

ANAROCK

VALUES OVER VALUE

A Milestone Year
**FOR INDIAN RESIDENTIAL
REAL ESTATE**



2022
ANNUAL REPORT



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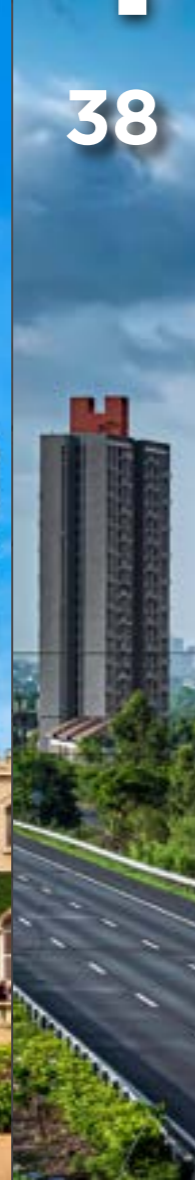
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MESSAGE FROM THE CHAIRMAN

2022 was a phenomenal year for the real estate sector, particularly the residential segment. There was a robust housing demand, primarily from the end-users, across the top 7 cities as well as the tier 2 and tier 3 cities of India. In the year's first half, job security had improved vis-a-vis the uncertain pandemic period. There was robust hiring in the IT/ITeS sector, though the second half brought more sobering news on this front. Financial services showed a good hiring graph throughout.

Low home loan rates and steadily growing homeownership sentiment also helped residential real estate gain momentum. Housing sales in this year, 2022 breached the previous peak of 2014 with all-time high sales across the top 7 cities. Total

sales in the top 7 cities touched nearly 3.65 lakh units in 2022 (in 2014, the previous peak year, 3.43 lakh units were sold).

Housing launches were more sober in 2022 in comparison to the previous peak of 2014. However, around 3.58 lakh units were launched during the year across the top 7 cities. And as the clock ticked briskly towards the end of a fantastic year for Indian housing, there were some interesting trends that shaped it in 2022.

Affordable housing witnessed a decline while mid-range and premium housing dominated launches in 2022. Demand, driven primarily by end-users, was mainly focused on projects by Grade

A developers, who gained even more market share in 2022. More than 60% of the total units launched in the year were by branded developers - who also sold more than 55% of the total units in this period. Peripheral locations led homebuyer demand in the year, despite the near-normal situation post-Covid-19. Housing prices increased by an average of 4-7% in 2022, and this - coupled with increased home loan rates - did not impact residential sales in 2022. These price hikes were inevitable after relative stagnation for 2-3 years.

All in all, it was a remarkable year for the residential segment.

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Housing sales in the year-2022 breached the previous peak of 2014 with all-time high sales of 3.65 lakh units across the top 7 cities in 2022.

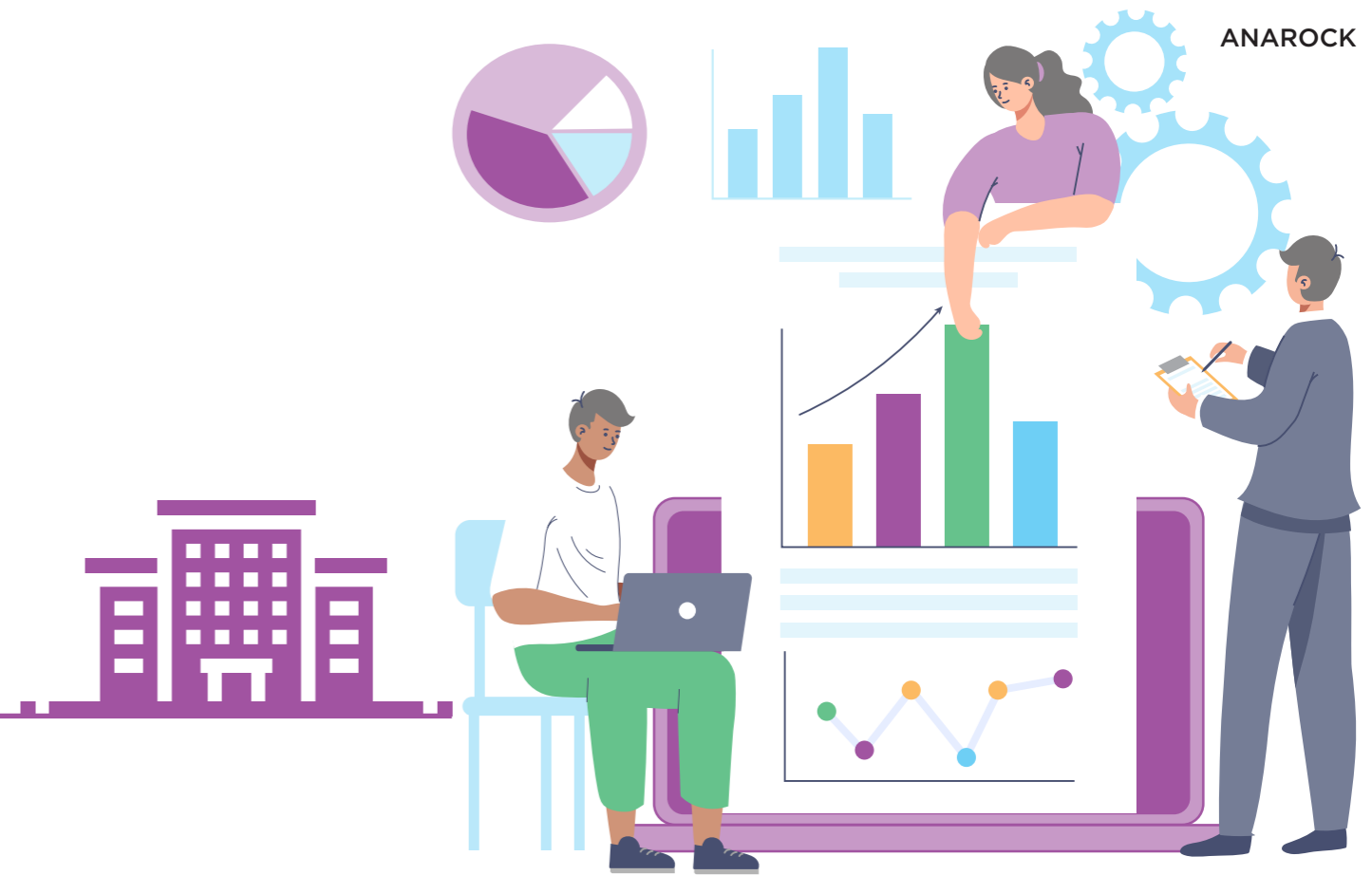


ANUJ PURI

Founder & Chairman,
ANAROCK Group

INDIA RESIDENTIAL MARKET OVERVIEW

India Residential Real Estate sets new records in 2022 despite all headwinds; witnesses strong yet restricted new supply, record-breaking housing sales across top 7 cities and all-time low inventory overhang



	PAN India	NCR	MMR	Bengaluru	Pune	Hyderabad	Chennai	Kolkata
Launches (Units)	3,57,600 51%	25,400 -20%	1,24,600 119%	49,200 61%	64,300 61%	68,000 32%	10,000 -19%	16,100 17%
Sales (Units)	3,64,900 54%	63,700 59%	1,09,700 44%	49,500 50%	57,100 59%	47,500 87%	16,100 29%	21,200 62%
Avg. Capital Value* (INR/Sqft.)	6,150 6%	5,025 5%	11,890 7%	5,570 7%	6,000 5%	4,620 6%	5,315 5%	4,700 4%
Inventory Overhang (Months)	21 -36%	23 -52%	22 -25%	14 -33%	22 -32%	21 -29%	21 -36%	21 -46%

■ YoY Change (%)
Note: Base Selling Price on BUA*

INDIA RESIDENTIAL MARKET OVER THE YEARS

LAUNCHES

The top 7 cities recorded new unit launches of around 3,57,600 units in 2022 as against nearly 2,36,700 units in 2021, an increase of 51% over the previous year. Total new launches in 2022 remained lower than the previous peak of 2014 when 5.45 lakh+ units were launched in top 7 cities. Key cities contributing to 2022 new unit launches included MMR (Mumbai Metropolitan Region), Hyderabad, Pune, and Bengaluru, altogether accounting for 86% of the total addition.

HOUSING SALES

Residential sales stood at 3,64,900 units in 2022 against 2,36,500 units in 2021 across the top 7 cities - rising by 54% on a yearly basis. Housing sales in top 7 cities created a new peak in 2022, breaching the previous high of 2014 when the top seven cities accounted for 3.43 lakh unit home sales. NCR, MMR, Bengaluru, Pune, and Hyderabad together accounted for 90% of the sales in 2022. While it was widely anticipated that the rise in property costs and interest rates towards the second half of 2022 would have a

cascading impact on the residential sales, Q4 2022 (October-December) remained quite robust with as many as 92,160 units sold in the period.

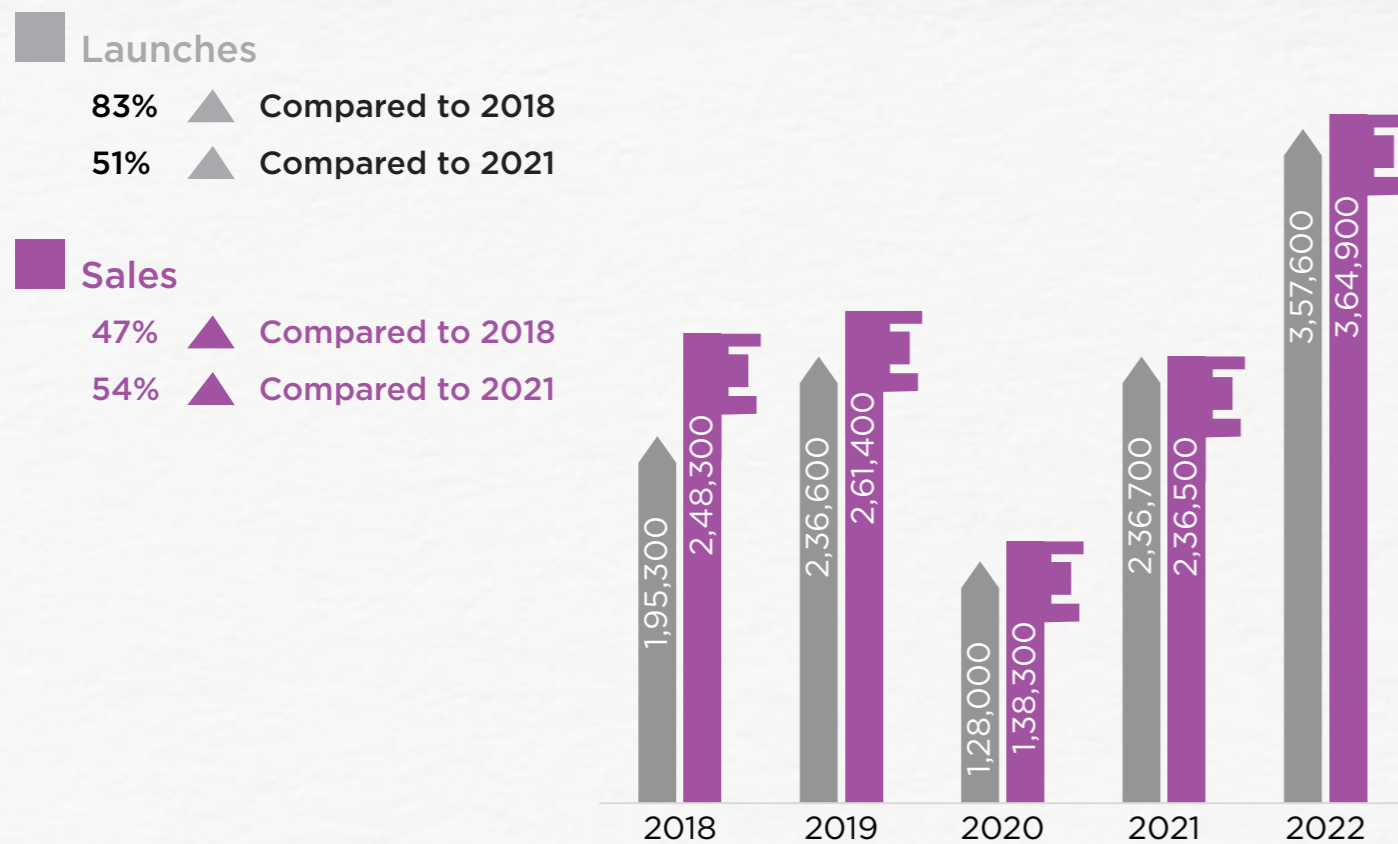
AVAILABLE INVENTORY

Available residential inventory in India was at its lowest in Q4 2022 (since 2014). Due to strong new housing supply in the current year, available inventory across the top seven cities dipped slightly by 1% from 6,38,200 units in 2021 to 6,31,000 units by the end of 2022. NCR, Chennai and Kolkata were the only cities that registered a dip (24%, 18% and 12% respectively) in the available inventory in Q4 2022 as compared to Q4 2021. The strong uptick in housing sales also brought the inventory overhang down to 21 months by the end of Q4 2022 from 32 months in Q4 2021.

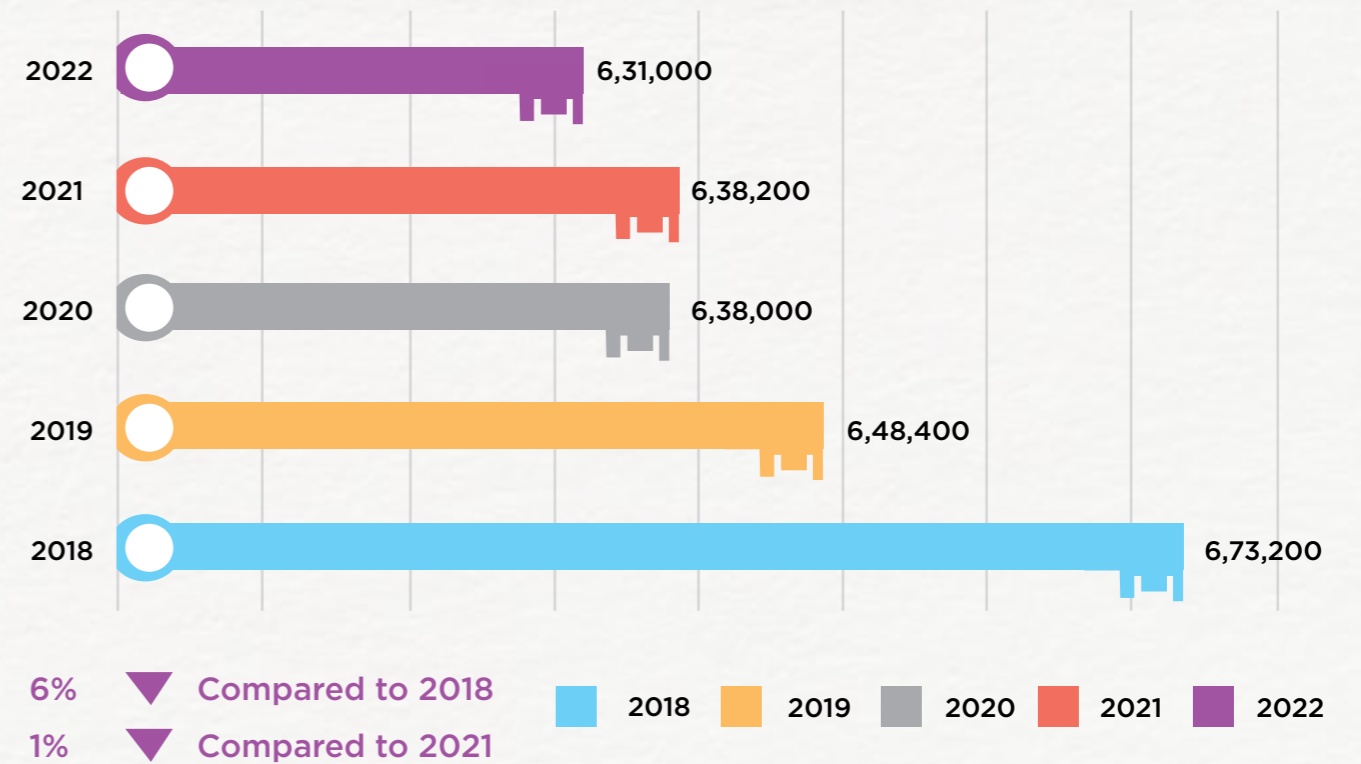
Housing sales in top 7 cities created a new peak in 2022 (3.64 Lakh homes sold), breaching the previous high of 2014 (3.43 Lakh homes sold)



