

New Launch  
Supply



Sales



Unsold  
Inventory



Average  
Price



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## Foreword

2019 has been a mixed year for the Indian real estate sector. The housing market has struggled with the liquidity crisis that struck at the very foundations of the industry, and it has been limping along ever since. Demand has been sluggish; builders are playing it safe as inventories have remained stationary.

The sluggish growth of the Indian economy has also been a deterrent along with Financiers being nervous about lending to developers due to increasing NPAs. In 2019, the government announced a slew of policies and measures to provide a shot in the arm for the sector. These measures are expected to be an essential facilitator in bringing back stability within the industry. However, as with all long-term propositions, it will take time to see their impact - most likely from the second half of 2020.

The new launch supply across the top seven cities of India increased by 21% in 2019 as against the preceding year. Interestingly, affordable housing contributed significantly to this supply growth and remained upbeat. Thanks to multiple government sops throughout the year. First-time homebuyers were given further tax deductions (now amounting to INR 3.5 lakh in a year) on interest amount of home loans below INR 45 lakhs availed within FY 2020 end. Luxury and ultra-luxury segments remained limited to end-user interest, with no serious investor activity.

Of the estimated 2.37 lakh new unit launches in 2019 in the top seven cities, nearly 40% or approximately 92,000 units were in the affordable segment, followed by mid-segment with a 33% share. The luxury and ultra-luxury segments accounted for the least share with 10% (approx. 23,000 new units).

In line with the residential supply, 2019 also saw sales pick momentum, albeit at a slow pace. The housing sales stood at 2.61 lakh units, recording a yearly rise of 5%. Rising demand for ready properties or those nearing completion also helped the unsold stock across the cities to decline by over 4% in a year - from 6.73 lakh units in 2018 to 6.48 lakh units by the end of 2019. Nearly 1.74 Lakh homes across 220 projects are stalled in the top 7 cities due to funding issues or some litigations. The total value of these projects is estimated to be more than INR 1.77 Lakh crore.

Consumer spending took a significant hit in 2019, both in terms of purchase volumes and ticket sizes, thereby impacting the retail leasing activity, which reduced by as much as 35% in the top seven cities alone. After a scintillating performance in 2018, the logistics and warehousing sector also failed to show much growth in 2019.

Commercial real estate was the only torchbearer in 2019 with demand for Grade A office space spiralling upward while vacancy levels in prime locales reducing. Going by the turn of events, it isn't very easy to crystal gaze into 2020. However, continuing the trends from 2019, we might see more consolidation and mergers across all the stakeholders. Backed by government funds, few stuck realty projects could see the light at the end of the tunnel. Branded players are likely to gain more precedence as millennials' quest for the branded product remains an all-time high.

All said and done, the current scenario points towards a subdued beginning, but as we move further towards the second half of 2020, we may see the measures and sops (announced during 2019) yield positive results.

**ANUJ PURI**  
Chairman  
ANAROCK Group





# Economic Outlook

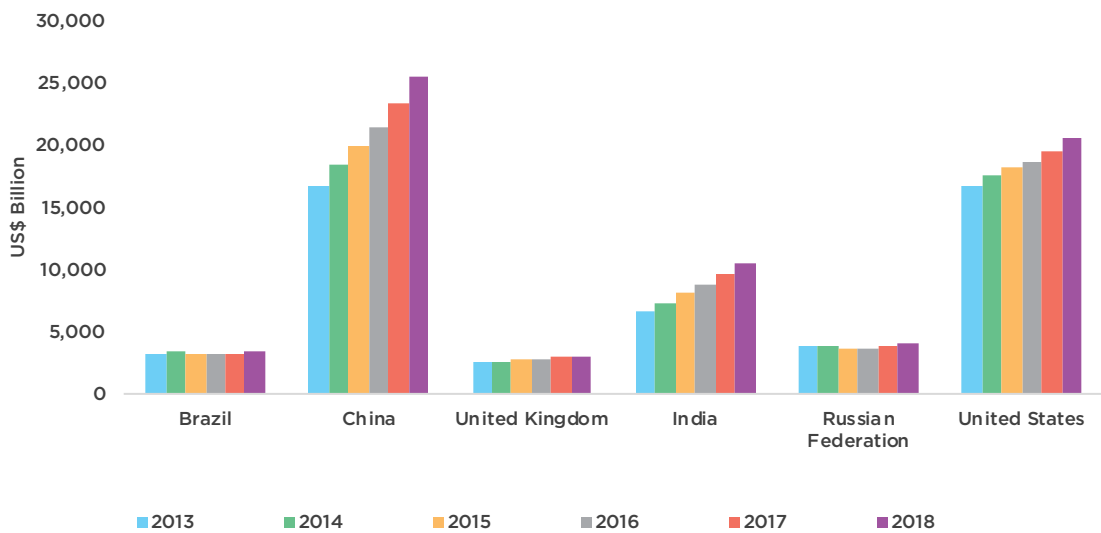
Cyclical Downturn or Structural Turbulence?

## Indian Economy - Facing Structural Headwinds

The global economy seems to be on a slow track and what lies ahead remains a question as we draw the curtains in 2019. Brexit-related uncertainty, the U.S. - China trade war and rising geopolitical tensions and its impact on the energy prices cast a shadow on what lies in 2020. India, being a prominent part of the global economy surely faces these headwinds and the pressure is quite visible now. The RBI's annual report for 2018-19 reiterated the fact that the economy had indeed hit a rough patch in the current fiscal. The GDP growth rate slipped to 4.5% in the second quarter of 2019-20, the lowest in over six years. Dwindling consumer demand amidst rising non-performing assets (NPAs) in India and the economy as a whole being battered by the global slowdown have jointly led to the deceleration of growth rate.

A comparison of the GDP of major economies between 2013 and 2018 indicates that India has seen the highest growth of 56% followed by China at 51%. The U.S. and UK have registered a growth of 22% and 19% respectively. While the size of the Chinese and the American economies at current prices are nearly double than that of India, the country's growth rate stands testimony to the sound fundamentals.

Global Economies at Current Prices



Source: World Bank

An assessment of the BRICS and other major nations indicates that the economies in Brazil and the Russian Federation have contracted from 2014 to 2016. However, India and China have been continually expanding. The economies at their current prices show that as of 2018, the Indian economy is valued at US\$ 10,500 billion at current prices which are 41% of the Chinese economy. The economies of Brazil and the Russian Federation are only 13% and 16% respectively compared to the size of the Chinese economy.

Despite the downward spiral of the GDP growth rate, the economy is (fortunately) not in a recession. Technically, economists believe that recession is a stage when contraction in GDP occurs for two consecutive quarters. Some of the key economies in the world, on the contrary, are on the verge of recession. For instance, uncertainty over Brexit has impacted the UK's growth, which recorded a 0.5% rate at the beginning of the current year, after which it further shrank by 0.2%. Singapore's economy shrank 3.3% in the second quarter of 2019. Clearly, the Indian economy is faring much better when compared to other countries. Thus, it will not be incorrect to say that the economy is only passing through the cyclical and structural downswing.

Despite not being in the pink of health, the Indian economy is interestingly slowly pacing ahead. Thanks to a plethora of measures announced by the government to revive the economy. Be it the stimulus of INR 70,000 crore to provide the impetus to the exports and the real estate sector or the recent cut in the corporate tax; these measures are likely to create some positive momentum in the coming year. Further, these measures are also likely to help the government survive a period of economic slowdown, triggered by slow consumption demand and weaker investor sentiment. We can already see some green shoots as a few global companies have evinced interest to shift their base from China to India, taking advantage of a competitive tax rate of 15%.

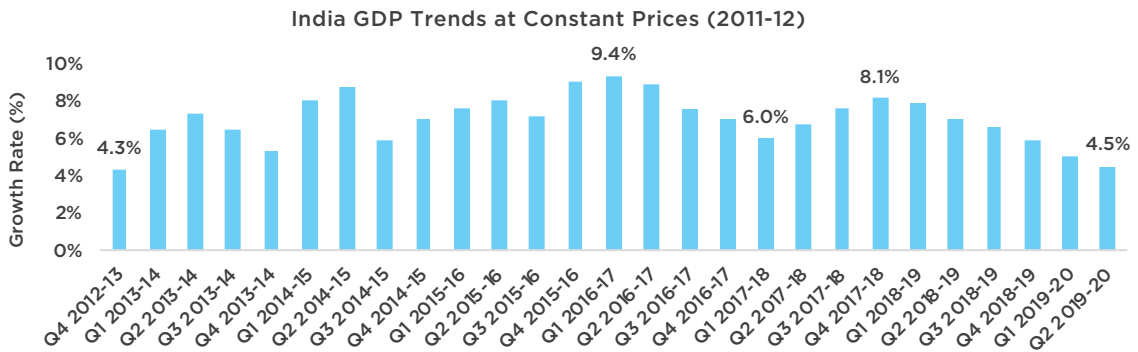
Additionally, to revive the real estate sector, the government announced the stimulus of INR 25,000 crore, which will be used for last-mile funding of stuck housing projects in affordable and mid-segment.

*As we proceed into 2020, a degree of uncertainty definitely clouds the economic outlook. However, growth is expected to pick up during the latter half of the year. In addition to factors such as economic growth, consumption patterns, and inflation, global factors will also play a crucial role in charting India's growth trajectory in the times to come.*

## Major Economic Indicators

### India GDP Growth Snapshot

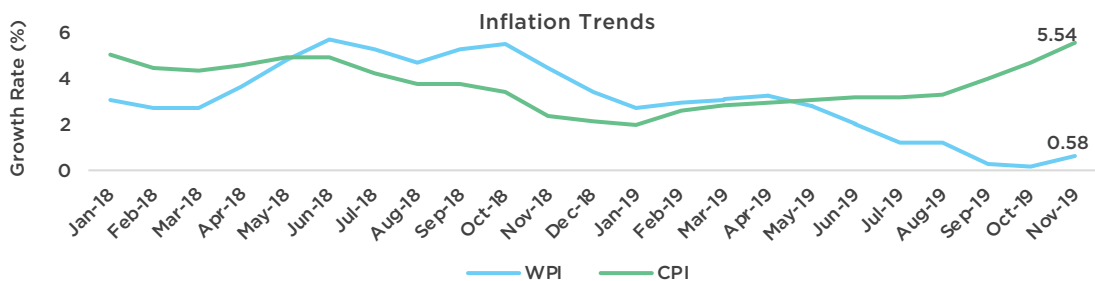
- Economic growth during the second quarter to 2019-20 (July – September 2019) was recorded at 4.5%
- This is recorded as the slowest growth in the last 6 years.
- The previous low recorded was 4.3% during Q4 2012-13.
- The last peak was recorded at 9.4% during Q1 2016-17.
- Economic growth projected for 2019-20 is 5.5% to 5.8% by Fitch Ratings and Moody’s investor services, respectively.



Source: Ministry of Statistics and Programme Implementation

### CPI Indicators

- The Consumer Price Index (CPI) surged to 5.54 in November 2019 from 4.62 in the previous month.
- The increase was mainly due to inflated food prices.
- Retail inflation breached RBI’s medium-term target of 4% for the first time since July 2018.

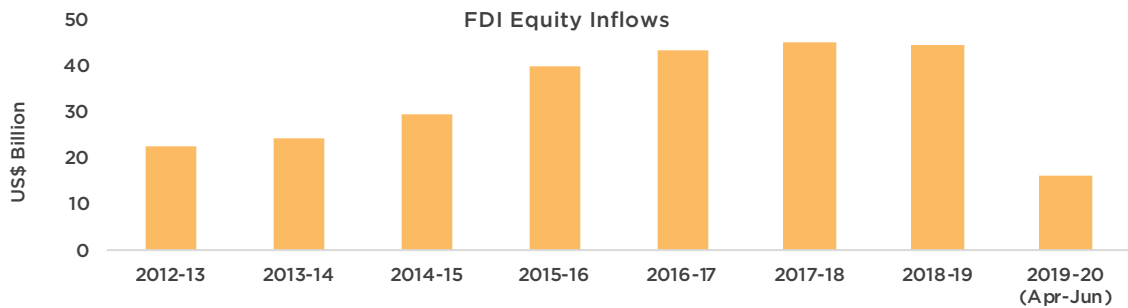


Source: Reserve Bank of India

Note: Data for October and November 2019 are provisional

**FDI Trends**

- The Foreign Direct Investments doubled to US\$ 44.4 billion in 2018-19, from US\$ 22.4 billion recorded in 2012-13.
- The recent cut in corporate tax rates is also expected to provide some impetus to foreign investments in the country.
- India's improved rank in Ease of Doing Business from 77th to 63rd in 2019 is likely to improve the investments in the coming year.



Source: Department for Promotion of Industry and Internal Trade

*The Indian economy is facing a severe demand slowdown and liquidity crunch that resulted in the growth rate slowing to 4.5%, which is the slowest in the last six years. However, according to the World Bank, the growth rate is expected to bounce back to 6.9% in 2020-21.*





# Policy Stimulus

Revive the Demand?

## Slew of Measures to Revive the Demand

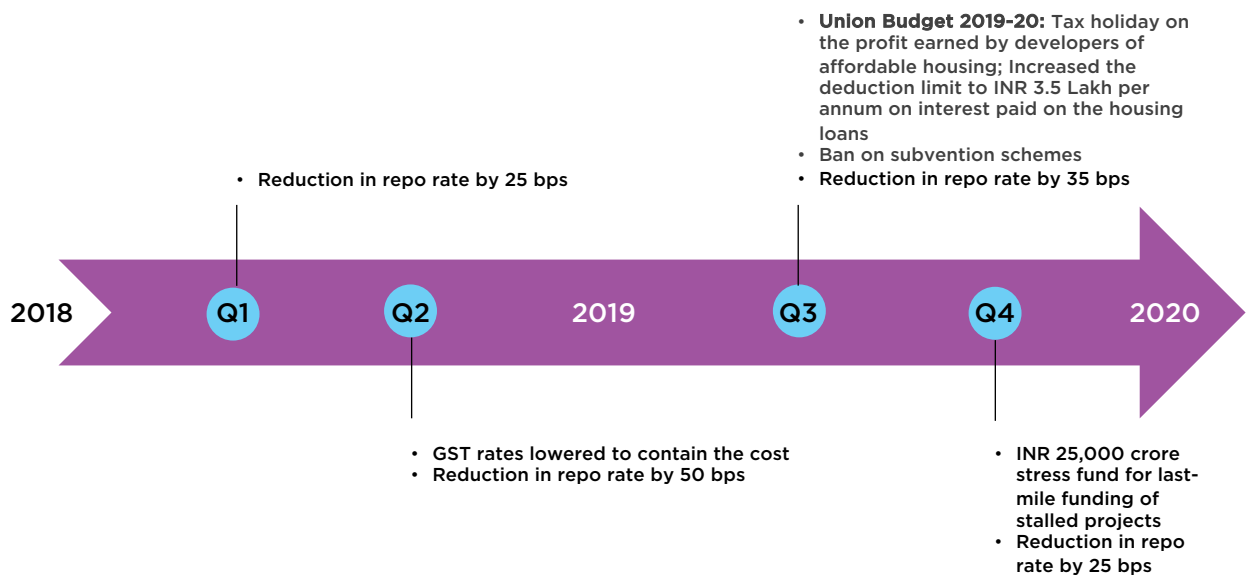
The slowdown in the economy owing to the reduced consumption coupled with the NBFC crisis has had a cascading effect on the Indian real estate sector. A slump in the industry left several developers struggling to repay loans to lenders - housing finance firms outside the regular banking sector - that accounted for over half of the loans to developers. This liquidity crunch further made the situation critical.

However, to improve the demand in the short and mid-term, the government doled out a slew of measures.

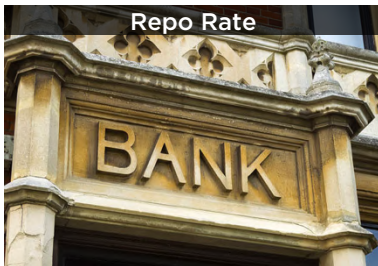
In Union Budget 2019, a tax holiday was provided on the profit earned by developers of affordable housing. Additionally, to spur buyer demand, the deduction limit on interest paid on loans taken for affordable was increased from INR 2 Lakh to INR 3.5 Lakh per annum for self-occupied property valued under INR 45 Lakh. To bring down the cost further, the GST rates were also lowered. To further revive the consumer interests, the RBI slashed the repo rate for five consecutive times this calendar year, touching a nine-year low of 5.15%.

The recent stimulus of INR 25,000 crore in the form of realty fund for affordable and mid-segment came as a breather for homebuyers. The funds will be used for last-mile funding of stuck projects.

These policy changes, a few of which are detailed below, are expected to usher much-needed transparency to the sector.

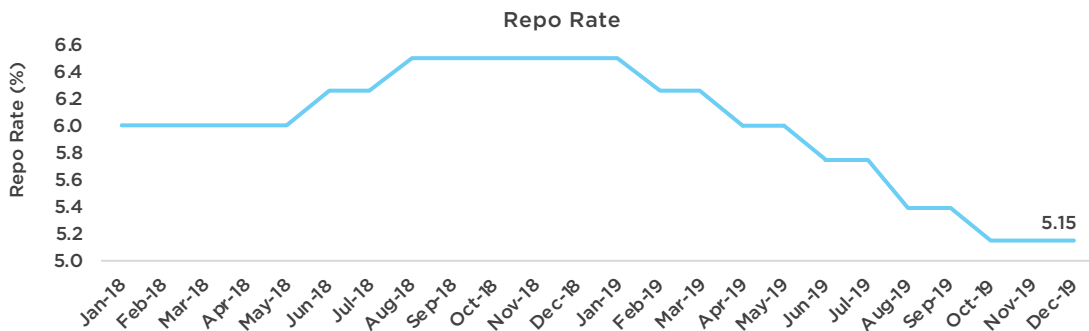


## Major Reforms & Policy Changes



### Repo Rates - Continued to lower so as to spur demand

- RBI lowered the repo rate for the fifth consecutive time this calendar year
- In 2019, the repo rate witnessed a reduction of 135 bps, reaching a nine-year low at 5.15%
- RBI's latest directive to commercial banks to link their interest rates with the repo rate will effectively help customers avail direct benefits of lower rates as and when the rates are altered



Source: Reserve Bank of India



### Goods and Services Tax - Lowered to contain the cost

- Initially, for under-construction properties, GST was charged at 8% for affordable housing (valued up to INR 45 lakh with carpet area under 90 sq. m. in non-metropolitan cities/towns and 60 sq. m. in metropolitan cities) and 12% for projects other than affordable with the provision to receive input tax credit (ITC)
- In April 2019, the GST rates on under-construction properties were revised to 5% for under-construction properties with no Input Tax Credit (ITC) and 1% for affordable projects, without an ITC benefit
- Alternatively, for ongoing projects, where construction and actual booking both have started before April 1, 2019, and which have not been completed by March 31, 2019, GST will be charged at the old rates with the provision to receive ITC

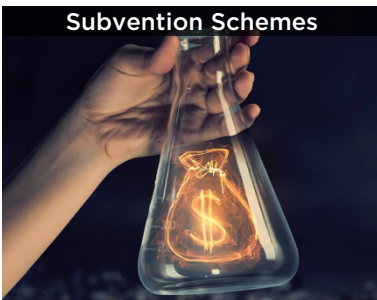
**Tax Benefits**



**Tax benefits - To encourage first-time homebuyers**

- The income tax deduction limit on interest paid on loans taken for affordable housing was increased from INR 2 Lakh to INR 3.5 Lakh per annum for self-occupied property valued under INR 45 Lakh.
- This deduction is available on loans taken by first-time homebuyers before the end of the financial year 2020

**Subvention Schemes**



**Ban on Subvention Schemes - To curb unfair practices**

- National Housing Bank directed Housing Finance Companies (HFCs) to refrain from lending under subvention schemes
- The scheme has been a preferred option by both buyers and developers as it provided finance to the developer at a lower cost while homebuyers enjoyed not paying rent and EMIs together, depending on the scheme
- This option was seen to be misused, and many developers defaulted servicing the mortgage as per the agreed terms
- In the long run, this move is expected to make the Indian real estate more transparent, predictable, and an attractive marketplace for both end-users and investors

**Funding**



**Realty Fund for Last-mile Funding - Affordable & mid-segment to benefit**

- The Cabinet approved the creation of Category - II Alternate Investment Fund of INR 25,000 crore to provide priority debt financing for the completion of stalled housing projects in affordable and mid-segment
- Net worth positive projects (including NPAs and projects undergoing NCLT proceedings) can avail the benefits of the funding
- INR 10,000 crore is to be given by the government and remaining by other investors such as LIC and sovereign funds



# Mega Infrastructure Projects

Building a sustainable future

## India's Infrastructure: Plans to Improve it by Leaps & Bounds

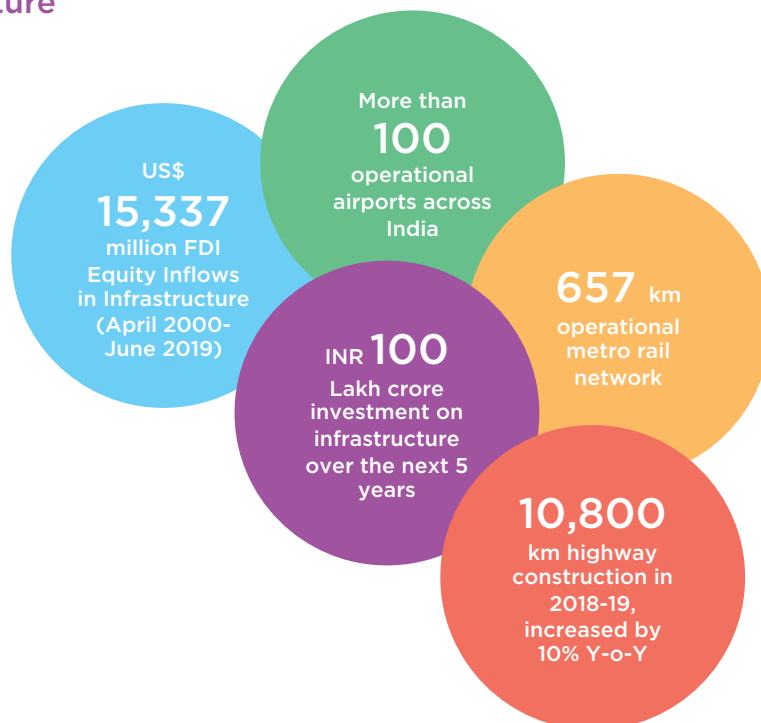
The economic growth of any country is primarily dependent on the development of its infrastructure and India is no exception. Fortunately, infrastructure development has featured as one of the core agendas for the Indian government.

Over the last decade, various mega infrastructure projects have been introduced. Some of the projects include the Sagar Mala project, Bharatmala Pariyojana, Bullet train, Char Dham Highway, Delhi-Mumbai Industrial Corridor (DMIC), and Smart Cities Mission.

It is quite clear that to achieve the target of US\$ 10 trillion economy size by 2032, a robust and resilient infrastructure system is required. India has already pumped billions into these megaprojects. However, being large-scale projects, some of them are running behind schedule while seeing massive cost overruns.

According to the Economic Survey 2018-19, the country needs to spend 7-8% of its GDP on infrastructure annually. This translates into an annual infrastructure investment of \$200 billion currently. However, India has been able to spend only about \$100-110 billion annually on infrastructure, leaving a deficit of around \$90 billion per annum. Thus, in addition to public investments, these projects should also be supported by adequate private investments.

### Infrastructure Snapshot



Source: Compiled by ANAROCK Research

## Major Mega Infrastructure Projects

Project Name	Impact	Details	Cost (INR Lakh cr)	Current Status
<b>Bharatmala Pariyojana (Phase - 1)</b>	To optimize the efficiency of freight and passenger movement across the country	34,800 km	5.35	A total of 225 projects, having an aggregate length of about 9,613 km, have been appraised and approved
<b>Delhi-Mumbai Industrial Corridor (DMIC)</b>	To reduce the time taken for freight between Delhi to Mumbai	1,504 km	7.12*	Land acquisition in progress
<b>Mumbai-Ahmedabad High-Speed Rail Corridor (Bullet Train)</b>	To reduce the travel time between Mumbai and Ahmedabad	508 km	1.1	The construction work is yet to begin and is expected to be completed by the end of 2023
<b>Sagar Mala Project</b>	To leverage India's 7,500 km coastline and 14,500 km of potentially navigable waterways and maritime sector to drive industrial development	574 projects	6.02	As of September 30, 2019, a total of 121 projects were completed, and 201 were under-implementation

Source: Compiled by ANAROCK Research  
 Note: \*INR 70 = US\$ 1

## Major Mega Infrastructure Projects

Project Name	Impact	Details	Cost (INR Lakh cr)	Current Status
<b>Smart Cities Mission</b>	To promote sustainable and inclusive cities that provide core infrastructure and give good quality of life to its citizens, a clean and sustainable environment, and the application of 'Smart' solutions	100 cities	2.05	The Ministry of Housing and Urban Affairs is expected to roll out smart city 2.0 mission in 2020, covering all 4,000 cities of India
<b>Setu Bharatam</b>	To build bridges on railway crossing for safe and seamless travel on National Highways	208 new bridges and 1,500 bridges for redevelopment proposed under the scheme	0.5	As of January 2019, 93 ROBs were sanctioned for INR 7,121 crore, out of which works of 57 ROBs have been awarded
<b>Char Dham Highway</b>	To improve accessibility to Char-Dham (Kedarnath, Badrinath, Yamunotri, and Gangotri) in Uttarakhand	53 civil works on 889 km	0.12	Supreme Court modified the NGT order and cleared the decks for construction

Source: Compiled by ANAROCK Research





# Residential

Real Estate Overview

## Key Highlights

- Launches across the top 7 cities increased by 21% over the previous year. The significant rise in supply was due to an increase in launches during H1 2019 initially and then in Q4 2019, as compared to Q3 2019. Supply revived in Q4 2019 due to the several initiatives undertaken by the government to revive the sector.
- Pune recorded the highest increase in launches of nearly 87% annually, followed by NCR at 36% and MMR at 30%. Kolkata, Chennai and Hyderabad recorded an annual decline in launches during 2019.
- Affordable segment accounted for 40% of the total supply in 2019, similar to 2018. While this segment grew at 22% over the previous year, highest growth was recorded in the high-end segment which grew by 67%.
- Sales increased by nearly 5% across the top cities in 2019 compared to the previous year. MMR recorded the highest annual increase in sales at 22%. Bengaluru, Hyderabad and Kolkata recorded a decline in sales in the current year as compared to 2018.
- Sales exceeding the supply across the major cities has enabled to curb the unsold inventory by 4% over the previous year. Unsold inventory reduced across most cities in the range of 1% to 14%, barring Pune and Chennai where it increased by 6% and 4% respectively.

