

# ANAROCK

VALUES OVER VALUE

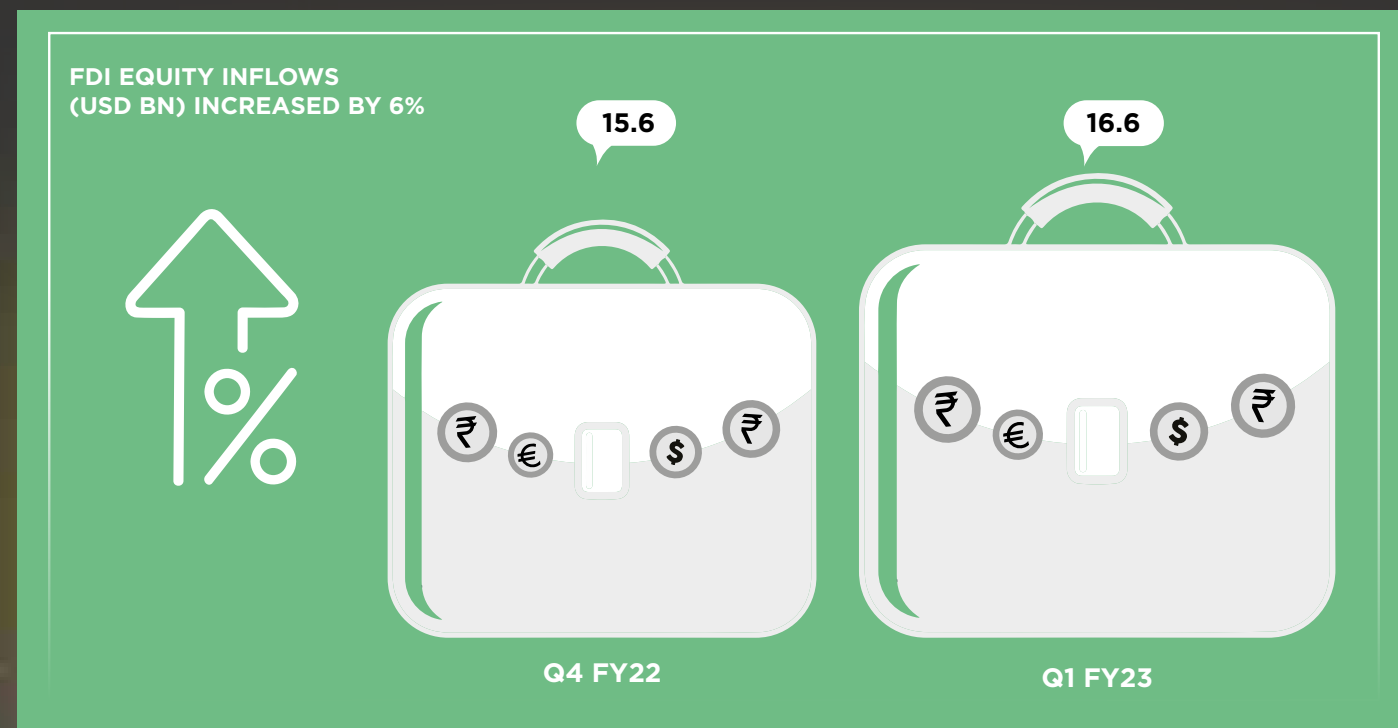


## INDIA REAL ESTATE MARKET VIEWPOINTS Q3 CY22

# ECONOMY

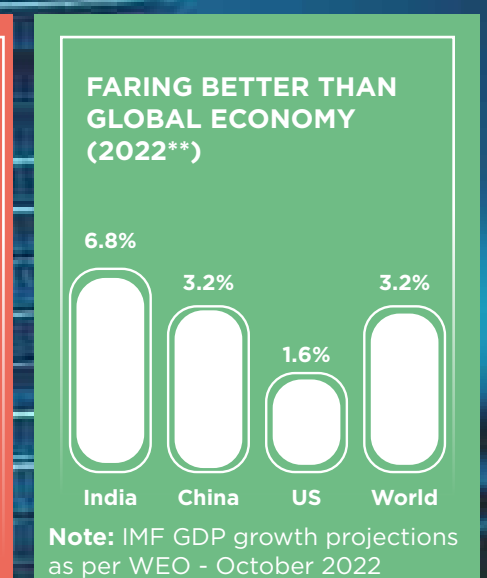
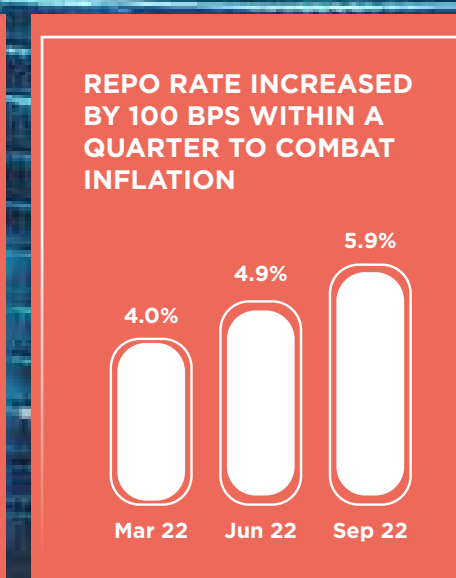
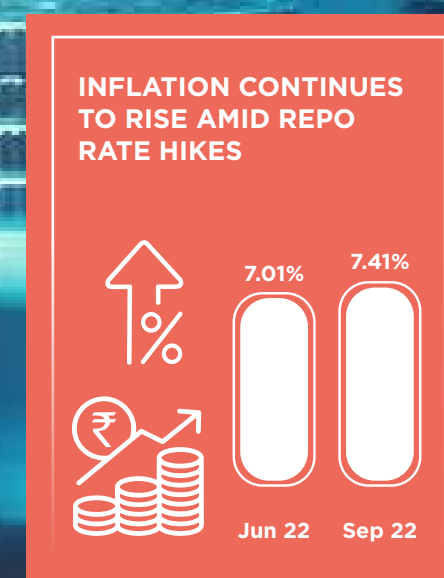
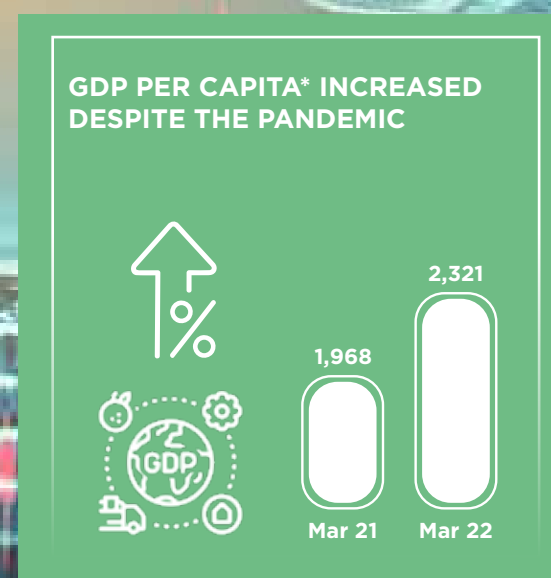
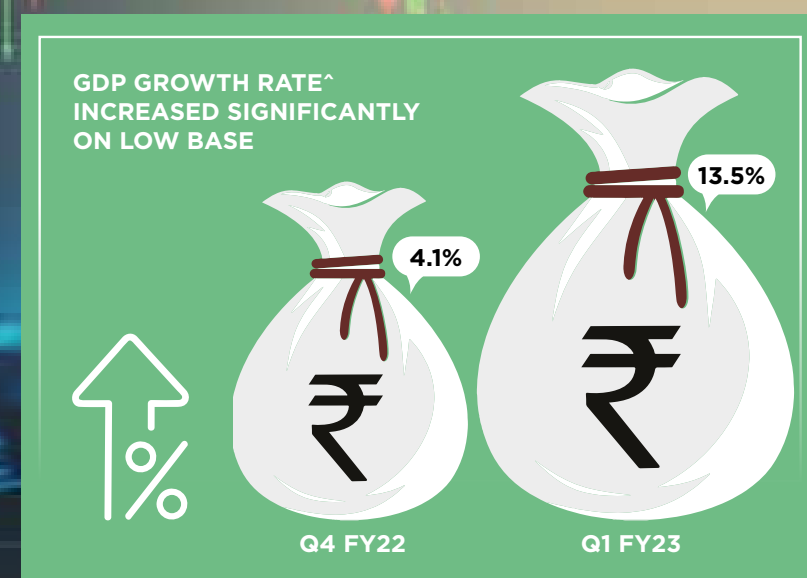