Launches Vs Sales - Pan India



Available Inventory - Pan India



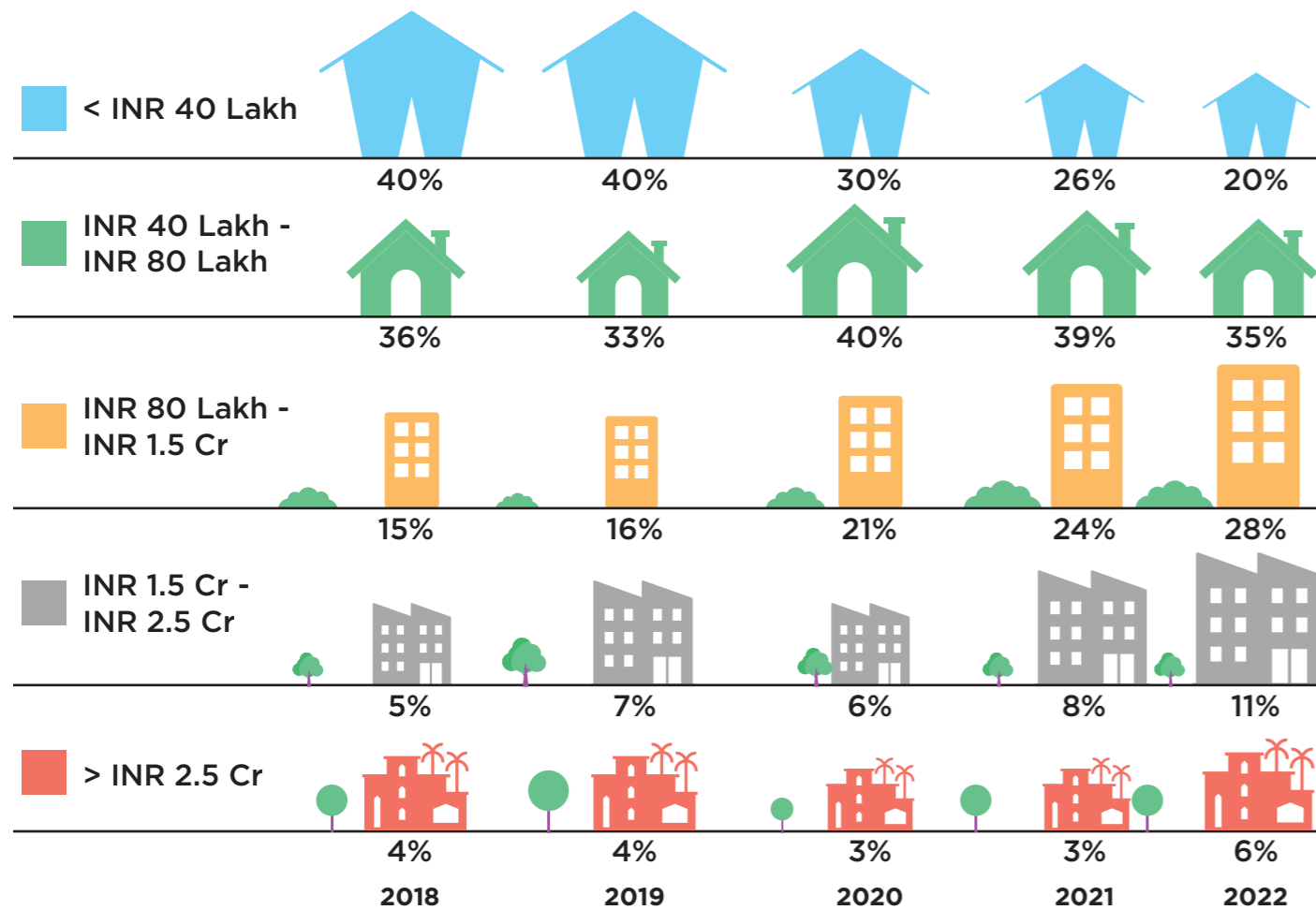
BUDGET SEGMENTATION OF LAUNCHES

Pan India Launches - Budget Segmentation

In line with the trends in the preceding two years, the share of new launches in the mid-end price bracket remained the highest launched ticket size in 2022, at 35%, followed by the high-end price segment with 28% share of the overall pie. Affordable housing was the third favoured

category amongst the developers, accounting for 20% of the overall new launches in India. This trend is backed by the growing aspirations of homebuyers wanting to purchase in mid-end and high-end residential properties to upgrade their lifestyle and quality of life. Luxury and Ultra luxury ticket sizes accounted for the lowest new supply in 2022, with 11% and 6% share, respectively.

Budget Segmentation of Launches - Pan India



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 Cr)

City Wise Launches - Budget Segmentation

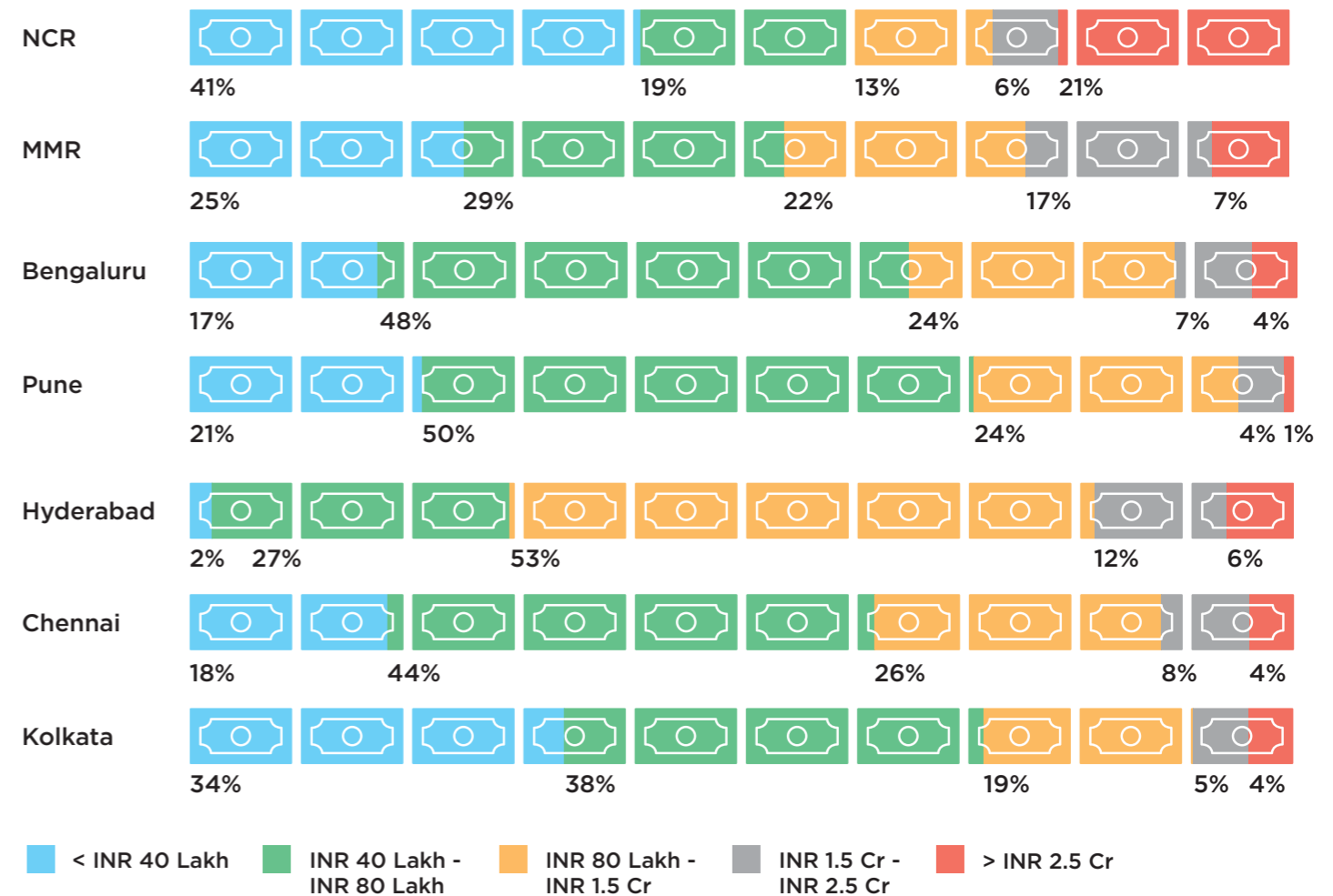
Five out of seven cities in India - MMR, Bengaluru, Pune, Chennai and Kolkata saw the highest new inventory addition in the mid-end segment priced between INR 40 lakh - INR 80 Lakh. Whilst NCR witnessed the highest new supply in the

affordable price segment, the remaining city- Hyderabad recorded the highest residential launches in the high-end segment.

Based on the YoY analysis of new residential launches across the top 7 cities, the following insights are witnessed:

Ticket Size	Highest YoY Change	Lowest YoY Change
<INR 40 Lakh	NCR (6%)	Kolkata (-36%)
INR 40 Lakh - INR 80 Lakh	Chennai (17%)	Hyderabad (-19%)
INR 80 Lakh - INR 1.5 Cr	Hyderabad (18%)	NCR (-11%)
INR 1.5 Cr - INR 2.5 Cr	MMR (6%)	NCR (-4%)
>INR 2.5 Cr	NCR (18%)	Bengaluru (1%)

Budget Segmentation of 2022 Launches - City Wise



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 Cr)

CITY WISE BUDGET SEGMENTATION - AVAILABLE INVENTORY

Available inventory of residential units across the top 7 cities is spread majorly across the mid segment priced between INR 40 Lakh - INR 80 Lakh and high-end homes priced INR 80 Lakh - INR 1.5 Cr, accounting for 29% share each in Q4 2022. The share of affordable/budget segment in the overall available inventory came in second spot, at 26% by the end of Q4 2022. Luxury and ultra-luxury

available residential inventory accounted for 9% and 7% share, respectively.

Reduced supply chain disruptions in the sector has helped developers complete the existing affordable housing projects and clearing stocks-in-hand by approximately 5% in the top 7 cities in Q4 2022 vis-à-vis Q4 2021. This was the biggest supply reduction in the available

Affordable housing witnessed the highest drop in the available inventory in Q4 2022 vis-à-vis Q4 2021 among all budget segments

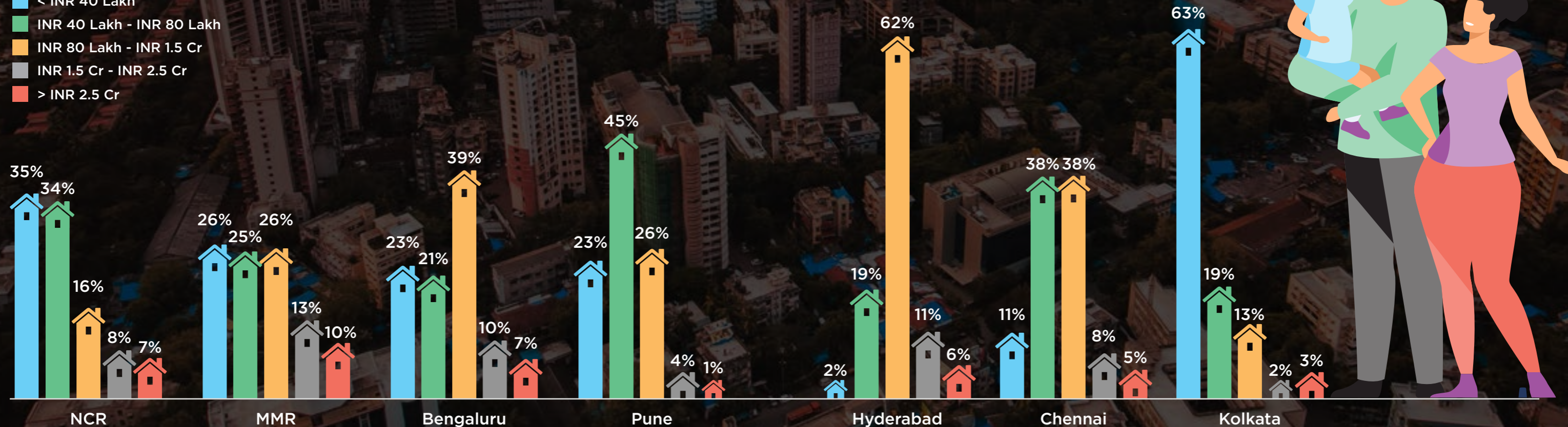
stock amongst all budget segments. Available stock in the mid segment recorded the next highest drop by 2% against Q4 2021. The high-end and luxury segments (INR 80 Lakh to INR 2.5 Cr) witnessed an increase in available stock in the same period.

level, NCR, MMR and Kolkata have the maximum stock of available inventory in the affordable price segment; Pune and Chennai have in the mid segment; Bengaluru, Hyderabad and Chennai holding the highest available stock in the high-end price bracket.

Diving into the budget segmentation of available residential stock at city

Budget Segmentation of Available Inventory - City Wise

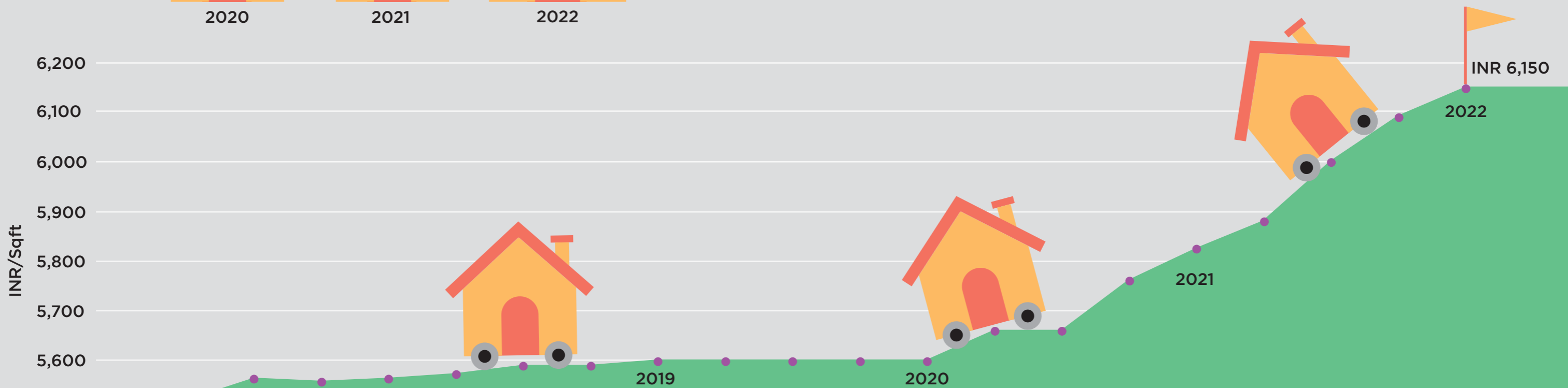
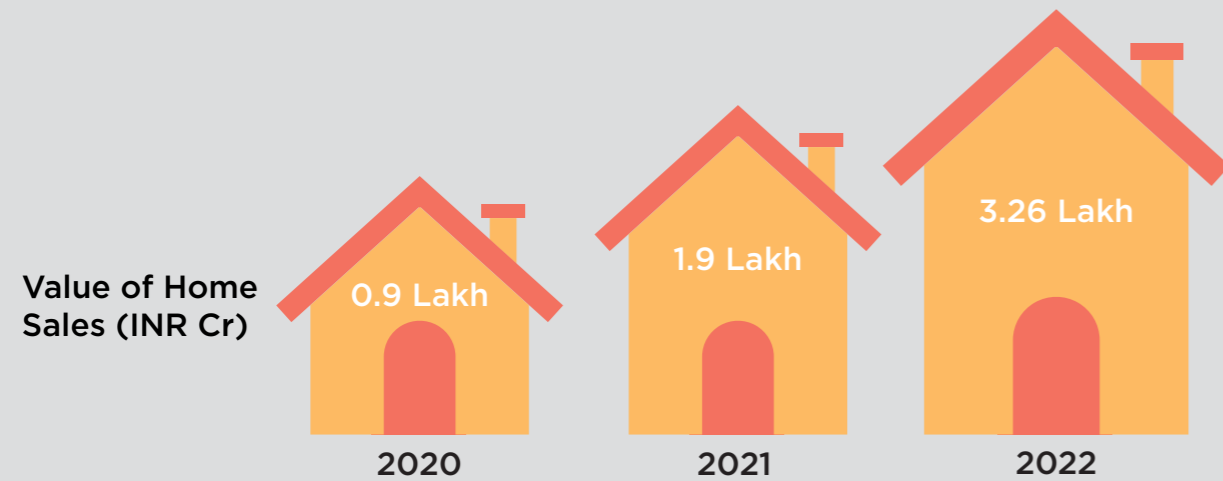
- < INR 40 Lakh
- INR 40 Lakh - INR 80 Lakh
- INR 80 Lakh - INR 1.5 Cr
- INR 1.5 Cr - INR 2.5 Cr
- > INR 2.5 Cr



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 Cr)

CAPITAL VALUE MOVEMENT

Residential sales remained robust despite a 4-7% increase in house prices across all markets



HOUSE PRICES ACROSS PAN INDIA

up 6%
over the last 12 months



Outlook for 2023

Residential property prices across the top 7 cities witnessed considerable growth- an average of 4-7% despite the RBI increasing the repo rate by 225 bps in the year 2022. MMR and Bengaluru registered the highest YoY increase in the property prices by 7%; followed by 6% in Hyderabad; 5% in NCR, Pune, Chennai and 4% in Kolkata.

Though hike in input costs and demand comeback post-COVID have put upward pressure on housing prices residential sales have continued to gain traction. Despite the prevailing potentially impending recession, stock market volatility and global inflationary trends, the prices are anticipated to continue to rise owing to robust demand since real estate continues to be the best asset class for investment. This was also validated in ANAROCK's consumer sentiment survey H1 2022.



