, CMC, Franklin Templeton, UBS, Cognizant, IBM,

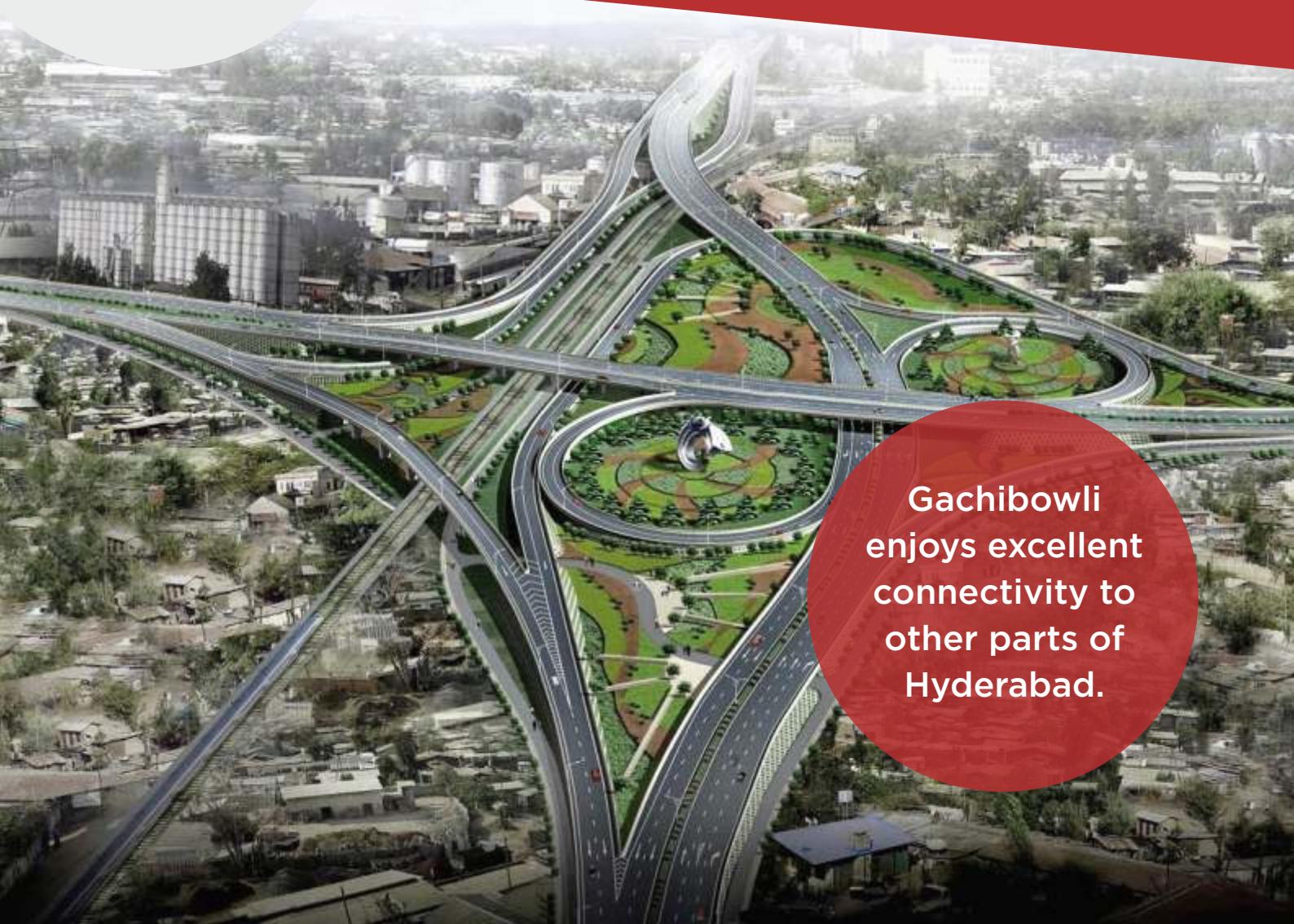
Microsoft, Infosys and many more. Gachibowli has emerged as a top employment destination of Hyderabad and attracts working professionals from various parts of India. These commercial office developments have attracted residential developers to come up with projects in the nearby micro markets and now the region is booming with massive real estate activity. Despite large residential and commercial real estate activity, the retail activity is yet to pick up in this region and the nearest mall (Inorbit) is located at a distance of 6 km. However, to facilitate education needs of the residents, top-rated education institutes such as ISB, University of Hyderabad, IIIT and National Institute of Tourism and Hospitality Management are present in Gachibowli.



**Gachibowli
recognized
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and BFSI hub of
Hyderabad**



Connectivity



Gachibowli enjoys excellent connectivity to other parts of Hyderabad.

Located on the western flank of the city, Gachibowli enjoys excellent connectivity to other parts of Hyderabad.



Road

- Gachibowli has easy accessibility to the Outer ring road (ORR) via Old Mumbai Highway, Pullela Gopichand Academy road and ISB road also.
- The micro market also provides smooth access to Rajiv Gandhi International Airport Shamshabad, HITEC city and Mehdipatnam.



Airport

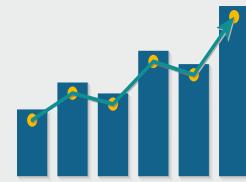
Gachibowli is well-connected to the RGI airport (located 32 km away) via ORR.