Note: Pan India refers to **Top 7 cities** of India only

Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

## Residential Snapshot



### NEW LAUNCH SUPPLY

**2,36,560**

Units

**21%**

Yearly Change



### SALES

**2,61,370**

Units

**5%**

Yearly Change



### UNSOLD INVENTORY

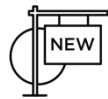
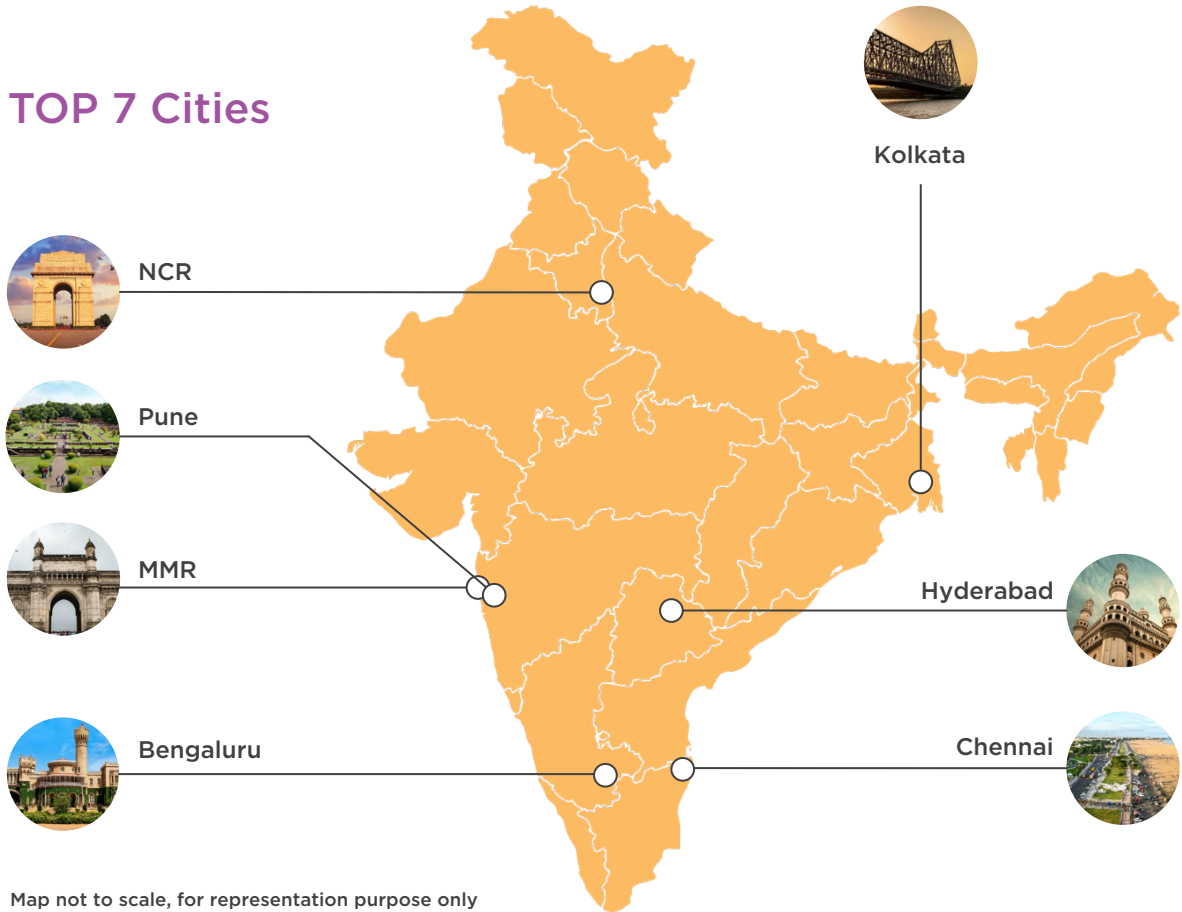
**6,48,400**

Units

**-4%**

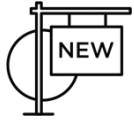
Yearly Change

## TOP 7 Cities

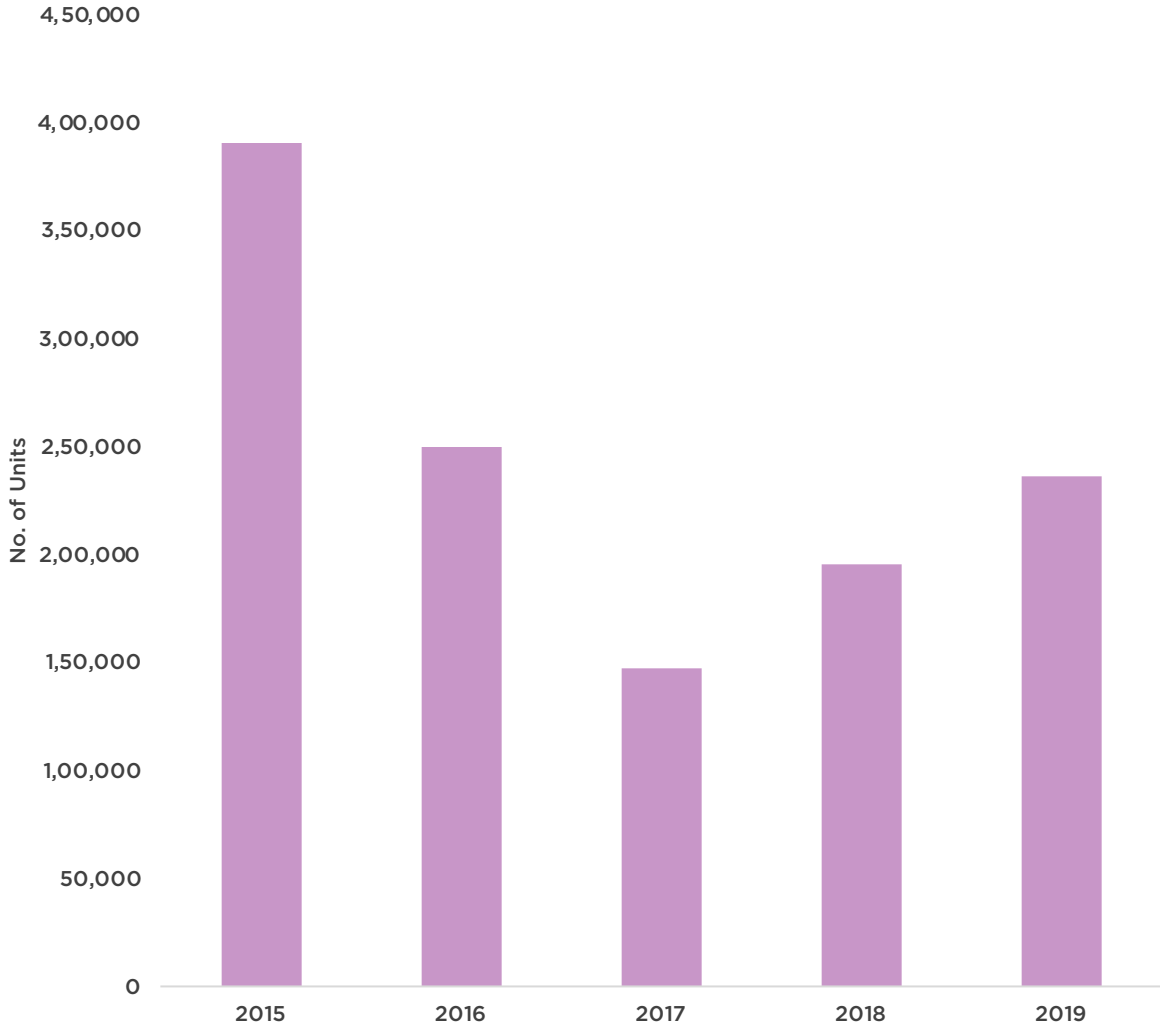


	New Launch Units	Sold Units	Unsold Inventory	Average Price (INR/sq ft)
NCR	35,280	46,920	1,75,079	4,580
MMR	77,990	80,870	2,16,603	10,610
Bengaluru	39,930	50,450	62,816	4,975
Pune	46,100	40,790	92,721	5,510
Hyderabad	14,840	16,590	24,205	4,195
Chennai	13,000	11,820	32,019	4,935
Kolkata	9,420	13,930	44,957	4,385

Note: Average Price in INR/sq ft as quoted on Built-up Area



### New Launch Supply Trend










*2019 recorded a 21% increase in supply over the previous year, which is the highest since 2017.*

*MMR accounted for nearly 33% of the total launches across top 7 cities in 2019, followed by Pune and Bengaluru which accounted for 19% and 17% respectively.*



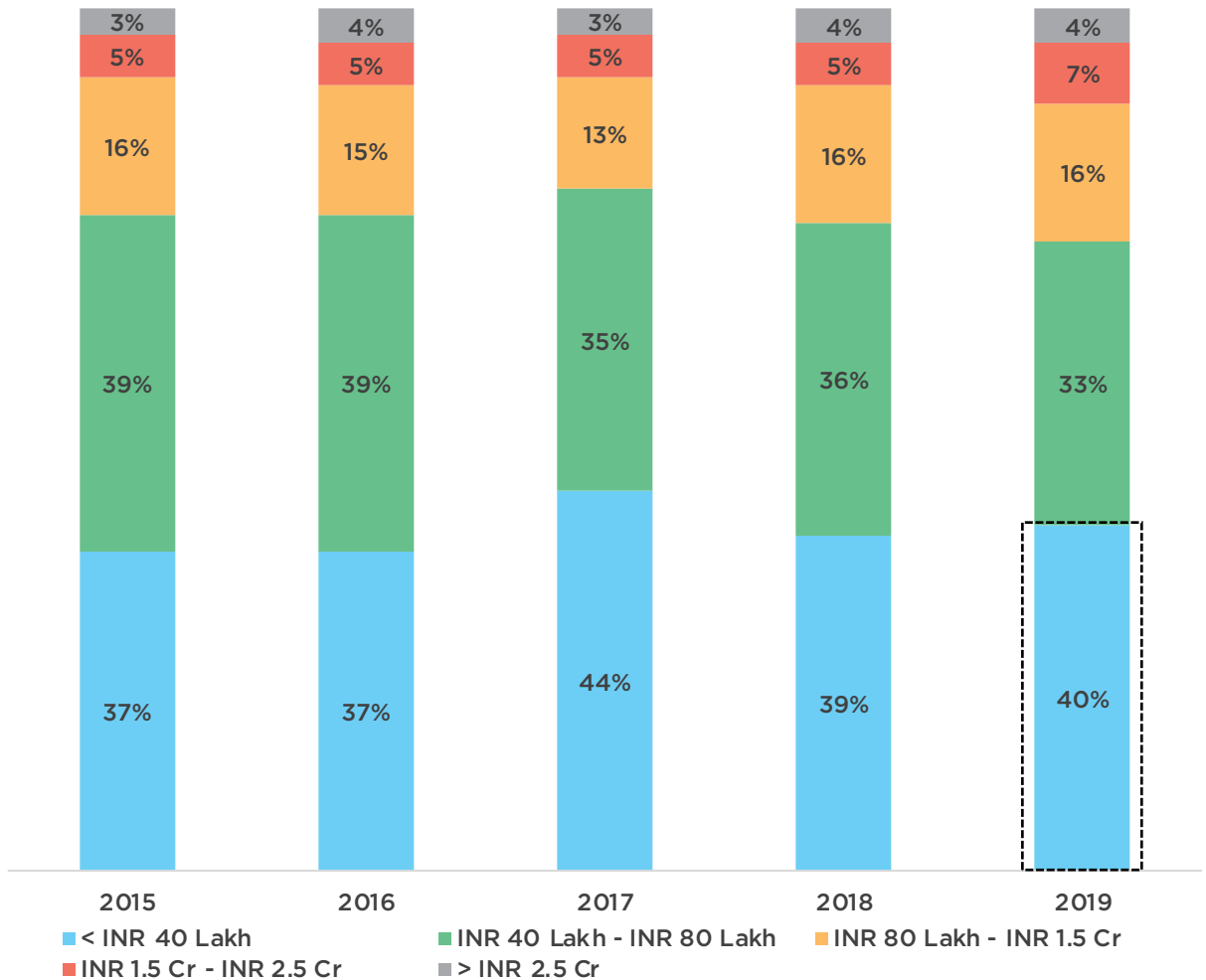
## New Launch Supply City-wise

	City	2019	2018	2019 % Share	Annual Change
	NCR	35,280	26,010	15%	36%
	MMR	77,990	59,940	33%	30%
	Bengaluru	39,930	34,880	17%	14%
	Pune	46,100	24,430	19%	89%
	Hyderabad	14,840	17,290	6%	-14%
	Chennai	13,000	15,680	6%	-17%
	Kolkata	9,420	17,070	4%	-45%

*MMR continued to top the list and accounted for 33% of total supply in 2019, followed by Pune, Bengaluru & NCR.*

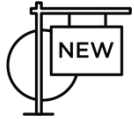


### New Launch Supply Trend By Budget Segmentation

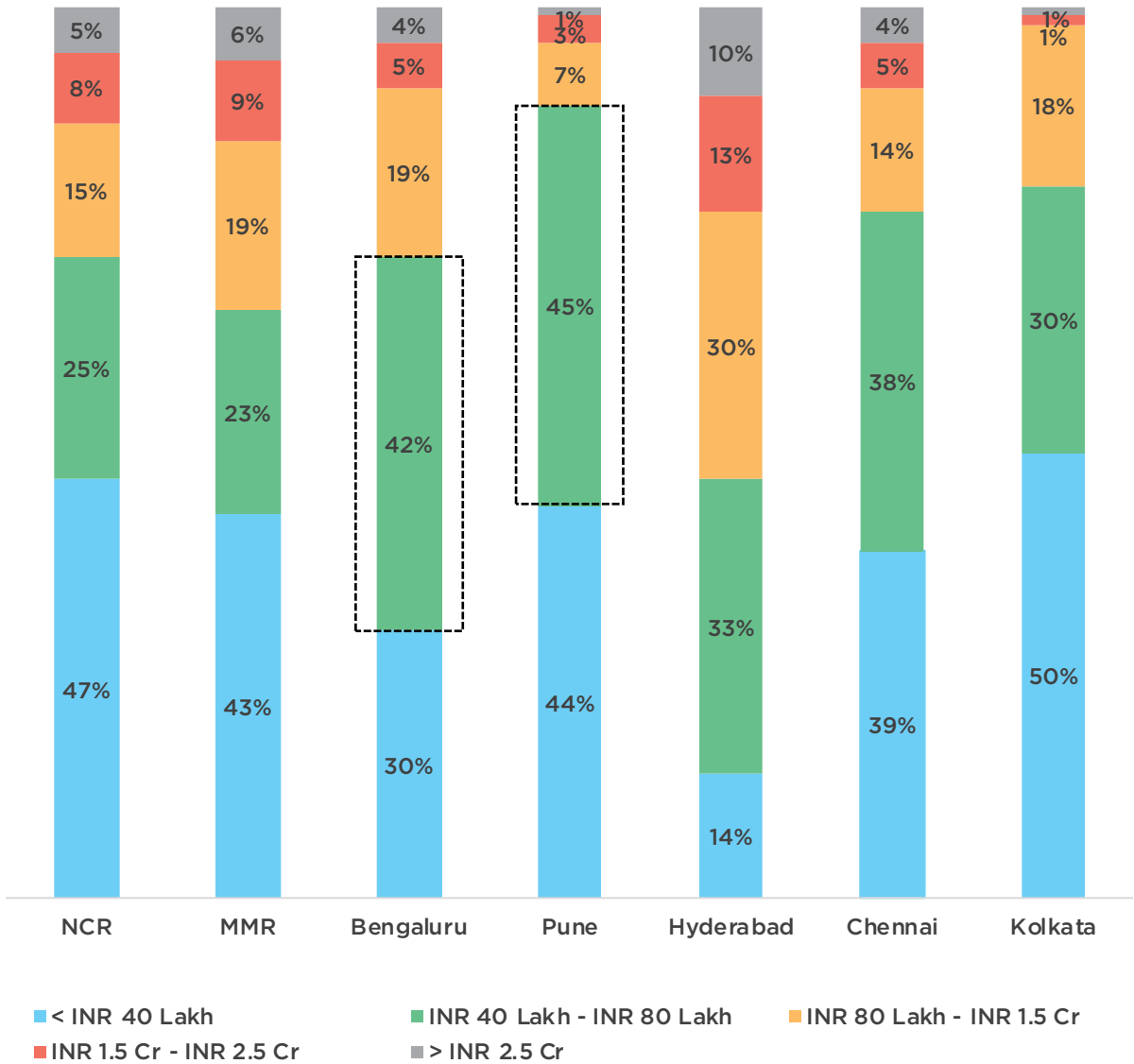


Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*The affordable and the mid-end segment continued to dominate the new launches. The launches in affordable segment accounted for nearly 40% of the supply in 2019. While the share remained the same from the previous year, the total supply increased by 22%.*



### City-wise New Launch Supply Trend By Budget Segmentation (2019)

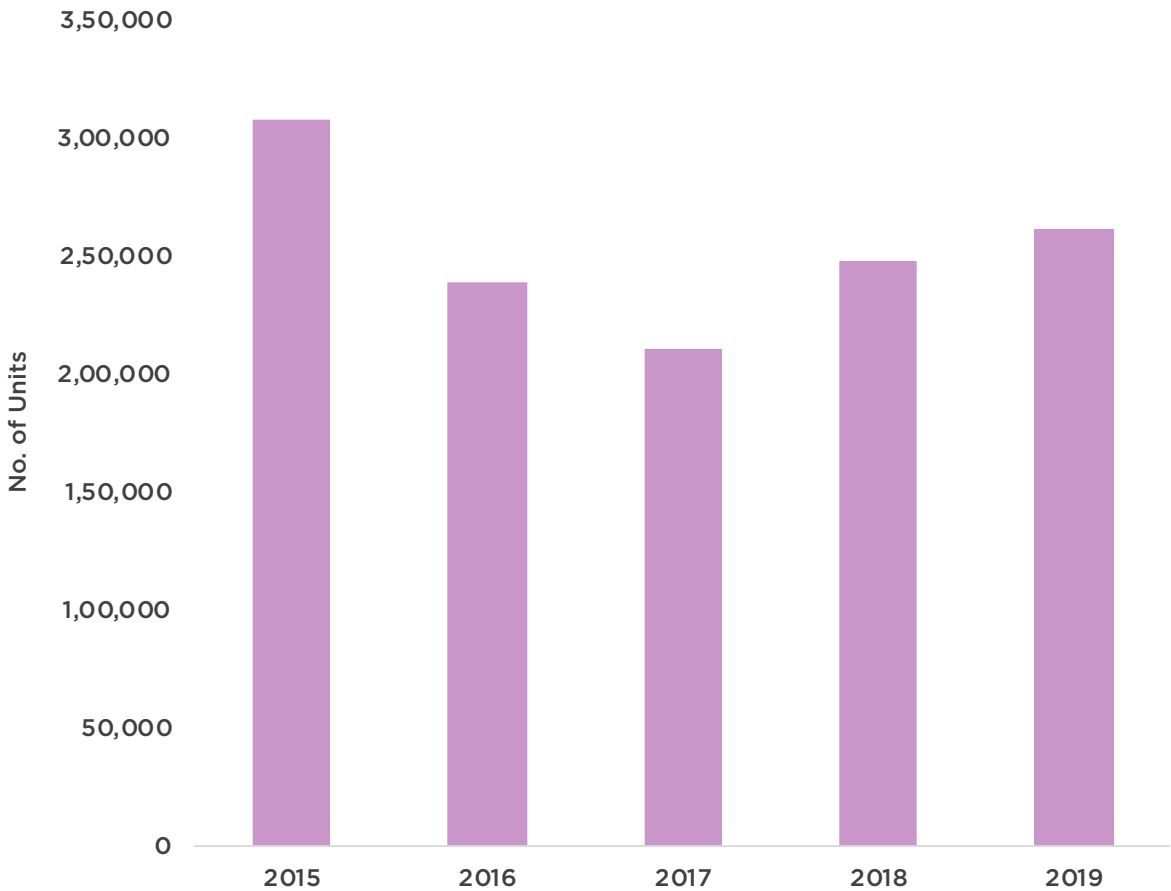


Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*Bengaluru and Pune had more than 40% supply share in the mid-end segment owing to the rich and diverse economic base in these cities.*



Sales Trend  
PAN India










*2019 recorded a 5% increase in sales over the previous year. The total sales in 2019 is the highest in the past four years.*

*Highest sales in 2019 were recorded in MMR which accounted for a share of nearly 31%; and was 22% more than the previous year.*





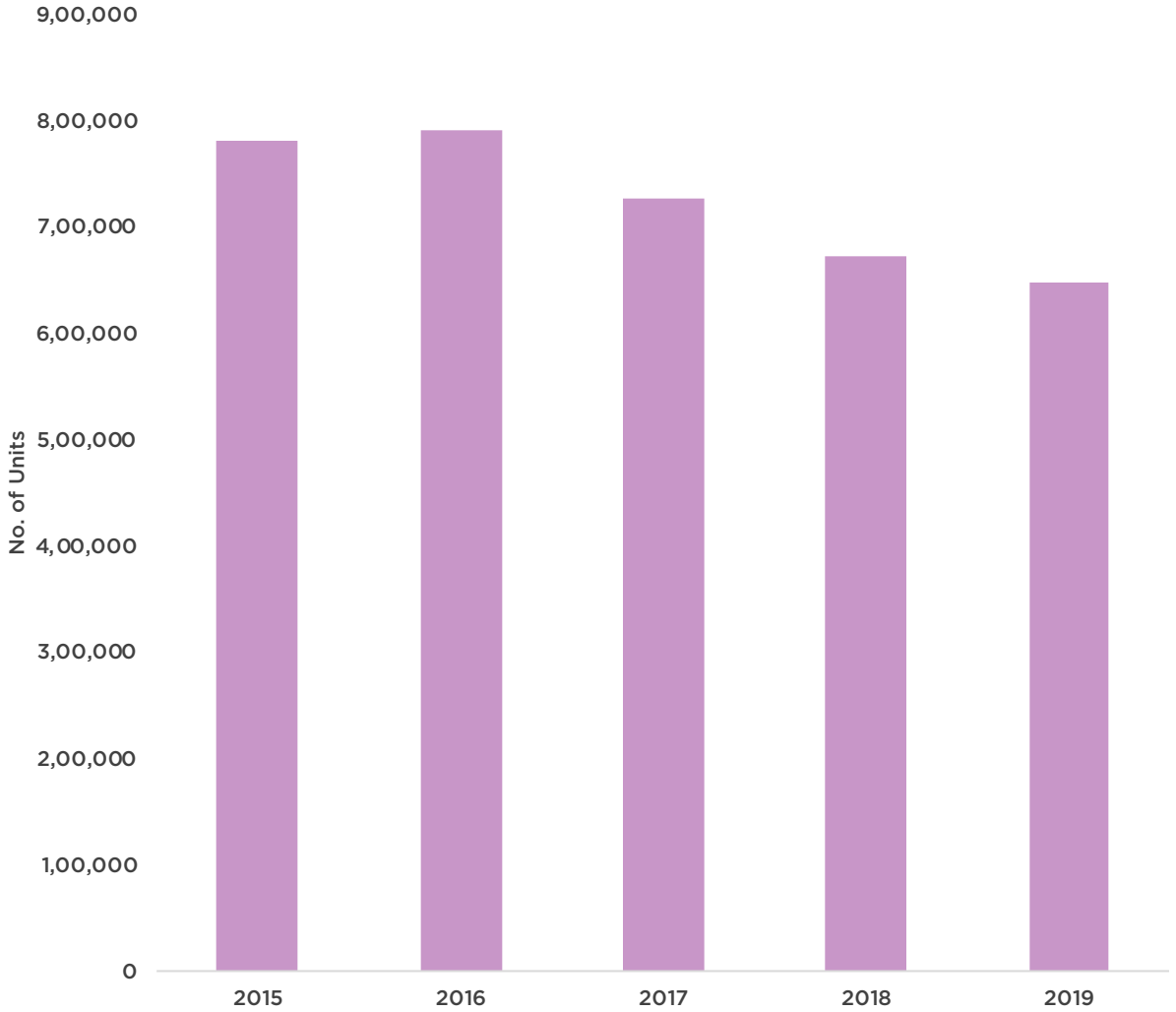
Sales  
City-wise

	City	2019	2018	2019 % Share	Annual Change
	NCR	46,920	44,300	18%	6%
	MMR	80,870	66,440	31%	22%
	Bengaluru	50,450	57,540	19%	-12%
	Pune	40,790	34,460	16%	18%
	Hyderabad	16,590	18,630	6%	-11%
	Chennai	11,820	11,340	5%	4%
	Kolkata	13,930	15,600	5%	-11%

*Bengaluru, Hyderabad and Kolkata recorded a decline in sales over the previous year.*










### Unsold Inventory Trend PAN India



*Sales continued to exceed new launches in 2019 as well and this helped in reduction of unsold inventory by 4% from the previous year.*



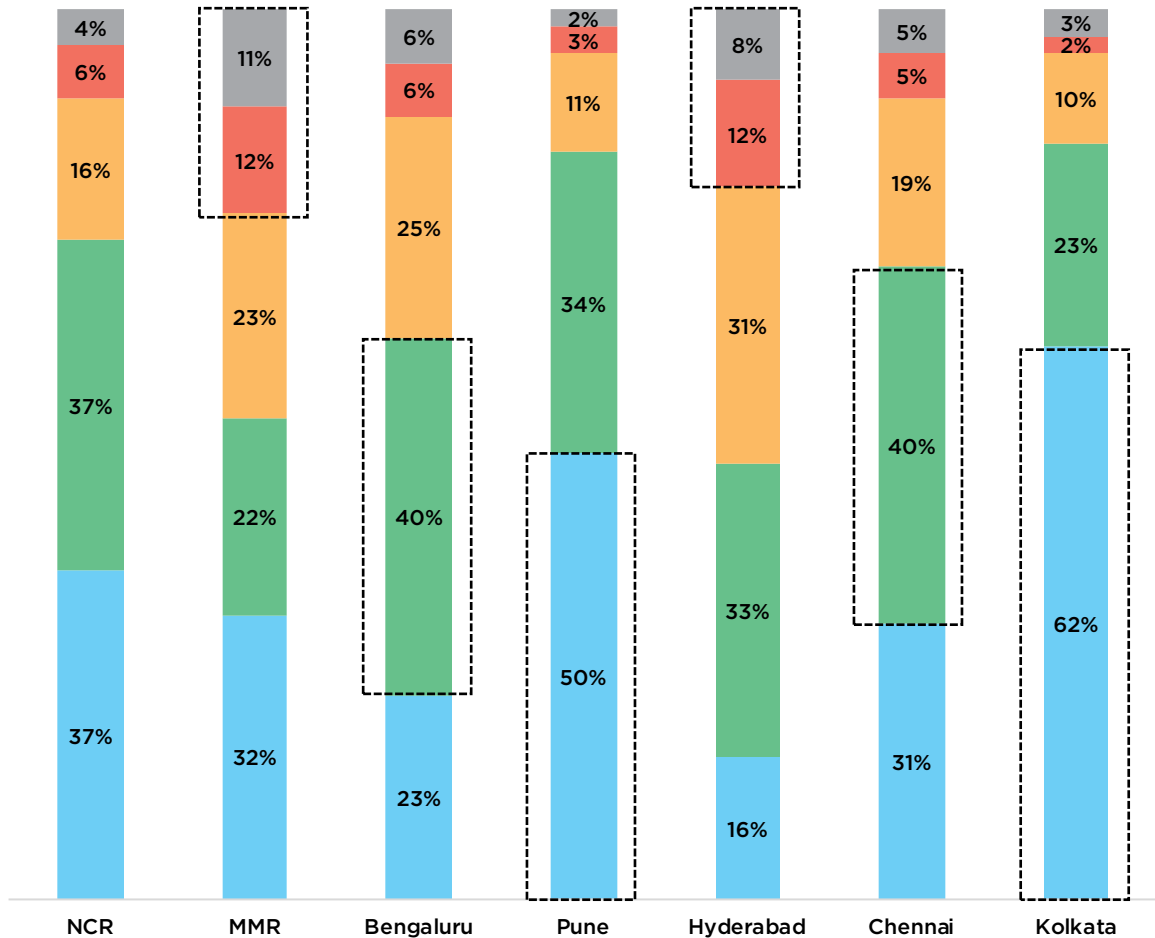
## Unsold Inventory City-wise

	City	2019	2018	2019 % Share	Annual Change
	NCR	1,75,079	1,86,714	27%	-6%
	MMR	2,16,603	2,19,483	33%	-1%
	Bengaluru	62,816	73,337	10%	-14%
	Pune	92,721	87,403	14%	6%
	Hyderabad	24,205	25,956	4%	-7%
	Chennai	32,019	30,837	5%	4%
	Kolkata	44,957	49,471	7%	-9%