NCR

NCR RESIDENTIAL REAL ESTATE



LAUNCHES
25,400
UNITS

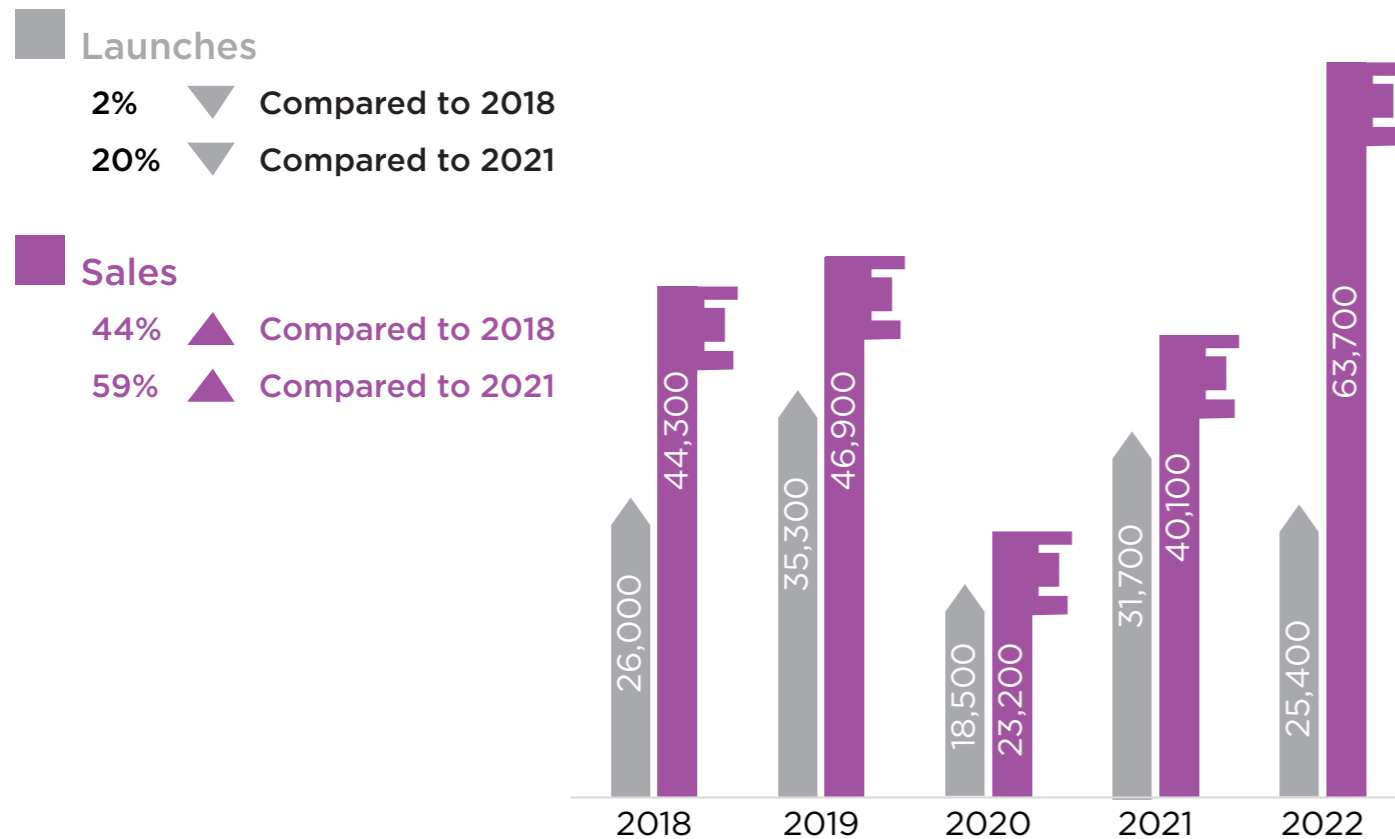


SALES
63,700
UNITS



AVG. CAPITAL VALUE
INR 5,025
/SQFT

NCR Residential Market Activity



NCR restricted new supply in the year 2022 to approx. 25,400 units despite robust housing sales of 63,700 units, resulting in the highest annual reduction of 24% in available inventory among the top 7 cities. Over the last five years, the NCR market has seen substantial rise in residential sales, with 2022 hitting an all-time high. On a YoY basis, the launches saw a 20% dip while the sales numbers jumped up by 59%. Ready-to move-in or the projects nearing completion witnessed considerable demand amongst the buyers as well as investors in comparison to newly launched projects due to concerns related to project delays. The growth in sales is driven by positive

consumer sentiment, unrelenting appetite for homeownership and affordable pricing, even though the average capital values in the city grew by 5% in last one year.

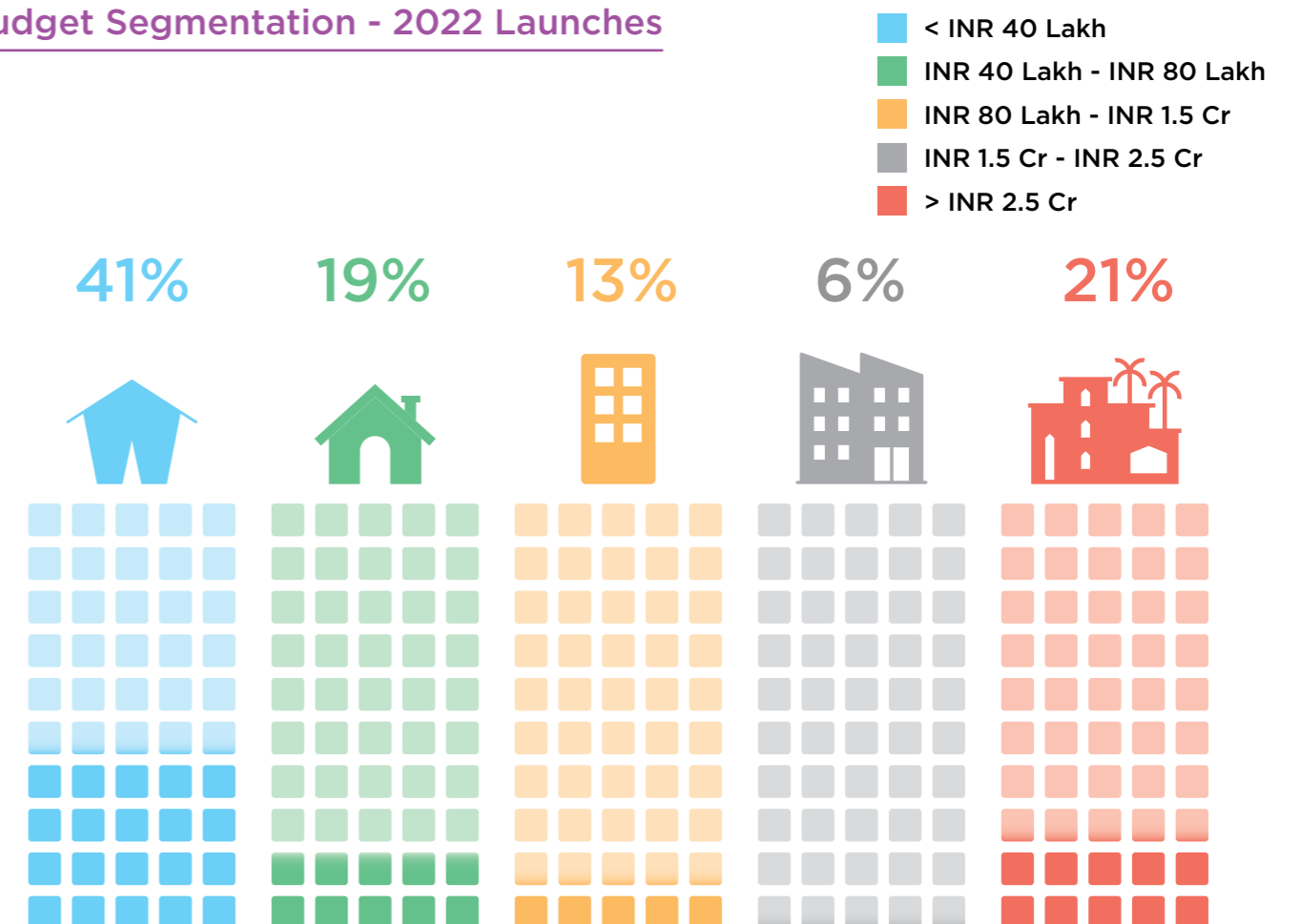
Similar to previous year launches, <INR 40 Lakh price bracket was the highest launched category in 2022 - accounting for 41% of the overall launches in NCR and growth of 6% against 2021. However, the price segment that witnessed the highest YoY rise in the new supply in NCR was the ultra-luxury segment priced > INR 2.5 Cr depicting a 18% rise - from 2% share in 2021 to 21% in 2022.

Gurugram shines in NCR's residential real estate market

Gurugram has been one of the most active real estate markets within the entire National Capital Region in the last decade and more (both in terms of new launches and housing sales). Approximately 19,100 new residential units were launched in the city, accounting for 75% of the overall supply of NCR in 2022. Of the 63,700 units sold in NCR, Gurugram sold approx. 32,600 units, comprising 51% share of total NCR's sales.

With the residential demand growing significantly in Gurugram, the city remained as a hub for prime residential as well as commercial projects. In fact, Gurugram has outshone Noida as the most favourite investment destination in NCR due to its strategic location, the excellent connectivity it offers to Delhi-NCR and other key locations along with its return on investment contributing to its overall appeal. And even while it is relatively more expensive than its neighbour Noida, yet real estate demand of Gurugram remains on top.

Budget Segmentation - 2022 Launches



NCR 2022 NEW LAUNCHES: ZONE WISE STACK-UP



Leaderboard 2022

Highest Share of Launches:
Gurugram (75%)

Highest YoY Change in Launches:
Ghaziabad (47%)

Micro Market with highest number of Launches:
New Gurugram (7,600 Units)



Zonal Classification

Gurugram	MG Road Sohna Road Sohna Golf Course Extension Golf Course Road Dwarka Expressway Southern Peripheral Road (SPR) New Gurugram
Noida	Noida Expressway Sector 150 Sector 79 Sector 76 Central Noida Greater Noida Greater Noida West Yamuna Expressway Pari Chowk Dadri
Ghaziabad	Crossings Republik Raj Nagar Extension Indirapuram NH-24 Vasundhara Vaishali Siddharth Vihar

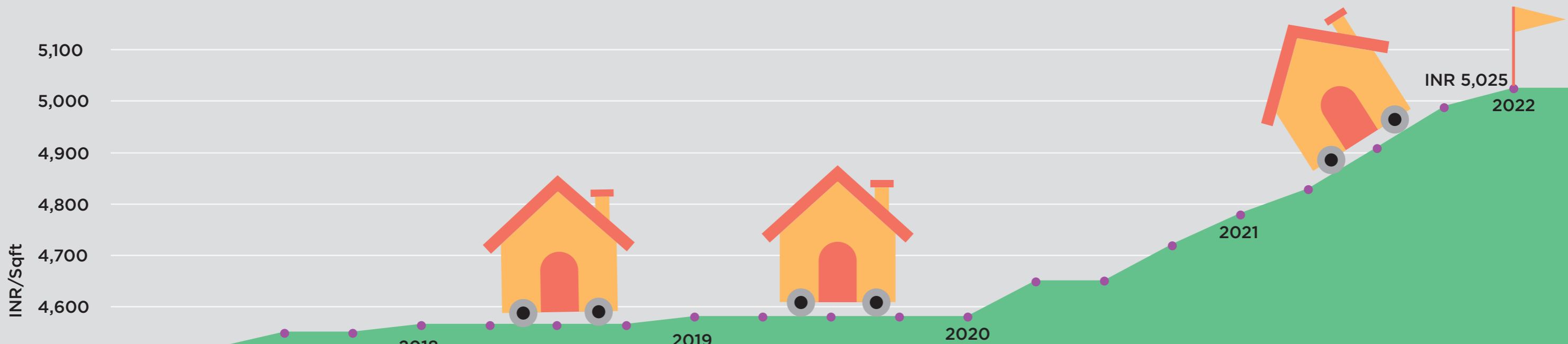
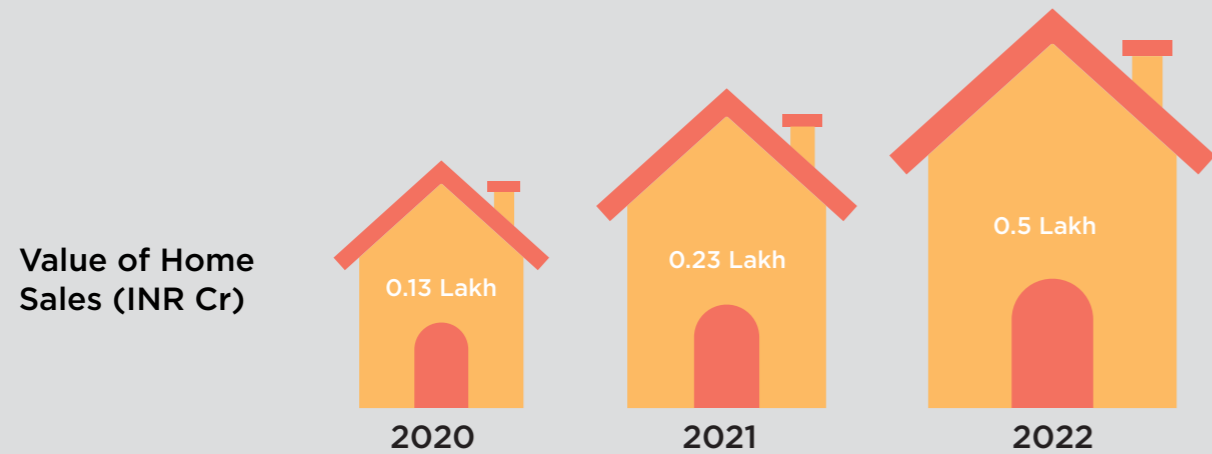
Units Launched in 2022
Share of Launches (% Contribution in City)

Micro Markets as per highest number of launches in each zone

Note: Error in the number of new launches if any, is due to round-off.

CAPITAL VALUE MOVEMENT

Value of home sales transactions in NCR up by 115% annually



HOUSE PRICES

up 5%
over the
last 12 months



Outlook for 2023

In 2022, various headwinds including the Covid-19 pandemic early on or increase in property costs failed to become a deterrent for the NCR real estate market, which remained vibrant and performed remarkably well. The year 2023 will continue to witness restricted new launch activity with developers refraining from adding new inventory. Housing sales in NCR, which remained upbeat throughout 2022, will continue to see the same

momentum at least in the first two quarters of 2023. The appetite for home ownership will remain undeterred, with maximum sales being driven by end-users. However, the home loan interest rates due to any additional repo rate hikes in 2023 apart from the imminent global recession in 2023, if it unfolds as it seems possible now, are likely to impact the housing demand in NCR.



MMR

MMR RESIDENTIAL REAL ESTATE



LAUNCHES
1,24,600
UNITS



SALES
1,09,700
UNITS



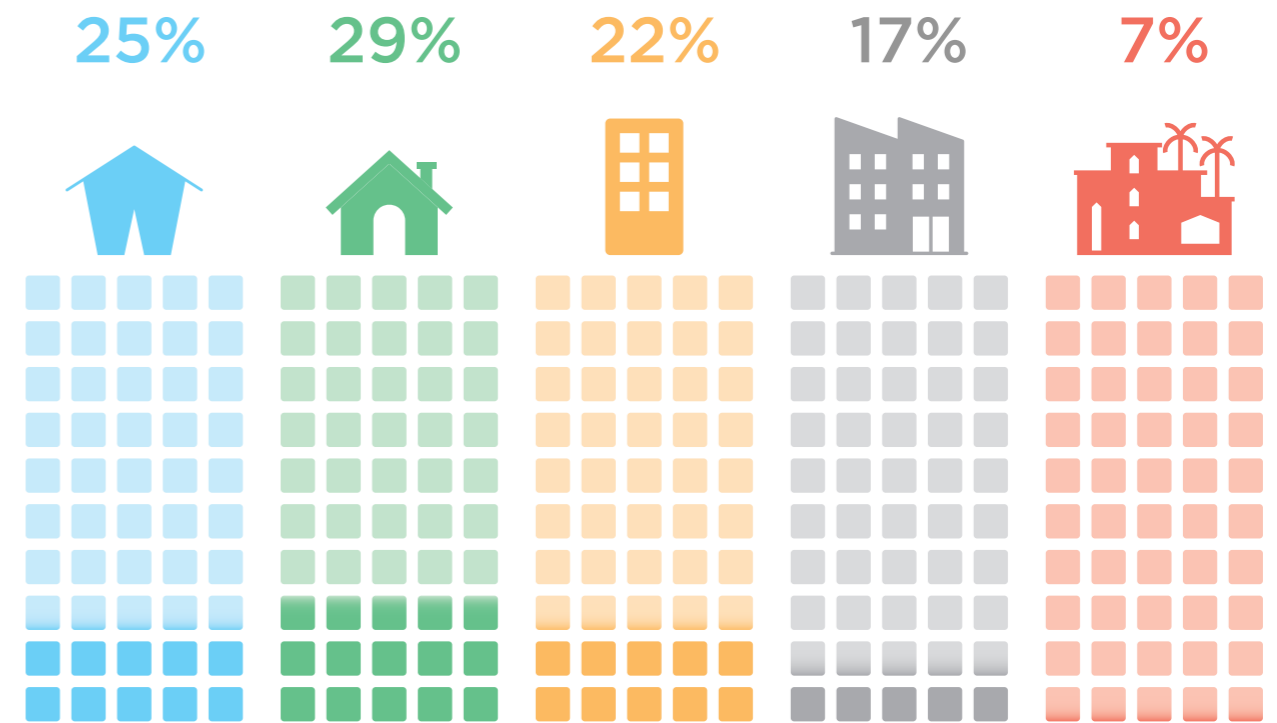
AVG. CAPITAL VALUE
INR 11,890
/SQFT

With nearly 1.10 Lakh units sold (comprising 30% share of total sales), MMR was the frontrunner amongst the top 7 cities in 2022. MMR witnessed yearly sales jump of 44% in 2022 and recorded decadal high housing sales during the year. Along with sales, the new launches in the region also witnessed robust growth (119%) on an annual basis. MMR registered new launches of around 1.25 lakh units in 2022, with one of the highest contribution of approx. 35% to the overall launches across the top 7 cities in India.