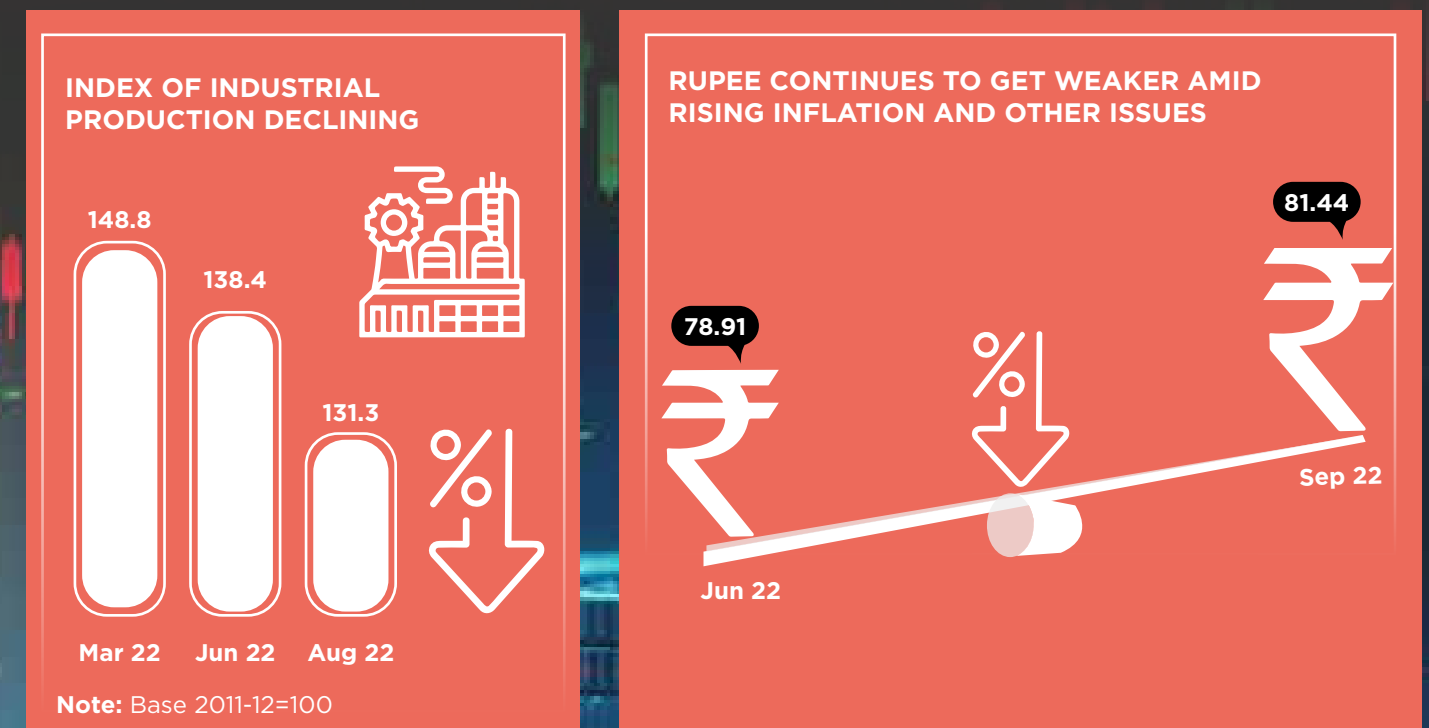
## Q3 CY22 SNAPSHOT

Indian economy continues to perform amid global chaos



# ECONOMY

## Q3 CY22 SNAPSHOT



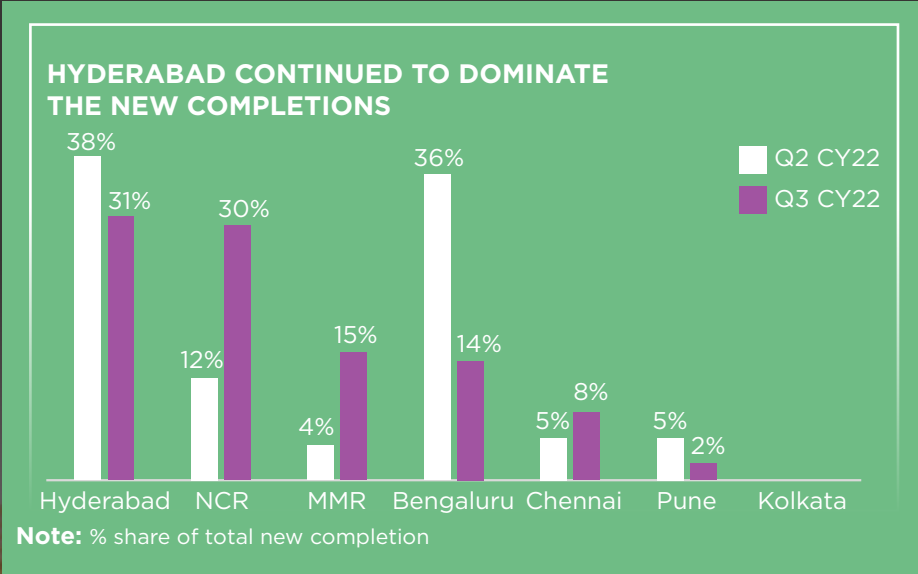
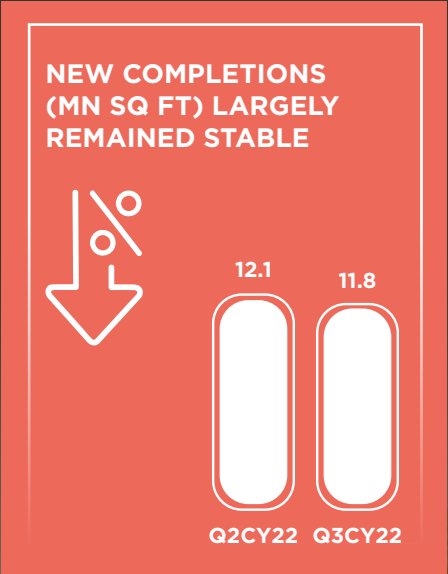
Note: ^Constant; \*Latest figures of CEIC as of 2022 in USD  
Source: RBI, DIPP, MOSPI, Industry Estimates, ANAROCK Research