*Unsold inventory reduced in every city barring Pune and Chennai, as compared to the previous year.*



## City-wise Unsold Inventory By Budget Segmentation (2019)



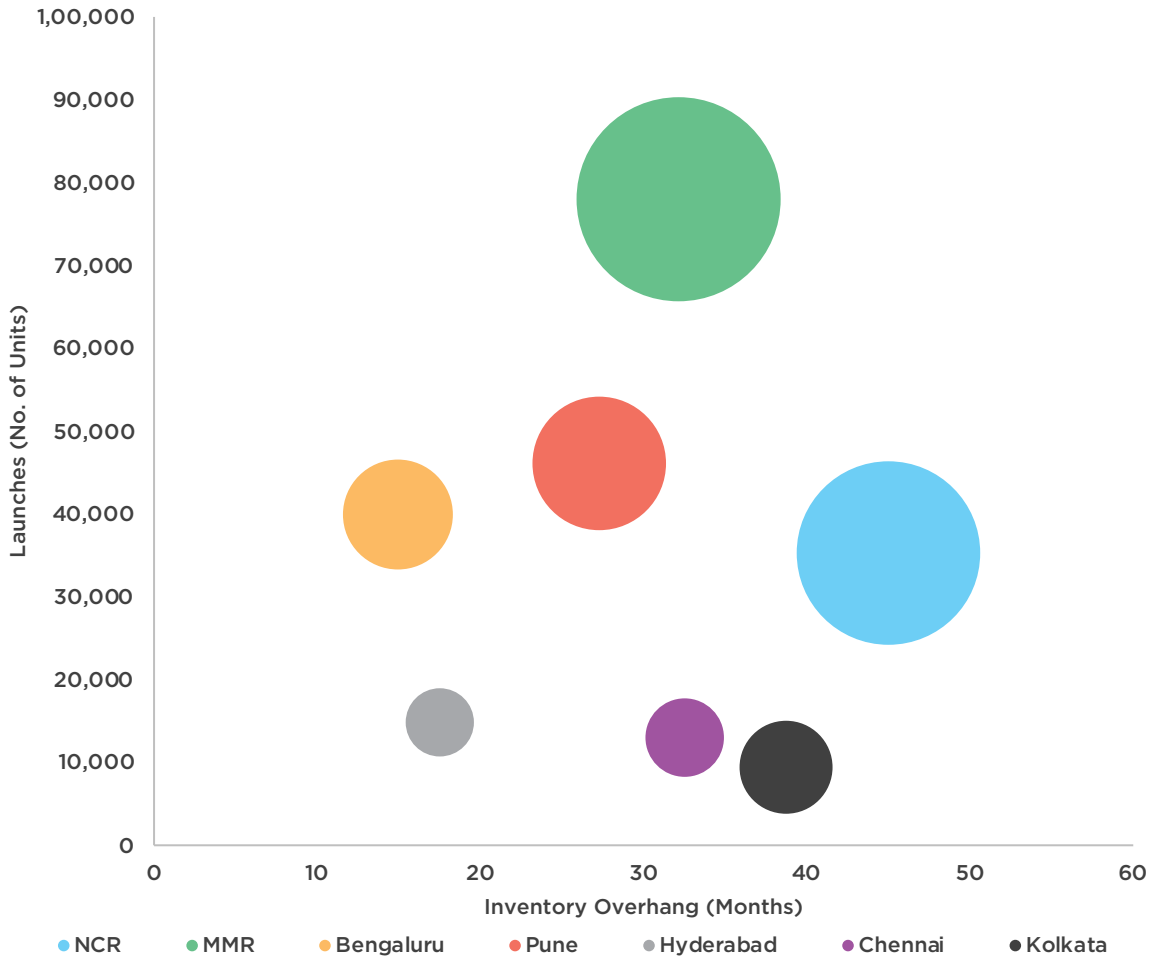
■ < INR 40 Lakh ■ INR 40 Lakh - INR 80 Lakh ■ INR 80 Lakh - INR 1.5 Cr ■ INR 1.5 Cr - INR 2.5 Cr ■ > INR 2.5 Cr

Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*Pune and Kolkata have the highest level of unsold inventory in the affordable segment. Chennai and Bengaluru have the highest unsold inventory in the mid-end segment while MMR and Hyderabad have the significant unsold in the high-end segment.*



## Inventory Overhang vs New Launch Supply vs Unsold Inventory



Note: Circle size represents Unsold Inventory (2019). No. of months signifies duration for available housing units to get absorbed in the market based on current sales rate, irrespective of the new launches.

*Bengaluru has been the most active market in 2019 with the lowest inventory overhang of 15 months despite reasonable supply addition. Hyderabad continues to have the least unsold inventory.*



# National Capital Region

## City Overview



Population  
(Decadal Growth Rate)

**46 Mn (24.1%)**



Area

**33,578 km<sup>2</sup>**



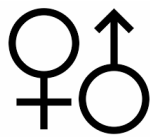
Population Density  
(persons per km<sup>2</sup>)

**1,371**



Literacy Rate

**80.4%**



Sex Ratio

**869**  
**(females per '000 males)**



Key Businesses

**IT-ITeS, Media, Auto,  
Warehousing & Logistics**

Note: Above data points are for National Capital Region covering Delhi, Noida, Greater Noida, Ghaziabad, Gurugram, and Faridabad

Sources: Uttar Pradesh Sub-regional Plan 2021, ANAROCK Research

## Existing Infrastructure Snapshot



### METRO RAIL

- Delhi metro is the biggest metro rail project of India spanning across Uttar Pradesh and Haryana.
- It spans around 389 km across 285 stations and connects Noida, Ghaziabad, Gurugram, Faridabad, Bahadurgarh and Ballabhgarh.

### AIRPORT

- Indira Gandhi International Airport is globally the 12<sup>th</sup> busiest airport with nearly 70 million passengers served in 2018, as per Airports Council International.
- The T3 terminal was opened in 2010 and is one of the biggest terminals in the world and capable of handling 34 million passengers annually.

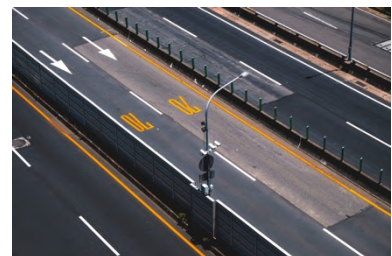


### RAILWAYS

- Delhi has the grid of rail network, connecting all the major cities of India.
- New Delhi Railway Station handles nearly 4 Lakh passengers on a daily basis.
- Other railway stations across NCR, are Hazrat Nizamuddin, Old Delhi, Sarai Rohilla, Anand Vihar, Okhla.

### ROADWAYS

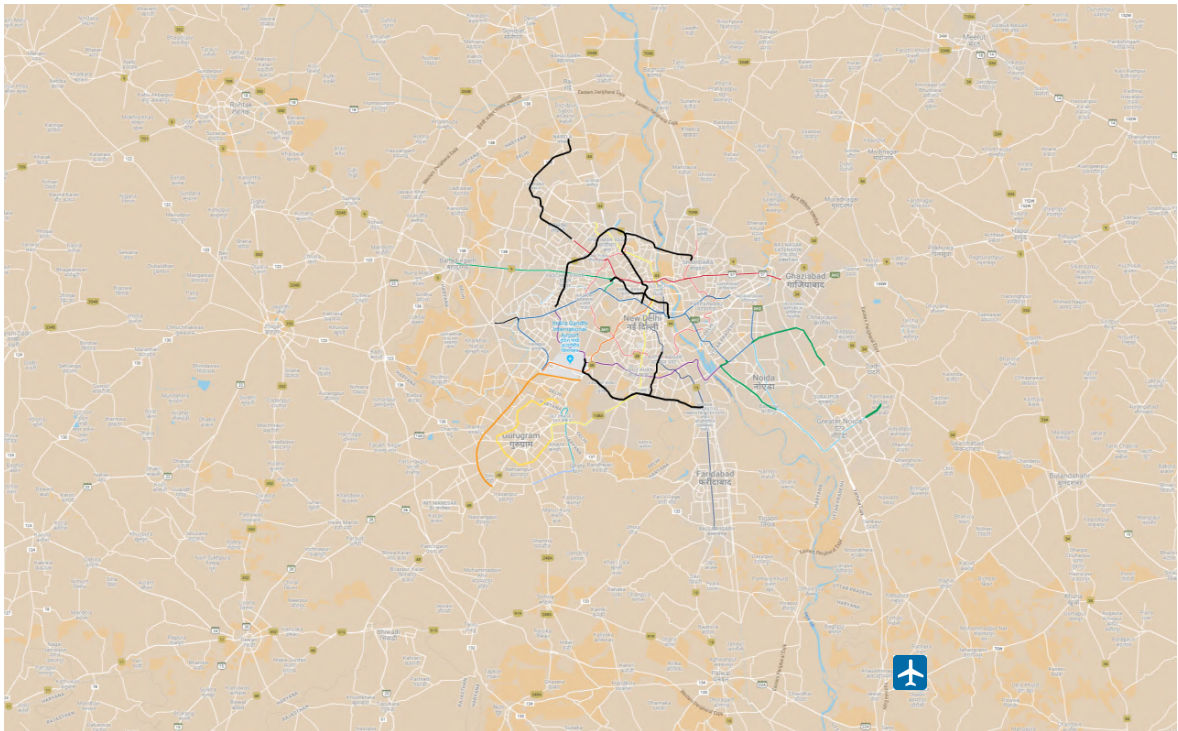
- 165 km long six lane access-controlled Yamuna expressway connects Greater Noida with Agra. NCR also has grid of roads to ease traffic congestion within the city boundaries.
- Inner Ring Road and Outer Ring Road provide seamless connectivity to the motorists of Delhi.
- 270 km long Peripheral Expressway developed at a total cost of INR 6,400 cr is also operational.
- 24.53 km long six lane Noida-Greater Noida Expressway connects Noida and Greater Noida.



*NCR has well-established grid of road and rail which provides seamless intra-city and inter-city connectivity.*



## Upcoming Infrastructure



Map not to scale, for representation purpose only

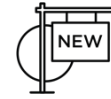
Legend	Infrastructure Initiative	Spans Over	Estimated Project Cost (INR cr)	Status
	Delhi Metro Rail Phase 4	104 km	45,000	Under construction, Expected to be completed by 2024
	Dwarka Expressway	29 km	9,000	Under construction
	Rapid Metro Gurugram	6.3 km	NA	Planning
	Gurugram Metro Rail	31 km	6,000	Planning
	Noida Metro Rail	NA	NA	Planning
	Jewar Airport	12,355 acres	29,560	Phase 1 is expected to be completed by 2023

*NCR has major infrastructure plans to decongest the city roads.*

## NCR Real Estate Overview

- New launches continued to rise in 2019 as well and increased by 36% over the previous year. The new launches in NCR have been increasing for the past three years and have now almost attained the 2016 levels.
- The affordable segment continued to dominate the supply and accounted for 47% of the total supply.
- Sales continued to exceed supply for the 4<sup>th</sup> consecutive year, which is a good indicator of the market sanity. Sales increased by 6% in 2019 as compared to the previous year.
- Incessant increase in sales amidst controlled supply has helped in reduction of the unsold inventory. As of 2019, the unsold inventory decreased by 6% over the previous year. It has now attained the lowest levels in the last 5 years.

## Residential Snapshot



### NEW LAUNCH SUPPLY

**35,280**  
Units

**36%**  
Yearly Change



### SALES

**46,920**  
Units

**6%**  
Yearly Change



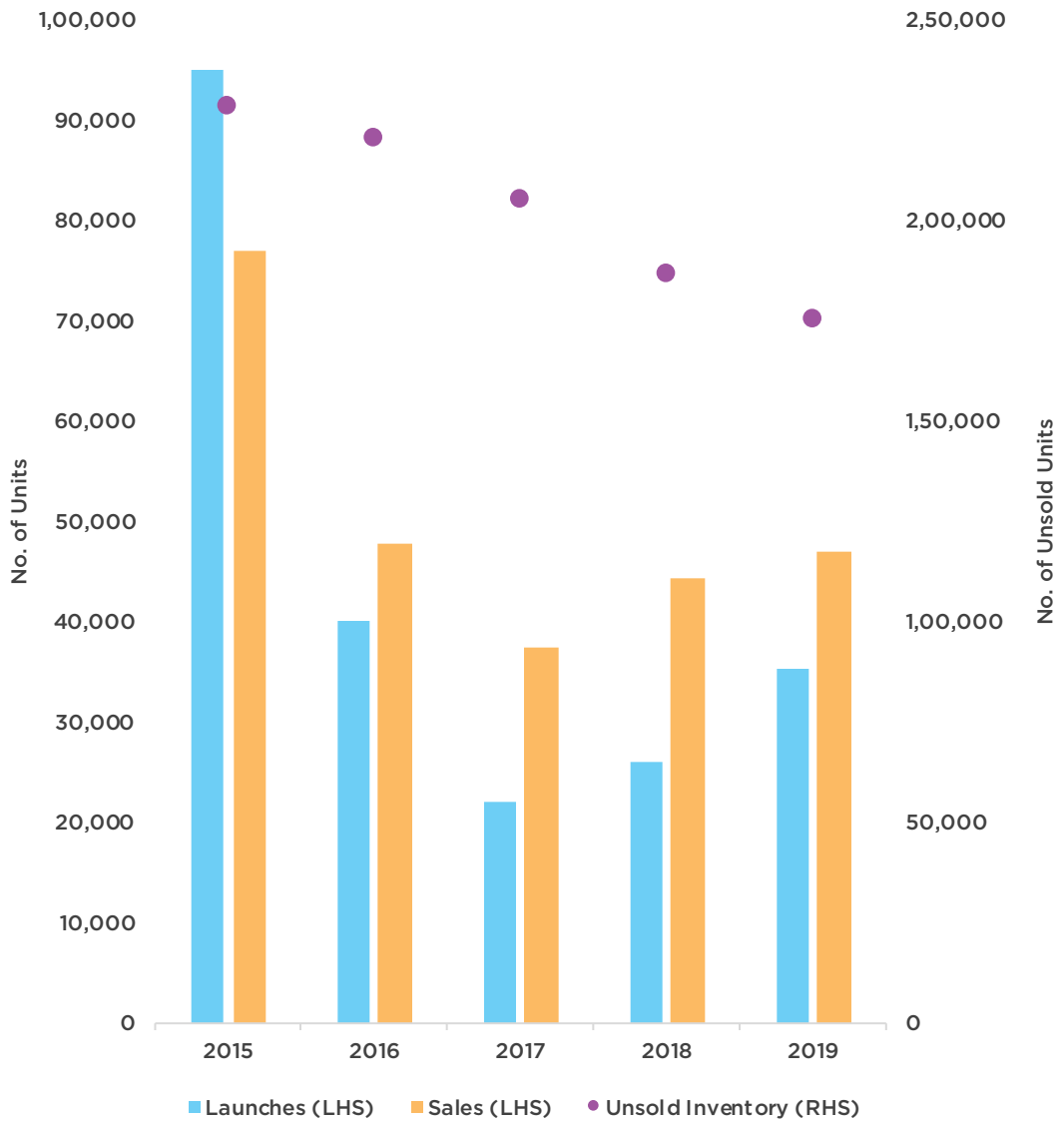
### UNSOLD INVENTORY

**1,75,079**  
Units

**-6%**  
Yearly Change

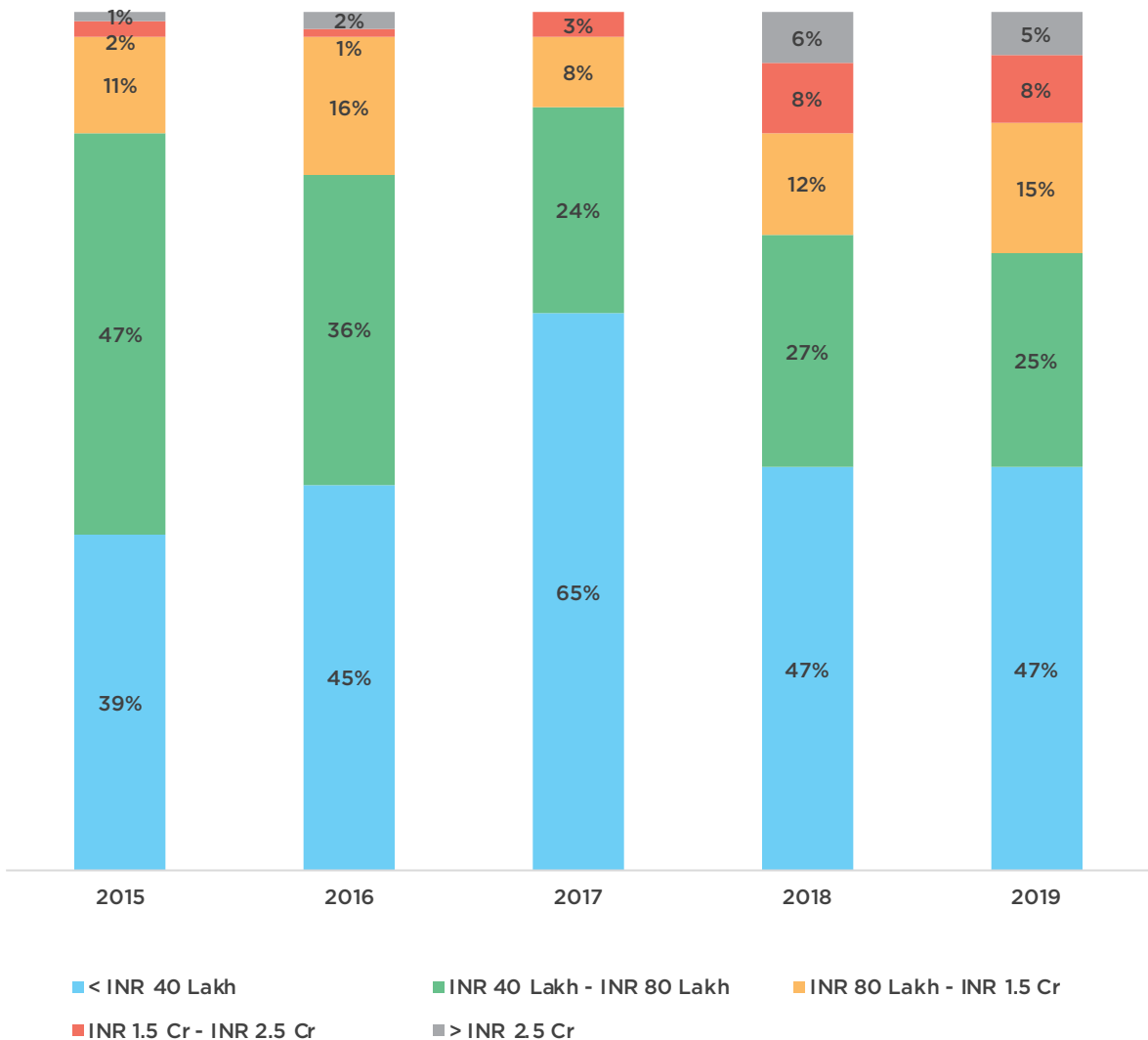
Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

### Real Estate Trends



*Absorption surpassed new launches for the 4<sup>th</sup> consecutive year, resulting in a significant reduction of unsold inventory.*

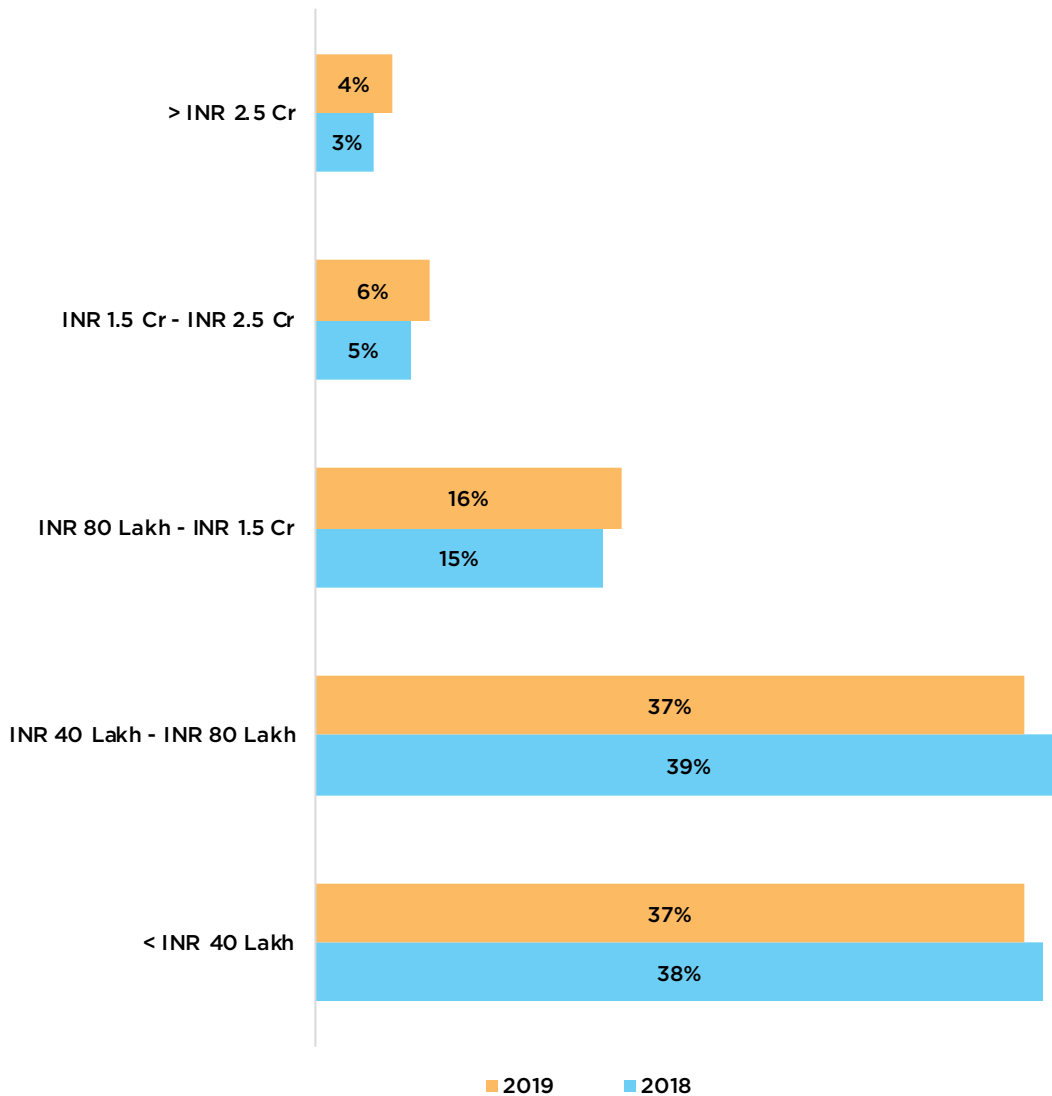
### New Launch Supply Trend By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*Affordable and mid-end segments together accounted for more than 70% of the total supply addition in 2019.*

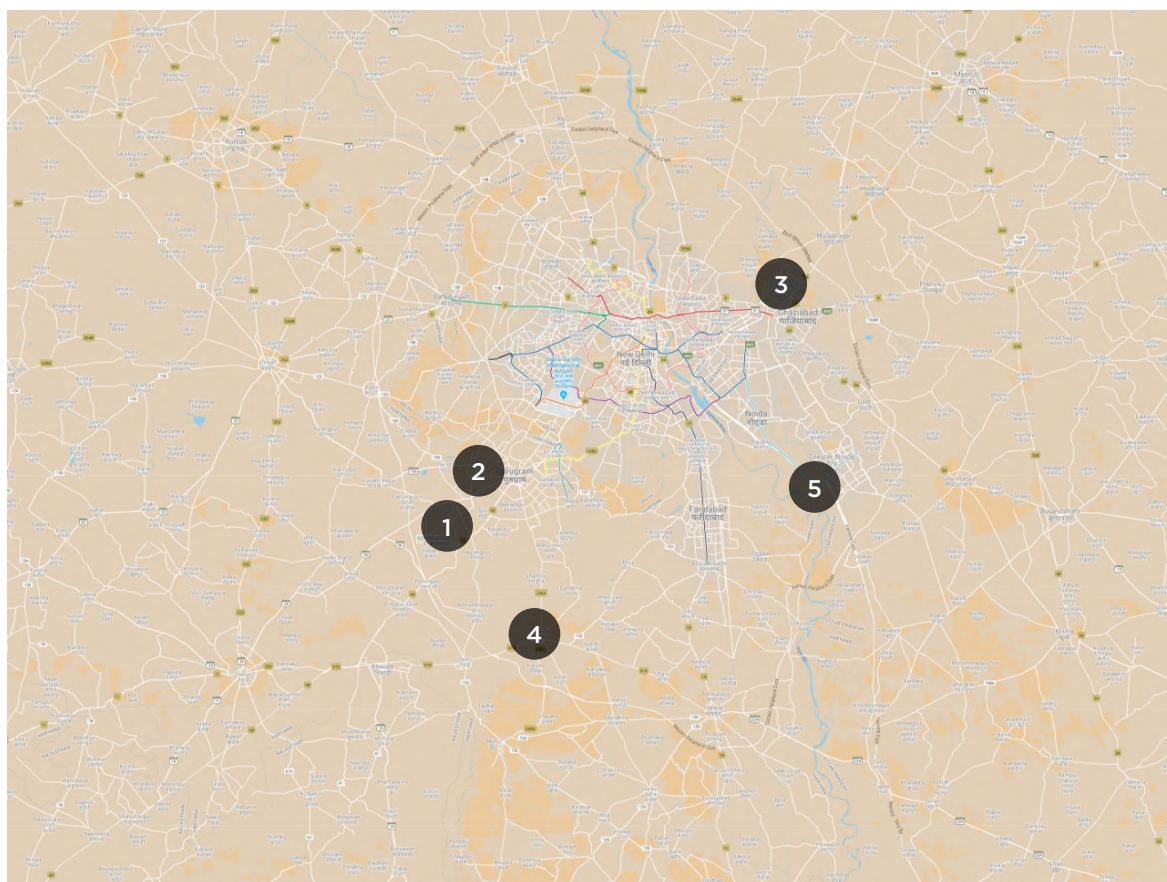
### Unsold Inventory By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*Affordable and mid-end segment each account for 37% of the unsold inventory. This is mainly because of the high supply infusion in these segments, during the past few years.*

**Top 5 Micro-markets  
As per 2019 supply**



Map not to scale, for representation purpose only

Location	New Launch Units	Unsold Inventory	Average Price (INR/sq ft)	Annual Price Change
New Gurugram	8,085	16,759	6,100	0.6%
Dwarka Expressway	3,910	16,943	5,328	1.2%
Raj Nagar Extension, Ghaziabad	2,400	11,237	3,260	0.7%
Sohna, Gurugram	2,295	9,236	4,070	0.4%
Sector-150, Noida	2,060	2,865	5,100	0.7%

Note: Average Price in INR/sq ft as quoted on Built-up Area.