On the budget segmentation front, mid-segment housing priced INR 40 Lakh - INR 80 Lakh was the most favoured price segment amongst developers in the current quarter as 29% of the new supply was launched in this price category. This year, the affordable segment (<INR 40 Lakh) supply took a back seat and contributed only 25% in the overall MMR market new supply - which is 7% lower as compared to 2021. Average property prices increased by 7% in MMR compared to 2021, mainly due to the high demand and increase in prices of construction materials.

Budget Segmentation - 2022 Launches

- < 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



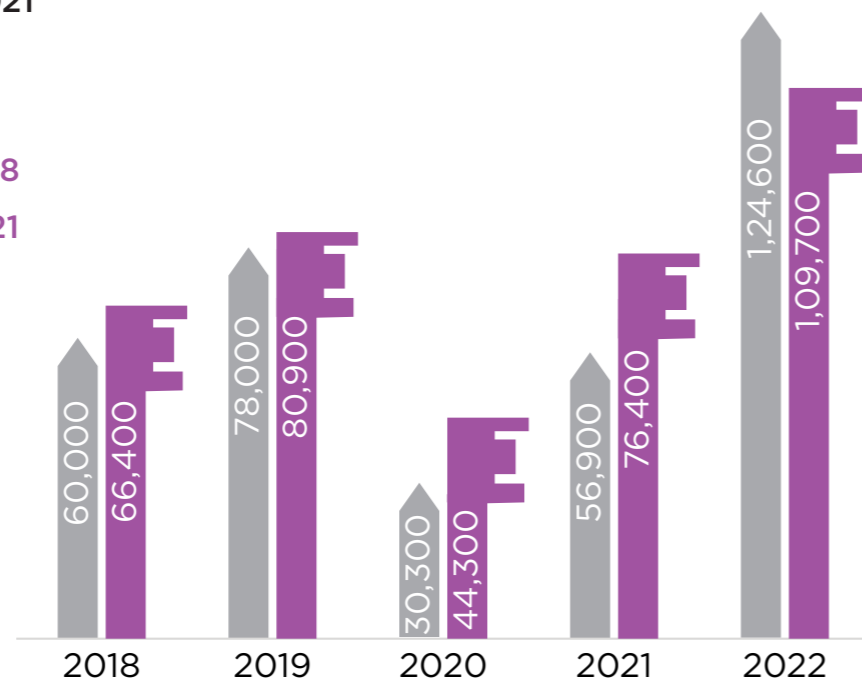
MMR Residential Market Activity

Launches

108% ▲ Compared to 2018
119% ▲ Compared to 2021

Sales

65% ▲ Compared to 2018
44% ▲ Compared to 2021



2022 was a strong year for luxury real estate in MMR

Luxury and ultra-luxury segment supply together witnessed a 7% jump against the previous year - which was 17% in 2021 and reached to 24% in 2022, mostly due to the high redevelopment activity in south-central Mumbai areas including Bandra, Pali-hills and Juhu area. Developers acquired the iconic bungalows & buildings for redevelopment. Approx. 2,200 new units were launched in the >INR 5 Cr budget range which is 57% higher than the previous year. Earlier, the supply of

homes priced >INR 5 Cr was limited to south-central Mumbai localities but in 2022, the same is witnessed in other zones as well. After south-central-Mumbai (63%), 31% supply in > INR 5 Cr. have been witnessed in western-suburbs, followed by 3% in central-suburbs and 2% in Navi-Mumbai.

South-central Mumbai, which is the most premium market in the country witnessed homes sales worth INR 33,000 Cr which is greater than the overall sales value of houses sold in Pune, Chennai and Kolkata.

MMR 2022 NEW LAUNCHES: ZONE WISE STACK-UP



Leaderboard 2022

Highest Share of Launches:
Peripheral Central Suburbs (21%)

Highest YoY Change in Launches:
Thane (726%)

Micro Market with highest number of Launches:
Thane West (14,700 Units)



■ Units Launched in 2022
■ Share of Launches (% Contribution in City)

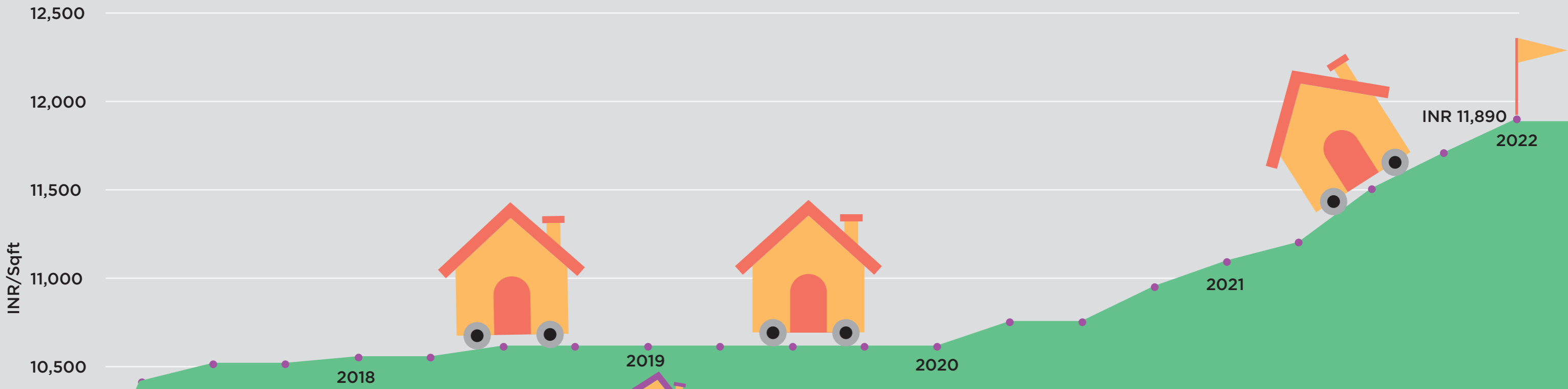
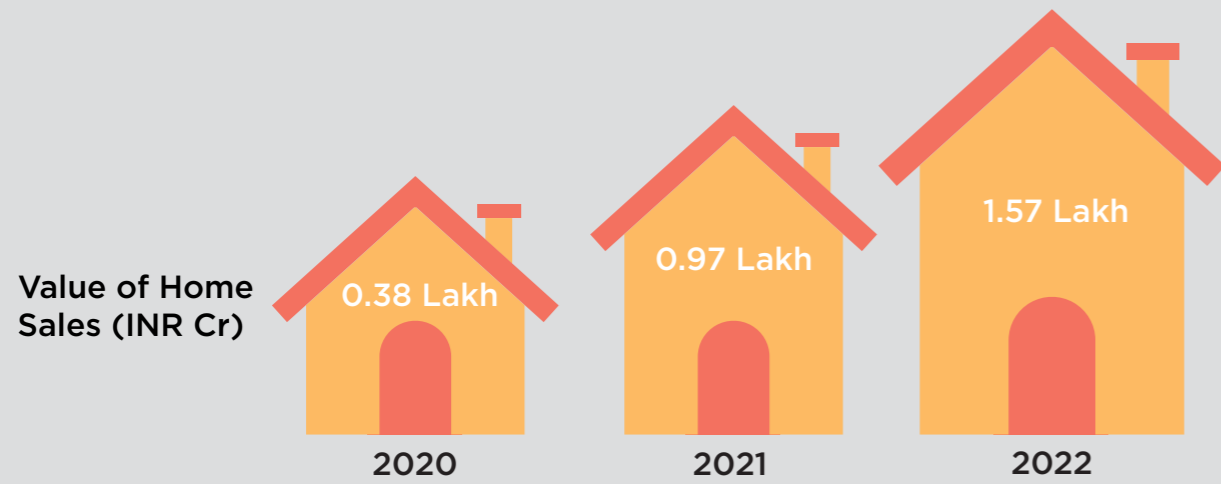
Micro Markets as per highest number of launches in each zone
 Note: Error in the number of new launches if any, is due to round-off.

Zonal Classification

Central Suburbs	Sion Kurla Chembur Wadala Mulund Bhandup Kanjurmarg Ghatkopar Vikhroli Powai
Western Suburbs	Andheri Malad Bandra BKC Kandivali Borivali Dahisar Goregaon Jogeshwari Vile Parle
Navi Mumbai	Panvel Ulwe Taloja Kharghar Karanjade Ghansoli Airoli Kalamboli Kamothe Vashi
Peripheral Central Suburbs	Badlapur Dombivli Kalyan Neral Ambernath Bhiwandi Vangani Shahapur
Peripheral Western Suburbs	Mira Road Virar Palghar Boisar Naigaon Nala Sopara Bhayandar
South Central Mumbai	Byculla Worli Parel Lower Parel Prabhadevi Girgaon Tardeo Mahalakshmi
Thane	Kolshet Road Pokhran Road Kasarvadavali Ghodbunder Road Majiwada Balkum Pada

CAPITAL VALUE MOVEMENT

Mumbai Metropolitan Region (MMR) registered the highest value of residential transactions among top 7 cities



HOUSE PRICES

up 7%
over the last 12 months



Outlook for 2023

Despite all the challenges within the MMR property market including the Maharashtra political crisis, global headwinds and higher interest rates, the housing market in the region performed remarkably well in 2022. There was minimal impact of the increased interest

rates and overall property costs in 2022 in the housing demand in MMR and this trend will continue to remain so in 2023 as well because it will still take some time for higher interest rates to fully impact residential demand.

BENGALURU



BENGALURU RESIDENTIAL REAL ESTATE



LAUNCHES
49,200
UNITS

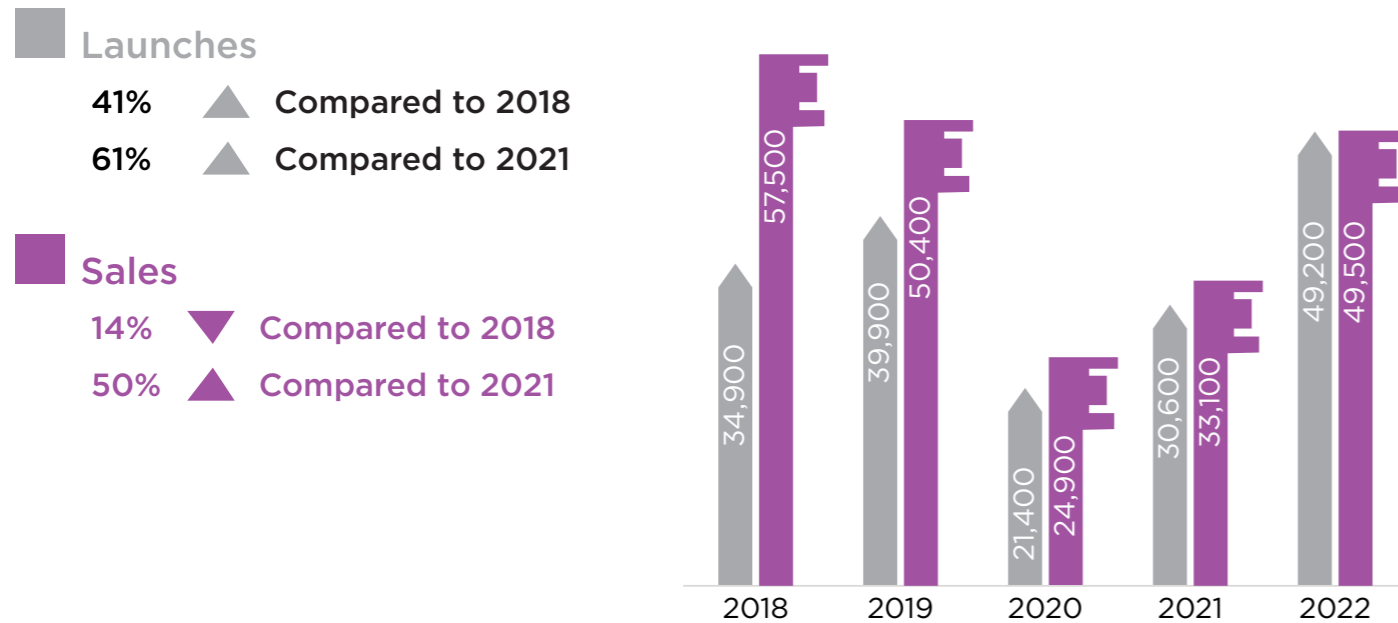


SALES
49,500
UNITS



AVG. CAPITAL VALUE
INR 5,570
/SQFT

Bengaluru Residential Market Activity



Bengaluru’s residential market has witnessed almost equivalent number of launches (of 49,200 units) and home sales (49,500 units) in the current year. Bengaluru was undeterred by the third wave of the pandemic in early 2022, registering higher sales and launches in the first half of 2022 against H2 2021. Accounting for 14% each in the overall launches and sales at Pan India level, Bengaluru recorded a significant jump in the new launches and sales by 61% and 50%, respectively, as compared to the preceding year 2021. Key drivers driving the housing demand in Bengaluru include strengthening confidence of developers backed by declining inventory overhang, exponential growth of startups and unicorns, development of various

infrastructure projects and rising income levels coupled with steady improvement of the consumer sentiment amongst others.

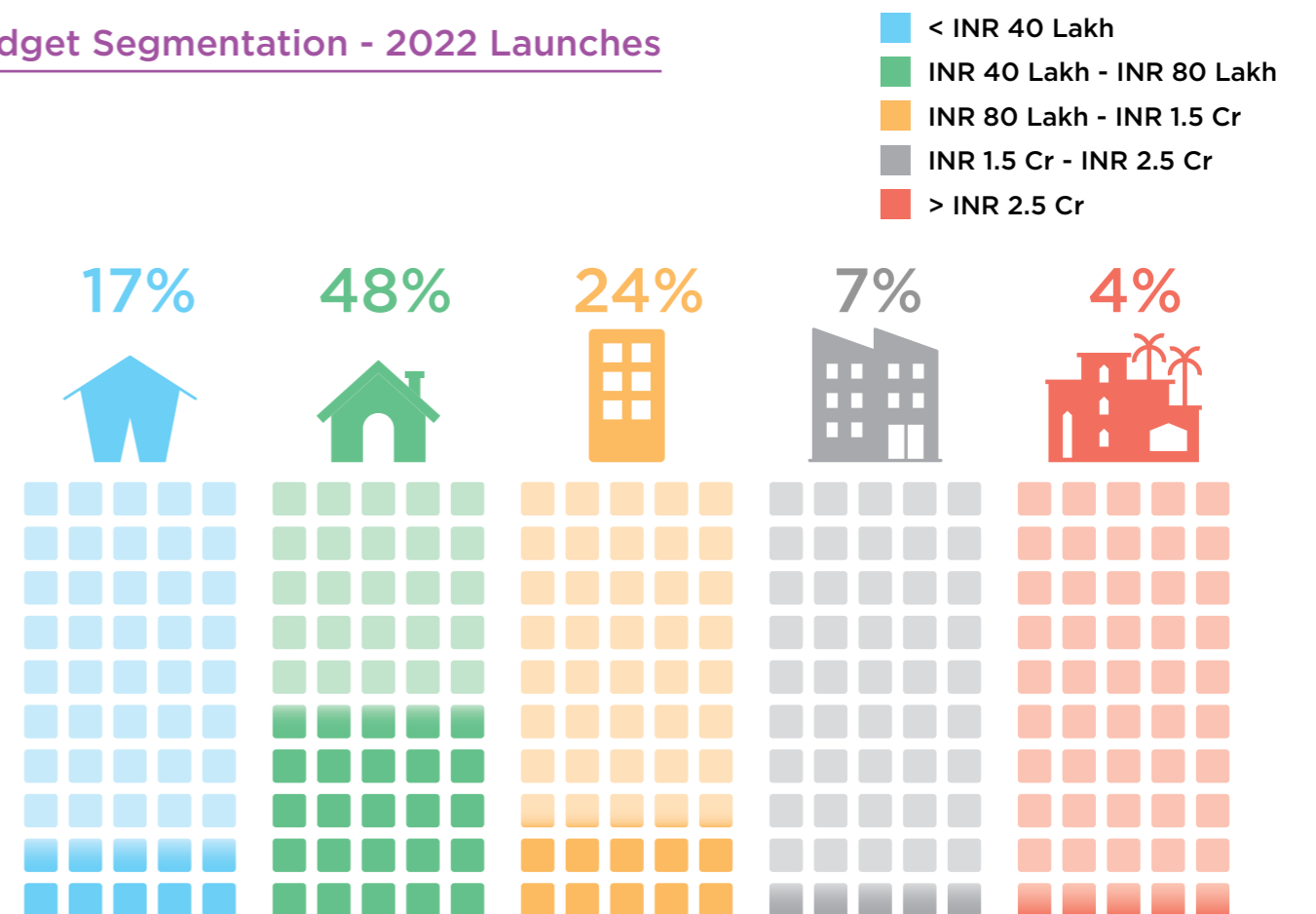
Mid and high-end ticket sizes in the price range INR 40 Lakh - INR 80 Lakh and INR 80 Lakh - INR 1.5 Cr, respectively, occupied the highest share of new residential launches in the city, accounting for 48% and 24% share of the overall launches in the city. Comparison of the individual shares of each price segments showcases marginal variations in 2022 vis-à-vis 2021. Whilst the affordable, high-end and ultra-luxury segments saw a slight rise by 2%, 1% and 1%, respectively; the remaining ticket sizes - mid-end and luxury segments registered a 2% dip each.