Note: \*\*India's GDP forecast for FY23  
Source: RBI, DIPP, MOSPI, Industry Estimates, ANAROCK Research

# COMMERCIAL

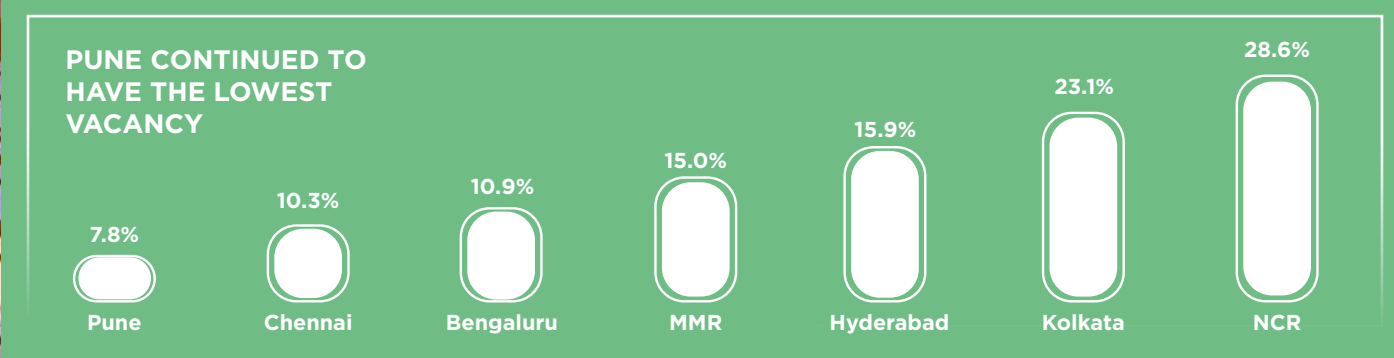
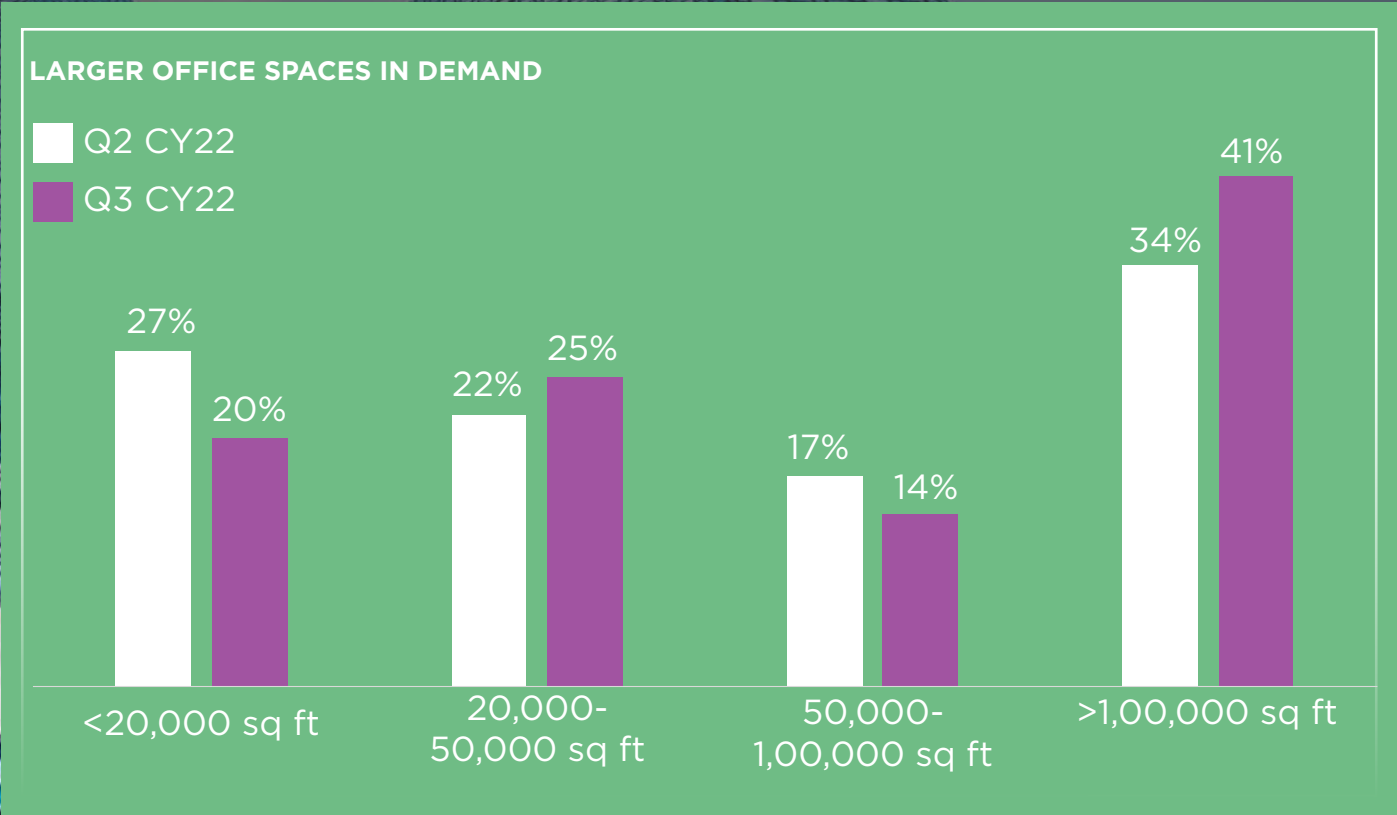
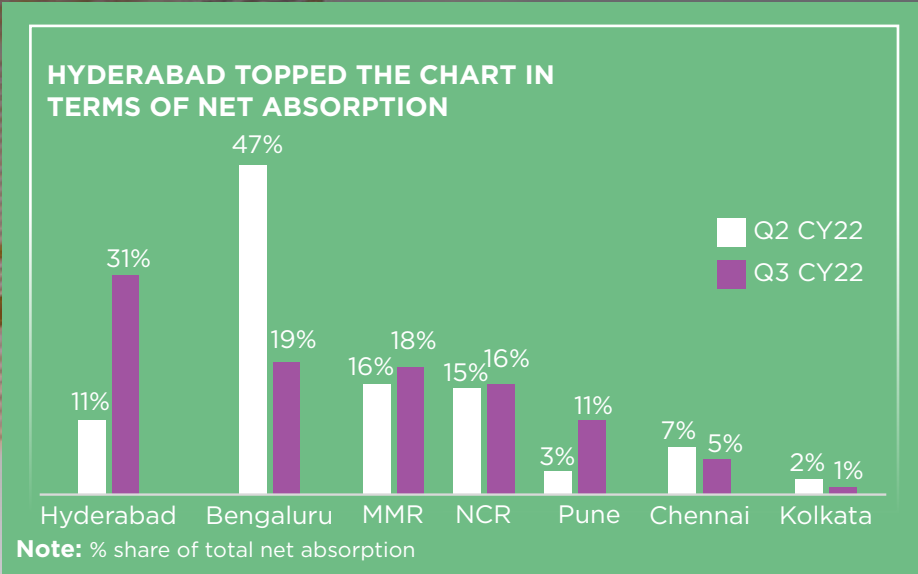
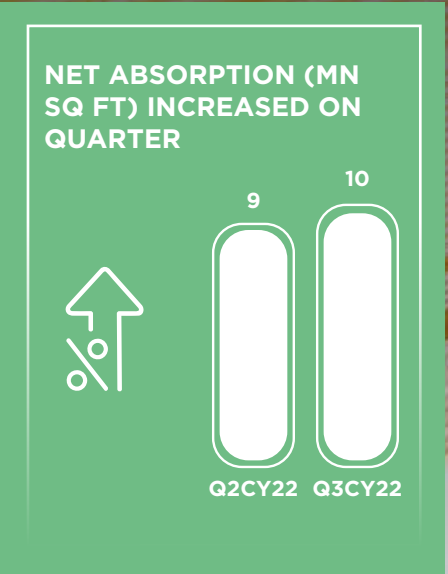
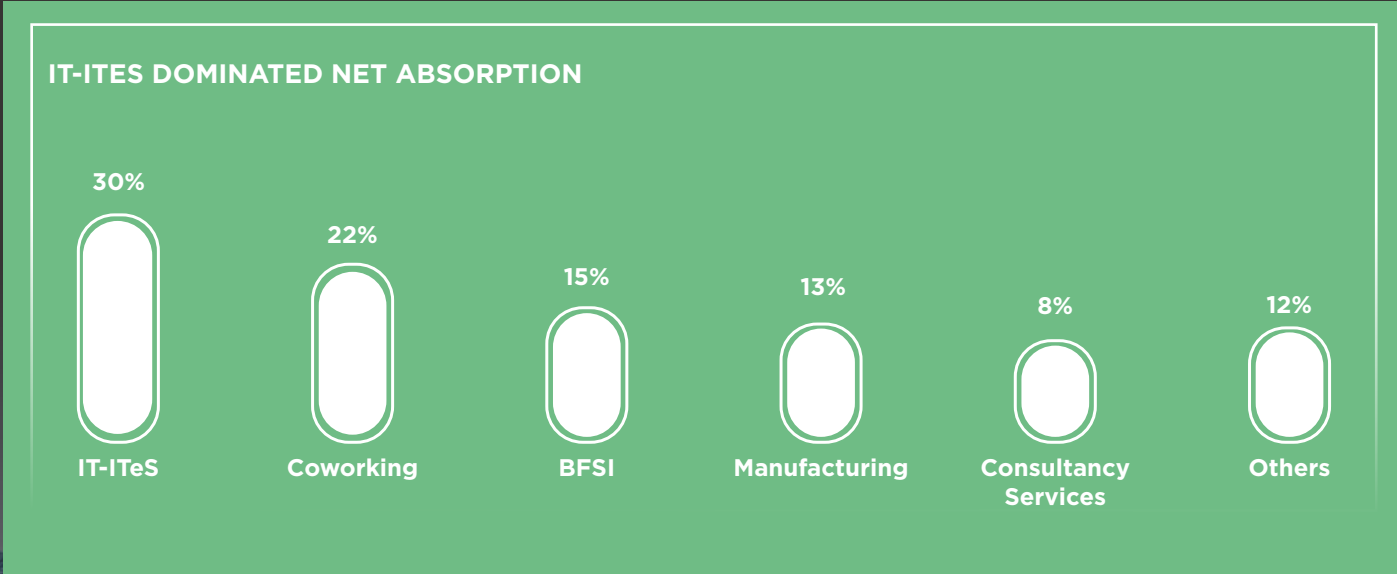
## Q3 CY22 SNAPSHOT

