



Manikonda, Hyderabad

Metamorphosed from a remote underdeveloped area to a booming residential destination

Micro Market Overview Report

June 2018



About Micro Market



Located in the Ranga Reddy district in Hyderabad, Manikonda is spread over 8 km starting from Raidurg and stretching all the way up to Toli Chowki along Old Mumbai Highway (OMH). It lies in the western zone of Hyderabad with proximity to major IT-ITeS hubs namely HITEC city (approx. 7 km away) and Gachibowli (approx. 8 km away) via OMH. Further, the area is also close to IT parks in Raidurg and Nanakramguda. In fact, since the mid-nineties, this micro-market has developed as a commercial cum residential hub in Hyderabad. Manikonda's strategic location gives it an added advantage in terms of access to central and western parts of the city.

The key localities bordering Manikonda include Shaikpet, Kondapur, Toli Chowki and Gachibowli which are top real estate destinations buzzing with both commercial and residential developments. Over the years, Manikonda has witnessed the development of numerous residential housing projects due to massive employment generated by the nearby IT parks. Working population from the Financial district, Raidurg IT parks and HITEC city IT SEZ prefer to stay in Manikonda not only because of its affordable rentals but also because of the presence of well-connected roads. To cater to this exponential growth by professionals, the local government has also started upgrading the interconnecting roads.



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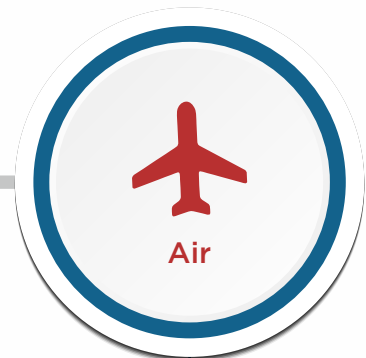


Manikonda scores high on connectivity to various business districts via Outer Ring Road (ORR) and OMH.

Financial District is connected through the ORR via Narsingi-Puppalguda main road.

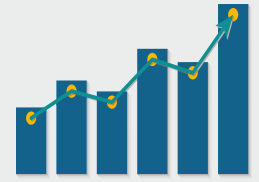


The nearest MMTS railway station is HITEC city, located 10 km away from Manikonda.



Manikonda is well-connected to the Rajiv Gandhi International airport (located 27 km away) through ORR via Narsingi-Puppalguda main road.