*Above mentioned top 5 micro-markets accounted for nearly 53% of the overall new launches in 2019.*



# Mumbai Metropolitan Region

## City Overview



Population  
(Decadal Growth Rate)

**18.4 Mn (12%)**



Area

**6,355 km<sup>2</sup>**



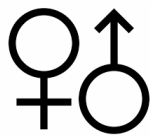
Population Density  
(persons per km<sup>2</sup>)

**2,895**



Literacy Rate

**89.8%**



Sex Ratio

**863**  
**(females per '000 males)**



Key Businesses

**IT-ITeS, BFSI, Media,  
Warehousing & Logistics**

Note: Above data points are for Mumbai Metropolitan Region  
Sources: Census 2011, Mumbai Metropolitan Region Development Authority, ANAROCK Research



## Existing Infrastructure Snapshot



### METRO RAIL

- 11.4 km long Versova-Andheri-Ghatkopar line reduced the journey time from 71 minutes to 21 minutes.
- 19.54 km monorail route from Chembur to Jacob Circle is operational, providing easy connectivity to commuters.

### AIRPORT

- Chhatrapati Shivaji International Airport handled nearly 48.2 million passengers in 2018-19, 7% higher than the previous year.
- Terminal 2 is the newest terminal and serves international and domestic flights.



### RAILWAYS

- Nearly 80 lakh passengers travel on Mumbai's suburban trains daily across 2,800 services.
- The suburban network spans over 427 km and has 126 railway stations.

### ROADWAYS

- The city witnessed northward growth along with the development of Eastern and Western Expressway.
- Santacruz-Chembur Link Road, Bandra-Worli Sea Link, Jogeshwari-Vikhroli Link Road are some of the key link roads.
- The city also connected with Pune through old and new Mumbai-Pune Expressway.

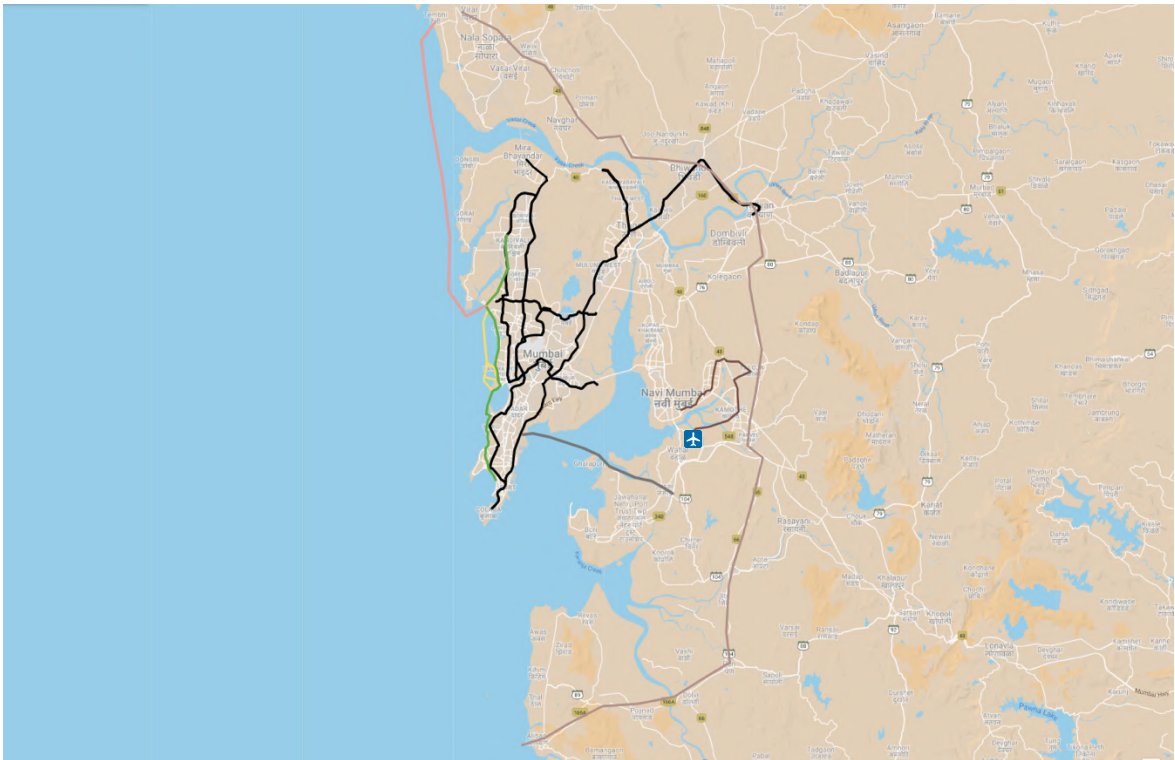


### PORT

- Mumbai port handled 60.6 million tonnes of traffic in 2018-19 which is nearly 9% of the total traffic handled by 12 major ports of India.
- Jawahar Lal Nehru Port (JNPT) handled 70.7 million tonnes of traffic in 2018-19, which accounts for nearly 10% of the total traffic handled by 12 major ports of India.

*The city has well-established network of roads and rail.  
Suburban rail network is the heart of MMR.*

## Upcoming Infrastructure



Map not to scale, for representation purpose only

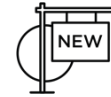
Legend	Infrastructure Initiative	Spans Over	Estimated Project Cost (INR cr)	Status
	Mumbai Metro Rail	337 km	1,40,000	Under construction, Expected to be completed by 2031
	Virar-Alibaug Multimodal Corridor	126 km	22,300 (Phase 1)	Planning
	Coastal Road	29 km	14,000	Planning
	Versova-Bandra Sea Link	17 km	7,000	Expected to be completed by 2024
	Versova-Virar Sea Link	43 km	24,000	Planning
	Mumbai Trans Harbour Link	22 km	14,262	Expected to be completed by 2022
	Navi Mumbai Metro Rail	26 km	8,904	Under construction
	Navi Mumbai International Airport	2,866 acres	16,000	Expected to be completed by 2023
	Mumbai-Ahmedabad High Speed Rail	508 km	1,10,000	Expected to be completed by 2023

*The city has many infrastructure projects planned for future growth.*

## MMR Real Estate Overview

- Supply in 2019 increased by 30% compared to the previous year. The city registered the highest supply since 2016.
- Nearly 43% of the supply in the current year has been in the affordable segment, which has increased by 40% compared to 2018.
- Sales increased by 22% over last year and have recorded the highest volume since 2015. Sales exceeded supply for the third consecutive year.
- The supply demand equilibrium in MMR has benefited for a marginal reduction of unsold inventory. In 2019, the unsold inventory reduced by 1% and has reached a new low in the last 5 years.

## Residential Snapshot



### NEW LAUNCH SUPPLY

77,990

Units

30%

Yearly Change



### SALES

80,870

Units

22%

Yearly Change



### UNSOLD INVENTORY

2,16,603

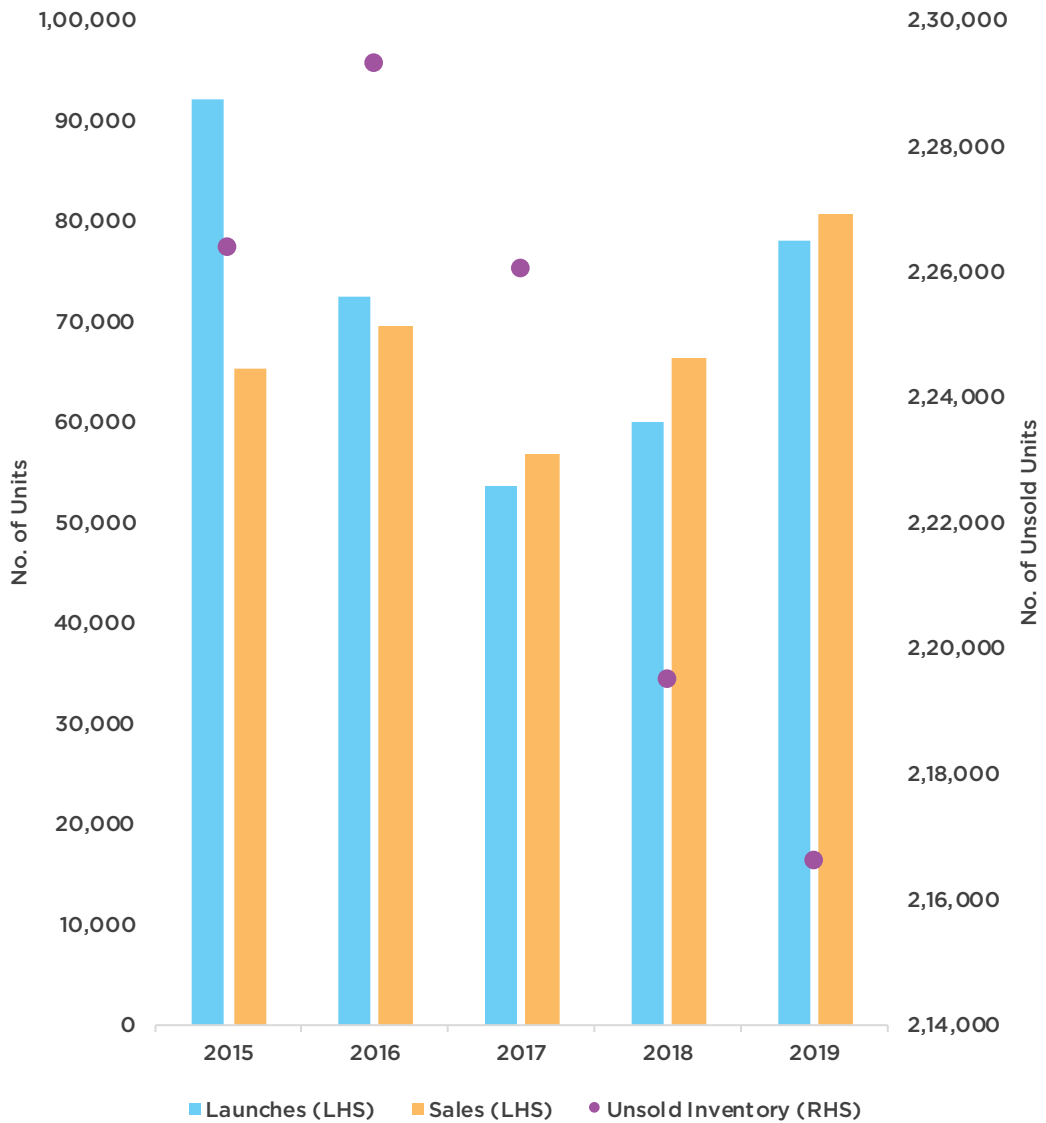
Units

-1%

Yearly Change

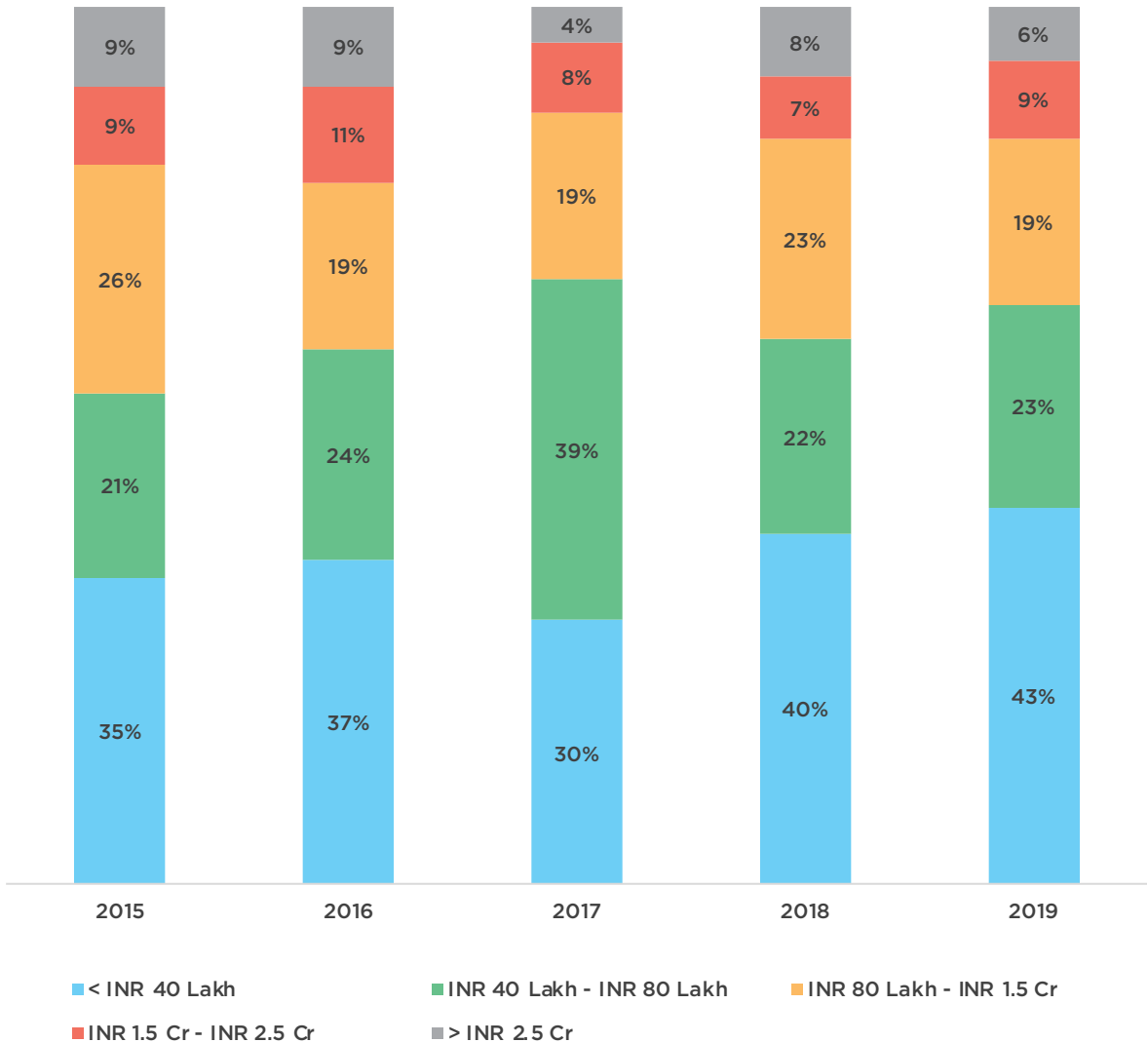
Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

### Real Estate Trends



*Increased supply and absorption has led to a marginal reduction of unsold inventory.*

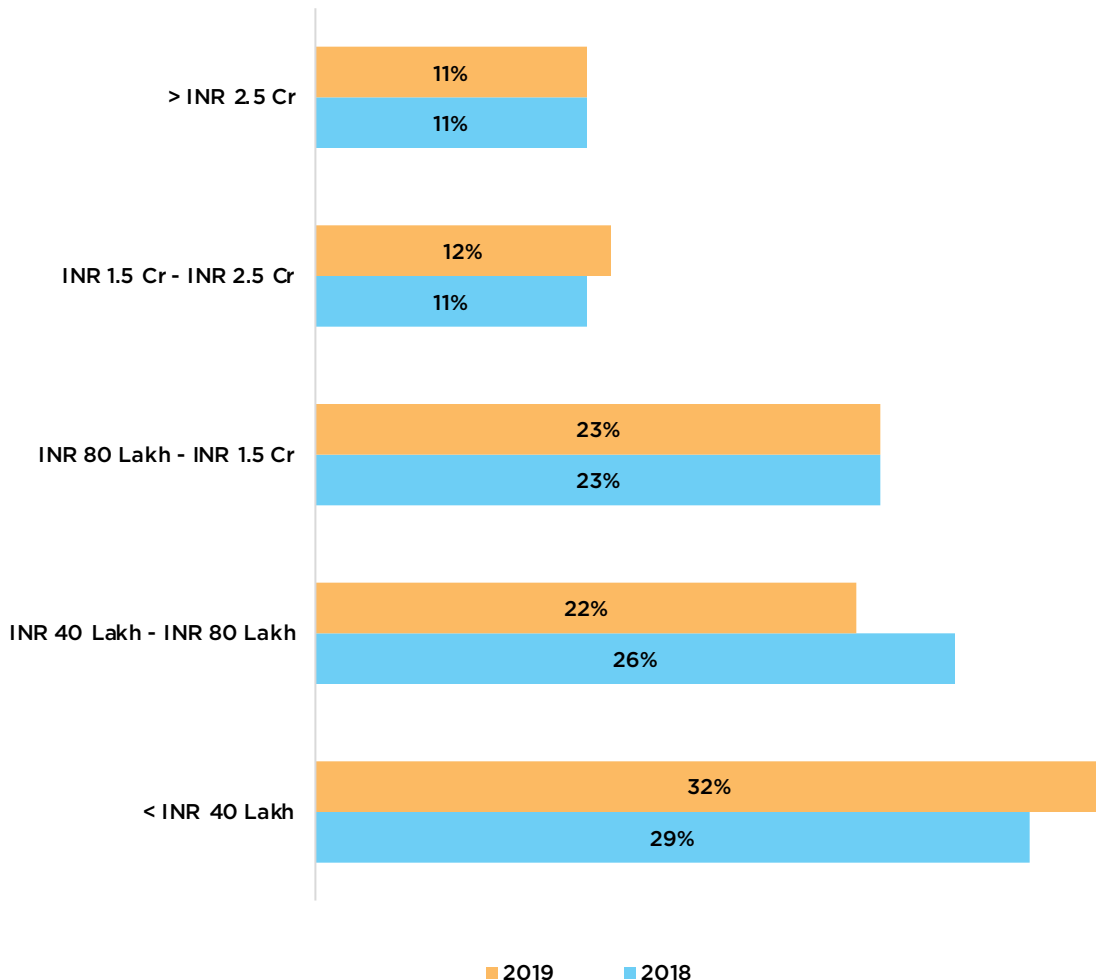
### New Launch Supply Trend By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*The supply share across all the budget segments have increased over the previous year; affordable and mid-end segments together accounted for nearly 66% of the supply.*

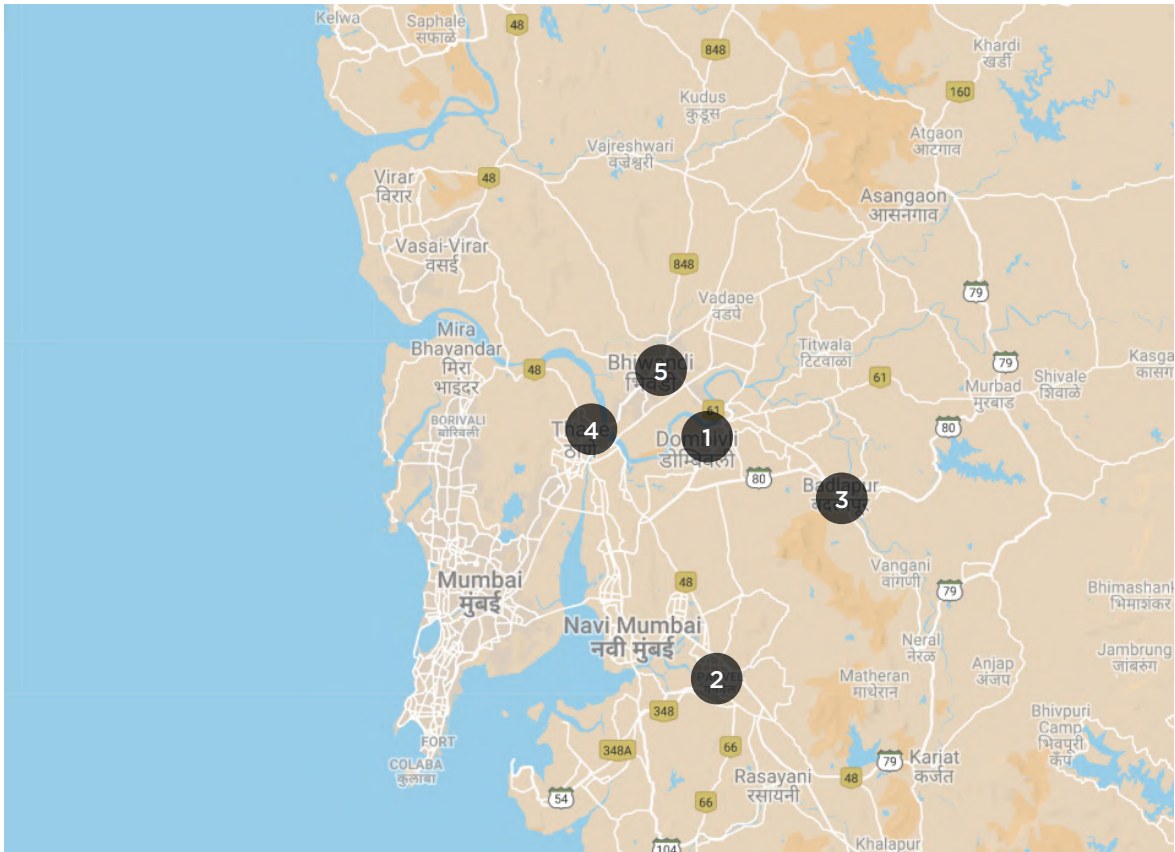
### Unsold Inventory By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*Due to high supply addition in the affordable segment in 2019, the unsold inventory in this segment is quite high at 32%. However, considering that there are several incentives for the buyers of this segment, it is likely to witness demand in the future periods.*

**Top 5 Micro-markets  
As per 2019 supply**



Map not to scale, for representation purpose only

Location	New Launch Units	Unsold Inventory	Average Price (INR/sq ft)	Annual Price Change
Dombivli	9,344	10,977	6,625	0.8%
Panvel	7,120	12,953	5,490	0.9%
Badlapur	5,590	8,138	3,790	1.1%
Kolshet Road, Thane	4,879	4,688	10,360	0.9%
Bhiwandi	3,693	5,884	4,260	1.8%

Note: Average Price in INR/sq ft as quoted on Built-up Area.

*Above mentioned top 5 micro-markets accounted for nearly 39% of the overall new launches in 2019.*



# Bengaluru



### City Overview



Population  
(Decadal Growth Rate)

**8.5 Mn (51.9%)**



Area

**8,005 km<sup>2</sup>**



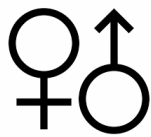
Population Density  
(persons per km<sup>2</sup>)

**1,064**



Literacy Rate

**88.7%**



Sex Ratio

**922**  
**(females per '000 males)**



Key Businesses

**IT-ITeS, Aerospace,  
Manufacturing**

Note: Above data points are for Bengaluru Metropolitan Region  
Sources: Census 2011, Bangalore Metropolitan Region Development Authority, ANAROCK Research

## Existing Infrastructure Snapshot



### METRO RAIL

- Phase 1 is operational - comprises 2 lines; 42.3 km, 40 stations.
- The Purple line - Mysuru Road to Byppanahalli - improved connectivity between the eastern and western parts.
- The Green line - Nagasandra to Yelachenahalli - reduced the travel time between northern and southern parts.

### AIRPORT

- Spread over 4,000 acres, Kempegowda International Airport is the third-busiest airport in India.
- Handled over 33.3 million passengers in 2018-19.
- Second phase of expansion is underway - includes a second runway and passenger terminal.



### RAILWAYS

- Bengaluru city railway station is the second busiest one in South India.
- It has a direct connectivity to all major cities in India.

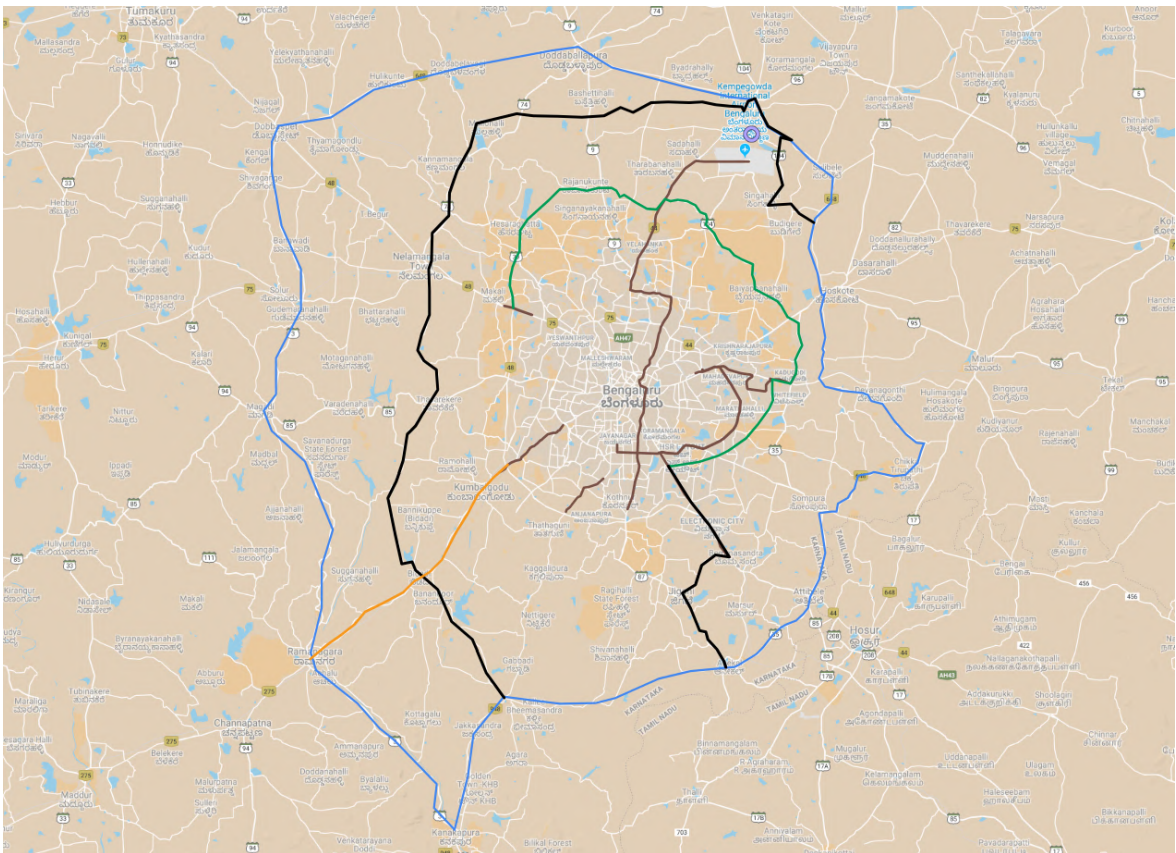
### ROADWAYS

- Bengaluru has a road network spanning 10,200 km.
- Outer Ring Road (ORR), Inner Ring Road, and NICE Road are the key roads connecting various parts of the city.
- Additionally, there are three elevated expressways that have reduced the travel time to several important areas.