While IT-ITeS continues to dominate the leasing, its share has reduced amid global headwinds



# COMMERCIAL

## Q3 CY22 SNAPSHOT



Source: Compiled by ANAROCK Research

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# COMMERCIAL

## Q3 CY22 SNAPSHOT

### Major Leasing Transactions (Q3 CY22)

City	Micro-Market	Complex	Tenant	Chargeable Area (sq ft)
Mumbai	Thane	Quantum	IDFC First Bank	4,48,000
Mumbai	Kurla (W)	Piramal Agastya	Mahindra Finance	2,75,000
Hyderabad	Madhapur	My Home Twitza	PwC	2,33,000
Hyderabad	Gachibowli	Divya Sree Techridge	Netcracker	2,11,000
Bengaluru	Kannuru	Bhartiya Centre for Information Technology	IBM	1,79,466

# COMMERCIAL

## OUTLOOK

- **NEW COMPLETIONS TO PICK UP THE PACE:**  
As monsoon season is over, new completions are likely to increase in the next quarter and are expected to be nearly 10 Mn sq ft.
- **CAUTIOUS EXPANSION BY OCCUPIERS:**  
Many large corporates such as Amazon, Meta, Byju's, Twitter, and Microsoft paused their expansion and revisited their strategies to contain the cost which may result in slow leasing activities in the next quarter.
- **GLOBAL HEADWINDS AND IT-ITES INDUSTRY:**  
As the global economy is facing a slowdown, the Indian IT-ITeS industry may also face challenges. The world economy is anticipated to grow by 3.2% in 2022 compared to 6% in 2021 and U.S. by 1.6% only in 2022 compared to 5.7% in 2021.
- **CO-WORKING TO GAIN TRACTION:**  
Various large corporates may opt for a co-working model to shield themselves from economic fluctuations. We anticipate the market size to double in the next 5 years, recording a CAGR of 15%.
- **RENTALS TO REMAIN STABLE:**  
Muted absorption amid the global slowdown is likely to keep rentals under pressure.



# RETAIL

## Q3 CY22 SNAPSHOT

Strong supply pipeline; Hyderabad to top the list



SUPPLY

**0.4 Mn  
sq ft**

Supply addition in Q3 CY22.

**13+ Mn  
sq ft**

Supply expected by 2025; **Hyderabad** accounts for 44% of the expected supply.



LEASING

**1.1 Mn  
sq ft**

Leasing in Q3 CY22; **Hyderabad & NCR** continued to dominate with a 57% share..

**43%**

Fashion & Apparel dominated leasing during Q3 CY22.

**78%**

Of the leasing transactions are of <5,000 sq ft

**1%-2%**

Quarterly appreciation in **rentals** in Pan India; largely remained stable for most of the cities.



VACANCY

**Kolkata**

Has the **lowest mall vacancy** of 6% as of Q3 CY22, followed by Pune at 6.8%.