Bengaluru leads with lowest Inventory Overhang in 2022 among the top 7 Indian cities

Showcasing its resilience by beating the slowdown blues due to third wave of Covid-19, recessionary pressures, hike in the construction input costs and rise in inflation, Bengaluru has emerged to be the only city with the lowest inventory overhang amongst the top 7 cities. The

inventory overhang of the city shrunk by 14 months - from 28 months (9.3 quarters) at the end of Q1 2022 to 14 months (4.7 quarters) as of Q4 2022 end. Factors such as positive homebuyer sentiments, guarded new supply and anticipation of imminent price hikes in the future helped housing sales touch a new high, bringing down the overall residential inventory overhang to the lowest among all top 7 cities.

Budget Segmentation - 2022 Launches



Note: Inventory overhang (in months) indicates the number of months it shall take for the existing available housing stock to clear in the current market scenario, assuming no new addition. At any given point, an inventory overhang of 18-24 months is considered quite healthy.

BENGALURU 2022 NEW LAUNCHES: ZONE WISE STACK-UP

9300 **19%**
 Bagaluru
 International Airport Road
 Yelahanka

1,500 **3%**
 Kengeri
 Mysore Road
 Jagajeevanram Nagar

13,400 **27%**
 Attibele
 Bommasandra
 Begur Road

24,700 **50%**
 Sarjapur Road
 Whitefield
 Kadugodi

400 **1%**
 Lal Bagh Road
 Ulsoor



Leaderboard 2022

Highest Share of Launches:
 East Bengaluru (50%)

Highest YoY Change in Launches:
 South Bengaluru (134%)

Micro Market with highest number of Launches:
 Sarjapur Road (10,300 Units)

Units Launched in 2022
 Share of Launches (% Contribution in City)

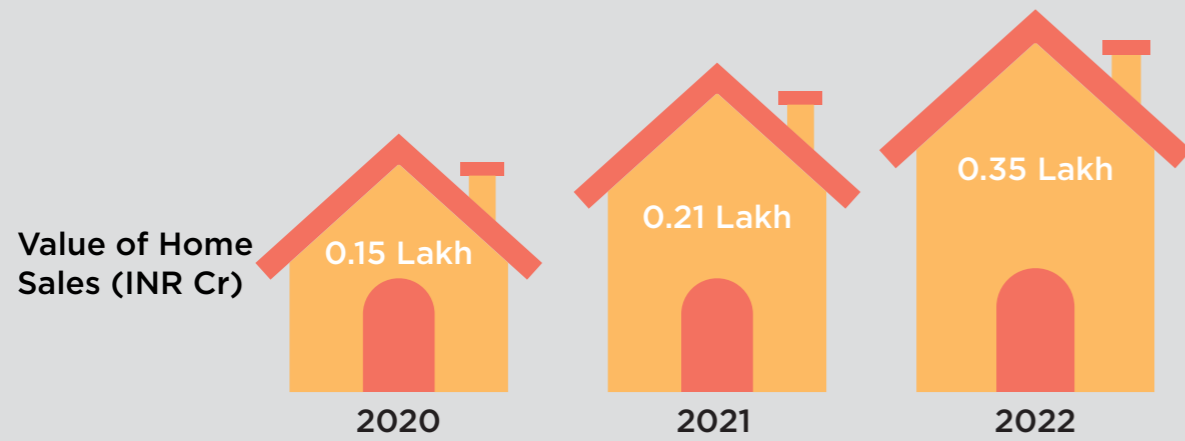
Micro Markets as per highest number of launches in each zone

Note: Error in the number of new launches if any, is due to round-off.

Zonal Classification	
Central	Chamrajpet Frazer Town Richmond Road Ulsoor Shanti Nagar
North	Hebbal Yelahanka Jalahalli Thansandra Main Road Hennur Road Doddaballapur Road International Airport Road
South	Begur Rd JP Nagar Electronic City Hosur Road Bannerghatta Road Kanakapura Road Koramangala
East	Whitefield KR Puram Sarjapur Road Harlur Road Marathahalli Varthur Road Bellandur Old Madras Road
West	Tumkur Road Magadi Road Mysore Road Rajaji Nagar Naagarabhaavi Vijay Nagar Nelamanagala

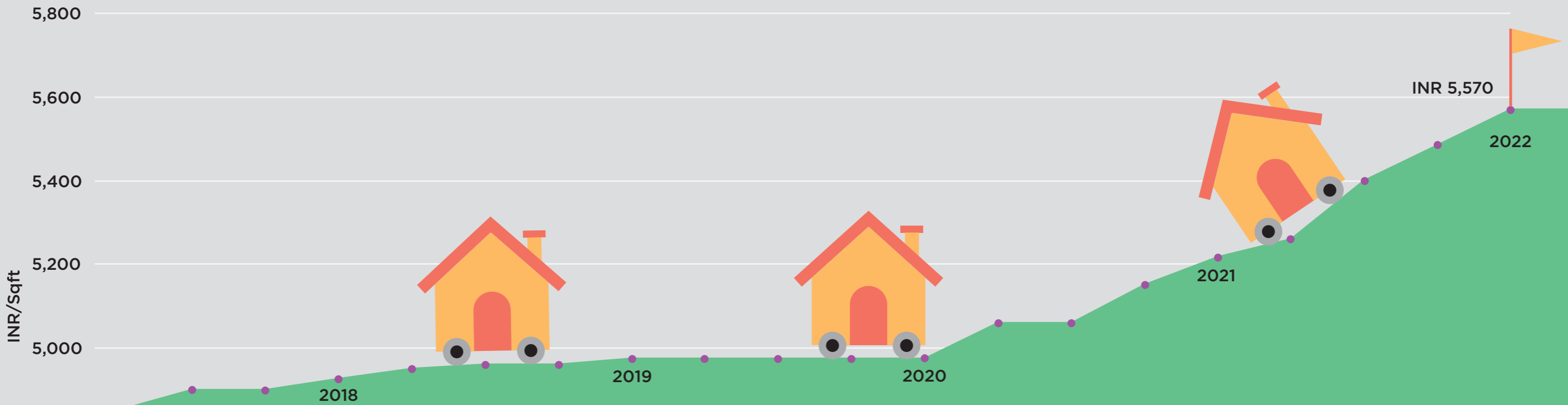
CAPITAL VALUE MOVEMENT

Bengaluru ranks third in terms of residential sales value, registered 69% YoY



HOUSE PRICES

up **7%**
over the
last 12 months



Outlook for 2023

Driven by a strong buyer demand and enhanced consumer confidence, Bengaluru's residential market is expected to further gain momentum in the premium housing segment (ranging between INR 40 Lakh and INR 1.5 Cr) in the coming quarters despite an increase in interest rates and average capital values.

Residential projects, including plotted developments and independent floors by reputed or Grade A developers in both core areas of the city as well as emerging residential corridors in the peripheries are likely to garner traction.

Apart from the already booming East Bengaluru, the northern micro markets of the city are also anticipated to witness potential growth of residential and commercial developments over the next few years on the back of rapid expanding infrastructure development viz. Metro Rail Phase 2B, Peripheral Ring Road and Satellite Ring Road that provide seamless connectivity to other parts of the city.



PUNE

PUNE RESIDENTIAL REAL ESTATE



LAUNCHES
64,300
UNITS



SALES
57,100
UNITS



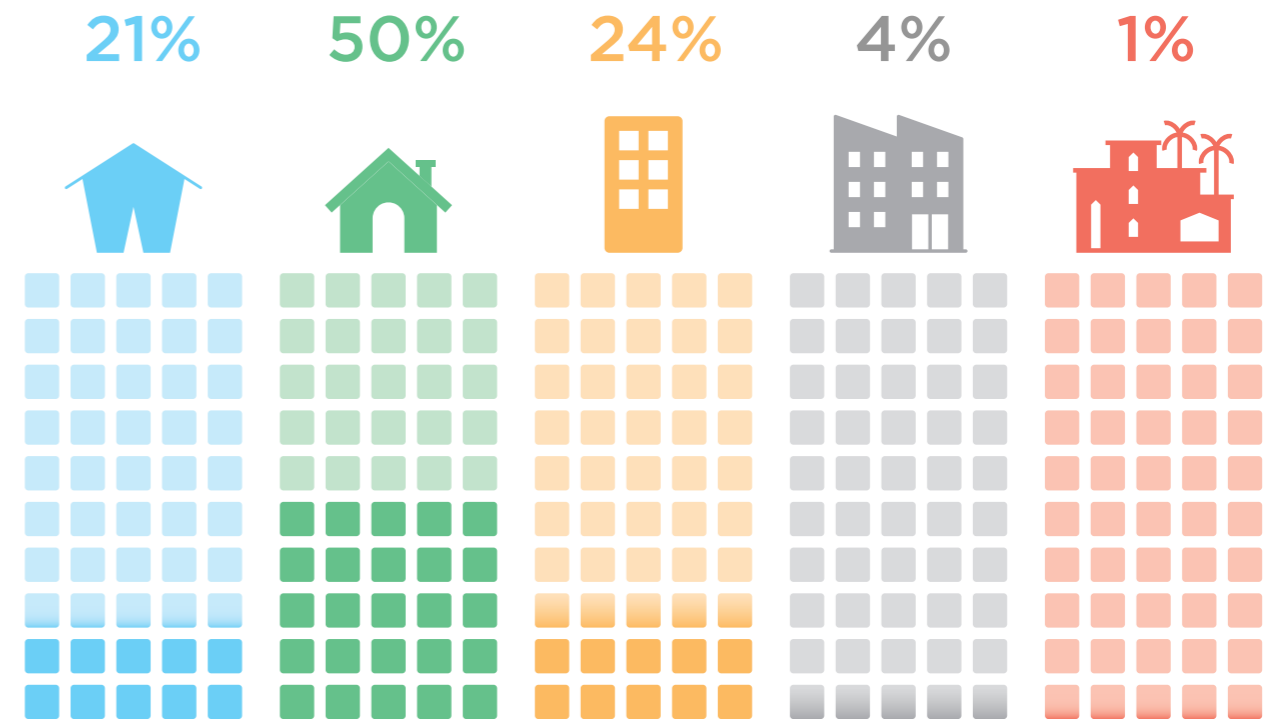
AVG. CAPITAL VALUE
INR 6,000
/SQFT

Pune residential market stood third in terms of both new launches and home sales across the top 7 cities – comprising total share of 18% and 16% respectively of overall Pan India numbers. Approximately 64,300 launches and 57,100 home sales were recorded in Pune in the year 2022 – clocking a 1.6x growth rate in new supply and residential sales against 2021. Compared to the first half of 2022, Pune saw a robust performance in H2 2022, recording 52% of the new launch activity and 54% of the city’s home sales during this period. Increased interest rates by the RBI and the ready reckoner (RR) rates in Pune by 6.12%, Pimpri Chinchwad by 12.36% minimally impacted the housing demand in the city because of the growing desire for homeownership among the homebuyers.

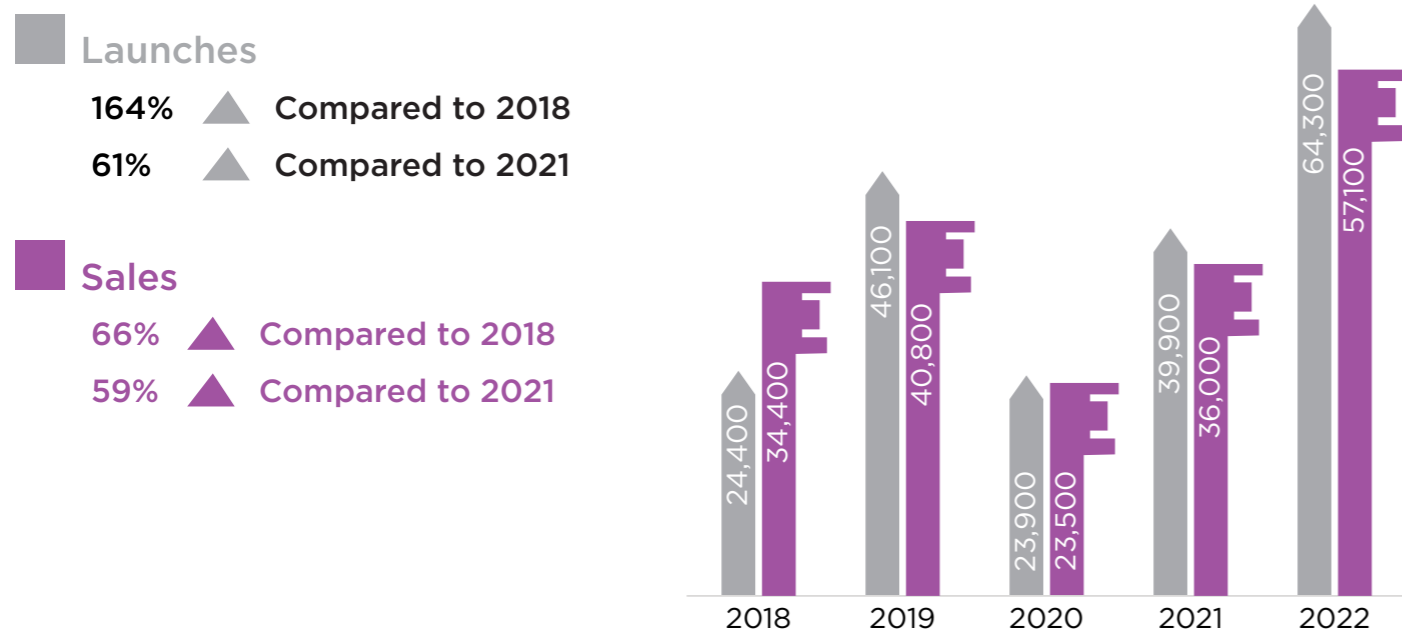
A closer look at the budget-wise residential supply of Pune indicates that despite registering a 7% YoY decline, around 50% of the launches were concentrated in the mid price segment ranging between INR 40 Lakh – INR 80 Lakh. The share of affordable segment remained almost stable at 21% with a marginal drop of 1% on YoY basis. The high-end residential launches saw an 8% rise in 2022 against 2021 due to the increasing demand for larger homes with better amenities from homebuyers. Launches in luxury and ultra-luxury segments remained stable at 4% and 1% in 2022 compared to 2021.

Budget Segmentation - 2022 Launches

- < 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



Pune Residential Market Activity



Demand for mid and high-end homes on an upward trajectory in Pune

Tremendous growth of the IT-ITeS sector over the past few years has transformed Pune city into a vibrant and one of the most sought-after residential markets in India. Aided by resilient economic activity, positive consumer sentiments and strong demand for spacious homes, first seen emerging during the Covid-19 pandemic, has resulted in incessant rise of residential homes priced between INR 40 Lakh – INR 1.5 Cr. In line with the homebuyers’ preferences, developers too are

concentrating on high-grade projects as demand for large-format homes in Pune is anticipated to continue over the next few years. This trend is further steered by the demand from Mumbai homebuyers who perceive Pune, particularly city’s outskirts and in Pimpri-Chinchwad Municipal Corporation as a go-to-choice for investment due to the sky-rocketing prices in Mumbai. Interestingly, the mid and upper mid-segment i.e. high-end segment is unlikely to see a major impact from the rise in input cost and repo rate hikes, as the consumer sentiment continues to remain strong.