Rail

- The nearest MMTS railway station is Lingampally, located 7 km away from Gachibowli and HITEC city railway station at a distance of 9 km.
- **Metro Rail:** Phase 2 of L&T Hyderabad metro rail (HMR) is planned to come between Raidurg - Gachibowli - Shamshabad Airport (28 km).

Major Growth Drivers



- Proximity to ORR which enhances the connectivity and provides easy access to key parts of the city.
- The proposed Raidurg-Gachibowli-Shamshabad metro is expected to trigger commercial real estate activity under transit oriented development policy with L&T.
- Gachibowli has a huge presence of sports infrastructure - GMC Balayogi Athletic Stadium, Indoor Stadium, Aquatic complex and New Rajiv Gandhi International Cricket Stadium.
- Raheja Mindspace is in proximity to Gachibowli and has the presence of many global IT-ITeS firms spread across 21 buildings and 10.2 msf of office space. This complex creates massive employment opportunities and has triggered residential activity.
- Saturation of Madhapur and new projects coming up in Tellapur, Narsingi, Manikonda, Gopanapally, Indira Nagar and Telecom Nagar of Gachibowli propelled residential demand in this locality.
- Gachibowli has the advantage of strong rental yield and high capital value appreciation which also makes it a sought-after residential destination of Hyderabad.
- Gachibowli is primarily an end-user driven locality with majority of the home buyers working in the nearby areas. With booming IT-ITeS developments in India, the housing demand is likely to rise further.



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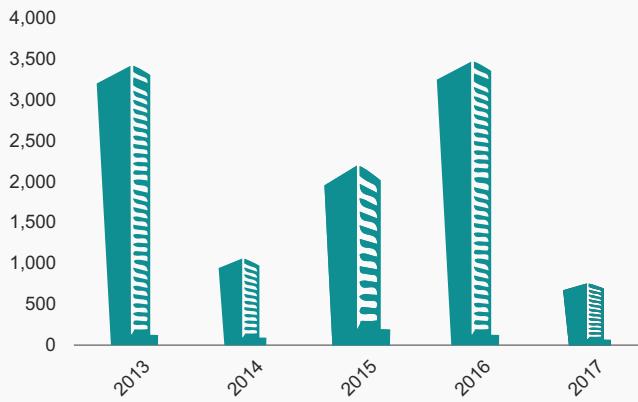
Location



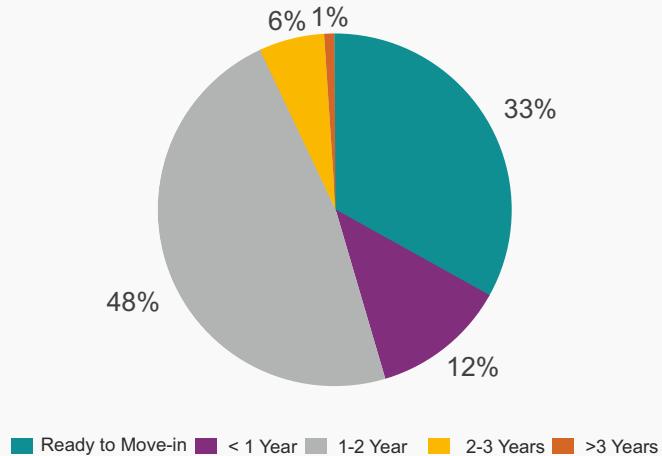
Residential Market Assessment



New Launch Supply



Age of Inventory (Launches between 2013 to 2017)



- Over the last five years, Gachibowli has added around 10,900 units. Around 32% of the supply was added in 2016 itself, indicating the recency of residential developments.
- Working professionals from nearby IT-ITeS and BFSI companies find it convenient to reside at Gachibowli. As the region primarily caters to the requirements of junior-to-mid level employees, 66% of the supply came in the mid range of INR 40-80 lakh price bracket.
- The presence of significant unsold inventory (5,500 units as of Q4-2017) led to the decline in supply during the last year, compelling the developers to keep a check on the new launches and focus on project execution.

- About 33% units (around 3,600) of the total supply since 2013, are in ready-to-move-in stages. This indicates that the region possesses a good execution track record.
- Around 48% (5,200) of the total supply since 2013, is likely to complete in the next 1 - 2 years and around 12% (around 1,400 units) are likely to complete within a year. Hence, nearly 6,500 units (~60%) of the total supply will be added in less than two years.

Residential Market Assessment



Gachibowli
average price as
of Q4 2017 is
around INR
4,600/sft.

Micro Market Price Movement wrt Supply



- The property prices in Gachibowli of Hyderabad have risen linearly during the past two years with the average price as of Q4-2017 being INR 4,600/sqft.
- Despite the low new launches during the last years, prices have appreciated by around 7% during the past

12 months. With rising employment opportunities in the region and improving physical infrastructure, buyers are preferring Gachibowli and surrounding micro markets as their residential destinations.

Outlook



Gachibowli has emerged as one of the most preferred residential destination in Hyderabad. The location possesses excellent connectivity through ORR and upcoming infrastructure upgrades such as Raidurg-Gachibowli-Shamshabad metro line will help improve connectivity between Airport, Fab city, Tolichowki, Manikonda and Raidurg IT offices. Furthermore, Strategic Road Development Plan (SRDP) package IV, from state government is executing a multiple underpass project from

Biodiversity via Mindspace to Madhapur to ease traffic congest at peak hours. The presence of several corporate offices in the vicinity and availability of residential developments at competitive rates encourages home buyers to look for properties in Gachibowli. With rampant real estate and infrastructure developments, the future of Gachibowli certainly seems bright.

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