# RETAIL

## Q3 CY22 SNAPSHOT

### Major Leasing Transactions (Q3 CY22)

City	Micro-Market	Property	Tenant	Chargeable Area (sq ft)
Hyderabad	Kukatpally	Ashoka Golden Mall	Decathlon	40,000
Kolkata	Esplanade	High Street	V-Mart	35,000
Hyderabad	Uppal	DSL Mall	D-Mart	28,000
Bengaluru	MG Road	1 MG Mall	NDA Client	14,500
Chennai	Ramapuram	High Street	Lifestyle	12,000

## OUTLOOK

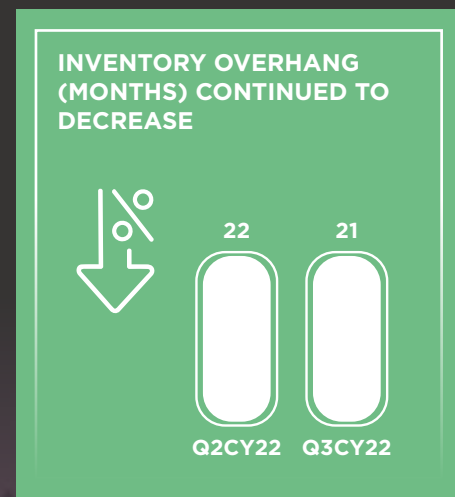
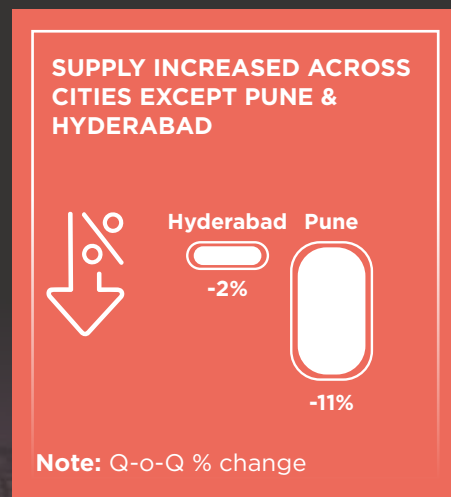
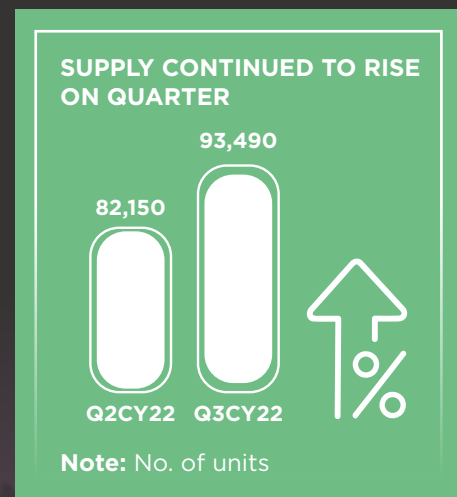
- FESTIVE SEASON TO FURTHER BOOST THE DEMAND:**  
 After two years of muted festivities amid the pandemic, people are looking forward to festivities without restrictions. Festivals in September enabled credit card spending to touch a record high of INR 1.22 Tn which may increase further due to upcoming festivals in Q4 CY22.
- LEASING TO REMAIN STRONG:**  
 Many occupiers are willing to procure space at prime locations which were surrendered or held back during the pandemic. Inox, Zudio, British Barrel & Co, and Skechers are some of the major tenants who have already signed deals for Q4 CY22.
- RENTALS TO REMAIN STABLE:**  
 Rentals are expected to remain stable amid a healthy supply pipeline despite increased demand.
- TRACTION FROM INTERNATIONAL PLAYERS:**  
 International players continue to view India as a growth market due to its impeccable growth amid the slowdown in the world economy. International players such as Skechers, Allen Solly, Levis among others are planning expansion across the country.
- OMNI-CHANNEL STRATEGY TO TAP THE CUSTOMERS:**  
 Omni-channel is likely to become a more prominent strategy to tap the customers in the post-COVID world.