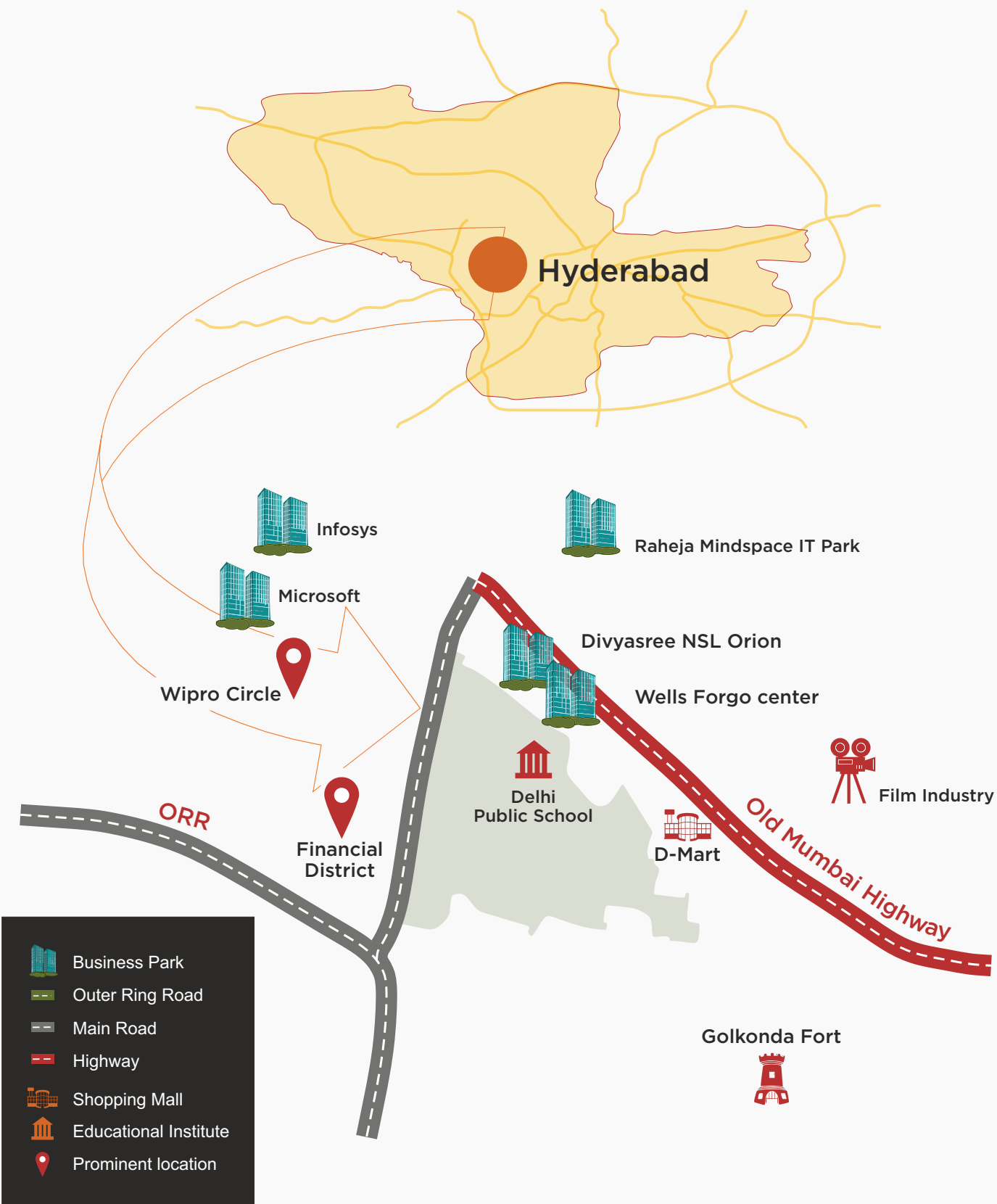
Major Growth Drivers



- ▶ Proximity to ORR enhances its connectivity and provides easy access to Gachibowli and Shamshabad.
- ▶ The proposed Raidurg-Manikonda-Shamshabad metro is expected to trigger commercial real estate activity under transit oriented development policy with L&T.
- ▶ Manikonda's residential growth is mainly driven by demand from three major employment hubs including DivyaSree IT park, Financial district in Gachibowli and Raheja Mindspace IT park.
- ▶ Besides being home to several IT companies, the locality has gained importance due to the Lanco Hills project comprising residential, commercial as well as an IT special economic zone (SEZ). The Lanco Hills Tech Park is part of the knowledge corridor promoted by the government of Telangana.
- ▶ Manikonda is well connected to Jubilee hills (Film nagar) via Manikonda-Puppalguda road, hence, an alternative residential destination for entertainment industry professionals.
- ▶ The locality boasts of excellent social infrastructure facilities including shops such as Ratnadeep, Sampoorna, Dilip Super market and D-mart, located merely 4 km from here.
- ▶ Manikonda has emerged as a commercial and residential destination of West Hyderabad coupled with the benefits of affordability and convenience.
- ▶ The locality offers good rental yield due to high rental demand and relatively cheaper capital values as compared to Gachibowli.



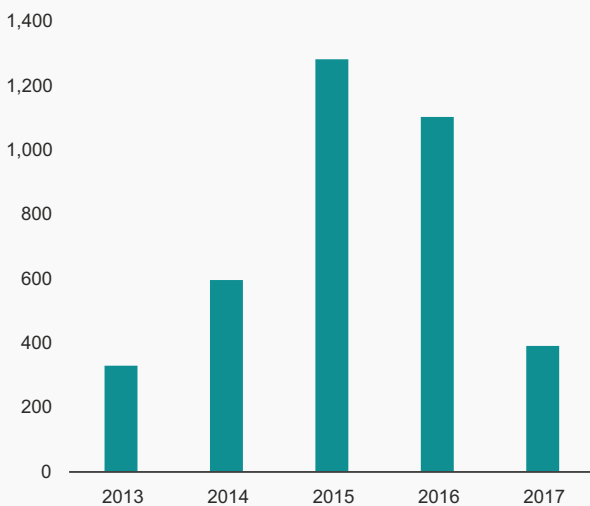
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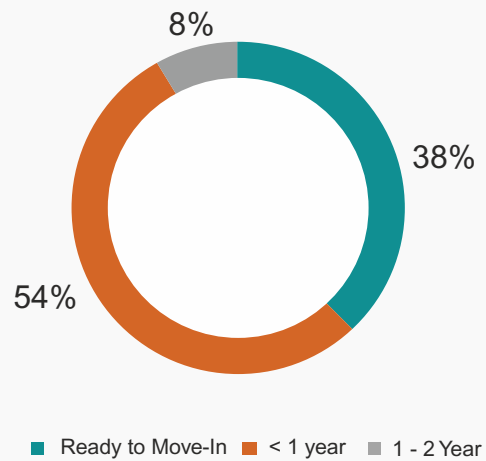
Residential Market Assessment



New Launch Supply



Age of Inventory (Launches between 2013 to 2017)



- ▶ Over the last five years, Manikonda has seen new launch supply of over 3,700 units. Nearly 40% of this supply was added in 2016-17 itself, indicating the rapidly growing demand for residential real estate in this micro market.
- ▶ Real estate activity picked up post the state bifurcation in 2014. In fact, out of the total supply since 2013, nearly 75% was added during the last three years only.
- ▶ The area sees spillover demand from saturated residential market of Madhapur. Excellent connectivity to major IT-ITeS hubs - Gachibowli and HITEC city has triggered residential growth in Manikonda.
- ▶ Out of the total new supply, nearly 63% catered to the mid segment category (₹ 40 lakh - ₹ 80 lakh).
- ▶ With rising demand, Manikonda is likely to see a further rise in residential developments in the near future.