*Multiple modes of connectivity has enabled the city's geographic expansion in all directions.*

Upcoming Infrastructure



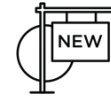
Map not to scale, for representation purpose only

Legend	Infrastructure Initiative	Length (km)	Estimated Project Cost (INR cr)	Status
	Metro Rail Phase 2	72.1	26,405	Expected to be completed by 2023
	Satellite Town Ring Road	204	NA	Included under Centre's Bharatmala scheme
	Intermediate Ring Road	188	NA	Planning
	Peripheral Ring Road	65	11,950	Planning
	Bengaluru-Mysuru Industrial Corridor	NA	NA	Planning
	Information Technology Investment Region	-	NA	Planning

*The upcoming infrastructure is likely to further improve connectivity and unlock new real estate destinations.*

## Bengaluru Real Estate Overview Residential Snapshot

- Launches in Bengaluru increased by 14% in 2019 over the previous year. This was a modest growth compared to the last year where the supply had nearly doubled.
- Affordable segment accounted for 30% of 2019 supply. This has nearly doubled compared to 2018.
- The mid-end segment accounted for 42% of 2019 supply. However, this segments seems to be tested in the market as the new launches shrunk by 24% compared to the previous year.
- Sales decreased by nearly 12% over the previous year. However, sales continued to exceed total supply for the third consecutive year, which is a good indicator for the market.
- Amidst new supply addition and a decline in sales, unsold inventory reduced by 14% in 2019, as compared to the previous year. This indicates that the inventory offtake in Bengaluru has gained pace.



### NEW LAUNCH SUPPLY

**39,930**

Units

**14%**

Yearly Change



### SALES

**50,450**

Units

**-12%**

Yearly Change



### UNSOLD INVENTORY

**62,816**

Units

**-14%**

Yearly Change

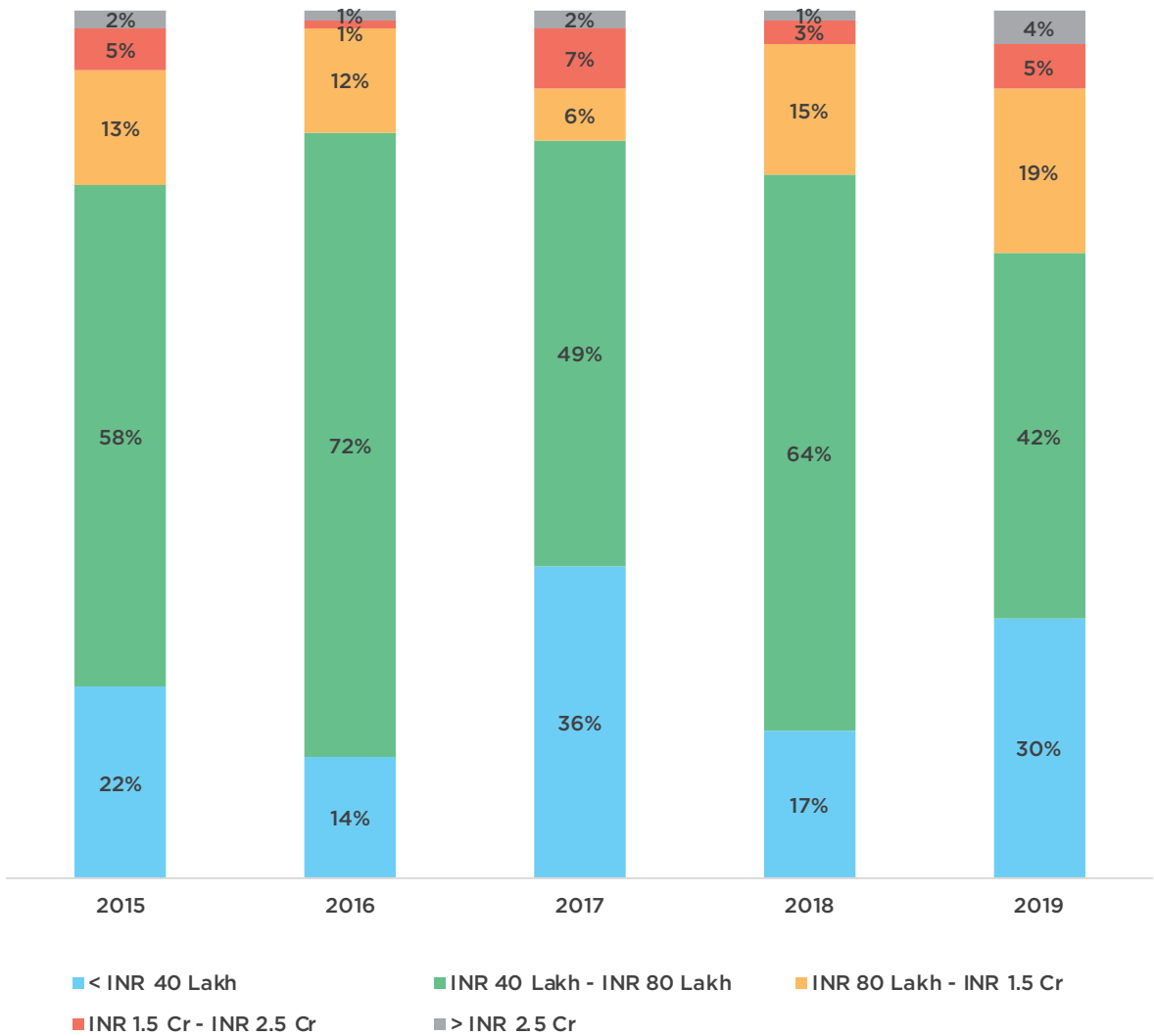
Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

### Real Estate Trends



*Sales continued to exceed supply for 3 consecutive years and this has helped to reduce unsold inventory.*

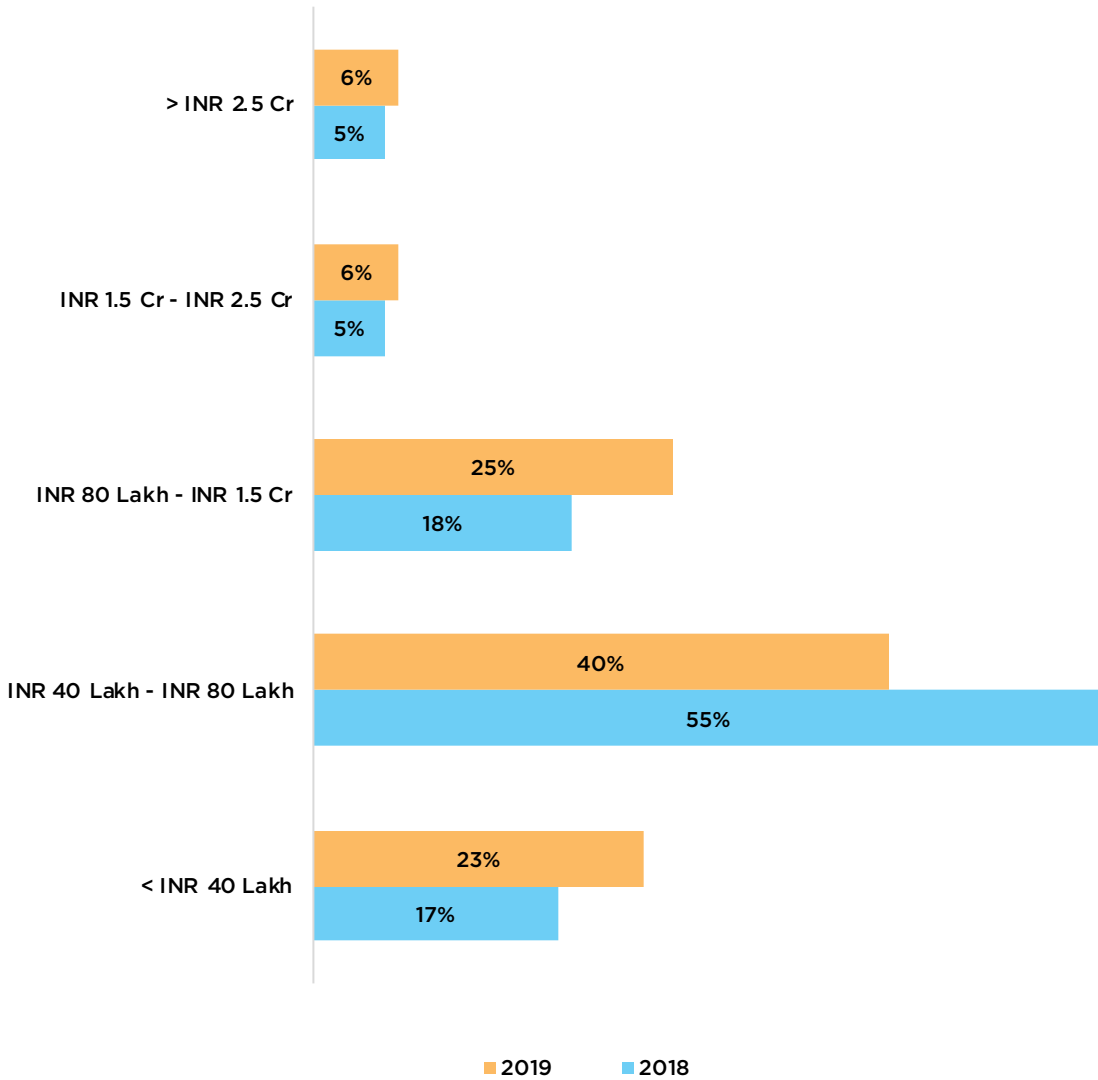
### New Launch Supply Trend By Budget Segmentation



Budget segmentation: Affordable: < INR 40 Lakh; Mid-end: INR 40 Lakh - INR 80 Lakh; High-end: INR 80 Lakh - INR 1.5 Cr; Luxury: INR 1.5 Cr - INR 2.5 Cr; Ultra-luxury: > INR 2.5 Crore

*42% of 2019 supply has been added in the mid-end segment. Supply in the affordable segment has nearly doubled in 2019 as compared to the previous year.*

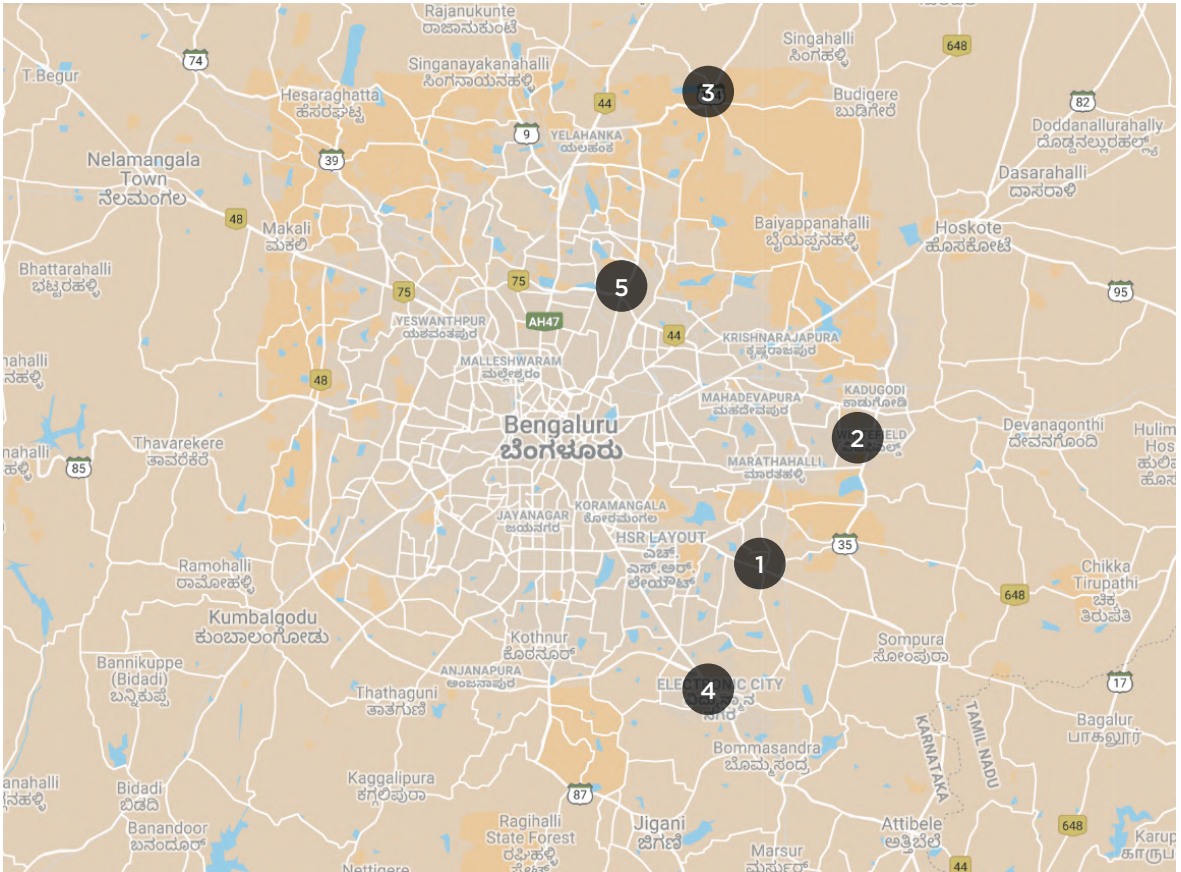
### Unsold Inventory By Budget Segmentation



Budget segmentation: Affordable: < INR 40 Lakh; Mid-end: INR 40 Lakh - INR 80 Lakh; High-end: INR 80 Lakh - INR 1.5 Cr; Luxury: INR 1.5 Cr - INR 2.5 Cr; Ultra-luxury: > INR 2.5 Crore

*Unsold inventory in the affordable segment has increased due to heavy supply infusion during the year.*

**Top 5 Micro-markets  
As per 2019 supply**



Map not to scale, for representation purpose only

Location	New Launch Units	Unsold Inventory	Average Price (INR/sq ft)	Annual Price Change
Sarjapur Road	4,600	5,158	5,870	0.9%
Bagalur Road	4,135	3,260	4,300	1.3%
Whitefield	3,435	4,818	4,765	1.2%
Electronic City	2,250	3,215	4,400	1.4%
Thansandra Road	1,805	2,571	5,175	0.9%

Note: Average Price in INR/sq ft as quoted on Built-up Area.

*Above mentioned top 5 micro-markets accounted for nearly 41% of the overall new launches in 2019.*





# Pune

## City Overview



Population  
(Decadal Growth Rate)

**5.1 Mn (34%)**



Area

**7,257 km<sup>2</sup>**



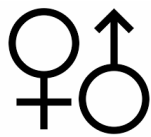
Population Density  
(persons per km<sup>2</sup>)

**697**



Literacy Rate

**89.6%**



Sex Ratio

**904**  
**(females per '000 males)**



Key Businesses

**IT-ITeS,**  
**Automobile**

Note: Above data points are for Pune Metropolitan Region  
Sources: Census 2011, Pune Metropolitan Region Development Authority, ANAROCK Research

## Existing Infrastructure Snapshot



### BUS RAPID TRANSIT SYSTEM (BRTS)

- 16 km out of the planned network of 68.8 km is complete.
- Operational corridors include, Yerawada-Wagholi, Sangamwadi-Vishrantwadi, Sangvi Phata-Kiwali, Kalewadi Phata-Dehu Alandi Road, Nigadi-Dapodi, and Nashik Phata-Wakad.

### AIRPORT

- Pune has an international airport at Lohegaon and is among the fastest growing airport globally.
- Nearly 9 million passengers travelled from the airport in 2018.



### RAILWAYS

- Pune suburban railway system connects the city to its suburbs and neighboring villages in Pune district.
- The suburban railways also connect to Lonavala and Talegaon, the growing suburbs of the city
- Also, Pune is a part of India's rail network that connects many cities.

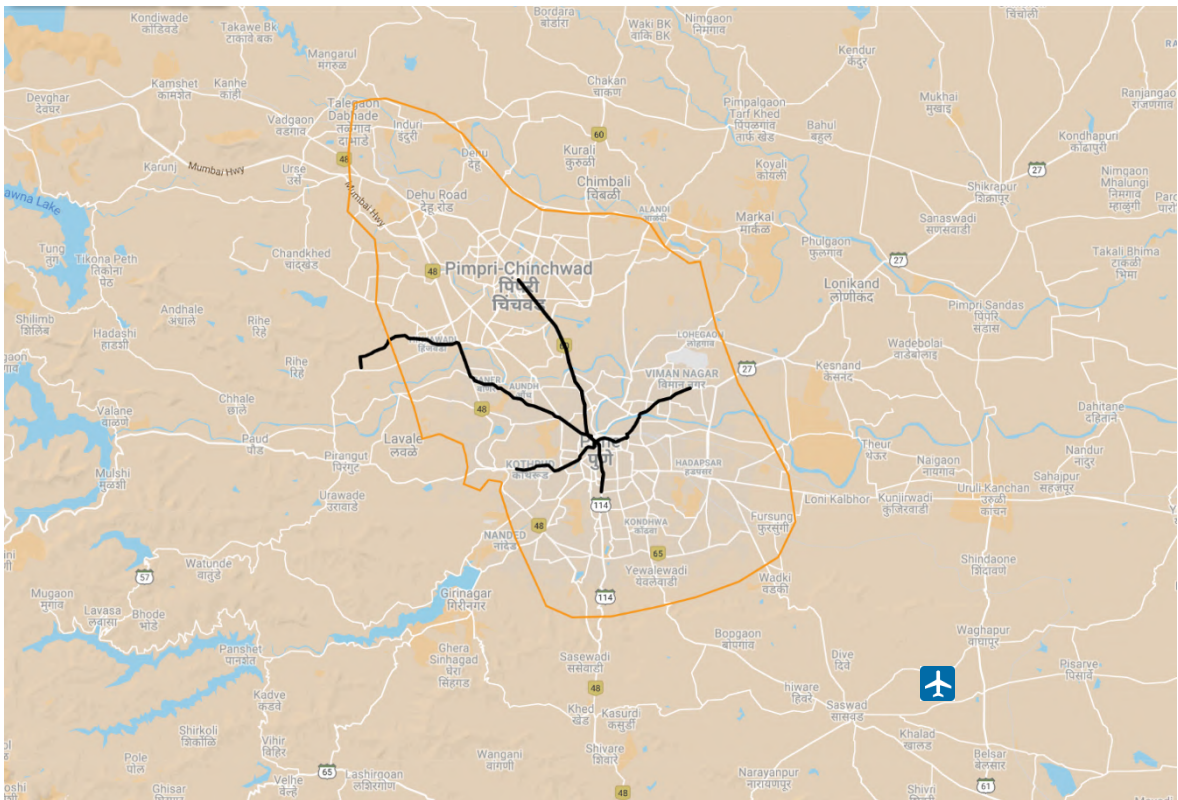
### ROADWAYS

- Mumbai-Pune Expressway is India's first six-lane concrete, high-speed, access controlled tolled expressway.
- NH 48 (Mumbai-Pune Bypass Road), NH 65, and NH 60 are some major national highways that connect the city to the rest of the country.



*Pune possesses excellent intra-city connectivity and is well connected to the Financial Capital of India, Mumbai.*

Upcoming Infrastructure



Map not to scale, for representation purpose only

Legend	Infrastructure Initiative	Spans Over	Estimated Project Cost (INR cr)	Status
	Metro Rail	55 km	NA	Expected to be completed by 2023
	Ring Road	128 km	17,000	Included under Bharatmala project
	New Pune International Airport	2,965 acres	2,000	Under construction
	Mumbai-Pune Hyperloop (Phase 1)	11.8 km	5,000	Expected to be completed in next 7 years
	Bus Rapid Transit System	112 km	NA	30 km route is already operational; Warje-Kharadi corridor is under construction

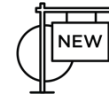
Various infrastructure initiatives planned to decongest the city roads.

## Pune Real Estate Overview

- Pune accounted for nearly 19% share of the supply across the top 7 cities in 2019 and recorded a growth of 89% over the previous year. Launches in 2019 have been the highest in the last four years.
- Nearly 45% of the supply added in 2019 pertains to the mid-end segment. Total launches in this segment increased by 120% over the previous year. The economic base of the city driven by services and industrial sectors have been instrumental in creating a demand for the mid-end segment projects.
- Sales during the year increased by 18% compared to the previous year and was the highest in the last four years. However, unlike the previous years, it was less than the supply.
- Unsold inventory in 2019 increased by 6% in 2019, mainly due to launches exceeding sales

Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

## Residential Snapshot



### NEW LAUNCH SUPPLY

**46,100**

Units

**89%**

Yearly Change



### SALES

**40,790**

Units

**18%**

Yearly Change



### UNSOLD INVENTORY

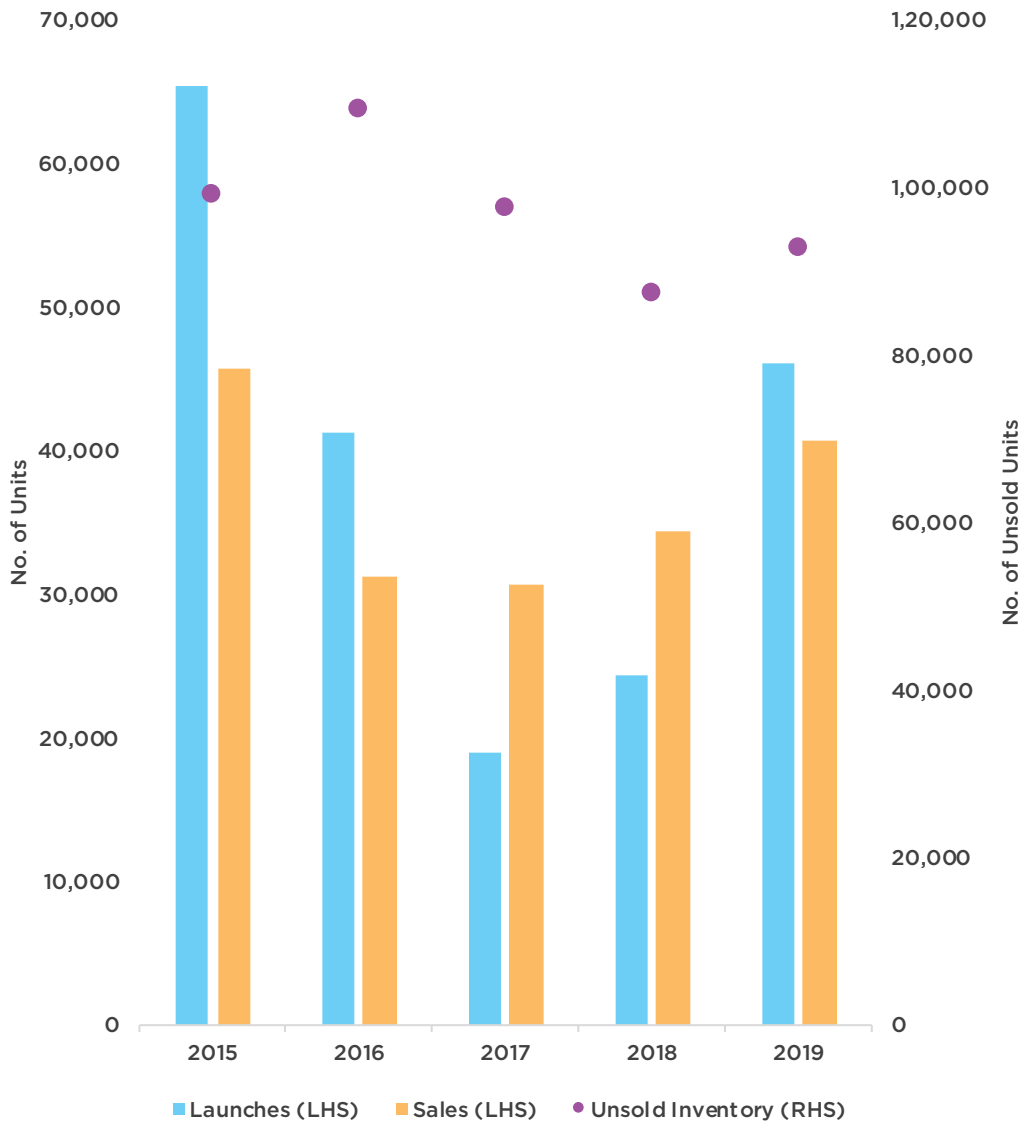
**92,721**

Units

**6%**

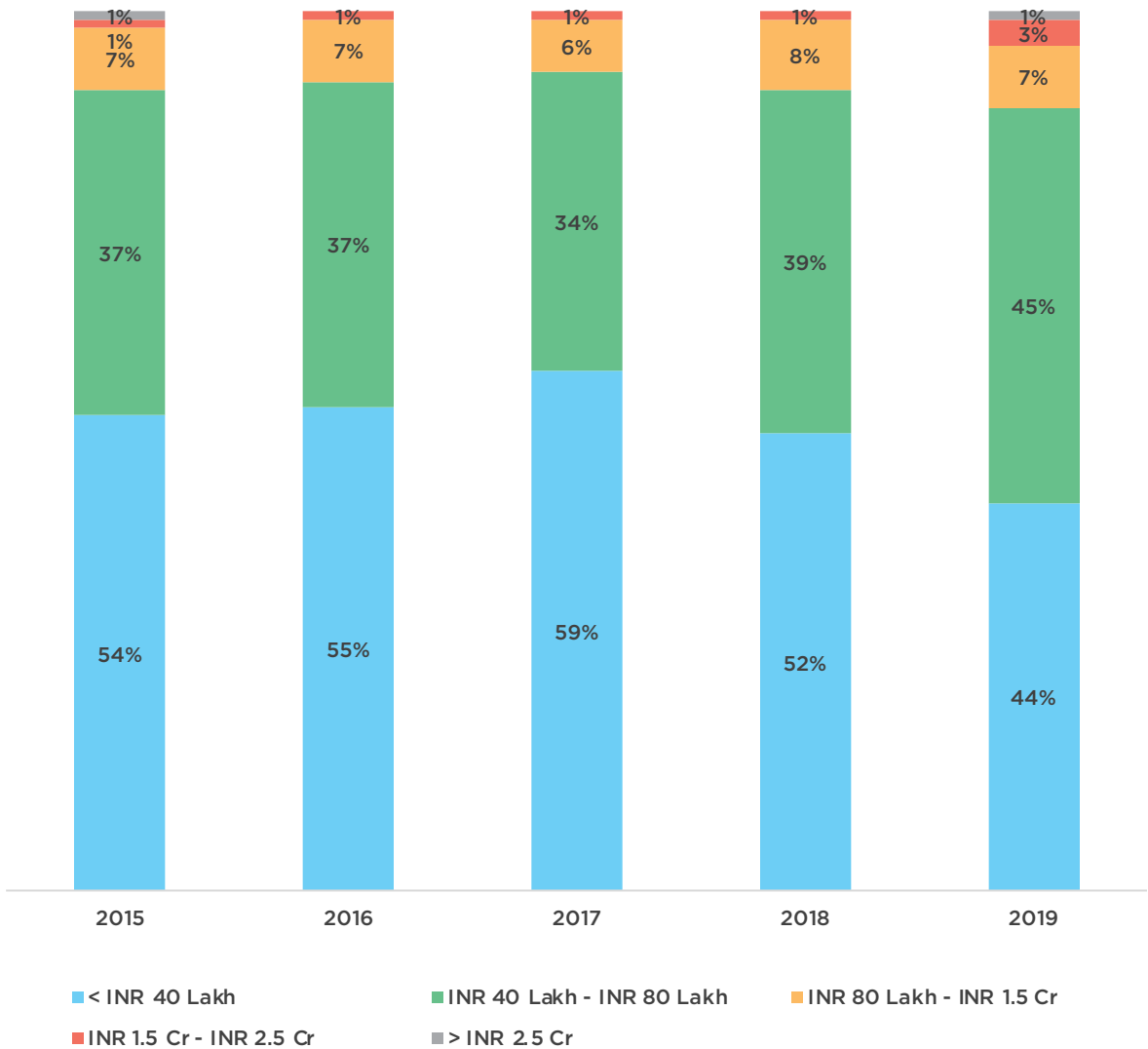
Yearly Change

### Real Estate Trends



*Though supply and absorption has been the highest in the last four years, the unsold inventory increased as launches exceeded sales in 2019.*