# RESIDENTIAL

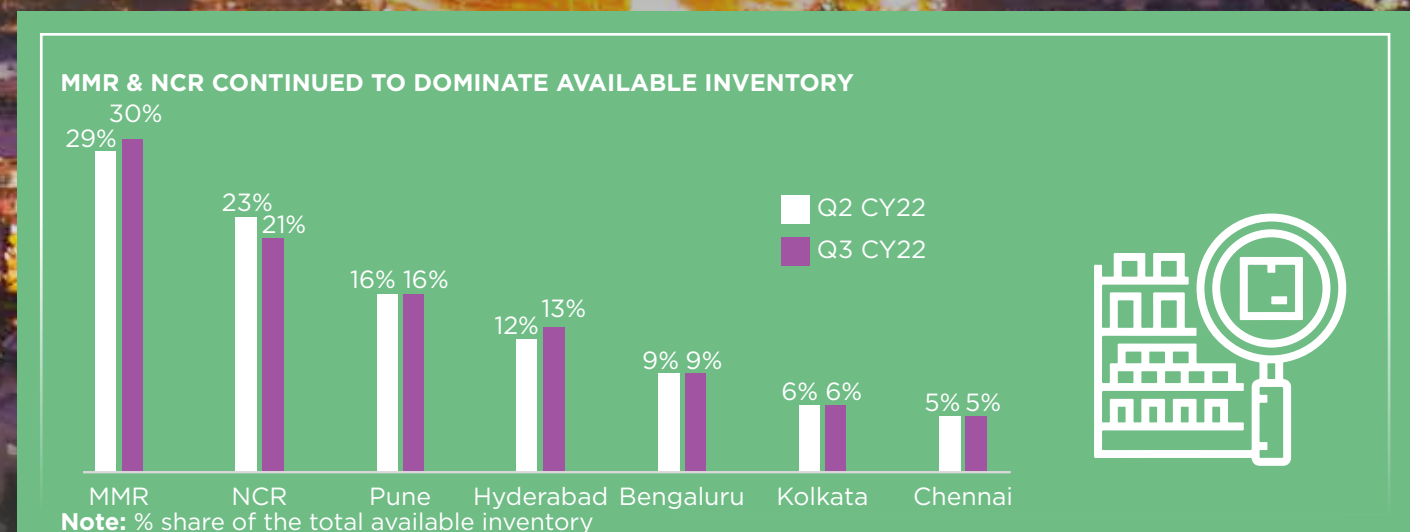
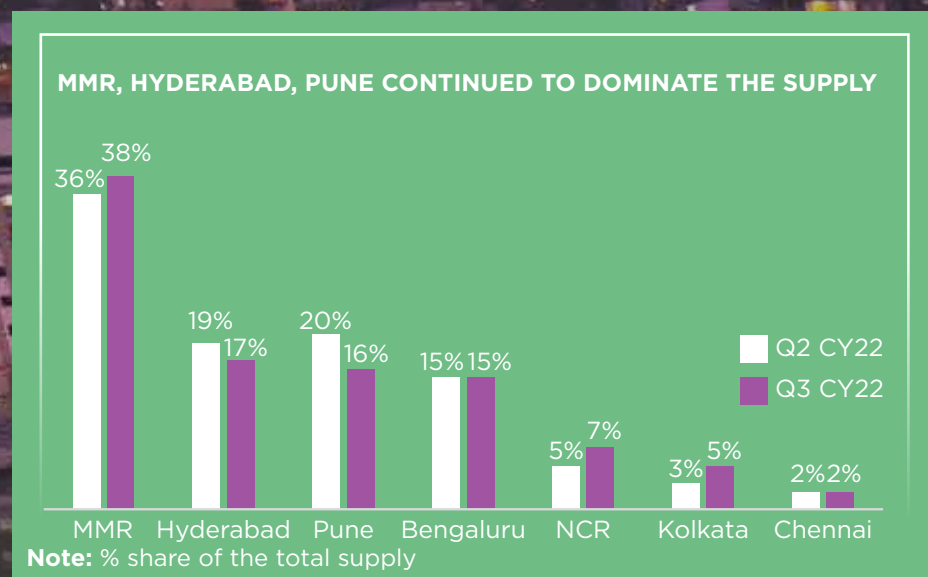
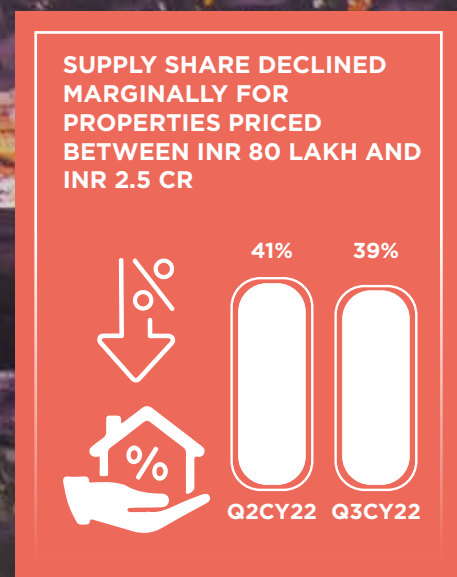
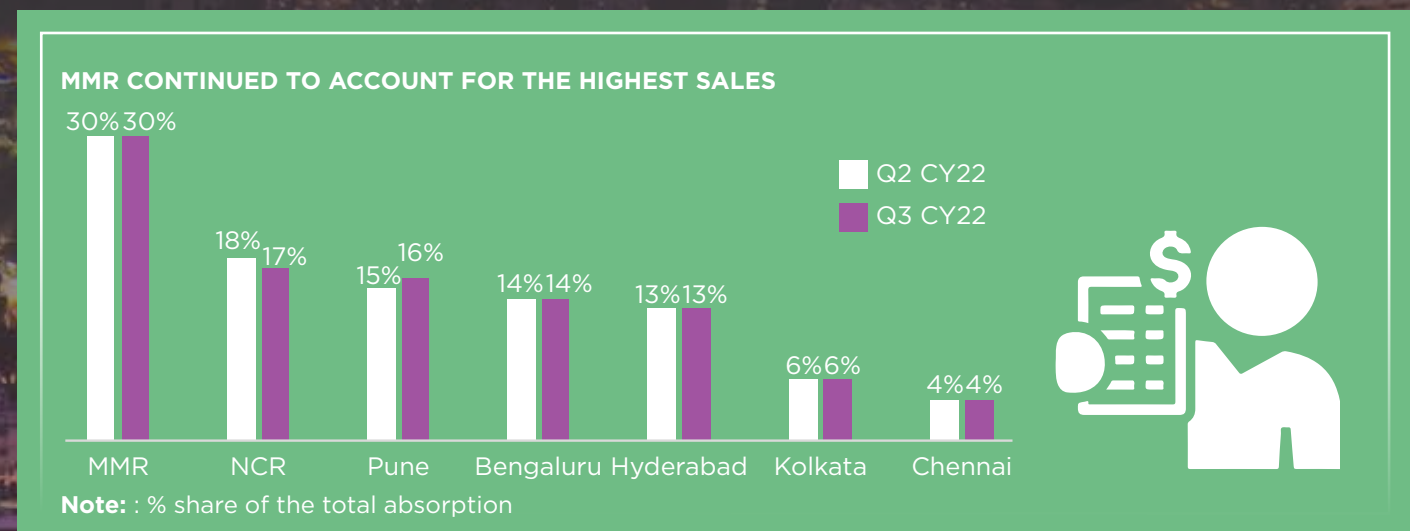
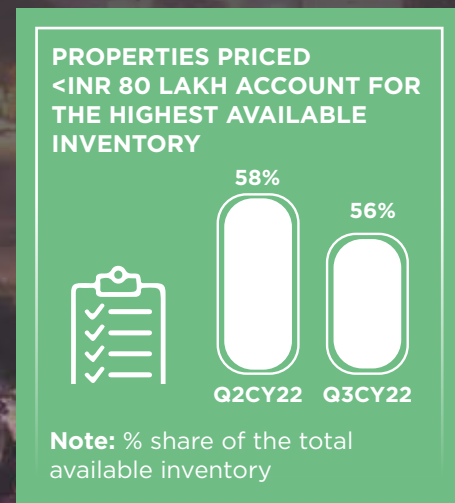
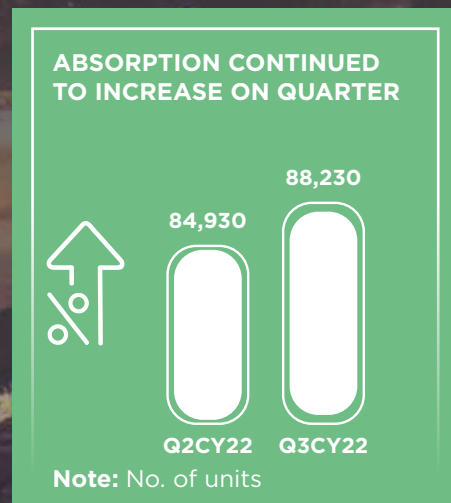
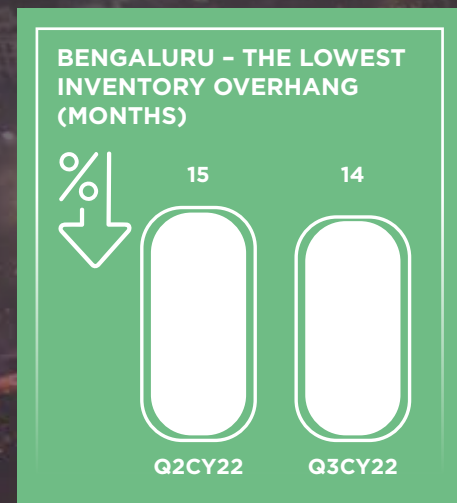
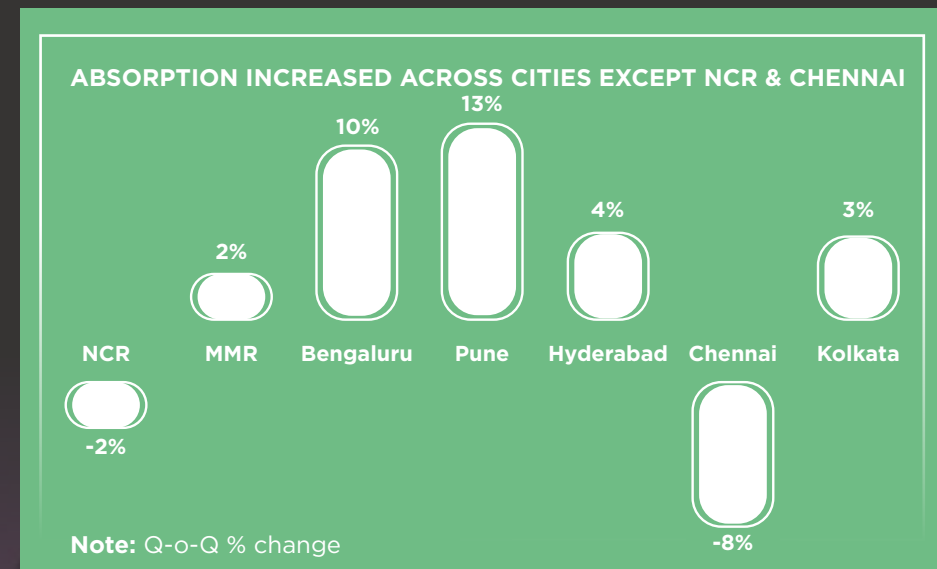
## Q3 CY22 SNAPSHOT