- ▶ About 38% (around 1,400) of the total units supply since 2013 are ready-to-move-in. With good execution track record, Manikonda offers prospective buyers a plethora of options including mid-segment, luxury, and affordable properties.
- ▶ Around 54% (2,000) of the total supply since 2013 will take less than a year to complete, indicating healthy supply infusion into the market within the period.
- ▶ Currently, the unsold inventory is less than 36% of the total supply. Out of the total unsold stock nearly 84% is under construction while remaining is completed.

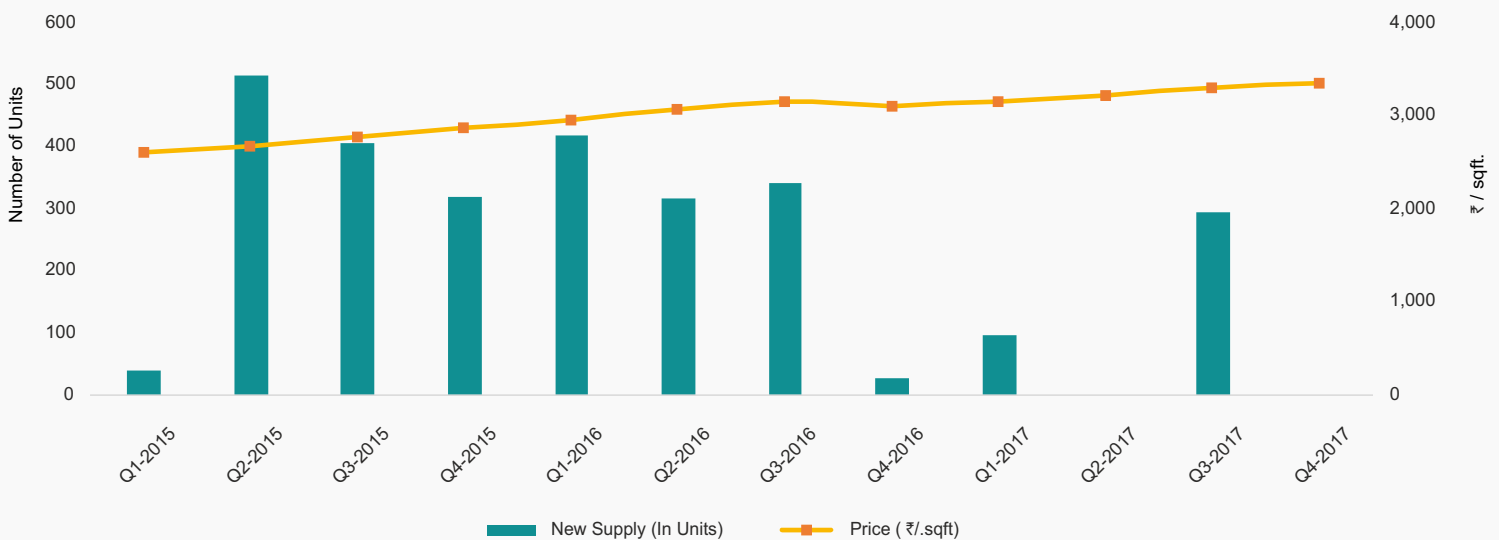


Residential Market Assessment



Manikonda average price as of Q4 2017 is around ₹3,340/sft.

Micro Market Price Movement wrt Supply



- ▶ The property prices in Manikonda have registered a linear growth during the past three years with average prices as of Q4 2017 being ₹3,340/sqft, which is 8% more than Q4 2016.
- ▶ Despite the overall slowdown, the micro market has stood resilient in terms of capital values that have constantly risen since 2015. The fact that property prices here are relatively lower than key IT hubs in the vicinity gives it an added advantage.
- ▶ Out of the total new supply, nearly 63% catered to the mid segment category (₹ 40 lakh - ₹ 80 lakh).
- ▶ With rising demand, Manikonda is likely to see a further rise in residential developments in the near future.



New launches likely to improve upon full-fledged implementation of RERA

Once an underdeveloped micro market, Manikonda has today evolved as a prominent commercial cum residential destination in Hyderabad. It has seen unprecedented residential growth over the last few years following the high demand by IT professionals working in nearby HITEC city, Gachibowli and Financial district. The affordability factor here gives it an upper edge over these localities. As such, Manikonda has seen decent capital value appreciation and good rental yield over the period because of its proximity to the IT

parks, good connectivity to ORR and well-developed social infrastructure. The area has all the essential amenities in its neighborhood including shopping options, hospitals, restaurants, banks and schools, making it one of the preferred residential destinations of Hyderabad. Thus, Manikonda has developed as a perfect option for young professionals who are looking for affordable properties to buy or rent.

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