PUNE 2022 NEW LAUNCHES: ZONE WISE STACK-UP



Leaderboard 2022

Highest Share of Launches:
North Pune (44%)

Highest YoY Change in Launches:
North Pune (130%)

Micro Market with highest number of Launches:
Hinjewadi (4,700 Units)

28,300 44%

Moshi
Ravet
Charholi Budruk



15,300 24%

Hinjewadi
Wakad
Baner



500 1%

Deccan Gymkhana
Sadashiv peth
Shivaji Nagar

13,000 20%

Kharadi
Wagholi
Mundhwa



7,300 11%

NIBM Annexe
Ambegaon Budruk
Kondhwa

Zonal Classification

Central	Shivaji Nagar Sadashiv Peth Kasba Peth Prabhat Road Deccan Gymkhana
North	Moshi Talegaon Dabhade Chikhali Viman Nagar Ravet Punawale Chakan Lohegaon Pimpri Chinchwad
South	Sinhgad Road Undri Kondhwa Ambegaon Budruk Dhayari Handewadi NIBM Annexe
East	Wagholi Kharadi Hadapsar Manjari Wadgaon Sheri Kalyani Nagar Magarpatta City Sholapur Road
West	Kothrud Hinjewadi Wakad Baner Bavdhan Pirangut Pashan Gahunje

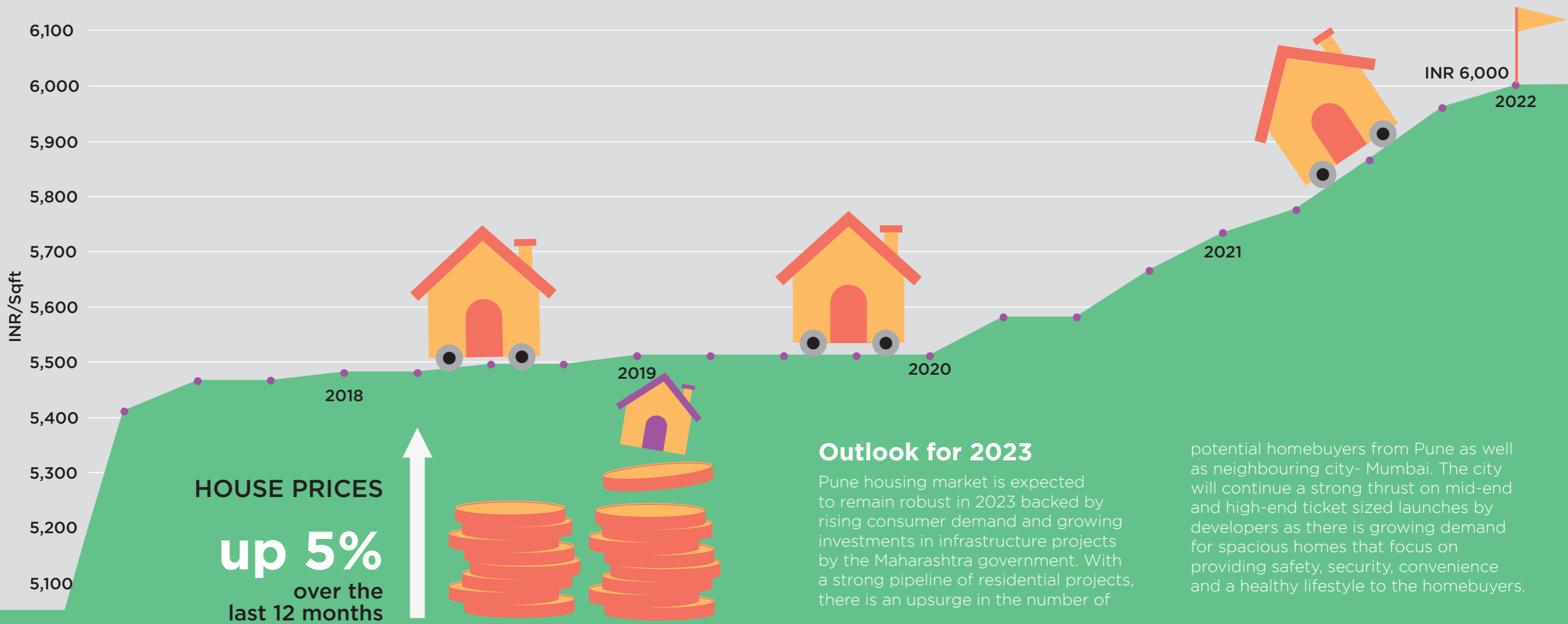
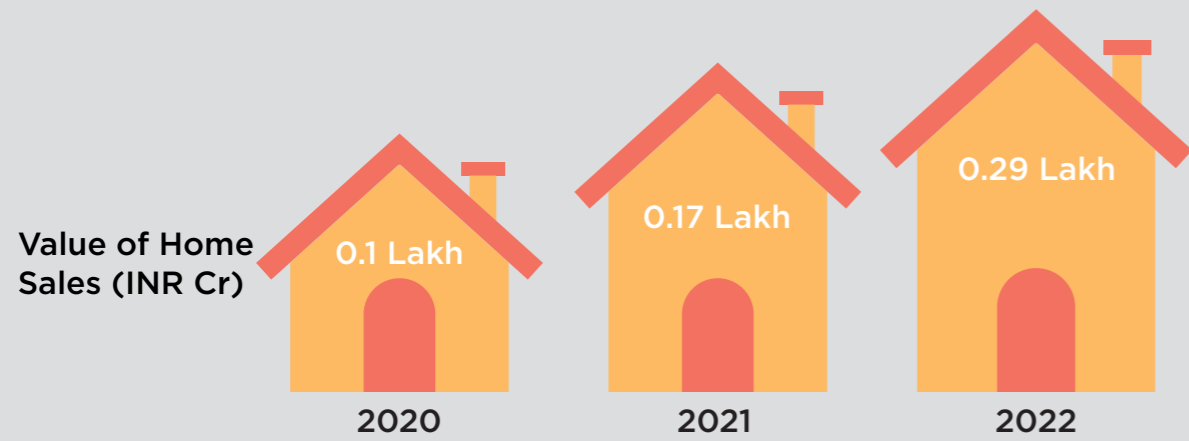
Units Launched in 2022
Share of Launches (% Contribution in City)

Micro Markets as per highest number of launches in each zone

Note: Error in the number of new launches if any, is due to round-off.

CAPITAL VALUE MOVEMENT

Value of housing transactions in Pune accelerated steadily, grows by 71% on yearly basis





HYDERABAD

HYDERABAD RESIDENTIAL REAL ESTATE



LAUNCHES
68,000
UNITS

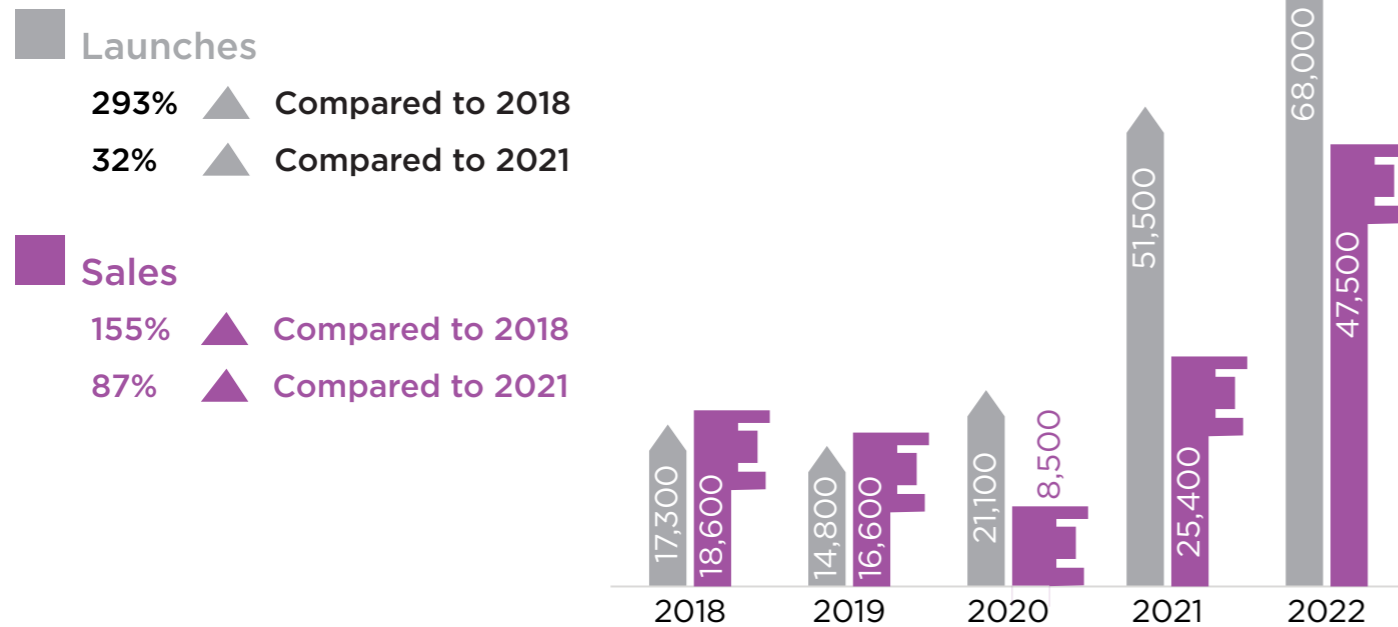


SALES
47,500
UNITS



AVG. CAPITAL VALUE
INR 4,620
/SQFT

Hyderabad Residential Market Activity



Launches
293% ▲ Compared to 2018
32% ▲ Compared to 2021

Sales
155% ▲ Compared to 2018
87% ▲ Compared to 2021

Covid-19 is likely to continue. Affordable and mid segment housing launches, on the other hand, saw a YoY drop by 7% and 19% respectively.

Hyderabad tops the charts in annual growth of residential sales value among top 7 cities

Among the top 7 cities, Hyderabad was the front-runner to clock in the highest percentage growth in the value of home sales over the past 3 years. Nearly 455% rise is registered in the value of transacted

residential units - from INR 5,970 Lakh Cr in 2020 to INR 33,100 Lakh Cr in 2022.

West Hyderabad - with a 55% housing sales share in the city - recorded the highest volume of residential transactions totaling to INR 20,450 Cr over the past 3 years. This momentum is likely to continue backed by major infrastructure development viz. proposed 31km 'Airport Express Metro Corridor' of the Hyderabad Metro Rail phase-II that connects existing Raidurg metro station to Narsingi Junction.

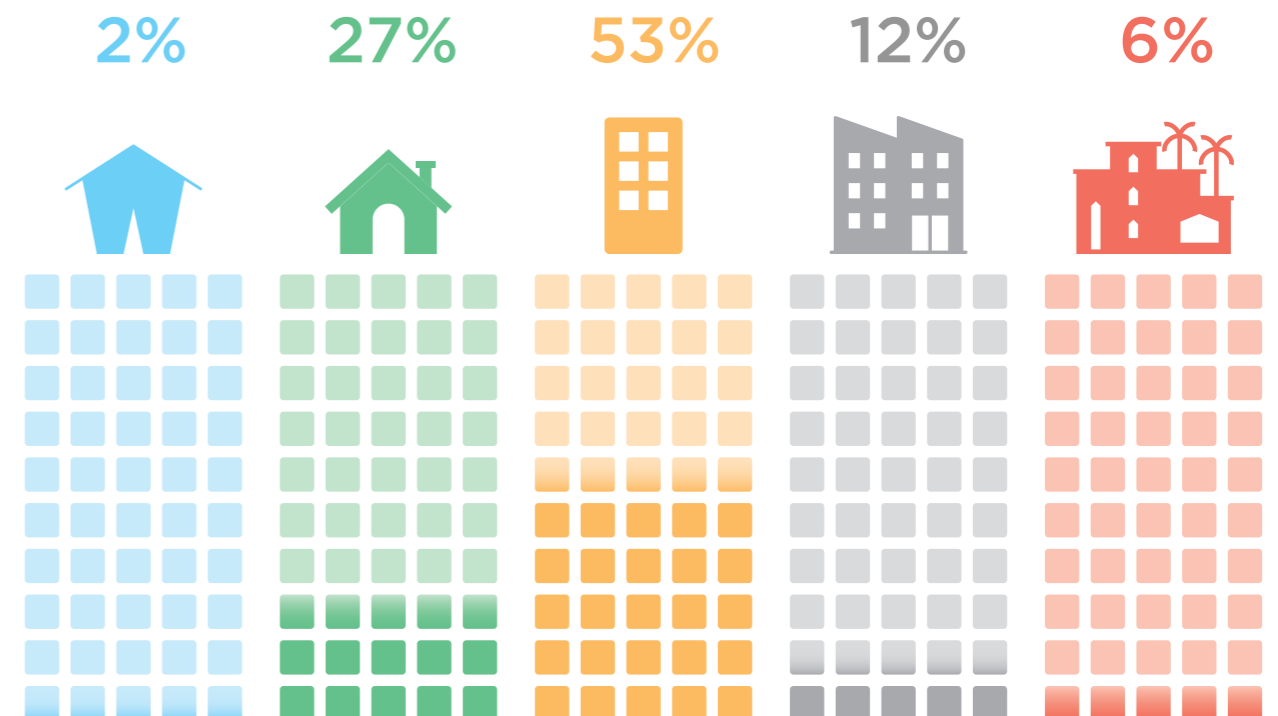
Registering the highest-ever residential launches and sales over the past decade, Hyderabad has witnessed an upward trajectory in the new residential supply by standing as a runner-up (with 19% of the Pan India new supply) next to MMR and surpassing the launches of the Silicon city - Bengaluru and rest of the top metropolitan cities. While the launches in 2022 saw a 1.3x growth in the new supply against 2021, the same grew by massive 3.9x against the year 2018. Accounting for 13% of the Pan India housing sales, a significant 1.8x growth is recorded on a yearly basis. H1 2022 showcased superior performance in terms of both launches and sales as compared to the second half of the year. Hyderabad's flourishing

economy, rapidly expanding infrastructure by the government, upward trend in office space consumption, business-friendly policies by the Telangana government have been catalyzing the city's real estate market.

Residential units in the price range of INR 80 Lakh - INR 1.5 Cr accounted for 53% of the launches in 2022, followed by 27% in the mid-segment priced between INR 40 Lakh - INR 80 Lakh. The demand for larger ticket sized units remained evident from the rise in the share of high-end, luxury and ultra-luxury launches by 18%, 4% and 4% respectively, on yearly basis. The homebuyers' urge to upgrade their home and move into larger spaces post

Budget Segmentation - 2022 Launches

- < 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



HYDERABAD 2022 NEW LAUNCHES: ZONE WISE STACK-UP



Leaderboard 2022

Highest Share of Launches:
West Hyderabad (58%)

Highest YoY Change in Launches:
South Hyderabad (120%)

Micro Market with highest number of Launches:
Puppalaguda (6,800 Units)

22,000 **33%**
Ameenpur
Gandi Maisamma
Bachupally

39,200 **58%**
Puppalaguda
Tellapur
Narsingi

300
Hyderguda
Mehdipatnam
Himayatnagar

3,600 **5%**
Uppal
Ghatkesar
Annojiguda

2,900 **4%**
Hayath Nagar
Tukkuguda
Shamshabad



Zonal Classification

Central	Ameerpet Punjagutta Somajiguda Himayatnagar Kachiguda Khairtabad
North	Miyapur Pocharam Bachupally Nizampet Bollaram Yepral Shamirpet
South	Shamshabad Adibatla Maheshwaram Shadnagar Rajendranagar Srisailem Highway
East	LB Nagar Nagole Uppal Habsiguda Ghatkesar Nacharam Peerzadiguda Vanasthalipuram
West	Gachibowli Kondapur Tellapur Manikonda Kukatpalli Attapur Kokapet Patancheru Madhapur Appa Junction

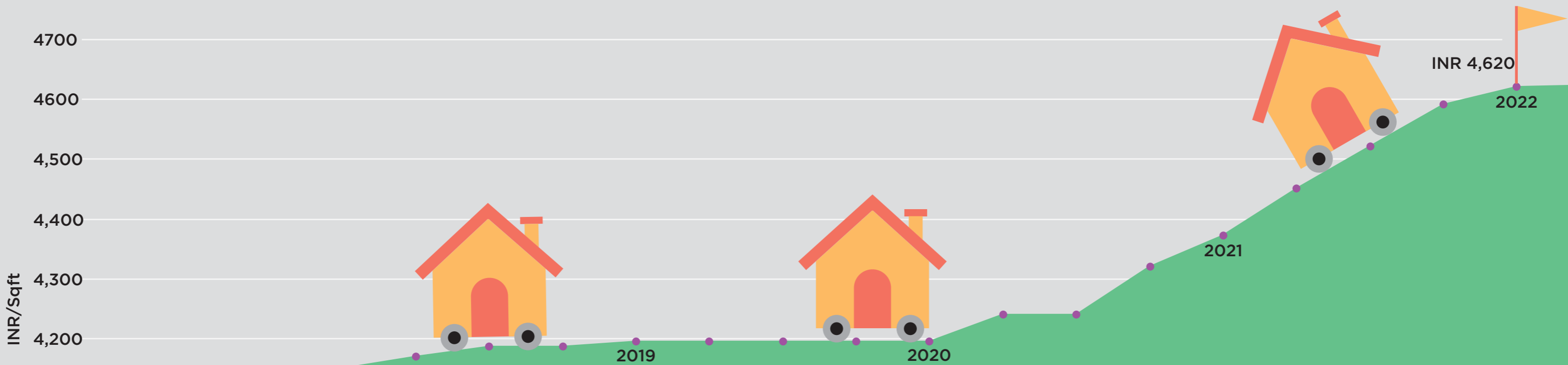
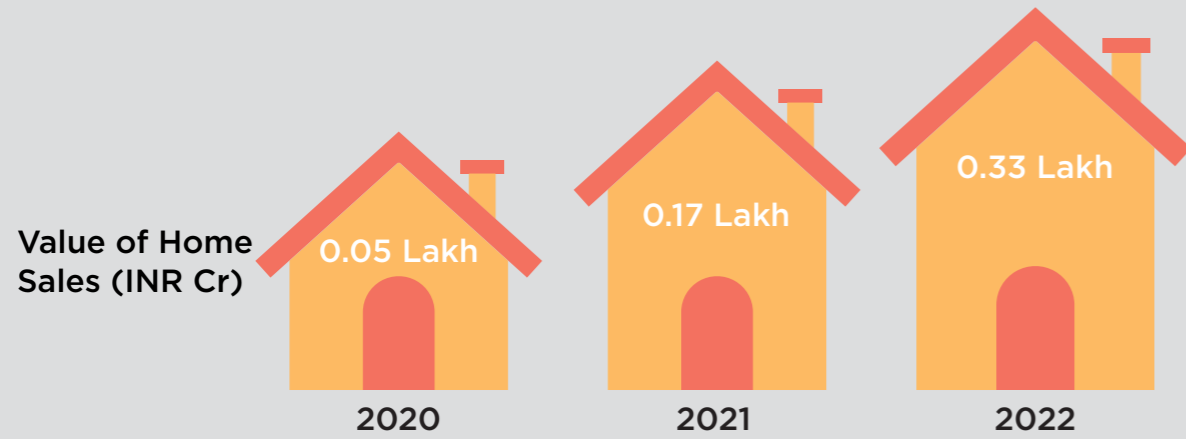
Units Launched in 2022
Share of Launches (% Contribution in City)

Micro Markets as per highest number of launches in each zone

Note: Error in the number of new launches if any, is due to round-off.

CAPITAL VALUE MOVEMENT

Value of housing transactions in Hyderabad grew significantly, a 94% growth against 2021



HOUSE PRICES

up 6%
over the
last 12 months



Outlook for 2023

A strong and positive momentum is expected to continue in Hyderabad residential market in terms of both new launches and sales in 2023. However, there are chances of an increase in the unsold inventory due to steady infusion of new residential units in the coming quarters. In terms of home sales, mid-end and high-end price segments are likely to continue to drive the housing

demand. West Hyderabad replete with IT-ITeS establishments will continue to drive majority of home sales as well as new launches. Telangana government's GRID policy that emphasizes on encouraging development of new office spaces beyond the western parts towards eastern and northern fringes in order to facilitate geographically widespread development of Hyderabad through incentives will further boost the residential growth of North, East and South Hyderabad.