Strong real estate activities across the country in anticipation of festivities



# RESIDENTIAL

## Q3 CY22 SNAPSHOT



# RESIDENTIAL

## Q3 CY22 SNAPSHOT

### Key Project Launches (Q3 CY22)

Project Name	Developer Name	City	Locality	Launched Units	BSP on Built-up (INR/sq ft)
Om Sree Galaxy	Om Sree Builders and Developers	Hyderabad	Gundlapochampally	2,013	6,000
Bhavya Tulasivanam Avani	Bhavya Constructions	Hyderabad	Kukatpally	1,508	6,300
Zara Roma	Zara Group	Gurugram	Sector 95B	1,252	4,200
Candeur Crescent	Candeur Developers and Builders	Hyderabad	Serilingampally	1,239	7,000
Brigade Emerald and Luminaire Brigade El Dorado	Brigade Group	Bengaluru	Bagaluru	1,236	4,700

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## OUTLOOK

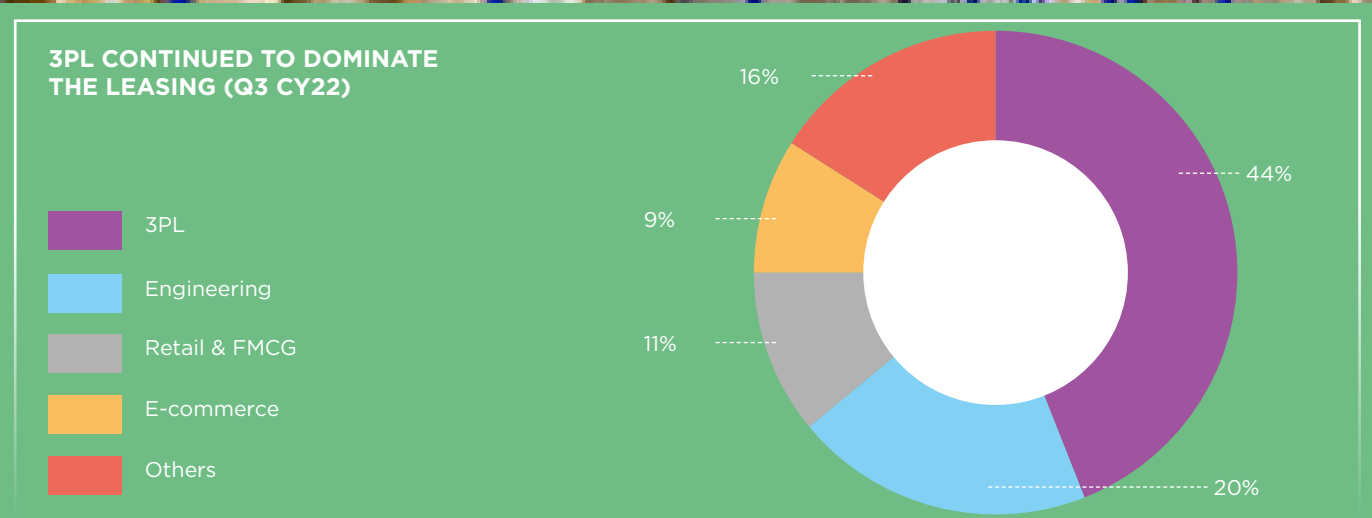
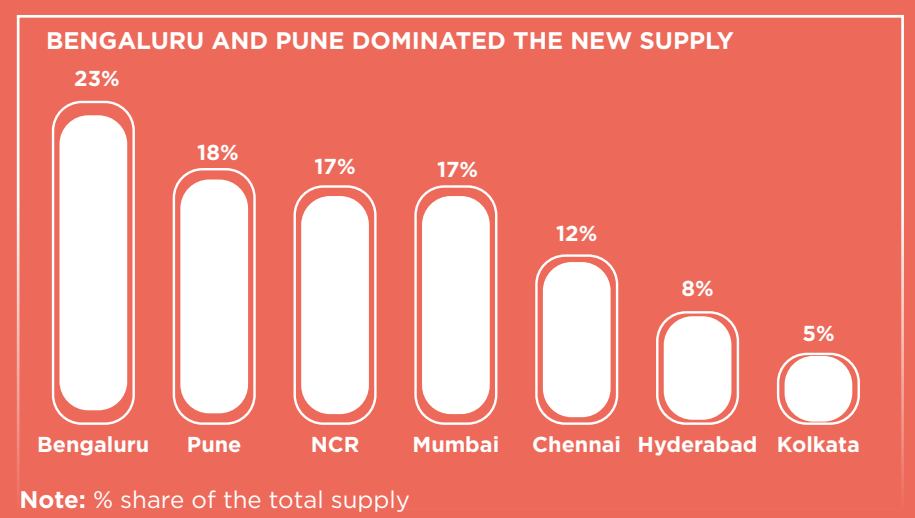
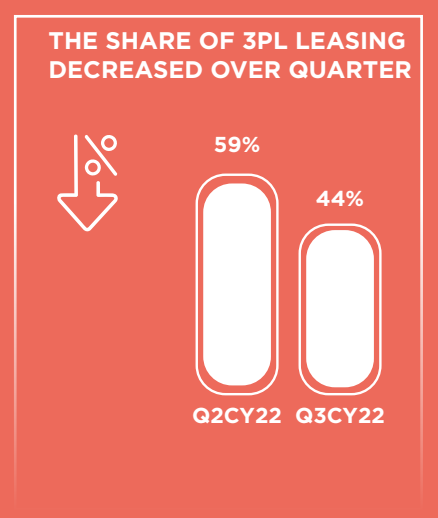
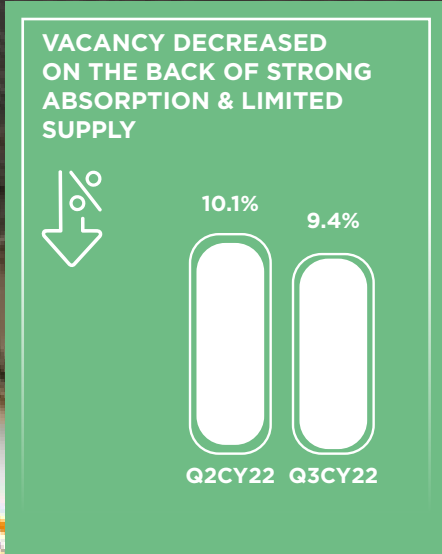
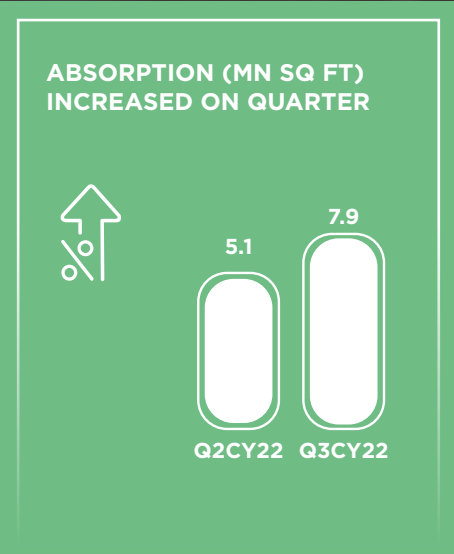
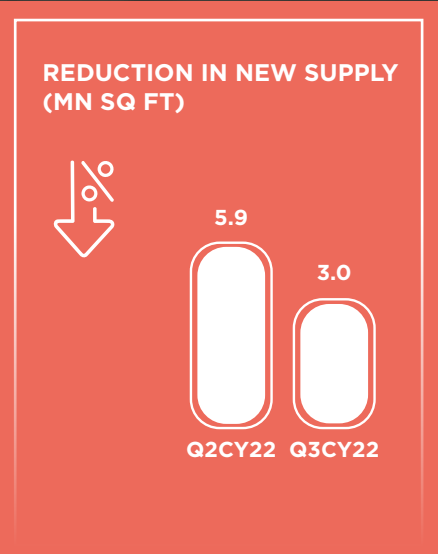
- **DEMAND-SUPPLY TO REMAIN BUOYANT:**  
Despite a hike in home loan rates, demand-supply dynamics are likely to remain resilient amid the festive quarter. Around 59% of investors prefer to invest in the real estate asset class.
- **PROPERTY PRICES ARE ANTICIPATED TO RISE**  
in the range of 1%-2% on quarter, due to an increase in construction costs and inflation.
- **OFFERS AND DISCOUNTS TO ATTRACT FENCE-SITTERS:**  
Developers are planning to offer attractive offers and discounts for this festive quarter as always which may boost the demand in Q4 2022.
- **LARGE AND LISTED PLAYERS TO ATTAIN MAJOR SHARE:**  
Large and listed players continue to dominate the sales in the upcoming quarters as homebuyers are ready to pay premiums to mitigate execution risk. The share of listed and leading players in sales increased to 30% in Q1 FY23 from 17% in FY17.
- **DESIRE FOR HOMEOWNERSHIP TO REMAIN RESILIENT:**  
Pandemic-induced desire to buy a house for such unprecedented times to remain strong and expected to drive future demand. End-users dominate the demand for residential real estate as 69% of homebuyers looking to buy a home for self-use.
- **PERIPHERIES TO BE IN DEMAND:**  
Peripheral areas to gain further traction as a need for larger houses within budget range is prominent in metro cities. ~42% of homebuyers prefer to buy a home in the city peripheries.