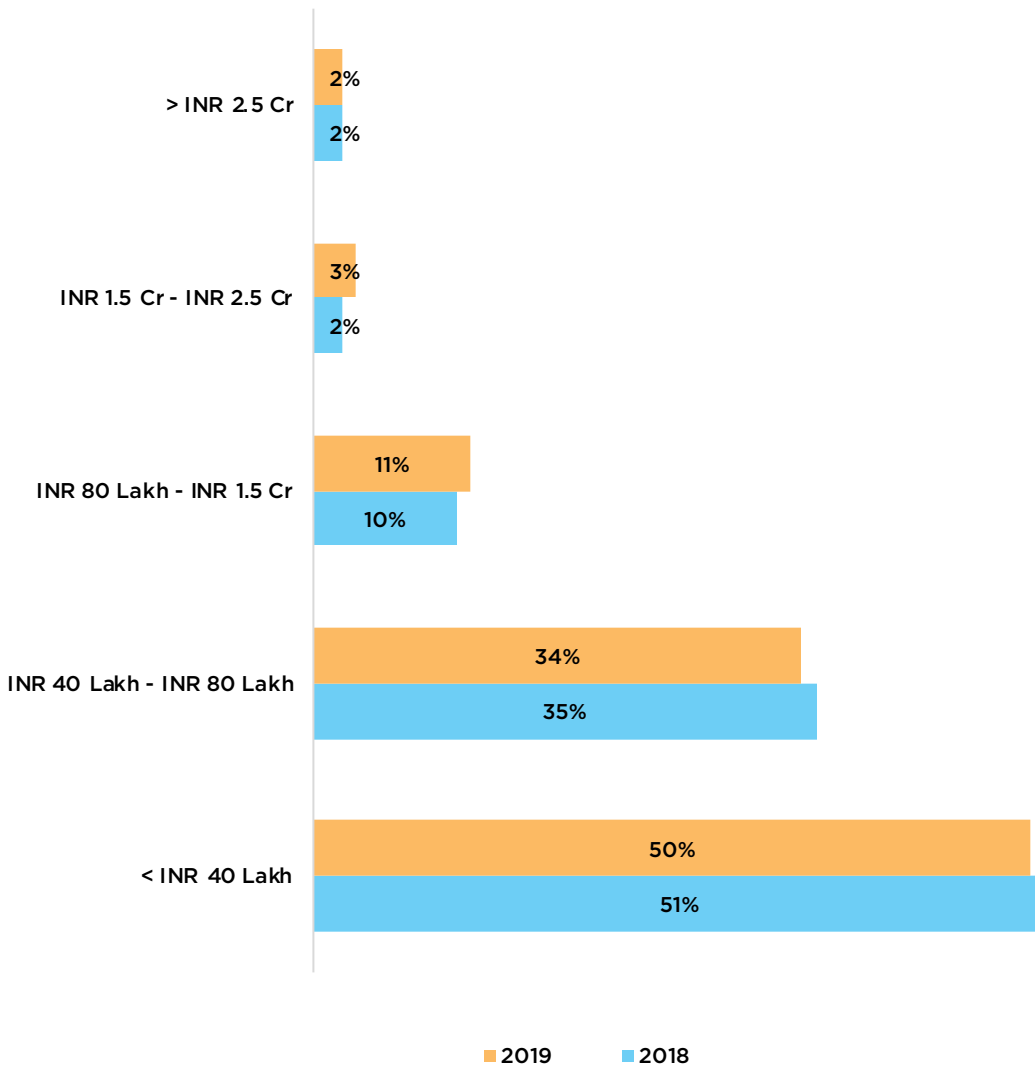
### New Launch Supply Trend By Budget Segmentation



Budget segmentation: Affordable: < INR 40 Lakh; Mid-end: INR 40 Lakh - INR 80 Lakh; High-end: INR 80 Lakh - INR 1.5 Cr; Luxury: INR 1.5 Cr - INR 2.5 Cr; Ultra-luxury: > INR 2.5 Crore

*Affordable and mid-end segments together accounted for nearly 90% of the total supply.*

### Unsold Inventory By Budget Segmentation

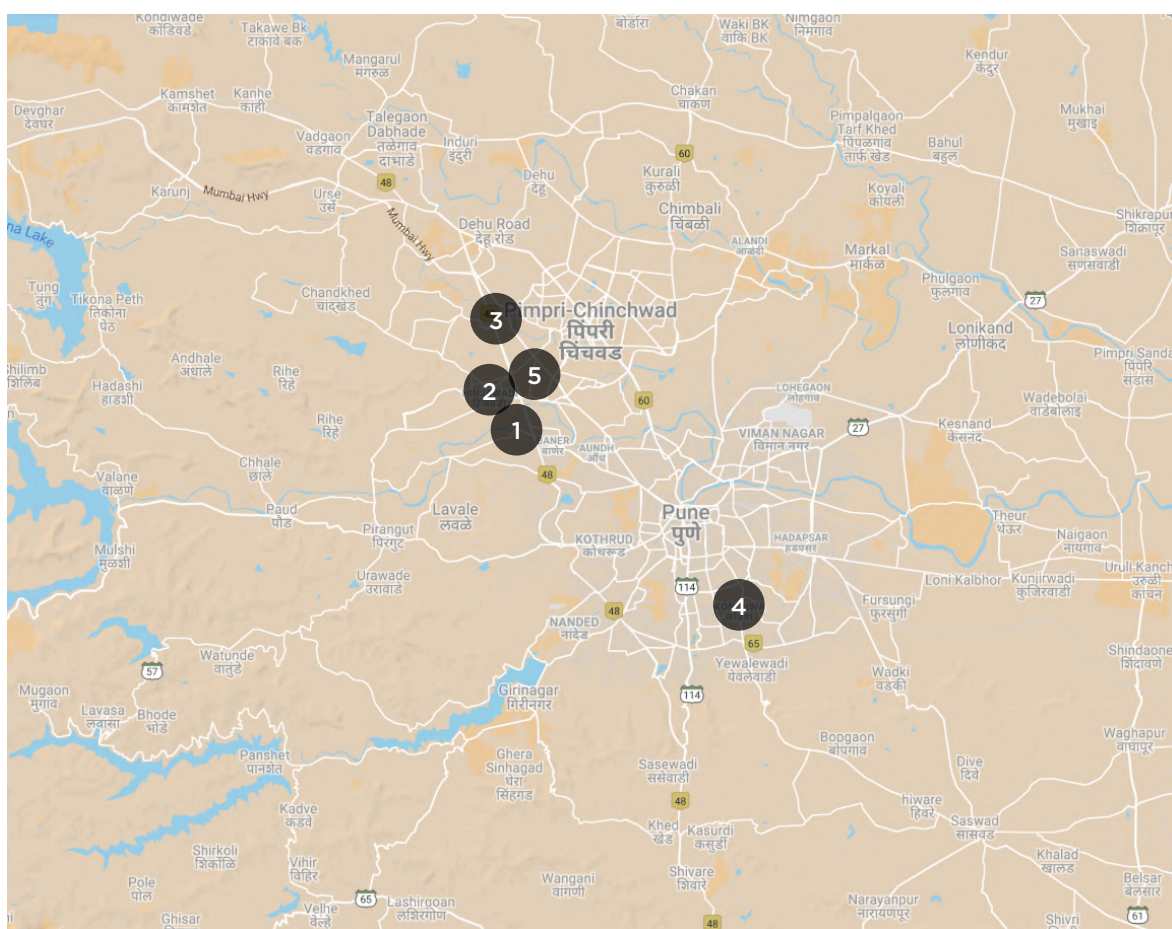


Budget segmentation: Affordable: < INR 40 Lakh; Mid-end: INR 40 Lakh - INR 80 Lakh; High-end: INR 80 Lakh - INR 1.5 Cr; Luxury: INR 1.5 Cr - INR 2.5 Cr; Ultra-luxury: > INR 2.5 Crore

*Despite high supply in the mid-end segment, the unsold inventory is only 34%, indicating healthy absorption in this price-bracket.*



### Top 5 Micro-markets As per 2019 supply



Map not to scale, for representation purpose only

Location	New Launch Units	Unsold Inventory	Average Price (INR/sq ft)	Annual Price Change
Mahalunge	4,625	2,762	5,670	0.6%
Hinjewadi	3,790	6,012	5,580	1.1%
Tathawade	2,275	1,666	6,150	0.7%
Kondhwa	2,215	1,072	7,080	0.5%
Wakad	2,080	4,204	6,540	0.6%

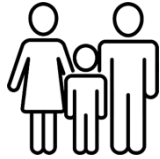
Note: Average Price in INR/sq ft as quoted on Built-up Area.

*Above mentioned top 5 micro-markets accounted for nearly 33% of the overall new launches in 2019.*



# Hyderabad

### City Overview



Population  
(Decadal Growth Rate)

**7.7 Mn (87%)**



Area

**7,257 km<sup>2</sup>**



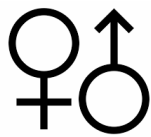
Population Density  
(persons per km<sup>2</sup>)

**1,058**



Literacy Rate

**82.9%**



Sex Ratio

**954**  
**(females per '000 males)**



Key Businesses

**IT-ITeS, Pharma,  
Aerospace**

Note: Above data points are for Hyderabad Metropolitan Region  
Sources: Census 2011, Hyderabad Metropolitan Development Authority, ANAROCK Research

## Existing Infrastructure Snapshot



### METRO RAIL - PHASE 1

- 56 km operational across various parts of the city.
- Currently, connects Miyapur in the north to LB Nagar in south and Raidurg in west to Nagole in east.

### AIRPORT

- Rajiv Gandhi International Airport is among the first modern airports of the country.
- Spread over 5,500 acres, it is capable of handling 40 million passengers annually.
- It has been ranked as the world's eighth best airport in a survey conducted by AirHelp.



### RAILWAYS

- Secunderabad Junction is the key station in the city which provide seamless connectivity to other parts of the country.
- Suburban railway network is also spread across the city and covers almost all prominent areas
- South-Central Railway operationalized a 5.75 km long Ramachandrapuram to Tellapur route for public under phase 2

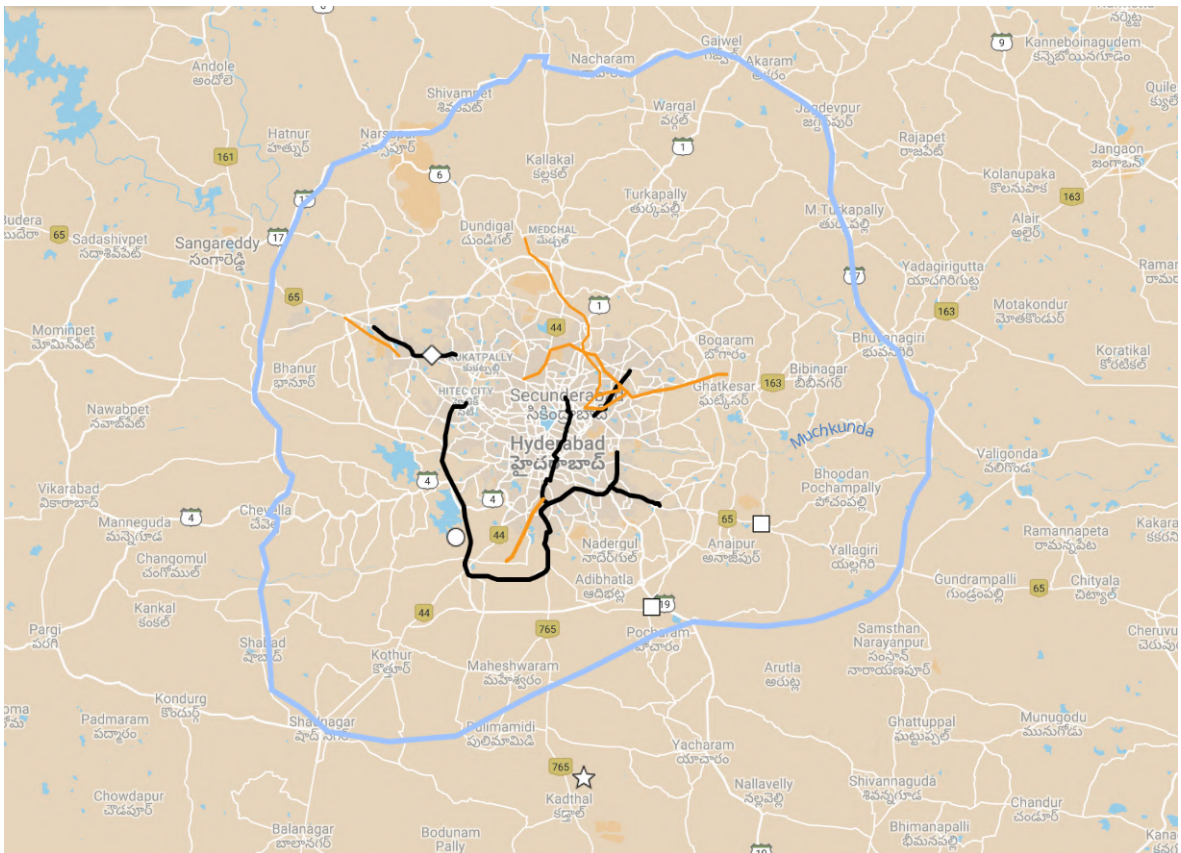
### ROADWAYS

- Well established road network that connects to Bengaluru, Pune and Nagpur
- 158 km long, 8-lane Outer Ring Road (ORR) helps to divert heavy traffic entering the city limits and provides easy connectivity
- PV Narsimha Rao Elevated Expressway connects the Rajiv Gandhi International Airport with the city at Mehdipatnam area



*The city has well-established road, rail and air transport network to support the growth of the city.*

Upcoming Infrastructure



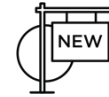
Map not to scale, for representation purpose only

Legend	Infrastructure Initiative	Spans Over	Estimated Project Cost (INR cr)	Status
—	Metro Rail	NA	NA	Planning
—	Suburban Rail Network Phase 2	101 km	1,800	Planning
—	Regional Ring Road	300 km	NA	Planning
□	Logistic Parks (Batasingaram & Mangalpally)	62 acres	55	Under Construction
☆	Pharma City Phase 1	19,333 acres	3,418	Planning
◇	Intercity Bus Terminal	NA	100	Planning
○	Eco Park	85 acres	NA	Planning

*The proposed infrastructure development is likely to unlock new areas for real estate growth in the city.*

## Hyderabad Real Estate Overview Residential Snapshot

- Supply reduced by 14% compared to the 2018. The city has been on a cautious note since 2016 and seems to have adjusted supply so as to maintain demand momentum.
- Majority of the supply has been in the mid-end and high-end segments accounting for 33% and 30%, respectively.
- Sales decreased by 11% in 2019 as compared to the previous year but continued to exceed the supply for the third consecutive year.
- Controlled supply amidst rising absorption has led to a reduction in unsold inventory which dropped by 7% over the previous year. As of 2019, Hyderabad had the least unsold inventory across the top 7 cities of India.



### NEW LAUNCH SUPPLY

**14,840**  
Units

**-14%**  
Yearly Change



### SALES

**16,590**  
Units

**-11%**  
Yearly Change



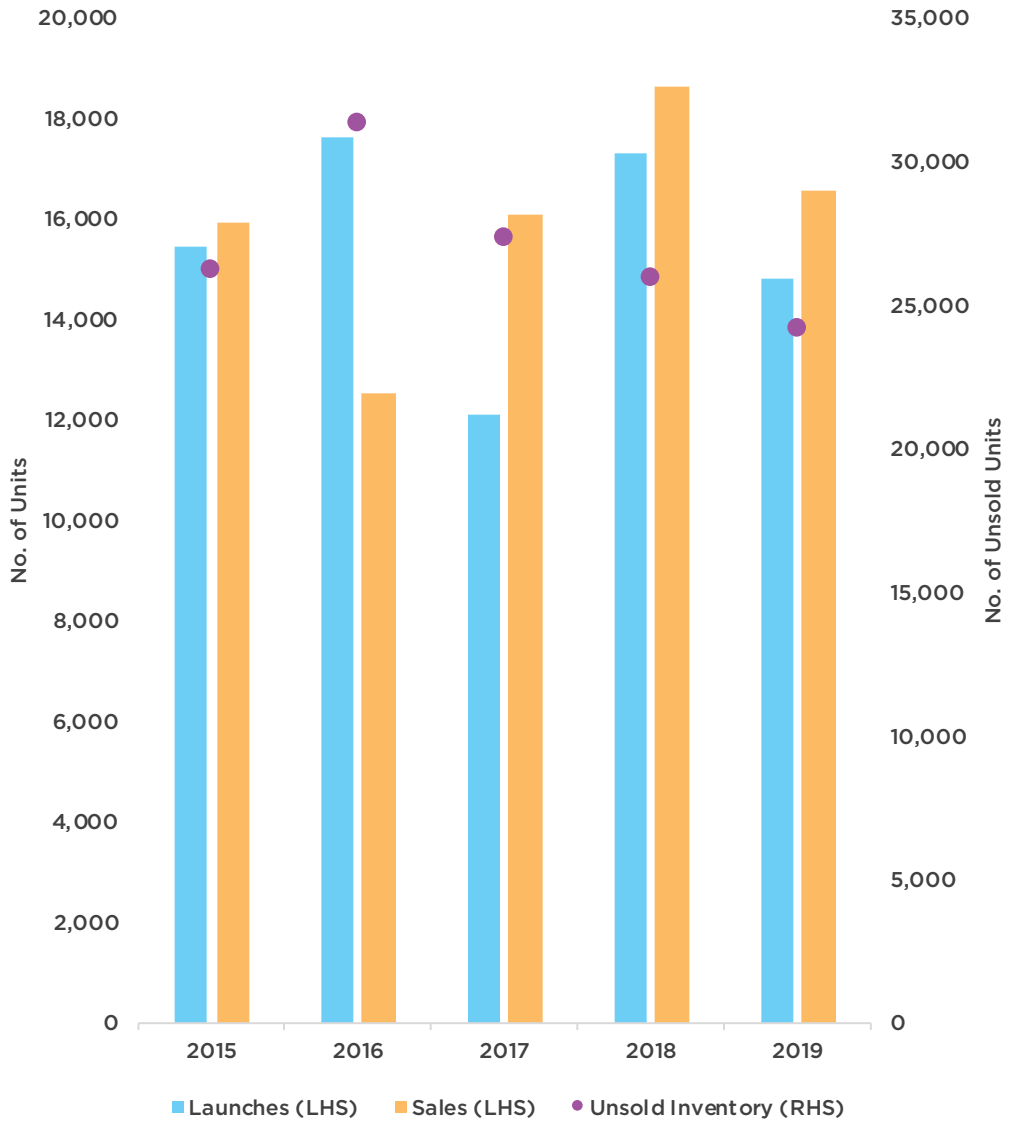
### UNSOLD INVENTORY

**24,205**  
Units

**-7%**  
Yearly Change

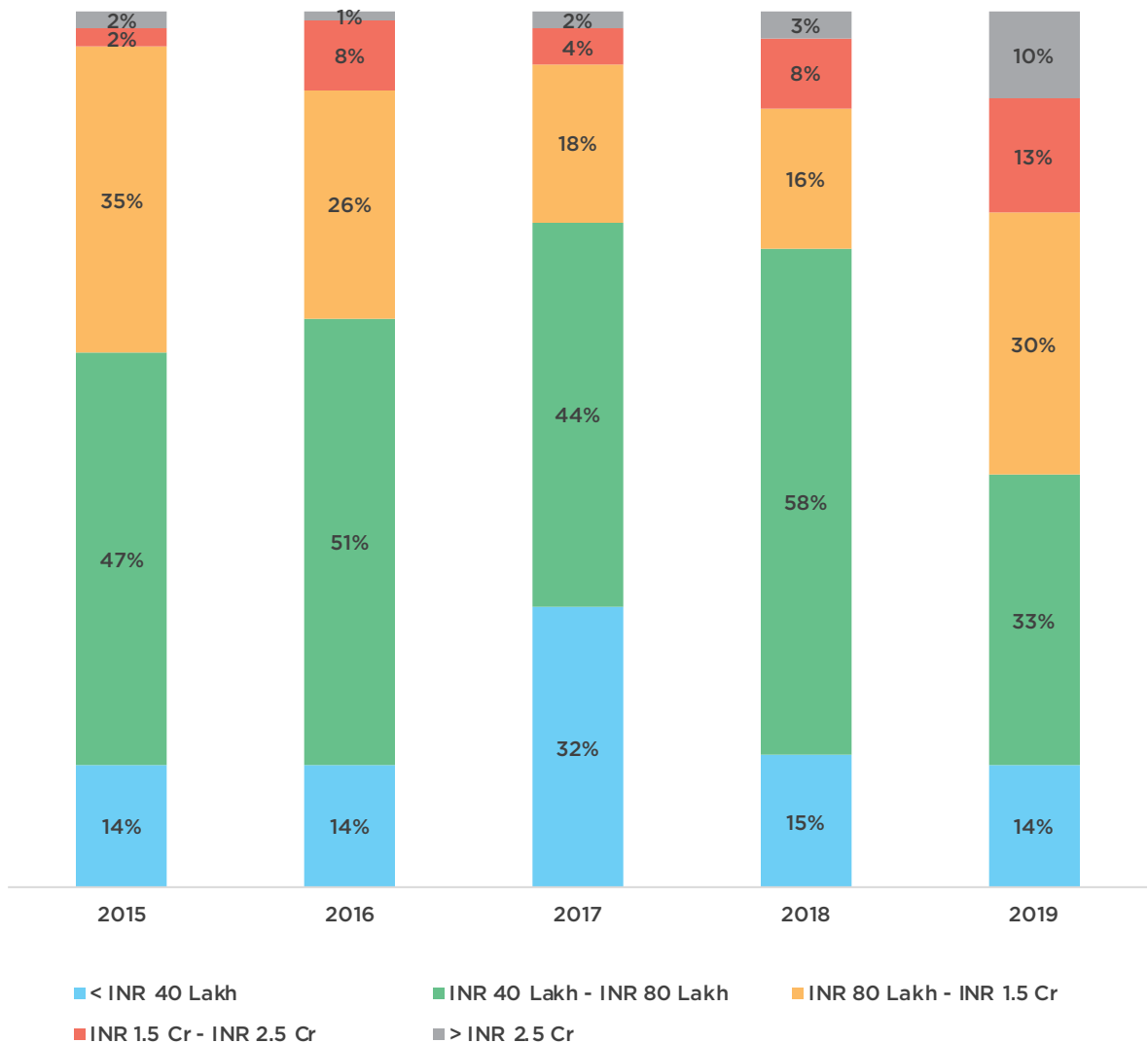
Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

### Real Estate Trends



*Sales continued to exceed the launches for the third consecutive year resulting in reduction of unsold inventory.*

### New Launch Supply Trend By Budget Segmentation

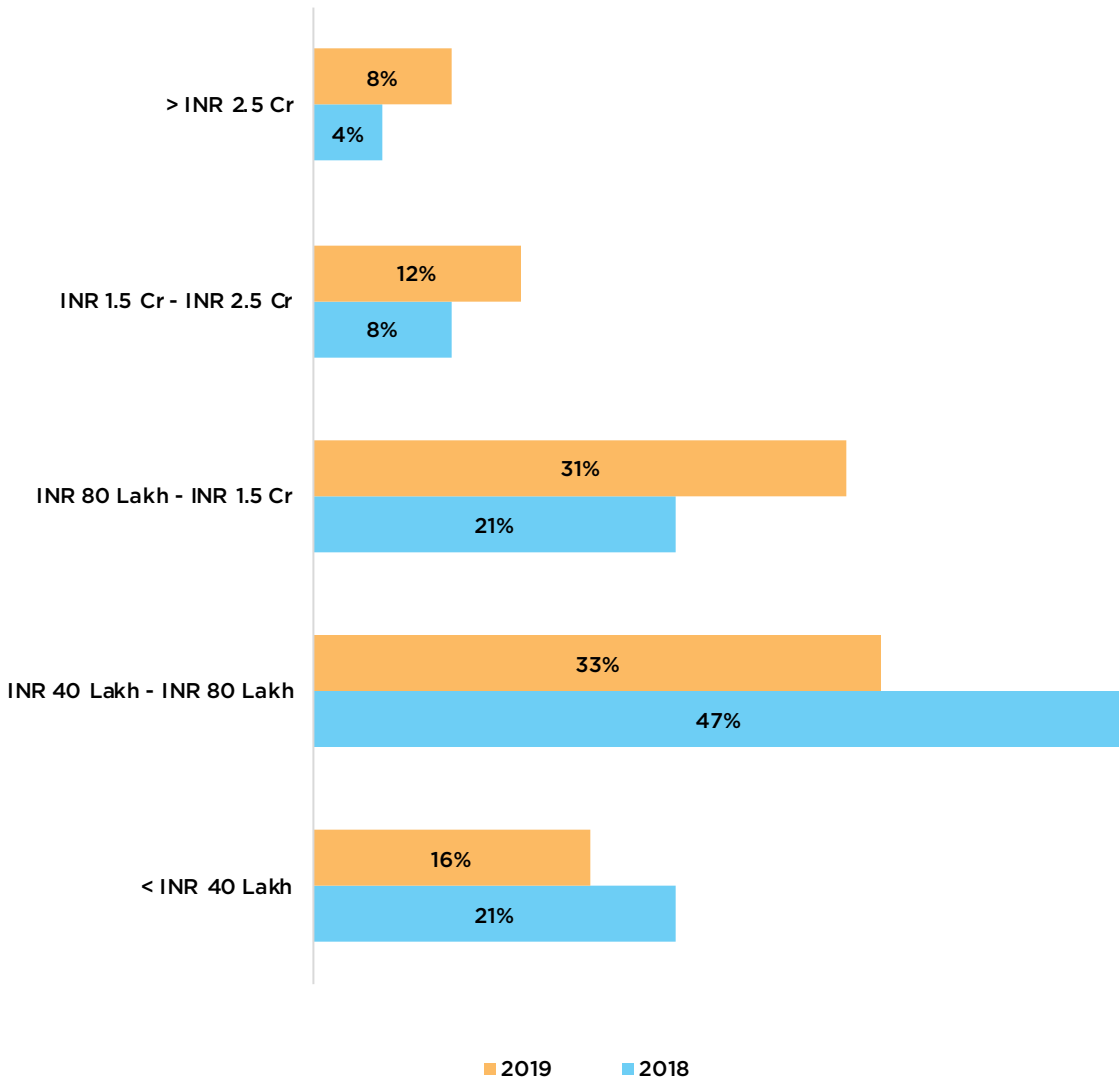


Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*The mid-end segment accounted for nearly 33% of the supply in 2019. However, the total addition in this segment reduced by 51% compared to the last year.*