CHENNAI

CHENNAI RESIDENTIAL REAL ESTATE

Chennai residential market witnessed a slowed down new launch activity in 2022 against 2021 and 2018 but the sales momentum has been the highest in the current year since 2018. Accounting for 3% and 4% share of the total new launches and sales figures of the top 7 cities, Chennai witnessed nearly 10,000 new residential launches and 16,100 home sales in 2022. While H1 2022 performed better in terms of residential sales (55% sales in H1 2022 and 45% sales in H2 2022); H2 2022, on the other hand depicted improved new launch activity (45% launches in H1 2022 and 55% launches in H2 2022). Even though the affordability of housing projects was impacted to a certain extent by the rising interest rates, the underlying need for home ownership coupled with improved purchasing power and the availability of

preferred housing stock have fuelled the housing sales momentum in Chennai.

Affordable housing supply share in Chennai has reduced by 18% to 1,800 units in 2022. In contrast, in the preceding year 2021, this segment had the highest supply share with 36% of the 12,400 units launched in Chennai that year. Affordable housing had a lean time, with more buyers in this segment going into wait-and-watch mode; unsurprisingly, new supply in this category reduced markedly. High-end ticket sized units too saw a marginal YoY dip by 5%. On the other hand, new supply in mid-end, luxury and ultra-luxury price segments rose by 17%, 3% and 2% respectively on an annual basis indicating the growing demand for bigger and spacious homes.



LAUNCHES
10,000
UNITS



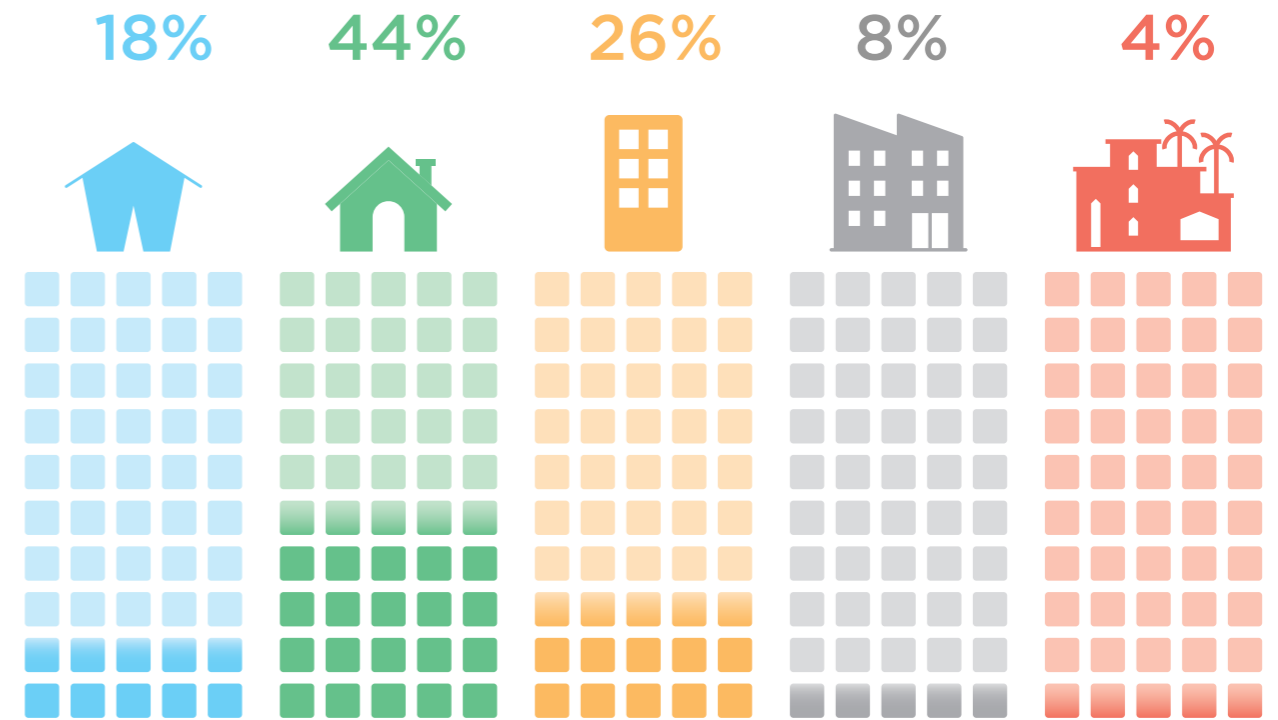
SALES
16,100
UNITS



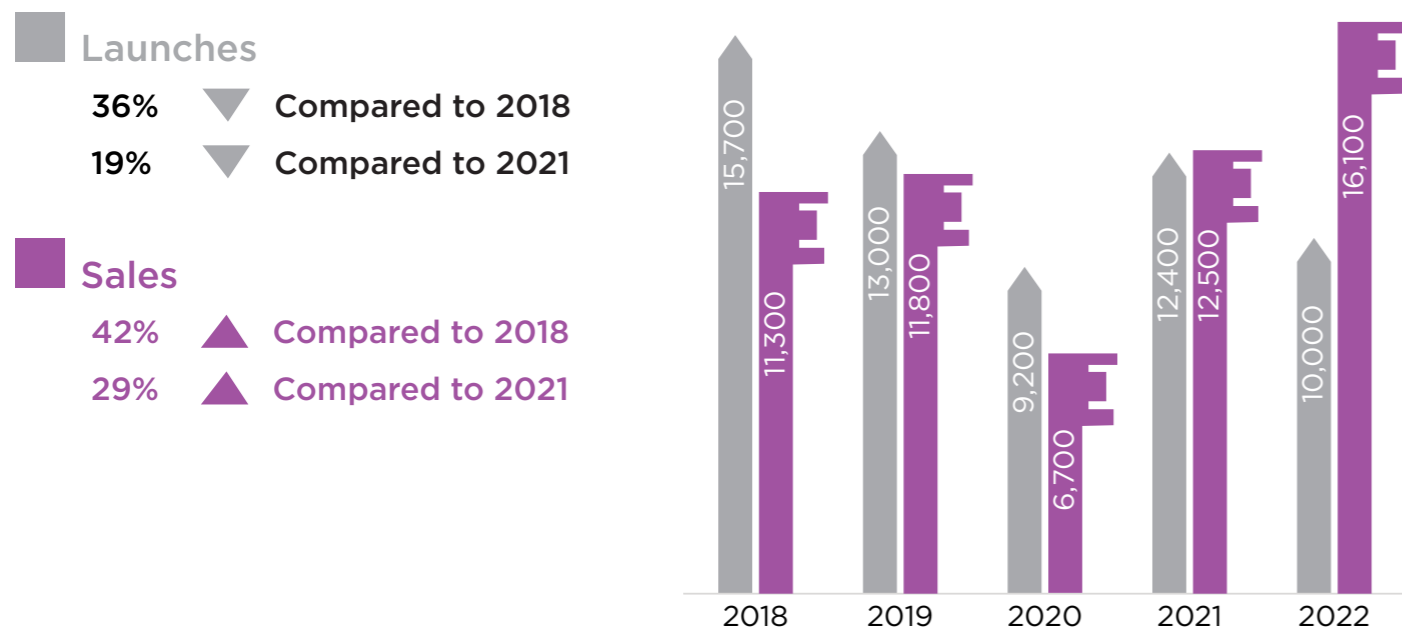
AVG. CAPITAL VALUE
INR 5,315
/SQFT

Budget Segmentation - 2022 Launches

- < 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



Chennai Residential Market Activity



Available Residential Inventory drops to lowest level since 2018

Available inventory of Chennai has reduced from 30,800 units in 2018 to 28,200 units in 2022 - a substantial drop by 9% over the past 5 years. During the same time period, the inventory overhang of Chennai has declined by 12 months - from 33 months in 2018 to 21 months in Q4 2022. Beginning from 2021, the sales numbers have begun to surpass new residential supply. Prior to 2021, home sales numbers were far lower than the new launch supply. This indicates that the

market is managing to shed its available stock.

By the end of Q4 2022, available inventory of Chennai was majorly spread across the mid-end homes that are priced between INR 40 Lakh - INR 80 Lakh and the high-end segment, where the prices range between INR 80 Lakh - INR 1.5 Cr, each contributing 38% share to the city's overall available inventory.

CHENNAI 2022 NEW LAUNCHES : ZONE WISE STACK-UP

1,500 **15%**
 Madhavaram
 Puzhal
 Tiruvottiyur

2,200 **22%**
 Mogappair
 Valasaravakkam
 Mangadu

Zonal Classification

Central	T Nagar Ashok Nagar Egmore KK Nagar Nungambakkam Royapettah
North	Perambur Puzhal Tondiarpet Ponneri Madhavaram Purasaiwakkam
South	OMR Road East Coast Road Guduvanchery Perumbakkam Chromepet Tambaram GST Road
West	Anna Nagar Avadi Poonamalle Oragadam Mogappair Ambattur Porur



Leaderboard 2022

Highest Share of Launches:
 South Chennai (61%)

Highest YoY Change in Launches:
 North Chennai (1151%)

Micro Market with highest number of Launches:
 Mannivakkam (800 Units)

200 **2%**
 KK Nagar
 Nungambakkam
 T Nagar

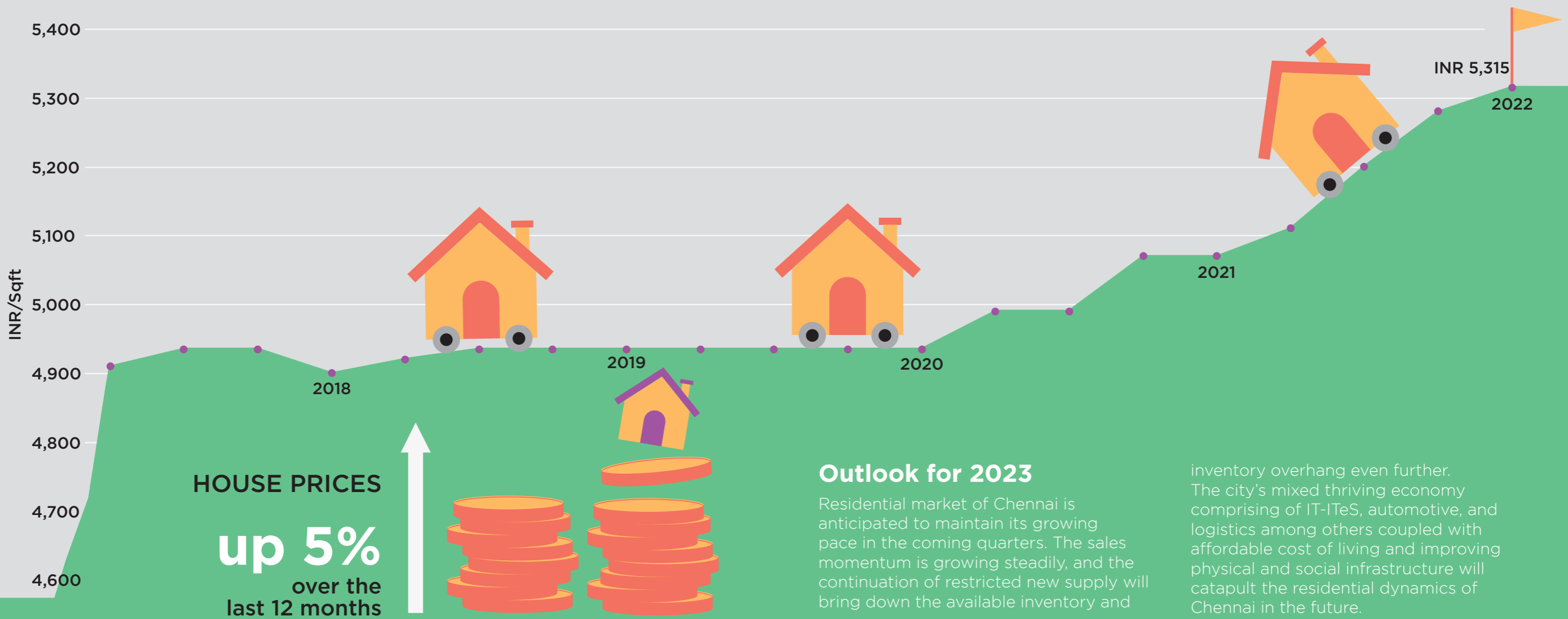
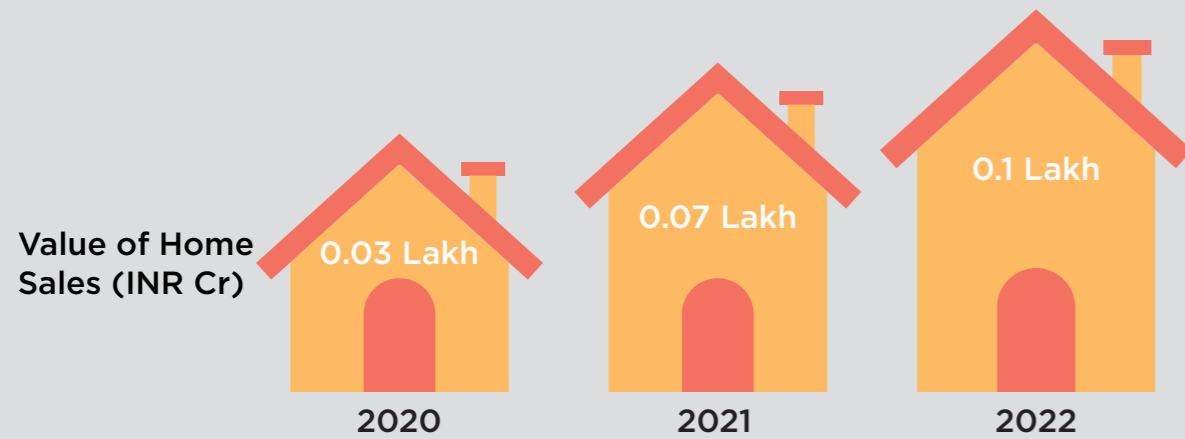
6,100 **61%**
 Mannivakkam
 Navallur
 Guduvancheri

Units Launched in 2022
 Share of Launches (% Contribution in City)

Micro Markets as per highest number of launches in each zone
 Note: Error in the number of new launches if any, is due to round-off.

CAPITAL VALUE MOVEMENT

Chennai registers marginal growth in the value of residential property sales, registers 37% YoY growth





KOLKATA

KOLKATA RESIDENTIAL REAL ESTATE



LAUNCHES
16,100
UNITS

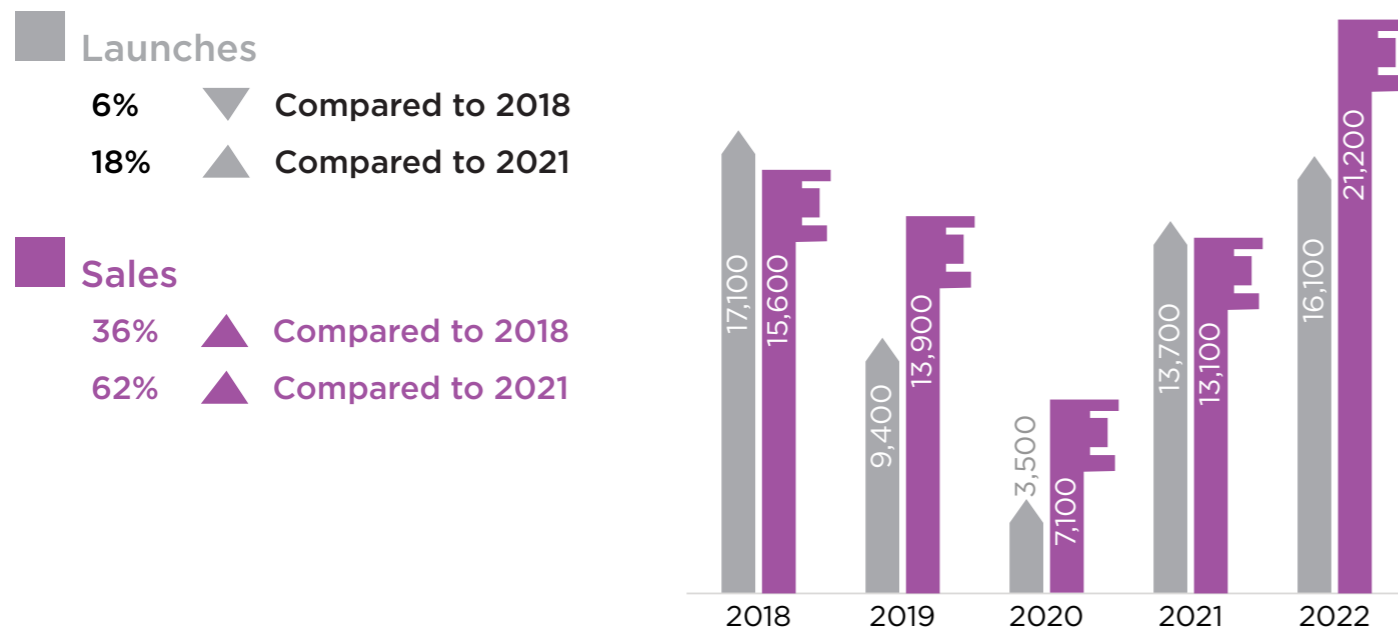


SALES
21,200
UNITS



AVG. CAPITAL VALUE
INR 4,700
/SQFT

Kolkata Residential Market Activity



Kolkata's residential real estate market started showing healthy sales momentum in 2022, with the highest homes sales of 21,200 units recorded in the current year. New launch activity in 2022 remained lower than the home sales at 16,100 units. Accounting for 4% and 6% of the Pan India's new supply and residential sales, Kolkata saw a 1.2x and 1.6x growth in the city's new launches and sales as compared to the preceding year. In terms of new launch activity, H2 2022 performed better than H1 2022, with former witnessing 63% of the new addition into the market. Sales momentum has been mostly stable in both H1 and H2 2022, each registering 51% and 49% units, respectively. Apart from the pandemic-driven need for

homeownership, the other major growth enabler that supported in reviving the residential sales momentum of Kolkata is the extension of stamp duty cut rebate (a 2% reduction in stamp duty and a 10% in circle rate) four times till December 2022 by the West Bengal government till the end of 2022.