# WAREHOUSING

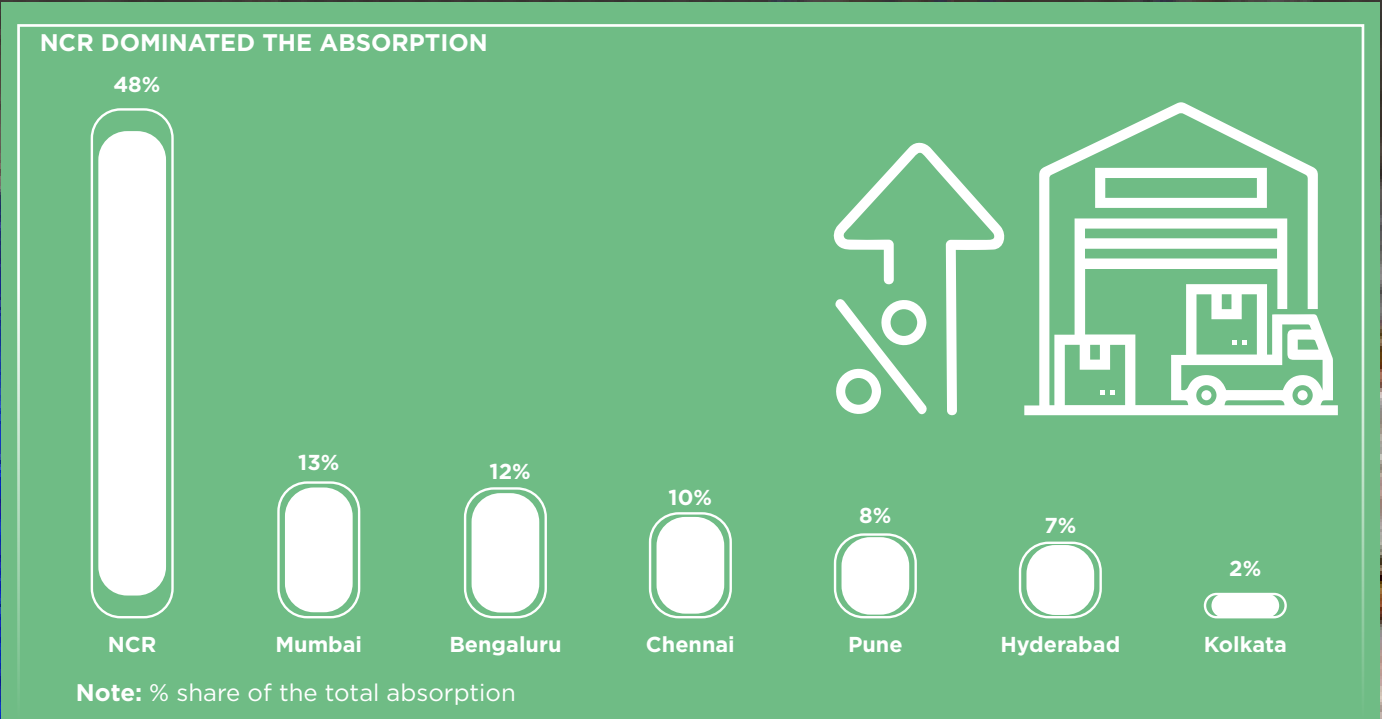
## Q3 CY22 SNAPSHOT

Strong demand led to a rise in absorption across the country



# WAREHOUSING

## Q3 CY22 SNAPSHOT



Source: Compiled by ANAROCK Research



# WAREHOUSING

## OUTLOOK

- **SUPPLY TO PICK-UP PACE:**

Supply additions are likely to increase in the upcoming quarters amid a rise in absorption. Large players have expansion plans for the next couple of years. V-Trans (India) planned a five-fold expansion in its warehouse portfolio to >5 Mn sq ft over the next three years.

- **VACANCY TO DECREASE FURTHER:**

Vacancy levels are expected to decrease further in the next quarter amid strong absorption and limited planned supply.

- **ESG TO RULE THE FUTURE OF WAREHOUSING:**

The projects that meet ESG standards are experiencing tenant retention and investor interests.

- **RENTALS TO RISE:**

Inflationary pressure on cement and steel prices amid the supply crunch along with an uptick in warehousing demand across the cities are likely to nudge the rentals to go up. As per industry estimates, the construction cost of greenfield projects has risen in the range of 5%-10%.

- **TRACTION FROM INTERNATIONAL PLAYERS:**

Many international developer funds are expected to enter the Indian warehousing space. Maersk is likely to double its warehousing space in India by the end of next year.

ANAROCK is India's leading independent real estate services company with a presence across India and the Middle East. The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales. The ANAROCK services suite includes Residential Broking & Technology, Retail (in partnership with Vindico), Commercial, Investment Banking, Hospitality (in partnership with HVS), Land Services, Industrial and Logistics (in partnership with Binswanger), Investment Management, Research, Strategic Advisory & Valuations and Project Management Services (in partnership with Mace), Flexi Spaces (in partnership with myHQ & Upflex) and Society Management Services (acquisition of ApnaComplex-India/ANACITY-EMEA). ANAROCK has a team of over 2200+ certified and experienced real estate professionals who operate across all major Indian and Middle East markets. ANAROCK also manages over 80,000 established channel partners to ensure global business coverage.

Please visit [www.anarock.com](http://www.anarock.com).

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