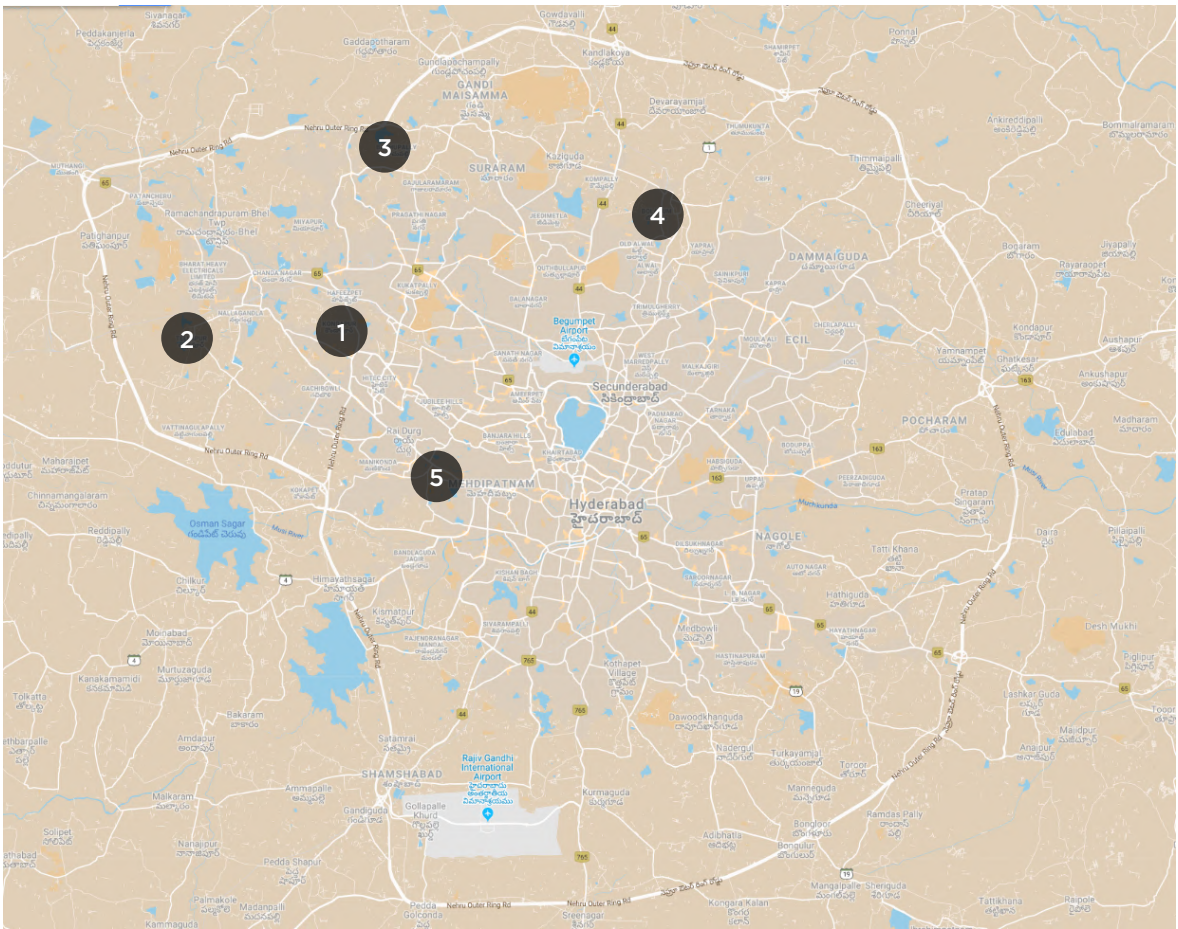
### Unsold Inventory By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*The mid-end and high-end segments together account for 64% of the total unsold inventory in the city. Despite low supply addition, unsold inventory in the affordable segment is around 16% of total.*

**Top 5 Micro-markets  
As per 2019 supply**



Map not to scale, for representation purpose only

Location	New Launch Units	Unsold Inventory	Average Price (INR/sq ft)	Annual Price Change
Kondapur	3,345	2,607	4,620	1.3%
Tellapur	1,430	1,332	4,350	1.0%
Bachupally	1,085	965	3,690	1.7%
Bolarum	1,040	476	2,962	2.8%
Shaikpet	985	595	5,245	1.1%

Note: Average Price in INR/sq ft as quoted on Built-up Area.

*Above mentioned top 5 micro-markets accounted for nearly 53% of the overall new launches in 2019.*



# Chennai

### City Overview



Population  
(Decadal Growth Rate)

**4.7 Mn (7%)**



Area

**175 km<sup>2</sup>**



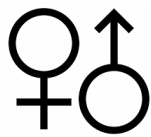
Population Density  
(persons per km<sup>2</sup>)

**26,553**



Literacy Rate

**90.2%**



Sex Ratio

**989**  
**(females per '000 males)**



Key Businesses

**IT-ITeS, Electronics,  
Automobile**

Note: Above data points are for Chennai District  
Sources: Census 2011, ANAROCK Research

## Existing Infrastructure Snapshot



### METRO RAIL

- 44.53 km long - fully operational since February 2019
- The two corridors improved North and South Chennai's connectivity
- Corridor 1 - 22.96 km - Chennai Airport to Washermenpet
- Corridor 2 - 21.57 km - St. Thomas Mount to Central Chennai.

### AIRPORT

- 4<sup>th</sup> busiest airport in India.
- Handled nearly 20.36 million passengers in 2017-18, up from 18.4 million in 2016-17.

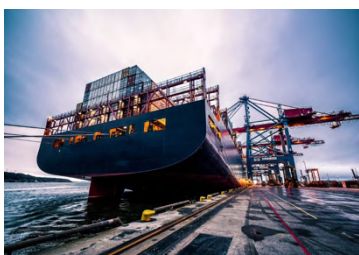
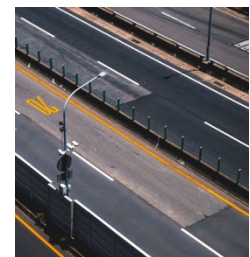


### RAILWAYS

- Chennai is the headquarter for Southern Railways.
- Chennai Central and Chennai Egmore are the two main stations in the city which provide seamless connectivity to other major cities across the country.
- Suburban railway network is also spread across the city and covers almost all prominent areas.

### ROADWAYS

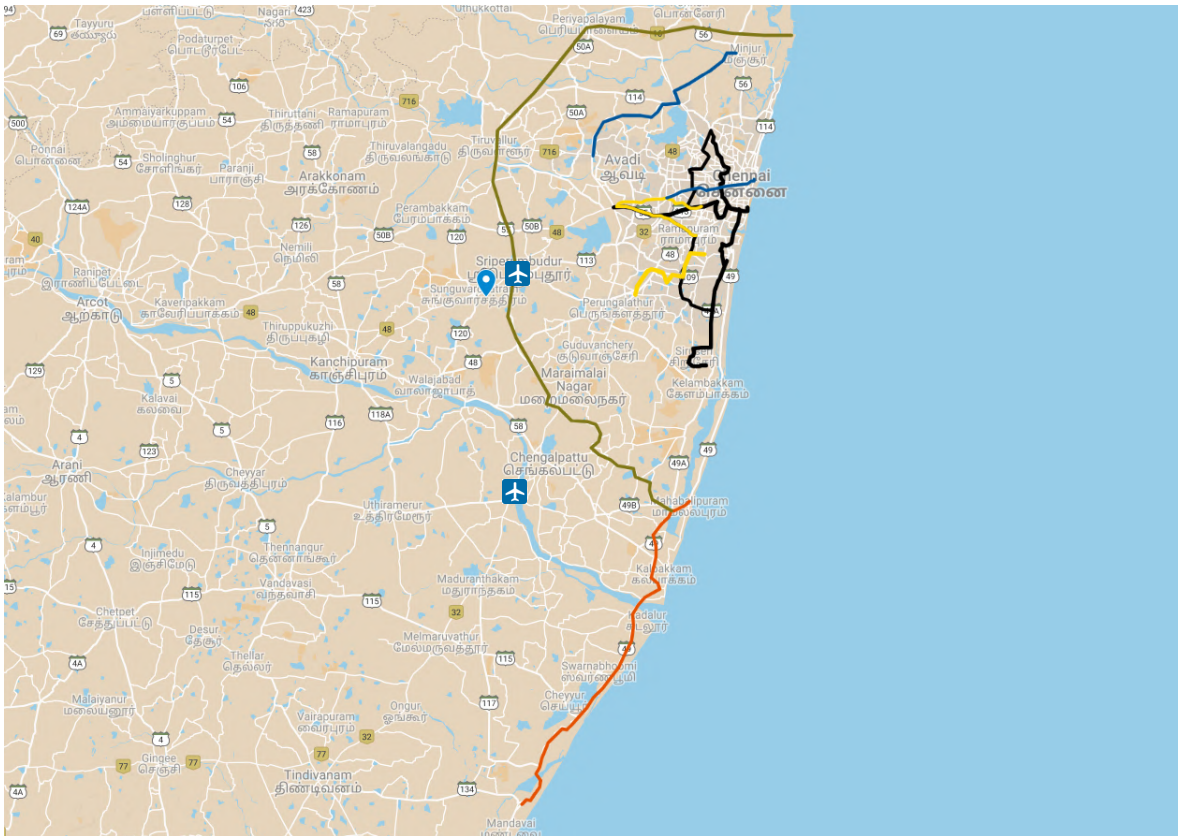
- The city has well established radial and ring road network, admeasuring 2,847 km.
- Old Mahabalipuram Road (OMR), also known as the IT Corridor, runs from Madhya Kailash junction to Mahabalipuram via Sholinganallur.
- Six lane Outer Ring Road (ORR), starts from Vandalur and ends at Nemilichery, and connects the outer industrial areas.
- Anna Salai-GST Road, Bypass Road, Chennai Bengaluru Highway, Chennai-Kolkata Highway, East Coast Road, and Inner Ring Road are among the other prominent roads.



### PORT

- The city has two major ports - Chennai Port and Ennore Port
- The Chennai Port handled 53.01 MMT of cargo in 2018-19 as compared to 51.88 MMT in 2017-18, registering an annual growth of 2%
- The Ennore Port handled 34.5 MMT of cargo in 2018-19 as compared to 30.45 MMT in 2017-18, registering an annual growth of 13%

Upcoming Infrastructure



Map not to scale, for representation purpose only

Legend	Infrastructure Initiative	Spans Over	Estimated Project Cost (INR cr)	Status
	Metro Rail Phase 2	119 km	69,180	Expected to be completed by 2026
	Monorail	NA	NA	Planning
	Outer Ring Road Phase 2	62 km	NA	Under construction
	East Coast Road Widening	61 km	1,210	Planning
	Peripheral Ring Road	134 km	12,301	Planning
	Chennai Port-Maduravoyal Elevated Corridor	20 km	NA	Expected to be completed by 2024
	New Airport (either Mamandur or Sriperumbudur)	NA	NA	Planning
	Chennai Aerospace Park	250 acres	NA	Planning

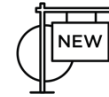
*Chennai has various planned infrastructure projects to decongest the city roads.*

## Chennai Real Estate Overview

- Launches in Chennai decreased by 17% in 2019 over the previous year. This can be attributed to the rising unsold inventory as the developers are focused on execution of the projects
- The affordable segment accounted for 39% of the share of the supply in 2019 but it shrunk by 33% compared to the previous year.
- The mid-end segment also accounted for 38% of the total supply. This has marginally increased by 4% compared to 2018.
- Sales increased by nearly 4% over the previous year but were lesser than the annual supply addition.
- Despite a marginal increase in sales, unsold inventory increased by 4% as of 2019, indicating that the market sentiments aren't really conducive to drive real estate demand.

Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

## Residential Snapshot



### NEW LAUNCH SUPPLY

**13,000**

Units

**-17%**

Yearly Change



### SALES

**11,820**

Units

**4%**

Yearly Change



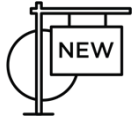
### UNSOLD INVENTORY

**32,019**

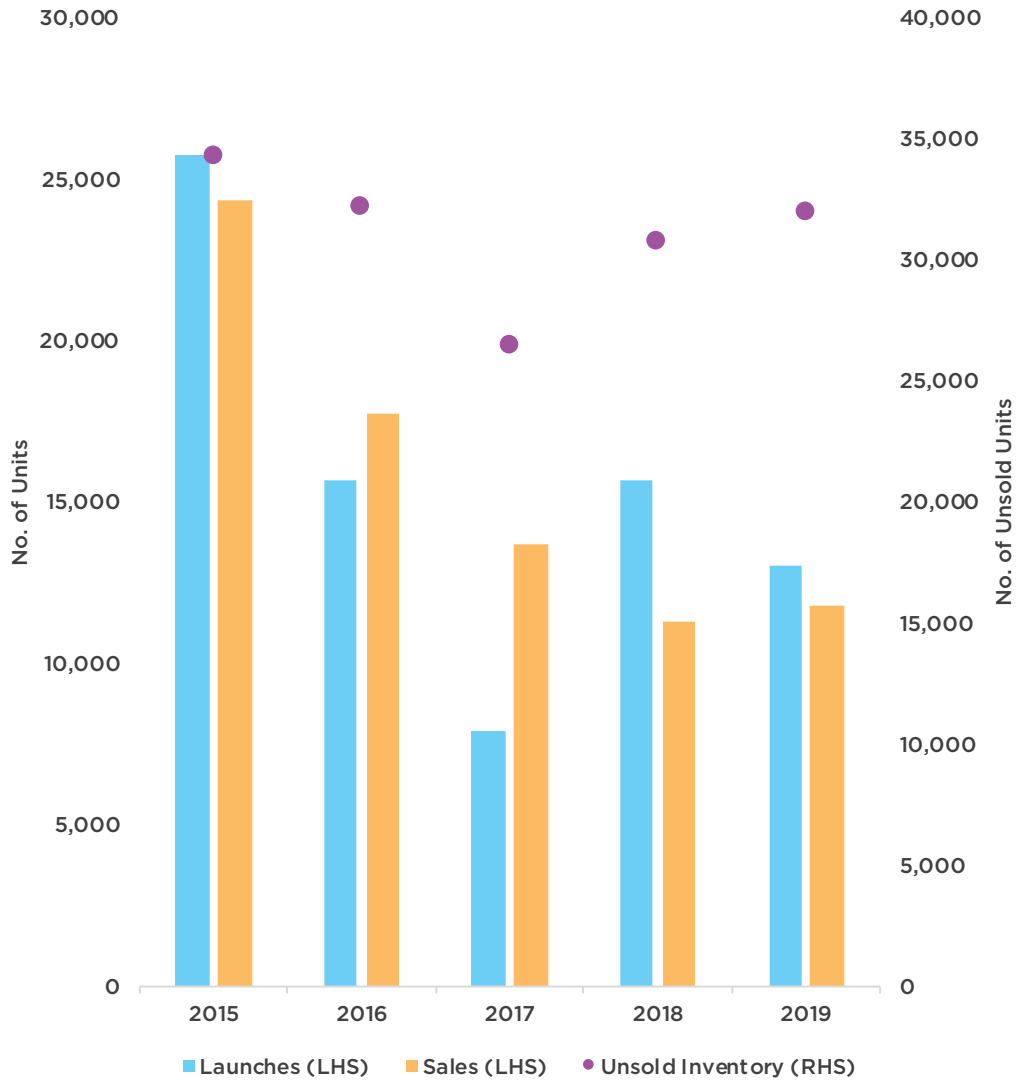
Units

**4%**

Yearly Change

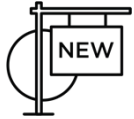


### Real Estate Trends

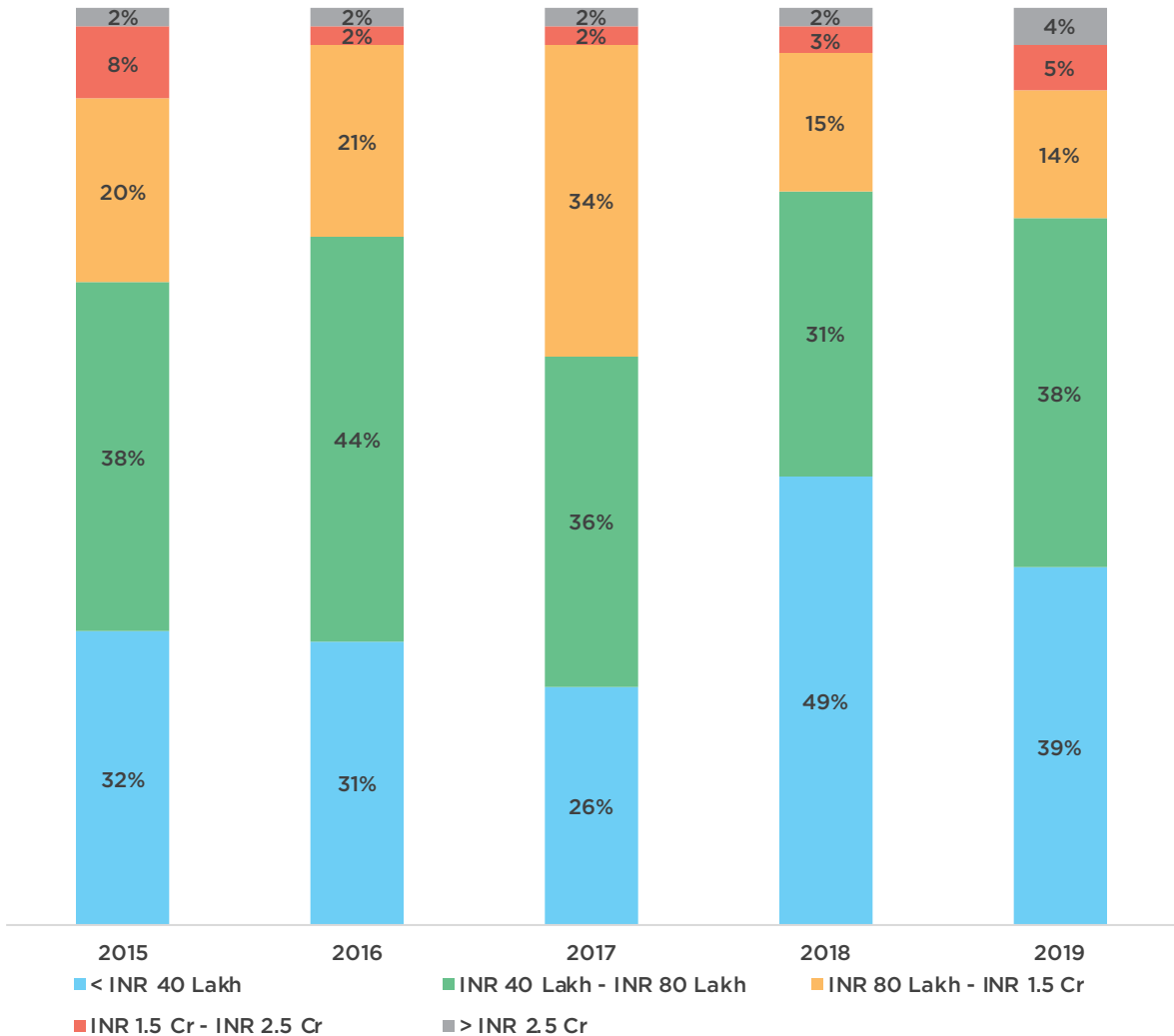


*Sales continued to be lower than the launches for the second consecutive year, leading to a rise in unsold inventory.*





## New Launch Supply Trend By Budget Segmentation

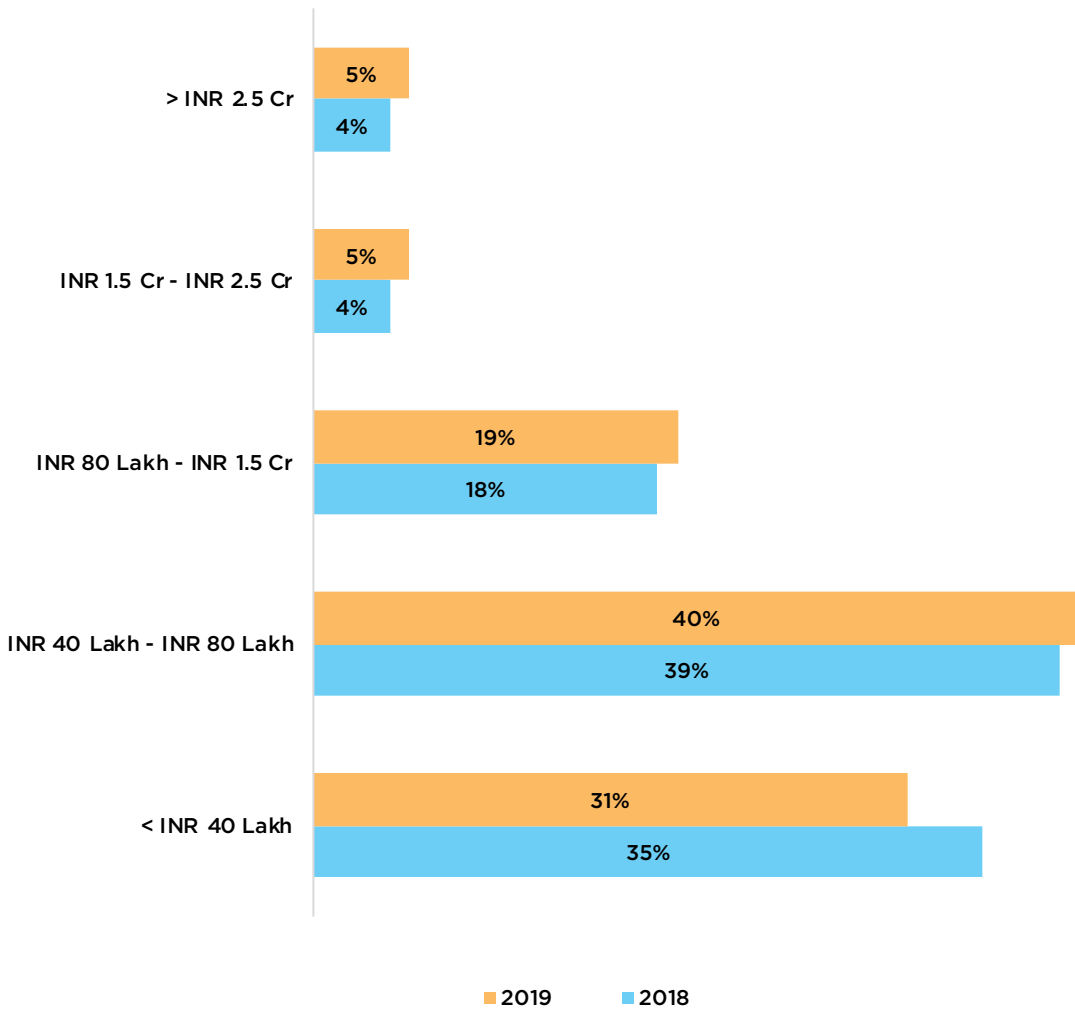


Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*Affordable and mid-end segments together account for 77% of the total supply in 2019. While the supply in the affordable segment reduced by 33% over the previous year, the mid-end segment grew by 4% during the same period.*



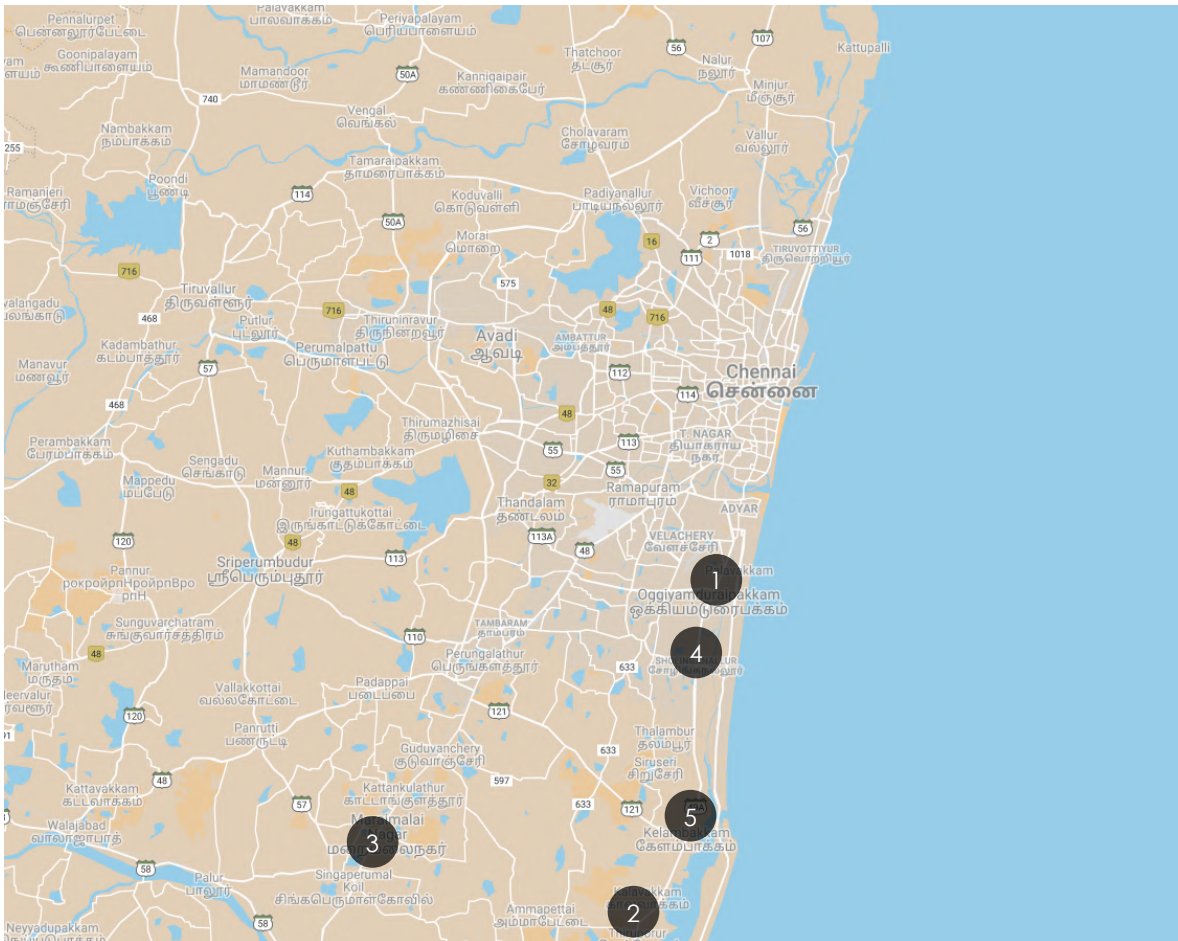
### Unsold Inventory By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*Mid-end and the affordable segments have the highest unsold inventory owing to high supply in these segments.*

**Top 5 Micro-markets  
As per 2019 supply**



Map not to scale, for representation purpose only

Location	New Launch Units	Unsold Inventory	Average Price (INR/sq ft)	Annual Price Change
Old Mahabalipuram Road	3,495	11,637	4,710	1.0%
Thirupporur	950	746	3,190	1.8%
Maraimalai Nagar	810	798	3,410	1.3%
Karapakkam	785	389	5,605	0.8%
Padur	760	790	4,400	1.1%

Note: Average Price in INR/sq ft as quoted on Built-up Area.