Mid-end housing units priced INR 40 Lakh - INR 80 Lakh comprised the highest share of 38% in new residential supply. Affordable segment which occupied the largest supply share in 2021 has declined by 37% to 34% share in the current year. Rest of the ticket sizes - mid, high-end, luxury and ultra luxury units saw their YoY share increase by 14%, 14%, 5% and 4%, respectively. The urge to upgrade to

more spacious homes for a better quality of life heralded by the pandemic has led to the shrinkage of demand for compact/affordable residential properties.

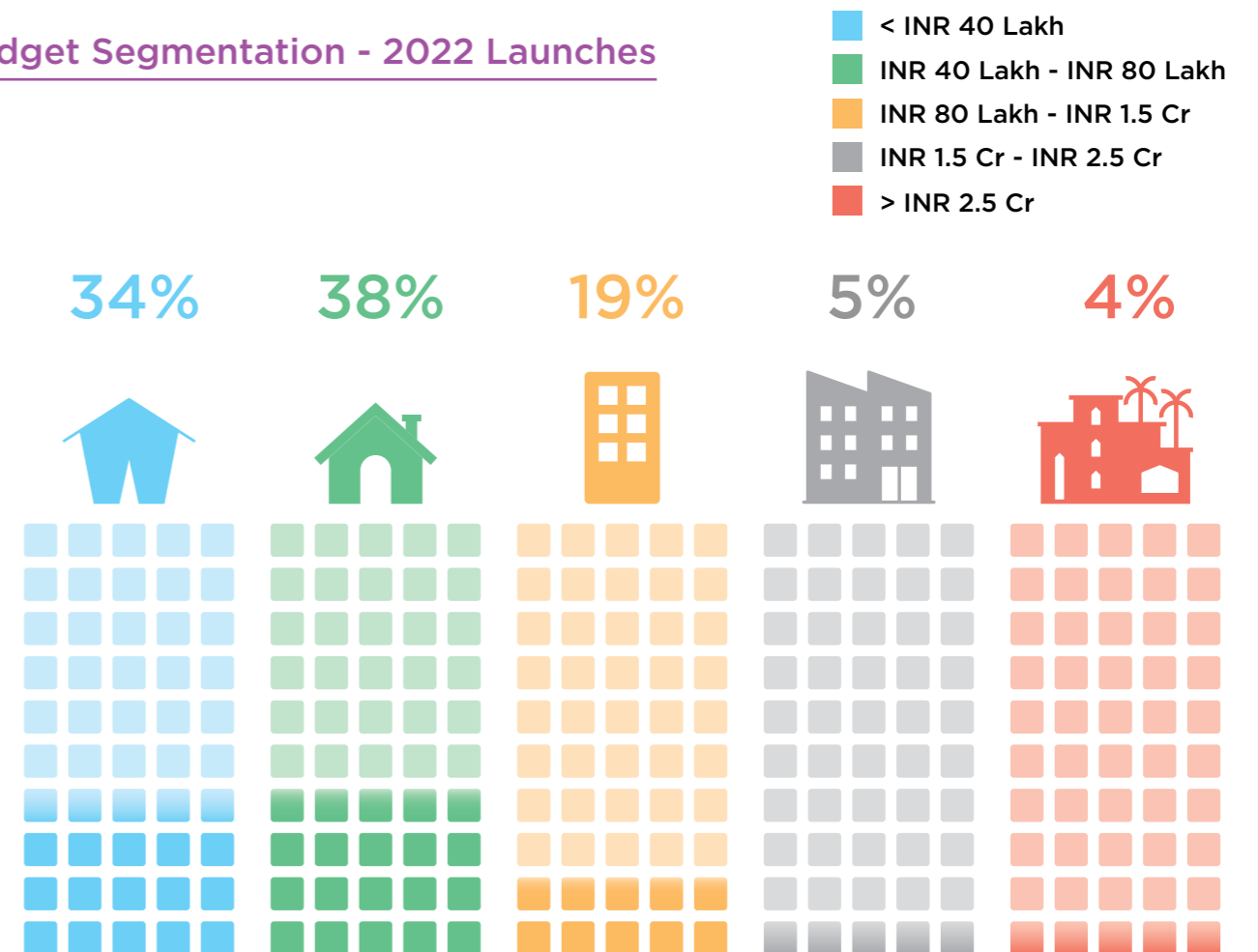
Kolkata's affordable housing supply records the highest YoY decline

Among the top 7 cities, Kolkata is the only city to register a 37% decline in the affordable supply in 2022 against 2021. Even though affordable segment drives the demand for homes here, there is a considerable rise in supply of mid-

segment and high-end ticket sized units backed by the revival of the economy, job stability and upgradation of lifestyle following increased income levels.

Additionally, considering the quantum of available stock in the <INR 40 Lakh price bracket, developers have restricted launching newer projects and focused on clearing the stock-in-hand. This is visible in the reduction of affordable available stock by 4,700 units over the past 12 months - from 27,900 units in Q4 2021 to 23,200 units in Q4 2022.

Budget Segmentation - 2022 Launches



KOLKATA 2022 NEW LAUNCHES: ZONE WISE STACK-UP

2,800 **18%**

Baranagar
Cossipore
Madhyamgram

1,700 **10%**

Uttarpara
Mankundu
Bandhaghat

400 **3%**

Kankurgachi
Jorabagan
Taltala

7,300 **45%**

Rajarhat
New Town
Keshtopur

3,900 **24%**

Narendrapur
Behala
Dakshin Gobindopur

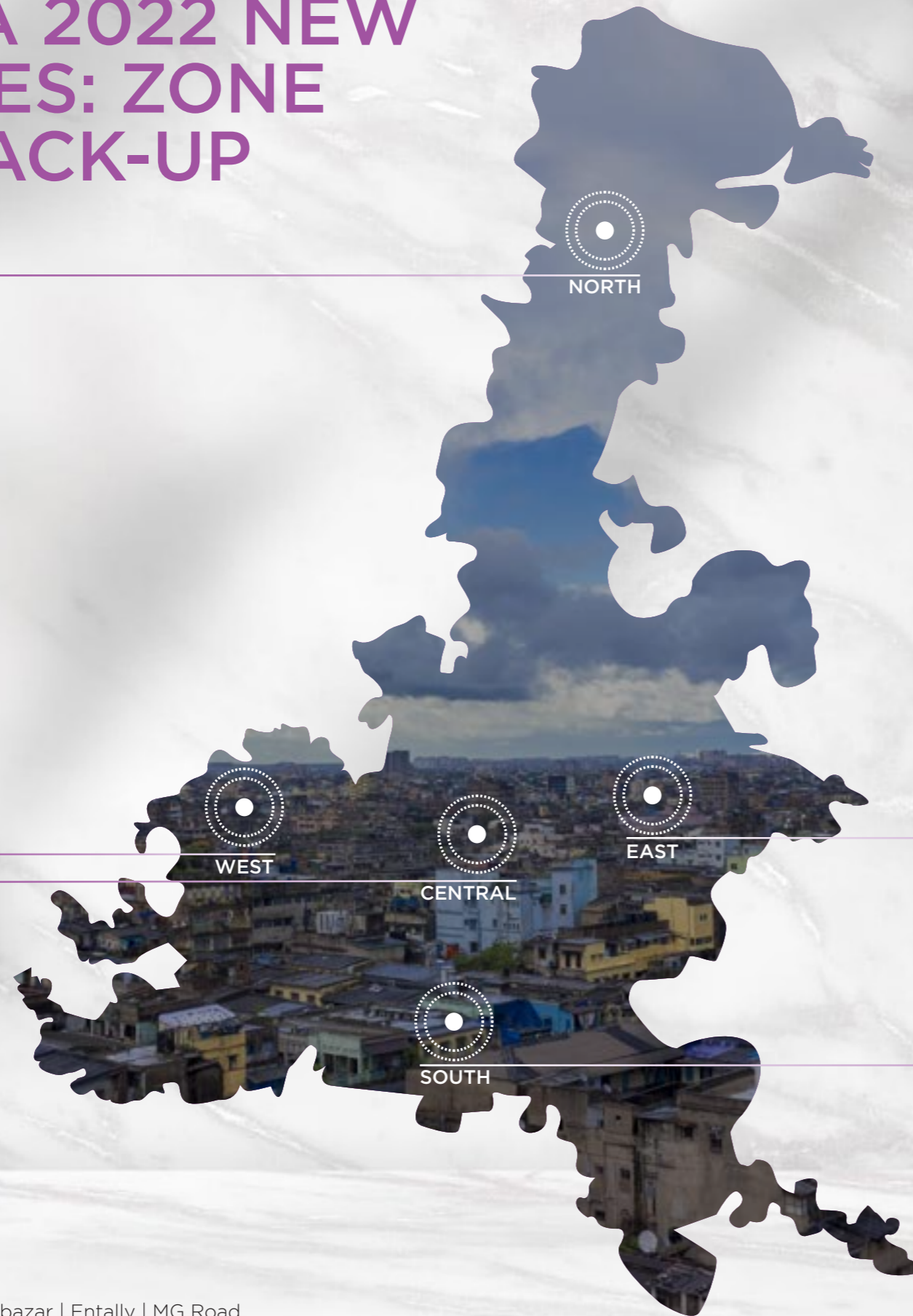


Leaderboard 2022

Highest Share of Launches:
East Kolkata (45%)

Highest YoY Change in Launches:
South Kolkata (60%)

Micro Market with highest number of Launches:
Rajarhat (4,500 Units)



Zonal Classification

Central	Kankurgachi Machuabazar Entally MG Road
North	Barasat Madhyamgram BT Road Uttarpara Serampore Dum Dum
South	Narendrapur Joka Garia Baruipur Tollygunge Alipore Sonarpur
East	EM Bypass Rajarhat New Town Tangra Salt Lake City
West	Howrah Maheshtala Andul Kona Expressway Makardaha

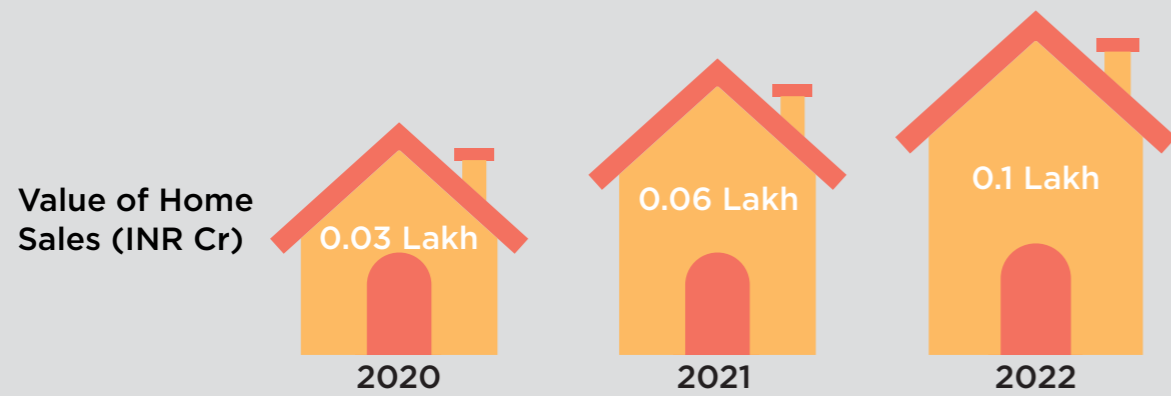
Units Launched in 2022
Share of Launches (% Contribution in City)

Micro Markets as per highest number of launches in each zone

Note: Error in the number of new launches if any, is due to round-off.

CAPITAL VALUE MOVEMENT

Extension of stamp duty cut rebate by West Bengal government boosted residential property sales in Kolkata, 68% YoY growth.



EMERGING TRENDS SHAPING THE INDIAN RESIDENTIAL REAL ESTATE LANDSCAPE

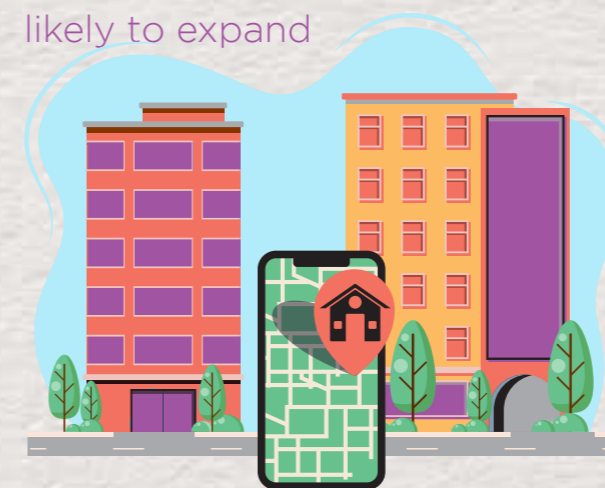
NEW SUPPLY
expected to remain robust



DEMAND FOR PREMIUM TO LUXURY HOMES
will remain strong



MARKET FOR GATED CONDOMINIUMS
likely to expand



SUSTAINABLE DEVELOPMENT
focus on this segment will increase



AVAILABLE INVENTORY
levels to continue its southward trajectory



DEPRECIATION
of Indian currency against the US dollar will continue to attract NRI homebuyers' interest



HOME OWNERSHIP
to remain undeterred with maximum sales to be driven by end-users



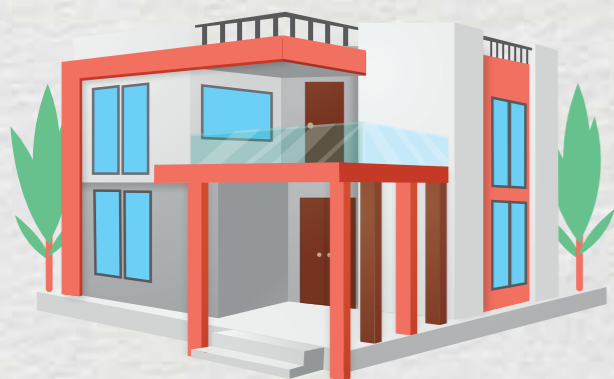
RETURN TO OFFICE
based working post-pandemic to further spur rental housing demand



GRADE A DEVELOPERS
to continue to dominate the market and gain prominence amongst prospective homebuyers and investors



STRONG CONSUMER SENTIMENTS AND RISING PER CAPITA INCOME
to further boost demand for premium to luxury homes and vacation homes



MACROECONOMIC HEADWINDS
such as global recession and domestic inflation, if any, may impact the Indian housing market



INDIA RESIDENTIAL REAL ESTATE OUTLOOK 2023



The rapid change in macroeconomic fundamentals is changing the playbook for real estate investment globally as well as in the region. Despite the challenging climate in the last decade both globally and in India, cross-border investments have remained remarkably resilient, gaining 11.8% in the first nine months of 2022. With macroeconomic headwinds remaining significant, we expect to see a period of price discovery as asset managers, investors, and developers reconcile the gap between the asking and bidding prices to find a new market equilibrium.

Residential demand to continue to remain strong in the first quarter of 2023 but demand in the following quarters will depend largely on how things pan out in the global market

After a record 2022 for the housing sector, the prospects for 2023 remains cautiously optimistic due to the emerging global headwinds. Residential demand may continue to remain strong in the first quarter of 2023 but demand in the following quarters will depend largely on how things pan out in the global market. There is a possibility of a recession in major global markets including the U.S., Europe and India cannot be decoupled from it.

There could be some repercussions in the Indian market by way of layoffs etc. which in turn may slow down the residential demand, if at all. Further, a lot will also depend on how the home loan interest rates pan out over this year. In entire 2022 including the new rate announced in early December, we have seen a hike of almost 225 bps in the repo rates by the RBI which inevitably has increased home loan rates. While so far, the impact of the rate hikes has been minimal on demand but if the rates rise further, it may go on to impact residential sales. ANAROCK's most recent Consumer Sentiment Survey also found that housing sales would be considerably hit if home loan interest rates breach the 9.5% mark.

Further, in 2023, new launches may remain well under control across most top cities. Ready-to-move-in will continue to be the most preferred but the demand for

new launches will also gain momentum. This is largely because the new supply in the market is and will continue to be dominated by the large and listed developers. There is a sense of confidence among the buyers for these developers and hence they will continue to perform well and see significant sales, just as they did in 2022.

Mid and premium segment homes will continue to dominate market supply and demand in 2023. Luxury segment too, will continue to perform well in the coming year. Property prices saw annual rise of 4-7% rise in 2022 and looking at the present scenario, we anticipate that 2023 will see a further hike of up to 5% - 8%. This is largely due to increase in input costs and rising demand. Home loan rates have also gone up in recent times, thereby increasing the overall cost of acquisition for homebuyers.

That said, housing demand continues to be high, further accelerated by the desire to own a home as an assurance of security amid exigencies such as the pandemic.

ANAROCK

VALUES OVER VALUE

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).

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