*Above mentioned top 5 micro-markets accounted for nearly 52% of the overall new launches in 2019.*



# Kolkata

### City Overview



Population  
(Decadal Growth Rate)

**14 Mn (6%)**



Area

**1,850 km<sup>2</sup>**



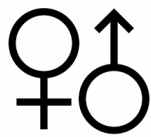
Population Density  
(persons per km<sup>2</sup>)

**7,587**



Literacy Rate

**87.5%**



Sex Ratio

**935**  
**(females per '000 males)**



Key Businesses

**IT-ITeS, MSMEs,  
Food Processing**

Note: Above data points are for Kolkata Metropolitan Region  
Sources: Census 2011, Kolkata Metropolitan Development Authority, ANAROCK Research

## Existing Infrastructure Snapshot



### METRO RAIL

- The first metro of India which opened its first stretch for public in 1984
- North-South line extends from Noapara near Netaji Subhas Chandra Bose Airport to Kavi Subhash Metro station near Garia
- This entire 27.2 km stretch can be travelled under 54 minutes

### AIRPORT

- Netaji Subhas Chandra Bose International Airport, has the capacity to handle almost 24 million passengers annually
- The airport handled 21.8 million passengers in 2018-19, up by 10% compared to previous year
- Airport Authority of India is planning to expand the annual capacity to 33 million



### RAILWAYS

- The trams system in Kolkata is the oldest (operating since 1902) and the only trams network in the country. Trams network is spread over 25 routes within the city limits
- The city has 1,243 km long suburban system with more than 400 trains plying daily from Howrah and Sealdah
- There are 348 stations and transports 3.1 million people daily

### ROADWAYS

- The city is well connected with other parts of the country through national highways
- Howrah Bridge, Vidyasagar Setu, Vivekananda Setu and Nivedita Setu are the major bridges on Ganges connecting Howrah with Kolkata
- Kona Expressway and Belghoria Expressway, flyovers and widening of southern stretch of Eastern Metropolitan Bypass have been done to ease the traffic congestion

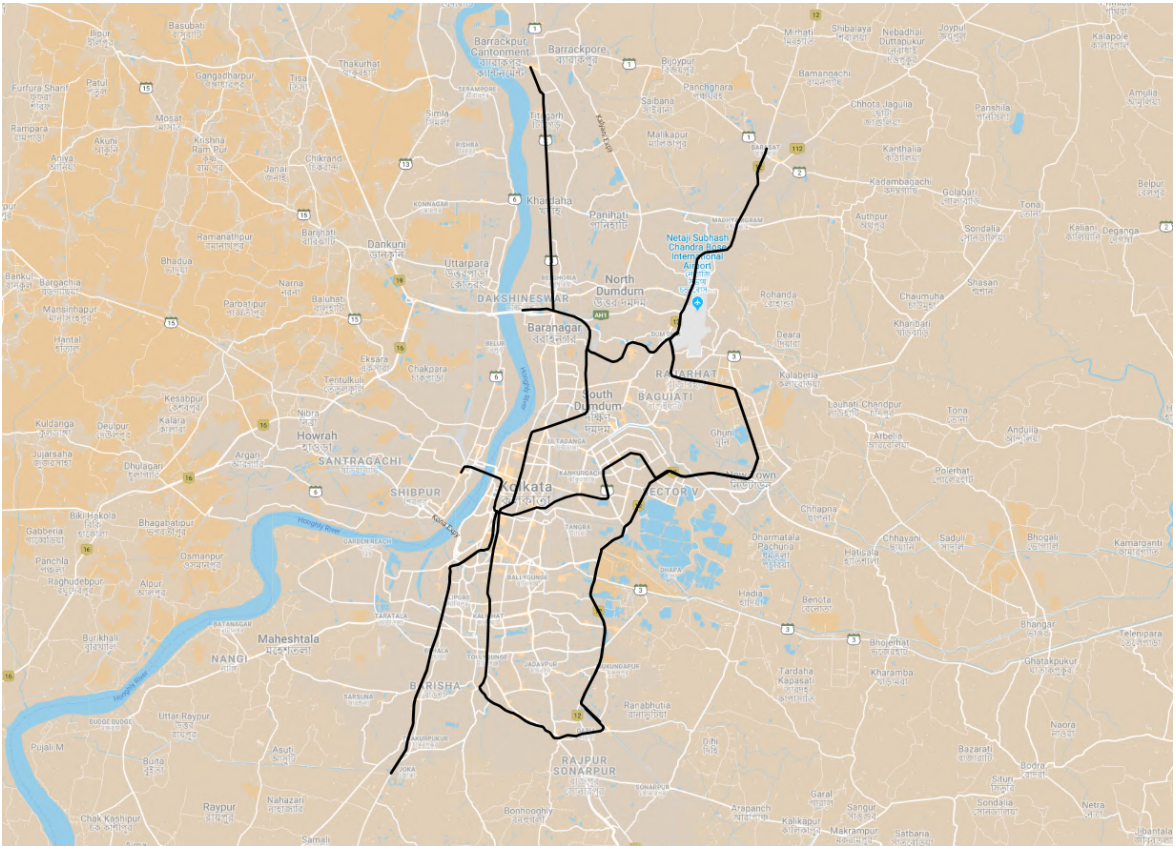


### PORT

- Kolkata Port handled 63.7 million tonnes of traffic in 2018-19 ~ around 9% of total traffic at the 12 major ports of India.
- The traffic at Kolkata Port increased by 10% in 2018-19 compared to 2017-18

*The city has various modes of transport to ease the connectivity with other parts of the country.*

Upcoming Infrastructure



Map not to scale, for representation purpose only

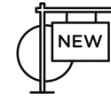
Legend	Infrastructure Initiative	Spans Over	Estimated Project Cost (INR cr)	Status
	Metro Rail	120 km	NA	Under construction

*Massive expansion of the metro network is expected to enhance connectivity and unlock real estate potential of many micro-markets.*

## Kolkata Real Estate Overview

- Supply during the year was recorded at 9,420 units, which reduced by 45% compared to the previous year. This has helped to moderate the high supply added during the last year.
- Affordable segment continued to dominate the supply which accounted for 50%. Nearly 30% of the total supply in 2019 supply was recorded in the mid-end segment.
- Sales during the year declined by 11% over 2018 but exceeded the launches.
- Unsold inventory reduced by 9% and recorded the lowest level of last four years.

## Residential Snapshot



### NEW LAUNCH SUPPLY

9,420

Units

-45%

Yearly Change



### SALES

13,930

Units

-11%

Yearly Change



### UNSOLD INVENTORY

44,957

Units

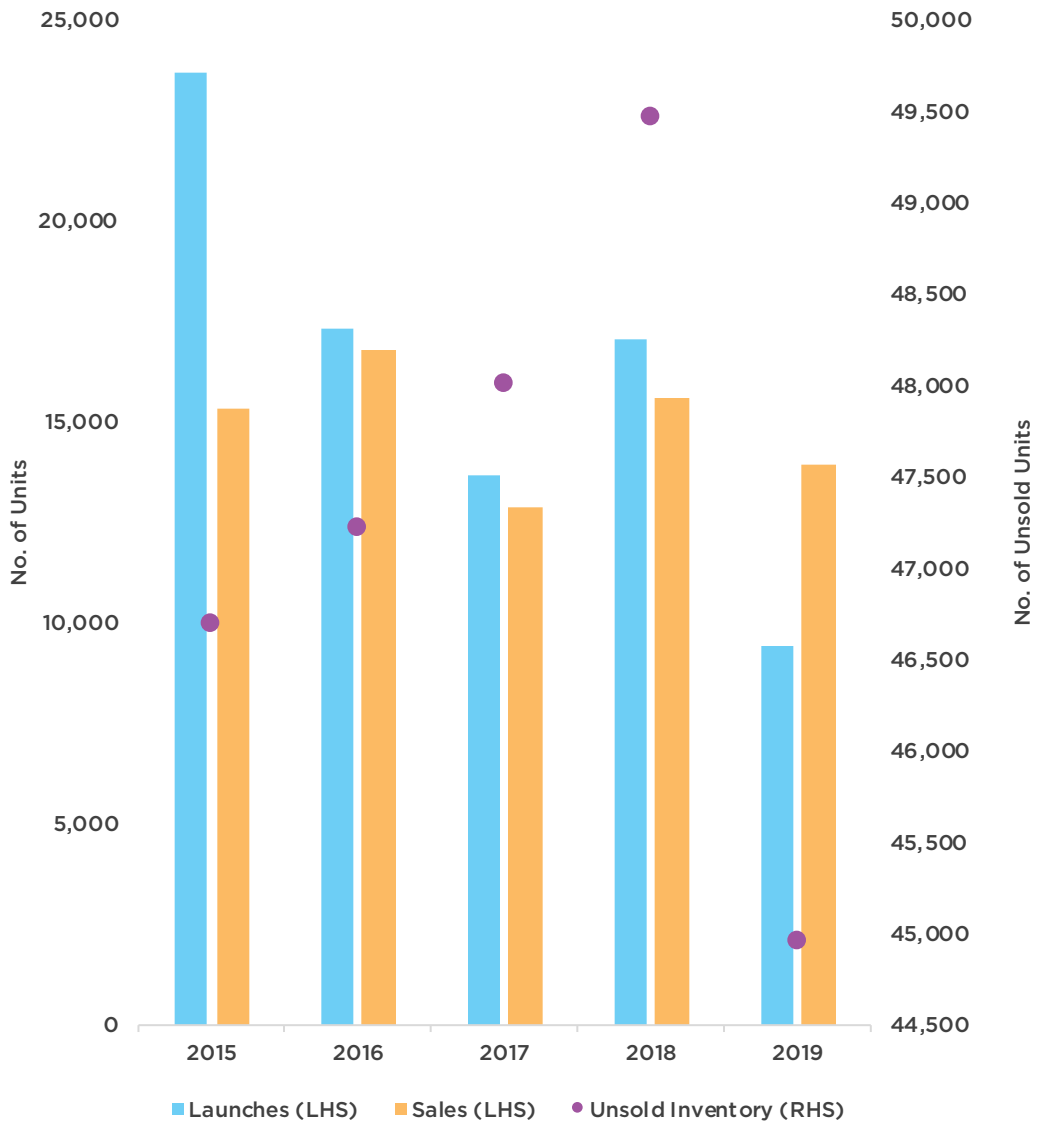
-9%

Yearly Change

Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

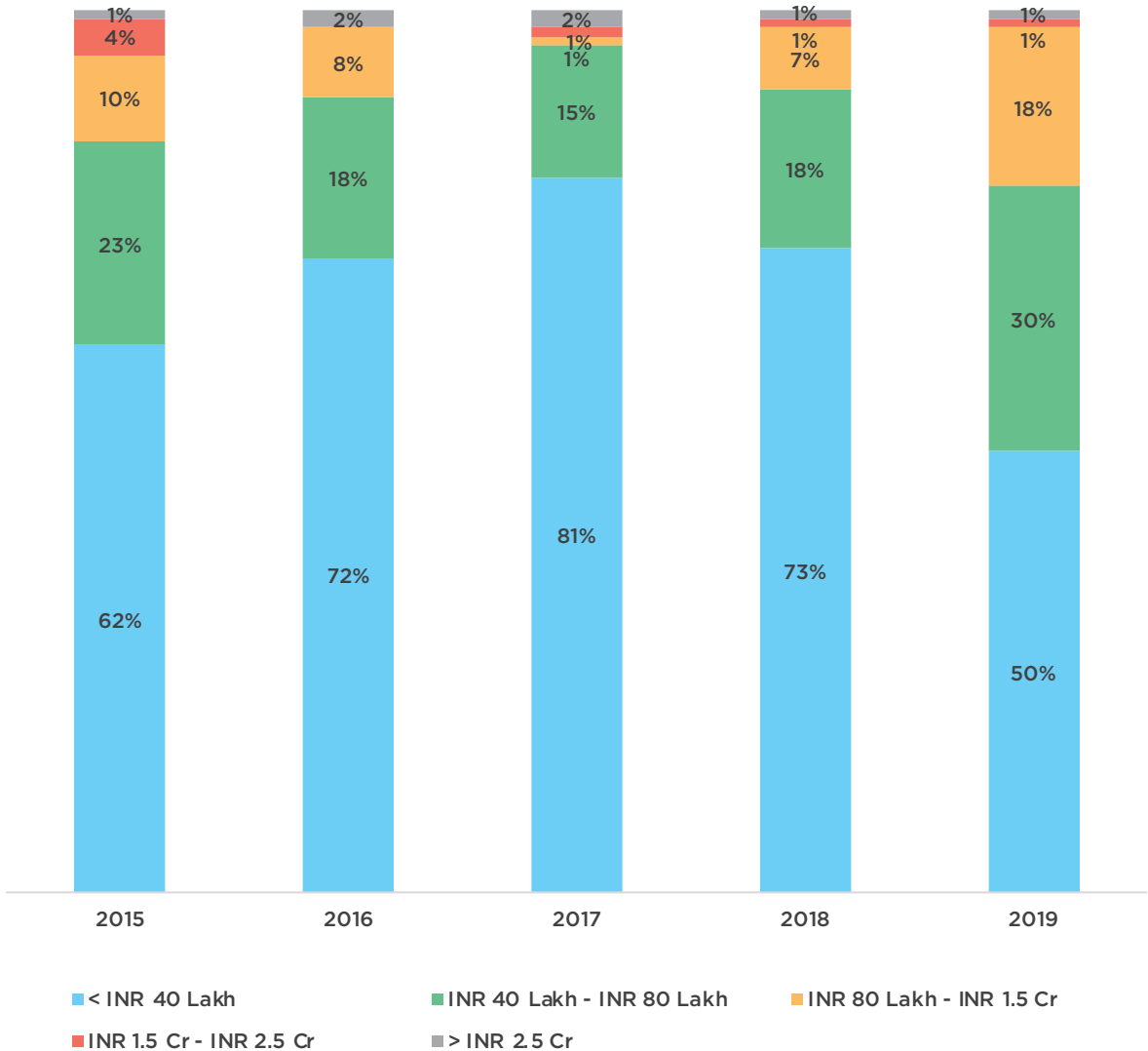


Real Estate Trends



*For the first time in past 5 years, sales exceeded the supply, resulting in unsold inventory levels reaching the lowest in last five years.*

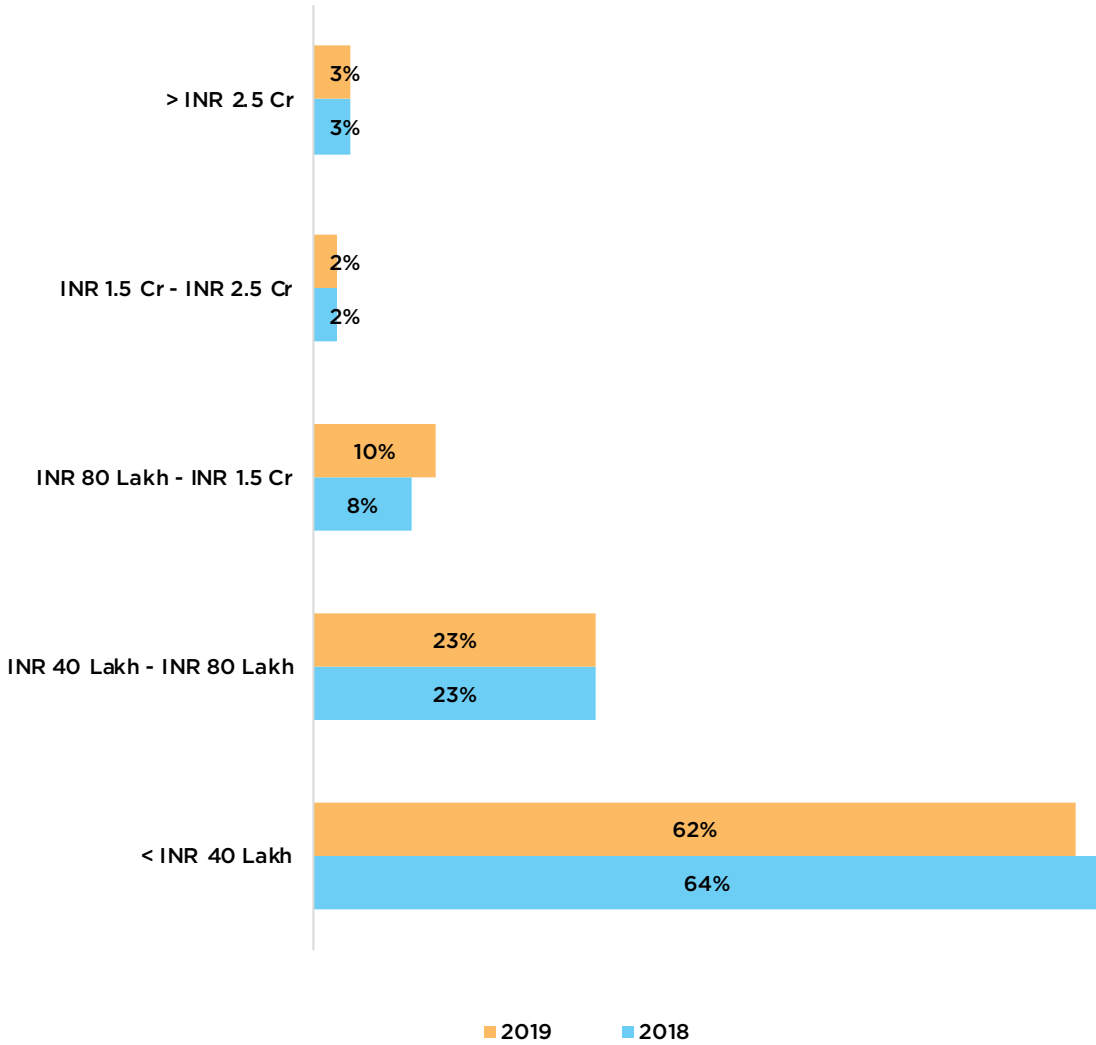
### New Launch Supply Trend By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*While affordable and mid-end segments continued to dominate the supply, 2019 witnessed a significant infusion in the high-end segment which accounted for nearly 18%.*

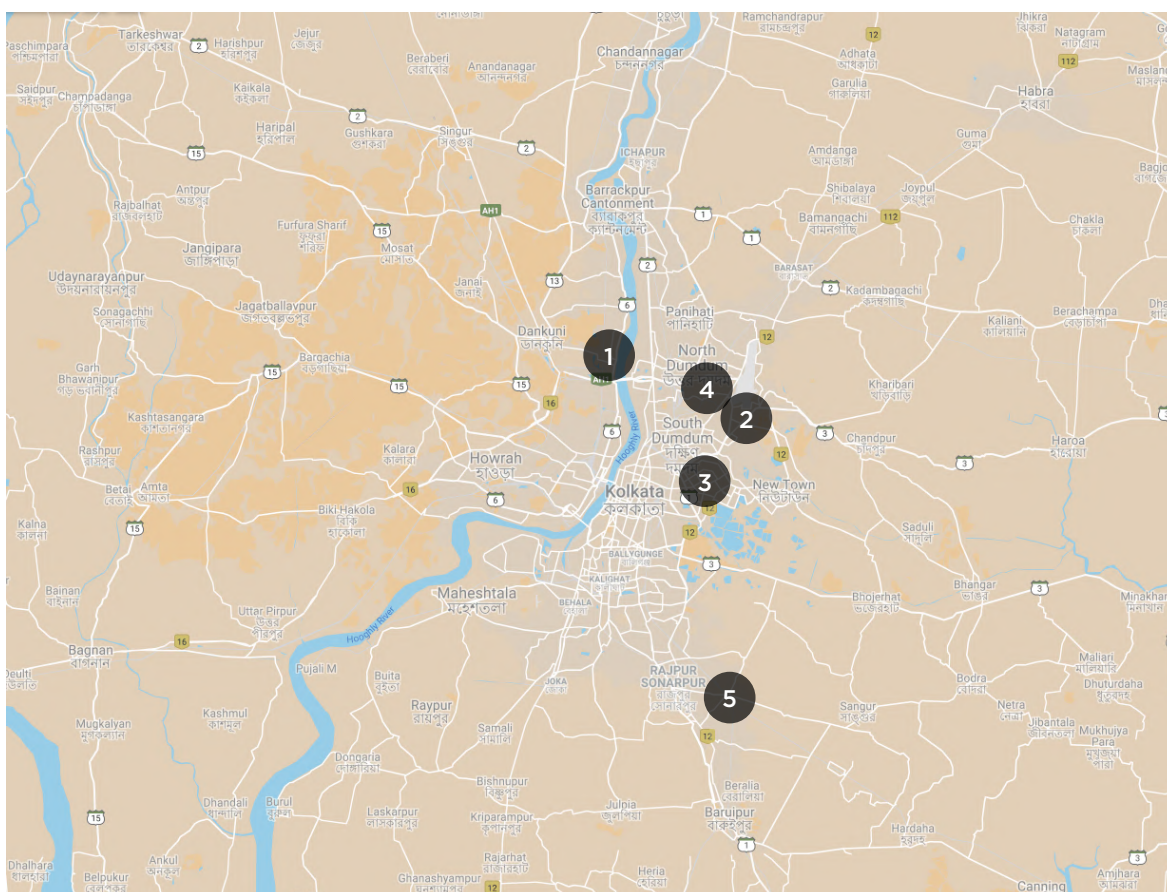
## Unsold Inventory By Budget Segmentation



Budget segmentation: **Affordable:** < INR 40 Lakh; **Mid-end:** INR 40 Lakh - INR 80 Lakh; **High-end:** INR 80 Lakh - INR 1.5 Cr; **Luxury:** INR 1.5 Cr - INR 2.5 Cr; **Ultra-luxury:** > INR 2.5 Crore

*The affordable housing segment continues to have the highest unsold inventory in the city, at 62% as of 2019.*

## Top 5 Micro-markets As per 2019 supply



Map not to scale, for representation purpose only

Location	New Launch Units	Unsold Inventory	Average Price (INR/sq ft)	Annual Price Change
Uttarpara	1,670	562	3,166	1.9%
Rajarhat	1,425	7,479	4,345	1.0%
Bidhan Nagar	1,050	603	5,400	0.7%
Dum Dum	625	1,035	4,466	0.3%
Sonarpur	440	589	2,840	2.1%

Note: Average Price in INR/sq ft as quoted on Built-up Area.

*Above mentioned top 5 micro-markets accounted for nearly 55% of the overall new launches in 2019.*



# Way Forward

The residential real estate in 2019 saw some green shoots after a prolonged period of sluggishness. While the recent sales trends suggest the beginning of a recovery phase, it is still a long road towards the resurrection of the Indian realty sector amid a weak macro-economic environment.

India, at present, is on a course correction mode with the government implementing several policies to improve market sentiment. Many of these reforms have already brought a paradigm shift in the way Indian real estate does business and lays the groundwork for improved transparency and professionalism. While the stage for real estate growth is set, the effective implementation of these policies will define the 'real' success. This is also expected to pave the way for a significant improvement in consumer sentiment in the coming few quarters.

In response to the changing scenario, the alternative asset classes are likely to strengthen their base further. Driven by collaborative working approaches and flexible workspaces used by start-ups, the demand for co-working spaces is expected to grow across small and medium companies. Additionally, as young workforce aspires for a better lifestyle, the demand for the co-living segment is also likely to move northwards.

Further, after the success of the first REIT launched by Blackstone and the Embassy Group in 2019, we expect more REIT launches in the coming year as developers will try and unlock the value of their assets and raise capital.

Moving on to the private equity investments, 2019 witnessed investments worth US \$ 5,336 million, recording a rise of about 29% as against 2018. Thus, we expect the PE investment sliding up from 2020 onwards as the investors gain confidence and if the global and Indian macroeconomic factors improve in the next year.

In early 2020, we also anticipate the apex bank to ease interest rates further, which will lure consumers to turn a corner. The sales and new launches are expected to improve in the affordable and mid-end segment, while prices are likely to remain more or less stable.

Having said that, easing of the credit crunch is imperative for the sector to sustain. While measures like Alternative Investment Fund (AIF) for completion of stuck projects in the affordable and mid segments could not have come at a better time, there is still a dire need for more such credit-easing measures. In addition, implementation remains a key and so the government and the industry at large needs to focus on creating a systematic roadmap for ensuring that the AIF creates the desired impact by providing last-mile funding to identified projects.



## Trends that will Define Indian Residential Real Estate in 2020

- While new launch additions will depend on the market conditions and clearance of stuck projects, housing sales could see improvement – especially ready properties or those nearing completion. Residential property prices will remain more or less stable.
- Continuing the trends from past years, affordable housing will remain upbeat in 2020 as well; thanks to multiple government sops announced in 2019.
- Branded players will gain more precedence as millennials’ quest for the branded product remains an all-time high and also many homebuyers have previously burnt their hands by purchasing homes from smaller developers.
- Private equity investment could increase from H2 2020 onwards, depending on macroeconomic factors in the first half.
- More commercial REITs to be listed in 2020 as developers look to unlock the value of their assets to raise capital.
- Currently, majority of the available space in the warehousing sector is still unorganised and can, therefore, be tapped for future ROI growth potential. Initiatives like ‘Make in India’ will boost activity in manufacturing, e-commerce, and retail - which will call for quality warehousing spaces in the coming year.
- Alternative asset classes like student housing, co-living, and co-working spaces are likely to strengthen their base further.
- Lastly, environmental concerns will gain prominence, such as was seen by the construction ban to combat air pollution in Delhi. Developers will have to accept and embrace these concerns in 2020 and realign their business strategies.

## About ANAROCK

ANAROCK is India's leading independent real estate services company with a presence across India and the Middle East. The Chairman, Mr. Anuj Puri, is a highly respected industry veteran and India's most prominent real estate thought leader.

The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales. ANAROCK's services include Residential Broking and Technology, Retail, Investment Banking, Hospitality (via HVS ANAROCK), Land Services, Warehousing and Logistics, Investment Management, Research and Strategic Consulting.

The Company has a unique business model, which is an amalgamation of traditional product sales supported by a modern technology platform with automated analytical and reporting tools. This offers timely solutions to its clients, while delivering financially favourable and efficient results.

ANAROCK has a team of over 1,800 certified and experienced real estate professionals who operate across all major Indian and GCC markets, and within a period of two years, has successfully completed over 300 exclusive project mandates. ANAROCK also manages over 80,000 established channel partners to ensure global business coverage.

Our assurance of consistent ethical dealing with clients and partners reflects our motto - Values Over Value.

Visit: [www.anarock.com](http://www.anarock.com)

For research services, please contact:

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